Graduate School of BUSINESS UNIVERSITY OF CAPE TOWN | MPhil

Developing an *Ubuntu*-infused e-commerce business model for South African small businesses based on a holacratic organisational structure

Submitted to the Graduate School of Business, University of Cape Town, in fulfilment of the requirements for the Degree of

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by

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ABSTRACT

South Africa's e-commerce industry is one of the better performing industries in the African continent. As with other technologies, e-commerce has the potential to help the country leapfrog ahead and help address the challenge of unemployment, simultaneously contributing towards improving the country's overall economic performance. This can be realised by bolstering e-commerce and entrepreneurship through innovation among small and medium size businesses.

This study focuses on e-commerce as one of the technologies that South Africa can invest in to contribute positively towards sustainable job creation, with the benefit of improved gross domestic productivity (GDP). A mixed methods approach was undertaken to understand the enablers and inhibitors of e-commerce in South Africa, with the intention of using this understanding to develop a business model that is suitable for South Africa's e-commerce industry and to help unlock its full potential. To this effect, eight participants who are entrepreneurs were interviewed. The entrepreneurs consisted of two groups that either utilise e-commerce as part of their business operations, and those that do not. Their contributions in the findings of the qualitative study were subjected to quantitative research through a survey study that was based on 65 respondents. These respondents were selected based on a convenience sampling method, and as a final exercise, the insights gleaned from both studies were analysed and incorporated into the business model.

The e-commerce business model presented herein incorporates the communitarian values of *Ubuntu*, which is the prevalent axiological system in South Africa. In the business model *Ubuntu* is blended with the self-governance organisational structure of holacracy. This complements the collaborative and self-organisation trait of South African communities, which allows for the economic pursuits of an e-commerce initiative to reflect the nature of the societies in which it co-exists.

Key words: *Ubuntu*, E-commerce, Holacracy, Business model, Job creation

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Immense gratitude to God for carrying me this far.

This research study is dedicated to my mother, Maud Nkuna, who has always been my moral compass, role model, and my pillar of strength through so many trials. I love you dearly.

To Mpumi, dear daughter, I am doing this for you. I love you. All things are possible!

My heartfelt appreciation goes to my sister, Tsitsi, who has walked the journey of life with me literally every step of the way. Your motivation fuels my drive. Thank you also to my brother-in-law for encouraging me to go on this journey. I am eternally grateful to both of you for this.

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PLAGIARISM DECLARATION

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GLOSSARY OF ABBREVIATIONS

4IR	- Fourth Industrial Revolution
BHAG	- Big, Hairy, Audacious Goal
BIK	- Business Innovation Kit
BMC	- Business Model Canvas
CEO	- Chief Executive Officer
CIO	- Chief Information Officer
COO	- Chief Operating Officer
D-commerce	- Digital commerce
E-commerce	- Electronic commerce
GDP	- Gross Domestic Product
IT	- Information Technology
Ops	- Operations
SME	- Small or Medium-sized Enterprise
SSBMC	- Strongly Sustainable Business Model Canvas
StatsSA	- Statistics South Africa
T-MBC	- Triadic-Model Business Canvas

CHAPTER 1: INTRODUCTION

1.1 Problem to be addressed

Amid chronic unemployment levels, it would appear as though there is inaction on the part of the large population of black South Africans, which happens to be the most affected population group as highlighted by the Statistics South Africa 2019) publication on inequality trends. To fuel the fire, there even exists a hegemonic myth of labelling black South Africans as being lazy and accepting the status quo with little to no resistance (Dawson & Fouksman, 2020; Jeske, 2020). Jeske (2020) and Dawson and Fouksman (2020), through in-depth ethnographic research case studies in the South African provinces of Kwa-Zulu Natal and Gauteng, respectively, have undertaken to dispel this myth. It is further stated that this misconception has unfortunately "guided, upheld, and justified racial inequalities in South Africa and the world since the earliest mercantile and colonial encounters between Europeans and Africans" (Jeske, 2020, p. 186).

In countering the "hegemonic narrative" (Jeske, 2020, p. 31), a historical context of social structures that have helped to perpetuate poverty into post-apartheid South Africa are mentioned. Jeske (2020) discusses paternalistic distractions as one of those factors that appear benevolent in nature, while in truth have led to a dire situation of disproportional economic participation among black South Africans (Statistics South Africa, 2019). Jeske (2020) provides an example of such distractions that were taking place during apartheid South Africa:

> [M]any white [employers] saw it as their Christian duty to serve as benefactors to their black employees. In many cases they housed employees on their property, took workers to doctor visits, threw birthday parties for them, drove them on shopping trips, and referred to them as family… (Jeske, 2020, p. 188).

Dawson and Fouksman (2020) also mention the introduction of government social income grants as a contributing factor to the laziness myth. Dawson and Fouksman (2020) present a few cases where social income grants perpetuate the notion of paternalistic distractions as presented by Jeske (2020). The research likens grants as "as a fleeting gift for the present" (Dawson & Fouksman, 2020, p. 235), or "being temporary and vital for the present, but not especially good for the

future"(Dawson & Fouksman, 2020, p. 236). It is argued that in place of paternalistic distractions such as social income grants and others, relevant skills development, education and work opportunities be provided (Dawson & Fouksman, 2020).

1.1.1 Recognising the impact of paternalistic distractions

Jeske's (2020) conclusion on the laziness misconception introduces some of the complexities that inhibit economic progress for many South Africans. Mentioned in the text are phenomena contributing to the problem, such as poverty; globalisation; apartheid and post-apartheid lived experiences; racial tensions; inadequate remuneration; erosion of trust; and paternalistic distractions (Jeske, 2020). All these factors deserve an in-depth study for their contribution to South Africa's economic state, and ultimately to unemployment. However, of all these phenomena, the *paternalistic distractions* would at first appear to be of little harm, if at all.

Paternalism is a value that is, to a less extent. associated with the practice of *Ubuntu*, which is the dominant axiological system in South Africa (Metz & Gaie, 2010; Migheli, 2017). This is further elaborated on by Tembe (2020, p. 80) when stating that "… one may be of the impression that it is the duty of the male members of the community to declare themselves as protectors of their communities." Distractive paternalistic social acts, however, are delusively antidotal and have unfortunately been embraced by the recipients as a means of surviving prevailing difficult economic circumstances. This was especially employed during apartheid South Africa to gain access to products and services within the townships. For example, during that era black South Africans were prohibited from operating most types of businesses, which resulted in groups such as the Indian and Muslim communities, who had carte blanche to running businesses anywhere in South Africa, taking the opportunity to establish businesses in areas predominantly inhabited by black South Africans (Jeske, 2020). In a similar fashion to the paternalistic distractions perpetuated by whites, the Indian and Muslim communities also assumed a similar role by becoming the bridge to supply black South Africans with goods and services. Social income grants may also be added to the mix.

1.1.2 Towards communitarian economic upliftment

While at face value these paternalistic distraction tactics allude to a noble intention to assist black South Africans to survive a difficult socio-political apartheid climate, the indications are that this has contributed to the unintended consequence of disenfranchising the majority of South Africans from becoming valuable economic participants, by relying on jobs being offered to them, as opposed to being the creators of jobs. Black South Africans in particular have been entrenched in the consumption end of the needs spectrum, while predominantly white and Indian South Africans have continued to benefit financially from the supply end of the spectrum courtesy of long-established value exchange systems (Statistics South Africa, 2019). Almost twenty years post-the apartheid era, the harm that these value exchange systems are causing cannot be ignored.

> The idea of a constant struggle [runs] deep among black South Africans. In the all-pervasive Zulu greeting, one person asks another, "How are you?" (*unjani?*). Common responses include "I am trying" (*ngiyazama*), and the more passively constructed, "Things are being tried," with the implication that things are not going too well (*kuyazameka*) (Jeske, 2020, pp. 121–122).

The perspective of communitarian economic intervention is the foundation upon which this research study is being explored—a social interdependence where economic challenges are addressed collectively for an optimal outcome that benefits society as a whole (Tam, 2019). The theory behind this is that it would lead to sustainable job creation, as opposed to paternalistic anecdotes spoken against by other researchers (Dladla, 2017; Tembe, 2020).

This research study intends to contribute to approaches that unemployed South Africans can take towards creating job opportunities for themselves, by leveraging *Ubuntu* values to collectively address challenges that affect them. This is achieved by providing an innovative means by which values encapsulated under *Ubuntu*, such as community, caring, sharing, and responsible leadership (Chemhuru (Ed.), 2019; Lutz, 2009; Woermann & Engelbrecht, 2019), may be captured into a business model that is suited for small business entities, or small and medium-sized enterprises (SMEs) as they are sometimes referred to. SME development is significant in accordance to the pervasive idea that the sector is ideally positioned to address economic challenges such as

unemployment, as well as elevating the state of entrepreneurship in Sub-Saharan Africa (Mamman et al., 2019).

1.2 Purpose of the research study and its significance

An alternative approach to the paternalistic distractions discussed in the previous section is the area of enquiry under this research, among which the above-mentioned values of community, caring, sharing, responsible leadership, and others, are of interest. Scholars such as Chemhuru (Ed.) (2019), Dawson and Fouksman (2020), Dladla (2017), and Jeske (2020) have proffered the intentional exploration of *Ubuntu* as an axiological system in South Africa. Other nations that have leveraged their inherent axiological systems appear to exhibit strong performing economies. This is depicted in *Figure 1* (on the next page) as an infographic. The infographic provides a gross domestic product (GDP) per capita comparison of South Africa within the BRICS[1] bloc (World Bank Group, 2021), followed by a view of GDP per capita data among some of the developed nations, viz. South Korea, the European Union; Hong Kong in China (an Asian Tiger; Lall, 1996); and the United States of America. Lastly, the leading economies according to GDP per capita statistics, which are Luxemburg and Singapore, are also depicted at the top of the infographic.

Moving clockwise, a second set of data depicting the GPD per capita statistics for additional countries is provided. This set includes a few African countries, with Mauritius leading with US$22,240.13; Equatorial Guinea at US$18, 127.19; South Africa at US$14,420.17; Ghana at US$6,178.29; and Nigeria at US$5,459.16. These figures are a far cry from those of developed and top performing nations, such as the United States, Australia, or the European Union, which boast GDP stats per capita of US$69,287.54, US$55,807.44, and US$48,436.34, respectively.

Indicative of the pervasiveness of paternalistic distractions by means of income disparity, there is a high imbalance with high-net-worth individuals (decile 10) controlling more than a 50% share of GDP, with the remaining share of the GDP spread among the remaining nine deciles.

[1] Brazil, Russia, India, China, and South Africa grouping of developing economies, collectively referred to as BRICS bloc of countries (Dastidar & Banerjee, 2020)

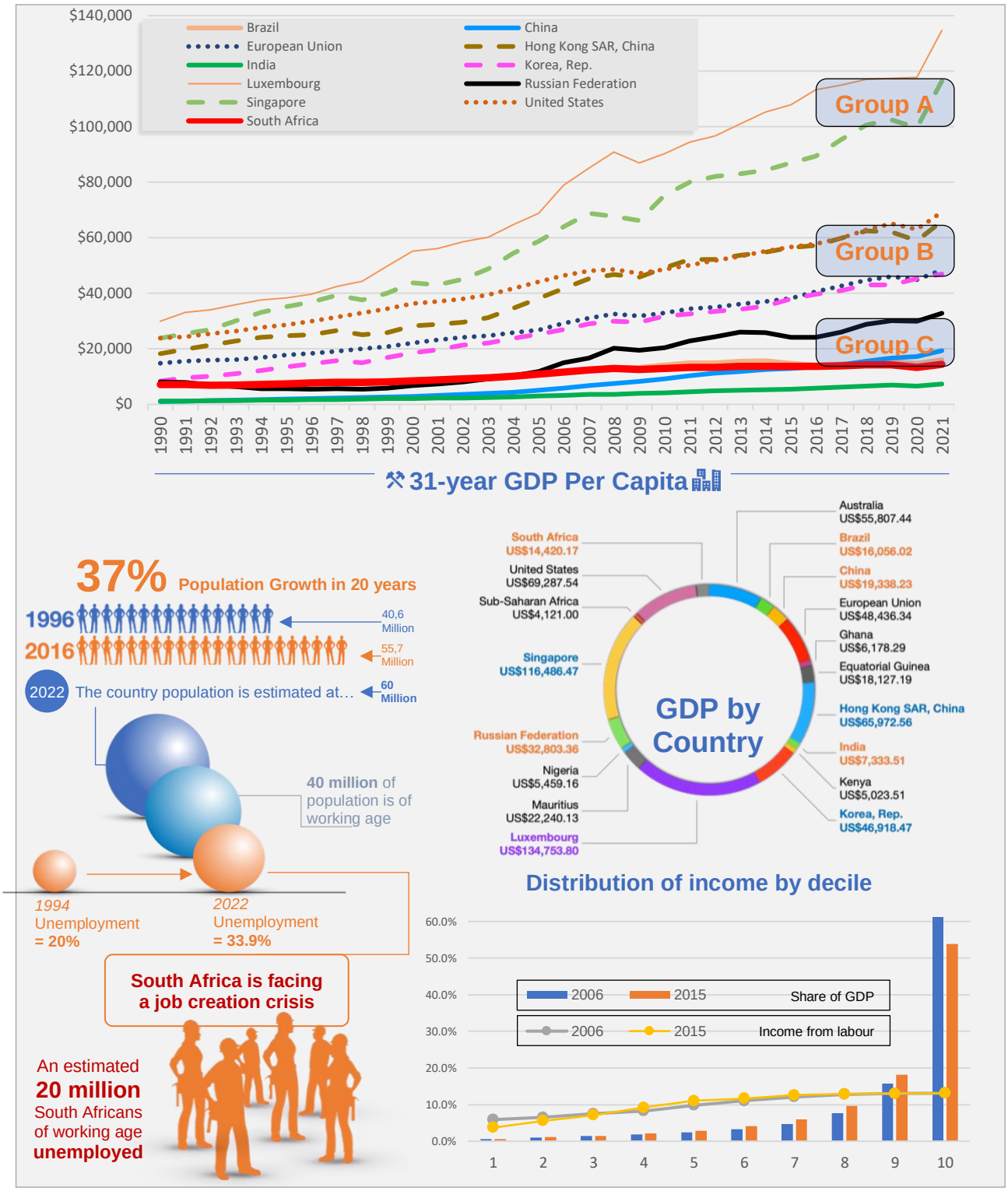


Figure 1: Author's graphical representation of key foundational data (Sources: Statistics South Africa, 2019*;* Statistics South Africa, 2022a*;* Statistics South Africa, 2022b*;* World Bank Group, 2021a*)*

The above infographic also depicts the consequence of paternalistic distractions in the form of high unemployment rate at 33.9% for the year 2022 (Statistics South Africa, 2019, 2022b). It is concerning that while the population has grown from 40.6 million in 1996, to 55,7 million in 2016, the unemployment rate has increased to worse levels over the years, moving from 20% in 1996 to its 2022 levels of 33.9% (Statistics South Africa, 1998; World Population Review, 2021b, 2021a).

Paternalistic distractions employed during and after the apartheid era have in one form or another contributed to the above dismal socio-economic statistics in South Africa. Alternatively, and as intended under this research study, for South Africa to implement communitarian economic interventions to create jobs and increase productivity beyond the classification of *Underperformers* as indicated in *Table 1*, the country needs to adopt different economic practices. The different country classifications in *Table 1* emerge when analysing the GDP per capita statistics from a sample of countries reported by the World Bank Group (2021) as depicted in *Figure 1* above.

Table 1: Country classifications based on GDP per capita

***Ubuntu* Theoretical Perspective**	**Description**
***Group A**:* *Top Performers*	Consists of high performing outlier nations led by Luxembourg ($134,753.80 GDP) and followed by Singapore, which is a best performer among the *Asian Tigers* (Hong Kong, Singapore, South Korea and Taiwan (Lall, 1996)), with 2021 GDP performance figures of $116,486.47 (a 389% increase from 1990).
***Group B**:* *Good Performers*	Nations led by Sweden ($59,323.96 GDP) with GDP per capita below those of top performing outliers in *Group A*, and above the best performing developing nation (Turkiye, $30,472.38 GDP)
***Group C**:* *Underperformers*	Contains a list of developing nations

Note: Data from the World Bank Group (2021) was used to classify countries according to the three categories.

The economic practices that are exhibited among Group A and B nations mentioned above (*Top Performers* and *Good Performers*, respectively) are of interest for this research. With South Africa facing a high unemployment rate problem (Statistics South Africa, 2019, 2022b; World Population Review, 2021a), this research study is based on the postulation that economic productivity and citizen participation may be improved by drawing economic lessons from relatable countries with top performing economies, such as:

- China, a member of the Brazil, Russia, India, China, and South Africa (BRICS bloc; Dastidar & Banerjee, 2020), and whose city Hong Kong features among the Asian Tigers (Lall, 1996);
- South Korea, a country which is also an Asian Tiger and had GDP per capita comparable to that of South Africa in 1990 (World Bank Group, 2021); and
- Sweden, whose communitarianism value system of *Jantelagen* (the Laws of Jante) has been contrasted with South Africa's value system of *Ubuntu* (li, 2015; Tembe, 2020).

Group A and B countries, such as China, South Korea and Sweden, have low unemployment rates of 5.2% or 3.64%; 3.9% or 3.76%; 8,3% or 6.78%; respectively, depending on the source of the unemployment figures (World Population Review, 2021a)). South Korea has consistently outperformed South Africa's GDP per capita since 1990 as illustrated in *Figure 1*. Whereas the former has a reported population of 51,8 million (World Population Review, 2021b), which is comparable to South Africa's estimated population size of 60 million (Statistics South Africa, 2022a) for 2022, it manages to attain enviable levels of productivity for its constituents.

There are many factors to consider when addressing the complexity of economic problems plaguing South Africa, as Jeske (2020, p. 189) notes "real-life narratives are complex and unpredictable". Forje (2019, p. 139) concurs, elaborating that "African countries face complex problems of effectively using natural, financial, and human resources in transforming the region from a backward to a modern society with a difference." To simplify the economic problem, the economic principle of *ceteris paribus* must thus be applied. Forje (2019) proposes that Africa exploits its "latecomer advantage" (2019, p. 113) by investing in technology to leap-frog ahead and improve its economic outlook. In order to tap into the potential of the African continent, effort should be given to "unlocking human potential through technology and capacity building" (Forje, 2019, p. 114). It is thus no surprise that countries like China, South Korea and Singapore have made significant investments in developing their technological prowess, setting them apart as *Top Performers* and *Good Performers* (Dastidar & Banerjee, 2020; Lall, 1996; Lin, 2019). In the case of China, electronic commerce (e-commerce) has emerged as one of the country's technological advancements (Dastidar & Banerjee, 2020; Lall, 1996; Lin, 2019). One such area is how China's e-commerce has improved the economies of its rural villages, as stated in the case of the Taobao

Villages, which were previously disadvantaged in comparison to China's urban communities, a situation attributed to lack of information technology (IT) infrastructure (Lin, 2019).

In terms of *ceteris paribus*, e-commerce is the technological focus for this research. The research purpose is to establish a suitable business model that is necessary to enable South African small businesses to leverage investment in e-commerce technology. This in turn is to effect significant macroeconomic impact with the benefit of a well-performing small business sector.

1.2.1 Providing insight and factors influencing e-commerce in South Africa

A number of research studies have been conducted in the topical area of South African e-commerce (Dastidar & Banerjee, 2020; Gusarova et al., 2021; Haji, 2021; Ndayizigamiye & Khoase, 2018; Steyn & Mawela, 2016; UNCTAD, 2018). These studies reveal several factors that contribute towards shaping the e-commerce ecosystem of the country. This study provides further insight into the opportunities that exist, while further elaborating on the complexities of enablers and inhibitors affecting e-commerce in the country.

1.2.2 Expanding on the relevance of holacracy for self-organising communities

For this research to achieve its aim of developing a business model based on communitarian economic interventions, it is essential for the related performances and activities of producing goods and services to be endowed with "communitarian values by subjects of [*Ubuntu*]" (Tembe, 2020, p. 39). Lelkes (2021) also acknowledges *Ubuntu* for its sense of community, further stating that:

> A flourishing life is experienced by the individual but is realized in the community. And a suitable community can help with individual accomplishment… On an individual level, we can connect to the experiences, abilities and inner forces that support this… On a collective level, existing innovative tools, as well as organizations, movements, initiatives, indigenous cultures and ancient traditions can augment the capacity of the individual… We can advance from 'ego- system' to 'eco- system economics'… There are consensual decision-making processes that can involve everyone while also remaining effective (for example, sociocracy, holacracy). There are organizations that

allow their members to work together in a self- organized way and to act creatively and meaningfully for a common goal that matters for all (Lelkes, 2021, pp. 100–101).

This research provides insights into linking *Ubuntu* and e-commerce under a holacratic organisational structure.

1.2.3 Making a theoretical contribution to *Ubuntu*

Ubuntu has enjoyed numerous studies by scholars such as Christian Gade (Gade, 2017), Thaddeus Metz (Metz & Gaie, 2010), Mogobe Ramose (1999, as cited in Dladla, 2017), and Augustine Shutte (2001, as cited in Metz & Gaie, 2010). The concept has been viewed from various theoretical lenses, with the following list summarising the most common reference viewpoints:

Table 2: Theoretical perspectives of Ubuntu

***Ubuntu* Theoretical Perspective**	**Description**	**Example of Researchers**
African Philosophical Hermeneutics	Subjecting *Ubuntu* to an epistemological analysis with the ability to compare and contrast the body of knowledge with other philosophical forms of study, e.g. the similarities between Arisotle's notion of *eudaimonia* as the highest good in people and the virtue of harmony in *Ubuntu* (Nicolaides, 2022).	Afolayan & Falola (Eds.), 2017; Dladla, 2017; Nicolaides, 2022
Axiological Approach	The axiological study of *Ubuntu*, considers the promotion of values such as upholding cultural norms; social, environmental, and economic well-being; interconnectedness of past, current, and future generations; human rights and dignity for all; redressing past inequities; reciprocity; resilience; as well as honouring the relationship among people, and between people and nature.	Abubakre et al., 2021; McIntyre-Mills & Romm (Eds.), 2019; Tembe, 2020
Identity (*abantu, isintu, vunhu*)	Referring to *Bantu* language speaking people (e.g. *va*-Tsonga, *ama*-Zulu, etc.), or the identity of a certain type of people in sub-Saharan Africa who demonstrate *Ubuntu* values (*vanhu lava nga na vunhu*, in Xitsonga meaning people who practice *Ubuntu* culture).	Dladla, 2017; Gade, 2017; Tembe, 2020
Moral Quality & Human Ethic	The moral and ethical view of *Ubuntu* to condone or critique human behaviour, which Metz & Gaie (2010) termed *Afro-communitarianism*.	Dladla, 2017; Gade, 2017; Metz & Gaie, 2010
Responsive Communitarianism & Interconnectedness	The ability to make objective decisions or take action that transcends the individual's desires for a selfless outcome that yields the most ideal result, which is stated by Moodley & Beyer (2019, p. 614) as "a conflict of two major sources of normativity: that of the common good and that of autonomy and rights with neither principle taking preference"	Dladla, 2017; Gade, 2017; McIntyre-Mills & Romm (Eds.), 2019

This study has adopted the axiological view of *Ubuntu* by exploring values that must be incorporated into the envisaged business model, as shown in *Figure 2*. Navarro and Tudge's (2022) Neo-ecological Theory, which was inspired by Bronfenbrenner's (1977) work on ecological research, contributes to the conceptual framework that this research is based upon.

Bronfenbrenner's (1977-, as cited in Navarro & Tudge, 2022) study on human development spanned a period ranging from 1973 to 2006 (Navarro & Tudge, 2022). Bronfenbrenner's (1977-, as cited in Navarro & Tudge, 2022) work produced theories that morphed from the nomenclature "the ecology of human development", to "ecological systems theory", and lastly the theory matured to "bioecological theory", taking into account the internal biological processes that take place within the human body and to inform the individual's proclivities (Navarro & Tudge, 2022, p. 2)

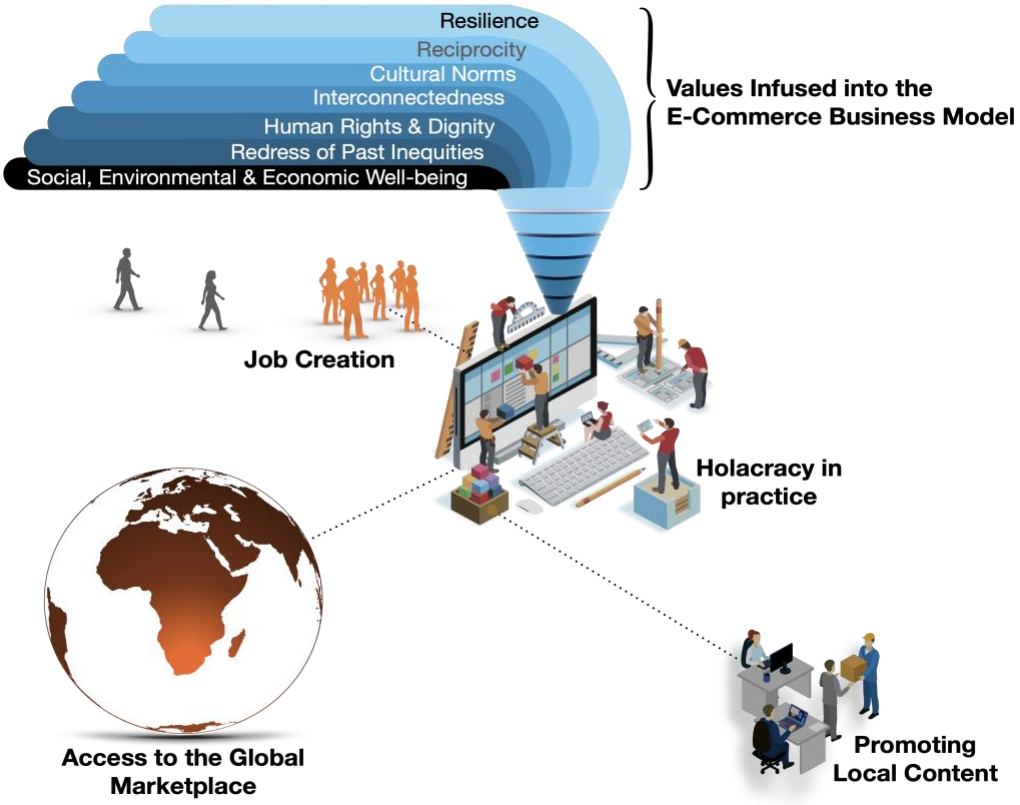


Figure 2: An Ubuntu-infused e-commerce business model (Source: Author*)*

In similar fashion, this research presents a hermeneutic taxonomy of *Ubuntu* that is based on interpreting the research conducted by Navarro and Tudge (2022). Through this interpretation, Bronfenbrenner's (1977-, as cited in Navarro & Tudge, 2022) work is thus brought into the digital era.

1.2.4 Empirical contribution to business model development

The study makes an empirical contribution to attributes that can be incorporated towards developing an innovative business model that supports online business ventures within South Africa, and other parts of the African continent that exhibit *Ubuntu* value systems. This contribution may also be utilised when developing other forms of businesses that leverage digitalisation technologies.

1.2.5 Highlighting future areas of research

The study identifies several research areas that would be of interest to the broader research community.

1.3 Research questions and scope

The research questions below are explored to provide insight into developing a hypothetical e-commerce business model for South Africa. Through the exploration of these questions, pertinent constructs or factors will be incorporated into the model based on findings from the literature review (Chapter 2) and empirical outcomes of the applied research methodology (Chapter 4).

1.3.1 Research question 1 (RQ1)

What are the enablers (RQ1a-Enablers) and inhibitors (RQ1b-Inhibitors) faced by small businesses, which contribute to or enforce limitations towards the use of e-commerce for small businesses in South Africa?

1.3.2 Research question 2 (RQ2)

With the understanding of these enablers and inhibitors from RQ1, what business model is appropriate for developing e-commerce for small businesses that incorporates the prevalent local axiological factors and fosters sustainable job creation?

1.4 Scope of research

The study was limited to the entrepreneur's use and engagement with technology. E-commerce was the primary focus of the research, but all other forms of technology investment and

consumption that was deemed crucial to the study was included. The extent of interviews and surveys were applicable only to limited parts of the South African rural, township, and urban communities.

1.5 Research ethics

Ethical clearance was sought from the University of Cape Town's Faculty of Commerce prior to commencement of data collection and engaging with research participants. Research participants were approached in accordance with the research methodology and design specified herein. Expectations for all parties involved was clarified and the relevant information communicated in their preferred language (such as the objectives of the research and the mitigation of potential risks). Any form of recourse that they can exercise throughout the research journey was explained. Matters of anonymity, confidentiality, and consent, where applicable, have been upheld throughout the research journey. All records of data collected have been kept securely in a cloud server environment along with all raw data.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the architectural concepts that form the basis upon which the business model, which is discussed in *Chapter 8*, is built. These concepts are "value"; "e-commerce"; "*Ubuntu*"; and "holacracy". Apart from the concept of "value", the other three are key concepts for this research and were briefly introduced in the previous chapter. "Value" is discussed to avoid misinterpretation or the pitfall of attributing ambiguous meaning where it is mentioned.

"E-commerce" is discussed from a global, continental, and South African perspective. This sets the context of the study and assists in addressing the first research question (RQ1, *Section 1.3.1*), which explores e-commerce enablers (RQ1a-Enablers) and inhibitors (RQ1b-Inhibitors). The second question (RQ2) is addressed in two parts. Firstly, the South African local value system of *Ubuntu*, along with its relevance, is presented. Secondly, the holacratic organisational structure that successfully supports the proposed e-commerce business model is elaborated upon. E-commerce remains the primary topical theme of inquiry for this research. The crucial considerations are how it is perceived and adopted within the various communities where it is intended to be operationalised.

"*Ubuntu*" is explored for its communitarian nature, and its ability to bring people together in a collaborative manner. *Ubuntu* is identified in this research as a solution to address the damaging effects of paternalism, as highlighted in the previous chapter. Tembe (2020, p. 73) goes to the extent of proposing that *Ubuntu* practices should be instituted since they are "the type of idiom and frames of reference already in place and understood by the majority of [South Africans]". Complementary to this view, Dladla (2017) references a move by younger members of South Africa's largest political party, the African National Congress, who at a particular point wanted to be divorced from Europe's paternalistic involvement on the organisation. They instead were opting for "an African cultural basis which meant the reconnection of their contemporary struggle with the antecedent history of anti-colonial wars" (Dladla, 2017, p. 57). As such, this research makes *Ubuntu* a concomitant factor for the development of a business model to contribute towards South

Africa's improved economic productivity, holding true to reflecting prevalent value systems in the country.

Lastly, "holacracy" is discussed for its ability to assist people to self-organise. Holacracy manages to nurture opportunities to evolve an organisation through a defined process by which "[e]ach tension human beings sense is a signpost [used by] the organization [as a trigger to propel it to] better express its purpose" (Robertson, 2016, p. 7). In this manner, holacracy provides a method by which the tensions are systematically addressed in such a manner that fosters organic evolution.

Through these concepts, this research study addresses the problem of job creation by focusing on improving economic productivity and citizen participation based on communitarian economic intervention. To achieve this, the study takes a novel approach of integrating the three key concepts together, i.e. e-commerce as the technology of choice; *Ubuntu* as the social value system that connects people together under communitarian values; and holacracy proffered as the organisational structure (as opposed to the traditional hierarchical alternatives) that is most ideal for a self-organised workforce that embraces communal innovation as the ethos that drives productivity. In *Chapter 3*, a relational model of the three key concepts is presented (see *Figure 13*).

2.2 Value

The concept of "value" is referred to numerous times throughout this study. This ranges from "value" stated on its own in various contexts or qualified as "value systems" (e.g. "*Ubuntu* as the social value system"; "*Ubuntu* as a communitarian value system"; and "prevalent value systems in the country") and "value exchange" (e.g. "long-established value exchange systems"; and "organisation's purpose and value exchange"). Similar approaches to contextualising value can be found with Chemhuru (Ed.) (2019) positing various distinctions of value by Rolston (1932-, as cited in Chemhuru (Ed.), 2019), listing "intrinsic value"; "instrumental value"; and "systemic value"; which relate to the respective nature of value that is assigned by self (relating to the individual); utilitarian; and relating to the interdependence of entities within a system (Chemhuru (Ed.), 2019, p. 132). Henceforth, attributive adjectives will precede the word "value" to eliminate ambiguity.

The following distinctions of value and their definitions apply:

- *Axiological* - Value perceived from an ethical perspective (McIntyre-Mills & Romm (Eds.), 2019);
- *Economic* - Value that can be expressed in monetary terms at the macro-, meso- and micro-level of valuation (Chemhuru (Ed.), 2019); and
- *Intrinsic* - The nature of value that is internalised by the individual through acts of freewill, to assign moral judgment thereof (Chemhuru (Ed.), 2019).

2.3 E-commerce

This research prioritises e-commerce among many available technologies to model the ideal business that can contribute towards job creation and assist in addressing the scourge of high unemployment that is faced in South Africa (Statistics South Africa, 1998; World Population Review, 2021a). Significant e-commerce attributes for small businesses from economies that have been labelled as *Top Performers* and *Good Performers* (*Table 1: Country classifications based on GDP per capita*) have been considered to develop such a business model.

2.3.1 E-commerce defined

To empirically present this study, an apt definition of the term *E-Commerce* must be stated. Merriam-Webster provides a generic definition for E-commerce technology as "commerce conducted via the Internet". Various other definitions of what e-commerce is also exist, with Gusarova et al (2021) citing a few:

> [*World Trade Organization*] pointed out that the term electronic commerce is understood to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means[;]
>
> … [Organisation for Economic Co-operation and Development states that] e-commerce refers generally to all forms of transactions relating to commercial activities, including both organizations and individuals, that are based upon the processing and transmission of digital data, including text, sound, and visual images[;]

> … European Information Technology Observatory defines [e-commerce as the] carrying out of business activities that lead to [economic value exchange] across telecommunication network[; and]
>
> … [BRICS E-commerce Cooperation Initiative defines e-commerce as referring to] any commercial transaction type that requires the transmission of information over the Internet (Gusarova et al., 2021, pp. 1–2).

Other scholars, such as Munyoka (2022), make use of the moniker *d-commerce* (referring to digital commerce) as a reference to e-commerce, which may confound the objective of having a universally accepted definition of e-commerce. For example, Munyoka (2022, p. 1) defines d-commerce as referring to "the electronic transfer of products, services, information, money, or payments over multiple digital channels between businesses and individuals." This is similar to the definitions submitted by Gusarova et al (2021).

To further confound matters, e-business and e-commerce are terms that are oftentimes used interchangeably. Moriset (2018) clarifies the distinction between the two methods of facilitating online transactions, framing e-business as a broader strategy to enable organisational processes via digital means of communication. Whether employed for performing internal business functions, or those business functions that interact with the broader external environment, Moriset (2018) further elaborates that e-business and e-commerce transactions rely on computing devices and telecommunication systems to thrive. Moriset (2018) goes further to define e-commerce as a subset of e-business, which is strictly focused on the commercial activities of purchases and sales taking place between two parties. The parties that conduct e-commerce transactions can thus take the form of any type of business entity (producer or consumer) or the end-consumer (producer or consumer), interacting in the format of business-to-business (B2B), business-to-consumer (B2C), or consumer-to-consumer (C2C) commerce.

Goga et al (2019) also highlight that in respect of the context upon which one views e-commerce, it can take an even narrower definition. For example, in the context of online retail e-business, e-commerce can be defined as "the sale of physical products over the internet" (Goga et al., 2019, p. 6). A further expansion is provided by Aulkemeier et al (2016), listing 10 internal e-commerce

business functions that must be exhibited by an e-commerce platform, viz. Marketing/Branding; Pricing/Selling; Customer Service/Customer Relation; Supplier Development/Procurement/ Purchasing; Payment/Accounts Payable; Collection/Accounts Receivables; Goods Receipt; Warehousing/Stockholding; Goods Issue/Order Fulfilment/Distribution; and Return Handling. By this definition, Aulkemeier et al (2016) provides an implied inflexible architecture upon which e-commerce is studied. While the definition by Goga et al (2019), rightfully so, contextually excludes businesses that purely render services or distribute digital content (e.g. digital music), scholars such as Goga et al (2019), Moriset's (2018), and Aulkemeier et al (2016) fail to highlight that not all 10 internal e-commerce business functions need to be digitised. What is crucial, is that at least Marketing/Branding, Pricing/Selling, as well as Payment/Accounts Payable, must be digitised and function automatically in an online environment, without the need for human intervention outside of services provisioning and maintenance processes. This precondition supports the definition of goods or services being sold online, a notion that is supported by Rahayu and Day (2017) in their research of the Indonesian e-commerce market. Thus e-commerce platforms such as Takealot, Mr. Delivery, Uber Eats and Amazon are such platforms relevant for this research.

