A QUALITATIVE EXPLORATION OF THE MARKETING CHALLENGES FACED BY SMALL AND MEDIUM ENTERPRISES IN GAUTENG, SOUTH AFRICA DURING COVID-19

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**ARTICLE INFO**

**Article history:**
Received 08 May 2023
Accepted 04 August 2023

**Keywords:**
Business Disruption; COVID-19; Marketing Strategy; Social Media; E-commerce.

**ABSTRACT**

**Purpose:** The aim of this study is to examine how the resurgence of e-commerce in South Africa during the Covid-19 pandemic impacted SMEs using e-commerce resources, and to devise strategies to assist SMEs to become more agile, resilient and better able to cope with disruptions.

**Theoretical framework:** The coronavirus pandemic highlighted the need to investigate the challenges experienced with e-commerce by SMEs in South Africa since the pandemic disrupted business through the restriction of movement of people which accelerated the use of online shopping. The e-commerce resources and dynamic capabilities of SMEs were analysed to explore the impact they have on the growth of e-commerce.

**Methodology:** Purposive sampling was used to identify 13 participants (SME owners/managers) for a qualitative study conducted using semi-structured interviews to gain an in-depth understanding of the challenges which impacted their business and marketing model. Thematic analysis was used to analyse the transcripts from the interviews and identify any patterns.

**Findings:** It was ascertained that the pandemic stimulated the growth of e-commerce among SMEs that invested in unique resources and capabilities. However, those businesses that had not invested in on-line marketing resources were negatively affected and some have had to close.

**Practical implications:** The practical implication of this research relates to how SMEs could (should) smartly digitise their business model and migrate to e-commerce more effectively and efficiently.

**Value:** This study may assist SMEs to make more informed decisions when using e-commerce platforms. The findings may also contribute to preparing South African SMEs to adapt more easily, should a similar disruption occur in the future.

Doi: https://doi.org/10.26668/businessreview/2023.v8i1696

**RESUMO**

**Objetivo:** O objetivo deste estudo é examinar como o ressurgimento do comércio eletrônico na África do Sul durante a pandemia da Covid-19 impactou as PME que utilizam recursos de comércio eletrônico e elaborar estratégias para ajudar as PME a tornarem-se mais ágeis, resilientes e mais capazes de lidar com as perturbações.

**Quadro teórico:** A pandemia do coronavírus destacou a necessidade de investigar os desafios enfrentados com o comércio eletrônico por PME na África do Sul, uma vez que a pandemia perturbou os negócios através da restrição da circulação de pessoas, o que acelerou o uso de compras on-line. Os recursos de comércio eletrônico e as

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capacidades dinâmicas das PME foram analisados para explorar o impacto que têm no crescimento do comércio eletrônico.

**Metodologia:** A amostragem objetiva foi utilizada para identificar 13 participantes (proprietários/gerentes de PME) para um estudo qualitativo realizado usando entrevistas semiestruturadas para obter uma compreensão aprofundada dos desafios que impactaram seu modelo de negócios e marketing. A análise temática foi utilizada para analisar as transcrições das entrevistas e identificar quaisquer padrões.

**Constatações:** Constatou-se que a pandemia estimulou o crescimento do comércio eletrônico entre as PME que investiram em recursos e capacidades únicos. No entanto, as empresas que não tinham investido em recursos de marketing em linha foram afetadas negativamente e algumas tiveram de encerrar.

**Implicações práticas:** As implicações práticas desta investigação prendem-se com a forma como as PME podem (devem) digitalizar de forma inteligente o seu modelo de negócio e migrar para o comércio eletrônico de forma mais eficaz e eficiente.

**Valor:** Este estudo pode ajudar as PME a tomar decisões mais informadas quando utilizam plataformas de comércio eletrônico. As conclusões podem também contribuir para preparar as PME sul-africanas para se adaptarem mais facilmente, caso se verifique uma perturbação semelhante no futuro.

**Palavras-chave:** Interrupção dos Negócios, COVID-19, Estratégia de Marketing, Redes Sociais, Comércio Eletrônico.

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**INTRODUCTION**

Globally, the novel coronavirus created a unique situation that prompted rapid digitisation across all facets of business and for many people, online shopping became the new normal (Verachia, 2020). People who had never interacted online before, such as senior
citizens, had no choice during the lockdown but to become techno-literate in order to obtain essential goods daily (Sharma & Subramanyam, 2020). The accelerated pace of using e-commerce in South Africa highlighted its advantages as well as the associated challenges. The lockdown restrictions by the South African government had a disastrous effect on SMEs and their e-shops (Donthu & Gustafsson, 2020). Various industries experienced varying degrees of sales, and employment instability as a result of the pandemic and associated government restrictions on the labour markets, economic relations, and businesses, which include international supply chains (Lenzen et al., 2020).

Numerous South African SMEs were unsure how to adapt to the new way of doing business by digitising their operations fast enough and utilising e-commerce. The Covid-19 pandemic impacted the entire supply chain of businesses that caused a decrease in production and delivery of services (Alzoubi et al., 2022). Unemployment rates increased, the economy deteriorated, and the future economic outlook appeared negative (Ceylan et al., 2020).

In order to cater for the sudden surge in the need for online shopping, businesses had to adapt their operations, business models, product range, etc. and also invest in either creating or improving their online presence to remain in business (Nayal et al., 2022). Although e-commerce platforms are continuously evolving, fuelled by the current pandemic which South Africa faced, e-commerce is far from being exhausted as a research topic. This need began to accelerate rapidly when businesses and consumers shifted to online platforms and South African SMEs were not fully ready to meet the fast-tracked requirement for digitisation. The increased consumer demand has also placed overwhelming pressure on businesses to deal with the associated challenges (Verma & Gustafsson, 2020).

South African SMEs had struggled through the pandemic and are continuing to adjust to this ever-changing, fast-moving technology (Dwivedi et al., 2020). Thus, the coronavirus pandemic highlighted the significance of investigating the challenges experienced with e-commerce among SMEs in South Africa (Yi, 2020).

An in-depth investigation of the usage of e-commerce resources and dynamic skills capabilities among SMEs were explored in relation to the growth of e-commerce. An understanding of the challenges experienced with the usage of e-commerce by SMEs is necessary to develop strategies to better manage them since they (SMEs) are the bedrock of a country’s economy (Andriani et al., 2020).
LITERATURE REVIEW

The e-commerce process is the method of selling or buying goods, products, or services on an e-shop platform, through the internet. The process starts with accessing reliable broadband in order to create an e-shop platform with products and services (Tofan & Bostan, 2022), and businesses use digital payments systems to allow consumers to pay for the product and the goods are delivered to them.

Reliable access to the internet is necessary to do business or shop online and the direct impact of the penetration of internet usage and e-commerce sales is the cost of data to go online (Karine, 2021; Mofokeng, 2021). In a developing country like South Africa, the price of broadband is nearly double that of other countries (Durodolu & Mojapelo, 2020).

