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The Effectiveness of E-Marketplaces as Trading Platforms in Cape Town

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The goal of this paper was to investigate the effectiveness of e-marketplaces for Cape Town's Small and Medium Retailers (SMRs). With the rise of e-commerce, small and medium retailers (SMRs) must find ways to stay connected to customers; geographical barriers should not be an impediment to their relationship with customers. The problem is that many South African small and medium enterprises (SMRs) have a difficult time adopting effective e-commerce trading platforms. Within a South African context, literature does not distinguish between e-commerce and e-marketplaces for SMRs. SMRs have been slow to adopt e-commerce, and an alternative to help SMRs take advantage of e-marketplaces has not been fully explored. The use of electronic marketplaces (EMs) is regarded as an easy and viable way for small and medium retailers to connect with customers and suppliers. The innovation diffusion theory (IDT) or diffusion of innovation (DOI) was used for this study. The effectiveness of electronic marketplaces as a trading platform is discussed and analysed in the literature review. In this study, a qualitative research approach was used. Based on the study's findings, analysis, and review of the literature, a framework for SMRs to evaluate the effectiveness of EMs as trading platforms was proposed. Furthermore, implementing the proposed framework necessitates a customized approach because no two SMRs are exactly alike and have different expectations from EM platforms. The study reached the conclusion that EMs are effective as trading platforms for SMRs in Cape Town.

Keywords: *Cape Town, sellers, small and medium retailers, e-marketplace, e-marketplace intermediaries, online business*

JEL Classification*: M31*

1. Introduction

Electronic marketplaces (e-marketplaces and EMs) are commonly thought to be a stress-free way for small and medium retailers (SMRs) and retail sellers to connect with their customers and suppliers (Laksanapanyakul, 2020, p. 99). The goal of this study was to assess the effectiveness of EMs as a trading platform for SMRs in Cape Town, allowing SMRs to trade effectively and participate in e-commerce activities.

Electronic business (e-business) or e-commerce is growing in South Africa (SA), which, combined with the growing number of internet users, makes it logical that doing business online is the new way to do

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business (Chikandiwa and Chiliya, 2011, p. 29). Nonetheless, SMRs are frequently chastised for their slow adoption of e-commerce (Chikandiwa and Chiliya, 201, p. 28). A number of authors cite various reasons for the slow adoption of SMRs, including a lack of awareness (Olatokun and Kebonye, 2010, p. 44), difficulties obtaining financing and accessing technical infrastructure (Faloye, 2014, p. 56), problems related to logistics and the skills necessary to trade online (Mkhosi, 2017, p. 5). How can SMRs benefit from this new online business method? Is it possible for SMRs to use the internet to compete more effectively and gain increased exposure for their business?

Given the shift to online operations for SMRs, as well as the need for these businesses to remain competitive with consumers, the feasibility of using e-marketplaces to compete in this new environment must be investigated (Kotler and Keller, 2016, pp. 637-639). The theoretical portion of this research study then investigates how SMRs can use online marketplaces to reach a larger customer base and thus remain competitive.

1.1. Statement of the Research Problem

With the preceding discussion in mind, it is clear that companies which adapt with agility to the new way of reaching customers are more likely to survive. With e-commerce on the rise, SMRs need to find ways to stay connected to customers and avoid geographical barriers that previously hindered relationships with customers.

The problem is that many South African small and medium enterprises (SMRs) have a difficult time adopting effective e-commerce trading platforms. Within a South African context, literature does not distinguish between e-commerce and e-marketplaces for SMRs. SMRs are slow to adopt e-commerce, and an alternative to help SMRs learn to take advantage of e-marketplaces has not been fully explored. The purpose of this study, therefore, was to determine the effectiveness of EMs as a platform for trading SMRs and to propose a framework that allows SMRs to evaluate the effectiveness of EM platforms and more readily participate in e-marketplace activities.

The study's findings could help SMRs and EM intermediaries alike determine whether certain EM platforms are appropriate for their product offerings. Because SMRs may have varying expectations from EM platforms, having a guide to use as a measuring instrument will help SMRs evaluate potential benefits from EM platforms.

