# IMPACT OF ELECTRONIC BUSINESS STRATEGIES ON THE PERFORMANCE OF SMALL SCALE INFORMATION TECHNOLOGY FIRMS IN KWARA STATE

 $\mathbf{BY}$ 

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#### 17/27/MBA006

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Thesis Title: Impact of Electronic business Strategies on the Performance of Small

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## **DEDICATION**

To my parent: Alhaji and Alhaja AYANTOYE



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#### **ABSTRACT**

Electronic business is one of the most interesting and important aspects of business strategy and has changed the way businesses are done. The strategy in the use of the internet has created opportunities for several innovations in the structure, operations and marketing of the product. This had made doing business even much easier and faster, and it has made information accessible to customers. This study, therefore, examined the impact of electronic business strategies on the performance of small scale information technology firms in Kwara State. The ebusiness strategies variables include communication, transaction process, delivery channel while customer satisfaction and customer loyalty were used to measuring organizational performance. A total number of 278 copies of close-ended questionnaire were distributed among the existing customers of FEMTECH Information Technology to collect the quantitative data. Seven customers were also purposively selected for interview using a semi-structured interview. SPSS was used to analyze the quantitative data while thematic analysis was used to analyze the qualitative data with the aid of NVIVO software. The study's result showed that communication and transaction process does not have a positive and significant impact on organizational performance, while the delivery channel has a positive and significant impact on organizational performance. The study findings further revealed that effective implementation of communication, transaction process and delivery channel have a significant impact on organizational performance. The study concluded that Electronic Business impact through delivery channel is statistically significant and have impact on the organizational performance. The study recommends that efficient delivery of services should be a considerable factor in the efficient and effective management of electronic business to meet the needs of their estimated customers.



#### **CHAPTER ONE**

#### INTRODUCTION

## 1.1 Background to the Study

In recent years, several companies have embraced electronic business strategies to exploit the opportunities that internet trading provide for achieving competitive advantage and profitability in the market place (Faloye 2014). Companies are incorporating e-business strategies (such as a channel of communication, transaction and distribution) to their business structure. The economic environment today has become more turbulent due to factors such as globalization, change in organizational structure and the information revolution (Pavic, Koh, Simpson, & Padmore, 2007).

The effects of the internet revolution and web access inability in today's world can be likened to the effects of the industrial revolution on the agrarian society (Wymer & Regan 2015). This has made doing business even much easier and faster, and it has made information accessible to the customers. It also provides a mechanism for displaying a huge array of products and services without having to incur the costs of display that traditional stores incur. Innovations in telecommunications, the continuous development of the internet and the emergence of e-commerce have enhanced the globalization of markets. The explosion in the use of the internet has created opportunities for several innovations in the structure, operations and marketing of the product. Electronic Business, which is one of the most interesting and important aspects of this explosion has changed the way businesses are done.

Generally, there is an increase in the use of websites and online business. As a result, many enterprises in Nigeria have embraced e-business as a strategy to augment their operational



processes. This has equally linked the world to become a global village through the internet revolution. Nigeria, though not a frontrunner in use of e-business is not left behind in the pack. Infrastructural deficiencies have impeded the development of digitalization in the Nigerian development, Although, signals are emerging that Government intends to actively promote and support the required and relevant infrastructures.

Presently, many business organizations in Nigeria offer goods and services as well as communicate with their suppliers and buyers via the internet. Electronic business has brought about a highly competitive market which has caused large brick-and-mortar companies are rethinking their business models to stay competitive. A search on goggle.com revealed that over one (1) trillion dollars in revenue are generated by e-business worldwide annually. This figure is evident in the speed at which e-business has risen within the past few years. However, firms using the internet for businesses are categorized based on their business model i.e. firms that operate because of the internet and those that use the internet as an addition to their core business strategies. It applies to both large and small businesses in electronic business for buying, selling, marketing as well as customers relations and management services. E-business breaks geographical barriers and is cost-efficient, thereby improving business productivity and increasing revenue.

E-business is attracting converts at an unprecedented rate, it has moved beyond its developing days and is getting down to serious business, it is becoming a natural part of multi-channel efforts to make sales and improve the bottom line (Lou, 2011). To have the full benefits of e-business, businesses are re-strategizing their processes rather than doing the same things differently. It applies to both large and small businesses in electronic business for buying, selling, marketing as well as customers relations and management services. E-business breaks



geographical barriers and is cost-efficient, thereby improving business productivity and increasing revenue.