Furthermore, when connectivity slows down, inevitably it directly impacts the workpace (Mattera & Gava, 2021). Time lost on the poor broadband connection has an enormous influence on growth and efficiencies (Owusu-Agyei et al., 2020). Moreover, since productivity is fundamental to any successful business, it is therefore vital for employees to perform at their best by relying on a strong internet connection (Obrenovic et al., 2020). SMEs assumed that it was not profitable to pay more for a fast fibre connection (Wairimu, 2020), since they believed that this was a temporary disruption.

Since SMEs needed an excellent digital infrastructure to benefit from e-commerce, some switched to cloud solutions to expand innovation and provide efficient results (Klein & Todesco, 2021). Nonetheless, cloud computing consumes a large amount of data, and for SMEs to exploit the cloud at an adequate performance, internet speeds have to be strong for uploads and other online tools that businesses use (Mansouri et al., 2020).

Internal communication was also essential for SMEs to operate smoothly and through the pandemic, many businesses suffered losses due to the weak internet connection (Hu & Kee, 2022). Emails, intranet, e-newsletters, and webinars could not be used to maximum benefit and keeping staff updated with company and product information became a challenge (Toniolo-Barrios & Pitt, 2021). External communication with customers and suppliers was also of ultimate importance (Klein & Todesco, 2021), and obtaining a strong online interaction platform with suppliers and customers was highly essential for SMEs to achieve sustainability in e-commerce during the pandemic (Klein & Todesco, 2021). However, consumers didn’t receive a quick response in this digital age because businesses failed to meet consumer requirements through the pandemic, which resulted in markets being lost (Toniolo-Barrios & Pitt, 2021).
During the lockdown, latency and buffering became challenges as video conferencing and meetings were distorted, which left many employees frustrated and this impacted the workforce morale (Aburukba et al., 2020). This also impacted consumers trying to download videos of products and services that they desired to purchase, which greatly obstructed the growth of e-commerce for SMEs (Zhang et al., 2020).

Before the Covid-19 pandemic, South African SMEs did not invest much in gaining an online presence and considered e-commerce as a separate business, rather than embracing the omnichannel which is the future model of business (Scopelliti, 2018). In reality, over a year after Covid-19 began, South African SMEs began to adopt e-commerce in their operations, and the consequences of these delayed decisions left the country far behind the rest of the world (Schwab & Malleret, 2020).

Broadband accessibility requires skills (Eynon, 2021) and businesses with staff that have no skill, found it difficult to use the internet (Eynon, 2021). Covid-19 forced SME owner-managers to learn how to manage their staff from a virtual environment without social capital (Bressan et al., 2021; Chapman, 2021).

Covid-19 also brought a new landscape of learning through live conferencing. This transformation made it possible for SME owner-managers to train their staff in a more cost-effective way, reaching a larger scale of employees at the same time. However, only a small portion of SMEs, which had the funds and infrastructure, took advantage of this option during the pandemic (Wendt et al., 2021).

SMEs had not invested sufficiently on their online strategy (Xu et al., 2020; Raval & Bhatt, 2021). For instance, research reveals that e-shoppers are attracted to the graphic qualities of the online shop (Li et al., 2021) and the superiority of the pictures of products offered could sometimes determine the success of an online shop (Pentz et al., 2020). Furthermore, through the pandemic and the enforced lockdown regulations, online consumers preferred to scrutinise the product or service, as they would do at the mall. Thus, it was crucial for e-commerce businesses to have compelling pictures and videos to persuade consumers to purchase so as to increase sales (Wei & Zhang, 2021).

Moreover, having an online shop that is mobile friendly is of utmost importance, especially during a pandemic (Kassim et al., 2021), since although many South Africans do not have access to fibre lines, most have access to data on their phones and they access the internet through their mobile on a daily basis (Akash, 2020). Creating mobile-friendly channels for consumers to obtain information about promotions and new products could assist online
businesses to increase sales (Akash, 2020). Through the Covid-19 lockdown, consumers expected 24-hour response to any concerns or questions they may have had about a product (Mofokeng, 2021). However, many SMEs in South Africa had not invested sufficiently in their online shops to make for a seamless shopping experience.

Simple and well-defined product description was difficult to obtain during the pandemic since many SMEs had newly created their online presence, which hampered the search engine and consumers were left aggrieved (Kundu, 2021; Mofokeng, 2021). SMEs that created an online presence during the Covid-19 pandemic, also struggled with the transparency of the products on their website (Husain et al., 2020). In 2020, consumers were forced to shop online (Pentz et al., 2020; Mofokeng, 2021), which exposed all the flaws businesses had with conducting business via e-commerce, which resulted in frustrated, unhappy, and dissatisfied consumers (Raval & Bhatt, 2021).

Globally, businesses are shifting towards digitisation of operations, and owners-managers of SMEs are slowly realising the demand for digital marketing to positively adapt and vigorously compete in the new normal. However, digital marketing is an unfamiliar terrain for many SMEs, especially in South Africa (Bimha & Primrose, 2020) and digital marketing is consistently changing with technology and SMEs find it hard to stay abreast (Thaha et al., 2021). Digital marketing strategies can be expedited using different channels, some of which include search engine marketing, web analytics, social media marketing (SMM), digital advertising, email marketing, search engine optimisation (SEO), and content creation (Thaha et al., 2021).

Digital payment systems are primarily important to seal the deal in an online shopping journey (Ferguson et al., 2019). Covid-19 created a desperate need for digital payments and amplified the demand for SMEs to invest in a smooth-running payment gateway (Kumar, 2020). However, bank fees were a major consideration and a barrier to e-commerce, because, for SMEs, 5% of the sale was the bank fees (Tambe, 2020). Furthermore, businesses that concluded deals with global consumers encountered much higher banking fees (Klein, 2020). For example, if a business utilised PayPal, it would have suffered a loss due to the foreign exchange and additional charges levied (Mkansi, 2021). According to Mkansi (2021), the increased banking fees had adverse effects on the growth and development of minor online merchants. The transactional banking segment of e-commerce also encountered enhanced challenges during the pandemic with the creation of payment portals to cater to those consumers that cannot obtain credit cards, the safety of data, and cybercrime (Najib & Fahma, 2020).
With the increasing evolution in e-commerce globally, one of the main concerns is the cumulative number of online security violations (Akanfe et al., 2020). According to an Accenture survey in 2020, 69% of customers were unsatisfied with not being able to access enough info to purchase and an inadequate number of options for payment was a source of frustration (Andrianto et al., 2021). Gora (2020) argues that SMEs showed no interest in trying to change this.

In the US, some consumers are in possession of up to six credit cards (Zhao et al., 2021). However, South Africans have less than two credit cards per household, as many South Africans don’t qualify for credit cards (Pentz et al., 2020). Furthermore, in South Africa, many payment methods were created, but some did not last since they were deemed to be unreliable (Priyono et al., 2020). In the past, payment was simply a means to an end of a sale, however, it now presents a chance to interact with consumers and improve their overall experience when shopping online (Gora, 2020) and differentiate from competition (Zuyeva et al., 2020). The challenge with providing that kind of service was exacerbated by the need to cater for a wide variety of markets and payment methods while still remaining economically viable (Gora, 2020).