The main research objective within the scope of this research was as follows: *To examine how effective retail e-marketplaces are as trading platforms for SMRs.*

2. Literature Review

2.1. The Diffusion of Innovation Theoretical Framework

The innovation diffusion theory (IDT) or diffusion of innovation (DOI), as it is commonly referred to, was developed by Rogers (1962, p. 11). Adopting the IDT concept will determine if SMRs find EM platforms effective and valuable, that is, if benefits extracted from these EM platforms can be quantified, in order to demonstrate the effectiveness and efficiency of EM platforms for SMRs.

Elaborating on IDT, Rogers (1962, p. 11) additionally outlined five characteristics which influence the end-user's decision-making process concerning the adoption of IDT.

a. *Relative advantage:* A measure of the perceived quality of an innovation versus its predecessor. In other words, will SMRs find value in trading on an EM platform?
b. *Compatibility:* Innovations that are perceived as being compatible with existing values, past experience and needs by potential adopters. Specifically, are EM platforms suitable for SMRs to adopt as trading models?
c. *Complexity:* Indicator of how difficult it is to understand and implement an innovation. It refers to whether SMRs adopt EM platforms without having to undergo a radical change in business practices.
d. *Trialability:* Whether an innovation can be incorporated into existing business practices or removed if no value is derived, or more specifically, the adoption of an EM platform in relation to SMR business practices and whether it can be incorporated into existing business practices.

e. *Observability:* Visibility of an innovation is the degree to which others can see it. That is, do SMRs find trading through EM platforms effective?

2.2. The Literature Review on the Effectiveness of Electronic Marketplaces as a Trading Platform for SMRs.

The literature review sectioned followed a meta-synthesis literature review process, which is to interpret multiple qualitative data from several authors to broaden the understanding of a particular phenomenon (Atkins, Lewin and Smith, 2008; Grant and Booth, 2009). The meta-synthesis literature review process is complementary to the literature review conducted in this section which analysed and interpreted findings from various studies investigating the effectiveness of EM platforms on SMRs.

2.2.1. Trust and Security in the Electronic Marketplace

Prihastomo *et al.,* 2018, p. 446) cite trust and security expectations as an influential factor for SMRs in finding EMs effective. Trust in EM platforms is complex, since the EM operational model has two categories of service providers: the EM intermediary itself and the SMRs (Hong and Cho, 2011, p. 470). Defining trust within an EM context, Kim and Ahn (2007, p. 121) suggest that trust is "the perceived benevolence and integrity of a participating party (EM, SMR, and the consumer) in the transaction".

There are three paths to trust and security in an EM. Customers believe that the retail EM platform will meet their expectations by delivering the correct product for which they have paid. Similarly, the SMR believes that the EM will pay the SMR for the product that the customer ordered from the EM. The EM, on the other hand, has a dual caretaker role: first, the EM must assure the customer that purchasing from an unknown SMR is risk-free, and second, the EM must fulfil its obligations to the SMR (Hong and Cho, 2011, p. 471).

For the EM platform to fulfil its mandate towards the relevant parties, Hong and Cho (2011, p. 471) suggest two ways: first, the EM can achieve its trustworthiness through institutional mechanisms which include the introduction of guarantees, regulations and safety protocols which will govern the use of the EM facility, thereby protecting customers and SMRs. Secondly, the EM can create an established brand name through mainstream marketing campaigns. Customers, according to Barnes and Hinton (2007, p. 65), find EMs advertised on popular channels such as television and radio to be more trustworthy than unfamiliar EMs. Similarly, consumers' trust in SMRs and EM platforms that rely on the internet and popular social media platforms to advertise their products is growing. According to the findings of Zhang and Li (2019) and Jakic, Wagner, and Meyer (2017), internet advertising and social media marketing increase consumer trust perceptions, increasing their willingness to purchase from SMRs.

2.2.2. National Expansion of SMRs through EM Platforms

According to Hempel and Kwong (2001, p. 335), expanding operations nationally is critical to ensuring the longevity of SMRs. However, a lack of resources, capabilities, or knowledge among SMRs is frequently a barrier to achieving this goal (Standing, 2013, p. 43). As a result, SMRs' adoption of EM platforms may be motivated by a desire to expand nationally, for which EM platforms have the functionality and capabilities (Standing and Lin, 2007, p. 103). In agreement, Hossain *et al.*, 2021, p. 5), by applying the IDT concept in their study, found that SMRs are less connected to internet-based knowledge networks as compared to their larger counterparts. So, participating in EM platforms allows them to gain entry to markets beyond their immediate geographical area in an effort to survive in the competitive market.