This study derives an inclusive definition of e-commerce based on the above submissions, to adopt a common definition as follows:
E-commerce is the facilitation of economic value exchange between organisations and individuals, where each party employs the use of digitally enabled devices and platforms that are connected to the Internet to seamlessly initiate, process, and conclude the transaction within the same purpose-built application.

The above definition is aptly depicted in *Figure 3* below.

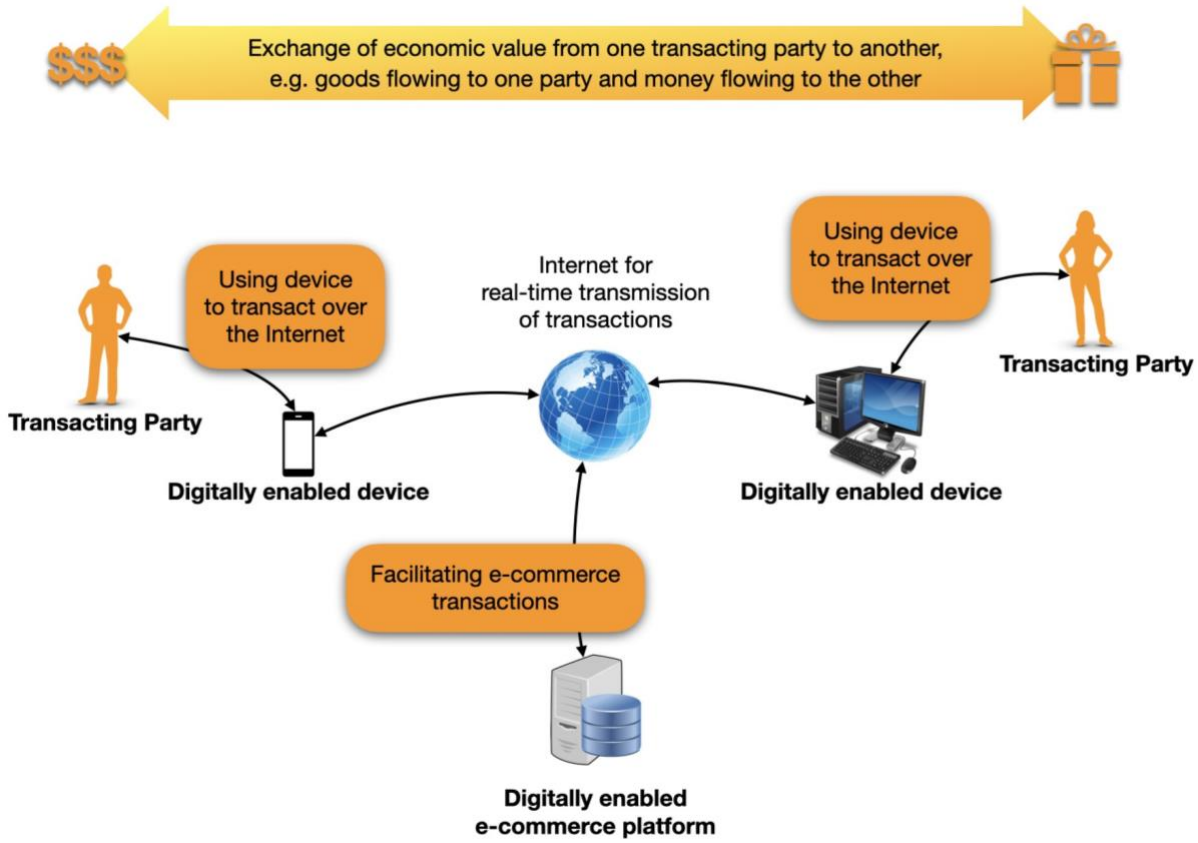


Figure 3: A depiction of the definition of E-Commerce as explored under the research study (Source: Author*)*

2.3.2 E-commerce and GDP

There are several researchers that study the contribution of e-commerce transactions towards economic productivity from a GDP perspective (Gusarova et al., 2021; Haji, 2021; Steyn & Mawela, 2016). Some of these researches provide 2018 e-commerce data as demonstrated in *Figure 4* for BRICS countries, where China is depicted as leading the group of economies claiming a 4.5% share of GDP for e-commerce; followed by Russia at 2.9%; with Brazil, India, and South Africa at an equal footing of 0.9% (Gusarova et al., 2021). These figures are closely corroborated by Haji (2021) for 2019 statistics, which are on par for South Africa on both research studies, whereas China is reported at a higher contribution of 5.09% for Haji (2021).

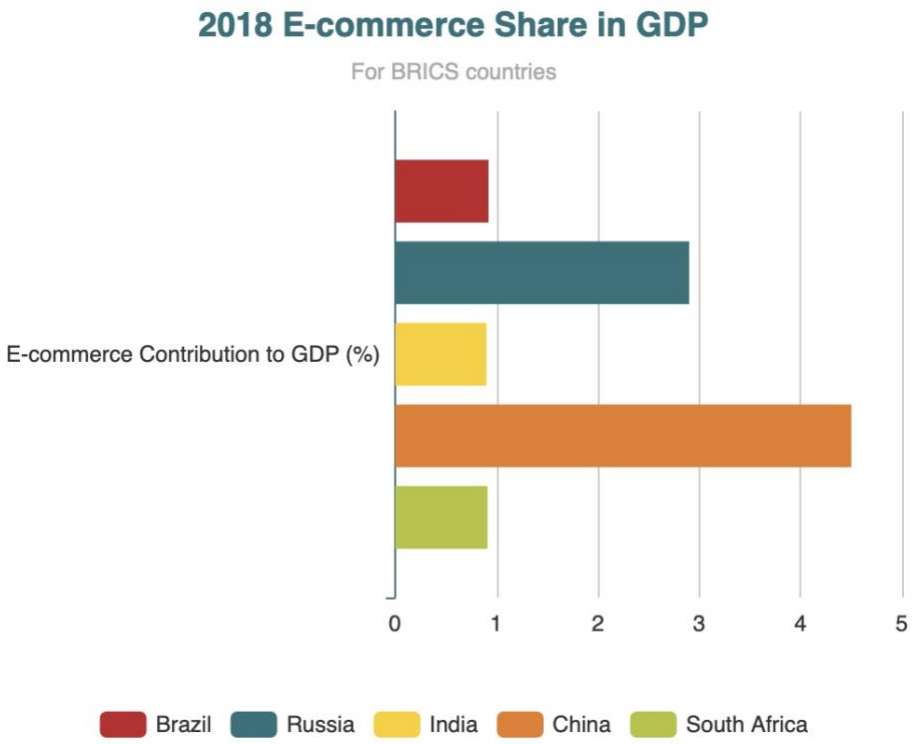


Figure 4: GDP by country for BRICS bloc of countries (Source: Gusarova et al., 2021*)*

The complexities plaguing the South African economy to have a low ratio of e-commerce to total GDP, as well as having low levels of GDP per capita (World Bank Group, 2021), severely affects the majority of South Africans in the areas of economic inequality; asset and wealth inequality; labour market inequality; inequality in the social domain; gender inequality; and social mobility, which is the ability for someone to transcend their current social status (Statistics South Africa, 2019). Given that black South Africans are the majority population group, accounting for 73.67% of the South African population (Statistics South Africa, 2016), and the most excluded group from the country's economic activities (Statistics South Africa, 2019), the prevalent economic value exchange systems resulting in the dismal GDP figures require in-depth interrogation.

Despite the complexities that inhibit economic progress in South Africa, the country manages to feature among the top economic performers in the African continent. It is surpassed only by Seychelles, Libya, Mauritius, Botswana, and Gabon in the top five most productive countries in Africa as shown in *Table 3*. With the exclusion of Gabon (due to its slow economic growth over the 31-year reporting period) and Libya (because of insufficient data), the median GDP increase for the three economies occupying the top five spots is 268%. If this median increase were to be

applied to South Africa's 1990 GDP figure, the projected GDP figure for 2021 would have been $26,000, almost double what was realised and a missed opportunity to become the second-best performing economy per capita.

Table 3: Top 10 performing African countries by GDP per capita (Source: World Bank Group, 2021)

Position	Country	1990 GDP	2021 GDP	% Increase (1990 vs. 2021)
1.	Seychelles	$8,956.36	$29,837.46	233%
2.	Libya	-	$23,356.60	-
3.	Mauritius	$4,941.08	$22,240.13	350%
4.	Botswana	$5,467.61	$17,603.73	222%
5.	Gabon	$12,381.91	$15,597.52	26%
6.	South Africa	$7,065.27	$14,420.17	104%
7.	Egypt, Arab Rep.	$3,709.40	$13,316.24	259%
8.	Algeria	$6,908.88	$12,037.48	74%
9.	Tunisia	$3,816.94	$11,594.72	204%
10.	Lebanon	$3,835.06	$10,691.22	179%

Research also shows that countries that have a strong correlation between their local axiological systems, i.e. "the system of established values, norms, or goals existing in a society" (value system, n.d.), and the resultant economic models such as the case with Sweden and China, tend to boast strong economic performance (World Bank Group, 2021). Tembe (2020) argues that South Africa, as a heterogenous country, suffers from business models and practices that are contradictory to its local axiological system, which adversely affect the economy and the lived experiences of its people.

In addressing this challenge, this research presents a business model that is complementary to South Africa's prevalent axiological system, as well as offering means to contribute towards improving the country's economic performance.

2.3.3 E-commerce in South Africa

South African e-commerce, under the broader topic of technology as suggested by Forje (2019), is an area of interest for this research study. The following considerations were made to guarantee the success of the research study:

1. GDP is studied at a macro-economic level, which is beyond the scope of this research study. Instead, this research has focused on the micro-economic aspects surrounding small

businesses and how they can make use of e-commerce technology for trade, economic productivity, citizen participation and job creation.

2. There is paucity of data regarding how small businesses are advantaged or disadvantaged in e-commerce trade within South Africa (Mkhosi, 2017). While more and more researchers contribute towards this body of knowledge, especially as online business gained much focus during the period of the COVID-19 pandemic, scholars such as Munyoka (2022) make mention that there are still limitations on generalising such studies. The research methods adopted for this study address this challenge by applying a critical view of encountered anecdotes, being cognisant that "[qualitative] inquirers examine multiple anecdotes for patterns, insights, and meaning" (Patton, 2015, p. 81).

Digitisation of trade under the topic of e-commerce is the reality of the fourth industrial revolution (4IR) and countries that do not establish their presence in this new economy face a bleak future (Janow & Mavroidis, 2019). This is due to innovation constantly influencing how trade is conducted, along with the prevalence of the digital economy being an undisputable reality. The United Nations Industrial Development Organisation (UNIDO) has recognised this fact and dedicated a research paper that emphasises that the digital economy is the future of trade for South Africa (Mkhosi, 2017). While the South African government acknowledges this fact, the various state departments do not seem to have a collective approach on how to empower local businesses for relevance in a digital world of commerce. Scholars agree that the future of small businesses in the country is tied to them carving their niche in e-commerce (Goga et al., 2019; Mkhosi, 2017).

Marwala (2020, p. 2) states that South Africa, and the rest of the African continent, are "uniquely poised to lead the charge" in 4IR. It is thus necessary to share an understanding of South Africa's state of e-commerce, providing insights into how businesses utilise information technology in performing their day-to-day duties of selling products and services.

It is evident that South Africa possesses a decent representation of businesses that favour e-commerce (Goga et al., 2019). ICASA (2020) also paints a reasonable picture for South Africa's national statistics for household Internet access (64.7%); population coverage for 3G (99.7%); as well as smartphone penetration (91.2%); which all serve as the foundational groundwork for e-

commerce to flourish. However, it is when these figures are contrasted with those of other countries (UNCTAD, 2018), as well as BRICS countries (Dastidar & Banerjee, 2020), that the situation becomes untenable. BRICS countries account for just over 50% of global online shoppers. The lion's share of this portion is attributed to China (32.1%), followed by India (10.8%), with South Africa only claiming 1.1% of global online shoppers (Dastidar & Banerjee, 2020).

South Africa is ranked 77th out of 151 countries in the world by UNCTAD (2018) in the B2C E-Commerce Index. The index is calculated based on factors such as access to banking services for the general population, Internet access, the reliability of the national postal service network, and cybersecurity. Relative to its peer countries in Sub-Saharan Africa, South Africa is ranked 5th for the proportion of individuals shopping online. Online shoppers in South Africa, Nigeria and Kenya, constitute almost 50% of online shoppers in Sub-Saharan Africa based on the index. While statistics indicate that South Africa is in a healthy position to carve its niche in e-commerce, the performance numbers are contrary to this fact.

2.3.4 Enablers of e-commerce for SMEs

According to Moriset (2018), there are more enablers to e-commerce as compared to the inhibitors. For sellers, e-commerce platforms lower entry barriers to market. Simultaneously, they provide sellers access to a much broader market that would otherwise be out of reach for traditional brick-and-mortar businesses. This is achieved through targeted online advertising and increasing the chances of being reached by buyers through search engine optimisation strategies.

Buyers, on the other hand, are also afforded several benefits, including competitive pricing and a wide selection of products or services to choose from, and to compare against, anytime of the day. By eradicating the need to travel and affording buyers more time to make their selection, buyers have greater chances of finding the right product at a reduced search cost.

2.3.5 Inhibitors of e-Commerce for SMEs

Moriset (2018) accedes that there are notable disadvantages to e-commerce platforms. This includes the proclivity of digital platforms to cyberattacks; or the inflexibility of logistical systems to adapt to anomalies that affect predefined services, products, or processes; as well as the

associated costs of dealing with such irregularities. Other challenges relate to affording customers the opportunity to physically interact with the goods they wish to purchase prior to committing to the purchase decisions, thus reducing the chances of buyer's remorse after the purchase is concluded and goods are delivered to them. Dastidar and Banerjee (2020) echo the challenges listed by Moriset (2018), and adds to this list a lack of e-commerce skills in the country, the inability of businesses to compete with those that are already established in the e-commerce market, a delivery infrastructure that is underdeveloped, as well as the high cost of mobile data. Moriset (2018) also highlights that the success of e-commerce platforms depends on having the necessary technical assistance to address problems when they arise during the shopping experience.

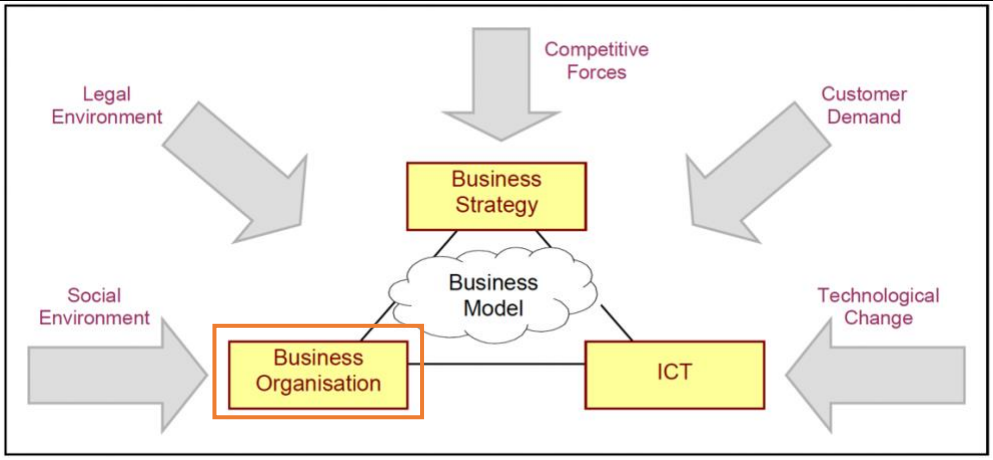
2.4 Business Modelling

RQ2 of this research study is concerned with the development of a business model. Research that considers business modelling in one form or another usually contains references to studies presented by various scholars, which invariably includes discussions about appropriate organisational structures to implement in support of the pursued business model (Breuer & Lüdeke-Freund, 2017; Hoffman et al., 2022; Remane et al., 2017; Saebi & Foss, 2015). The earlier research work of Osterwalder and Pigneur (2005) considered definitions, meta-models and taxonomies that constituted business models, culminating in the proffered standardised definition of business models:

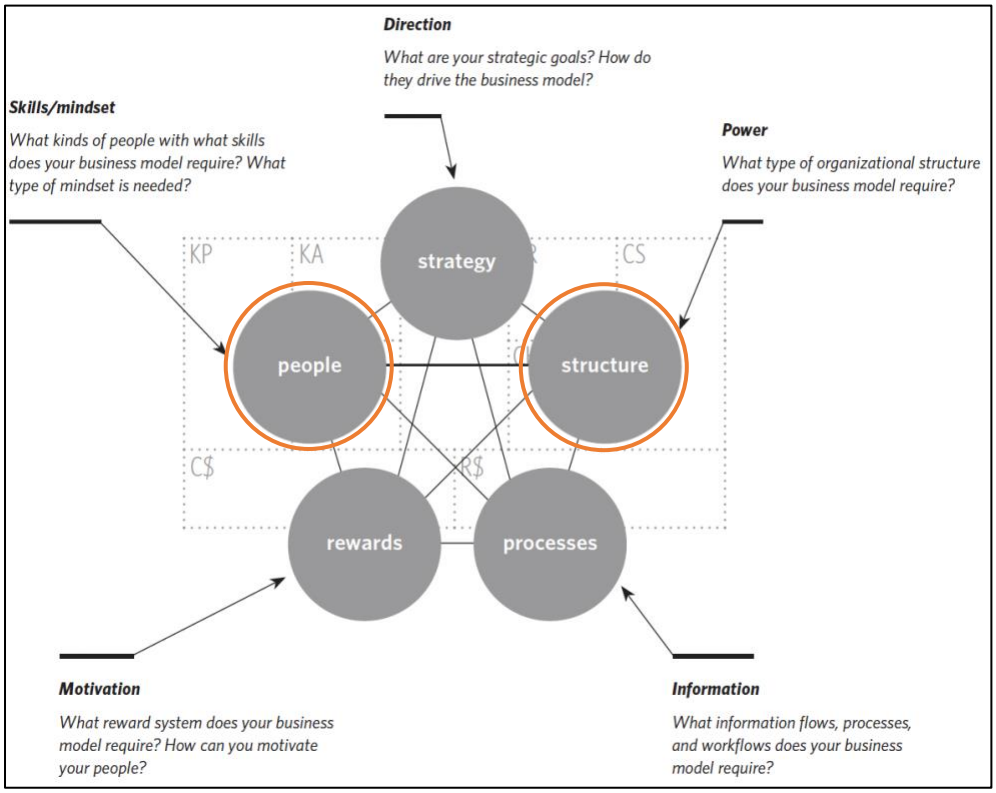
> A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific firm. It is a description of the value a company offers to one or several segments of customers and of the architecture of the firm and its network of partners for creating, marketing, and delivering this value and relationship capital, to generate profitable and sustainable revenue streams (Osterwalder et al., 2005, p. 10).

The above definition of a business model was subsequently revised to state that a business model "describes the rationale of how an organization creates, delivers, and captures value" (Osterwalder & Pigneur, 2010, p. 14). This definition is applicable to all the fifteen researched definitions spanning 1998 to 2010 that scholars Saebi and Foss (2015) submit, which includes the earlier

definition that Osterwalder et al (2010) stated above. Saebi and Foss (2015) definitions cover various forms of economic value, which Remane et al (2017, p. 5) distinguish when elaborating on the elements of a business model as having meta-components of “Value proposition”; “Value delivery”; “Value creation”; and “Value capture” (these include contributions from Osterwalder and Pigneur (2010), as well as Günzel and Holm (2013)) as referenced therein. In addition, seven out of the fifteen business model definitions listed by Saebi and Foss (2015) address the relevance of a type of organisational structure.



Business Models serving as building plans for the Business Triangle (Osterwalder et al., 2005, pp. 8–9)



Business Model serving as the basis for a Business Plan to align the five areas highlighted above (Osterwalder & Pigneur, 2010, pp. 268–271)

Figure 5: Osterwalder and Pigneur's view of the relationship between business models and organisational structure (Source: As indicated on the diagrams*)*

Figure 5 indicates the evolution of the Osterwalder and Pigneur (2010) business model, which considers five areas that are influenced in business planning. Two of the areas are the subject of this research and outlined in the hypothesis stated in *Chapter 3*, viz. people and structure. This supports the consideration of the business model canvas (Osterwalder & Pigneur, 2010) in pursuing the objective of RQ2, whereby the model can be expanded under this research to include the incorporation of *Ubuntu* as people's axiological system and holacracy as the underlying organisational structure. Structure and axiological factors are not always a consideration for business models as demonstrated by the definitions listed by Saebi and Foss (2015). While these definitions are not an exhaustive representation from the rich literature of business model research, organisational structure is generally a loosely coupled concept based on these definitions. Only 26.6% or four of the fifteen definitions make reference to an organisational structure, with the term "structure" appearing twice in the list; and both "architecture of the firm" as well as "organizational units" featuring only once (Saebi & Foss, 2015, pp. 40, 42). None of the definitions make any mention of axiological factors or a related concept as it pertains to a community.

2.4.1 Business modelling tools considered for this research

There are several business modelling tools available besides the aforementioned business model canvas (BMC; Osterwalder & Pigneur, 2010). The BMC is presented by Osterwalder and Pigneur (2010) along with a number of approaches and guidelines for its use and implementation. *Figure 6* to *Figure 9* provide a view of this modelling tool and others that are derived from it, which are considered for this research study.

Empirically, the business model discussed in *Chapter 8* is influenced by the literature review and findings from conducting the research study as directed by the research methods in *Chapter 4*. However, the business model itself is constituted by a blend of features and attributes from the various business modelling approaches presented in this chapter.

2.4.1.1 Business Model Canvas

The Business Model Canvas (BMC; Osterwalder & Pigneur, 2010) is a prominent tool that is used to describe, analyse, and design business models by considering nine building blocks, viz. value proposition, target customer, distribution channels, customer relationship, value configuration, capability, partnership, cost structure, and revenue model.

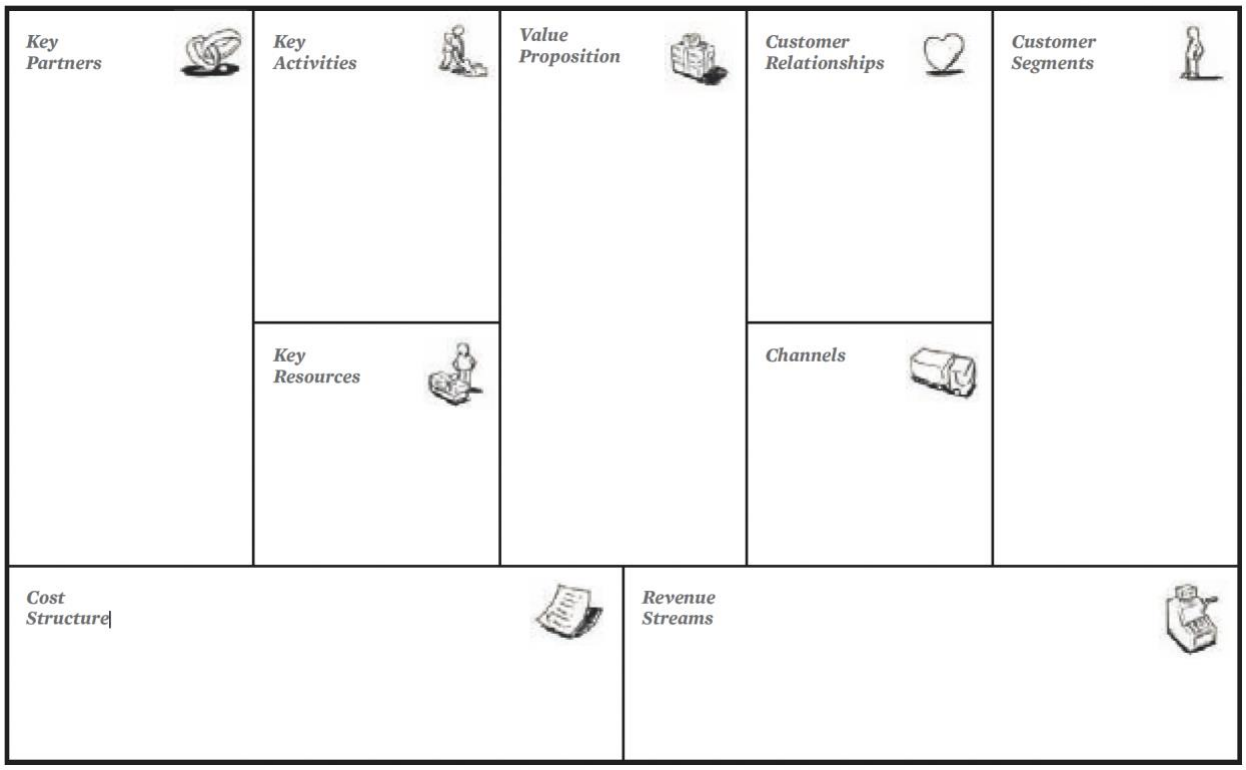


Figure 6: The Business Model Canvas (Source: Osterwalder & Pigneur, 2010)

The BMC is a very popular modelling option, with many examples available to emulate. Its limitation is how it constrains the communication of various other dimensions that may be of interest, such as community engagement, which must be incorporated outside the commercial pursuits that are the key focus of this model.

2.4.1.2 *Business Innovation Kit*

The Business Innovation Kit (BIK; Breuer & Lüdeke-Freund, 2017) is a toolkit derived from the BMC to initiate the modelling process from a general values-based approach.

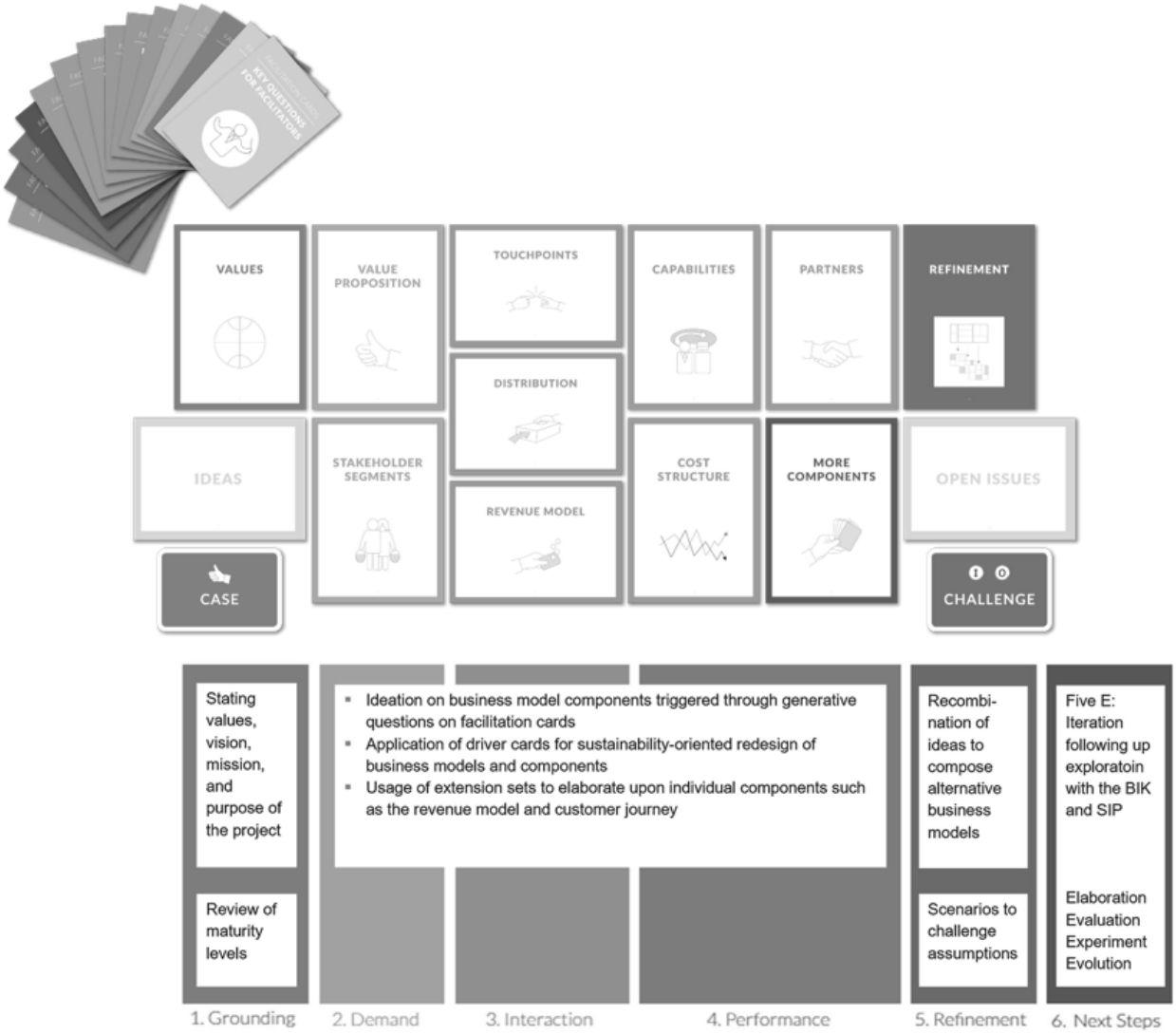


Figure 7: The Business Innovation Kit (Source: Breuer & Lüdeke-Freund, 2017)

The BIK includes all the benefits of the BMC tool, and in addition, the ability to clearly incorporate axiological and other pertinent factors. It is a good example of the type of business modelling tool that addresses the objective of RQ2.

2.4.1.3 Strongly Sustainable Business Model Canvas

The Strongly Sustainable Business Model Canvas (SSBMC; Jones & Upward, 2014) is another extension of the BMC. It is based on an ontology of ecology economics with the objective to support circular economies and sustainability in pursuit of positive environmental, social, and economic value.

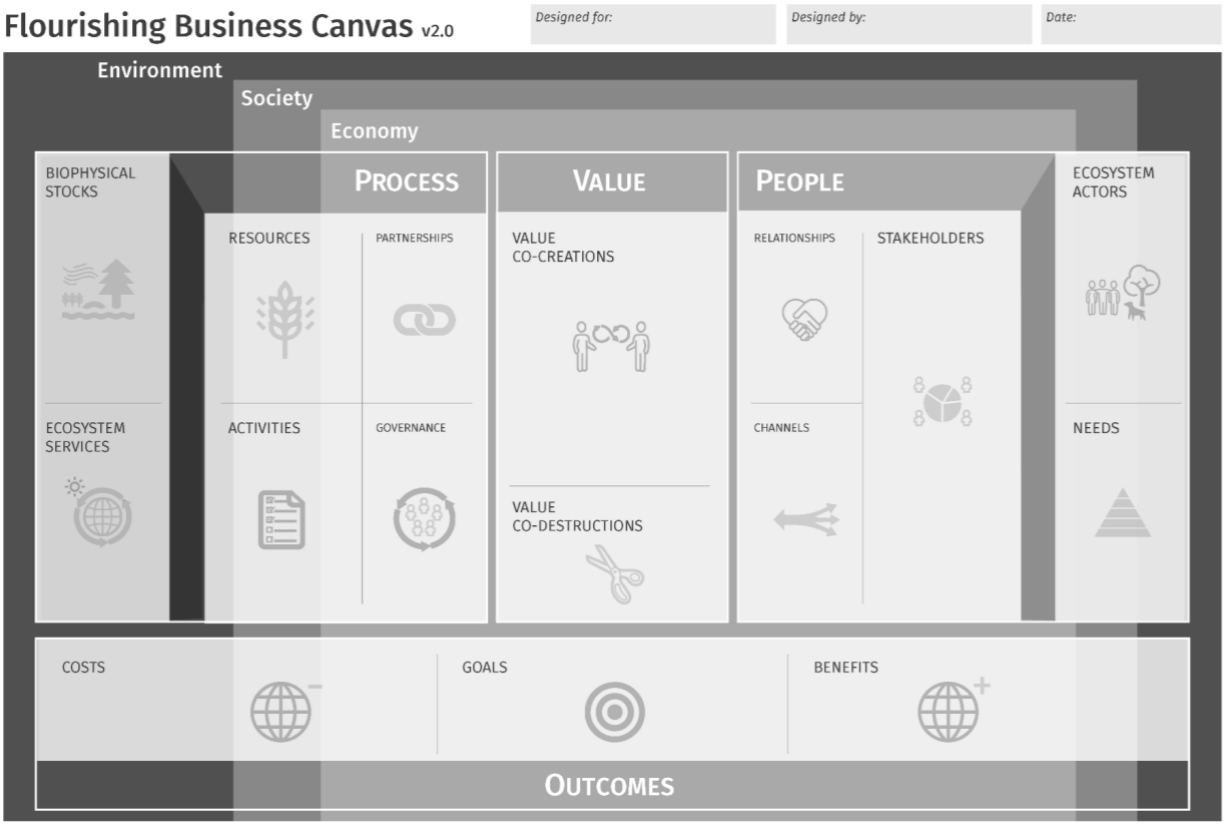


Figure 8: The Strongly Sustainable Business Model Canvas (Source: Flourishing Business, n.d.; Jones & Upward, 2014)

The SSBMC extends the traditional BMC and uses a defined body of knowledge that emphasises sustainability concerning people and the environment. Together with the BIK in *Section 2.4.1.2* above, these models provide a comprehensive mechanism to clearly convey the objectives of RQ2.

2.4.1.4 *Triadic-Model Business Canvas*

The Triadic-Model Business Canvas (T-MBC; Andreassen et al., 2018) takes a triadic approach to the development of a business model. It is based on facilitating transaction processing for a triangle of actors (usually a platform provider, a peer service provider and a customer), also serving as the basis to implement futuristic non-mediated peer-to-peer transacting networks.

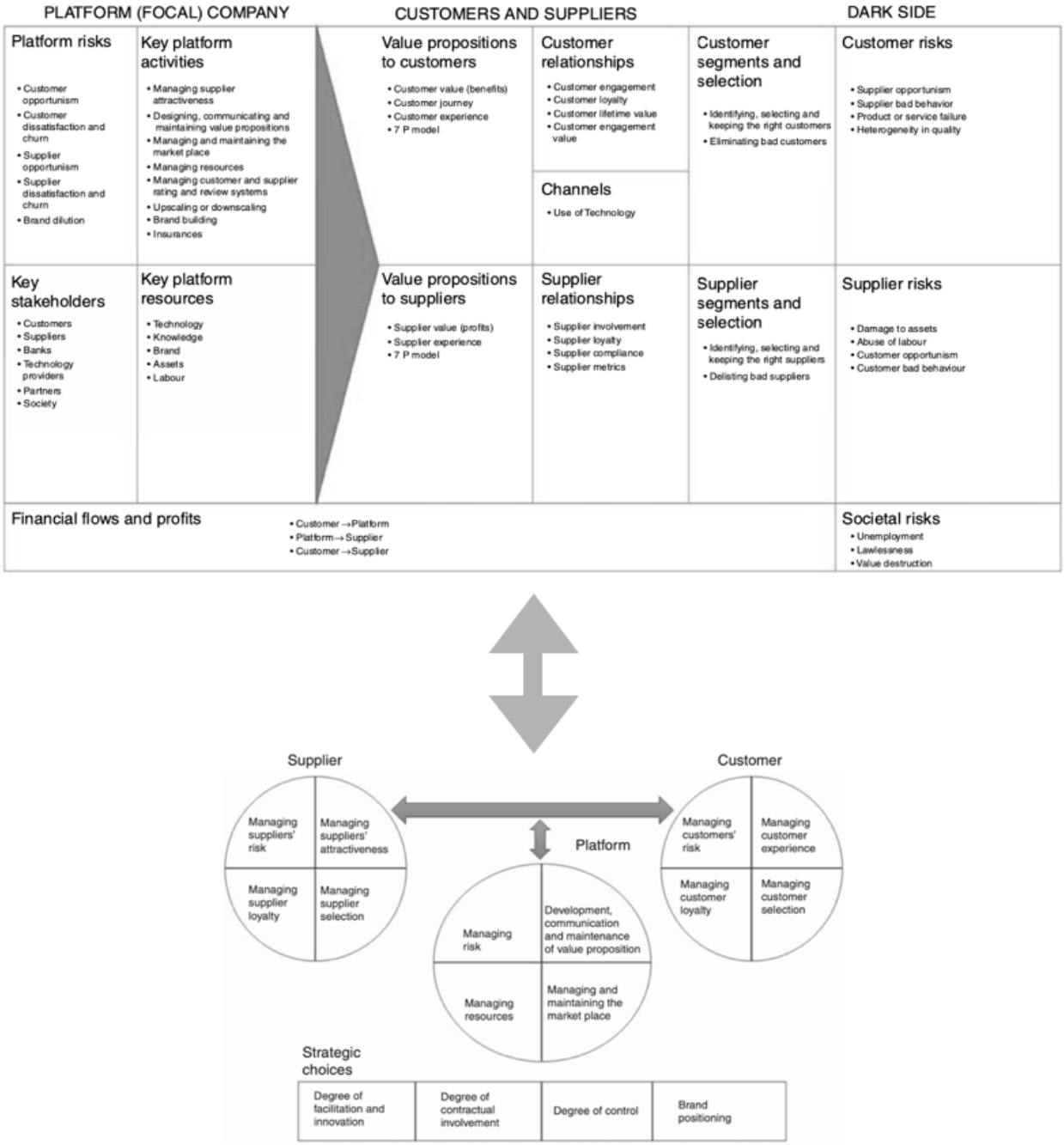


Figure 9: Triadic-Model Business Canvas (Source: Andreassen et al., 2018)

T-MBC modelling is derived from the BMC. However, it brings unnecessary complexities that are not a requirement for RQ2. The T-MBC is extended to provide an opportunity to consider various 4IR concepts such as the sharing economy, block-chain technology for the deployment of distributed ledger transaction platforms, and other peer-to-peer network capabilities.