Payment portal companies are continually developing tools for recognising fraud; however, through the Covid-19 pandemic, digital payments became the most common way to pay for goods, and cybercrime took to a whole new level, impacting businesses and consumers (Wewege et al., 2020). Criminals upgraded their skills parallel to the innovative approaches designed to mitigate fraud (Kurshan & Shen, 2020). During Covid-19, this problem was exacerbated due to the large number of new consumers using e-commerce, and therefore, it became more difficult to identify suspicious transactions (Ma & McKinnon, 2021).

In the midst of the global pandemic, the value chain of many businesses was immensely disrupted by lockdown regulations (Butt, 2021). Many businesses ended operations, and this had a direct impact on the delivery of products. Logistics companies and logistics departments were highly pressurised and overwhelmed with the workload as all consumers were forced to shop online (Sudan & Taggar, 2021). Furthermore, numerous logistics firms in South Africa have been astonishingly sluggish at adopting digital solutions. Digital tracking methods together with manual systems are inefficient (Sudan & Taggar, 2021) and although there are current trials to unify and refine data flow to streamline processes, it is still an issue that needs to be resolved (Attaran, 2020).

The Covid-19 pandemic revealed that several SMEs were vulnerable as they adopted a ‘single-source’ strategy in logistics (Ali et al., 2021). This ‘single-source’ strategy worked
perfectly during a normal period but instantly raised problems when the supply chain was disrupted (Aldrighetti et al., 2021). Logistics firms were unable to fulfil all orders timeously during the Covid-19 pandemic as the demand was too high (Mangano et al., 2022; Ferreira et al., 2021).

The coronavirus pandemic resulted in a surge in digitisation, and technology should have been fully capitalised on to support businesses to remain operational. Developing survival strategies by utilising digital platforms was essential for recovery of the South African economy (Mofokeng, 2021). Therefore, there is a gap in the knowledge resulting from the sudden resurgence of e-commerce due to the Covid-19 pandemic. Thus, the aim of this research was to assess how the resurgence of e-commerce in South Africa during the Covid-19 pandemic impacted SMEs using e-commerce resources.

**RESEARCH METHODOLOGY**

A qualitative study using semi-structured interviews was deemed appropriate in order to obtain an extensive and thorough understanding of the challenges that the SME business owner-managers faced, in relation to the e-commerce resources and their opinion on what other factors affected the growth of e-commerce.

Structured face-to-face interviews took place with 13 SME owner-managers and aimed to gain a comprehensive understanding of their experiences with e-commerce during the pandemic. The business owner-managers who participated in the interviews represented the retail industry, which included manufacturing and distribution. Only SMEs located in Gauteng were included in the qualitative interviews due to the accessibility of respondents. All the participants volunteered to be part of the study and the interviews were conducted face-to-face and some online via Zoom. The interview duration was between 10 to 27 minutes long, with an average being 15 minutes.

In terms of credibility and trustworthiness, the 13 owner-managers chosen to participate in the face-to-face interviews were credible and trustworthy as they met the criteria of owning an SME, practising e-commerce during the pandemic, and understanding the online platforms. The researcher made certain that the conversations were clearly recorded and documented, to achieve dependability.

The researcher used thematic analysis with a deductive approach, which according to Braun and Clarke (2006) is generally applied to a set of interview records since it thoroughly studies the dataset collected to pinpoint themes and patterns that are repeated. Thematic analysis
involves the identification of themes and repetitions that appear to be significant to the description of the facts by wisely reading through the data repetitively (Humble & Mozelius, 2022). The data was coded with keywords to fit the researcher’s conceptual framework, which included the areas of broadband, e-shop, digital payments, and logistics, in relation to the growth of e-commerce. After the codes had been generated, patterns were identified, and themes were extracted. After developing the theme, it was reviewed, and the researcher made sure that the themes did appear in the data comparing once more to the data set, making certain the themes clearly represented what was in the data. The theme was defined and named by formulating the precise meaning and using that to understand the data. During the write-up of the data analysis, the results addressed each theme.

RESULTS AND DISCUSSIONS

Table 1 which reflects the demographic profile of the participants reveals that the participating companies all in retail industries with either a hybrid or an online only business. All the participants were all over the age of 40 years, except for company A, with the owner aged 37.

The vast majority of businesses used Wi-Fi to establish connection.

<table>
<thead>
<tr>
<th>Company Retail sector</th>
<th>Business activity</th>
<th>Age</th>
<th>Duration of Interview in minutes</th>
<th>Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant A</td>
<td>We are an online cleaning equipment company we supply and manufacture cleaning equipment for the bottling industry and a particularly your foam cleaning systems</td>
<td>37</td>
<td>14.06</td>
<td>Matric</td>
</tr>
<tr>
<td>Participant B</td>
<td>…. it is a company where we resell dehydrated honey powder which is a liquid honey which has been dehydrated and we resell that’s whether it’s in bulk or in individual pouches.</td>
<td>54</td>
<td>18.59</td>
<td>Matric</td>
</tr>
<tr>
<td>Participant C</td>
<td>… is automotive which is mainly production lines when we supply Ford Mercedes BMW and also scaffolding industry will also heavily focus to a list extended though in the merchant’s market and we are the to go people where comes to specialize material online became really big since the pandemic started.</td>
<td>50</td>
<td>21.59</td>
<td>Diploma</td>
</tr>
<tr>
<td>Participant D</td>
<td>…we basically supply a wide range of quality cleaning, disinfecting and sanitizing products to consumers</td>
<td>50</td>
<td>09.05</td>
<td>Matric</td>
</tr>
<tr>
<td>Participant E</td>
<td>we started our website back in 2015 and obviously has to adapt during the pandemic with the increase of traffic loads, …</td>
<td>45</td>
<td>21.21</td>
<td>Grade 9</td>
</tr>
<tr>
<td>Participant F</td>
<td>Retail (online store only)</td>
<td>…sourcing of appliances TVs etc for friends and family and realized that this could be a business and that's when I started my shopper. …online was something that was picking up at the time so I started doing online and started promoting my business online and its active and still running…</td>
<td>42</td>
<td>27</td>
</tr>
<tr>
<td>Participant G</td>
<td>Retail PPE and office supplies (hybrid)</td>
<td>…we Supplier Personal Protective Equipment, Stationery and Office Supplies. We have an online store as well which was started years before Covid-19.</td>
<td>41</td>
<td>11.06</td>
</tr>
<tr>
<td>Participant H</td>
<td>Retail Consumer Electronics (Hybrid)</td>
<td>…able to offer our customers a remarkable range of audio, visual and photographic equipment from the major brand importers.</td>
<td>55</td>
<td>8.20</td>
</tr>
<tr>
<td>Participant I</td>
<td>Retail metal products (hybrid)</td>
<td>…produce and sell metal products online and instore, my business prior Covid was 60/40 online but is now 50/50 after the pandemic.</td>
<td>48</td>
<td>14.38</td>
</tr>
<tr>
<td>Participant J</td>
<td>Retail battery supply (Online)</td>
<td>…online and mortar power supply business which specializes in batteries. My business was majority face to face before covid, with a small online presence, but after covid my business is mainly online.</td>
<td>46</td>
<td>12.54</td>
</tr>
<tr>
<td>Participant K</td>
<td>Retail steel products (hybrid)</td>
<td>…Steelworld is a dynamic and innovative steel manufacturing company … Our team of in-house experts oversees production of our comprehensive product range which includes machine parts, truck and trailer components.</td>
<td>46</td>
<td>11.40</td>
</tr>
<tr>
<td>Participant L</td>
<td>Retail online store</td>
<td>…importer and distributor based in Johannesburg, South Africa… excels in sourcing, importing, and distributing primarily electronics products into South Africa…</td>
<td>65</td>
<td>11.38</td>
</tr>
<tr>
<td>Participant M</td>
<td>Retail online Store</td>
<td>…We supply electronics, TV’s, small appliances, and large appliances… is the largest independent, electronic, appliance and furniture buying group in South Africa…</td>
<td>50</td>
<td>7.33</td>
</tr>
</tbody>
</table>