2.2.3. Impact of EM Platforms on SMR Processes and Internal Workflow Practices

Adopting EM platforms into their operating business model has an impact on SMR processes and workflow practices (Standing, 2013, p. 46). According to Standing (2013, p. 46), advances that encourage inter-organization information sharing between SMRs and EM intermediaries could provide SMRs with a long-term advantage by allowing SMRs to receive information that could streamline their operating processes and workflow practices. In contrast, Ramos's (2021, p. 15) analysis of SMR operational performances indicates that SMRs who do not actually make the necessary changes to their processes and workflow practices are at risk of not extracting the full perceived value from trading on EM platforms. Ramos (2021, p. 30),

outlined three internal processes and workflow practices which are frequently impacted as a result of trading on EM platforms:

a. *Order fulfilment time:* Internal workflow practices and processes should be aligned to ensure SMRs prepare and deliver orders on or before time and in the correct, full ordered quantity.
b. *Packaging:* The correct packaging reflecting the product and order details should be visible when delivered to the EM intermediary; this is necessary to ensure the EM agency delivers the correct product to customers.
c. *Refunds*: Refunds are an integral part of EM agency processes. Customer perception of the EM platform can be affected positively or negatively depending on SMR internal processes and workflow practices when customers exchange products or request refunds.

2.2.4. Information Technology and Information Systems

Information Technology (IT) and Information Systems (IS) have a significant impact on EM effectiveness, serving as a focal communication facilitator between EM intermediaries, SMRs that use EMs, and customers who buy from the EM (Yadiati and Meiryani, 2019, p. 175).

Standing (2013, p. 24) postulates that the ease of the EM intermediary's system integration is a significant driver. The IS system functionality should be practical, secure, not labour intensive, and the cost of adoption should be minimal for the SMR (Yadiati and Meiryani, 2019, p. 174). Furthermore, the EM adoption hinges on the EM platform supplementing the SMR's current operating model, and standardising the IS integration between the EM intermediary and SMR systems (Standing, 2013, p. 25; Yu, 2007, p. 87).

For SMRs to find EMs effective, the onus is on EM intermediaries to ensure that SMR IS expectations are fulfilled (Yu, 2007, p. 87). For a sustained retention of SMRs, EM intermediaries are to continuously improve their EM facility to ensure SMRs deem the platform valuable (Standing, 2013, p. 24).

3. Research Methodology

The research design and methodology followed the "research onion" framework that was proposed by Saunders *et al.* (2019, p. 130). This research study followed the interpretivist philosophical perspective. According to the interpretivist philosophical approach, social reality is constructed from people's perceptions and actions in their natural environment (Saunders et al., 2019, p. 133). Knowledge on the effectiveness of EM platforms for SMRs must be built by participants with experience, which positivism and critical realism do not allow for (Saunders et al., 2019, p. 135). In this study, theory was developed through an inductive development approach. Using the feedback provided by participants, a pattern of data was discerned, and then a model for trading effectively through EM platforms for SMRs was proposed as a contribution to the body of knowledge, confirming that this research followed a bottom-up approach.

This study adopted the interpretivist philosophy and inductive approach to theory development as presented by Saunders *et al*., 2019, p. 179). As a continuation of this trajectory, this study selected the mono-qualitative method as the preferred methodological choice. A qualitative methodological choice enables a researcher to understand, explain, discover and explore a phenomenon, according to Morse and Richards (2002). The purpose of this research was to understand the effectiveness of EM platforms in Cape Town for SMRs. As there are several EM platforms used by SMRs, each participant would hold a unique view of what constitutes an effective EM platform. Qualitative methodology allows the researcher to examine the perspective of various informants on what constitutes an effective EM platform based on their experiences of these platforms.

A grounded theory approach to research was used in this study. As a result, this research study developed a theory using the information gathered from the SMRs and EM intermediaries who were involved in this study. The grounded theory approach enables the researcher to interpret participant experiences in order to understand what makes an effective EM trading platform for SMRs in Cape Town. The conceptual models for effective trading on EM platforms for SMRs in Cape Town have seldom been presented in research studies. Therefore, this research study followed the data collected from the SMRs and EM intermediaries who were involved in this study to form a theory. This approach is complementary to the inductive theory development approach and grounds the theory in the data (Saunders *et al.*, 2019, p. 205).