In Kwara State, FEMTECH information technology limited is one of the frontrunners of e-business services. At a point, the firm carved a niche for itself in the area of ICT using e-business strategies. FEMTECH Information Technology builds its business model around the key attributes that the internet exhibits and this includes the economics of exchanging information, connectivity and interactivity, network economies of scale and presumption. Thus, FEMTECH Information Technology used the internet as a means of communicating with its customers and enriching the relationship between the buyers to customize or personalize its products and services to match the requirements of individual customers. However, FEMTECH buys other firms information technology with increased adoption of e-business strategies. It has possed a great challenge on the organization to further optimize the strategies. Hence, the study examined the impact of e-business strategies on the performance of FEMTECH information technology limited.

## 1.2 Statement of the Problem

Small enterprises in Nigeria have been slow in adopting e-business for their day to day business activities (Gomez-Herrera, Martens, & Turlea, 2014; Faloye, 2014). The main problem affecting small scale information technology enterprises in Nigeria is the inappropriate e-business strategies adopted by the firms. Previous researchers have examined the factors e-business strategies in large firms. Many small scales information technology firm is faced with problems such as how to use e-business as a strategy to bring buyers and sellers together as well as to cut costs and increase the speed of supply. Many small scale information technology firms in Nigeria fail to understand that the price transparency associated with e-business means that firms



must work ever harder to gain brand loyalty and offer the best value to customers. The specific problems identified in this study are as follow:

Studies show that small scale information technology enterprises have failed to explore advantages offered by the internet to exchange information that can enrich the relationship between the firms and the customers. Small scale information technology has also failed to personalize their products and services to match the requirements of individual customers. The inability of the firm to provide information on demand and inability to store vast amounts of information which have to make it difficult for customers to access information about the products and services provided by the firm. There has been the borne of contention that warranted the study to explore the effect of communication on the performance of small scale information technology.

Another issue of concerned is the studies on the process of a transaction between the firms and customers. Many studies have failed to link transaction costs for customers, with performance to provide adequate market information on a wide range of products which includes price, quality, availability and discount that can increase efficiency. Failure to minimize the time and effort expended in searching for products and comparing prices by customers has increased significantly and this can hinder small scale firms profitability.

A distribution channel is another issue that has been highlighted by previous studies. Failure to adopt instant delivery of products have contributed to the e-business strategy inefficiency. Thus, the full potential of e-business strategic has not been fully realized, as failure has always happened in the implementation process. Studies (Mulu, 2016) have indicated that the



management of small scale information technology firm is mainly focused on long term planning rather than the actual implementation of the strategies.

This study, therefore, aims to examine the effect of e-business strategies on the performance of small scale enterprises in Kwara State. Specifically, the study uses FEMTEC Information technology in Ilorin.

## 1.3 Research Questions

Based on the discussion in the preceding section, the following research questions were posed:

- i. how does communication affect the performance of Small Scale Information Technology firms in Kwara State?
- ii. to what extent does transaction process affect the performance of Small Scale Information Technology Firms in Kwara State?
- iii. how does delivery channel influence the performance of Small Scale Information
  Technology Firms in Kwara State?

## 1.4 Objective of the Study

The primary objective of the study was to assess the impact of e-business strategies on the performance of Small Scale Information Technology Firms in Kwara State, while the specific objectives of the study were as follows to:

- examine the impact of communication on the performance of Small Scale Information
   Technology Firms in Kwara State.
- ii. evaluate the extent to which transaction process affect the performance of Small ScaleInformation Technology Firms in Kwara State.



iii. examine the influence of delivery channel on the performance of Small Scale
Information Technology Firms in Kwara State.

## 1.5 Research Hypotheses

These hypotheses provide direction for the study to review relevant literature on the factor affecting e-businesses. The hypotheses are formulated in null form.

Ho1: Communication does not have a significant impact on the performance of Small Scale Information Technology Firms in Kwara State.

Ho2: Transaction process does not have a significant impact on the performance of Small Scale Information Technology Firms in Kwara State.

Ho3: the Delivery channel does not have a significant impact on the performance of Small Scale

Information Technology Firms in Kwara State.