Source: Prepared by Govender & Ramsern (2023)

**Reliability and Validity**

To ensure the validity, trustworthiness and reliability of the interviews, the recommendations by Brink (1993) were followed:

- The researcher first built a trust-relationship with the interviewees through prolonged engagement in the company setting.
- The nature and purpose of the research was made very clear to the interviewees.
- Detailed and accurate written records were kept in addition to the digital recordings.
- The recordings together with the written notes were transcribed as soon as each interview had been completed and was still fresh in the mind of the researcher.
Extraction of Themes

Following the transcription of the interviews, the information was categorised into themes based on the recurrence of words and phrases. To swiftly locate and compile all the text and other material related to the study's goals and research questions, open coding was first used. Axial coding came next, when the data was organised in novel ways by attempting to pinpoint specific relationships between data categories and subcategories. In order to reflect the themes essential to the objectives and research questions, themes were extracted from the coded text.

In the parts that follow, the themes are listed under the corresponding objective and interview questions. Findings in line with Objective 5 are presented with each of the objectives from 1 to 4 according to the interview questions.

Objective 1: To critically analyse the impact of broadband usage on the growth of e-commerce among SMEs during the Covid-19 pandemic

The word cloud shows the words used when the participants were asked about broadband/internet. Among the words used are internet, business, online, stock, package, meeting, and skills. A token ratio of 0.402 was obtaining indicating that there was less variability in the choice of words used by the participants. In this sense, it can be said that the words used converged around similar ideas.

Participants were asked about the challenges they faced during the pandemic. All participants indicated facing some challenges, and a specimen of the challenges are as illustrated by the extracts below.

"Shew we've had many challenges with the Internet and that is due to the pandemic was something that was new to everyone it was something that shook the world so no one was prepared for it so service delivery of the Internet especially was something that was impact at the most and us as businesses we've paid the brunt of it due to everyone working at home and domestic Internet usage was higher which means Speeds were throttled and businesses bear the brunt of it (Participant A)."

By stating “everyone working at home and domestic internet usage was higher which means Speeds were throttled and businesses bear the brunt of it”, the participant is drawing attention to challenges encountered when businesses migrated from the offline to the online environment. No one was prepared for higher internet usage, and this had adverse effects on the business. This view is reinforced by participant D who had this to say:

"It was unbelievable. It was so sad because that was our only form of communication and sales during the pandemic, and we had no joy at all using the internet. From the service providers being down, the staff working at the service providers were working..."
By stating that “we had no joy at all using the internet”, the participant is highlighting the gravity of the challenges that they encountered. The response when “the server was down” was not satisfactory, and this affected the operational activities. At times, firms were left to find their own solutions when the experts ignored their calls for help. By saying “it was truly a nightmare”, the participant is amplifying the gravity of the challenges whereby there was no help at all when needed, and this had adverse effects on the business activities. In this vein, participant E, had this to say:

we definitely face challenges you see with the increase of the company going online and different users having to use different terminals of the same system and then using you know this tiny bandwidth and the increase of users on the network everything slowed down me at so many troubles with notifying clients receiving emails using the system ,moving product moving product orders from (Yellow sales to completed or from sales to logistics ,updating in products etc. we had quite a bit of issues and also obviously with the price too to increase tour package to higher internet speed it was a bit of it too costly for us at the time so we let you just have to adapt (Participant E).

It emerged that there was also a challenge with the bandwidth. Further, “the increase of users on the network everything slowed down”, and the companies were not prepared for this. The costs increased as companies tried to adjust.

Impact of Challenges

Participants were asked about the impact that these challenges had on their business, and their responses are illustrated by the extracts below:

These challenges caused Frustration between suppliers and consumers. Uploading their products on the e-shop was delayed. Updating stock levels were delayed. Delay in payments received and made as the internet was obviously slow (Participant D).

There was “frustration between suppliers and consumers”, and this is interpreted as a form of unhealthy relationships. There were also delays in “payments”, “updating stock levels”, and “uploading products on the e-shop”. These delays were a result of the slow internet connectivity, and high traffic. Hence, the delays had adverse effects on the business. Participant F had this to say:

so yeah I am in it doesn't impact on item and online means to be connected to the To the Internet and when you don't have that connection there is possible chances of
losing an order, may be a query or an email didn’t come through and I noticed at
times some emails didn’t come through so especially an it was sent but not received
on my end because there’s a break in connection and then you don’t really get that the
email that becomes through and that obviously makes it difficult when you
communicating with customers or somebody wants to something that was obviously
with the customers dealing with customers and then on then on the uploading of
products, we have to upload products update pricing update our stock on hand on a
daily basis with online because if somebody does the purchase we have to fulfil it and
make sure we give them the stock so there’s a lot of buffering when uploading products
because it takes long because the images are big on our website on my website I use
I use always use high resolution pictures so those files are big and to Upload them it
takes a long time (Participant F).

It became apparent that there were problems with internet connectivity. This affected
response to emails, and orders were lost. Similarly, uploading products on the e-shop became
more of a challenge, and it took time. This also meant business was lost. In a similar vein,
participant C had this to say:

the challenge is forced us in terms of During the pandemic our turnover dropped but
with us moving to completely digital and outsourcing our turnover dropped but our
profitability went up due to the fact that we didn’t need the old way of doing business
anymore because ecommerce platforms our clients basically could contact us through
Internet the contact us digitally they could WhatsApp us, they could email us so that
wasn’t huge you chunk off the business with it was human skill that no longer was
needed, through ecommerce clients could contact us directly become we did
everything digitally and basically our business now runs on very little human
interaction ( Participant C ).

By stating that “turnover dropped”, the participant is amplifying the impact of the
pandemic on the business. The business model had to be migrated to the being “completely
digital”. Through “turnover dropped” profitability increased.