The time horizon adopted in this study was cross-sectional. The participants were interviewed once in order to collect data based on their experiences to determine how effective EM platforms are for SMRs in Cape Town. The feedback from the participants was collated and analysed to propose a model to determine the effectiveness of EM platforms for SMRs in Cape Town.

This research study adopted the purposive sampling method. Purposive sampling is commonly used in qualitative research to identify and select participants with a wealth of knowledge and experience related to the phenomenon being studied (Palinkas *et al.,* 2013, p. 1). Based on the characteristics of the purposive sampling method, this research study targeted SMRs and EM intermediaries in Cape Town. SMRs were selected because they were based in Cape Town and traded via EM platforms that are also based in Cape Town. SMRs must also be operated by an owner or partner and categorised as small or medium sized as part of the selection criteria. Since no clear guidelines or rules are presented for qualitative research studies as to what constitutes a valid sample size, the issue of correct sample size has been contentious (Daniela, 2020, p. 181). A minimum of 5 participants is advised in many studies (Creswell, 1998, p. 64; Renwick, 2022) until data saturation is reached.

For this research study, 10 participants were interviewed, with saturation reached with SMR number seven. Even so, a final SMR was interviewed to make sure saturation was achieved. In terms of feedback provided by the EM intermediaries, they are similar; therefore, a saturation point has clearly been reached after interviewing EM intermediary number two. A summary of the participants are tabled below:

Table 1. 8 Small to Medium Retailers who participated in this study

1. How long has your business been trading on an e-marketplace?	**2. Which category best describes the products you are trading via your selected retail electronic marketplace? Multiple options may be selected where applicable.**	**3. Which category best describes the size of your business?**	**4. How did the revenue generated by your own online store and the electronic marketplace compare during the past 12 months?**
More than 10 years	Cosmetics	Small enterprise	E-marketplace generated more than 50% of revenue
More than 10 years	Clothing and Footwear, Mixture of general merchandise and clothing, Imported non-clothing merchandise	Small enterprise	E-marketplace generated more than 50% of revenue
6-10 years	Mixed	Small enterprise	Different results
6-10 years	General merchandise (non-clothing and footwear)	Medium enterprise	Own online store generated more than 50% of revenue
1- 3 years	General merchandise (non-clothing and footwear)	Small enterprise	No own online store
1- 3 years	General merchandise (non-clothing and footwear)	Small enterprise	95% e-marketplace
1- 3 years	Health and Wellness	Small enterprise	E-marketplace generated more than 50% of revenue
Less than one year	Skincare Products	Small enterprise	E-marketplace generated more than 50% of revenue

Source: Authors' own construct

Table 2. 2 Retail e-marketplace platforms who participated in this study

1. How long has your business been in operation?	2. Which category best describes the products you allow sellers/small and medium retailers to trade via your electronic marketplace? Multiple options may be selected where applicable.	3. Which category best describes the size of your business?	4. Over the past 12 months, how was the revenue generated split between the electronic marketplace and your company's own merchandise?	5. How many sellers/small and medium retailers trade via your electronic marketplace platform?
More than 10 years	Mixture of general merchandise and clothing	Large enterprise	Equal split between own merchandise and e-marketplace	3001 - 5000
More than 10 years	Mixture of general merchandise and clothing	Medium enterprise	Own merchandise generated more than 50% of revenue	1-1000

Source: Authors' own construct

4. Data Collection Process

Qualitative research studies are synonymous with interviews (structured, semi-structured, and unstructured), focus groups, and group discussions (Kabir, 2016, p. 202). Semi-structured interviews were used to collect data for this study.

Semi-structured interviews combine open-ended questions with the opportunity for the interviewer to delve deeper into specific themes or responses (Cohen and Crabtree, 2006). Because open-ended questions centre on the topic under consideration, they give the interviewer and participant the freedom to delve deeper into the subject (Barclay, 2018, p. 1). Semi-structured interviews adhere to a list of topics for discussion related to the research study that are arranged in a specific order.

Participants in this study were interviewed once as indicated earlier. In order for participants to be well prepared for the interview process, an introductory note about the study, along with a semi-structured interview guide and the consent form, were sent to each participant. Participants' rights were described in the consent form, including the request to record the interview for the purpose of analysing the data and presenting the feedback.