2.4.2 Business model building blocks

The abovementioned modelling tools, as well as themes from the literature review, provide the necessary building blocks to establish a business model that is the target of this research. Each building block stemming from the referenced modelling tools and literature review is listed in *Table 4* and its relevance is motivated accordingly.

Table 4: Building blocks for the Ubuntu Business Model

Category	Building Block	Incorporated	Motivation of the features
Business Models	BMC (Osterwalder & Pigneur, 2010)	Yes	The following is a list of areas addressed in the BMC: • Customer Segments; • Value Propositions; • Customer Channels; • Customer Relationships; • Revenue Streams; • Key Resources; • Key Activities; • Key Partnerships; and • Cost Structure.

	BIK (Breuer & Lüdeke-Freund, 2017)	Yes	The following is a list of areas addressed in the BIK:
			• *Grounding:*
			  ○ Ideation and Cases (Input)
			  ○ Capture Societal Values, Organisational Values, and Customer Valuers
			• *Demand (Problem Definition/Need Clarification):*
			  ○ Value Proposition
			  ○ Stakeholder Segment
			• *Forms of Interaction:*
			  ○ Touchpoints
			  ○ Channels/Distribution
			  ○ Revenue Model
			• *Performance (Enablement):*
			  ○ Capabilities
			  ○ Partners
			  ○ Cost Structure
			• *Refinement (Continuous Improvement)*
			  ○ Challenges
			  ○ Cases (Output)

Category	Building Block	Incorporated	Motivation of the features

Business Models (Continued)	SSBMC
	(Jones & Upward, 2014)
		Yes	The following is a list of areas addressed in the BIK:
			• *Process:*
			  ○ Environmental
			  ▪ Bio-physical materials moved and/or transformed
			  ▪ Ecosystem services and respective outputs used/harmed/improved for organisation's value proposition
			  ○ Society (Community)
			  ▪ Required tangible and intangible resources (human, social, knowledge, monetary, energy, etc.)
			  ▪ Organisational activities
			  ○ Economy
			  ▪ Partnerships
			  ▪ Organisation and governance
			• *Value:*
			  ○ Value Proposition
			  ▪ Positive (value co-creation) and negative (value destruction) value propositions between the organisation and stakeholders
			• *People:*
			  ○ Society (Community)
			  ▪ Actors (human and non-human) participating in use-cases
			  ▪ Actors' needs
			  ○ Economy
			  ▪ Stakeholders
			  ▪ Relationships
			  ▪ Communication channels
			• *Outcomes:*
			  ○ Costs based on environmental, social, and economic terms
			  ▪ Tangible and intangible assets required and depleted
			  ○ Benefits based on environmental, social, and economic terms, including:
			  ▪ Tangible and intangible assets created
			  ○ Goals
			  ▪ Measuring success
			  ▪ Valuation method
			  ▪ Measurement criteria
			  ▪ Tri-profit calculation of benefits

Category	Building Block	Incorporated	Motivation of the features
Business Models (Continued)	T-MBC (Andreassen et al., 2018)	Yes	*Platform:* • Key platform activities • Key platform resources • Key stakeholders • Platform risks *Customers and Suppliers:* • Customer Segments • Customer Value Propositions • Customer Channels • Customer Relationships • Supplier Segments • Supplier Value Propositions • Supplier Relationships (i.e. Key Partnerships *Financial Flows and Profits* (as derived from BMC): • Customer to Platform • Platform to Supplier • Customer to Supplier *Dark Side:* • Customer Risks • Supplier Risks • Societal Risks

The above comprehensive table provides a list of attributes from each business model category considered for the development of the business modelling tool. All attributes are considered and the most ideal way to convey them in the model have been explored. This is summarised in section 2.4.3 below and incorporated into the *Ubuntu* business model canvas in *Figure 10*.

2.4.3 Adopted business modelling tool

The building blocks identified in *Table 4* can be grouped and allocated into the following views of the envisaged *Ubuntu* business model:

- Input;
- Processing;
- Sustainability; and
- Outcomes.

The above groupings are depicted in *Figure 10* and benefit from input derived from the conceptual framework in *Chapter 3*, viz.:

- *Ubuntu* Communitarian Values (addressed in the *Introduction*, *Literature Review*, and *Conceptual Framework* chapters);
- Holacracy (addressed in the *Introduction*, *Literature Review*, and *Conceptual Framework* chapters); and
- *Ubuntu* Taxonomy (*Conceptual Framework* chapter).

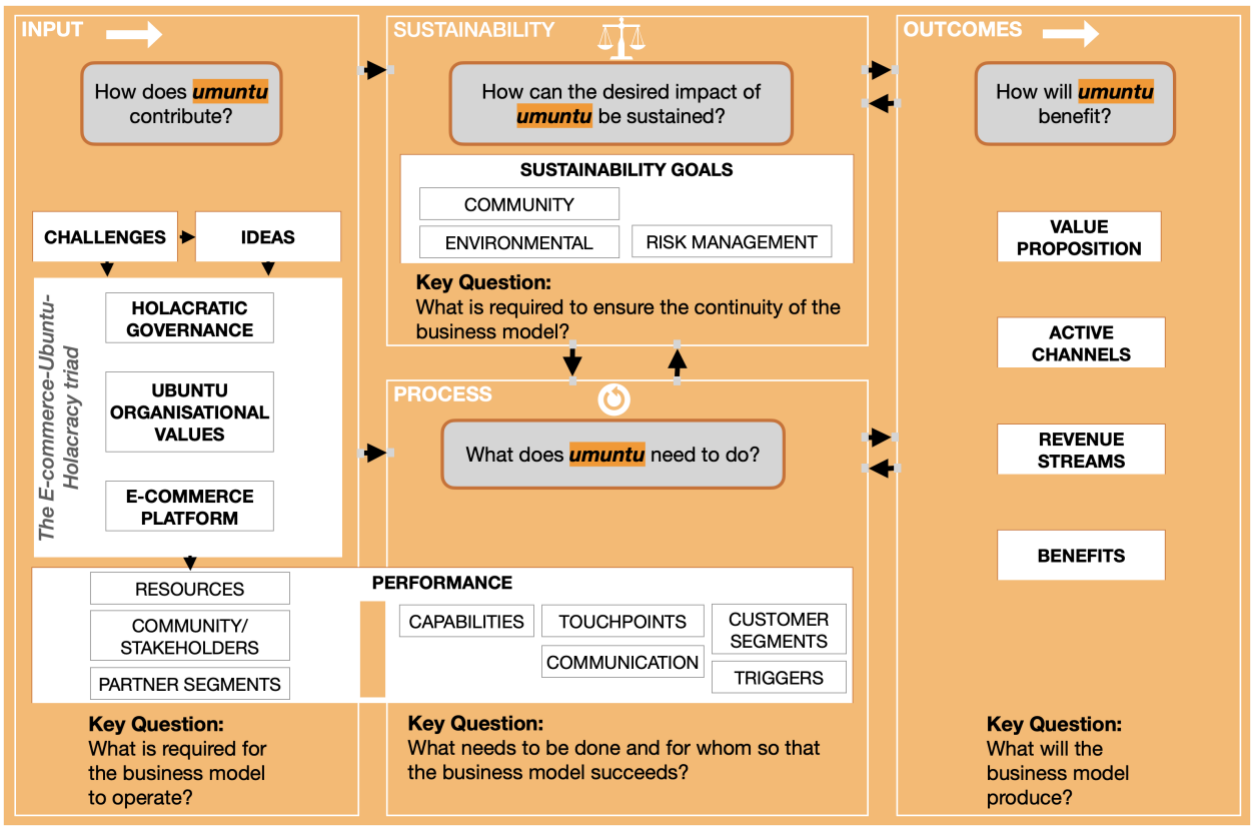


Figure 10: Ubuntu Business Model Canvas (Source: Author)

The rationale is that the outcome of the business model is directly, or indirectly, influenced by the input that is provided into the model. The nature in which the outcome is generated needs to consider the manner in which the input is processed, while also maintaining a balance for the sustainability of the model when meeting its objective.

The "Input" view addresses the key question of what inputs are required to address the challenges that the business model intends to tackle. Through ideation as suggested by the Business Innovation Kit, various solutions to these challenges may be explored (Breuer & Lüdeke-Freund,

2017). The *E-commerce-Ubuntu-Holacracy* triad (*Figure 13*) features as an input into the business model. Other key inputs are resources, the community and relevant stakeholders, various partner segments, as other business models discussed above incorporate. From an *Ubuntu* perspective, and with reference to the *Ubuntu* Taxonomy in Figure 14, the question posed is "How does *umuntu,* as the active agency in the ecosystem, contributes towards enabling the business model?"

The key question under "Sustainability" relates to finding the requirements that ensure the continuity of the business model. All factors that have a bearing on the business model need to be taken into account. This extends to ecological factors such as the environment and the community, as well as risk factors. It is on this view that *umuntu*'s desired impact is sustained.

"Process" addresses all the activities that need to be undertaken to optimise the "Outcomes" of the business model. This is how *umuntu* can benefit the collective (*abantu*) in the community based on the understanding of what the business model needs to produce. Process is enabled by means of the capabilities of the business model, touchpoints with various stakeholders, communication channels, customer segments being served, and the triggers that lead to the desired key action by the targeted customers (Eyal, 2019).

Under the domain of "Outcomes" in the business modelling tool, the following has been incorporated from the business models reviewed:

- Value proposition;
- Active channels;
- Revenue streams; and
- Benefits.

Chapter 8 follows the above logic to present the end-result of an *Ubuntu*-infused business model using this modelling tool.

By providing answers to the questions that are listed under each view of the modelling tool, a business model can be formulated as required to address RQ2 of this research study. Each view of the business model integrates logically into the others, starting with the "Input" view. This enables

the “Sustainability” and “Process” views to be interrogated, with an interdependency between the two influencing one another. The “Outcomes” view is in turn influenced by both the “Sustainability” and “Process” views, whereby the former also exerts influence back to those two views.

2.5 Ubuntu

Many researchers agree that the dominant axiological system in Africa is *Ubuntu* and have been able to present empirical generalisations for ethical, political, economic, and axiological perspectives of *Ubuntu* to this effect (Dladla, 2017; li, 2015; Mbendera, 2020; Migheli, 2017; Tembe, 2020). The latter nature of *Ubuntu* is the perspective of interest for this research. *Table 2: Theoretical perspectives of Ubuntu* introduces the complexity associated with the epistemology of *Ubuntu*. Chemhuru (Ed.) (2019) also cites several scholars that raise the concern of appropriate framing of *Ubuntu* for research to be contextualised. The definition of this concept will set the tone for the remainder of this study.

2.5.1 *Ubuntu* defined

Tembe (2020) contributes to some of the newer and ever-expanding voices to the study of *Ubuntu*. In the book *Ubuntu Beyond Identities*, Tembe (2020) provides a broader view to the epistemological work of *Ubuntu*, highlighting the diverse views that exist, and managing to compare and contrast *Ubuntu* with *Jantelagen* (The Laws of Jante) from Sweden and the *Confucianism* belief system from the perspective of China. In defining *Ubuntu*, Tembe (2020) submits variations that exist:

1. As a value system contributing to a community’s identity and practices, “it bears characteristics that go beyond the role of a signifier for identities”; serves as a “conceptual map” specifically for Bantu communities, helping to guide “everyday practices”; and has the potential to redress the effects of oppression that “Black communities in South Africa” were subjected to (Tembe, 2020, p. 32).
2. Further, as an axiological system, it becomes the embodiment of “decorum found in rituals that signify respect (*inhlonipho*), humility (*ukuzithoba*), retaining one’s social station (*izigaba kumphakathi*), listening respectfully to one’s elders (*ukulalela*), distribution of labour or overproduction in community (*ukwaba*), reprimand or advice (*ukulaya*), making

decision based on consensus (*ukudungada*), avoiding taboos (*ukubalekela ihlazo*), and punishment for those who dare to transgress the rules in place (*inhlawulo*)" (Tembe, 2020, p. 32).

3. The universally known and simplified version of *Ubuntu* from the translation of its Nguni text of "*umuntu ngumuntu ngabantu*", which is literally translated as "I am because we are" (Tembe, 2020, p. 53).
4. The communitarian translation of the aforementioned text "*umuntu ngumuntu ngabantu*", which means "I am a part of the main", or simply "I belong to my community" (Tembe, 2020, p. 54).

While Tembe's (2020) definitions are the embodiment of a communitarian society, the challenge arises as to how one would practically apply such axiologically biased definitions in a context that is intended to pursue economic value, such as an e-commerce platform, without losing the core spirit of promoting communitarianism as a strongly upheld feature of *Ubuntu*. The answer to this can be found in the interpretation of *Ubuntu's* communitarian nature from an ecological perspective. Chemhuru (Ed.) (2019) presents Ramose's (1999, as cited in Chemhuru (Ed.), 2019) stance that "in the context of *Ubuntu* environmental ethics, to care for one another implies caring for physical nature as well", as well as Murove (2004, as cited in Chemhuru (Ed.), 2019) examining "the concept of *Ubuntu* in ecological conservation and demonstrates the importance of community and relationality in ecological thought" (Chemhuru (Ed.), 2019, p. 80, italics added).

Thus, an overarching definition of *Ubuntu* that supports the intended outcomes of this research study, which is informed by other definitions from scholars who are considered subject matter experts on the topic, is as follows:

- *Ubuntu* is a normative embodiment of communitarian axiological factors that are collectively deemed positive for the livelihood of the community, providing for an ecologically mutual symbiotic co-existence, and provisions to mitigate against adverse (deleterious) effects in relation to their longitudinal impact on that community.

2.5.2 *Ubuntu* is communitarian

This research promotes the notion that is aptly stated in the African proverb "it takes a village to raise a child". The community-communitarian aspect of this is widely accepted. What tends to be missed as a result of the succinct nature by which this widely known proverb is stated, is the community-individual duality of existence. The child is a separate entity from the whole (the village) that enjoys the fruits of being raised, while simultaneously the child is a part of the village that participates in the process of "raising self". Christians (2004) expounds this when quoting that "the essence of being is 'participation' in which humans are always interlocked with one another. The human being is not only 'vital force', but more: vital force in participation" (Christians, 2004, p. 243). The dualities and dichotomies discussed by Christians (2004) demonstrates the complexities encompassed by *Ubuntu's* communitarian nature. It should thus be emphasised when viewing the individual (*umuntu*) in the context of *Ubuntu*, one should not mistaken this to refer to a singular and isolated being, but rather a view of one part that is a key constituent of the whole. Tembe (2020, p. 57) proffers an explanation for this as "*umuntu* is inside of *abantu*" which is further expanded from a communitarian society context as "the public takes precedence over the private role of a perceived individual, who is never a single entity…"

This is in complete contrast to the Western culture's promotion of individual conquests regardless of the intended or unintended consequences to the community. Chemhuru (2019) presents this viewpoint when presenting an article on the individualistic approach:

> Each individual has an obligation to develop an autonomous identity to differentiate the person from others; individualistic values and personal freedom are pursued and the individual's human rights take precedence over the rights of others; the needs of the individual are higher priority than that of a group; the individual can exist outside a community without loss of identity; and independency, self-sufficiency, and self-reliance are highly praised as the individual is responsible for the achievement of personal goals through competition with others (Chemhuru (Ed.), 2019, p. 100).

2.5.3 Lived spaces

The above presentation of *Ubuntu* provides for lived spaces in which emphasis is placed on productive citizenry, where each member contributes their capabilities and tools for

communitarian benefit. This also overlaps with characteristics of utilitarian societies wherein a zero-sum gain is discouraged, but individualism is promoted in context of how contributions are made by members of a society for the benefit of the entire community (Migheli, 2017).

Furthermore, the ability to contrast *Ubuntu* with axiological systems from other countries, such as *Jantelagen* in Sweden and *Confucianism* in China (li, 2015; Tembe, 2020), gives credence that South Africa has been able to account for *Ubuntu* at a macro level, thus cementing its prominence as a value system.

Both Tembe (2020) and Migheli (2017), among other scholars, do not conceal the fact that South Africa's dominant business and economic models mostly fail to exhibit the principles of *Ubuntu*.

2.5.4 Opposing views

It would be remiss for this study not to highlight the fact that there are voices that are pro-*Ubuntu* and those that question its efficacy in society or the boardroom. Chemhuru, who acknowledges the guidance of the often-referenced scholar Professor Thaddeus Metz[2] on the subject of *Ubuntu*, has compiled a volume of research papers that provide a diversity of opinions on the matter (Chemhuru (Ed.), 2019). Chemhuru (Ed.) (2019) presents an article where it is proposed that the communitarian nature of *Ubuntu* be considered as it has been demonstrated "that it avoids the severe parochialism facing existing relational accounts, and showing that it accounts better than standard Western theories…" (Chemhuru (Ed.), 2019, p. 25). Chemhuru (Ed.) (2019) also adds:

> I call for a change; not only a change in human economic behaviour but also a call for a universal paradigm shift. This paradigm shift should be from the "I" in "Me" ideology which is rooted in individualistic values, capitalism, and authority over nature, towards the "I" in "We" paradigm as found in *Ubuntu* degrowth, which encompasses communitarianism, respect for nature and future generations through the principle of sufficiency (Chemhuru (Ed.), 2019, p. 105, italics added).

[2] Recognised herein for a significant contribution towards *Ubuntu* epistemology, and credited by Chemhuru for "having analytically articulated an African moral theory" (Chemhuru (Ed.), 2019, p. xiii)

Contrary to the above submissions, aspersions are cast towards the universal applicability of *Ubuntu*, citing that if someone cannot comprehend the language that is being used, which arises with *Ubuntu's* influence from various *Bantu* language variants, this "results in ambiguity and vagueness rather than clarity and precision" (Chemhuru (Ed.), 2019, p. 85). Chemhuru (Ed.) (2019) adds to the criticism that the context upon which *Ubuntu* is framed needs to be clarified to avoid misunderstandings, stating that:

> Apart from the recognition that it is possible that appreciation of interconnectedness and interdependencies can be used to serve utilitarian ends, there are some African writers who claim to have taken the anthropocentric position. However, this observation can be misleading if we do not care to distinguish between authors writing within the context of "African traditional ethics (or religion)" such as John Mbiti from those working within the framework of "African environmental ethics" (Chemhuru (Ed.), 2019, p. 194).

The above concerns are viewed as the omission of contextualising *Ubuntu*, of which mitigation for this is addressed under this research. To this effect, a taxonomy of *Ubuntu* that has been derived from research by Navarro and Tudge (2022) and is presented in *Figure 14* (under Section 3.2). This taxonomy is referenced in the proposed business model discussed in *Chapter 8*.

2.6 *Suitable organisational structure*

The conclusion made by Chión et al (2019) when researching the role that knowledge sharing plays in manufacturing enterprises (this was in the context of knowledge management within organisational culture, organisational structure, and technology infrastructure and process improvement) is that there is a strong correlation between organisational structure and quality management practices. Migheli (2017) cites Muller et al (2012) on their three-year study of a sustainable societal leadership practice which compared a unilateral paternalistic system (based on an autocratic leadership style) and a participative approach (based on a democratic leadership style). The latter was deemed most successful in yielding the most desirable results for a given collective, of which, when examined in salient terms, is intrinsically linked to the *Jantelagen* and *Confucianism* value systems that promote meritocracy, as evident in the respective Swedish and Chinese societies (Tembe, 2020). Schwer and Hitz (2018) also discuss organisational structures that are suitable in a digitised society of the 4IR. They evaluate *traditional* and *flat hierarchical*

structures, and one that is based on a *holacratic* model. As a result of the above evidence, this research study includes the exploration of a business model to be defined with a suitable organisational and leadership structure for its success. This precludes the exploration of autocratic organisational structures in favour of participative organisational structures, as mentioned that "… economies and organizations are increasingly becoming complex, environment is changing more rapidly, and acceptable response time is diminishing, the old management structures are simply failing to cope with changes and development" (Velinov et al., 2018).

2.6.1 *Participative organisational structures*

Several participative organisational structures are mentioned and at times subjected to comprehensive exploration by various researchers. These are obliquity, sociocracy, holocracy, adhocracy, spaghetti organization, management 3.0, teal organisation and liberated firm (Khoury et al., 2024; Lelkes, 2021a; Velinov et al., 2018). Velinov et al. (2018) mention *obliquity* in their research without further elaboration, whereas Kerfoot (2011) expands on this leaderships style as a "process of adaptation and discovery", which serves to empower the entire workforce to be iterative and adaptive problem solvers devoted to the target customer. In a similar fashion to obliquity, *management 3.0* is a mindset rather than an actual formulation of a structure, with team fluctuations in terms of roles and responsibilities taking place from time to time (Khoury et al., 2024). In a hierarchical fashion, employees are placed in operational, functional, and strategic positions while decision-making autonomy is granted to the employee.

According to Khoury et al. (2024), a *teal organisation* is the closest representation of the *liberated firm*. A teal organisations represents a "process that invites employees to lower their 'professional self' masks, to claim their integrity and to come to work as they are. The staff of such an organization do not seek to predict or control the future" (Khoury et al., 2024). Since teal organisations and liberated firms are not organisational structures in the conventional sense, they are also both precluded from further investigation under this research.

This research views obliquity and management 3.0 as a process that can be incorporated into the other organisational structures and thus excludes them from further consideration.

2.6.1.1 Sociocracy

Sociocracy is the father of holacracy as attributed by Robertson (2016). This organisational structure fosters an environment where profit and the empowerment of the individual is pursued, with decision-making based on consent. Decisions and direction for pursued objectives are determined within semiautonomous organising circles where a grouping of individuals participate. Each circle will have its own goals and objectives and linked to other circles within the organisation through *double links* that are managed by nominated individuals. The links serve to maintain inter-circle communication and transparency. The key characteristics of sociocracy are:

- Decision-making;
- Election by consent;
- Creation of circles to organise a grouping of individuals; and
- Double links for information sharing.

2.6.1.2 Holacracy

Holacracy, which is an evolution of sociocracy, was developed primarily to assist communities within an organisation to self-govern, transcending the limitations of bureaucratic (ego-system) organisations (Robertson, 2016). As stated by Robertson (2016, p. 34), it is not a governance structure "of the people, by the people, for the people," but rather it provides an opportunity to govern people within an organisation "through the people, for the purpose [of the organisation]." This *purpose* also influences the crucial part of defining a suitable business model as envisaged by this research, thus unlocking the potential of a self-organised economic environment in which through the people, the purpose of benefiting the entire community may be realised.

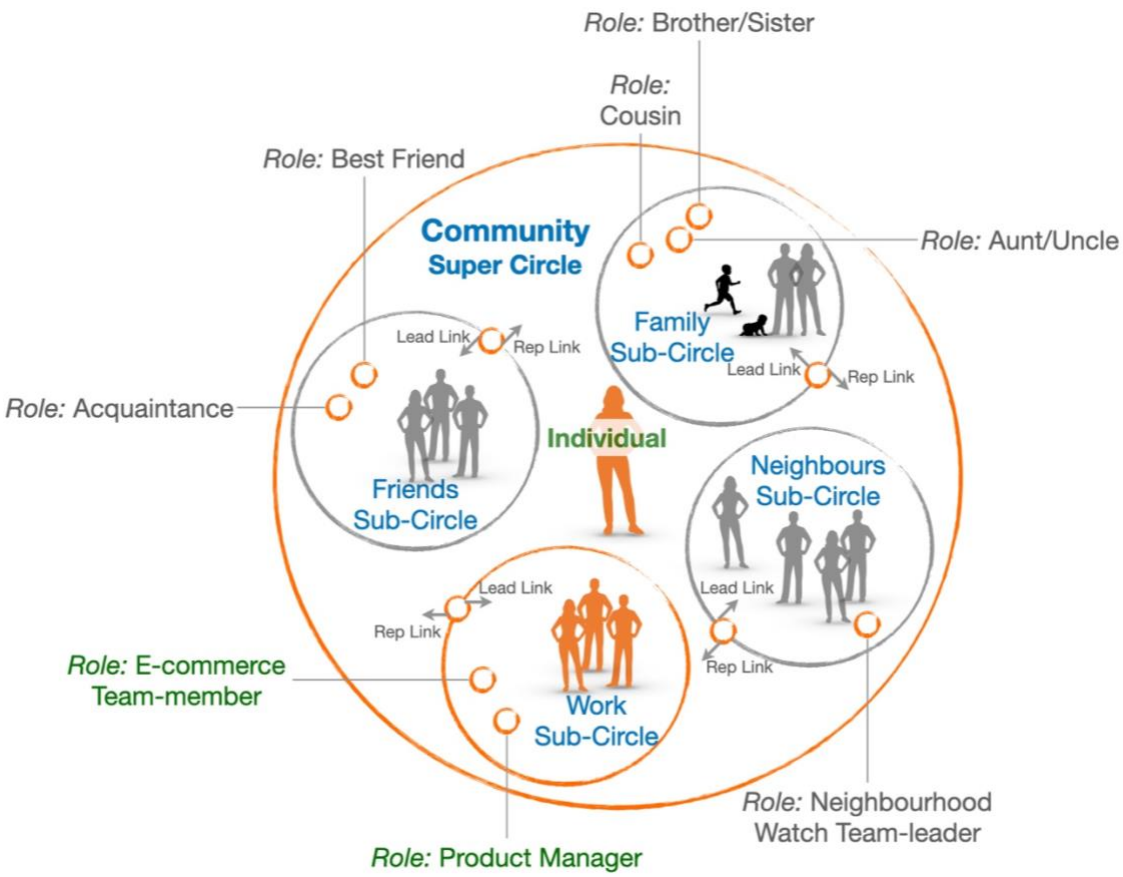


Figure 11: Representing an individual using Bryan J. Robertson's (2016) *holacracy cicles (Source:* Author*)*

One of the defining features of holacracy is that an individual may be represented in communities of circles based on the different roles that they fulfil within an organisation. The relevance of holacracy for this research relates to extending such representational capabilities to communities of people within and outside the organisation, where questions of purpose, value exchange, and control of property or assets, may be afforded a reasonable answer (Robertson, 2016). For example in *Figure 11*, the roles of *E-commerce Team-member* and *Product Manager* are relevant for practices within the *Work Sub-Circle*. A single individual fulfils these roles as they relate to the organisation's purpose and value exchange. The roles depicted under the other circles, relate to the same individual's ability to exert influence upon other microsystems or communities (Navarro & Tudge, 2022), such as family, friends, and neighbours. An example of the individual's influence in these microsystems could be the promotion of products and services provided by the e-commerce business to members of the other sub-circles.

2.6.1.3 Adhocracy

After World War II, Mintzberg (1980, as cited in Martela, 2019) announced the emergence of adhocracy, an organisational structure in which "highly trained experts work in multidisciplinary teams producing unique outputs, and where the organization is relatively decentralized and coordination is achieved largely through mutual adjustment" (Martela, 2019).

The following are traits of an adhocratic organisation based on Martela (2019):

- It is ruled by a hierarchical leadership but exhibits autonomous managements within teams, with managers empowered to override team decisions where necessary;
- Employees and resources are allocated to teams through a top-down process, while within-team allocations are autonomously performed;
- Monetary compensations to teams and individuals within teams are decided by management;
- Individual members within team hold each other accountable for work performed, while supervisors are responsible for the overall monitoring functions for team outputs;
- Teams are empowered with the necessary information to enable them to make most decisions, with a certain class of decision being the purview of management; and
- Within-team coordination is typically achieved through constant communication among individual team members, as well as across teams, with the involvement of management in certain occasions.

2.6.1.4 Spaghetti organisation

A spaghetti organisational structure is characterised by a flat hierarchical structure that recognises a leader, up to 10 managers, and employees. Oticon is the organisation credited with establishing the first spaghetti organisational structure in the early 1990s (Foss, 2003). This type of organisational structure tends to support the flexibility of the workforce to be able to freely join their preferred projects, with the added benefits of continuously learning new skills (Foss, 2003; Velinov et al., 2018). The characteristics of a spaghetti organisational structure as stated by Velinov et al. (2018) are:

> (a) increasing intrinsic motivation through the values of a company, backed by measures supporting responsibility; (b) freedom and personal development; (c) reducing the number

of hierarchical levels; and (d) coordinating through new information technology systems, allowing full access to information and ending the traditional concept of allocated offices.

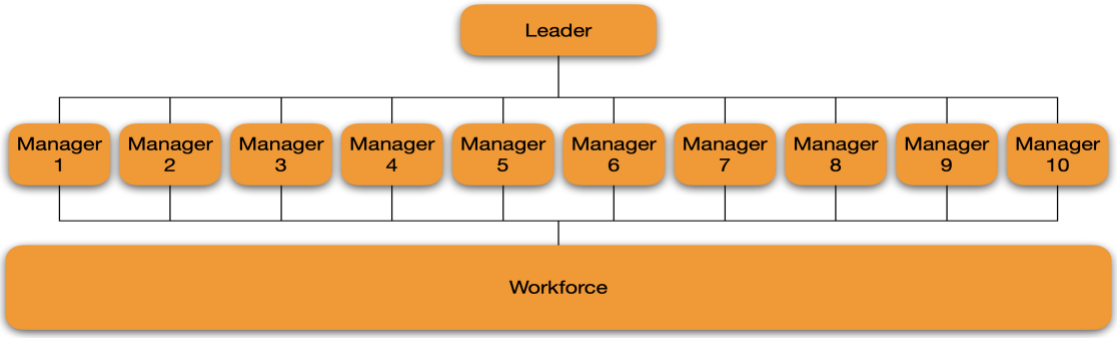


Figure 12: Representation of a spaghetti organisational structure (Source: Author*)*

Foss (2003) highlights that such organisations morph into traditional matrix structures, as was the case with Oticon, which is indirectly supported by research conducted by Velinov et al. (2018). Velinov et al. (2018) only cite references of research on spaghetti organisations that was conducted in the 1990s and early 2000s, alluding to the unpopularity of this type of organisation.

2.6.2 The ideal organisational structure for further exploration

Five organisational structures from the previous section have emerged for consideration as the ideal organisational structure worth further exploration under this research. These are:

- Sociocracy;
- Holacracy;
- Adhocracy; and
- Spaghetti organisation.

The spaghetti organisational structure typically morphs into a matrix traditional structure and is this not a suitable candidate. Also unsuitable for this research is adhocracy, which is strongly based on a hierarchical structure that relies heavily on highly trained experts to make it work. The target audience for the *Ubuntu*-infused business model is not a trained workforce with any specified level of expertise.

Since holacracy is an evolved form of a sociocracy, it is thus the organisational structure that is identified as worthy of further exploration.

2.6.3 *Challenges and opportunities with holacracy*

Robertson (2007) lists a number of challenges that are faced when organisations are formed (i.e. when two or more people come together to pursue a common objective), such as decision-making and assigning tasks. On one hand, traditional organisational structures focus on maintaining hierarchies within an organisation, while enabling operational efficiencies based on industrial-age management best practices. This unfortunately creates rigid organisations that suffer from isolated functional areas and lack the adaptability needed in dealing with digitalisation (Ackermann et al., 2021; Robertson, 2016). Holacracy on the other hand, provides the mechanism to promote decentralisation and self-management, with the added benefit of empowering roles along with their purpose and accountabilities within the organisation, as opposed to empowering individuals. These roles can be assigned to or chosen by individuals, who can in turn hand them off to another individual as it best suits the organisation (Ackermann et al., 2021; Robertson, 2016).

This flexibility that is provided by holacracy also becomes its challenge, as highlighted by the research conducted by Ackermann et al (2021). The following challenges are mentioned in the research:

- There is significant effort and time investment that is required for people that are used to traditional organisational structures to become conversant with how holacracy works;
- For holacracy to work, all the individuals operating within the organisation must commit to it as an organisational structure;
- Traditional career paths and advancement are not aligned with a holacratic organisation, such that advancing one's career in a holacratic organisation is a contextual decision that requires more deliberation; and
- Choosing holacracy means that the organisation must constantly adapt itself and continuously customise its approach to optimally embed holacracy throughout the organisation's dealings.

The above challenges are echoed by Bernstein et al (2016), who list a number of issues that have been experienced at Zappos (one of the largest international organisations renowned for adopting holacracy) and other organisations. In their assertion, the researchers contend that there is a need to balance reliability and adaptability when implementing a self-management organisational structure such as holacracy. Reliability is a factor that considers the provision of predictable results to stakeholders such as investors and shareholders. For employees, this factor also extends to being able to craft one's career advancement within the organisations as made obvious in traditional hierarchical structures. Adaptability is a balance that every organisation needs to ensure when dealing with change both within and outside of the organisation. Bernstein et al (2016) present an argument that while hierarchical organisations are able to sway in either direction of reliability and adaptability, they mostly sway towards the former. Self-driven flat structure organisations err mostly towards adaptability according to the researchers.

The opportunity for holacracy is that it should be explored neither as hierarchical nor as flat, but as a way to empower the organisation by affording roles that are assigned to individuals to have the relevant responsibilities and accountabilities that favour the organisation. By extension, this means that under holacracy the entire population of individuals and stakeholders that the organisation represents are favoured as it strives to reach the optimum state that benefits the whole. This is further supported by Robertson (2016, p. 48) who states that:

> Holacracy moves from structuring the people to structuring the organization's roles and functions. More specifically, instead of structuring a simple power relationship between people—who can give orders to whom—Holacracy structures where work lives within the overall system, and it elucidates the boundaries between the various entities doing that work. Because of this, I think it can be misleading to claim either "Holacracy is flat" or "Holacracy is hierarchical"; Holacracy uses a different type of hierarchy than we're used to…

2.6.4 *Holacratic* organisational structure for SMEs in emerging markets

Marwala (2020) paints a picture of uncertainty and disruption in various industries because of 4IR. He further states that South Africa is grappling with several economic challenges due to past industrial revolutions, such as an unstable electricity grid, which have reduced South Africa's

economic growth to meagre levels. SMEs are thus forced to adopt different organisational and leadership structures in the era of 4IR, with Marwala (2020, p. 153) stating that "the use of intelligent machines [in 4IR] is the central ingredient, because it requires innovation, learning, analytics, agility, a global mindset, cultural tolerance, diversity, and the ability to manage conflict". These are traits that are associated with a *holacratic* organisational structure, and are evidently missing in traditional organisational structures. With *holacracy*, individuals within an enterprise are empowered to self-manage and adopt to an agile way of work. It can be implemented to an organisation of any size, or within the internal teams that can also be of any size, with the overall benefit being that everyone, whether small teams, or large distributed teams, are able to organise themselves around a common objective (Velinov et al., 2018).

Upon concluding their research, Schwer and Hitz (2018) found that a *holacratic* organisational structure is ideal in promoting agile enterprises that need to respond swiftly to demands that are imposed in the frontline. This type of organisational structure bodes well to responding to the heterogenous nature of South Africa, such that decisions can be made much faster with the involvement of all the necessary stakeholders. In addition, local challenges can be resolved much quicker by adopting a consultative approach to problem-solving and implementing the most suitable solutions (Schwer & Hitz, 2018).

