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UNPACKING THE DRIVERS OF ELECTRONIC BUSINESS IN ZIMBABWE

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Abstract

The study unpacked the drivers of electronic business in Zimbabwe. The research adopted a qualitative method. The research design used was descriptive. The study used Zoom meetings to gather data. The study revealed that the main drivers to electronic business are the organisational readiness, solid technology and enabling government policies. The study therefore recommended that organisations and the government should implement policies that support digital economy.

Keywords

Adoption, Electronic Business, digital economy, ICT, Internet, Technology, E-readiness,

Introduction

Information Communication Technology is opening up a world of possibilities previously unavailable to traders. The world people live in today has become increasingly digital centric and is developing at a significant supersonic speed. Digitalisation and virtualisation now promote automatic access to digital devices and the internet. This has completely changed the societal landscape in terms of trading. Electronic business is a technology megatrend that is expected to become more popular in the future. A higher penetration rate in developing countries due to use of smart phones and better infrastructure is promoting electronic business adoption. Electronic business is gaining traction due to higher mobile penetration rate. The smart phones globally are now being as transactional tools instead of communication tools.

According to Ayo et al (2011) electronic business uses the internet as a core promotional medium. With electronic business there are no boundaries, the world operates in a ubiquitous mode (Bocij 2019). The organisations can use any devices such as tablets, smart phones, TVs, digital bill boards to trade goods and services. Furthermore, ITU in 2021 echoes that mobile phone usage drives the adoption of electronic business and with global smart phone penetration expected to hit 78% by 2030, analysts believe that electronic business will follow suit.

Moreover, the network effect is a phenomenon whereby once a critical mass of consumers and or the corporations use technology, their peers take notice of the technology's increasing utility and also choose to use it will further drive the adoption of electronic business globally.

Statement of the Problem

The past studies have indicated that globally electronic business is driven by technology, organisation readiness and government policies. Electronic business is also facilitated by environmental factors (ECOWAS, 2020). In Zimbabwe the organisations are adopting electronic business at a very slow pace. This study therefore seeks to assess the drivers of electronic business adoption in Zimbabwe.

Objective

The objective of the study was to assess the drivers of electronic business in Zimbabwe.

Significance of the Study

This study contributes to the development of the global digital economy. It also promotes investment in electronic business which contributes to the country's internet Gross Domestic Product (iGDP).

The study is going to play a critical role in the contribution to the body of knowledge in electronic business. The other researchers can use the gathered data as references.

The study is crucial in that organisational and governmental policy makers and implementers can use the data to develop and usher new policy directions on the utilisation of electronic business.

Scope of the Study

The study covered drivers of electronic business in Zimbabwe. The study concentrated on the companies that are registered on the Zimbabwe Stock Exchange (ZSE) only.

Study Limitations

The study was limited in terms of the instruments to use in order to gather data due to Covid 19 pandemic. In order to mitigate this obstacle, the researcher had to resort to the use of ZOOM meetings using the internet.

Literature Review

Many researches were done on the drivers of electronic business but a few focused only on Zimbabwe. The assumption by most scholars was that electronic business is a technology for the advanced worlds (Lawrence and Tar, 2010). The organisations in developing worlds are using the power of the internet to trade online. This is a faster and cheaper method of conducting business. The imperatives of a successful electronic business are the drivers or positive factors (Chivandi and Sibanda, 2018). According to WTO (2020), the drivers of electronic business are categorised into technological, organisational and environmental drivers. In support Hamprey et al (2013) examine that the adoption of electronic business by organisations is anchored on solid infrastructure and organisational ICT readiness. Yang (2020) concurs that without the support of organisational top level management the concept of electronic business can be a total collapse.

The facts provided by Statista (2021) indicate that for electronic business to be a success it requires 80% support from the organisational top management and 20% from the government. Eurostat shows that in 2021, the use of electronic business increased to 90% due to the intervention by government policies in order to avert Covid 19. People were fully activated to do business from home. This was supported by Bocij (2019) who says governmental policies and regulations are a driver to electronic business adoption and usage.

According to UNCTD (2021), technology and enabled government policies drive electronic business uptake. Similarly, Thomas (2020) narrates that technology is the cog that interconnects the electronic business ecosystem globally. Technology makes it economic for organisations to trade online. In addition OECD (2020) opines that electronic business rides on solid infrastructure such as fibre optic, Wifi or WiMax. Similarly the International Telecommunication Union (ITU) (2021) reveals that an estimated 80% of electronic business adoption in Europe is driven by technology. ITU also highlighted that in Africa there is low uptake of electronic business due to lack investment in required technology. Electronic business calls for investment in compatible and state of the art infrastructure (Dzindikwa, 2021).

The research done by the Association of South East Asian nations (ASEAN) in 2021 showed that their member states rely on technology to conduct electronic business. These Asian nations support each other in the implementation of electronic business technology. In the same vein the members of the European Union (EU) constantly upgrade their technology and

revise their regulations to create an enabling working environment among member nations (EU, 2020). However study by ITU in 2021 indicates that in Africa, Southern African Development Country (SADC) organisation is doing less to promote use of technology that facilitates electronic business. According to OECD (2021), if electronic business is supported by organisational e-readiness and technology the revenue of the organisation can increase by at least 20% annually. As a result this study would like to assess the drivers of electronic business in Zimbabwe.

Methodology

The study used the qualitative approach. It also deployed the descriptive design. Zoom meetings were used as research instruments to gather data due to Covid 19 restrictions. Before conducting the study, the researcher first requested for permission through the use of consent letters which were stipulating the purpose of the research. The tenets of confidentiality and anonymity were highly upheld by the researcher. The sample size was made up of 75 companies registered on the ZSE. The technique of purposive sampling was used to select the participants.

Discussion and Findings

The aim of the study was to assess the drivers of electronic business in Zimbabwe. The participants contributed that the success of electronic business in Zimbabwe is driven by telecommunication and internet technology. This is complimented by unlimited support from the government. One of the participant said “there is no electronic business system that can be a reality without state of the art technology. The government of Zimbabwe need to adopt enabling policies.” This is in support of Yang (2020) who says technology and policies are the pillars of electronic business acceptance and usage.

Another participant said that organisational policies drive electronic business. The participant further alluded that it is the mandate of the organisation to implement the required e-business infrastructure and train people on the required ICT applications. This was revealed by Chivandi and Sibanda (2018) who opines that there is no electronic business that can succeed without organisational top level support.

Through the data found, the respondents indicated that government regulatory policies are a driver to electronic business. This was reiterated by Ayo et al (2011) who state that the government has the duty to craft electronic business policies that are friendly to the acceptance and growth of the technology (Lawrence and Tar, 2010).

Recommendations

The study recommended that the management of organisations in Zimbabwe should support the adoption of electronic business through supportive policies. The organisations should buy the required electronic business infrastructure .The employees of organisation should also receive ICT training that support e-business.

Furthermore, it is also recommended that the government as a policy maker and regulator of electronic business should craft enabling policies that attract companies to participate in electronic business adoption. In addition the government should also implement supportive electronic business technology and infrastructure.

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