Atlas.ti 9 was used to create the codes and group codes. This qualitative computerized tool assists researchers in organizing and managing data by creating codes, code groups, memos, and visual presentations such as figures and graphs, which then allows researchers to efficiently analyse data (Atlas.ti, 2021).The process of creating codes and code groups using the content as the driving force in qualitative research is commonly referred to as content analysis.

5. Finding and Results

5.1. Factors for Trading via E-Marketplaces for SMRs

Exposure to a large potential customer base, the infrastructure provided by the EM, and the ease of doing business through an established business model are among the trends that have emerged. These factors all depended on the need of the SMR, their level of technical skill and past experience.

5.2. EM Intermediaries' Factors for Creating E-Marketplaces

From the EM intermediaries' perspective, the need to provide a wide range of products without deeply investing large sums of capital are two driving forces for the establishment of EM platforms. Having an unrestricted or broad range of product categories gives EMs a competitive advantage over brick-and-mortar retailers because it serves as a one-stop shop for customers.

5.3. The Accessibility of E-Marketplaces for SMRs in Cape Town

Both SMRs and EM intermediaries believe that SMRs should have easy access to EMs. The available courier networks between Cape Town and other major cities also help to make these platforms accessible to SMRs. The comment below summarised the accessibility of EM platforms for SMRs in Cape Town:

"…It's very accessible. I had to literally just create a company and apply and then they (the marketplace) had a few questions about what I'm going to sell. It's very easy and I use an established logistics company. I sent them the stock. It's very accessible."

5.4. Online Stores (Websites) Versus Electronic Marketplaces for SMRs

A comparison of trading on an EM versus trading on an owner-operated online store was necessary to assess the level of effectiveness of EMs as a trading platform for SMRs. Evidently, the observation from SMRs is that e-marketplaces are more effective than selling through their own online store. Major factors revealed by SMRs for choosing EM platforms as the preferred platform include the marketplace infrastructure and systems which allow for high order volumes to be processed. Trust also plays a key role. The e-marketplaces' established customer base and established brand also serve to attract SMRs.

5.5. Benefits for SMRs Trading on E-Marketplaces

According to the interview accounts, participants have a thorough understanding of the benefits of trading on EM platforms. These advantages include an established customer base, physical facilities, including storage, a structured logistics network, systems and procedures for processing high-order volumes, fraud and scam protection, an EM platform's trusted image and brand, and a customer service support function.

5.6. Challenges for SMRs Trading on E-Marketplaces

The difficulties that SMRs face have an impact on how effectively they perceive EM platforms. According to responses, it is difficult for SMRs to retrieve customer returns from the EM platforms on which they trade. Another issue raised by the SMRs is a lack of control over their accounts. This is a significant challenge for SMRs: they should be able to actively manage their business account via the EM platform. The availability of funds and the fee structure have a direct impact on SMR operations. Because SMRs are small in size, large sums of money are not always readily available. For SMRs, the challenge of receiving proceeds of merchandise sales quickly may outweigh the benefits of trading on EM platforms.

5.7. New Developments SMRs are Looking for in the Future from EM Platforms

According to the interviews, SMRs consider the lack of thorough system integration from various channels to be an impediment. Participants are excited about the prospect of integrating and managing multiple platforms through a single system. At present, SMRs incorporate nominal channels, meaning they need to do duplicate work for the various platforms on which they are trading.

5.8. New Developments EM Platforms are Planning for the Future

Consensus among EM intermediaries is that they are working on two identified areas of improvement. First if the need to put the power in SMR hands to better manage their businesses effectively and efficiently through the self-service portals on the EM platforms. This would be possible if EM intermediaries provide system functionalities. The second area of development is to open cross border trading. Cross border trading expands the customer scope for SMRs, and the marketplace and SMRs would have exposure to other brands and products which could assist with product development.

6. Discussion and Conclusion

From the literature, three core factors emerged that SMRs are considering when choosing whether or not to trade via an EM platform: access to a larger pool of potential customers for SMRs (Malak et al., 2021, p. 5; Santoso and Napitupulu, 2018, p. 164); infrastructure and related services offered by the EM platform offer (Miguel et al., 2019:5); and image and trust level of the EM platform (Malak et al., 2021, p. 6). In agreement with SMRs' need for access to the EM platforms' customer base, Stephens and Saurabh (2021) discovered in their research that EM platforms grew significantly in the latter part of 2020, and SMRs were part of this growth through their access to the EM platforms' customer base. Santoso and Napitupulu (2018, p. 164) in their research found that EMs offer a range of services which include processing transactions through the platform, delivering the products to consumers and arranging payment to the seller. Furthermore, Janita and Miranda (2013) discovered that EM platforms provide value-added services such as payment services, logistics services, storage facilities, customer service, and insurance. These physical and virtual services are provided to SMRs in order to reduce the overall cost of trading on EM platforms. The trust relationship between the EM platform and SMRs is determined by the EM platform's brand image and customer trust perception (Oliveira et al., 2017, p. 158).