2.7 Conclusion

The literature highlights the existence of broad and sometimes inconsistent definitions of e-commerce (Moriset, 2018; Rahayu & Day, 2017), which may exacerbate efforts for objectively understanding the enablers and inhibitors to a thriving e-commerce environment in South Africa. Many scholars agree that South Africa possesses all the necessary building blocks to enable an exemplar e-commerce culture for small businesses. Therefore, by submitting a concise and inclusive definition of e-commerce as herein provided, this research can objectively analyse the extent to which small businesses embrace e-commerce, as well as to reduce paucity of data relating to the challenges that small businesses face in adopting the technology.

RQ1a-Enablers and RQ1b-Inhibitors (*Section 1.3.1*) are part of a question that intended to understand the enablers and inhibitors that are faced by SMEs regarding the use of e-commerce

for their business operations. Moriset (2018), together with Dastidar and Banerjee (2020), offer a comprehensive list of these. Overall, RQ1b-inhibitors can be categorised into two groups, viz. technical and operational issues, which have been incorporated to inform the outcome of this research. The technical challenges include issues pertaining to the skills required to implement and manage an e-commerce platform, while also ensuring that the platform can subvert the onslaught of cyber-attacks. The operational challenges have to do with working around logistical issues that arise from time to time, including inadequacies relating to the delivery network.

2.7.1 Proposition factors

According to the literature, the enablers in e-commerce outnumber the inhibitors. The two lists below indicate the enablers and the inhibitors that were identified from reviewing literature on the subject of e-commerce in South Africa. These were subjected to a qualitative research study in *Chapter 5.*

Table 5: Proposition factors of e-commerce enablers and inhibitors

	List of Enablers	List of Inhibitors
1.	Contributing to business innovation.	Readily available technical assistance when problems arise during the shopping experience.
2.	Participation in the digital economy.	Proclivity of digital platforms to cyberattacks.
3.	Conducive and positive e-commerce climate.	Underdeveloped logistical systems.
4.	Lower entry barriers to market.	High cost of mobile data.
5.	Providing sellers access to a much broader market as compared to traditional brick-and-mortar businesses.	
6.	Affording customers competitive pricing and a wide selection of products or services.	

2.7.2 Business modelling

Research question RQ2 (*Section 1.3.2*) concerns the appropriate axiological factors and organisational structure for developing an e-commerce business model. An argument has been presented to demonstrate the corelation between the axiological systems in a society and strong economic performance. A business model that can demonstrate tenets of the local axiological systems is deemed to have a greater chance of success (Tembe, 2020). The research takes cognisance of *Ubuntu* as the prevalent axiological system in South Africa, thereby establishing a

premise for the qualities of *Ubuntu* to be demonstrable within the e-commerce business model presented herein, as a key outcome of this study. Part of the research has been to further contribute to the body of knowledge for the corelation that exists between strong economic performance and the evidence of representation of local axiological systems.

Lastly, to ensure that the underlying business model succeeds, holacracy as an organisational structure is proposed herein to complement the e-commerce business model. Holacracy provides the fundamental framework that is required to address the need for agility in a digitalised ecosystem.

CHAPTER 3: CONCEPTUAL FRAMEWORK

Two propositions are addressed in this chapter. These propositions support the study by presenting real-world abstractions of pertinent concepts to answer RQ1 and RQ2, which are used to provide a "logical linkage among [them] by asserting [their] universal connection" towards the presentation of a business model in *Chapter 8* (Adams et al., 2014, p. 8).

3.1 Proposition 1 – The E-commerce-*Ubuntu*-Holacracy triad

Proposition 1: An e-commerce business model that incorporates *Ubuntu* and holacracy in support of communitarian values can be developed for SMEs, as envisaged under research question RQ2 (*Section 1.3.2*), and elaborated below.

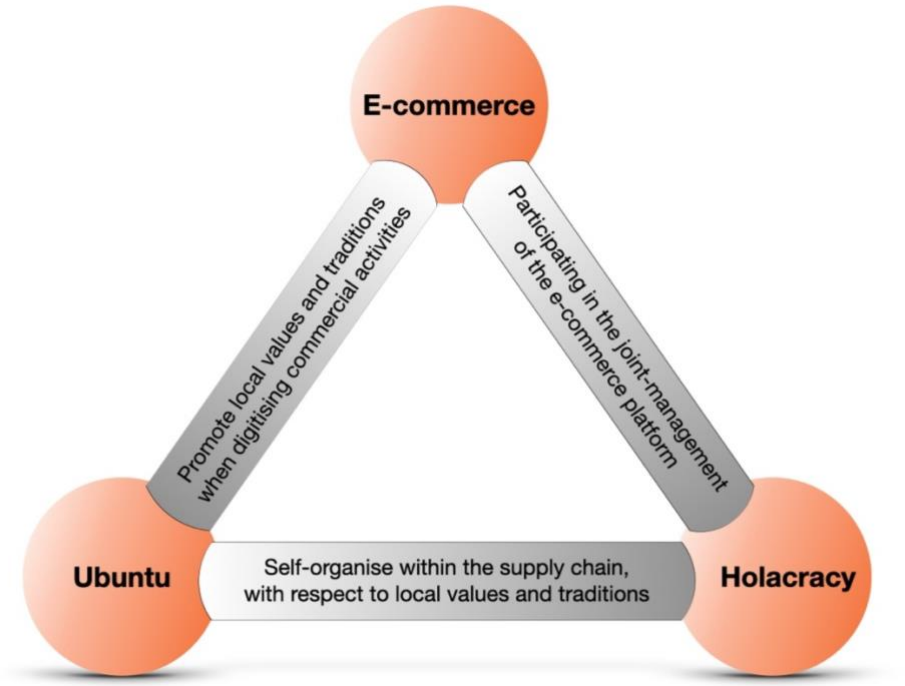


Figure 13: The relationship between e-commerce, Ubuntu and holacracy (Source: Author*)*

Figure 13 is a model of how the three concepts of "e-commerce", "*Ubuntu*" and "holacracy" are interconnected for the proposed business model. The three concepts account for the potential emergence of a collaborative business model that can be successfully directed in pursuit of broader marketplaces, even beyond the borders of South Africa (Tembe, 2020, p. 21). The *Ubuntu-Holacracy* link is complementary in fostering an innovative organisational climate for the e-

commerce business model to thrive, allowing for self-driven and social roles such as E-commerce and Social Media Specialists to be accommodated, as listed among the emerging and in-demand roles of 4IR (World Economic Forum, 2018). This model allows individuals to self-organise to unlock economic value within the supply chain, while honouring local axiological factors and traditions that are practiced within their community. Tembe (2020, p. 106) supports this view when highlighting the relevance of *Ubuntu* for 4IR, a period which the scholar characterises as a communal era where digitalisation activities "tend to suggest shared knowledge, learning and invention." This view of communitarianism, sharing, and improving social status (read in the context of innovation) is echoed by other researchers such as Lelkes (2021) and Abubakre (2021). The *E-commerce-Ubuntu* link enables the promotion of local axiological factors and traditions when digitising commercial activities. Many scholars are in agreement regarding the relevance of *Ubuntu* within organisational management, which is to achieve the pursuit of economic value for the benefit of the community that is a participant in the business model (Abubakre et al., 2021; Lutz, 2009; Moodley & Beyer, 2019). Finally, in completing the triad, the *Holacracy-E-commerce* link encourages participation in the joint-management of the underlying role-based e-commerce business.

The concepts (or nodes) in *Figure 13* are reflected in the proposed business model. These contribute to a business model that promotes agility, and one that responds promptly to demands arising out of the local markets that are being served. Agility is an attribute that compliments the human capacity that Robertson (2016, p. 5) states as an extraordinary gift to "sense dissonance in the present moment and see the potential for change", and to aid innovation as a "restless, never-satisfied, creative spirit that keeps us always reaching beyond where we are." This supports Velinov (2018) when highlighting that holacracy is potentially a good feature for agile companies that embraces innovation as a strategic imperative akin to Darwin's process of "adaption to change." For systems that are evidently unable to meet their intended objectives, or where inefficiencies erode the benefits that would otherwise accrue when all elements in the system were running optimally, tensions that arise are the opportunities for innovation to take place (Robertson, 2016). This is the reason that a holacratic organisational structure is seen as ideal when seeking to establish and maintain a competitive advantage (Velinov et al., 2018), or attempting to bridge the gap of such tensions "between current reality and a sensed potential" (Robertson, 2016, p. 6).

3.2 Proposition 2 – Taxonomy of *Ubuntu*

Proposition 2: A taxonomy of *Ubuntu* as a neo-ecological model can be derived and applied to a business model.

Using taxonomy is akin to developing a model to represent a system. Johnson's (1998) book presents a view of such a representation by using scientific and technological research that draws upon other disciplines, with the objective of providing practical rendition towards the application of literal work. For example, a case is made of the "epistemological taxonomy of Aristotle's" philosophical work presented as "having three parts: theoretical (*episteme*), practical (*praxis*), and productive (*techne*) knowledge" (Johnson, 1998, p. 23, italics inserted).

To appreciate the significance of taxonomy in understanding *Ubuntu*, an analogy will be used to apply taxonomy to a remote concept, such as the relationship between the forest and the clouds above it. When rain pours down upon trees in a forest, the water trickles into the soil, and the roots of the trees draw in the rainwater along with nutrients from the soil for the nourishment of the trees. In the theoretical knowledge of the cause and effect of water upon the system of the forest, a practical relationship of clouds, trees, and the soil can be deduced. The *episteme* is the understanding of the nurturing relationship between the clouds, the soil, and the tree. The *praxis* may be represented by the process by which evaporation causes the build-up of rainclouds, which are subsequently subjected to forces of gravity to come down upon the forest as rain, subsequently drawn in by the roots as water. Lastly, *techne* may be interpreted as the productive aspect of nourishment from rainwater that helps the trees to grow. Similarly, this research uses Navarro and Tudge's (2022) Neo-ecological Theory to develop a taxonomy of *Ubuntu* to help with its interpretation and understanding, which is based on Bronfenbrenner's (1977-, as cited in Navarro & Tudge, 2022) research. Bronfenbrenner and Morris (2007, as cited in Navarro & Tudge, 2022) presented research that introduced the concept of "proximal processes" which were referred to as "the engines of development" (Navarro & Tudge, 2022, p. 2). In defining proximal processes, Navarro and Tudge (2022) wrote:

> … human development takes place through processes of progressively more complex reciprocal interaction between an active, evolving biopsychological human organism and the persons, objects, and symbols in its immediate external environment. To be effective,

> the interaction must occur on a fairly regular basis over extended periods of time. Such enduring forms of interaction in the immediate environment are referred to as proximal processes (Navarro & Tudge, 2022, p. 11).

When analysing this definition, a striking similarity exists to Eyal's (2019) definition of habits in the book titled *Hooked*. In the book, reference is made to a 2006 publication on neuroscience, as well as experimental psychology work carried out in 2002. Habits are defined in the book as follows:

> Habits are one of the ways the brain learns complex behaviours. Neuroscientists believe habits give us the ability to focus our attention on other things by storing automatic responses in the basal ganglia, an area of the brain associated with involuntary actions.
>
> Habits form when the brain takes a shortcut and stops actively deliberating over what to do next. The brain quickly learns to codify behaviours that provide a solution to whatever situation it encounters (Eyal, 2019, p. 16).

The taxonomy of *Ubuntu* is presented in *Figure 14* above to provide an understanding of the communitarian nature of *Ubuntu* and how it can be aligned to Navarro and Tudge's (2022) Neo-ecological Theory. This taxonomy is also informed by research by Eyal (2019), as well as broad studies of *Ubuntu* from respected scholars such as Tembe (2020), Dladla (2017), Metz and Gaie (2010), among others. The relevance of this taxonomy is that it facilitates the embedding of axiological systems within a community that is physical or virtual, as applicable in the case of an e-commerce business model.

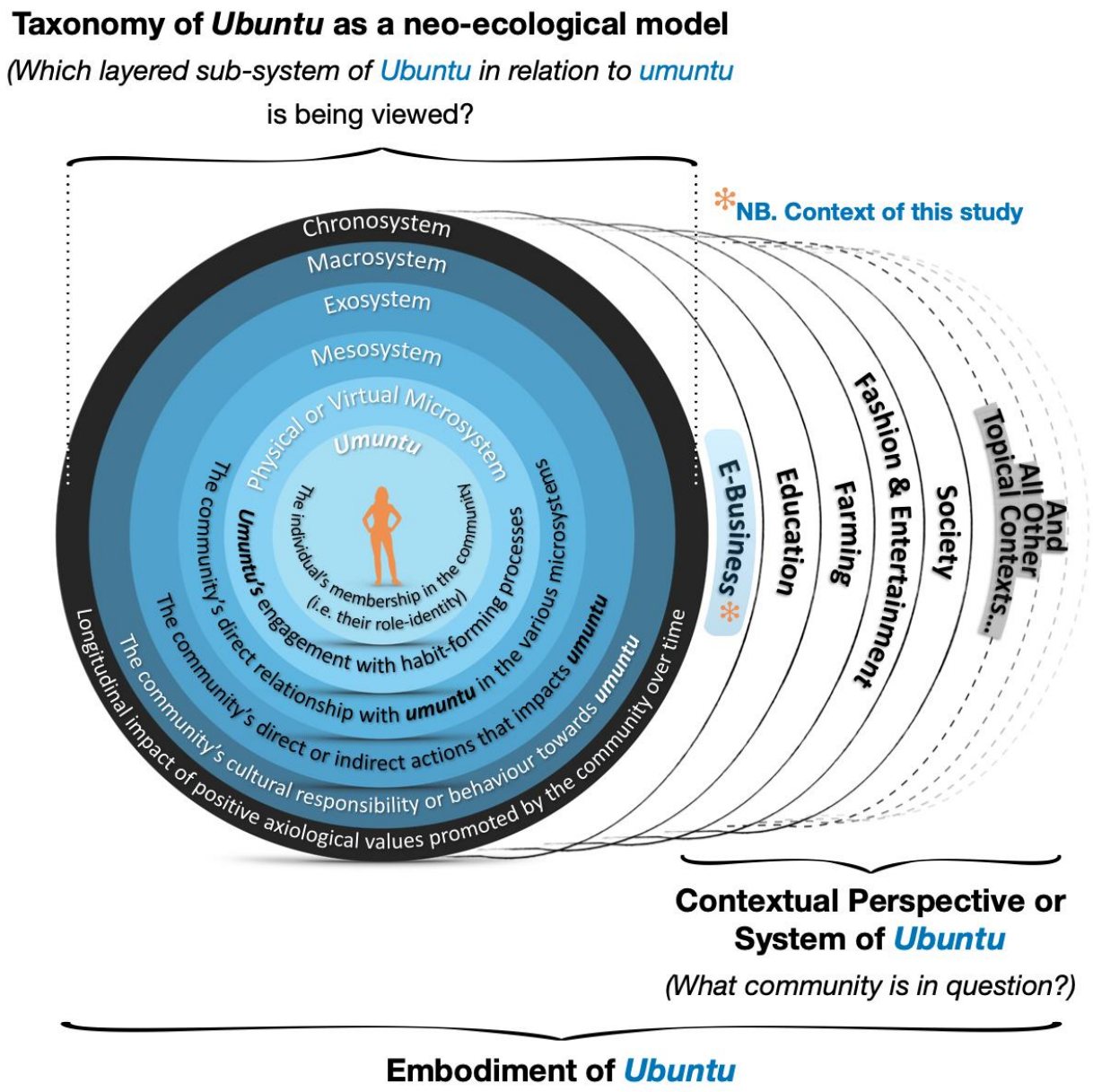


Figure 14: Framing Ubuntu based on Navarro & Tudge's (2022) *Neo-ecological Theory (Source:* Author*)*

It thus emerges that in developing the taxonomy of *Ubuntu* as depicted in *Figure 14* above, proximal processes or habits of the individual need to be modelled in respect of their immediate environment as well as their community. However, this may result in a complex model that goes beyond the scope of this research. As an alternative, the individual, or *umuntu*, is depicted in the model as the embodiment of all proximal processes.

The components of the taxonomy in *Figure 14* are discussed below.

3.2.1 *Umuntu* (the individual)

The membership of *umuntu* (the individual within an *Ubuntu* community), whether the individual is a child, adolescent, adult, or an elderly person, inherently comes with the identification of being part of the whole in society. This is the fundamental framing context of *umuntu* in relation to their "membership in society", that helps to view *Ubuntu* based on the humanness that the individual consciously chooses to enact within their community (Tembe, 2020, p. 27)|

Umuntu is the active participative agency that assumes a particular role-identity in time, proceeding to contribute to the continuous development and evolution of the community through physical and virtual interactions with other individuals, whether direct (Microsystem, Mesosystem, Exosystem, and Macrosystem) or indirect (Exosystem, and Macrosystem), across the longitudinal generational impact in the Chronosystem (Navarro & Tudge, 2022). This agency is captured in this research as the empowering factor of *umuntu* to identify opportunities that may be exploited for the individual and community's gain, e.g. addressing societal challenges such as unemployment by identifying sustainable job creating opportunities.

Umuntu's competencies (also referred to as "talents and capabilities" (Tembe, 2020, p. 27)) are harnessed within the community (a collaboration between the individual and the community) for the community's or the individual's benefit, or both (Navarro & Tudge, 2022; Tembe, 2020). Navarro and Tudge (2022) delineate competence as "the demonstrated acquisition and further development of knowledge, skill, or ability to conduct and direct one's own behavior across situations and developmental domains" (Navarro & Tudge, 2022, p. 8). Pursuant to the definition of "habits", and the link between *umuntu* and the community in *Figure 14*, the following relational model can be deduced, which plays a role in the e-commerce praxis model discussed in *Chapter 8*.

Behaviour →(builds) Competency →(forms) Habit →(defines) Individual →(contributes towards) Community

Figure 15: Relational model linking behaviour to the community
(Adapted from Navarro & Tudge (2022))

3.2.2 Physical or Virtual Microsystem

All the actions performed by *umuntu* directly, take place in the physical or virtual Microsystem (Navarro & Tudge, 2022). Addition of the virtual context is the enhancement that Navarro and Tudge (2022) made to the bioecological theory, taking into account that not all activities performed by *umuntu* (the individual) are in a physical environment (such as school, work, home, etc.), but may be in a virtual platform (e.g. digital, online, over the Internet, etc. Navarro & Tudge, 2022). Virtual platforms are defined as "mechanisms or technological vehicles for connecting people and information" ranging from "simple (e.g., text messaging) to complex (e.g., social media)[, with s]ocial media platforms [being] unique in that they facilitate information sharing, user-created content, and collaboration across people" (Navarro & Tudge, 2022, p. 2).

The e-commerce model presented in this research study is defined as a complex virtual platform that exists in both the virtual Microsystem, Mesosystem, and Macrosystem, with an impact in the Chronosystem.

3.2.3 Mesosystem

The Mesosystem is the space where *umuntu* engages in relationships occurring in two or more Microsystems at a time (Navarro & Tudge, 2022). This may be a case where *umuntu* is in a home setting engaged in family interactions, while simultaneously texting friends over a social media platform.

3.2.4 Exosystem

The Exosystem is a "system of systems" that is an extension of the Mesosystem which has a direct influence on *umuntu*, but in which *umuntu* might not be directly involved in one of the Microsystems (Navarro & Tudge, 2022, p. 7). For example, a group of individuals may gather and make a decision to enforce certain changes on the e-commerce platform (e.g. stop the sale of a certain product due to its deleterious effect on *umuntu*), which affects how *umuntu* continues to engage on that platform.

3.2.5 Macrosystem

At the Macrosystem level, *Ubuntu* encapsulates culture, which is the place that Tembe (2020) refers to as "spaces in which to produce diverse types of capital (social, cultural, symbolic, political) that could be transacted for tangible and intangible types of commodities, including those of a monetary nature" (Tembe, 2020, p. 43). When discussing the Macrosystem, Navarro and Tudge (2022) provide a definition of culture as:

> A group of people who share a set of values, beliefs, and practices; who have access to the same institutions, resources, and technologies; who have a sense of identity of themselves as constituting a group; and who attempt to communicate those values, beliefs, and practices to the following generation (Navarro & Tudge, 2022, pp. 3–4).

It is further discussed that this definition of culture does not explicitly state the group to which the culture is being attributed to (Navarro & Tudge, 2022). This provides the foundation upon which the context of the application of *Ubuntu* may be defined and carried out by that group. This is applicable to wholistic culture or the prevalence of sub-cultures that may be relevant to a group within the community, without deleterious effects to the broader community.

3.2.6 Chronosystem

The Chronosystem encapsulates the longitudinal impact of the axiological systems that are practiced in the community. Those with a positive lasting effect (including generational impact) are retained, and those with inverse effects are obliterated. Navarro and Tudge (2022) make reference to time and how it is viewed across the different levels. Microtime refers to the sustained or discontinued engagement by *umuntu* on certain activities (behaviours); Mesotime refers to habit forming (proximal processes) behaviour over days, weeks, months, and years; and Macrotime incorporates expectations or events that occur throughout the community that have an effect across generations (Navarro & Tudge, 2022).

3.3 Conclusion

The taxonomy of *Ubuntu* highlights the versatility of this model for its application across different contexts. The model can be used in defining the overarching axiological systems that must be promoted for an e-business initiative (such as applicable for the e-commerce model proposed under

this research). Under a different context, such as education or farming, the model is still relevant by providing insights that are useful to that context across the different levels of applicable systems.

CHAPTER 4: RESEARCH METHODOLOGY

Chapter 3 introduced the concepts of interest towards developing an e-commerce business model, while *section 2.4* of the literature review presented an *Ubuntu* Business Model Canvass (*Figure 10*) used for developing the final business model as intended under this research. This chapter presents the mixed-methods research approach that was employed for this study towards testing the propositions in *Chapter 3* and the business modelling tool in *section 2.4*, and to inform the development of the business model presented in *Chapter 8*.

Qualitative and quantitative research methods were selected in support of addressing the questions posed to understand the enablers and inhibitors of e-commerce in South Africa (RQ1a-Enablers and RQ1b-Inhibitors). The qualitative research method was used to answer RQ1 through interviews conducted with a select study group. The understanding derived through thematic analysis from the interview responses was used to develop a survey questionnaire for the quantitative research method, which provided further clarity and understanding of the propositions from the qualitative study. The use of a single research method would not have sufficed for this study, as both qualitative and quantitative methods have their limitations, and triangulation helped mitigate the shortcomings (Patton, 2015).

4.1 Research design

The first phase of the research study focused on a cross-sectional design (i.e. a snapshot at a point in time) (Haenssgen, 2019, p. 42). This was immediately followed by a quantitative phase of the research study that allowed for testing of the propositions generated from the qualitative phase.

4.1.1 Research participants

Based on the sampling method described for this research approach, a selection of entrepreneurs that relied on e-commerce (referred to as E-Commerce Users), and those that do not make use of e-commerce for their business operations (referred to as E-Commerce Non-Users), were selected based on a convenience sampling method (Strunk & Mwavita, 2020). The E-Commerce Non-Users group was from a rural setting in the North-West province of South Africa, near Ventersdorp, which also represented the rural market. A second group of entrepreneurs, E-

Commerce Users, was identified based on their businesses operating in the Alexandra and Tembisa townships in the Gauteng province representing the township market, as well as those that operated in Midrand, Sandton, and Pretoria, which are also located in Gauteng and representing the urban market.

4.1.2 Data collection

Entrepreneurs that operate within the rural, township and urban communities were the subject of the qualitative phase of the research. The researcher spent between one and two days with each group of entrepreneurs. Factors that influenced or impeded the use of e-commerce were explored through interviews during those sessions.

4.2 Phase 1 - Qualitative Phase

The first phase of the research was used to conduct interviews which were recorded in audio format. The responses from the interviews were transcribed, and along with written notes, formed part of a dataset that was used for thematic analysis, and to highlight the key factors being studied (Guest et al., 2012; King & Brooks, 2017).

4.2.1 Population and sample

The researcher sought to interact with entrepreneurs with a proven track record, who would be at liberty to share information. Credible and reputable sources such as business chambers and online business listings with a trade record were a preference to provide such a list. The list of entrepreneurs that participated in the research study was thus acquired from the Africa-Israel Chamber of Commerce (www.africa-israelchamber.com), LinkedIn Corporation (www.linkedin.com), Booking Holdings Inc. (www.bookings.com), and Airbnb Inc. (www.airbnb.com), based on a convenience sampling method (Strunk & Mwavita, 2020). A minimum of two entrepreneurs from each target community was the subject of inquiry in accordance with the research approach, resulting in a sample of eight participants (see *Table 6* in page 67 for a detailed breakdown).

4.2.2 Data collection

All the data from the interviews was recorded using a digital voice recorder app on a smartphone. Additional notes were physically written down on a notepad and subsequently captured in digital format as digital notes. These notes were used to document features and attributes of the operating environment of the participating entrepreneurs, such as the condition of buildings, infrastructure, and available equipment. The business context, processes and tools that are involved in the e-commerce transactions were also recorded. The research has also recorded notes regarding the entrepreneurs' interactions with technological equipment, and their competencies.

4.2.3 Research instrument

The first phase of the research relied upon documenting responses to open-ended interview questions as shown in *Appendix A*, as well as making key notes regarding the environment in which the participating entrepreneurs run their businesses.

4.2.4 Data analysis and interpretation

The qualitative data was subjected to a thematic analysis process. The transcribed qualitative data was coded using NVivo to derive themes that are relevant for this research. The objective of the thematic analysis of the qualitative data was to identify the main themes of the study, which could be further studied in the quantitative phase (Guest et al., 2012). This was also helpful with understanding RQ1a-Enablers and RQ1b-Inhibitors from the perspective of the research participants, while being able to compare this with the findings from the literature review in *Chapter 2*.

4.3 Phase 2 - Quantitative Phase

The outcome of the thematic analysis from the first phase was used to develop survey questions. These questions were to test the propositions in *Chapter 3* for their applicability in developing the *Ubuntu*-infused business model as envisaged under this research study.

4.3.1 Population and sample

A survey based on 65 entrepreneurs was conducted. In similar fashion to the first phase, the list of entrepreneurs that participated in the survey was sourced through referrals from the target communities. A snowball sampling technique was incorporated for this phase of the research once the initial group of entrepreneurs was sourced.

4.3.2 Data collection

Respondents were grouped into two categories, those that have access to the Internet and are able to respond to an online questionnaire on their own, and those that do not have access to the Internet. The former group was provided with a link for them to access the online survey for them to complete. This link was conveniently shared by email or mobile phone text. The latter group was either visited in-person to jointly complete the survey questionnaire on a mobile device, or they were called via WhatsApp for them to answer the questions as their responses were being recorded on the online survey questionnaire. All the survey responses have been securely stored online. The survey was developed and hosted using a cloud-based platform, which was in turn recording each response as it was being captured, allowing for surveys to be performed in parts with breaks in between.

4.3.3 Research instrument

The research instrument in *Appendix B* was a structured questionnaire with 12 items (questions and statements), whose responses were in the form of a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The factors that are applicable for this research, which were derived from the previous phase of the research, along with literature reviews and prior studies, were used to develop the items for the questionnaire. To further enrich the responses with meaning and context, geographical information has been requested of the respondents in order to identify the community for which the responses are applicable. Additionally, demographic information has also been sought from the respondents.

4.3.4 Data analysis and interpretation

The survey data has undergone confirmatory factor analysis (CFA), which "imposes constraints on the mathematical model based on theorised relationships among the variables" (Mellinger &

Hanson, 2016, p. 33). This has been conducted on IBM's SPSS application, which is one of the most widely used statistical analysis applications due to its user-friendly interface. The research topic was interested in the development of an e-commerce business model for small businesses in South Africa, which aims to exploit opportunities in online business while helping to overcome challenges and inhibitors that are faced with utilising e-commerce. CFA, with the assistance of IBM SPSS, has been a source of valuable insights towards achieving this aim.

4.4 Accuracy and credibility of findings

The criteria for the quality of research data acquired for this research has been based on its "truth value" as expressed by Patton (2015), which is a factor of the authenticity of the responses gathered from respondents. In addition to this, also as guided by Patton (2015), the following considerations were made when conducting qualitative data collection:

> Plausibility of findings; credibility, impartiality, and independence of judgment; confirmability, consistency, and dependability of data; and explainable inconsistencies or instabilities.

Validity and reliability of data was pursued for the quantitative data. Validity refers to the truth that is upheld by research data. It thus expresses features of a subject or phenomenon that is being studied in such a manner that they can be said to be valid or true. It is comprised of external and internal validity (Bradford & Cullen, 2012). Whereas reliability refers to the consistency of the data that is produced by a research study.

"In order for measurements to provide meaningful raw data for statistical analysis in a research study, they need to be both reliable and valid" (Mellinger & Hanson, 2016, p. 28). Bradford and Cullen (2012) state that validity and reliability are important considerations during the design phase of research studies. Validity for this research was limited to the extent to which the data was representative only of the phenomenon that is being studied. The data collected for this research study was tested for its ability to convey a high level of honesty, depth, and richness, among other traits, to demonstrate validity. This was applied to the research instruments utilised for both the qualitative and the quantitative phases. The questions prepared for the qualitative study were posed during sessions where enough time was allocated to allow additional questions to be posed to

validate responses. Subsequently, these responses were analysed and coded for thematic analysis, which was subjected to a quantitative study based on survey questions formulated from these themes.

Through triangulation, the accuracy and credibility of the research instruments from the interviews and survey questionnaires was tested. This research thus adopted methodological triangulation to increase the validity and reliability of the study (Guest et al., 2012; Patton, 2015).

4.5 Limitations of the study

The study was limited to the entrepreneurs in relation to e-commerce and all other pertinent business affairs that could influence the outcome of the study. The business models presented herein are influenced by, and conversely applicable to, specific South African township, urban, and rural communities in Gauteng and the North-West provinces, viz. Alexandra township, Tembisa township, Midrand, Sandton, Pretoria, and rural communities surrounding Ventersdorp. Given the convenience sampling method that was employed for this research, the findings will not be used to form generalisations, i.e. a non-random sampling method was applied.

4.6 Ethics

Ethical clearance was sought from the University of Cape Town's Faculty of Commerce prior to commencement of the research, and consent given in accordance to the guidelines on the form in *Appendix D*. Research participants were approached in accordance to the research methodology and design specified herein. Expectations for all parties involved were clarified and relevant information communicated in the language of their choice (such as the objectives of the research and the mitigation of potential risks); and any form of recourse that they could exercise throughout the research journey were explained. This research has upheld matters of anonymity, confidentiality, and consent where applicable. All the relevant records have been kept securely in a cloud server environment, and physical raw data stored securely.

CHAPTER 5: QUALITATIVE PHASE FINDINGS

5.1 Introduction

The aim of this chapter is to present results emanating from the qualitative phase of the research. Semi-structured qualitative interviews were conducted based on the research design articulated in *Section 4.2 (Phase 1 - Qualitative Phase)* and the research instrument in *Appendix A*. The outcome of the analysed responses was used to develop a survey questionnaire that informed the quantitative phase of the research. As a precursor, the qualitative phase considers existing literature in relation to enablers and inhibitors regarding the use of e-commerce for small businesses in South Africa as it pertains to RQ1 (*Section 1.3.1*).

The presentation of findings addressed in this chapter commences with providing background information of the sample size and how it was selected. This progresses to verify the enablers and inhibitors that were identified from current literature as unearthed by this research, including highlighting those factors that have been found to be of immaterial influence in relation to this study. This process was viewed with a bias towards the business owner and not explored from a buyer's perspective. Lastly, as a valuable contribution to e-commerce research in South Africa, a newly identified enabler is tabled and elaborated upon.

5.2 Sample size

Existing research has established that there is a state of low e-commerce business activity in South Africa, particularly for SMEs. It was thus a challenge to employ purposeful sampling and locate SMEs purely based on their use of e-commerce as a function of their overall business operation. This research thus adopted the convenience sampling method to reach a diverse group of entrepreneurs that would provide insights into business operations that are in the opposite ends of the e-commerce spectrum, which is those SMEs that are completely dependent on e-commerce within their value chain and those that do not use e-commerce at all.

Using the selected sampling methods, a group of research participants was identified who were operating in three market classifications, viz. urban, township, and rural entrepreneurs, with the provinces of Gauteng and North West being the source of the participating entrepreneurs.

Table 6: Details pertaining to the research participants

Participant #	Based in Province	Location of Operations	Industry	Use of E-commerce	Markets Represented	No. of Participants
1	Gauteng	Alexandra, Centurion, Dainfern, Kempton Park, Midrand, Sandton, Tembisa (Also operates in Khayelitsha and Gugulethu in the Western Cape)	Logistics	Yes	Urban & Township	1
2	Gauteng	Pretoria (North and Central)	Hospitality	Yes	Urban & Rural	1
3	Gauteng	Sandton (including surrounding areas) & Vaal	Fashion	Yes	Urban & Township	2
4	North West	Ventersdorp	Farming – Cattle Breeder	No	Rural	1
5	North West	Ventersdorp	Farming – Cattle Grower	No	Rural	1
6	North West	Ventersdorp	Farming – Crop	No	Rural	1
7	North West	Ventersdorp	Farming – Chicken Layer	No	Rural	1
					TOTAL NUMBER OF PARTICIPANTS	**8**

5.2.1 E-Commerce Users

Insights into e-commerce operations were sourced from three businesses:

- Baobab House is headed by Thabo and it is a small hospitality business based in Pretoria that manages several properties in Pretoria and Midrand. In Pretoria, the company has four accommodation units in Menlyn Place, which is located adjacent to the busy vicinity of Menlyn Maine. Two of the units are booked on a short-term rental arrangement, while the other two are on long-term rental basis. Also in Pretoria, the company manages two buildings, a 10-unit building at Barclays Square in Sunnyside on long-term basis, and a 27-unit building in Capital Park that also rents out units on long-term basis. On the outskirts of Pretoria North Baobab House manages a lodge called *63 on Nyala*.
- LXVE is an online-based fashion business that specialises in women's shapewear and undergarments. It is founded by serial entrepreneur Lerato, who has established other

businesses in the online and physical formats, all catering specifically to women. Her partner is Zola, a well-known personality and businesswoman, who uses her fame to drive her business ambitions. The company services middle-class women that are based in the surrounding areas of Sandton and in the Vaal. The company relies mostly on social media advertising to direct traffic through to their online store. The founding partners have placed emphasis on sourcing quality products as part of their brand identity and using that as their differentiating factor from the competition.

- Mapha is a technology-driven business based in Rosebank, headed by two brothers, Tshidiso and Loyiso, together with two of their friends Lesogo and Noble. Tshidiso, who is the Chief Marketing Officer, provided input into the business operations and articulated how they employ data science to provide a delivery app that services markets in the surrounding areas of Alexandra, Centurion, Dainfern, Kempton Park, Midrand, Sandton, and Tembisa. They have also managed to expand their operation to the Western Cape in the townships of Khayelitsha and Gugulethu. One of their technology backers is Google, with whom they have managed to bolster their data science capability to enrich the algorithms that are employed for their delivery app.

5.2.2 E-Commerce Non-Users

To provide an objective view and reasonable justification for businesses that do not utilise e-commerce for their operations, this research opted to source input from research participants in the farming industry. Such businesses normally transact with large volumes of stock and are mostly based on existing relationships to conduct business. This precludes the operations from investing in e-commerce platforms as the business is conducted using traditional means of direct contact with clients, which is typically by telephone calls and email exchange. SME farmers were identified in the North West province and were used to provide insights into how such businesses would be motivated to consider investing in e-commerce, or at the very least, participate in an e-commerce platform as a way to expand their business operations.

To this effect, the farmers identified were:

- Albrie is a passionate farmer who refers to himself as “always been a farm-boy”. From a young age, Albrie built chicken cages and expanded his knowledge on chicken farming through various farm work that he carried out. Similar to Chris, Albrie also spent a considerable amount of time in the United States working on various cattle farms and grain farms. He settled for a farming career in South Africa and specifically chose poultry farming. One of the inspiring words he spoke was: “I don't think I'll ever do anything else but farming. This is not really farming, it's a business but it keeps me on the farm.” This was telling about the amount of passion he carried for his chosen vocation.

- Chris is a crop farmer that secures offtake agreements with large corporations in the food industry. He spent a considerable amount of time in the United States working on different farms and acquiring specialist knowledge in cutting-edge farming practices. Some of his clients are international corporations who provide Chris with their own patented seeds to produce crop that has been scientifically engineered to withstand certain climates. Ultimately, this is to provide produce of a specific form and with specific features, such as potatoes of an intended elongated shape and size to produce fries for a popular American fast-food chain that operates across Africa. Chris farms on land that he rents from farmland owners, opting to being the sole employee of a farming operation that relies on specialised machinery and technological gadgets, such as two of his drones worth R400 thousand apiece, and Internet-of-Things (IoT) enabled farm equipment that can be remotely operated from a mobile app.