Internet Skills

Objective 5: To evaluate how dynamic capabilities (skills) moderate the relationship
between e-commerce resources (internet) and the growth of e-commerce

In this objective the dynamic capabilities are represented by internet skills, and the e-
commerce resource is represented by the internet. The researcher asked participants whether
they were forced to develop internet skills during the pandemic, and the responses are as
illustrated below:

I think the entire world was forced to do that. We as a business that’s in the
manufacturing and distribution sector had very less technical, or should I say
technology skills. And we definitely needed that to continue operating. Most of us,
ever used a platform for video meetings in our life and we had to learn how to do
those things. It was extremely difficult time for us. Our training budget had to be
amended drastically as at least 50 out of our 60 staff had to go on immediate training to with their 9-5 job (Participant K).

Participants acknowledged that some of them had no previous encounters with “a platform for video meetings”. This means that they had to undergo some sort of training. By saying “we had to learn how to do those things”, the participant is drawing attention to different forms of training that were needed. This meant an adjustment to the “training budget”.

As I mentioned just now that we were grateful to have hired a skilled workforce eventually (when we realized that the pandemic was far from ending), in order to combat all the digital challenges, we were facing as a business (Participant H).

Other participants said they had to hire staff with the necessary skills. By saying “so I definitely had to up my game”, the participant B is drawing attention to the importance of acquiring new skills, as this was needed for continued operational activities. For instance, participants had to learn “how to use zoom” on different devices. This was something new to most participants and required an investment in time.

Definitely, My main primary income before the pandemic was I’m an interior designer so I fulfil so know how to use an AutoCAD drawing in package and know how to use PowerPoints and those kind of computer packages but I’d never needed to use if you want to call it a bookkeeping package or even excel somebody try to introduce me to use sage which is an accounting package which was disastrous and I just never even attempted to try using it so I did a bit of online googling and self-thought on the excel package just so I could learn how to do spreadsheets of turn over and expenses and those sort of fundamentals that you need for a business, ya so I definitely had to up my game and apart from those computer packages it was just definitely learning how to use zoom and whether it was on my laptop or on my phone just new concepts that I never thought I would have to learn about (Participant B).

Participants had to learn new skills such as “how to use an AutoCAD drawing”, “how to use PowerPoints”. These skills were needed to help the business to remain operational. However, some participants had to self-train through “a bit of online googling”.

The participants were asked about how important it was for employees to have e-commerce internet skill in their business during the pandemic. The responses are shown below:

Tremendously important. It was a devastation that we did not know the importance of it before Covid. Covid showed us that we lacked digital skills in every part of our e-commerce business. Our website infrastructure was poor as we didn’t even have the capability to enhance this and that’s because we didn’t know how and where to start. Integrating the payments and deliveries were poorly managed by myself and my team as we didn’t have the digital skills to work our way around these new types of issues. So yes, it was very important and wish we had prepared our capabilities sooner. Thankfully my son was helping to put food on the Table as we wouldn’t have got through those years financially (Participant J).
Though some employees received formal training, others received informal training. By saying “I groomed her and once I showed how to do certain things”, the participant is referring to the informal IT training. This is interpreted as that training meant to achieve a specific task or training on the job given within the context of achieving a specific practical task. By saying “she picked it up quite easily”, the participant is referring to the learning process, and how this was applied for the benefit of accomplishing a specific task. This amplifies the importance of on-the-job training, that is supported by an understanding of daily tasks within the workplace.

All the interviewees revealed that they had internet access, however, identified internet speed and connectivity as a major challenge during the pandemic. It was reported that these challenges with the internet impacted the business operations and profits. Among the SME owners, there was a clear understanding that most of them lacked the skills and capabilities to be efficient in operating their business solely online. There was the pandemic that most was not prepared for and could not avoid, but the participants reported if they were geared with the necessary skills that they only adopted after the pandemic, there would have been less impact from the pandemic.

Objective 2: To assess the impact of e-shop features on the growth of e-commerce among SMES during the pandemic

The participants were asked about the changes that they made to their e-shop platform during covid-19. The word cloud shows the pattern of text used by the participants. Some of the words are marketing, pandemic, website, business and online. The pattern of text used generated a token ratio of $\text{Token ratio} = 0.486$, and this means that there was less variability in the text used by the participants. Therefore, the discussion was focused on similar ideas.

Changes to the E-shop Platform During the Covid-19 Pandemic

Participants were asked to describe the changes they made to their e-shop platform during Covid-19. Below are the results.

so we had to approve in many ways, we have you know much more information available to our customers because now there was no person to person contact we could not do road shows we could not do marketing campaigns in person you know we could not do marketing campaign so all of this had to be done through the platform And you know we obviously had to up this level of our pants so I will web developers had to involved you know our ecommerce guys are to get involved with now when the customer clicked a particular equipment he should be able to get all the information available for the equipment through our platform (Participant A).
Participant A reported that they had to improve in many ways as they could not do advertisement campaigns in person, road shows or even person-to-person contact. So, they had to get web developers so that their system would become more convenient for their customers. This is interpreted as outsourcing of a service because they did not have the necessary skills within their staff complement. The business model had to be transformed so that customers could “get all the information” relating to the equipment through the e-shop.

Actually, we could not as there was not availability of software engineers during the pandemic, some interfacing like payment portals etc. had to be manually checked (Participant I).

The participant from Company I said they were affected by the pandemic as software engineers were not available during the lockdown. As a result, they could not make any changes and some systems had to be manually checked.

We had to boost our online presence. We had to provide more accurate, easy to understand, information on our website with regards to product information, payments and delivery. The design of our website had to be re-created into good colour combinations and pictures. Had to re-position and restructure certain pages to provide easy navigation through the website. Had to make sure the website loaded quickly to reduce consumer frustration (Participant D).

The participant D had to re-create their website into a good combination. Pictures had to be added for their customers. This is interpreted as visual effects appealing to the customers. They also reported that there was a lot of re-positioning and restructuring done to provide easy navigation through the website for the customers. This was in trying to make sure they do not lose their clients because of the pandemic.

Digital Marketing Strategies

Objective 5: To evaluate how dynamic capabilities (digital marketing strategies) moderate the relationship between the e-commerce resources (e-shop features) and the growth of e-commerce

In this objective the dynamic capabilities are represented by digital marketing strategies and the e-commerce resource is represented by the e-shop features. The participants were also asked to describe the digital marketing strategies they used to support their e-shop through the Covid-19 pandemic. Below are the results.

yes we used to be we still used Facebook Instagram as main driver's whole for marketing and Instagram was the one that worked the most and till today we still use
Participant F noted how they used Facebook and Instagram for marketing. For them, Instagram was the one that worked the most and they paired it with Google Ads. In all of this they reported how they had to make sure they did not overspend on marketing, “…and end up in a situation where we actually losing money versus making money.” This denotes that if not monitored, marketing can take a lot of money as there are many ways to do so.

As far as getting our footprint out there through digital company- a big organization called excellent group which is based in Australia, they basically helped us to be the 1st search if you’re looking for steel if you’re looking forward for automotive we also use our B status as one of the 1st non-white players In the industry to be digitally set up for the full our type of business and this is helped our business tremendously we no longer need to personally go in visiting clients we contact the client directly follow them all our links and what we can do and how we do it and that is basically what works for the business (Participant C).