## 1.6 Significance of the Study

The study would be of value to academicians and other researchers that would utilize the results of this study as part of secondary data in enhancing their studies in the future. The study would facilitate individual researchers to identify gaps in the current research and carry out research in those areas. Besides, the study is significant to business organizations that adopt e-business strategy to augment their business, the results would help business owners to understand the factors of e-business strategies that influence their business output and it would help them to overcome the challenges. Also, the study would equally assist the information technology firm to successfully implement e-business strategic plans better than its competitors.

Today as the economy moves from stagnant to active, competition intensifies between and among organizations. A reasonable and consumer-oriented organization should take an interest



in building mutual marketing relationships through effective communication with their constituents (stakeholders) most especially with the customers to build customer satisfaction and also create customer lifetime value (CLV).

## 1.7 Scope of the Study

The process of e-business strategies is wide and dynamic. The study assessed the impact of e-business strategies on the performance of small scale information technology enterprises in Kwara State between 2013-2018. The geographical extent of the study concentrated on FEMTECH Information Technology in Ilorin and Offa respectfully. The study was restrained to three basic e-business strategies which are communication, transaction process and delivery channel. The dependent variable (organizational performance) was measured with customer satisfaction and customer loyalty. Information was gathered from the customer of FEMTECH Information Technology.

## 1.8 Operationalisation of Variables

The study is operationalized in line with the identified constructs.

Y = f(X)

 $Y = (y_1, y_2)$ 

 $X = (x_1x_2x_3)$ 

Where X constructs is the independent variable

And Y construct is the dependent variable

X = E-BUSINESS STRATEGIES

Y = ORGANISATIONAL PERFORMANCE



## X = E-business Strategy

## **Y= Organizational Performance**

Independent Variables

Dependent Variables

x<sub>1</sub> Communication \_\_\_\_\_\_\_y<sub>1</sub> Customer Satisfaction

x<sub>2</sub> Transaction Process y<sub>2</sub> Customer Loyalty

x<sub>3</sub> Delivery Channel -

#### 1.9 Definition of Terms

- Communication It is the efficient exchange of information between firm and customers through internet, it is used as an effective medium for accessing, organizing and communicating information from one entity (person or group) to another entity to accomplish specific goals.
- ii. **Customer Loyalty** this is the commitment deeply held by the customer to re-buy or repatronize a preferred firm consistently in the future as a result of online services rendered by the information technology firm.
- iii. **Customer Satisfaction** This is how product or service has met or exceed expectations.
- iv. **Distribution Channel** It is the method used by a firm to acquire inputs and sell outputs, electrically, thereby saving cost.
- v. **E-Business** E-Business refers to the initiating, arranging, and carrying out electronic business processes.
- vi. **Legitimization-** may be achieved through having discussion teams and peer to peer collaborative discussions. On the other hand, the multiple communication processes involve communication through combining face to face, written and digital documents virtual teams simultaneous.



- vii. **Organizational Performance** Organizational Performance is concerned with the input and output mainly for financial resources.
- viii. **Strategy S**trategy is a high-level plot to attain goals under uncertain conditions.
  - ix. **Transaction Process** It is the method of using the internet to smooth the whole transaction process between the firm and customers to increases efficiency and lower transaction costs.



#### CHAPTER TWO

#### LITERATURE REVIEW

## 2.0 Preamble

This section is divided into the conceptual review, theoretical framework, empirical review and gaps in the literature. The conceptual review entails views of different authors concerning e-business strategies and organizational performance. The theoretical framework looks at the theories e-business strategies while the empirical review includes the results and reports of previous works on the impact that e-business strategies have on organizational performance. The gap in the literature aspect of this paper reviews the criticisms by the researcher on what previous authors studied that have been reviewed.

## 2.1 Conceptual Review

#### 2.1.1 Overview of E-Business in Nigeria

Internet usage in Nigeria is still relatively at a low level and therefore e-business is at a developing stage. However, researchers believe that there is an increasing awareness of the benefits and potential opportunities arising from e-business and as a result, e-business is slowly but surely taking off gradually in Nigeria (Folorunsho, Awe, Sharma & Jeff 2006). In recent time, there were just a couple of dial-up email providers and internet service providers (ISPs) in Nigeria. Today, there are about 130 licensed ISPs as well as several data carriers, internet exchange and gateway operators. Nigeria is one of the biggest and fastest-growing telecom markets in Africa, attracting huge amounts of foreign investments, haven overtaken South Africa to become the continent's largest mobile market with now over 75 million subscribers.