- Damien relies on mass production practices for growing cows from small sizes of around 200kg to the profitable weight of approximately 500kg for the slaughterhouse. Damien buys his cows from auctions and provides them with various special feed applicable for the different stages of their growth, which is made-up of a mix of ingredients sourced from specialist cattle feed producers. In his own words, Damien stated that: “Our primary function here is to convert inexpensive feed into expensive meat.” With that, Damien’s cows are also administered with specialist hormones to control their appetite and weight gain. These cows are also administered with various forms of inoculation.

- In contrast to Damien's way of farming is Gideon, who uses an unconventional method of breeding cattle that mimics nature's way of sustainable organic farming practices. His cattle are made to graze in a controlled manner in small, demarcated sections of land at timed intervals during the day, before being moved to the next adjacent demarcated section for grazing once all the grass on that section have been completely consumed. The method that Gideon uses ensures that the cattle consume the maximum amount of nutrition in the smallest size of grazing land available. As an addition to the organic farming practice, Gideon rarely administers dipping protocols to control parasites such as ticks. Instead, he relies on the natural symbiotic relationship between cows and birds to control the spread of parasites. Birds interact with the cows and eat the ticks off the skin of the cows, which would not be the case if the cows were constantly undergoing dipping and other inoculation treatment.

5.3 Previously identified enablers of e-commerce in South Africa

Following interviews with the eight research participants, variables that are relevant to the literature review were identified and subjected to thematic analysis. The process of discovering the themes was based on a qualitative inductive analysis process for pattern discovery as explained by Patton (2015). The themes informed the research study with insight into the state of e-commerce enablers and inhibitors in South Africa. This section tables the enablers that have been identified, which are applicable to business in general and e-commerce in particular.

5.3.1 Contributing to business innovation

Each research participant was able to highlight the need for technological innovation in their business operations. All the Gauteng participants referred to e-commerce in their business operations and the way it enables them to transform and improve their respective businesses. On the other hand, while the farming participants (*E-Commerce Non-Users*) did not make mention of e-commerce, they however stated the relevance of technology either in use in their operations, or desired to improve how they conduct their business. The following quotes expand further on how the importance of innovation was rated by the research participants in both the *E-commerce Users* and *E-Commerce Non-Users* groups:

E-Commerce Users

- Lerato (LXVE):
    - “E-commerce [in the US] is so much easier. I mean SKIMS doesn't have a store. They do pop-up stores periodically.”
    - “And then there's Thabooty's. But, the difference there is quality. We're the first ones to sell shapewear in colour. We lit a fire but we're failing to keep it burning, and our competitors have a huge advantage over us.”

- Thabo (Baobab House):
    - “We are accommodation. We are a [conferencing] venue. We are a spa... When we talk about being able to cater for everyone: Mid-week a corporate guest must be able to stay there and they feel that all their needs are covered, in terms of Wi-Fi, comfortable bed, meals. In the evening, if they want to have a glass of wine, all those must be catered for. A tourist coming from wherever, when they stay there, all their needs must be covered. Weekend, a wedding [takes place] there. All their needs must be covered. It's not easy to reach that... There's a hotel here in Sandton that won't be able to cater for someone who wants to go to the bush... But, there are things that you can do to [get] around such things. One of them is technology...”

- Tshidiso (Mapha):
    - “So, there's a company called PayStack in Nigeria. They launched in SA recently. A lot of merchants are using them for payments. Companies like Stripe in America don't operate here. So, we need their services for our merchants…”
    - “And we shouted out to some of our cousins. So they actually helped us setup shop in Ivory Park… So at the time there was literally nothing there. No-one was doing deliveries.”
    - “And at the time, the idea was software point of sale. Software point of sale was very new. Even now the idea is still in its infancy. So many years later.”
    - “Nedbank, FNB, they were playing around with the idea of it. They just couldn't get it off the ground. They reached out to us in 2020, Nedbank, and they were like can you guys help us with this thing? Umm... And we said.... I mean... We can try.

But they were also working on something else. It was Avo at the time. Avo by Nedbank."

- "But, if you spend a lot of time with venture capitalists they'll tell you that, most of the ideas that go global, that go unicorn, are the ideas that no-one is willing to back. But, are the ideas that pushed the status quo, are the ideas that don't make sense on paper. Look at all the unicorns... Why would I let somebody in my car, that's ridiculous! Airbnb? Why would I let someone stay in my house, are you insane? So we have to push the conventional way of thinking, right? Once you start getting scared, on whether this will work or not, then you know you have something. Because it's something that no-one has thought about."

E-Commerce Non-Users

- Albrie (Poultry Farming):
  - "…these machines have the option to put in an [SMS notification module, which is already built-in to the system]."
  - "There isn't enough money to put in batteries [for solar power], or to put in a grid tie system at the moment."

- Chris (Crop Farming):
  - "I am [working on a drone license] now, to be fully licensed. I'm not going to spray for other people. But just in case, then I'm fully [compliant]. There are contractors already in Potch."
  - "I've got probes in the fields which tell me when to irrigate. [The pivots are also GPS tracked and that information relayed back to the app]. I have full control from my house in Potchefstroom."

- Damien (Cattle Grower):
  - "All of this information [from my application] gives me a picture of what's going on in the pan. If I see that [cattle keep getting sick, then I will see that something is wrong. Perhaps] I didn't give them the right immunisation, the weather isn't right,

that specific group of animals is weak. Where did we buy them from [so that] we don't buy from there again?"

As identified in the literature review, various forms of technology are part of the enablers that entrepreneurs need to consider in their business strategies (Forje, 2019; Janow & Mavroidis, 2019; Marwala, 2020). Both *E-Commerce Users* and *E-Commerce Non-Users* were able to demonstrate in one form or another the use of technology for their business operations.

For all 4 of *E-Commerce Users*, e-commerce technology has prominence in their business innovation. On the other hand, *E-Commerce Non-Users* did not demonstrate the use of e-commerce in any part of their business value chain. However, 6 of the 8 participants did highlight the use of information technology as being integral in the innovation aspects of their business, such as the use of remote monitoring and controls systems or the consolidation of information pertaining to livestock. A conclusion can be drawn that e-commerce, or technology in general, are enablers of business innovation.

5.3.2 Participation in the digital economy

All the research participants were able to highlight the impact that digitalisation has on their business operations. By default, *E-Commerce Users* were already engulfed in digitalisation, but were demonstrating ways in which they were expanding their marketing efforts to utilise complementary digital platforms that improve the e-commerce experience. *E-Commerce Non-Users* were identifying ways that their traditional farming practices could be enhanced using digitalisation technology.

The following are comments raised to this effect:

E-Commerce Users

- Thabo (Baobab House):
    - "…we don't have TVs in our rooms, but everyone is on Netflix now. They don't need a TV. All they need is connectivity... He may not be in Sandton, but the things he can do in Sandton, except shopping and stuff, he can get here."

- Tshidiso (Mapha):
    - “That means merchants are able to help you guys trade. They are more equipped with technology, something they didn't have before. 50,000 hours means we go on the ground and we spend time teaching, training... that's digital skills.”

      “We're working with a company now. They're going to help us map out the township properties so that we can start like giving these places numbers. Google Maps is great, but Google Maps does not work for every township in South Africa. And rural.”

- Zola (LXVE):
    - “We're in a great digital space, obviously. [The currency is] data…”

E-Commerce Non-Users

- Albrie (Chicken Farming
    - Everything is programmed into the [Orion] system itself. The Big Dutchman uses a Viper. It's just different name-brands for the same thing. They all control ventilation, feeding, lighting...
    - The only thing that this cage can do that the other one can't is just measure water consumption, which is very important for me as well. If I get water consumption [10% higher or lower than my regular consumption], something is wrong somewhere. Either ventilation is too hot, it's too cold in the cage, or the chickens are [sick, or getting sick].

- Chris (Crop Farming):
    - “I can [monitor everything from a single app on my phone]. In my house [I have a large display screen that shows more operational information].”
    - “[A drone is perfectly suited for precision farming. It can be programmed using GPS co-ordinates for distributing seed, as well as fertiliser, across the field].”
    - “All the pivots are [automated]. I don't have foremen. I'm the only worker, and I work quite a big area...”

- Damien (Cattle Grower):
    - "I can go into each [cow's record on my application]. It will show me what it weighed today, its weight gain, where it came from, how many days it's here, I can even go into its history and see if it has been sick or anything like that. When it was sick, what they gave it, and all of those types of [things]."
    - "All of this information gives me a picture of what's going on in the pan."

- Gideon (Organic Cattle):
    - "Here on the other farm, I have a battery with the energiser, and a regulator, and I got a camera also on top. I can go in on my phone and check what's going on there."

Various aspects of digitalisation were covered in the literature review and addressed as part of the conceptual framework. This includes the Neo-ecological Theory by Navarro and Tudge (2022); d-commerce (Munyoka, 2022); Tembe (2020) and Marwala (2020) on 4IR in general; as well as Janow and Mavroidis (2019) on the importance of adopting digitalisation of trade.

In alignment to the findings from the literature review, all 8 of the research participants were able to demonstrate ways of adopting digitalisation into their business operations. While the *E-Commerce Users* had fully embraced e-commerce as part of their digitalisation drive, the *E-Commerce Non-Users* rely on digitisation technology to augment their farming practices.

5.3.3 Conducive and positive e-commerce climate

The existence of a conducive and a positive e-commerce climate in South Africa was attested to by the majority of research participants. There was no question about the availability of Internet access. Even in the midst of rolling power loadshedding by Eskom and its effect on Internet service providers, none of the *E-Commerce Users* were concerned about Internet outages. The focus for this group of entrepreneurs was on how they could attract a wider market of online users into consuming their services or buying their products.

The following are comments raised to this effect:

E-Commerce Users

- Lerato (LXVE):
    - “That's what I was trying to create with LXVE. I wanted us to be the next SKIMS [www.skims.com]. I actually wanted us to be the next Sara Blakely.”
    - “You just load it up on Instagram. It's called Instagram Business. You download the Instagram Business app. Then we have images that we took professionally, and load it on the business store. And people can shop directly from the WhatsApp Business. They've created a platform for people to shop on WhatsApp.”
    - “When [DJ Zinhle] launched the hair brand, I think she had ... [over 3 million followers]...”
    - “A lot of our customers would order on WhatsApp…”

- Thabo (Baobab House):
    - “If they book direct with me, I have to [manually capture the information on an Excel spreadsheet]. But, there's booking.com, airbnb.com, and safarinow.com.”
    - “In the last week, I made a conscious decision that it's time I had unlimited WiFi at [63 on Nyala]. If I'm attracting that international [traveller who is] used to having WiFi everywhere he travels, I will need to have the amenities that cater to that market.”
    - “…everyone is on Netflix now.”
    - “Remember, when I update my status on WhatsApp, everyone [can see it].”
    - “We've got a shared services WhatsApp group. So whatever they need, they send to this platform.”

- Tshidiso (Mapha):
    - “If I want groceries, I can get Checkers, I can get Pick n' Pay. The limitation is I can only get from Checkers or I can only get from Pick n' Pay. Or I can only get from Zulzi. If I want food from UberEats I can only get food [from UberEats stores].”
    - “Other startups like your Zulzi have Checkers or Shoprite. The guys who started Bottles, they got Pick n' Pay, and they helped them build that grocery delivery app.”

- "If Uber can fetch my child and take them home, at least then I know my child is at home and she is safe."
- "And then if you want to build distribution centres for e-commerce, build it in the township. And then you bring your guys to take it out if you want. You know. You don't have to take people out of their home. Let them build their communities up. So you move from having a shack to having a home."
- "But another thing that we actually realised, when we were targeting the township guys, there are a lot of individual small businesses that work from home, who have e-commerce platforms obviously."
- "They wanted delivery. I mean the local business there have no issues with delivery. They embrace it. They say UberEats doesn't want to come here. Mr. D doesn't want to come here. So how do we get our products there. And when you speak to the customers, they say we want UberEats and Mr. D."

It was evident that the successes achieved by popular e-commerce platforms such as Zulzi, Uber, bookings.com, and AirBnB were boosting the confidence of the *E-Commerce Users* to venture on establishing their own online businesses. Only one of the participants (Thabo from Baobab House) was using established e-commerce platforms (AirBnB and bookings.com), while the other two participants were venturing into establishing their own e-commerce brands. This is testament to the confidence that exists to both established e-commerce platforms, as well as the technology that exists to establishing one's own e-commerce platform.

For *E-Commerce Non-Users*, there was no evidence presented for the conduciveness and positivity of an e-commerce climate in South Africa.

5.3.4 Low barriers of entry to online business

A unanimous view of low barriers of entry to establishing one's own e-commerce platform was shared by all the *E-Commerce Users*. The most notable aspect when this topic was being discussed is in how each participant was able to apply business principles that justified the use of e-commerce for their business. For example, LXVE viewed the fashion retail wholistically and not just from an e-commerce perspective, allowing them to consider alternatives from a consumer's point of view,

such as well-established brick-and-mortar stores. Baobab House was clear to point out that they utilised existing e-commerce platforms based on strategic alignment to their operations. While Mapha, who considered their strategic positioning in the e-commerce value chain, acknowledged areas to partner with other role-players as part of their growth strategy.

As none of the *E-Commerce Non-Users* were in a position to discuss online business, the proposition factor pertaining to low barriers of entry to online business was only explored with *E-Commerce Users*. The following are comments raised to this effect:

E-Commerce Users

- Lerato (LXVE):
    - "We don't want to commit to a physical store right now. The economy is not looking good now or next year. If big [retailers] like Foschini have closed-down stores, who are we to go and take-up rent?"
    - "E-commerce [in the US] is so much easier. I mean SKIMS doesn't have a store. They do pop-up stores periodically."

- Thabo (Baobab House):
    - "But, remember these channels [are used differently depending on the establishment]. At Menlyn, I strictly operate on bookings.com and airbnb.com."

- Tshidiso (Mapha):
    - "So as start-up founders in the last mile, we always find ourselves partnering with bigger e-commerce guys. Because they need distribution."
    - "...technology is readily available. You have a whole country, it's called India. And these people have a house of coders and tech people, farms of literally data people."

- Zola (LXVE):
    - "There's a sense of freedom that [e-commerce provides you, because it] firstly opens up the business space. When you think of business, you think of a building... It removes that hurdle for aspiring businesspeople."

- "It's easy for me to go buy lip-gloss online. And also with that business, it's easy to come with new products. It's a matter of bringing out a palette with three different colours."

All 4 of the *E-Commerce Users* expressed the ease with which they could incorporate e-commerce as part of their economic value proposition. This was viewed from the perspective of leveraging existing technology or platforms as in the case of Thabo (Baobab House), as well as Lerato and Zola (LXVE). While for Tshidiso (Mapha), there were various possibilities that were open to their organisation, which included developing their own technology or strategically positioning themselves within the e-commerce business value chain.

5.3.5 Broader access to markets

Each of the *E-Commerce Users* highlighted the ease with which e-commerce brought them closer to their target market, which primarily consists of the broader South African population. Even in the case of hospitality, international platforms such as bookings.com and airbnb.com were being utilised mainly by South Africans in search of accommodation establishments within the borders of the country. The need to access the international market is not an immediate priority for Baobab House, where Thabo states that even though they almost exclusively service the local market, their business is growing.

The following are comments raised to this effect:

E-Commerce Users

- Lerato (LXVE):
    - "Hermosa, when she started she was just an influencer. I remember she was sitting on 200 thousand followers. She literally took that brand and ran with it while it was still hot."
    - "It's not like we have an unsellable product. We have a product that's very sellable, and we don't even have to do much to sell it. We have all the resources, but we're not utilising them."

- "And it was worse at the time because I was based in the US. I literally had to wake-up at odd hours and post. But by God's grace, I was able to make it work. The only reason why Pretty Lee Lashes took a turn was [due to a personal challenge I was going through at the time."

- Thabo (Baobab House):
  - "In fact, since we've opened [in January, 2021], I've probably hosted about 3 international guests... 2 [from] Asia and 1 [from] US."

- Tshidiso (Mapha):
  - "But, the past two weeks we have done about... 408 deliveries..."
  - Tshidiso (Mapha): "So we said Ok, setup your store virtually on the platform. So that even when you're home, we'll come fetch it from your house."

- Zola (LXVE):
  - "We opened a new side of it when we came in. We said we are about inclusivity. Also, in our first shoot, which made it even more epic was the different ages. Because that's another conversation that people were not having, so when do you start wearing shapewear."

All 4 of *E-Commerce Users* mentioned ways in which e-commerce was able to expose businesses to a broader market. This was either in the form of targeting a broader demographic group, or the ability to connect to customers beyond the limitation of geographic borders.

5.4 Previously identified inhibitors of e-commerce in South Africa

The same process that was followed with identifying enablers of e-commerce for South Africa was followed to identify inhibitors. This section tables the inhibitors as they relate to the research study.

5.4.1 Dealing with criminality, anomalies, and logistical challenges

The research found the issue of crime to be top of mind among concerns that almost the entire participating group of entrepreneurs have in conducting business. For example, when visiting

farms, strict safety protocols were being adhered to for visitors arriving at the farms. Prior to the automated security gates being opened to allow us entry, there was a long duration of inactivity after our arrival was announced at the intercom. This gave the impression of people that were taking extra precaution so that they have certainty of who was about to enter their premises.

In terms of e-commerce, the strength of the platform is the extent to which it can address the anomalies that may arise at any point of the transaction, including dealing with criminal incidents that may arise during the ordering or the order fulfilment process, which may affect either the service provider, the customer, or both parties. This is indicated in the literature review as the litmus test for the robustness of an e-commerce platform. As a reported inhibitor to e-commerce platforms, the following are comments raised by the majority of the *E-Commerce Users* regarding this:

E-Commerce Users

- Lerato (LXVE):
    - "There are areas where I know that if you don't stick on their neck they're not going to deliver the customer's goods."
    - "Sometimes I have to jump into my car and go to Kempton Park. Sometimes I have to jump into my car, just for one parcel, and go to the Vaal, and make sure that a girl in Broadacres gets her parcel, because my mom for some odd reason sent the wrong one."

- Thabo (Baobab House):
    - "[With my neighbours], we work together towards security..."

- Tshidiso (Mapha):
    - "And you're not going to like the answer, unfortunately. You won't. They're going to tell you about crime, killing, and it's scary."
    - "Google Maps is great, but Google Maps does not work for every township in South Africa. And rural. It doesn't know 3304, 3302, or 33.. I mean, 3304 and 3301 can

be next to each other. What kind of structure is that? Their robot doesn't understand that. Their algorithm doesn't understand that."

- "There's nothing worse than a driver who's in trouble and you can't assist. What are you gonna do? The driver tells you that some guy just took my bike and I'm going to hospital and..."
- "Even if they're not you're employee by law, they're still part of the company. You know, they are a critical part of your company and you need to keep them safe."

- Zola (LXVE):
    - "Also, another big disadvantage of online stores and e-commerce in South Africa, is the fraud, unfortunately... A lot of our customers would order on WhatsApp, and they would say 'I got scammed, so now I don't trust buying online. My card was hacked,' and stuff like that."

E-Commerce Non-Users

- Gideon (Organic Cattle):
    - "Because, when the cattle [are] in the kraal, the guys come from the [township] and they try to steal the cattle. Then they alert me. I come here and I quickly go around my fence, and I get [the cattle] and I put them back in the kraal. When I'm at home, half an hour later, they phone me 'No, they are back'. But then, they chase the herd to break everything. Then the [cattle] break the whole kraal, and then they separate it. But, every time, I get all my cattle. But now, they are only laying there - they are hiding there. You can't see them..."

For all but one of the group of farmers, the issue of crime was either verbally articulated or it was deduced. During visits to Albrie's poultry farm and Damien's cattle grower farm, both participants were in possession of firearms which were worn in such a manner that conveyed little concealment effort. It sent a message of one who is prepared to deal with any incident of criminal activity. All 8 of participants were concerned about crime. For the *E-Commerce Users* the threat of crime presented itself in the risk of fraud or theft. In the case of *E-Commerce Non-Users* the issue of

crime presented itself through the risk of physical theft of stock or criminal elements infiltrating their farms.

E-commerce anomalies and logistical challenges were only voiced by participants from LXVE and Mapha, with Thabo (Baobab House) being the only participant that was not affected by such challenges. The research notes that Baobab House was not utilising e-commerce for the distribution of products or services, but as a platform of sourcing business and promoting a hospitality service. To this effect, Baobab House would have no input to logistical issues surrounding e-commerce. However, Thabo did indicate that they do have incidents of patrons wanting to take advantage of them by providing falsified payment confirmations, or trying to consume products or services at their establishments without paying for them.

5.4.2 High Internet access cost

The literature has correctly placed Internet access in South Africa not as an inhibitor, while raising a point of contention with the cost of access thereof. The resultant effect of having high cost of accessing the Internet and related services, is that it limits the number of users that become online shoppers who consume products and services presented by e-commerce businesses.

E-Commerce Users

- Thabo (Baobab House):
    - "We haven't had WiFi at [63 on Nyala] for the longest time."

- Tshidiso (Mapha):
    - "Imagine if I tap my card and your phone loses connection. Where is that payment gonna go? ...So, those are the things that we have to work around. So Nedbank was struggling with that, so... at the time we parked the idea 'cos we were like yoh! That's going to take a lot of capital."

All 4 of the *E-Commerce Users* had a concern relating to the cost of Internet access in South Africa. For example, this had caused Baobab House to delay the installation of Wi-Fi for some of

their establishments. While for the other participants, they could only voice their concern on how the factor of high Internet costs in South Africa affects their customers.

5.4.3 Access to Information Technology (IT) expertise

Only one of the three *E-Commerce Users* had access to IT skills within their own company. Moreover, that company (Mapha) had forged a close working relationship with Google as their global technology partner. In stark contrast was Thabo's case, where the lack of such skills was evident in how some of the technology that they were relying on was either under-utilised or it was employed in way that it was not intended for. For example, Thabo made the incorrect assumption that by saving someone's contact details on his WhatsApp application meant that all his WhatsApp status updates were automatically visible to the person whose number he had saved. WhatsApp status updates was a feature that Thabo relied on to promote running specials on any of his establishments. In truth, Thabo's status updates could only be visible to people that had made sure to save Thabo's contact details on their phone as well.

The following are comments raised that indicate not enough IT skills were accessible to all the e-commerce entrepreneurs:

E-Commerce Users

- Lerato (LXVE):
    - "Unfortunately, when the parcel leaves our premises, we will give you a tracking number. We will track it with you, but we don't have physical control of where the [delivery vehicle] goes...".

- Thabo (Baobab House):
    - "I'm going to do a form quotation on the laptop... I'm using just a basic Excel [spreadsheet]... But it ends here. Established hotels that have automated systems, it will then extract the name [and all other details]... into a CRM system. Right now I can't tell you, without me going to physically count, I can't tell you how many guests we've had in the last see months..."

- "However, we've tried to get around that gap. Every single booking that comes through from Menlyn, [and] every single booking that comes through from 63 on Nyala, these ladies (employees of Baobab House) save the guest's number on their WhatsApp. Remember, when I update my status on WhatsApp, everyone [can see it]".
- "It's difficult to link this person here who's watching this video and track them down until they make the booking and they stay..."

- Tshidiso (Mapha):
  - "You can't assume for the customer, first thing. Right? You must always put the customer first. Ask them 'What device do you use?' ... [When] we're recruiting, and we go to the guys on the street, on the side of the road. And we tell them about the company. And how much they'd make. Everything was exciting. So the pitch part was fine, they understood the value. Now the process of the product comes in. [We would say,] 'Download the app and we'll see. We'll wait for you. Do it. And sign up.' So we watch him. He goes on the app store, looks for the app. Mapha, and he says, 'Is this the one?' And we say 'Yes'. He downloads it. And now he has to enable permissions and settings. He says 'I don't know how to do that.'"

It was evident that the *E-Commerce Users* needed to have the necessary support in place to handle various challenges that arise with the operations of an e-commerce platform. For the majority of the participants this support was not in place.

5.5 Unconfirmed factors of e-commerce in South Africa

Unconfirmed enabling or inhibiting factors for e-commerce are those factors that could not be verified from the qualitative study. Such factors are stated in the literature review in one way, while the research participants do not provide evidence to support what is stated. This section provides a view of two such factors that have been found to not matter as enablers nor inhibitors.

5.5.1 Negating the brick-and-mortar experience

The general narrative that is propagated for e-commerce, which is also stated in the literature review, is that at best the advent of e-commerce shopping negates the need for brick-and-mortar business establishments. Or at the very least, it renders brick-and-mortar businesses not as much of a significant factor for a business to reach a broader market. This has however not been found to be the case, as articulated by most of the *E-Commerce Users* below.

E-Commerce Users

- Lerato (LXVE):
    - "I think a pop-up store, be it a spot like this [restaurant], that's where I used to do my pop-stores for Pretty Lee Lashes... People would come. We would make twenty thousand [rands] a day. And I'm selling lashes for R45, R150, and R200, at that time."

- Thabo (Baobab House):
    - "Sales is something else. Even if you're graded, you still need to go and convince 'a Mr. Nkuna' who's sitting on a desk [somewhere] that you're the best property within the Roodeplaat area."

- Tshidiso (Mapha):
    - "They go to markets and they try to sell their stuff. The only time they're making money, is when they are at markets, OK... [W]hen we were looking for merchants, we started walking to the markets, like Kammers..."
    - "And even there, with your marketing, you don't have money to market. So, you put out a poster... You know how social media algorithms work, you might see it next week."

- Zola (LXVE):
    - "I think that's telling that we still fallback to the store, whether it's a pop-up or [not]. I think e-commerce is not strong enough on its own at the moment."
    - "When you introduce pop-up stores, people that don't trust you, they come."

All 4 of the *E-Commerce Users* relied on some form of physical interaction with their customers. In some cases, pop-up stores were seen as the answer to circumventing the limitations of operating exclusively online. Such limitations present themselves when customers are not yet familiar with the product or service that an e-commerce business is offering. None of the *E-Commerce Users* were operating strictly and exclusively online.

5.5.2 Competitive pricing and a wide selection of products or services.

The proposition factor of affording customers competitive pricing and a wide selection of products or services could not be tested. The following statements were articulated by the *E-Commerce Users*:

- Thabo (Baobab House):
    - "Sometimes you may have all [the things that your guest wants], but your location [is not what they are looking for]..."

- Tshidiso (Mapha):
    - "There was no delivery ecosystem. We had a platform. We had people listing [and] trying to get food. And no-one can move the food."

- Zola (LXVE):
    - "We're the first ones to sell shapewear in colour."

None of the *E-Commerce Users* were able to present evidence of pricing benefits being provided to customers. In some cases, instances of providing a wide selection of products or services was evident. While for others, the case was the provision of niche products or services.

5.6 Newly identified enabler of e-commerce for SMEs in South Africa

This research has found that entrepreneurs who relied on e-commerce for their business operations had a concern for raising capital for their business, in one form or another. Therefore, in order to bolster marketing efforts for the promotion of their business offering, they all relied on influencers to carry the message of their products and service across to their target markets.

5.6.1 Integral use of social media marketing

The literature review mentions “Customized / targeted online advertising” as a means for online businesses to reach its intended audience (Moriset, 2018, p. 13). This type of advertising is not explicitly defined, and it is left to the creativity of entrepreneurs to establish what this means for them. In the case of the e-commerce participants identified for this research, they all gravitated towards influencing methods within social media, which they could cost-effectively rely upon to promote the products and services of their respective businesses.

The following comments capture the sentiments expressed by the entrepreneurs towards the use of social media in their marketing and communication strategy:

E-Commerce Users

- Lerato (LXVE):
    - “One of the people who promoted Spanx was Oprah. She was like this is the best thing that has ever happened.”
    - “Those people pushed the Sara Blakely brand, though she was not a known person, she had structure and maybe a good PR team. Marketing and advertising was very strong. That's how she was able to get her product out.”
    - “I went to her page and I studied her [posts]. [Zola] advertises @thesanhair more than she advertises LXVE, and The San Hair is owned by [someone else].”
    - “Then [I thought about] the olden days where you had your L'Oréals, your Yardleys. What do they do when they have a new perfume or new mascara? They go fetch a Tyra Banks, they go fetch a Gigi Hadid, they go fetch a Rihanna.”
    - “For social media it's definitely posting on a regular basis. Talking to customers and taking them through the journey of the product.”

- Thabo (Baobab House):
    - “You want to go where the numbers are. The numbers are on TikTok right now. Then you get Instagram. FaceBook still has got a sizeable number for the older market. But TikTok is in there... Instagram is more lifestyle. TikTok is everyone.”

- “Sales is something else. Even if you're graded, you still need to go and convince ‘a Mr. Nkuna’ who's sitting on a desk [somewhere] that you're the best property within the Roodeplaat area.”

- Tshidiso (Mapha):
  - “So people don't really know unless you push out with word-of-mouth.”
  - “And even there, with your marketing, you don't have money to market. So, you put out a poster... You know how social media algorithms work, you might see it next week.”
  - “We use Facebook. We use Instagram, LinkedIn, TikTok, Twitter. Our Facebook, or social media in general is just organic. Paid advertising we use, but not for individual social media websites. Facebook ads, we use to run a few. We don't really get the traction that we need. That we try to get. But I think also because of the targeting. What you realise, a lot of products, or Facebook's algorithms let me say, is targeted to users with smartphones, who live in certain areas. I mean, you can think of the assumptions that were made by the people who were designing the product. It's the same assumptions. So, it's very difficult to get your product in front of your ideal target...”
  - “So what we used was, to our merchants we'd say, ‘Can we put up a poster on your shop, that says next time you order just text these guys, and we will bring the food to you.’”
  - “So, we found a lot of mixed results and I think it has to do with the algorithms on these social media platform. So, in terms of targeting with our ads, we know that we're most likely to gain traction if we are on your face. Not on your phone, but in your face. When you go outside. You see Mapha.”

- Zola (LXVE):
  - “Let's go to [DJ] Zintle. The wigs are owned by Hair City. Hair City is the big money pusher [behind the brand]. This then affects the PR, the frequency of the PR, because there are many arms at play here. Which makes the machinery of the brand to move much smoother because there is a lot of money backing it.”

All 4 of the *E-Commerce User* research participants had a strong bias towards organic social media advertising, as opposed to paid-for advertising that relied on the platform's algorithm to determine when and for whom a particular online advertisement should be flighted. For example, Tshidiso articulates how Mapha captures images of local businesses with Mapha delivery agents, which are posted on the various social media pages. LXVE has relied upon the fame of Zola as an actress to pull a customer base towards purchasing their shapewear.

5.7 Summary of results

A number of proposition factors were identified in the literature review and summarised in *Section 2.7.1*. These proposition factors were subjected to a qualitative study and the findings thereof are captured in *Table 7* below. The majority of factors in the form of enablers or inhibitors of e-commerce that were identified in the literature review have been confirmed by this study.

Table 7: Summary of qualitative results

Category	Proposition Factors	Findings from the Study	Conclusion
Enablers	Contributing to Business Innovation	Contributing to Business Innovation	Confirmed
	Participation in the Digital Economy	Participation in the Digital Economy	Confirmed
	Positive E-commerce Climate	Positive E-commerce Climate	Confirmed
	Low Barriers of Entry to Online Business	Low Barriers of Entry to Online Business	Confirmed
	Providing sellers access to a much broader market as compared to traditional brick-and-mortar businesses.	Negating the Brick-and-Mortar Experience	Non-Influencing Factor
	Affording customers competitive pricing and a wide selection of products or services.		Not confirmed
		Integral Use of Social Media Marketing	Newly Identified Factor
Inhibitors	Proclivity of digital platforms to cyberattacks.	Dealing with Criminality, Anomalies, and Logistical Challenges	Confirmed
	Underdeveloped logistical systems.		
	High cost of mobile data	High Internet access cost	Confirmed
	Readily available technical assistance when problems arise during the shopping experience.	Access to Information Technology (IT) Expertise	Confirmed

It is evident that e-commerce provides more benefits in the form of enablers to businesses in South Africa. While only a few research participants were utilised for this part of the research, their contribution has validated most of the factors that were identified in the literature review. Competitive pricing and a wider selection of products or services afforded to customers could not be confirmed by the study. In addition, and as a non-influencing factor, an online business does not negate the need for a physical "Brick-and-Mortar" operation.

The most exciting outcome of this research is that the newly identified enabler, in the form of the use of social media marketing to complement online business, provides an opportunity for aspiring

entrepreneurs to find creative ways to promote their businesses. This factor is a key contributor towards the development of an e-commerce model as envisioned for this research study.

5.8 Conclusion

The research methodology and tools chosen for the qualitative phase of this research has confirmed most of the enabling and inhibiting factors for e-commerce success for SMEs, as articulated in the literature review. The detailed interviews carried out provided insight into factors concerning e-commerce business operations. The use of a control study group in the form of farmers that do not make use of e-commerce, has also allowed for an opportunity to compare and contrast business factors that are inherent in all businesses. This was strongly evident for items such as innovation and crime. On the one hand, businesses need to be creative in how they address business opportunities presented by economic problems that they wish to solve. At the same time, for any business opportunity pursued comes associated risks, in the case of this research crime was a risk that was relatable to both e-commerce and farming entrepreneurs. The findings of this research may contribute to a body of knowledge around how the ultimate challenge of job creation can be addressed by implementing a specified form of an e-commerce business model.

CHAPTER 6: QUANTITATIVE PHASE FINDINGS

6.1 Introduction

This chapter presents results from the quantitative phase. The instrument used for the data collection was a survey questionnaire that was designed from the analysis of results from the qualitative phase addressed in the previous chapter. The qualitative phase was primarily concerned with answering RQ1 (*Section 1.3.1*), which addresses the enablers (RQ1a-Enablers) and inhibitors (RQ1b-Inhibitors) faced by small businesses in relation to the use of e-commerce.

The collection of quantitative data served towards the triangulation of data, so that this study was not entirely dependent on only one method of data collection. Furthermore, the survey questionnaire was used to gather data relating to organisational structure and ecological input, which were used to respectively test the propositions of incorporating holacratic and *Ubuntu* aspects into the business model discussed in *Chapter 8*, as it relates to RQ2 (section 1.3.2). The construct measurement of the data collected from the survey questionnaires was tested through confirmatory factor analysis using IBM SPSS Statistics.

The profile of the respondents for the quantitative phase is covered in detail in the sections that follow.

6.2 Sample size

The survey questionnaire was developed and captured in Google Forms for it to be reliably hosted online. The link to the questionnaire was distributed to respondents that were willing to capture their responses on their own. The questionnaire was designed in such a manner that it provided detailed instructions on how to capture responses. For respondents that required assistance to capture their response to the questionnaire, the questionnaire was accessed on their behalf using the link, and their responses captured for them as they were asked each question.

A total of 65 responses was captured for this survey, which met the minimum of 60 responses for validity and reliability criteria from 12 constructs to be tested (Pallant, 2010). The responses were sourced using a snowball sampling method, where a minimum of two SME referrals was requested

from each participant (Patton, 2015). The initial source of the respondents was from registered business organisation networks.

6.3 Demographic profile of respondents

As shown in *Figure 16*, males constituted 63% of respondents, while females accounted for 37%.

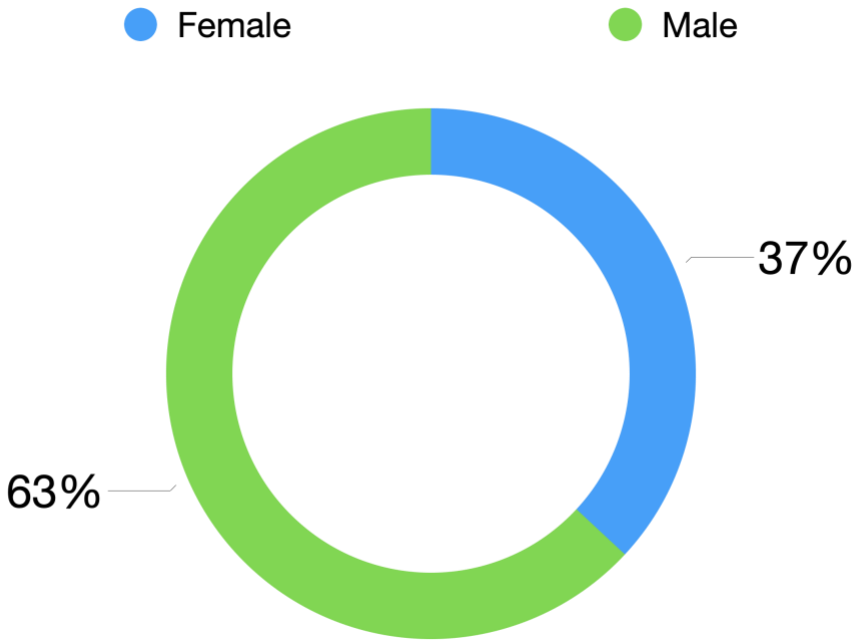


Figure 16: Research participants gender representation

The representation of age groups by the research participants is 15% for ages 21 to 30; 40% for ages 31 to 40; 31% for ages 41 to 50; 12% for ages 51 to 60; and only 1 respondent over the age of 60 (2%). This is shown in *Figure 17* below.