Participant C reported that they sought help from a digital company called excellent group which is based in Australia. This company helped them to basically be the first option when one searches for steel which helped their business largely. This is because most of the business is now done more conveniently online.

The only thing I came to know during the pandemic about digital marketing was Facebook. My son helped advertise the products and website on Facebook (Participant J).

It can be noted that the respondent from Company J did not have much knowledge of the digital world as they got help from the participant’s son who introduced them to Facebook. It helped them to advertise their website and products.

The e-shop features or website infrastructure were still in infancy stage. Most of participants reported minimal changes within a limited budget and digital marketing was also done on free platforms. The SMEs that used digital marketing strategies efficiently and paid digital marketing, reported that when the pandemic hit, they “hit the ground running”.

Objective 3: To evaluate the impact of digital payments on the growth of e-commerce among SMEs during the pandemic

It became apparent when asked about digital payments, participants indicate that they used pay fast, people, accounts, cyber, card payments and credit. A token ratio of 0.426 was
generated, meaning that there was less variability in the choice of words used. Hence, there was shared understanding across the participants on the issues that were being discussed.

Arising out of the discussions with the participants, the sub-themes such as protection, payment options, challenges with payments and cybercrime and reducing cybercrimes emerged.

Payment Options Available for Customers

Table 2 presents the responses when the participants were asked about the payment options that were available for customers.

<table>
<thead>
<tr>
<th>Company Retail sector</th>
<th>Payment options</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Manufacturing and distribution (hybrid)</td>
<td>This was PayFlex … Internet banking be it through PayPal be it through credit card payments online everything in order for us to have this because not everyone has credit card not everyone has access to Internet banking so we have to make sure that we can cover everyone on every platform</td>
</tr>
<tr>
<td>B Distribution (hybrid)</td>
<td>… buy an EFT banking</td>
</tr>
<tr>
<td>C Manufacturing and distribution (hybrid)</td>
<td>digital payments it's true and also they PayFlex … all our clients do direct EFT straight to us …</td>
</tr>
<tr>
<td>D Retail cleaning supplies(hybrid)</td>
<td>PayPal, internet banking</td>
</tr>
<tr>
<td>E Retail electrical supplies (hybrid)</td>
<td>we had PayPal as well as the hosted payment gateway so payfast in the beginning. There was a third option which obviously most users wouldn't go for where we put our banking details then you make an eft but that obviously opened us up to security issues.</td>
</tr>
<tr>
<td>F Retail (online store only)</td>
<td>Payfast is the only one we use on our website,… we're thinking of a PayFlex now but at the time it was pay fast and when there was time we would send driver's out with deliveries we would send the card machine so customers could swipe when they receive their goods.</td>
</tr>
<tr>
<td>G Retail PPE and office supplies (hybrid)</td>
<td>Credit card EFTs</td>
</tr>
<tr>
<td>H Retail Consumer Electronics (Hybrid)</td>
<td>Credit card, pay pal, pay flex, pay gate, snapscan, PayU, payfast</td>
</tr>
<tr>
<td>I Retail metal products (hybrid)</td>
<td>Payfast, Ozow, SnapScan, Mobicred, PayFlex.</td>
</tr>
<tr>
<td>J Retail battery supply (Online)</td>
<td>Payfast and EFTs</td>
</tr>
<tr>
<td>K Retail steel products (hybrid)</td>
<td>Internet banking EFT</td>
</tr>
<tr>
<td>L Retail online store</td>
<td>PayPal, internet banking, Payflex.</td>
</tr>
<tr>
<td>M Retail online store expert</td>
<td>We have a lot in place, to name a few a is credit card, EFT, and Payfast.</td>
</tr>
</tbody>
</table>

Source: Prepared by Govender & Ramsen (2023)

From the information in Table 2 above, it can be noted that for most of the companies used PayPal, ozow, snapcan, payfast, credit cards and PayFlex. This shows that there is more than one way of paying for the customers which is more convenient for them. However, there was also a tendency to use multiple payment methods. This is attributed to different customer
preferences, and trust issues with online banking. Therefore, a mix of payment methods was necessary to help meet the diverse needs of the customers.

**Challenges with Payments**

Participants were then asked if they experienced any challenges with their digital payment system during the pandemic. Participant H’s response was as follows:

“Like mentioned earlier, that we did have challenges with delay in payments due to the quality of internet and skills to have advanced knowledge of these things, so we invested in better internet and hiring a more skilled workforce.”

Participant H mentioned challenges stemming from delayed payments due to the quality of internet. They have however addressed the issue and hired a more skilled taskforce to deal with the challenge. Participant M had this to say:

“Yes, due to all the glitching with the internet, it caused the payments to be disrupted which impacted the entire chain. That was the only real issue we had.”

Generally, all the participants were greatly affected by the issues of the internet slowing down which delayed most of the payments. This is interpreted as a need to upgrade the internet infrastructure and increase the bandwidth. By saying “many of our distributors were old and didn’t know how to pay via electronic banking”, the participant is amplifying the relationship between use of technology and age. Here, there is an assumption that more elderly distributors find it difficult to engage with technological innovations. This could be attributed to technophobic people, and a resistance to change. Yet, COVID 19 meant that business models had to be transformed to the digital environment.

**Experience with Cybercrime**

Objective 5: To evaluate how dynamic capabilities (cybercrime management) moderate the relationship between the e-commerce resources (digital payment) and the growth of e-commerce

In this objective the dynamic capabilities are represented by cybercrime management and the e-commerce resource is represented by the digital payments. The participants were asked if their business or some of their customers experienced cybercrime during the pandemic. The response of Participant A is presented below:
“so during the pandemic the biggest hotspot was cybercrime and this is because everyone turned to the online platform, when we had every single payment that was available the biggest cybercrime that we saw was in card payments, right, and we saw flashing of cards so the customers were complaining that they were billed twice but it went through our system. Once you know transactions coming out in various other countries where they purchase in South Africa and this was all due to cybercrime so it was a huge challenge for us.”

Participant I reported that people would pay, get their delivery, and then reverse payments. There were also issues of EFT POP’s that were fake and customers claiming non-delivery of products. This implies that the SMEs experienced a lot of cybercrimes which greatly affected their business.

Participant C reported an incident where they almost lost a million rand because of hackers. They were saved by a certain bank’s digital cybercrime which determined that the amount was too high, and they held on to it. These responses have shown how some of these companies lost or almost lost a lot of money because of cyber-criminals. This draws the conclusion that vigilance is need in the digital word as there is a lot of ways one can be cheated off their hard-earned money.

**Actions Taken to Protect Consumer Data**

Participants were also asked what their businesses have done to protect consumer data and fraudulent transactions. Below is the response from Participant D:

“Our business did regular backups which included files and data in general. Our business was aware of the data we had and the risk of having it. Our staff were trained to recognize suspicious notifications.”

Participant D reported the use of backup files and data. They also trained their staff to recognise suspicious notifications to protect the data.