It is commonly known that both online and brick-and-mortar retail businesses have limitations as to what product investments they can afford, as no single business can afford to sell all the different types of products demanded by the market. To help overcome this significant barrier, EM intermediaries build platforms that enable SMRs to offer the broadest range of products possible without requiring the platform to invest heavily in product categories (Kawa and Walsiak, 2019, p. 522). EM intermediaries, like international players such as Amazon Marketplace and Alibaba, discovered that because an EM platform theoretically has unlimited shelf space, they could offer a diverse and deep assortment of products to consumers without incurring financial risk (Deloitte, 2015, p. 9).

The consensus from the majority of participants points towards EM platforms. The EM platforms through which SMRs trade have a positive spillover impact on the SMRs' own online stores. Customers begin to trust owner-operated online stores after making a purchase through the EM platform, which is consistent with Hagiu and Wright's (2014, p. 18) findings. Some participants and EM intermediaries advocate for SMRs to be traded on multiple platforms. When the competitive intensity is acceptable and the fulfillment costs are reasonable, trading through multiple platforms (owner-operated online store and EMs) for SMRs is feasible (Tian et al., 2018, p. 1596). Spreading risk and capturing different customers across multiple platforms are clear motivations for trading via multiple platforms in the case of the interviewed participants.

The advantages and benefits of EM platforms for SMRs are well established, and many have been highlighted by the participants in this study. The benefits for SMRs include the EM platforms' established customer base, the platforms' customer trust, access to a standardised logistical network to process customer orders efficiently, the EM platforms allow SMRs to process large volumes of customer orders simultaneously, and the EM platforms handle the customer service function. The preceding mentioned benefits and advantages are reverberated by Sigauke and Erdis (2018, p. 13) when they underscore that participants have seen their profitability level increase as a result of trading through EM platforms. Furthermore, Younus, Abumandil and Tarazi (2021, p. 6952), researching the adoption of EM platforms amongst SMRs, suggest that SMRs are gradually building a level of trust with customers, so customers form a relationship with the SMR on the EM platform.

Impediments to SMR trading on EM platforms can stymie effective trading or deter participants from trading on these platforms. According to Kawa and Walęsiak (2019, p. 523), the fee structure of SMRs is constantly changing. Because EM platforms take a restrictive approach with SMRs, with little to no interaction with customers, SMRs cannot influence customer behaviour or build a mutually beneficial relationship. Escalating servicing costs also hinders the perceived effectiveness of EM platforms for SMRs (Kawa and Walęsiak, 2019, p. 523; Signh et al., 2020, p. 13). Participants in this study face challenges relating to the product return process of the EM platforms on which they trade. Furthermore, as Kawa and Walsiak (2019, p. 523) discovered in their study, SMRs identified fee structure as a challenge. SMRs prefer a structured monthly fee because it allows them to better manage the cost of doing business through EM platforms.

If SMRs' desired needs are met or the platform works to find common ground, SMRs may cultivate long-term relationships with EM intermediaries for continued success (Chong, Man and Lai, 2011, p. 3). According to the findings of Chong et al., 2011, p. 3), marketing activities, IS/IT integration tools, and clear information sharing undertakings are fairly developed for the benefit of both parties. SMRs in this study

expressed a desire for system integration tools (mentioned by two SMRs), structured marketing activities that are beneficial to both local products and SMRs (mentioned by two SMRs), and dedicated account managers to ensure SMRs have a go-to person for their queries and concerns (mentioned by two SMRs). Furthermore, Bubenheim (2021) discovered that because SMRs face intense competition on EM platforms, they require guidance in order to differentiate themselves. SMRs will not receive the expected attention for their product categories on the EM platform because they lack a comprehensive marketing strategy and the necessary tools.