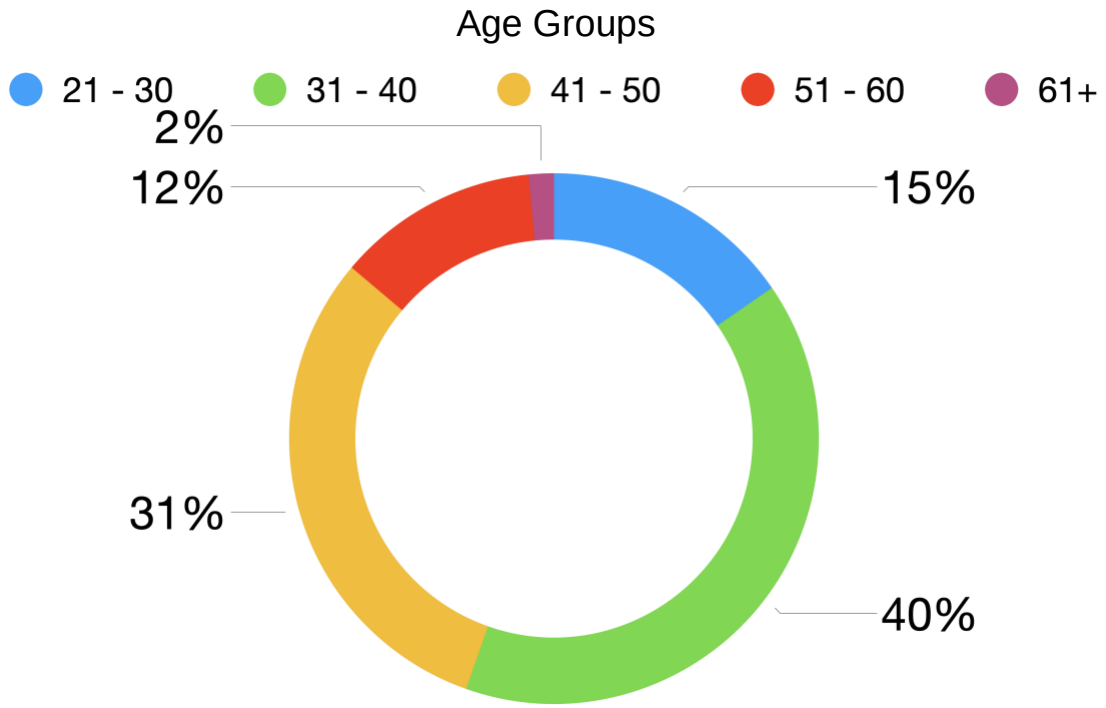


Figure 17: Research participants age group representation

6.4 Profile of organisations represented by the questionnaire respondents

6.4.1 Geographic Profile

The majority of responses originated from the province of Gauteng (68%). This was followed in lesser proportions in descending order from the provinces of Limpopo (11%); Kwa-Zulu Natal and North West (both at 6%); Eastern Cape (5%); Mpumalanga (3%); and Northern Cape (2%). No representation was made for the provinces of the Free State and the Western Cape.

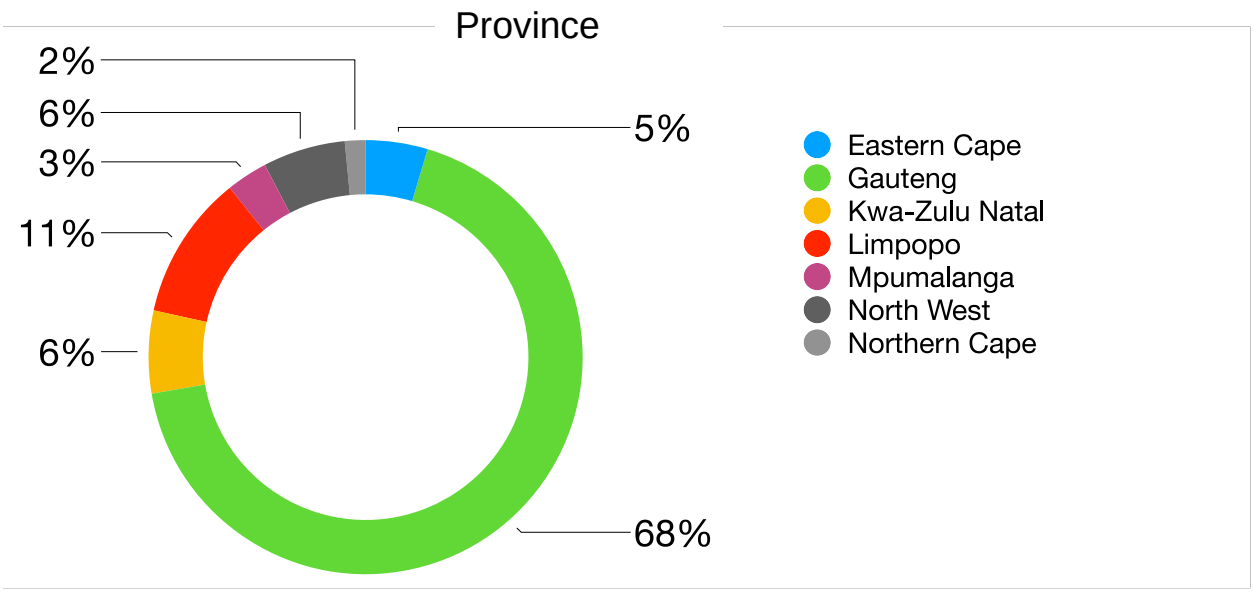


Figure 18: Profile of represented organisations by province

6.4.2 Location profile

The majority of responses originated from urban areas (city, town, and township), with rural villages accounting for the minority of responses (14%). Townships were the source of most responses from urban areas (37%); followed by cities (26%); and lastly towns (23%). Gauteng, as the province with the most responses, accounted for a fair representation of the urban market. Only 2% of responses from that province was for rural villages.

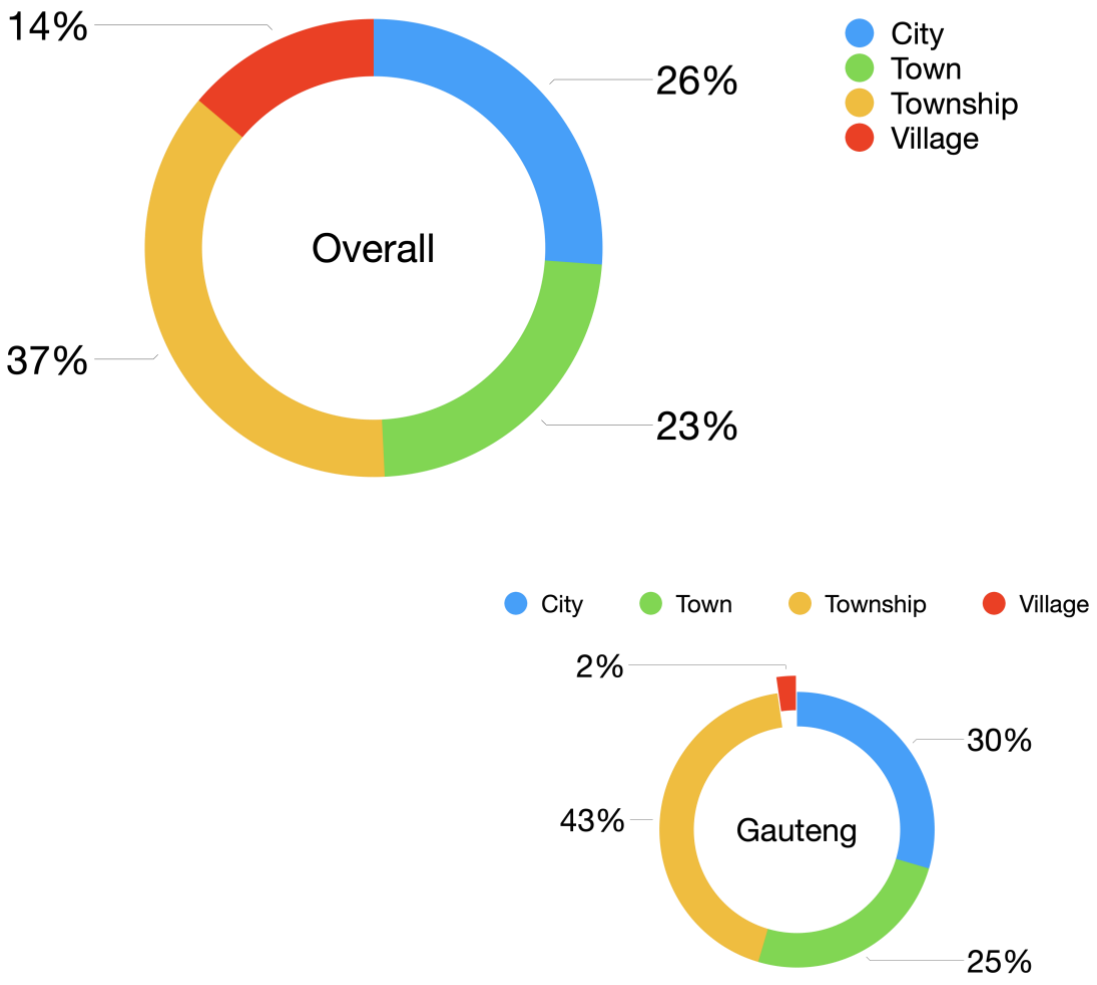


Figure 19: Profile of represented organisations by location type

6.4.3 Entity profile

The most entities represented among the respondents were formally registered businesses, with private companies accounting for the lion's share (60%), followed by close corporations (17%). Sole traders and partnerships were also represented (14% and 8% respectively), with only 1 response (2%) from a voluntary association entity.

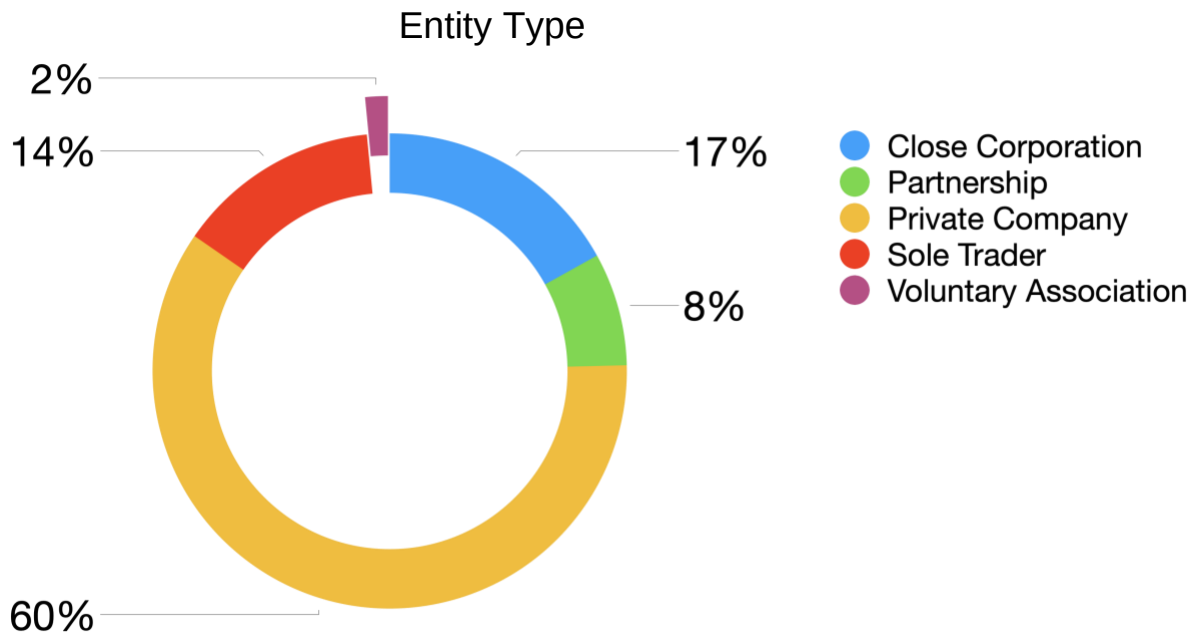


Figure 20: Profile of represented organisations by type of entity

6.4.4 Operating years profile

Most (62%) of the entities represented for this research study have been in existence for more than 5 years. There is an equal representation of entities that have been in existence between 6 and 10 years, and those that have more than 10 years of operation (both groups accounting for 31% or respondents each). This is followed by entities that have been in existence between 1 and 3 years (18%); between 4 and 5 years (14%); and the minority of respondents were representing entities that are less than year in operation (6%).

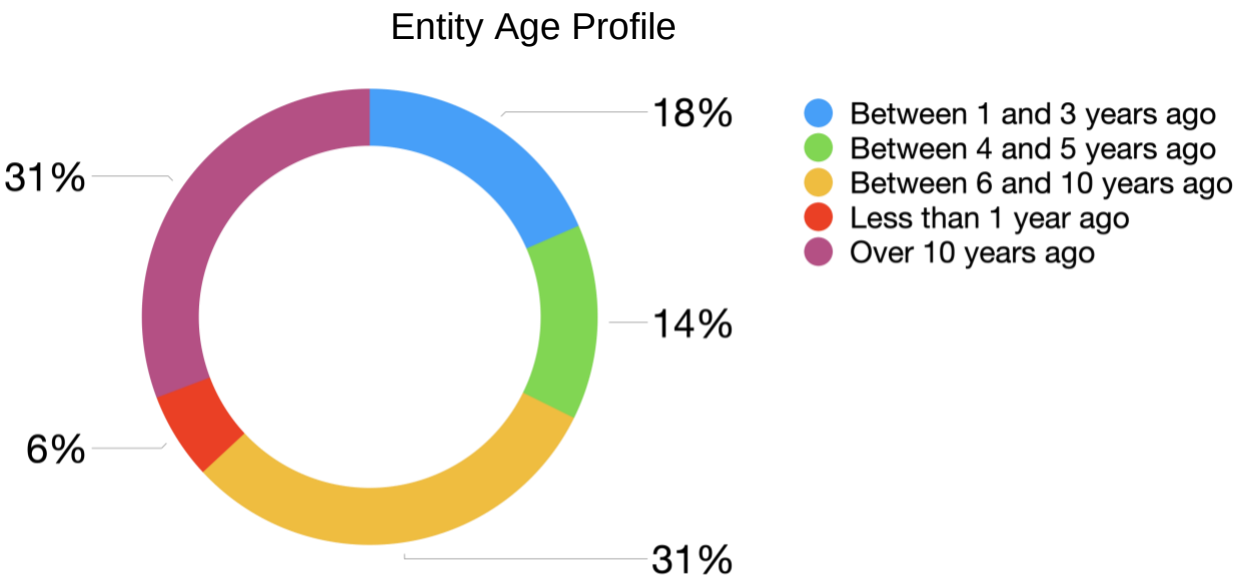


Figure 21: Profile of represented organisations by number of years in operation

6.4.5 Size profile

The research study managed to attract small and medium size entities to provide responses to the survey questionnaire. The bulk of the responses (83%) represented entities that have 10 or less employees; followed by entities that have between 11 and 50 employees (11%). The least portion of respondents (6%) have between 51 and 250 employees.

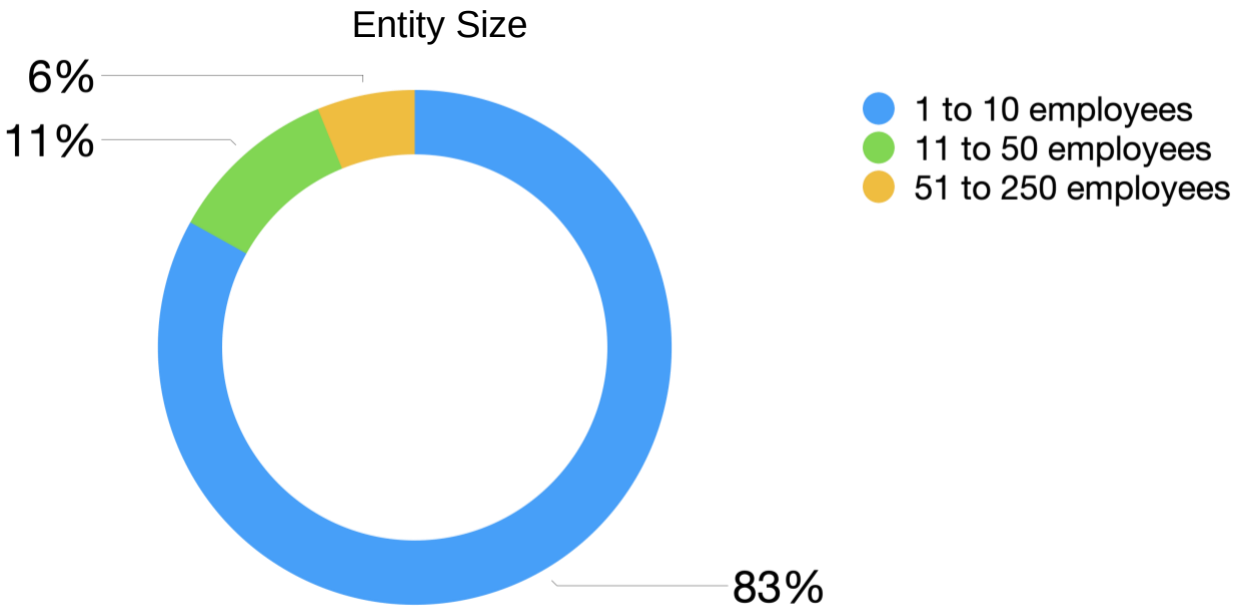


Figure 22: Profile of represented organisations by size

6.5 Item analysis of attributes

Table 8 (refer to page 104) presents the proposed constructs that were developed from a combination of the literature study and qualitative interview results. The constructs covered in the table are discussed below.

6.5.1 Business innovation

The survey questionnaire in *Appendix B* sought to triangulate the proposition factor *Business Innovation* by interrogating it from the perspective of organisational structure and purpose, which could form part of the building blocks of the e-commerce business model to answer RQ2. Robertson (2016) states that as organisations grow in size, their ability to innovate reduces. Collins and Lazier (2020) discuss these building blocks as the vision of the organisation, constituting core values and beliefs; purpose; and mission. Therefore, as an organisation grows, the vision of the organisation needs to be revisited along with the organisation's structure to support this vision. *Business Innovation* was studied under quantitative analysis through the building blocks of *Organisational Purpose (IN1)* and *Organisational Structure (IN2)*, which can contribute towards the development of a sustainable e-commerce business model.

Values and beliefs, as well as mission as included under the vision of the organisation by Collins and Lazier (2020) were explored under three ecological constructs of *Interdependence (EC1)*; *Communitarianism (EC2)*; and *Environment (EC3)*. This approach is in support of the two main propositions of the *E-commerce-Ubuntu-Holacracy triad* in *Section 3.1* and the *Taxonomy of Ubuntu* in *Section 3.2*.

6.5.2 Digital economy and e-commerce climate

The proposition factor of *Participating in the Digital Economy* was explored by testing the extent to which participants had *Access to Information Technology Expertise (DE)*, which was categorised and confirmed as an inhibitor. As an extension to digitisation, the proposition factor of *Positive E-commerce Climate* was studied by associating it with the following proposition factors:

- *Broader Access to Markets (PE1);* and
- *Low Barriers of Entry to Online Business (PE2).*

PE1 represents the ease with which the businesses are able to reach their customers by means of e-commerce, where such a platform is made readily accessible to the target customers. The statement posed in the questionnaire to determine this is: “Many of our customers/clients order from us online through an e-commerce website or mobile app”. This statement is also useful to determine the number of respondents that make use of e-commerce.

PE2 indicates the extent to which a business can easily implement an e-commerce platform and the usability of such a platform. In the case of the surveyed businesses, the proposition factor from the literature is explored in relation to the suppliers that the businesses interact with. The statement posed in the questionnaire to establish this is “Many of our supplies/stock are ordered online through e-commerce websites or mobile apps”.

6.5.3 Brick-and-mortar experience

Negating the Brick-and-Mortar Experience as a non-influencing factor was explored under the quantitative study by re-affirming the need that customers have to engage in some level of *Physical Interaction (BM)* with the product or service that they wish to procure prior to making the initial commitment, even in cases where the product or service is being offered through e-commerce channels.

6.5.4 Social media

The newly identified factor of *Integral Use of Social Media Marketing* from the qualitative study was explored under the broader construct of *Social Media (SM)*. This allowed the study to test the extent to which participants leverage the impact of social media platforms such as Facebook and Instagram, to reach their target audience.

6.5.5 Anomalies

Various inhibitors to e-commerce were confirmed under the qualitative study, which were broadly labelled as a proposition factor of *Dealing with Criminality, Anomalies, and Logistical Challenges*. Under the quantitative study, this was studied under the construct of *Addressing Business Challenges (AC)*, which explored the extent to which participants looked for ways in which to improve the position of their businesses in dealing with various challenges faced.

6.5.6 High Internet cost

The proposition factor of *Addressing High Internet Access Cost* was confirmed under the qualitative study. Under this study this factor was explored through means that participants were able to provide a formidable *Value proposition (AH)* to their customers. This would support the participants being cognisant of the high costs incurred by their customers in accessing their offerings and the extent to which they are able to provide value that offsets such costs.

Table 8: Details of the constructs addressed in the questionnaire

Construct	Variable Name	Attribute	Questions
Business Innovation	IN1	Organisational Purpose	The purpose of your business (i.e. the main reason for existing, other than generating profit) is clear to all managers and every employee).
	IN2	Organisational Structure	Our business has identified all the major roles required to succeed in our chosen field, and all the respective roles have their responsibilities and accountabilities clearly defined and documented.
Ecological	EC1	Interdependence	At all levels in our business, we make use of coaching and mentorship support to help us perform better in our respective roles.
	EC2	Communitarianism	Our business is constantly looking for ways to uplift the community in which we operate.
	EC3	Environment	Everyone in our business is mindful of, or tracks how, they impact the environment, and we have put in place ways to minimise the negative impact we cause.
Participating in the Digital Economy	DE	Access to Information Technology (IT) Expertise	Our business has the right level of Information Technology (IT) expertise to help us effectively manage our day-to-day operations.
Conducive and Positive E-commerce Climate	PE1	Broader Access to Markets	Many of our customers/clients order from us online through an e-commerce website or mobile app.
	PE2	Low Barriers of Entry to Online Business	Many of our supplies/stock are ordered online through e-commerce websites or mobile apps.
Negating the Brick-and-Mortar Experience	BM	Physical Interaction	Our customers/clients prefer to visit our business premises in order to see, touch, or feel our product/service before they buy from us.
Integral Use of Social Media Marketing	SM	Social Media	Marketing activities and communication with our customers/clients are mainly done through social media platforms (Facebook, Instagram, TikTok, Twitter, WhatsApp, YouTube, etc.).
Addressing Criminality, Anomalies, and Logistical Challenges	AC	Addressing Business Challenges	On a regular basis, we keep looking for ways to improve how we conduct our business.
Addressing High Internet Access Cost	AH	Value proposition	Our business has measures in place to track the value that it delivers to our customers/clients, whether it is actual value (something that can be seen or touched) or perceived value (something that can be experienced or felt).

6.6 Factor analysis

Appendix C provides a a summary of the collected research data, which has paved the way for the factor analysis discussed in this section. A confirmatory factor analysis (CFA) was conducted on the data using IBM SPSS statistical software to test whether the variables are consistent with the factors derived from the theory (Mellinger & Hanson, 2016).

6.6.1 Reliability statistics

A combination of the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's Test of Sphericity were used for the reliability test of the collected data. This is shown in *Table 9* below. The KMO test of sampling adequacy produced an outcome of 0.712, which indicates that the data is acceptable for factor analysis as the measure is well above the minimum threshold of 0.5 according to Field (2018), or 0.60 according to Pallant (2010). Bartlett's Test of Sphericity, which considers the significance (Sig.) of the data as part of testing for sufficient correlation among the variables for factor analysis, yielded an acceptable result of less than 0.001 (Field, 2018). Field (2018) states that this value should be below 0.05.

Table 9: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.712
Bartlett's Test of Sphericity	Approx. Chi-Square	382.61
	df	66
	Sig.	<.001

Cronbach's Alpha was used to test internal consistency of the questionnaire data and the achieved output is 0.878 as shown in *Table 10*. Field (2018) mentions that Klein (1999, as cited in Field, 2018) submits that while the generally accepted value for Cronbach's Alpha is 0.8, a value of 0.7 is also accepted. The output produced for the Likert Scale data collected for the survey questionnaire managed to satisfy both schools of thought around the threshold for Cronbach's Alpha.

Table 10: Cronbach's Alpha

Reliability Statistics	
Cronbach's Alpha	**N of Items**
0.878	12

6.6.2 Eigenvalues and Scree Plot

The total explained variance for eigenvalues of each factor before and after rotation are shown in *Table 11* below.

Table 11: Total variance explained

Total Variance Explained									
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.336	44.47	44.47	5.336	44.47	44.47	3.44	28.664	28.664
2	1.632	13.599	58.069	1.632	13.599	58.069	2.897	24.145	52.808
3	1.034	8.619	66.689	1.034	8.619	66.689	1.666	13.88	66.689
4	0.92	7.669	74.358						
5	0.596	4.965	79.323						
6	0.521	4.343	83.666						
7	0.463	3.861	87.527						
8	0.433	3.611	91.138						
9	0.385	3.208	94.346						
10	0.316	2.636	96.982						
11	0.271	2.259	99.24						
12	0.091	0.76	100						
Extraction Method: Principal Component Analysis.									

According to Field (2018), the number of factors to retain is determined through a process called extraction. Through this process, Field (2018) explains that factors with large eigenvalues (i.e. values larger than 1 as directed by Kaiser's criteria (Kaiser, 1960, 1970) as cited in Field, 2018) are the important factors to be included for factor analysis.

The percentage of variance explained criterion is another method that can be used to identify factors to retain (Hair et al., 2010). This criterion also indicates a three-factor solution, with the first three factors explaining 66.7% of the variance (Hair et al., 2010).

Identifying factors can also be achieved by examining the graph of the scree plot in *Figure 23*, and considering only the factors that exist before the indicated inflection point. Factors beyond the point of inflection (i.e. to the right-hand side of the point of inflection) represent an incomplete list of variances (i.e. variables) that have been accounted for, whereas all factors with an eigenvalue greater than 1 account for all variances (Field, 2018). IBM SPSS is defaulted to use Kaiser's criteria for eigenvalues to retain in factor analysis (Field, 2018).

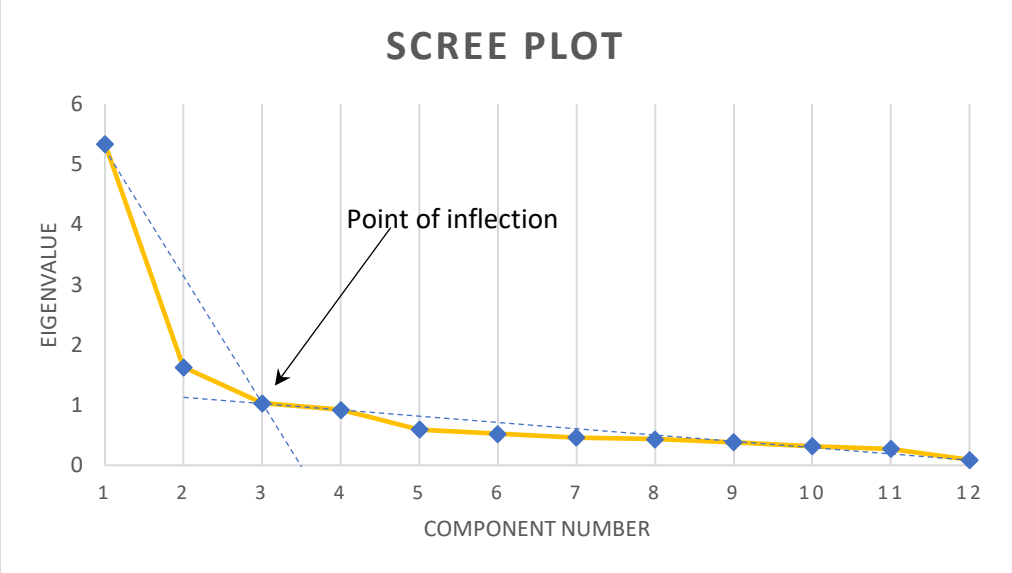


Figure 23: Scree plot

A three-factor solution meets all three criteria stated above for identifying factors.

6.6.3 Factor loading

A rotated factor matrix indicating the variables which loaded onto each factor was produced using IBM SPSS based on the orthogonal Varimax rotation method. This is shown in *Table 12* below. Field (2018) submits a recommendation by Stevens (2002, as cited in Klein, 2018) for interpreting factor loadings based on an absolute value greater than 0.4, and that other researchers recommend this value to be lower at 0.3 (Field, 2018). This study has adopted factor loadings based on absolute values greater than 0.5 (Hair et al., 2010). With this approach, each variable loaded onto one or two factors as illustrated in *Table 12* below.

Table 12: Factor loadings after orthogonal Varimax rotation

	Factor Loadings per Component		
	1	2	3
IN1	.669	-.119	.289
IN2	.715	.148	.395
AH	.751	.234	.049
AC	.759	.257	.131
DE	.376	.705	-.014
PE1	.190	.861	.186
PE2	-.008	.792	.250
SM	.233	.771	.069
BM	.124	.133	.892
EC1	.403	.282	.635
EC2	.726	.251	-.012
EC3	.635	.345	.325

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.[a]

a. Rotation converged in 5 iterations.

Each variable contained in the factor was analysed for its significance and relation to the other factors. This process resulted in several possible names for the factor. The most plausible names for the factors were determined and discussed in the sections that follow.

6.6.3.1 Factor 1: Pursuing Inclusive Values Beyond Profits

It is generally accepted that business exists for generating profit. However, a strong response from the surveyed participants indicates that profits are not the only objective being pursued. *Table 13* highlights this factor and the attributes supporting it.

Table 13: Factor 1 - Pursuing Inclusive Values Beyond Profits

Factor 1: Pursuing Inclusive Values Beyond Profits			
Variable	Attribute	Statements	Factor Loading
IN1	Organisational Purpose	The purpose of your business (i.e. the main reason for existing, other than generating profit) is clear to all managers and every employee).	.669
IN2	Organisational Structure	Our business has identified all the major roles required to succeed in our chosen field, and all the respective roles have their responsibilities and accountabilities clearly defined and documented.	.715
AH	Value Proposition	Our business has measures in place to track the value that it delivers to our customers/clients, whether it is actual value (something that can be seen or touched) or perceived value (something that can be experienced or felt).	.751
AC	Addressing Business Challenges	On a regular basis, we keep looking for ways to improve how we conduct our business.	.759
EC2	Communitarianism	Our business is constantly looking for ways to uplift the community in which we operate.	.726
EC3	Environment	Everyone in our business is mindful of, or tracks how, they impact the environment, and we have put in place ways to minimise the negative impact we cause.	.635

The seven statements above loaded consistently on Factor 1, indicating the importance of offering value both internally within the business and to all external entities, including the environment. This factor represents variables that relate to the organisation's purpose, organisational structure, value proposition from an economic and axiological perspective, as well as the impact to the community and the environment. This factor was subsequently labelled *Pursuing Inclusive Values Beyond Profits*.

The variables under this factor correlate with the business innovation proposition factor that was confirmed in *Chapter 5*. The variables also support Collins and Lazier's (2020) discussion on innovation under the following topics:

- Being receptive to ideas from external and internal to the organisation, and acting on those ideas to innovate for the business (this includes the community and environment);
- Addressing the needs of the customer;

- Experimenting with various ideas and gauging the impact thereof;
- Supporting people in developing their creativity;
- Striking the right balance between centralisation and decentralisation of command; and
- Providing relevant performance reward systems.

6.6.3.2 Factor 2: Stakeholder Engagement

Four statements loaded consistently on Factor 2 (*Table 14*). This factor indicates the relevance of digitisation, online business, and a positive e-commerce climate, as well as marketing activities.

Table 14: Factor 2 - Effective Stakeholder Engagement

Factor 2: Effective Stakeholder Engagement			
Variable	Attribute	Statements	Factor Loading
DE	Access to Information Technology (IT) Expertise	Our business has the right level of Information Technology (IT) expertise to help us effectively manage our day-to-day operations.	.705
PE1	Broader Access to Markets	Many of our customers/clients order from us online through an e-commerce website or mobile app.	.861
PE2	Low Barriers of Entry to Online Business	Many of our supplies/stock are ordered online through e-commerce websites or mobile apps.	.792
SM	Social Media	Marketing activities and communication with our customers/clients are mainly done through social media platforms (Facebook, Instagram, TikTok, Twitter, WhatsApp, YouTube, etc.).	.771

This factor was labelled *Effective Stakeholder Engagement*, as it relates to the underlying interactions that takes place with external entities and the platforms in which such interactions take place. All four variables under this factor loaded strongly at greater than 0.7, indicative of a well-defined structure (Hair et al., 2010). This validates the following proposition factors as established in *Chapter 5*:

- Participation in the digital economy;
- Positive e-commerce climate; and
- Low barriers of entry to online business;

Although deemed a non-influencing factor in the qualitative study, the variable associated with the proposition factor of providing sellers access to a much broader market had a high factor loading. This confirms the proposition factor as an essential element for small businesses in South Africa.

Lastly, access to information technology expertise is another essential variable for the success of an e-commerce platform. This variable (DE) is one of the key elements for digitalisation and affording an e-commerce platform effective means to engage with all stakeholders. This extends to the newly identified factor of employing the integral use of social media marketing.

6.6.3.3 Factor 3: Customer Experience

This factor represents the intersection of the organisation's extended workforce with the brick-and-mortar experience afforded to the customer, as addressed in *Table 15* below.

Table 15: Factor 3 - Customer Experience

Factor 3: Customer Experience			
Variable	Attribute	Statements	Factor Loading
BM	Physical Interaction	Our customers/clients prefer to visit our business premises in order to see, touch, or feel our product/service before they buy from us.	.892
EC1	Interdependence	At all levels in our business, we make use of coaching and mentorship support to help us perform better in our respective roles.	.635

The factor was labelled *Customer Experience* since the underlying constructs relate to affording customers a tangible experience with the product or service being offered. With the *Physical Interaction (BM)* variable having the overall highest factor loading, the *Negating the Brick-and-Mortar Experience* proposition factor was thus conclusively confirmed from the findings of the qualitative study as a non-influencing factor.

The *Customer Experience* factor has also highlighted the importance of a sense of community as pursued under the proposition of *Ubuntu* (*Section 3.2*).

6.7 Summary of results

The factors as derived from the literature review and qualitative phase were tested through the factor analysis and the following final set of three proposed factors (shown in Table 16) were identified as relevant for e-commerce in South Africa.

Table 16: Summary of quantitative results

Factors that influence e-Commerce in South Africa
Factor 1: Pursuing Inclusive Values Beyond Profits
Factor 2: Effective Stakeholder Engagement
Factor 3: Customer Experience

By means of triangulation, *Chapter 6* has provided reasonable evidence to answer RQ1, as supported in *Chapter 5*. These findings have contributed to the development of an e-commerce business model as envisaged in RQ2. All three factors have thus been incorporated into the final business model in *Chapter 8*.

While the only factor of access to information technology expertise is addressed for RQ1b-Inhibitors, the exploration of high Internet access cost, as well as dealing with criminality, anomalies, and logistical challenges was excluded from further study due to complexities associated with the study of these factors (Dastidar & Banerjee, 2020; Moriset, 2018).

CHAPTER 7: RESEARCH ANALYSIS & DISCUSSION

7.1 Introduction

This chapter discusses the qualitative and quantitative studies in relation to insights gleaned from the literature review. The qualitative analysis provided confirmation for most of the proposition factors in *Chapter 2*, thus allowing this research to answer RQ1a-Enablers and RQ1b-Inhibitors of e-commerce in South Africa. While the results of the factor analysis in the previous chapter does also provide an analysis that further answers research question RQ1, this has crucially and empirically provided the foundational knowledge to answer RQ2.