**Effectiveness in Reducing Cybercrime**

The participants were asked if their organisation and approaches taken had been effective in reducing cybercrime. Below is the response of Participant E:

“It did but it didn’t actually do the extent that we thought because you know you only as strong as your weakest link, with cyber security so we had to obviously trained staff internally then we had a rare case waited instead of the hacker trying to come through all company that actually try to go through all supplies and request the company information from one of our suppliers from a Gmail email address so they that obviously flagged and asked us in this person is a requesting very profit sensitive information about the company we didn’t know we’d never seen that emails from a
Ramsern, A., Govender, K. K. (2023) 
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Gmail account if you know in terms of business so it was definitely a red flag so they came up with very creative ways to try and hack us.”

It may be summed up that Participant E reported that it did not help as they hoped because the cyber-criminals still came up with more creative ways to hack them. This shows how they were still affected by cybercrime even after they tried to be more careful and changed their systems.

Objective 4: To critically review the impact of efficient logistics on the growth of e-commerce among SMEs during the Covid-19 pandemic.

The word cloud shows the flow of text used by participants when talking about logistics services. Some of the words used are deliveries, pandemic, products, companies, and stock. A token ratio of 0.426 was obtained, and this indicates that there was high similarity in the pattern of text used. This means that the participants shared similar views.

There was the mention of deliveries, managing logistics and logistics problems with the issue of logistics services. Participants were asked if they outsource their deliveries or if it was one by their company during covid-19 pandemic. Some of the responses are captured below:

“We used our own company transport to deliver all our products.”

“So, but we actually do a little bit of both with local deliveries here in Gauteng, we do have our internal vehicles that we use our driver’s, but then for nationwide we do use companies,” Participant E.

“We outsource the deliveries. My suppliers had their vehicles and we used Courier guy as our main distributor of goods,” Participant F.

Participant F reported that they do outsource the deliveries. They “used courier guy” as their main distributor of goods. This is interpreted as outsourcing of the delivery service whilst the company concentrating on their core business.

Problems with Logistics

Participants were asked if their business experienced any problems with logistics services or order fulfilment during the pandemic and some responses are captured below.

“Yes, my most common and biggest issue during Covid-19 was that I could never deliver on time. Unfortunately, it was out of my control because even though I had my “dompass” to move around, the extra time it took to make sure the safety precautions were followed was very time consuming, from sanitizing to safe distancing, to isolating 24 hours the products/boxes before deliveries. The police everywhere stopping to make sure you have the correct documents and permits to be travelling around. Sometimes the driver would forget the permit at the office and had to drive back to get it- that also contributed, and it delayed my orders from being delivered completely. Also considering the other small interruptions, like the fuel price fluctuations, every time the fuel price went up, I had to increase the cost of an item,
which caused frustrated consumers as we all were battling during the pandemic. I knew of the automated tracking system for deliveries but did not know where to get it from and how to go about doing it, unfortunately, I couldn’t invest in that and wish we had the skills to implement these things without costing us a fortune, which I am sure it is,” Participant G.

Participant G reported that they could never deliver on time. This was largely because of the delays caused by the covid-19 precautions including social distancing, sanitising and 24 hours isolation before deliveries. There were also instances where they would be stopped by the police for permits and the like. Generally, the covid precautions slowed down their delivery process.

Participant K also reported challenges associated with travel restrictions. The police were extra careful because people would use fake permits, so they had to stop everyone. This caused delays for their deliveries. Also, there was a mix up of products in which case they would be delivered to wrong addresses. It emerged that the “courier companies” were unprepared for increased business. Ultimately, not enough attention was accorded “to each individual business the way they could have before the pandemic”. This means that there were changes that disrupted their normal operational activities, and possibly impacted on customer service.

Management and Integration of Logistics

Objective 5: To evaluate how dynamic capabilities (logistics management) moderate the relationship between the e-commerce resources (logistics services) and the growth of e-commerce

In this objective the dynamic capabilities are represented by logistics management and the e-commerce resource is represented by the logistics services. The participants were asked if they encountered any problems with managing logistics processes during the pandemic. The response from Participant I was as follows:

“Lockdown and Covid cases amongst drivers were huge impacts for me, we had late deliveries, vehicle shortages and real-time data tracking was hard. The internet speeds could not give us drivers logs and we relied on afternoon invoices to recon.”

Participant E responded as follows:

“we did indeed, it was it was it was quite a quiet because you know you’d have someone who was doing something a certain way for such a long period of time and they were good at what they did within that process them but coming with the pandemic you know these strategies in these processes had to change so under this
It is apparent that Participant E was affected by how processes had to change under the pressure of the pandemic. They had to learn and adapt and find ways to solve the problems that they were facing. This shows how the companies had to quickly adapt and change their systems so they will not lose business.

The logistics departments were most pressurised all over the world, since participants reported that Covid-19 regulations delayed shipments, created stress and anxiety causing wrong deliveries being made to consumers. Moreover, drivers being sick with Covid-19, resulted in staff shortages. Some participants also complained about the fluctuating fuel prices. The integration and management of the logistics was of utmost importance. Even though there were Covid-19 regulations, some companies obtained effective and efficient deliveries and fulfilment due to excellent skilled management of the process especially through a pandemic.

E-commerce Growth

Key words such as pandemic, business, online, sales and skills were being used to describe E-commerce growth with the participants. There was less variability in the pattern of text (token ratio =0.461), which means that similar ideas were shared by participant. The sub-themes which were extracted include external and internal factors, performance, reflections, and performance.

Performance during Covid-19

Participants were asked if the performance of their online business (profit, sales, market share etc) improved during covid-19. Below are the findings.

“Specifically in the 1st 12 months of the pandemic our sales dropped, our market share dropped, there was not a lot of Work in the industry, that also was not a lot of positiveness in in the economy, we were also hampered primarily because we didn’t understand the working of digital platform, our clients also have to get used to us working digitally because most people were no longer at offices they were at home so there was lots of challenges, most people were not used to that, most people worked with loading of trucks, things were all done manually, instructions were all calculated manually, so the 1st year our business we dropped, our 1st year of our business during the pandemic we were fortunate, we broke just even, we worked we didn't run a loss but we made no money, and second year of the pandemic, with our staff being used to it, our clientele being used to it, we also understood shipping line, we understood timelines, we understood the infrastructure, our business in our second year grew by 583%,” Participant C.
Participant C reported that in the first year of the pandemic their sales and market share dropped. This was due to the pressure and changes necessitated by the pandemic. Participant E reported that “things were not going anywhere at first but eventually picked up” and they experienced growth.

External Factors Impacting Growth during the Covid-19 Pandemic

Participants were asked about external factors which may have contributed to the improvement or decline they experienced. Below are some of the findings.

“Travel restrictions assisted because people were not able to travel you are not able to do sales you know face-to-face you know logistics during the pandemic increased because now you had so many new logistical companies coming on board you know now you've got people even getting their groceries delivered to home it just shows you that you know logistics increase so all of this was the factors that helped us to get our product to our customer much faster and hassle free and in turn allowed more sales to go through our platform,” Participant A.