However, subscriber growth slowed significantly during 2014, partly as a result of the global economic crisis. Much of the remaining addressable market is in the country's rural areas where network rollouts and operations are expensive. This in combination with declining ARPU (Average revenue per user) levels is forcing the networks to streamline their operations and to develop new revenue streams from services such as 3G mobile broadband, mobile payments/banking, and others. The internet protocol (IP)-based next-generation networks (NGN) are enabling the convergence of voice, data/internet, and video, realizing the provision of triple-play services that will also involve the country's competitive broadcasting sector. The Nigerian Telecommunications' (NITEL) market monopoly which lasted for decades was broken with the privatization of the telecom sector which resulted in the new entrants venturing into the market and providing more competition. The arrival of a third international submarine fibre-optic cable by Globacom, another telecommunication company and is set to revolutionize the market by reducing the cost of international bandwidth by up to 90%. (Lange, 2010).

Another area where e-business has had a boom in Nigeria is the banking sector. At present, over 90% of Nigerian banks offer online, real-time banking services which allow customers to perform banking transactions from the convenience of their home or offices. The growth of credit/debit cards and ATMs (Automated teller machines) is proving the country's rapidly developing e-business. Nigerians can now pay, withdraw or transfer funds anywhere in the country with the introduction of MasterCard, Visa Card, InterSwitch, and e-transact. (Ovia, 2007). Ovia (2007) explained further that online shopping systems are also showing signs of development with the introduction of online shopping cards by Passport USA (PUSA), a Nigerian company. This shopping card which is initiated in partnership with MasterCard has been designed to make shopping over the internet easier and much safer.



#### 2.1.2 The Concept of E-Business

Several studies defined e-business in many ways and some of them were discussed. According to Weill and Vitale (2001), e-business is marketing, buying, selling, delivering, servicing, and paying for products and services, and information across networks linking an enterprise and its prospects, customers, agents, suppliers, allies and competitors. However, Greenstein and Vasarhelyi (2002) moved to argue that e-business involves the exchange of information not directly related to the actual buying and selling of good, activities such as the use of electronic mechanisms to distribute information and provide customer support. E-business refers to initiating, arranging, and carrying out electronic business processes (Meier & Stormer, 2009).

E-business is defined as the use of Internet technologies to link customers, suppliers, business partners, and employees using at least one of the following: (a) e-commerce websites that offer sales transactions, (b) customer-service websites, (c) intranets and enterprise information portals, (d) extranets and supply chains, and (e) IP electronic data interchange (Information Week research survey, 1999). This definition is broadly consistent with that of Sawhney and Zabin (2001): the use of electronic networks and associated technologies to enable, improve, enhance, transform or invent a business process or business system to create superior value for current or potential customers. Both definitions recognize that, by helping to build and manage relationships with customers, suppliers, employees, and partners, e-business can potentially transform a firm into a networked entity with seamless supply chains and value creation processes (Sawhney & Zabin, 2001).

Small scale enterprises utilize the capabilities of internet technology to focus on developing efficient methods and practices that increase productivity in minimum efforts and cost instead of large investments on designing, building and refurbishing stores (Tiwari & Singh, 2011). Many



firms choose to focus on a strategy that could improve their business with less risky and that can extends or renews their existing strategy. Meanwhile, e-business is a new strategy that followed the innovation of the technology trends that firms can explore (Pateli & Giaglis, 2005). According to Chia (2014), e-business creates new opportunities for firms that are willing to adapt or transforming the traditional market channels to a virtual market. Coltman, Devinney, Latuketu and Midgley (2001) asserted that e-business has radically changed the way the majority of people shop or the way most firms are carried out their businesses on a day-to-day basis.

Chia (2014) in his contribution to the concept of e-business acknowledge strategies such as value creation, trust and e-loyalty and knowledge management in E-business are part of the development of a firm to increase their productivity and profitability. Colin (2006) stated that e-business strategies such as communication channel, transaction process and delivery channel are a major advantage that internet can offer which firms could exploit to achieve profitability and competitive advantage in the market environment. However, John, David and David (2002) opined that e-business provides links to customers, business partners, suppliers and employees through the internet, intranets and extranets.