The result from the analysis of RQ1 provides the necessary input for the discussion of RQ2. RQ2 seeks to identify an appropriate business model that promotes sustainable job creation, while simultaneously embracing local axiological factors that are exhibited in South Africa. Considerations from the qualitative study and insights from each factor extracted from the quantitative study have helped to shape the business model discussion featured in the next chapter.

7.2 E-commerce enablers and inhibitors for small businesses in South Africa

The literature review in *Chapter 2* outlined a number of proposition factors. These were subjected to a qualitative study that was covered in detail in *Chapter 5*. The proposition factors were to provide an understanding of the RQ1a-Enablers and RQ1b-Inhibitors as articulated in the research question RQ1. With the understanding of RQ1, an e-commerce platform that can facilitate the exchange of economic value between organisations and individuals through Internet-connected digitally enabled devices and platforms can be modelled. This would also be informed by the RQ1b-Inhibitors that the business model would need to offset for it to be effective.

The scholars Moriset (2018) and Dastidar and Banerjee (2020) provided the majority of the list of both enablers and inhibitors of e-commerce in South Africa. Their contributions have been captured below.

7.2.1 Confirmed RQ1a-Enablers

Most of the enablers that were identified under the literature review were confirmed by the qualitative study, with the exception of two cases. The first of these cases was the proposition factor that e-commerce affords customers competitive pricing in one perspective, and a wide selection of products or services on another (Moriset, 2018). The participants that were interviewed mostly indicated that their operations were niche focused, addressing specific needs of the customer. For example, Thabo (Baobab Stay) was committed to providing travellers and holiday-makers a "bush" experience, while his other urban properties catered mostly to long-term leases; Lerato and Zola (LXVE) were providing quality shapewear for the body-types of under-served African women; and Tshidiso (Mapha) was filling the gap of providing logistical solutions to the oft-ignored township communities. All the participants adopted a specialisation strategy to their e-commerce businesses, as opposed to addressing a broad market.

The second proposition factor of *Negating the Brick-and-Mortar Experience* was found to be a non-influencing factor as an enabler. Instead, it was strongly suggested that in order for e-commerce platforms to be a success, they need to incorporate one form of physical interaction or another with their customer-base. This was tested and verified during the quantitative study.

The following is a discussion of proposition factors that were confirmed by the quantitative study and in answering RQ1a-Enablers.

7.2.1.1 Business innovation

Commencing with *Business Innovation* as one of the fundamental enablers of e-commerce (Janow & Mavroidis, 2019; Marwala, 2020; Mkhosi, 2017), during the qualitative study both groups of *E-Commerce Users* and *E-Commerce Non-Users* (participants in farming) were able to give testament to how technology was used in their respective businesses to support innovation. *Business Innovation* was subjected to a quantitative study by reframing it based on its foundational elements of *Organisational Purpose* and *Organisational Structure* (refer to *Section 7.3.1* below).

7.2.1.2 Digitalisation

It was unanimously established that e-commerce platforms lower barriers of entry into markets (Moriset, 2018). Similarly, access to such markets was not geographically limiting. During the qualitative study, one of the participants, Tshidiso from Mapha, discussed how a working relationship was fostered between their company and the multinational company Google. This relationship allowed Mapha to leverage Google technology and help connect small businesses to customers in the townships of Gauteng and the Western Cape provinces. Mapha was able to play a significant role to Google by helping to improve their logistics algorithm through their understanding of navigating township addresses.

The other participants also expressed their comfort with the manner in which e-commerce allowed their businesses to reach a wide audience of customers. These proposition factors were strongly supported during the quantitative study under the over-arching factor of *Positive E-commerce Climate*. This encapsulated two proposition factors of *Broader Access to Markets (PE1)* and *Low Barriers of Entry to Online Business (PE2)*, which were further tested under the quantitative study.

Overall, digitalisation was a strong theme that emerged during the literature review and was supported during both the qualitative and quantitative studies. Under this theme, a number of scholars (Dastidar & Banerjee, 2020; Marwala, 2020; Moriset, 2018; Munyoka, 2022; Tembe, 2020) put forward a compelling argument that the survival of South African small businesses was intricately linked to the adoption of digitalisation. This included e-commerce and extended to 4IR and d-commerce technology.

7.2.2 Newly identified for RQ1a-Enablers

Only one new enabler was discovered during the qualitative study, which is the intentional use of social media influencers to help promote the practices and behavioural changes that must be effected on the target communities and users of the platform. These were not included in the initial discussion of the building blocks that make-up the *Ubuntu* business model in *Section 2.4* (*Table 4: Building blocks for the Ubuntu Business Model*, page 31). Neither was this explicitly addressed in the literature review. This enabler has been incorporated into the development of the e-commerce business model in this chapter.

7.2.3 Confirmed RQ1b-Inhibitors

All the proposition factors that were identified during the literature review as inhibitors to e-commerce in South Africa were confirmed during the qualitative study. These dealt mostly with the anomalies that arise during the normal operation of e-commerce platforms, viz. cyberattacks, inflexible or non-adaptive logistical systems, and other operational anomalies (Dastidar & Banerjee, 2020; Moriset, 2018).

In addition, Dastidar and Banerjee (2020) highlighted the scarcity of e-commerce skills in South Africa as another inhibitor. This research broadly viewed this as enabling *Access to Information Technology (IT) Expertise* and subjected it to both qualitative and quantitative studies.

Lastly, the high cost of Internet (mobile) data to access digital platforms such as e-commerce sites was also confirmed. The seriousness of this inhibitor was emphasised by Zola (LXVE) who commented that "We're in a great digital space, obviously. [The currency is] data…". While Zola was echoing the challenge of high cost of mobile data, these words were also giving strong support to the era of digitalisation.

7.3 Factors to incorporate in the e-commerce business model

The results of the factor analysis in *Chapter 6* identified three critical factors that influence the use of e-commerce by small businesses in South Africa. The factors have been derived as a result of variables that loaded strongly under factor analysis.

For each factor, the following aspects were considered in the discussion:

- The underlying attributes and their factor loadings;
- The attribute statements from the questionnaire;
- The mean rankings of the factors; and
- The literature and theoretical perspectives that support these factors.

7.3.1 Factor 1 - Pursuing inclusive values beyond profits

More than half (58.3%) of the 12 variables loaded on the *Pursuing Inclusive Values Beyond Profits* factor, as listed *Table 13*. The factor is underpinned by the interaction of *umuntu* (the individual) within the community, and vice versa, the influences that are exerted by the community onto *umuntu*. As depicted in the framing of *Ubuntu* based on Navarro and Tudge's Neo-Ecological model in *Figure 14*, and based on the Neo-ecological Theory (Navarro & Tudge, 2022), this factor is applicable to the physical and virtual Microsystems where *umuntu* enacts their personal life and their career choices. These choices will have an impact on the community, with the consequence of such actions reverberating across to the Meso-, Exo-, and Macrosystems.

Simultaneously, actions by the community within those levels will have an enduring effect on *umuntu*, culminating into long-term impact in the Chronosystem. The productive (*techne*) knowledge that applies to this factor from an axiological perspective is that of *Ubuntu's* communitarian nature as proposed by Tembe (2020) and Christians (2004). This factor is inclusive of viewpoints regarding caring for nature in conducting one's business (Chemhuru (Ed.), 2019). This is strongly evidenced by the relevance of the attributes "Communitarianism" and "Environment", whose variables were supported by 76.9% and 64.6% of the respondents respectively. Furthermore, both attributes were in the strong inclination.

The other attributes under this factor favoured strong governance and organisational performance, which are aspects addressed under holacracy in the literature review. Most respondents were leaning towards a strong support for these attributes. The constructs in descending order of proclivity includes:

- Addressing business challenges;
- Value proposition;
- Organisational purpose; and
- Organisational structure.

The proposition factor of technology contributing to business innovation which was confirmed in accordance to RQ1a-Enablers, was subjected to quantitative analysis by reframing the concept of innovation into its foundational elements that foster such an enabling environment, viz.

organisational purpose and organisational structure (Collins & Lazier, 2020; Robertson, 2016). Both constructs under the quantitative study had strong factor loadings of .669 and .715, respectively. While it was expected that the three ecological constructs of *Interdependence*, *Communitarianism*, and *Environment*, would load under this factor, only the latter two did so. In contrast, the attribute of *Interdepence (EC1)* loaded at 0.403 under this factor, while loading more pronounced for the *Customer Experience* factor. It provided a sense of ambivalence from the respondents, with 38.5% stating a neutral stance on interdependence from an organisational perspective. 41.6% of the respondents stated support for this attribute, while half of that number were against.

7.3.2 Factor 2 – Effective stakeholder engagement

This factor addresses the need to reach the target audience based on the value proposition that is being offered. In this context, value is discussed from an innovation perspective where it refers subjectively to that which is being pursued or desired by both the instigator and the recipient in the transaction. *Chapter 2* of this research distinguishes between *axiological*, *economic*, and *intrinsic* value. All three value distinctions are applicable in relation to the factor of *Effective Stakeholder Engagement*. While Chemhuru (2019) presents these from an *Ubuntu* epistemological perspective, only *economic value* has been included in the definition of e-commerce in section 2.3.1. This definition suffices if e-commerce is studied purely from a transactional perspective.

Breuer and Lüdeke-Freund (2017) approach value from an innovation perspective and manage to bring all three types of value systems as applicable in business model innovation, which is the focus of RQ2 of this research study. Breuer and Lüdeke-Freund (2017) discuss the triad of *business model innovation*, *collaboration in networks*, and *values-based innovation*, positing that innovation in solving societal challenges cannot take place without due consideration being given to how groups of people in society and their intrinsic values are intertwined (Breuer & Lüdeke-Freund, 2017). It is thus stated that "values-based innovation with the aid of cross-industry innovation processes that acknowledge ecological, social and economic aspects...", which relates to the three value systems in this research study, must form part of effective communication with the target stakeholders (Breuer & Lüdeke-Freund, 2017, p. 2).

The SM attribute for "Social Media" was most pronounced in the responses received, with 46.2% of respondents strongly agreeing with this attribute for the manner in which they communicate with their customers or clients. An additional 18.5% of the respondents was also in agreement, making it an attribute that was favoured by the majority of respondents. This, however, was dampened by limited access to information technology expertise, of which digitalisation and social media technology rely upon.

Only 41.6% of respondents stated that they have access to the relevant information technology expertise, which underpins the DE attribute for "Access to IT Expertise". A significant 35.4% of the respondents were in disagreement to having access to such expertise, while 23% were neutral on the matter. In collaboration, only 37% of respondents deemed the barriers to entry for running an online business as low.

The research study has provided clear evidence that with limited access to IT expertise, accessing broader markets as indicated by attribute PE1 below. This is a similar case to the Taobao Villages in China as mentioned in the literature review, whose economic activities were only bolstered through the use and integration with e-commerce technology. PE1 accounted for 49.2 of the respondents being in disagreement to having more access to broader markets. A further 23.1% of respondents were neutral on the subject.

This research notes the importance of communicating effectively to stakeholders. Furthermore, the effectiveness of this communication can only be ensured once the applicable values among the stakeholders are clearly understood.

7.3.3 Factor 3 – Customer experience

E-commerce technology alone cannot help South Africa's SME sector to thrive. 53.9% of respondents stated that their customers or clients had a preference to a certain level of physical interaction with their brand, as part of their commitment or purchasing decision. The literature review on the matter links online business with access to broader markets, which implies that establishing a brick-and-mortar business is not mandatory (Moriset, 2018). The attribute BM for "Physical interaction" loaded high on the *Customer Experience* factor. This was followed by the

less prominent attribute EC1 for “Interdependence”, which loaded strongly for this factor (0.635). The two constructs analysed together under this factor allude to the need for a consistent engagement with the customer in order to provide a tangible or measurable experience in relation to the brand. Of all the variables under this study, EC1 responses had the highest neutral stance than any other variable (38.5%). While more respondents weighed more towards agreeing with this attribute (41.6%), the implication for this result is that a need for a collaborative business model as discussed in the literature review was highlighted from the survey.

7.4 Conclusion

This research has confirmed the majority of proposition factors that were identified in the literature review. A new proposition factor involving social media as an enabler to e-commerce was also discovered in the qualitative study and validated in the quantitative phase. The results of the qualitative analysis helped to answer RQ1a-Enablers and RQ1b-Inhibitors of e-commerce in South Africa.

Through triangulation, the findings from the qualitative study were validated and their reliability tested by means of a quantitative study. This study sought to determine the factors necessary to develop a sustainable e-commerce business model as intended by RQ2. Both the qualitative and quantitative studies have provided insight towards the development of an *Ubuntu*-infused e-commerce business model based on a holacratic organisational structure, as discussed in the next chapter.

CHAPTER 8: UBUNTU-INFUSED E-COMMERCE BUSINESS MODEL

8.1 Introduction

Several insights have been gained from the literature review in *Chapter 2* and the business modelling tool in *Section 2.4*, the conceptual framework in *Chapter 3*, as well as the execution of the qualitative and quantitative exercises of this research study under *Chapter 5* and *Chapter 6*, respectively, and the analysis conducted in *Chapter 7*. Most of the findings from the research have validated the understanding that was discovered in the literature review. Other findings have provided new dimensions to how the e-commerce business model must be defined. These findings have been incorporated as building blocks for the target *Ubuntu*-infused e-commerce business model, with *Table 4* (page 31) from *Section 2.4* and *Table 19* to *Table 21* below highlighting these.

The above topics are discussed in this chapter in detail, including how they have contributed towards the development of the business model shown in *Figure 27* (*Section 8.6*).

8.2 Foundational business model building blocks

The business modelling tool from *Section 2.4* (*Figure 10*) has been enriched with findings from the literature review and the mixed-methods research studies to generate the target business model. These findings are discussed in the sections below in terms of how they have been incorporated into the final business model, commencing with the challenges that the business model intends to address.

8.2.1 Articulating the challenge

The importance of business innovation was established during the qualitative study, and it comes with a clear understanding and definition of the problem to be addressed by the business undertaking, while also leveraging the power of the community in a network and their shared values in business modelling (Breuer & Lüdeke-Freund, 2017). The primary challenge being explored under this research is addressing high unemployment in South Africa. The literature review highlighted that when comparing South Africa to other prospering economies in developed nations, the potential exists to capitalise on technology that remains underutilised. E-commerce is thus brought into focus as the technology that can be exploited for job creation.

8.2.2 Deriving ideas

The challenges that arise with the implementation of the business model can be addressed through ideation, with *Ubuntu* being the axiological system that is a central and relatable theme. While *Ubuntu* can be viewed axiologically, it is also associated with various economic practices that are shared by communities throughout South Africa. This makes *Ubuntu* the common fabric that can bring a significant network of people within communities to collaborate in related economic practices. Alcock (2016) provides a broad view of such economic practices with great potential to uplift communities, such as business opportunities that can be underpinned by cultural practices that take part in funerals and tombstone unveilings, or the potential of networks in *stokvels* and township informal businesses, among others.

8.2.3 Incorporating holacracy

Self-governance is a communitarian trait of *Ubuntu* as a South African national axiological system (Tembe, 2020). To use an appropriate organisational structure that is relatable to an *Ubuntu*-infused organisation, this research refers to Lelkes (2021), who draws a correlation between holacracy and *Ubuntu*, while arguing for the efficacy of communitarian organisational structures.

Table 17 below lists the holacracy building blocks that are incorporated in the business model as shown in *Section 8.6*. The business model is governed by these building blocks, and adopts the latest holacracy constitution as guided by Robertson (2016) to influence daily practices for the roles that are assumed. The factor of *Pursuing Inclusive Values Beyond Profits* as was extracted in *Chapter 6* under quantitative analysis, strongly supports a holacratic organisational structure. The proposed circles (structure) that form part of this organisational approach are thus depicted in *Figure 24* (page 127) and can be related back to the attributes that were confirmed under the quantitative study as shown in *Table 7* under *Section 5.7*, and factor loadings in *Table 13*, *Table 14*, and *Table 15* in *Section 6.6.3*.

Table 17:Holacracy building blocks

Category	Building Block	Incorporated	Motivation of the features	
Holacracy (Robertson, 2016)	Adopt a Holacracy constitution	Yes	Adopt the holacracy constitution available at https://www.holacracy.org.	
	Core Circles	Yes	Establish the initial view of holacracy roles and sub-roles that will be enabled by individuals within the organisation. The establishment of holacracy must also include the definition of the relationships that must exist between the super-circle and all the circles and sub-circles within.	
	Link to the confirmed attributes	Yes	Organisational Purpose	Super Circle
			Organisational Structure	Super Circle
			Interdependence	All
			Communitarianism	Human Capital
			Environment	Super Circle
			Access to Information Technology (IT) Expertise	Human Capital
			Broader Access to Markets	Super Circle
			Low Barriers of Entry to Online Business	Super Circle
			Physical Interaction	Operations Circle
			Social Media	Sales and Marketing Circle
			Addressing Business Challenges	All
			Value proposition	All

This section addresses holacracy as it relates to the *E-commerce-Ubuntu-Holacracy triad* covered in *Section 3.1* and as envisaged for the target business model discussed herein.

8.2.3.1 Holacracy circles

Six circles, including the all-encompassing *Super Circle*, are discussed below.

- **Super Circle** – Led by the *Chief Executive Officer (CEO)* with the responsibility to ensure that all stakeholders derive the maximum benefits from their participation in the organisation. The other leadership roles within the *Super Circle* are:

- *Chief Operating Officer (COO)*, providing support to the *CEO* with a primary focus on optimising the internal operations of the organisation.
- *Chief Information Officer (CIO)*, addressing all the information and digitalisation requirements of the organisation, including information security management.
- *Innovations Lead*, who continuously looks for opportunities for improvement as it pertains to all the current and future stakeholders. This role takes the responsibility to assemble and equip innovation teams to address a particular challenge through ideation processes. This role becomes the central point of contact for any innovation requirements.

- **Administration (Admin) Circle** – The organisation's financial and legal requirements are addressed within this circle by the *Finance Lead* and *Legal Lead* roles respectively.
- **Operations (Ops) Circle** – All operational matters pertaining to the platform are addressed within the *Ops Circle*. Three critical roles under this circle are *Operations Lead, Logistics Lead,* and *Support Manager*. Several sub-circles exist within this circle to address various operations related aspects.
  - The *Operations Lead* oversees the enablement of processes and workflow matters of the organisation.
  - The *Logistics Lead* address all the supply chain management aspects, including the delivery of physical goods to their intended recipients. This role constantly looks out for opportunities to improve the movement of physical goods within the ecosystem of the e-commerce platform.
  - The *Support Manager* assumes the role of providing the necessary first- and second-line support for all operations, including technical support. This role works with various teams, such as the *Contact Centre* circle that is established within, to address anomalies that occur from time to time during the normal operations of the e-commerce platform.
- **Sales Circle** – The roles that are responsible for revenue generation are contained in the *Sales Circle*. The three roles that share this responsibility are the *Sales Lead, Business Development Lead,* and *Partner Manager*. While the *Sales* and *Business Development Lead* roles are focused on the demand side of the business model and ensuring that the

Customer Segment is afforded the right level of focus and attention, the *Partner Manager* role pays attention to all the partners represented under the *Partner Segment*.

- **Human Capital** – The business model cannot function without the necessary processing that is undertaken by the *Human Capital*, serving both internally and external to the organisation. This represents the collective talent that is recruited based on merit to assume the various roles as defined under this holacracy structure, as well as external positions identified in other entities, such as suppliers or partner SMEs. The *Talent Lead* assumes this role, which is supported by the *Training Lead* who oversees the delivery of various training events as part of the growth and development of the organisation's workforce and external talent pool. The other critical role that provides support to both the *Talent* and *Training Leads* is the *Opportunity Scout*. This role constantly looks out for opportunities to provide resources both internal to the organisation and externally. In some cases, these resources require training prior to their placement in whatever identified roles.
- **Marketing Circle** – The circle that has the responsibility to help position the e-commerce platform as an imperative for the target communities and *Customer Segments* is the *Marketing Circle*. Various roles are required under this circle to ensure the relevance of the platform is communicated to the target audience using the right medium, language, and timing. The key roles under this circle are discussed below.
    - The *Marketing Lead* is the key role under the *Marketing Circle*. This role combines the intelligence that is derived from market research to co-ordinate together with the other roles all the activities that must take place to effectively promote the features and benefits of the e-commerce platform.
    - The *Community Engager* assumes the sole responsibility to understand the underlying issues that must be addressed by the communities and stakeholders represented by the business model. This includes having an intimate knowledge and understanding of the various values that motivate these groups. The *Community Engager* can then work on ideation processes with the *Innovations Lead* do address challenges that they have discovered within their target communities or with a particular group of stakeholders. The result of this ideation may form part of campaigns to be executed jointly with the *Marketing* and *Sales Circles*.

- The *Research Lead* uses various research instruments to discover market intelligence that can benefit the organisation. The research requests may be initiated either directly by this role or through other roles, circles, or sub-circles. Governance processes must be followed to approve research studies as they tend to have an organisation-wide impact.
- The *Communications Manager* ensures that a consistent message is developed per defined campaign and based on the desired objectives that must be met for that campaign. Campaigns, similar to research, may be initiated either directly by this role or through other roles, circles, or sub-circles. Governance processes must be followed to approve campaigns as they tend to also have an organisation-wide impact.
- The *Events Lead* manages the brick-and-mortar engagements that are required for the success of the e-commerce business model as discussed under the qualitative study of this research in *Chapter 5*. This includes running various pop-up store promotions and direct marketing campaigns to the target customer, while incorporating participating SMEs, communities, and stakeholders.
- The *Brand Manager* participates in all forms of internal and external communications so that consistent messaging, formats, and presentation is utilised to maximise impact of the message and to maintain organisation-wide consistency.
- The *Influencer Manager* oversees the engagements by all social media influencers under the guidance of the *Social Media Lead*. This activity was also highlighted as a crucial element for the success of the e-commerce platform during the qualitative study in *Chapter 5*. The *Influencer Manager* is responsible to identify the most suitable influencers to be engaged based on the objectives of the campaign to be executed.
- The *Social Media Lead* maximises the use of the approved social media platforms.

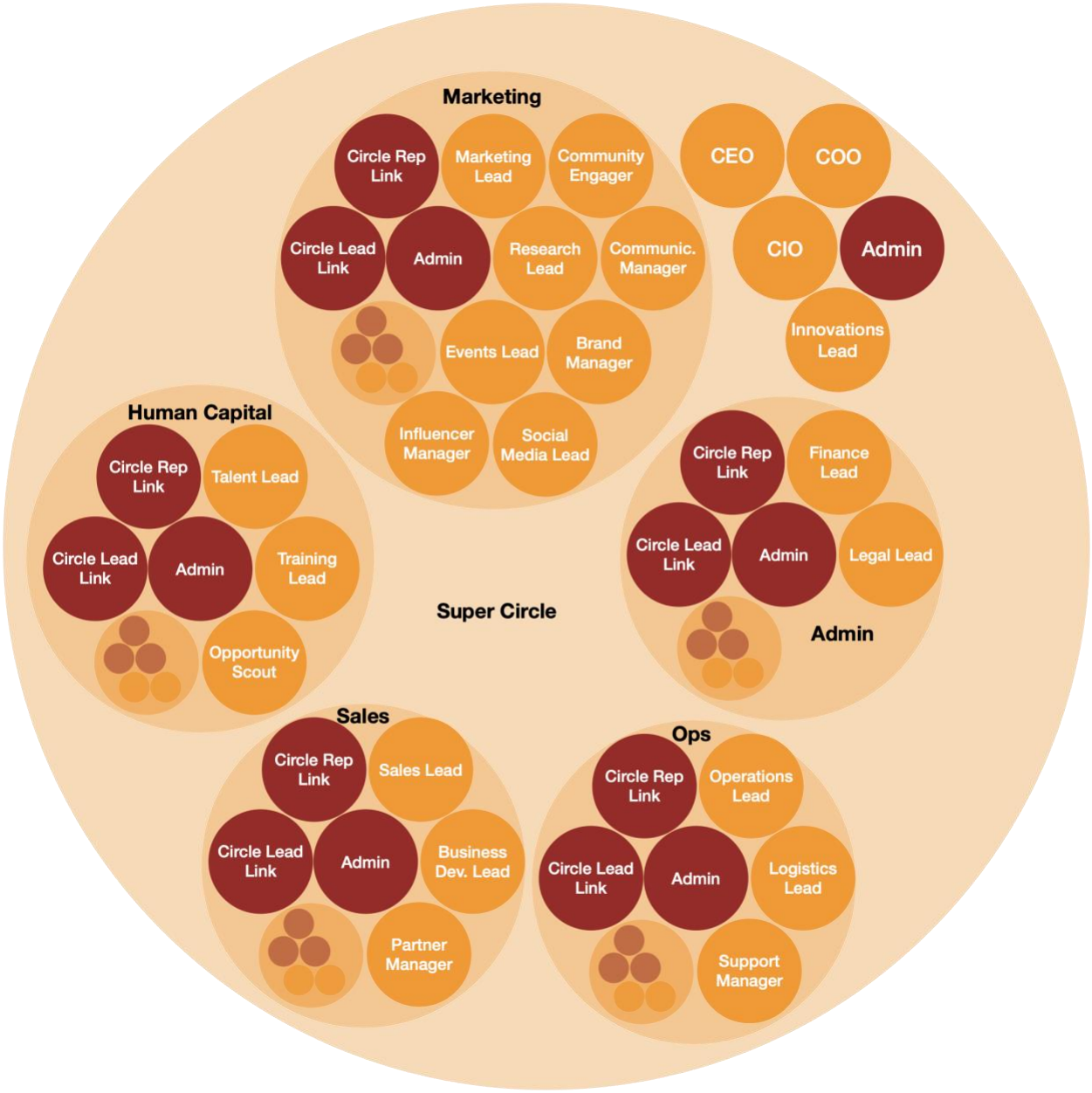


Figure 24: Holacracy circles (Source: Author)

Each circle is empowered with three core roles, viz. *Circle Lead Link* (*CLL*; the *CEO* plays this role in the *Super Circle*), *Circle Representative Link (CRL)*, and Admin. The *CLL* is the role that represents the needs or requirements of the circles in which they belong with any sub-circle roles within it. It assumes the role of communicating the interest of the circle to the sub-circles in order to ensure alignment of all engaged activities, without compromising the autonomy of those sub-circles. The *CRL*, which is also not present in the *Super Circle*, is an outward alignment role that represents the interest of the circle with the containing circle outside of it. Lastly, each circle

contains an *Administrator (Admin)* role that addresses all administrative aspects of the circles. This includes co-ordinating and recording the proceedings of governance and tactical meetings as defined under the holacracy constitution (Robertson, 2016).

8.2.4 Incorporating *Ubuntu* communitarian values

This section is the second to directly address the *E-commerce-Ubuntu-Holacracy triad* covered in *Section 3.1*, dealing with the *Ubuntu* part of the triad. The five communitarian values of *Ubuntu* as captured in the business model are listed in *Table 18* below.

Table 18: Ubuntu communitarian values incorporated

Category	Building Block	Incorporated	Motivation of the features
Ubuntu Communitarian Values (Abubakre et al., 2021; McIntyre-Mills & Romm (Eds.), 2019; Tembe, 2020)	Resilience	Yes	Emphasise ideation process (e.g. Design Thinking) for the organisation along with external stakeholders to co-create innovative ways for overcoming encountered challenges. This requires acknowledging that various stakeholders might have conflicting values which will require a methodological approach to establish common ground upon which innovation processes may thrive. Breuer et al (2017) suggest that the ideation process must take cognisance of explicitly defining what these values are; exemplifying through relatable cases; ideation; modelling; and challenging implicit assumptions and generally understood notions.
	Reciprocity	Yes	Promote acts of service for community upliftment by individuals that are associated with the organisation, which can be rewarded in turn by other acts of service, for example, kind gestures such as donations and crowdsourced resources. This is referred to as "gift economy" as demonstrated by the comparable *Jantelagen* and *Confucian* axiological systems (Tembe, 2020, p. 175)
	Cultural Norms	Yes	Embrace and celebrate cultural norms and traditions to unlock economic benefits emanating from related ceremonies and events. This is also suggested by Coate and Hoffman (2022) who elevate behavioural economics as a lens through which cultural economics can be studied empirically based on methods, behaviour and economic principles. Alcock (2016) echoes this when pointing out the hidden economic treasures in South Africa's rural and township areas.
	Interconnectedness	Yes	Explore ways to capture or demonstrate social cohesion, which is the "willingness of members of a society to cooperate with each other to survive and prosper", as defined by Tembe (2020, p. 122).
	Social, Environment & Economic Well-Being	Yes	Various opportunities can be listed on the e-commerce platform that pertain to social, environmental, or economic well-being of the target individuals and groups.
	Human Rights & Dignity	No	This is beyond the scope of this research.
	Redress of Past Inequities	No	This is beyond the scope of this research.

The table also shows two of the values that have been excluded due their scope going beyond this research study, viz. *Human Rights & Dignity* and *Redress of Past Inequities*. All five building

blocks have been captured under *Ubuntu Organisational Values* in the *Input* view of the business model.

8.2.5 Enabling the e-commerce platform

This section is the third to directly address the *E-commerce-Ubuntu-Holacracy triad* covered in *Section 3.1*, dealing with the e-commerce part of the triad. Enabling a sustainable e-commerce platform that is *Ubuntu*-infused requires the leveraging of e-commerce enablers as answered under the RQ1a-Enablers question (*Table 19*), as well as mitigating against the inhibitors of e-commerce as answered under RQ1b-Inhibitors (*Table 20*).

Table 19: E-commerce enablers as additional building blocks for the Ubuntu Business Model

Category	Building Block	Incorporated	Motivation
Leveraging E-Commerce Enablers	Business Innovation	Yes	Axiological systems are at the core of this research study, and approaching purposeful innovation with the considerations of such values aligns to the approach by Breuer et al (2017).
	Digitalisation	Yes	The era of the Fourth Industrial Revolution is underpinned by digitalisation (Marwala, 2020). Establishing an e-commerce business model must not only be a technological pursuit, but one that aligns to the broader trends of digitalisation as it applies in the current era. The following considerations must be made: - Adhering to continuous adaptation of the e-commerce platform through ideation processes; - Ease of stakeholder on-boarding and superior user experience; - Leverage network effects by modelling real-life connections; - Providing optimised physical and virtual logistics and operational support structures; and - Adherence to information security management System practices, standards and guidelines.
	Conducive and Positive E-commerce Climate	No	No action required
	Low Barriers of Entry	Yes	Refer to *Digitalisation*
	Broader Access to Markets	Yes	As a technological platform that is online based and not limited by physical boundaries or restrictions, the e-commerce platform provides the ideal environment to bring all the necessary stakeholders to facilitate access to inter-Africa and international transactions.
	Social Media Marketing	Yes	The importance of social media marketing was unanimously highlighted by all the research participants that were relying on e-commerce and other online platforms to advance their business interests. In addition, this research takes the view of incorporating influencer marketing as part of its social media marketing communication strategy, especially as it focuses on the individual (*umuntu*) in making a difference to their community.

The building block of *Business Innovation* was unanimously confirmed by the research participants of the qualitative study, and subsequently included in the proposed holacratic organisational structure (*Figure 24*) under the custodianship of the *Innovation Lead* role. This is the role that ensures that innovation is pervasive throughout the e-commerce business model and responsive to any form of resistance by any stakeholder.

Digitalisation is another factor that was strongly supported during the research studies, which sets the foundation to take advantage of the *Conducive and Positive E-commerce Climate* building block. The quantitative study successfully tested this factor by testing the constructs for *Low Barriers of Entry* and *Broader Access to Markets*. Lastly, as the only proposition factor that was newly identified, *Social Media Marketing* is another factor that has been supported as an enabler towards an e-commerce platform.

Table 20: Addressing e-commerce inhibitors as additional building blocks for the Ubuntu Business Model

Category	Building Block	Incorporated	Motivation
Circumventing E-Commerce Inhibitors	Combat Cyber-crime	Yes	Cyber-crime and crime in general are serious concerns as evidenced by findings from the qualitative research. The platform needs to be protected by means of information security controls based on appropriate practices, standards, and guidelines. This includes the formulation of policies that must dictate how the platform must be governed from an information and related physical security perspective.
	Robust Operational Support Structure	Yes	An effective operating structure must be implemented to address anomalies that arise from time to time during the course of e-commerce operations.
	Effective Logistics System	Yes	Existing literature and findings from the qualitative research have highlighted the importance of being able to address logistical anomalies that can compromise customer experience or the success of the platform. Thus, the sustainability of the platform may be influenced through a *Robust Operational Support Structure* and the implementation of an *Effective Logistics System* together with the collaboration of the community being served. This includes the application of *Effective Stakeholder Engagement*.
	Cognisance of High Internet Cost	Yes	The technology to be deployed for the platform must accommodate low-bandwidth distributed application framework (LDAF). This includes catering for mobile devices to be able to function in off-line mode without the need to access Internet until connectivity is re-established. Another consideration is to use internet access reverse-billing for a specified class of online transactions.
	Establish a Pool of IT Expertise	Yes	The success of the platform also relies upon the availability of an effective pool of IT expertise to help with the establishment of the platform and on-going operations.

All the above factors, together with the inhibitors that were confirmed by this research as listed in *Table 20* (and which need to be circumvented), are the architectural building blocks for the success of the communitarian and sharing e-commerce platform. Sharing and communitarianism are a way of life for *Ubuntu* communities. These are important and evident traits of Sub-Saharan African communities (Alcock, 2016; Chemhuru (Ed.), 2019; Kinyanjui, n.d.; Metz & Gaie, 2010; Tembe, 2020). Alcock (2016) also quotes other cases of community sharing practices, such as the collective informal farming practices in Msinga, a supposedly poor municipality in Kwa-Zulu Natal, South Africa, as well as the multibillion-rand *stokvel* [3] industry, to name but a few.

Thus, an *Ubuntu*-infused e-commerce platform may exhibit the following:

- An artificial intelligence-enabled (AI-enabled) low-bandwidth distributed application framework (LDAF) e-commerce platform, which ensures that least amount of mobile data bandwidth is utilised by all the active channels (Minimise consumption of mobile data);
- Provide an easy on-boarding function of all stakeholders onto the platform to engage as many active participants in the platform as possible (Leverage low barriers of entry; broader access to markets);
- Effortlessly unlock access to inter-Africa and international business trade for the SMEs that wish to participate on the platform (Leverage low barriers of entry; broader access to markets);
- Optimise network effects through real-life connections that can be derived from the platform user's existing social media connections, which easily provides access to an exponential number of connected users to promote the platform to (Employ social media technology);
- Offer optimised physical and virtual logistics and operational structures to track the performance of normal operations while responding proactively to anomalies whenever they occur (Implement a robust operational support structure and an effective logistics system); and

[3] An informal and voluntary collective savings scheme where members decide at the end of a predetermined term how the funds will be used. Typically the funds are pooled and used towards bulk-buying and sharing of goods at the end of the year.

- Implement best-practice information security management practices, standards, and guidelines, which must include policy formulation that informs the continued improvement of cyber-crime combating efforts (Establish a pool of IT expertise and combat cybercrime).

8.2.6 Guided by a compelling vision

Collins and Lazier (2020) place the formulation and articulation of a clear and shared vision as one of the first responsibilities of leadership in an organisation. The scholars (Collins & Lazier, 2020) support this view by highlighting the benefits of having such a vision in place as:

- The foundation upon which to motivate for the maximum contribution of individuals within the organisation;
- A way to bring all the stakeholders of the organisation together so that they collaborate towards the attainment of a common goal;
- To help bring about the power of self-managed, effective, and highly driven teams in place of depending on a few capable individuals to determine the fate of the organisation; and
- To inform strategic and tactical actions.

The vision, according to Collins and Lazier (2020), is a combination of the organisational values and beliefs, its purpose, and its mission, as discussed in *Section 6.5.1*. The business modelling tool from *Section 2.4 (Figure 10)* does not capture this as a building block. However, through the quantitative study, the vision of an organisation was discovered to be a foundational element for incorporation into the business model. This can also be linked to the two propositions of *E-commerce-Ubuntu-Holacracy triad* in *Section 3.1* and the *Taxonomy of Ubuntu* in *Section 3.2*.

The *Ubuntu* business model represents the organisation as a microcosm of the various communities that it serves. This is expressed by the values that are imbued in the organisation, viz. resilience; reciprocity; cultural norms; interconnectedness; as well as social, environment and economic well-being (as highlighted in Section *1.2.3*).