“Covid disrupted every part of our business but also made us realise how unskilled we were digitally. So, it was definitely the pandemic and all the ripple effects that came with it that impacted our e-commerce website and beyond,” Participant J

Internal Factors

Participants were also asked if there were any internal factors that contributed to the growth or decline of business. Below are some of the responses:

“My employees and I certainly lacked fundamental digital skills that was needed to run a successful e-commerce business. We could have invested had a better website infrastructure before the pandemic. We had the website and used our platform for sales but to a minor extent. We never expected the pandemic to last that long and never thought that the food on our table will be dependent on our digital skills,” Participant G.

It may be summed up that Participant G stated that since his employees lacked important digital skills, this affected their business negatively and the situation would have been better had they invested in a better website before the pandemic.

Participant M reported that they had an “excellent skilled team, together with great capabilities, infrastructure and business resources.” This helped them through the pandemic. Participant L reported that the internal factors that affected them included skills, website infrastructure, digital marketing, and the like. If they were more digitally prepared, they would not have declined due to the pandemic. This shows that most of the companies were not digitally prepared for the pandemic. Most of them were greatly affected by that but those that were prepared did well.
General Reflections on Covid-19

Participants were encouraged to share some general reflections on the pandemic, and the findings are reflected in the extracts below:

“Well, no one ever predicted this, and coming a from a manufacturing and distributing point of view, online operations is far from what we focus on. Our online presence was there, but doing all our business digitally, hit us like a tornado. We would make sure our business was equipped digitally to handle day to day operations and communication, and most importantly, we would make sure our staff was skilled to transition into that,” Participant K.

“I don't think we would have relied so much on spending a lot of time driving around finding new business. we would have relied on the online portals that are available and realized that it's the way of the future, that people don't mind doing the online shopping and it's moving forward we realize it's steel actually been a good thing for us to open our eyes up to sort of this is the way people actually like to and consumers not to operate from the safety of their houses and it's all based on trust where the consumer trusts us that we're going to provide a good product and due to Technology you just make it happen yeah,” Participant B.

Throughout the interviews it became evident that the SMEs actively engaged with e-commerce activities during the Covid-19 pandemic. The participating SMEs also revealed that they were forced to do so, and many challenges were experienced. Skills needed to conduct business electronically were certainly lacking and this presented a major challenge.

Concerns were raised about cybercrime, since they did not have the know-how and resources to manage this challenge. The SMEs also had different experiences with regard to logistic services, digital payments, and digital marketing activities. Regardless, the Covid-19 pandemic presented an opportunity for the SMEs to transform their business models.

DISCUSSIONS

SMEs experienced many challenges with the internet during the pandemic. According to the research by Mastana (2023), the findings revealed that the accessibility of the internet also, directly impacted the online shopping. The internet efficiency and effectiveness, during the pandemic, caused a lot of frustration and a decrease in their profits. The interviewees reported that the internet speed issues, and low connectivity impacted their daily business operations tremendously. In concurrence with the above, Feldmann et al. (2021) emphasised that the waves of the Covid-19 pandemic and the government regulations that accompanied this impacted the internet traffic and caused low connectivity.

The findings are consistent with the study by (Van Deursen et al., 2021) who discussed the access to resources and the importance of skills to use the resources. All the participants
concerned that e-commerce internet skills were of utmost importance during the pandemic and many of them revealed that they had lacked the necessary skills at the start of the pandemic and tried gaining these skills from free online courses. This confirms what certain researchers (Singh Dubey et al., 2022; Mota & Cilento, 2020) had reported, that there was a soft skills gap amongst SMEs in emerging economies. It became evident that a business website is crucial because it demonstrates the business’s professionalism and helps customers become familiar with the company (Giantari et al., 2022).

During the pandemic, consumers depended and trusted on what was seen online, and the methods of marketing a product (Andiana et al., 2021). Many researchers, inter alia, Singh et al. (2021), argued that there was a correlation between the severity of the Covid-19 pandemic and the severity of the effects on businesses, including reduced capacity, increased restrictions on serving customers, difficulty sourcing raw materials and falling customer purchasing power. Thus, it was recommended that SMEs increase the use of digital marketing strategies through their website. Kadhim (2021) revealed that digital marketing was a significant moderator between business resources and performance. Andiana et al. (2021) concurred that the investment in digital marketing strategies would strengthen SMEs e-shop platforms during the Covid-19 pandemic. Effendy et al. (2021) also argued that the implementation of digital marketing strategies would increase website traffic and sales, especially during a pandemic.

The participants understood the value of digital marketing which is in line with the literature available (Thaha et al., 2021; Matta et al., 2020; Jayadeva, 2022), which revealed that during a pandemic, using digital marketing was of utmost importance to enhance consumer purchase and e-commerce growth. Through the effective mobilisation of digital capabilities, SMEs are able to not only gain access to market intelligence but also more precisely process data of relevance to their operations.

Overall, it was noted that digital marketing is a capability that differs among businesses and therefore has a different effect on the relationship of the e-shop features and e-commerce growth. The participants in this study concurred with the above and concluded that when a business uses digital marketing strategies in an efficient way, it provides positive support towards the e-shop platform and e-commerce growth.

Covid-19 forced most people to take risk by using electronic payments and then to trust the system, depending on how cybercrime was managed by banks (Khweiled et al., 2021). The participants revealed that the internet presented many challenges with digital payments. It was reported that there were delays in payments, together with a delay in deliveries from suppliers.
According to Chaveesuk et al. (2022), “Cybersecurity is one of the most complicated factors in electronic payment systems.” Due to the high risk of having their financial information stolen, many businesses and consumers in developing countries reportedly prefer to conduct transactions in person at traditional physical markets rather than online (Khweiled et al., 2021). Kurniasari et al. (2022), emphasized that when trust was created between SMEs and consumer in the usage of e-commerce services, this allowed SMEs to focus on other important aspects of the online business that created competitiveness.

CONCLUSIONS

This study was conducted in response to the resurgence of e-commerce due to the Covid-19 pandemic. Considering the growth of e-commerce in South Africa due to the Covid-19 pandemic, e-commerce challenges were amplified among SMEs due to their resources and capabilities. This study addressed the gap in the knowledge by investigating how e-commerce resources influence the growth of e-commerce, and how the capability of the business strengthens the relationship between the resources and growth of e-commerce during the Covid-19 pandemic. This study, therefore, argues that investment in effective e-commerce resources, in tandem with investment in capabilities to strengthen the usage of the resources, had a positive influence on the growth of e-commerce during the pandemic. The limitations were that this study was conducted in the city of Edenvale, Gauteng, South Africa, and not nationally. Whilst a local study identifies trends, at a national level it is required to present a better understanding of the impact of Covid-19 on e-commerce among SMEs during the pandemic in South Africa. This study was also limited to the retail industry that had an online presence, as the study wanted to investigate the challenges SMEs had with the usage of e-commerce, by considering how their capabilities supported their migration to electronic commerce. Future studies could pursue other industries and participants from other provinces could be valuable to validate whether the outcomes of this study could be generalised to the wider population of South African SMEs.

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