The EM intermediaries have agreed that SMRs require the necessary technology and self-services support to manage their own business on the EM platforms without significant interference from the platform. Garcia (2021, p. 31) claims that one of the leading EM platforms has digital solutions for SMRs to manage their own accounts. These self-service application suites include updating inventory levels, engaging with customers, identifying complementary products for their categories, and integrating their own online store with the platform via the portal (Thierry and Lescop, 2009, p. 37). SMRs can control their own businesses and grow them proactively by using self-service platforms. These advancements will also enable SMRs to continue to use EM platforms.

6.1. Theoretical Framework and Findings

SMRs with unique socioeconomic factors, such as those that are small, owned by an individual or small group of partners, generate less than R50 million in revenue annually, and are undercapitalised, adopt EM platforms as an innovation (Chikovo, 2020, p. 11). Furthermore, these SMRs are exposed to EM platforms with varying offerings, communication methods, and operating methods based on feedback from participants.

The following conclusions are drawn based on Rogers' (1962) theoretical framework's characteristics, which have an impact on end-user decision-making in relation to the DOI adoption:

- **a.** *Relative advantage:* SMRs found that EM platforms allow them to trade nationally with limited resources. Advantages include the established customer base provided by EM platforms.
- **b.** *Compatibility:* No difficulty in the adoption of EM platforms has been noted apart from the challenge of the product returns process and lack of marketing support activities which SMRs desired.
- **c.** *Complexity:* SMRs indicated they trade with relative ease on the different EM platforms.
- **d.** *Trialability:* No major changes to SMRs' businesses operations have been found. The EM platforms act as a support trading channel for SMRs, and in some cases, SMRs trade solely through EM platforms.
- **e.** *Observability:* All participants indicated they found EM platforms to be an effective trading model, even with its challenges.

6.2. Managerial Implications or Policy Implications

The major finding and conclusion were that all participants found EM platforms to be an effective trading model, even with some particular challenges.

It is recommended that the EM intermediary consult with SMRs on how to remove barriers to trading on EM platforms in order to increase the level of satisfaction among SMRs who trade on EM platforms. Customer returns are one of the major roadblocks identified by SMRs. SMRs may be able to help EM platforms improve their return processes because they have experience with customer returns from their own online stores.

To reduce competition on EM platforms, SMRs should sell unique merchandise that they can patent, ensuring that other SMRs cannot sell the same products. SMRs should be assisted in the development of product patents to benefit the EM platform. Customers would be more likely to buy from an SMR selling unique products on the EM platform.

SMRs have also expressed a desire to have control over their business on EM platforms; EM intermediaries have acknowledged that SMRs require autonomy and self-service tools in order to grow and develop their business on an EM platform. As a result, it is recommended that EM intermediaries learn and implement best practices identified by the world's leading EM platforms, such as Amazon. Garcia (2021, p.

31) points out that Amazon provides digital solutions for SMRs to manage their own accounts. These self-service application suites include inventory level updates, customer engagement, identifying complementary products for their categories, integrating their own online store with the platform, and collaborating with other SMRs on deals and promotional activities (Thierry and Lescop, 2009, p. 37).

As alluded to in the beginning of this paper, for SMRs to determine the effectiveness of EM platforms as a trading model, the researcher proposed that SMRs follow the framework below:

6.3. Limitations of study

The emphasis in qualitative studies is on individual experiences and how they perceive a situation, which can lead to subjectivity, making it difficult to argue that a phenomenon should be studied in a specific way (Galdas, 2017, p. 1). Furthermore, this study's sample size of 10 participants represents a relatively small proportion of active SMRs trading on EM platforms. The findings have limited generalizability because they are limited to the participants interviewed during the data collection process, despite the fact that saturation was reached. A larger pool of participants may have provided more insight into what constitutes an effective EM platform for SMRs. Furthermore, because this study concentrated on Cape Town, participants from other parts of South Africa may have a different perspective on the efficacy of EM platforms.

6.4. Future directions of research

Future research into SMR trading via EM platforms on a national level would provide a comprehensive view of SMRs and national perceptions of trading via EM platforms. Because this study only looked at SMRs and EM platforms in Cape Town, studies at a national scale may help to close the research gap on whether EM platforms are an effective platform for SMRs.