The organisational values establish an enabling environment upon which the purpose, or the primary reason for the existence of the organisation, is to be fulfilled. The purpose captured by the business model is to "promote *Ubuntu* communitarian practices to establish a captivating people-

centric e-commerce shared platform". This purpose is brought to life through the continued pursuit of the bold mission of getting "*umuntu* contributing to raise *abantu"*. This is the business model's big, hairy, audacious goal (also referred to as BHAG). The BHAG emphasises the role that individuals (*umuntu*) that are participating in the business model are in one form or another serving to contribute towards the upliftment of the community. Upliftment implies growth, and with growth comes the capacity to do and to become more, thereby affording the opportunity for job creation as more is being done within the communities. The BHAG places emphasis on *umuntu* to become an active participant in intentionally contributing directly towards the betterment of their community.

8.3 Business model performance building blocks

By interrogating the main challenge of job creation as articulated in *Section 8.2.1*, jobseekers are one of the critical target audiences that are placed on the demand side of the business model. Through efforts that involve the partner segment, the community, and other stakeholders (as addressed by the *Ubuntu* business modelling tool in *Section 2.4.3*), the provision of jobs is one of the main capabilities that is sought by the business model. Training and skills development are other avenues that the platform must offer to jobseekers, and as supported by the *Human Capital Circle* (*Section 8.2.3)*. By placing this capability on the demand side enables the model to track its effectiveness towards the creation of sustainable jobs, which can be tracked under the sustainability oversight function in *Section 8.5*.

A number of elements are required to unlock the full potential of the functioning of the business model. These are categorised as resources; the participation of the community and stakeholders; as well as the key partner segments.

8.3.1.1 Resources

The first resource is the funding of the platform based on the T-MBC's *Financial Flows and Profits* consideration (Andreassen et al., 2018), and the BMC's *Cost Structure* segment (Osterwalder & Pigneur, 2010). This addresses items such as working capital; staff costs; office space; warehousing; transportation; marketing and communications; operations; administration costs; etc.

Secondly, the core talent that mobilises the operations of the business model and assume the roles defined in *Section 8.2.3* needs to be sourced. This talent is grouped in terms of business (*Super Circle*, *Human Capital Circle*, *Admin Circle*, and *Ops Circle*), marketing (*Marketing Circle* and *Sales Circle*), and IT (existing across all circles). Multiple roles as defined may be assumed by a single individual.

Lastly, all the means to capacitate the logistics of the business must be secured in the form of warehousing and vehicles in order to enable the e-commerce platform (*Section 0*). The former is used to secure strategic locations where physical stock that is intended for the target customer segments may be securely stored, and subjected to stock movement processes as it pertains to the supply chain management. SMEs may be invited to make use of these facilities as part of a shared model and the requirements of their respective businesses. Vehicles in the form of motorbikes, various forms of utility vehicles, and trucks, form part of a key requirement of the logistics function of the business model. Both the warehousing and vehicles may be sourced by means of communal business arrangements where people that have such resources may lease them to the organisation on a pay-per-use model. The organisation assumes the responsibility to optimally use and apply these resources across the value chain of the business model.

8.3.2 Community, stakeholders and partner segments

Personal touch is one of the seven leadership elements that are discussed by Collins and Lazier (2020) as crucial in great organisations. This has also been confirmed by *Physical Interaction* as an attribute under the *Customer Experience* factor in the quantitative analysis. This element represents the practical nature of fostering engagements among key stakeholders, customers, the community, suppliers, the workforce, and investors, in order to nurture mutually beneficial and long-lasting relationships with all the parties. While all these relationships need to be continually maintained by leadership, the business model recognises the community as the key relation which serves as an input into the processing that takes place.

Leaders that represent the marginalised communities that are the target for upliftment by the business model are key as input into the business model. These leaders are engaged from the basis

of common axiological factors that are shared within their communities and the values espoused in the organisation (as addressed in *Section 8.2.4*). This engagement serves mainly to establish the opportunities that can be identified within those communities and the various stakeholders, including small business owners and potential workers, that can be engaged at various stages of the business model. Through these various engagements the partner segments can be identified and cultivated from within those target communities, and other complimentary communities where synergies exist.

Two partner segments are deemed to be of importance to the business model, viz. the aforementioned small business owners; and independent assessors in the form of business system auditors and quality assurance experts. The latter group has the sole purpose of exploring opportunities to standardise processes across the value chain, which enforce the factor of *Pursuing Inclusive Values Beyond Profits*. In addition, their role includes ensuring that the implementation of mechanisms to guarantee the quality and consistency of output from small business owners is maintained and continuously improved upon. The output from the assessment leads to SMEs being systematically categorised and internally certified accordingly from a predefined criterion of standards. The objective is to establish the platform with a group of South African-owned small businesses that subscribe to *Ubuntu* and are able to relate to its communitarian ethos. These businesses must also perform based on a measurable standard with consistent processes in place.

8.3.3 Business model capabilities

Under the defined vision in *Section 8.2.6* and in addition to pursuing the articulated challenge of job-creation through the resources listed above, the business model is thus targeted towards the delivery of the following main capabilities:

- Promote products and services that are offered through the SMEs that are partners and users of the platform;
- Capture opportunities in terms of what is being offered and what is being requested of the platform, from the partners, stakeholders and community on the supply side to the customer segments on the demand (this includes jobseekers as elaborated on further below);

- Enable the pool of limited resources in a shared model so as to derive the benefit of economies of scale that benefits all stakeholders (e.g. the sharing of transportation means and costs);
- Demonstrate the impact that SMEs on the platform are making within their communities by sharing success stories by means of news features under the communications strategy that is informed by the vision of the business model; and
- Continuously create relevant content that is shared across the organisation's active channels.

For critical and scarce skills, such as those related to IT and e-commerce, a specialised skills on-demand business unit must be developed. This business unit addresses the need to augment skills where such resources must be sourced both locally and internationally (e.g. India). Such skills can then be utilised to help support the platform, while also making the skills available as an income generator to render service to other businesses as part of the value proposition. In addition, the skills on-demand offering could be a way to offer support to SMEs that utilise the e-commerce platform to gain access to such limited skills, thus addressing the issue as it was highlighted during the qualitative research exercise.

8.3.4 Touchpoints and communication

The research has highlighted the relevance of having physical touchpoints for products and services that are offered by the platform (*Physical Interaction* as an attribute under the *Customer Experience* factor). This supports the research findings under both the qualitative and quantitative studies, thus serving a two-pronged objective of:

- Establishing trust with the target customer segments; and
- Simultaneously, leveraging brick-and-mortar platforms to afford the customer segments an opportunity to come into physical contact with the products and services being offered by the business model, thus complementing the marketing and sales efforts by the organisation.

The touchpoints to be managed according to the business model are:

- The use of all active channels to provide support to SMEs (e.g. business start-up assistance, request for transportation, assistance with business issues arising from time to time, funding and cashflow requirements, strategy development, etc.);
- Identifying and securing strategic locations to execute pop-up store promotions and related events;
- Use of email and online advertising platforms; and
- The engagement of all active channels addressed in *Section 8.4.2*.

The other aspects of reaching the target customer involves the execution of the communication strategy under the leadership of the *Communications Manager* role. All communication activities, whether directed internally to the organisation or externally, is intended to convey the messages under various campaigns in an efficacious manner. The approach is as follows:

- Employ the use of social media influencers (*umuntu*) who are relatable to the target audience of the message as a new enabler discovered under this research;
- Consistently share news features that relate to the work and objectives of the organisation; and
- Promote cultural norms and traditions, while highlighting their benefit to the community and how the business model can facilitate their execution.

8.3.5 Customer segments and their associated triggers

Five customer segments have been identified for the business model. Each customer segment is discussed below along with the proximal processes (habit forming activities discussed by Navarro and Tudge (2022) under their Neo-ecological Theory) that will trigger a desired action from them. The trigger action is based on the understanding that by influencing a certain behaviour, this builds competency and leads to a concretised habit. The triggers are thus to cement a habit that will ultimately define how the individual contributes towards their community.

Figure 25: Hooked model (Source: Eyal, 2019)*)*

Eyal's (2019) hooked model demonstrates a system approach to entrench a habit. This involves developing an internal (intrinsic) or external (system generated) trigger that will lead to a desired action. For this action to be performed regularly, a system of variable reward must be defined which serves as a reward for the completed action. Lastly, the hooked model defines a step where an investment must be made as a way to initiate a future trigger. In the case of the model, one of the rewards that will be pursued is the upliftment of the community.

The list of customer segments and their triggers is listed below.

- Affluent or middle-class black African consumers who still practice their culture and tradition, and who will relate with an e-commerce platform that seeks to promote *Ubuntu*. A new affiliation programme is established as part of the deployment of the platform. The programme is designed around *umuntu* helping to promote the services of SMEs to customers that are within their circle of influence, such as family and friends. The affiliation programme highlights the potential SMEs that *umuntu* can partner with in order to help with selling their products or services. The reward for such action will be a

reimbursement based on an attractive commission model that considers a set minimum percentage fee.

- Bulk-buying community leaders who subscribe to *Ubuntu* as society's value system are influenced to base their buying decisions on the communities that can be beneficiated from those transactions. Prior to seasonal buying cycles, the *Marketing Circle* communicates information about the platform's focus on improving communities such as theirs, and that the group leaders' buying power can make an impact to specified SMEs from within their communities. Once the seasonal buying triggers are activated, the messaging that was communicated prior gets to be reinforced and the effortless user experienced can be used to capture the impending transactions.
- Practitioners and observers of *Ubuntu* cultural events or occasions relating to economic activities associated with such ceremonies. This can range from weddings, birthday celebrations, rite of passage ceremonies, tombstone unveilings, etc.
- Wholesale buyers subscribe to the platform to get bulk-buying opportunities from a consolidation of products or services from a pool of vetted SMEs. This is made possible when such products and services can be provided with the assurance of an acceptable level of quality standards.
- Jobseekers become a special type of customer segment on the platform. On the one hand they form part of the supply-side of the platform by being part of the workforce that helps to capacitate the SMEs that subscribe to the platform. Simultaneously, they are also the recipient of job opportunities that form part of the main objectives that are pursued by the platform. The platform must provide a service for skills-on-demand whereby jobseekers are registered with the type of skills that they can provide, which can range from basic level skills such as vehicle drivers, to advanced skills such as financial management.

8.4 Desired outcomes building blocks

The business model outlines various intended outcomes, which are value proposition, maintaining active channels, maximising the different revenue streams, and monitoring the benefits realised, as captured by the *Ubuntu* business modelling canvas.

8.4.1 Value proposition and benefits thereof

The value proposition is in relation to the outcomes of the business model. These were derived from an exercise of capturing the desired outcomes from the customer's perspective as depicted in *Figure 26*.

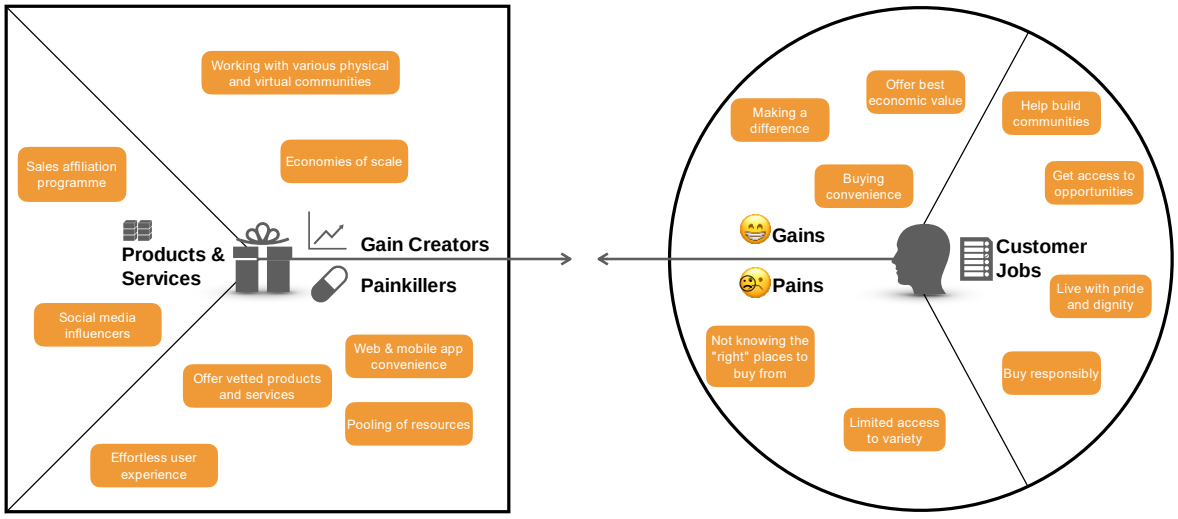


Figure 26: The derived value propositions based on Dr. Alexander Osterwalder's value proposition canvas (Source: DesignABetterBusiness.tools, n.d.)

The list of value propositions are:

- Promote the culture that forms part of the fabric of the communities that are targeted;
- Offer an effortless and effective online sharing platform;
- Ensure that the platform is based on a continuously improving user experience;
- Promote the affiliate marketing programme based on *Ubuntu* shared values; and
- Educate individuals within the target communities to challenge themselves by spending money on products and services that have a direct long-term benefit on their communities.

These value propositions are motivated by the *Taxonomy of Ubuntu* as addressed in *Section 3.2*. *Table 21* highlights these building blocks.

Table 21: Ubuntu taxonomy

Category	Building Block	Incorporated	Motivation
Ubuntu Taxonomy (Navarro & Tudge, 2022)	*Umuntu*	Yes	The active participative agency that is a member of a particular community, possessing the power to assume roles and to contribute towards the development of their community and to society. The participation is from the supply side as owners of businesses and from the demand side as the consumer of products or services.
	Physical or Virtual Microsystem	Yes	Focus on identifying habit-forming *Ubuntu* practices based on the model Behaviour → (builds) Competency → (forms) Habit → (defines) Individual → (contributes towards) Community
	Mesosystem	Yes	Community's direct relationship with *umuntu* in the Microsystem
	Exosystem	Yes	Community's direct or indirect relationship with *umuntu*
	Macrosystem	Yes	Impact to the broader community.
	Chronosystem	Yes	Longitudinal impact based on the accumulation of achievements over time. This may be expressed as short-, medium-, and long-term goals

The benefits of realising the value proposition above are as follows:

- Having a convenient platform upon which to capture and promote opportunities that exist for the South African majority, thus helping the country to reduce the devastating effects of high unemployment;
- Providing a unique portal that is dedicated to highlighting initiatives and achievements by South Africans;
- Directly or indirectly help to elevate the morale of the majority of the South African population by providing a platform that is relatable based on their identity and culture;
- Harness the power of the collective when engaging in problem-solving ideation exercises to help address common challenges; and
- Contributing to projects and opportunities that help mitigate against negative impacts to the environment.

8.4.2 Active channels

The channels that are pursued by the business model are those that take advantage of digitalisation for online-based technology, and those that allow for physical engagement between the target customer segments and the organisation. Both these features for the active channels were

supported by the qualitative and quantitative studies under *Digitalisation* and *Physical Interaction* and are as follows:

- The web-based e-commerce platform;
- The mobile app that extends the capabilities of the e-commerce platform on mobile devices;
- Physical pop-up stores based on events that takes places from time to time as directed by the Marketing Circle; and
- Contact centres where target customers can engage directly, either in-person or via telephone, with support agents of the organisation.

8.4.3 Revenue streams

The revenue streams for the business model are:

- Income generated from advertising and promotions campaigns placed on the active channels;
- Commission generated from the sale of products and services on the active channels;
- Transaction fees that apply for certain purchases that are targeted at any of the transacting parties; and
- Monetisation of the insights that are derived from the data that is generated on the e-commerce platform.

8.5 Sustainability building blocks

The sustainability of the business model relates to the monitoring and evaluation of the effectiveness of its processing and the outcomes that are generated. This is a constant exercise of balancing the work that gets performed under the guidance of the vision led by the organisation's leadership, with the measurable outcomes as discussed in *Section 8.4*. Where the outcomes are not commensurate with the intended desires from the process, then adjustments need to be made accordingly, which might require the review of the inputs into the business model.

The areas of sustainability to be monitored are from the perspective of the organisation, community, environmental, and risk management. The organisation perspective was not identified

as part of the *Ubuntu* business modelling tool discussed in *Section 2.4.3*. However, when the *Business Innovation* proposition factor was analysed during the quantitative study based on the building blocks of *Organisational Structure* and *Organisational Purpose* (refer to *Section 6.5.1*), the importance of including the organisation as part of the sustainability factors of the *Ubuntu*-infused business model have become apparent.

8.5.1 Organisational sustainability goals

The sustainability goals for the organisation are informed by the three factors that were the result of the quantitative research study in *Chapter 6*, viz.:

- Pursue inclusive axiological factors beyond profits;
- Strive for effective stakeholder engagement; and
- Offer leading-edge customer experience.

8.5.2 Community

As a communitarian business model that promotes the ethos of *Ubuntu*, the sustainability goals that involve the community must highlight the impact and the involvement that *umuntu* has with the community (in relation to the *Ubuntu Taxonomy* in *Figure 14*). Two goals to this effect are:

- Building a reputation on the ability to create jobs, thus addressing the main challenge that is the driver of the business model; and
- Being an active agent that promotes cultural events or occasions that take place in the target communities with two objectives:
    - Educating community members on what the platform stands for, which is to uphold the communitarian values and practices that maintain the bond among the community members (*umuntu* as the participative agent); and
    - Continuously learning and adapting to the economic practices that take place in those communities and to explore ways to incorporate such practices into the business model.

8.5.3 Environmental

The literature review has highlighted that from an ecological perspective *Ubuntu* embraces the relationship between people and nature, while emphasising the responsibility that people have towards caring for nature (Taxonomy of Ubuntu; Chemhuru (Ed.), 2019). Thus, from an environment perspective, there are two key sustainability goals that are pursued by the business model, viz.:

- Reducing post-consumer waste, especially from the consumption of products and services that are employed during the operations of the business model; and
- Promoting various sponsored initiatives that mobilise people to participate in cleaning up and maintaining the cleanliness of their communities, thus contributing to an experience of a life of dignity to community members.

8.5.4 Risk Management

There are several risks in the form of potential e-commerce inhibitors that apply to an e-commerce business, as highlighted in the literature review (Dastidar & Banerjee, 2020; Moriset, 2018). Most of the challenges that were highlighted have been mitigated against through the operations model that has been defined in the previous sections. However, there are a few key risks that require constant monitoring. These are listed as:

- Cyber-security is an on-going function of a business that relies on digital assets that are susceptible to external threats;
- Physical infrastructure security applies to the protection that must be afforded to the warehousing and all transportation entities that are critical to the logistics of the e-commerce business;
- Financial management to ensure the optimal application of funds that are raised by shareholders, investors, and those generated from the operations of the business; and
- Maintaining access to sufficient IT skills, especially when rendered as a skills on-demand offering discussed in *Section 0*.

8.6 Business model

The business model in *Figure 27* is based on the business modelling canvas shown in *Figure 10*, (page 2.4) and is directed by the premise that *Umuntu* (the individual within an *Ubuntu* communitarian society) is the active participative agency that is modelled to take part in transactions performed on the intended e-commerce platform. This view is depicted in *Figure 14* as part of Hypothesis 2 (refer to section 3.2) and covered in detail under this chapter.

Umuntu takes part in demand-side, supply-side, as well as internal and external organisational processes. This allows ***umuntu*** to be cast in various roles in the business model towards the sustainable functioning of the *Ubuntu*-infused e-commerce platform.

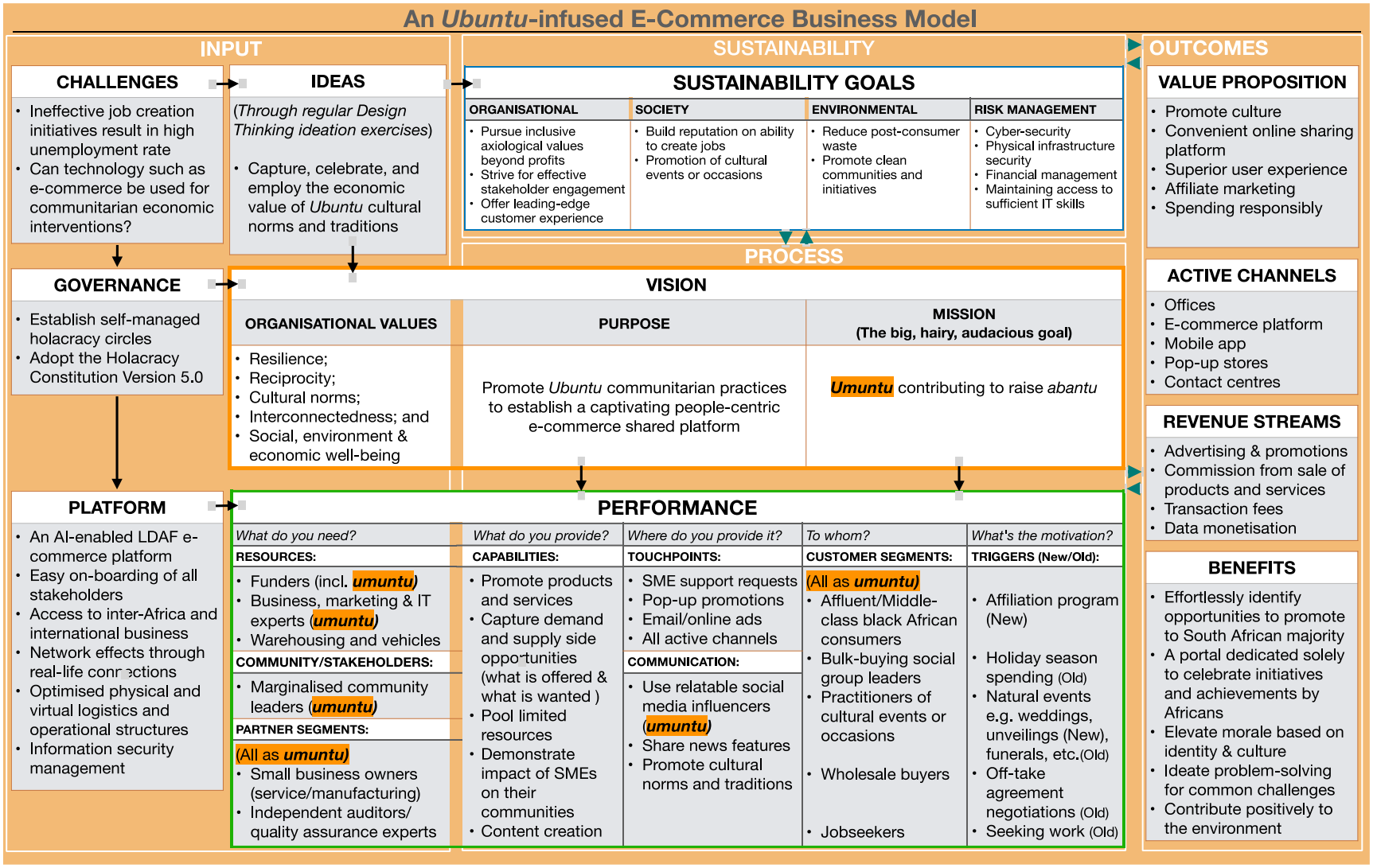


Figure 27: An Ubuntu-infused e-commerce business model

As highlighted in the literature review, *umuntu* is not merely an isolated individual. But rather, a key agency that contributes towards the upliftment of the whole community within the Micro-, Meso-, Exo-, and Macro-systems in which *umuntu* participates. The business model is thus intended towards unlocking the full potential of the various roles of *umuntu* in such a way that the optimum benefit of the community (*abantu*) may be realised, primarily through the practice of sharing.

CHAPTER 9: RESEARCH CONTRIBUTIONS AND CONCLUSION

This chapter summarises the findings and conclusions of this research. It also provides recommendations on how South African SMEs can benefit from an *Ubuntu*-infused e-commerce platform that unlocks the power of communitarian collaboration, with a comprehensively specified praxis that can be implemented, operated, and continually improved upon.

9.1 Theoretical Contribution

A distinction was made for viewing *Ubuntu* from an axiological perspective, while also highlighting the economic value of its communitarian nature. This distinction has been valuable to frame the context upon which this study was conducted as guided by the definition proffered in Section 2.4.1. This clarifies the various perspectives upon which *Ubuntu* can be studied, which were highlighted in *Table 2: Theoretical perspectives of Ubuntu* under Section 1.2.3. Additionally, a definition for e-commerce under Section 2.3.1 has informed the framework and guidelines for the development of the business model presented herein.

This research has benefited immensely from the application of the Neo-ecological Theory. The theory was used as a foundational framework upon which an *Ubuntu* taxonomy was developed as part of hypothesis formulation. This has provided a structured approach for developing a business model that can be used which, at its core, places the participative agency of *umuntu* and the associated proximal processes to help define the triggers that are a call to action for their action on the model. This has also helped to identify the stakeholders and communities that must be brought along the journey of establishing an e-commerce platform. The taxonomy was thus key to identifying channels that must be engaged for the success of the model.

The adoption of a taxonomy for *Ubuntu* as applied in this study is a novel undertaking. This approach can help to contribute further to *Ubuntu* epistemology and hermeneutics in various contexts. Since digitalisation is one the technological imperatives of the twenty-first century, *Ubuntu*'s relevance in commercial applications of this era can be further explored as so many scholars have done so for prior industrial eras.

This research has also explored the application of holacracy as an organisational structure. A contribution is made to test the efficacy of holacracy, and the business model defined herein benefits from the self-management approach of holacracy and how this complements the communitarian nature of *Ubuntu*.

9.2 Empirical Contribution

A mixed methods approach was used to understand the enablers and inhibitors of e-commerce adoption for small businesses in South Africa. Most of the proposition enabler and inhibitor factors identified in the literature review were confirmed under the conducted study. A factor that sought to downplay the need for a physical or tangible customer experience was discovered during this research study and has informed the business model. A new factor that involves the use of influencers as part of the integral use of social media marketing was also incorporated into the business model. This serves to offer an empirical contribution to research of e-commerce in South Africa.

9.3 Practical Contribution

Several practical contributions have been made under this study, beyond the theoretical contributions made for e-commerce, holacracy, and *Ubuntu* research. These contributions are:

- Providing one of the theoretical frameworks upon which a taxonomy of *Ubuntu* may be developed as presented in *Figure 14*;
- The development of a bespoke business modelling tool in Section 2.4.3 which takes the features and benefits afforded by other tools, such as the ubiquitous business model canvas;
- An *Ubuntu*-infused e-commerce business model as discussed in *Chapter 8* and depicted in *Figure 27*, along with the proposed holacracy structure to support the model as shown in *Figure 24*; and
- The employment of the *hooked model* (see *Figure 25*) to establish the proximal processes that can be cultivated for the implementation of the business model.

9.4 Suggestions for future research

Further research on the enablers and inhibitors of e-commerce in South Africa is required, with appropriate sampling that covers a representative population of South Africa. The recommendations for future research are thus listed below.

- Conducting a similar research study as contained herein, which uses a large random sample size with a national geographical coverage to ensure validity and reliability of the study.
- A quantitative study of the effects of a global pandemic such as COVID-19 on South Africa's e-commerce industry and how small businesses must respond for future cases.
- A longitudinal and cross-sectional mixed method study to understand the actual success rate of e-commerce in South Africa for specific sizes of e-commerce businesses (small, medium and large businesses in terms of turnover) to understand the success factors at a more granular level of entity size.
- A focus group-based study on e-commerce successes and failures in South Africa from the perspective of small businesses that have demonstrable successes and those that have quantifiable failures.
- A longitudinal study to understand the impact of inter-Africa trade on the South African e-commerce industry.
- An action research pilot study that explores the implementation of holacracy for a small to medium size business to test the efficacy of the organisational structure in the South African context.
- The implementation of this business model in an action research study so that it can be tested through a pilot study in different parts of South Africa that represent the urban, township, and rural geographic areas. Multiple aspects relating to e-commerce and holacracy may be tested in accordance to research question RQ2, with the added advantage of innovative execution that can be realised through design thinking processes.

9.5 Conclusion

The business model that is presented under this research study goes beyond the traditional profit-oriented approaches for commercial business models. Such commercial business models are based on the Western culture's promotion of having a few role-players with a parochial view of being

the main benefactors in the community. In contrast, this business model extends to how the community can be involved as stakeholders on the one end, while jobseekers can be accommodated on the platform as one of the target customer segments. This is achieved by having a model that establishes a balance between what the community brings as input when participating on the platform, the processing that must take place as guided by an overarching vision, the consideration of sustainable goals, and the constant review of the outcomes of the business model in relation to the desired objectives. This helps to address the primary challenge undertaken under this research for sustainable job creation in research question RQ2 (*What business model is appropriate for developing e-commerce for small businesses that incorporates the prevalent local axiological system and fosters sustainable job creation?*).

To achieve this, the research question RQ1 (*What are the enablers and inhibitors faced by small businesses, which contribute to the use of e-commerce for small businesses in South Africa?*) is explored under the qualitative research to understand how the business model can be better deployed to address the inhibitors associated with e-commerce platforms. Simultaneously, the enablers of e-commerce, such as a conducive e-commerce climate as evident in South Africa, supporting innovation in the context of digitalisation, and other enablers, may be exploited to benefit the model.

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APPENDICES

APPENDIX A - Questions for Qualitative Analysis

OPEN-ENDED QUESTIONS

Business
1. What does your company do and what is unique about your offering?
2. How was the idea generated?
3. What types of products or services do you offer, e.g. organic food, cleaning services, etc.?
4. What is your target group and why have you chosen this market segment?
5. How do you see the role that rural/urban communities can play in your business model?
6. How do you see your pricing in terms of it being perceived as value for the consumer?
7. How do you manage research and development?
Roles
8. What are the key roles in your business and why those roles specifically?
9. What other roles do you think you need for your business and why?
Technology
10. How do you use e-commerce in your business?
11. What challenges have you experienced with e-commerce in your business?
12. What helps you with using e-commerce in your business?
13. In terms of brick-and-mortar vs online/e-commerce business, what is more important to you and for what reason is that so?
14. How does the internet play a role in your business?
15. How do you utilise social media for your business?
16. How do you promote your business?
17. What other technology do you employ for your business?
Community
18. In what ways are you impacting the community around you?
19. How are you impacted by security?

APPENDIX B - Questions for Quantitative Analysis

SECTION 1: **Demographic Information**

1. When did your business start operating?

□ Less than 1 year ago □ Between 1 and 3 years ago
□ Between 4 and 5 years ago □ Between 6 and 10 years ago
□ Over 10 years ago

2. What type of business is it?

□ Close Corporation □ Private Company □ Partnership
□ Co-operative □ Voluntary Association □ Sole Trader

3. In which province is your business located?

□ Eastern Cape □ Free State □ Gauteng □ Limpopo
□ Kwa-Zulu Natal □ Mpumalanga □ North-West □ Northern Cape
□ Western Cape

4. What type of area is the business located?

□ City □ Town □ Township □ Village

5. What is the name of the area where the business is located?

[Free text]

6. How many employees are working in the business?

□ 1-10 □ 11-50 □ 51-250 □ 251 or more

SECTION 2: **General Business Questions**

1. The purpose of your business (i.e. the main reason for existing, other than generating profit) is clear to all managers and every employee).

□ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree

2. Our business has measures in place to track the value that we deliver to our customers/clients, whether it is actual value (something that can be seen or touched) or perceived value (something that can be experienced or felt).

□ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree

3. Our business has identified all the major roles required to succeed in our chosen field, and all the respective roles have their responsibilities and accountabilities clearly defined and documented (even when one individual plays more than one role).

□ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree

4. On a regular basis, we keep looking for ways to improve how we conduct our business.

□ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree

5. Everyone in our business is mindful of, or tracks how, they impact the environment, and we have put in place ways to minimise the negative impact we cause. □ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree
6. Our business has the right level of Information Technology (IT) expertise to help us effectively manage our day-to-day operations. □ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree
7. Many of our customers/clients order from us online through an e-commerce website or mobile app. □ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree
8. Many of our supplies/stock are ordered online through e-commerce websites or mobile apps. □ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree
9. Marketing activities and communication with our customers/clients are mainly done through social media platforms (Facebook, Instagram, TikTok, Twitter, WhatsApp, YouTube, etc.). □ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree
10. Our customers/clients prefer to visit our business premises in order to see, touch, or feel our product/service before they buy from us. □ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree
11. At all levels in our business, we make use of coaching and mentorship support to help us perform better in our respective roles. □ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree
12. Our business is constantly looking for ways to uplift the community in which we operate. □ Strongly Disagree □ Disagree □ Neutral □ Agree □ Strongly Agree

APPENDIX C – Percentage of Frequency per Attribute

Factor 1: Pursuing Inclusive Values Beyond Profits							
Variable	Attribute	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
AC	Addressing business challenges	On a regular basis, we keep looking for ways to improve how we conduct our business.	3.1%	4.6%	9.2%	27.7%	55.4%
AH	Value proposition	Our business has measures in place to track the value that it delivers to our customers/clients, whether it is actual value (something that can be seen or touched) or perceived value (something that can be experienced or felt).	3.1%	6.2%	10.8%	33.8%	46.2%
IN1	Organisational purpose	The purpose of your business (i.e. the main reason for existing, other than generating profit) is clear to all managers and every employee).	3.1%	1.5%	18.5%	13.8%	63.1%
EC2	Communitarianism	Our business is constantly looking for ways to uplift the community in which we operate.	6.2%	1.5%	15.4%	24.6%	52.3%
EC3	Environment	Everyone in our business is mindful of, or tracks how, they impact the environment, and we have put in place ways to minimise the negative impact we cause.	4.6%	15.4%	15.4%	24.6%	40.0%
IN2	Organisational structure	Our business has identified all the major roles required to succeed in our chosen field, and all the respective roles have their responsibilities and accountabilities clearly defined and documented.	4.6%	4.6%	26.2%	35.%	29.2%
EC1	Interdependence	At all levels in our business, we make use of coaching and mentorship support to help us perform better in our respective roles.	9.2%	10.8%	38.5%	18.5%	23.1%

Factor 2: Effective Stakeholder Engagement							
Variable	Attribute	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
SM	Social media	Marketing activities and communication with our customers/clients are mainly done through social media platforms (Facebook, Instagram, TikTok, Twitter, WhatsApp, YouTube, etc.).	15.4%	7.7%	12.3%	18.5%	46.2%
DE	Access to Information Technology (IT) Expertise	Our business has the right level of Information Technology (IT) expertise to help us effectively manage our day-to-day operations.	10.8%	24.6%	23.1%	10.8%	30.8%
PE2	Low Barriers of Entry to Online Business	Many of our supplies/stock are ordered online through e-commerce websites or mobile apps.	29.2%	13.8%	20.0%	10.8%	26.2%
PE1	Broader Access to Markets	Many of our customers/clients order from us online through an e-commerce website or mobile app.	33.8%	15.4%	23.1%	6.2%	21.5%
Factor 3: Customer Experience							
Variable	Attribute	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
BM	Physical interaction	Our customers/clients prefer to visit our business premises in order to see, touch, or feel our product/service before they buy from us.	10.8%	16.9%	18.5%	23.1%	30.8%
EC1	Interdependence	At all levels in our business, we make use of coaching and mentorship support to help us perform better in our respective roles.	9.2%	10.8%	38.5%	18.5%	23.1%

APPENDIX D – Interview Consent Form

Title of Study:	**Developing an Ubuntu-infused e-commerce business model for South African small businesses based on a holacratic organisational structure**
Researcher:	**Cliff Nkuna** University of Cape Town, Graduate School of Business Student no: NKNCLI001
Supervisor:	**Prof. Geoff Bick**
Contact Details:	+27 (0) 65 8200 343 nkncli001@myuct.ac.za

Dear Sir/Madam,

I am currently conducting a research study, which aims to establish the challenges and inhibitors faced by South African businesses in using e-commerce. My objective is to reach out to businesses that are based in Gauteng and Limpopo to source input into this research. The outcome of my research will be to develop an e-commerce platform that is able to represent the local values that are upheld by the communities which will depend on the platform.

I have come by contact details of individuals such as yourself through trade and business associations. I am reaching out to you because I believe your input will be of great value for this research. Participating in the survey questionnaire will take between 10 - 20 minutes. All information gathered from the survey will be treated with confidentiality. At no point during the survey will information identifying yourself or your organisation will be requested.

Please be advised that your participation in this study is voluntary. Should you choose to take part, then kindly sign the bottom of this form to give your consent to participate. Should you be unable to continue with the research for whatever reason, the information that you have provided will be destroyed and not used any further. Only if you complete the survey will the information be processed for analysis.

If you have questions at any time about this study, or you experience challenges as a result of participating in this study, you may contact the researcher whose contact information is included above.

CONSENT

I have read and I understand the information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.

ETHICS APPROVAL

Ethical consent for the study has been approved by the UCT Commerce Faculty Ethics in Research Committee.

Participant's signature _____ Date _____

Researcher's signature _____ Date _____

Thank you for taking part in this research.