Author Contributions: Prof Victor Virimai Mugobo: He is the corresponding author for this paper and led the whole research project. Prof Mugobo contributed immensely to the conceptualization of the study, the literature review, the research methodology, the data analysis, and the conclusion. **Mr. Randal Gilton**: He was the principal researcher for this study and contributed to all aspects of the research study from the conceptualization of the study, the literature review, research methodology and design, data collection, data analysis, discussion of the findings, conclusions, and recommendations. **Mr. Wayne Jooste**: Contributed to the literature review, the research methodology, the data analysis, the findings, and conclusions. Mr. Jooste also contributed towards the editing of the article.

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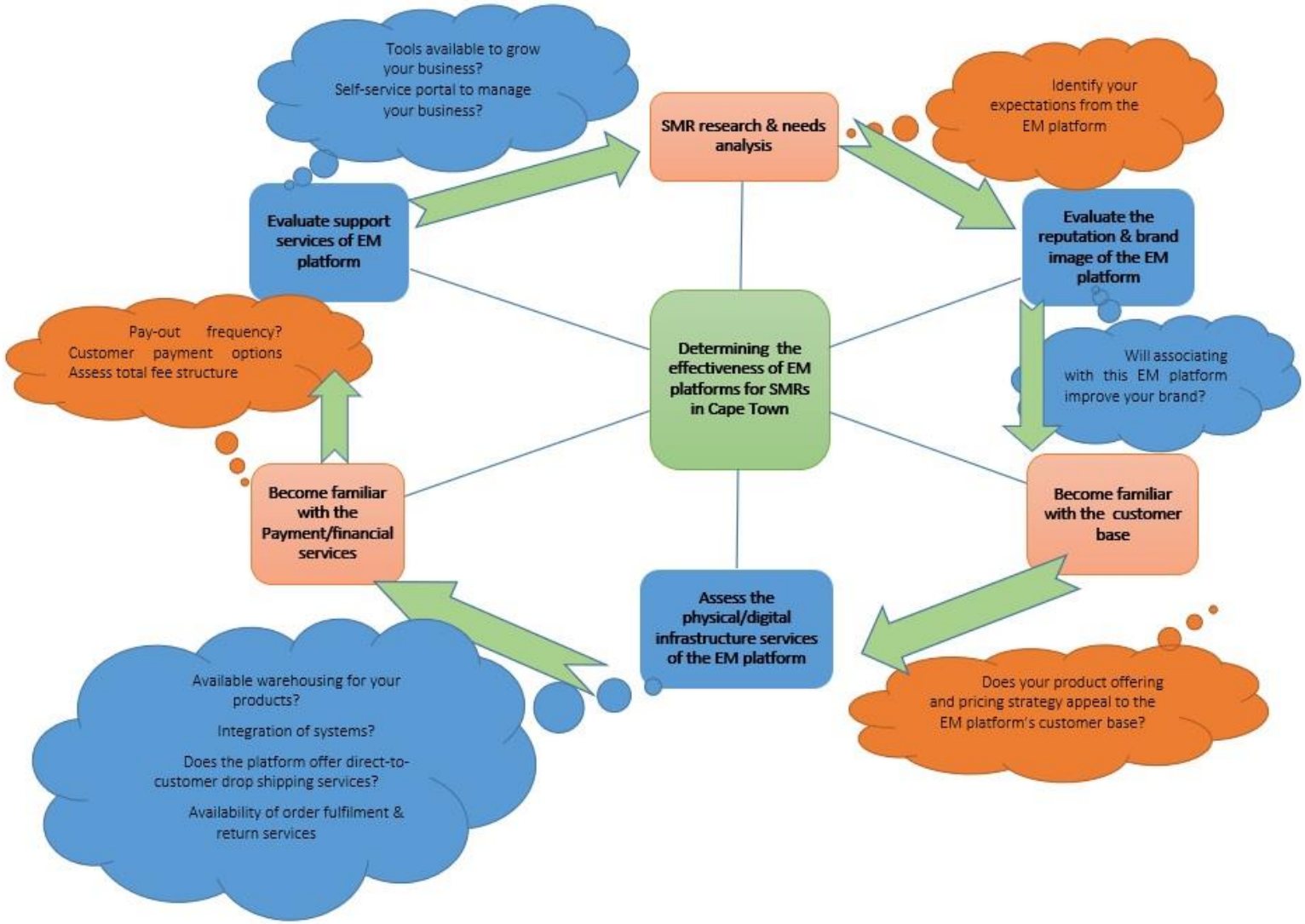

Figure 1. Framework for SMRs to trade effectively on e-marketplaces
Source: Authors' own construct

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