Imperatively, organization strategy has become a conscious plan to align the firm with opportunities and threats that are posed by its environment (Ansoff, 1965 as cited by Chia, 2014). Hence, companies typically improving their business through virtual markets rather than traditional business due to its potential of generating tremendous wealth, most through entrepreneurial start-ups and corporate ventures. However, e-business makes it possible for a firm to create value for the customers in a manner that is different from the one that has been achieved in a conventional business. Therefore, e-business has a pervasive impact across the entire span of the organization's structure (from the procurement department to the field sales



force) and a range of its business processes (from internal administration to supply-chain coordination).

Our conceptual and operational treatment of e-business is consistent with this perspective. Our approach differs from existing research in multiple ways. First, we pursue a process-based conceptualization of e-business adoption. As Westphal, Gulati, and Shortell (1997) noted, while some innovations are inherently discrete (e.g., specific accounting practices or executive compensation plans), most can vary appreciably in form. When the particular definition or content of an innovation is open to interpretation, as in the case of such innovations as reengineering, matrix management, zero-based budgeting, or total quality management (TQM), variation in the form of adoption may be especially high, such that classifying adoption as an either-or proposition becomes somewhat arbitrary.

In such cases, it may be more appropriate to explore how organizations define and implement innovation, rather than simply to predict whether organizations adopt at all. The adoption of e-business is continuous in the sense that the extent of its adoption across business processes may change with time (as opposed to, say, a hospital's acquisition of a computerized axial tomography [CAT] scanner). Consistent with this view, we conceptualize e-business adoption intensity along dual dimensions, the process domains within which e-business is adopted and the degree of implementation of e-business within specific process domains.



## 2.1.3 Proxy of E-Business Strategy on the Performance of Organization

It is important to understand the type of variables that form the basis of e-business strategy that firm use to achieve profitability and competitive advantage in the market environment. Therefore, some of the factors considered important such as communication, transaction process and delivery channel are critically examined and used for this study.

#### 2.1.3.1 Communication Channel

Communication is deeply connected with strategy implementation. Everybody in the organization must know the direction the organization and what are the objectives. As well they must know the vision, thus the ideal state. Communication serves as a means to reach this consensus. Management's task is to ensure that this communication takes place, the top, middle and bottom levels of the organization need to strive to agree on the successful implementation of the strategic plans (Noble, 1999).

Colin (2006) refers to communication in the e-business perspective as the efficient exchange of information between buyers and sellers is the most important advantage offered by the internet. Stated further, the internet has proved to be an effective medium for accessing, organizing and communicating information between firms and customers. Some key characteristics of the internet can improve the communication channel such as the ability to store vast amounts of information; ease of access to information; ability to provide information on demand, the scope for interactivity and improved visual presentation of material.

According to Colin (2006), communication serves as e-business mechanism because firms can provide almost instant information through the internet and that information will be available around the clock in any location. Thus, customers benefit from quicker response times and



access to a wider range of services provided by the firms through the website. However, this encourages interactivity between customers and sellers through several forms of communication which including a mailing list, e-mail, newsgroups and chat rooms. Therefore, it allows firms to adjust their marketing strategy in response to customer feedback. This feedback helps firms in developing a new strategy, developing the application of existing products or offering personalized and customized products to individual customers. Furthermore, communication can equally boost the process of relationship building and firms can benefit from customer loyalty (Bohyeon, 2014). While undertaking the strategy implementation process, the management team needs to come up with a communication plan that befits the organization. The communication plan needs to identify the elements of the strategy and the implementation process. It must also recognize the fact that the firm consists of social, communicative human beings whose communal are capable of achieving objectives (Laban & Green, 2003).

Communication systems need to be put in place to support the sharing and flow of information across various functional units in the organization and foster employee engagement. This results in employees understanding and identifying with the mission and vision of the organization (Jacobs, 2006). In the context of strategy implementation, two critical aspects need attention; legitimization and devote effort to multiple communication processes. Legitimization may be achieved by having discussion teams and peer to peer collaborative discussions. On the other hand, the multiple communication processes involve communication through combining face to face, written and digital documents virtual teams simultaneously (Huebner, 2008).



#### 2.1.3.2 Transaction Process

Transaction process is referred to as a strategy that can be used to smooth transaction between firms and customers, increases efficiency and to lower transaction costs (Colin, 2006). This strategy has the potential to reduce transaction costs for customers because it enhances customers to have easy access to market information on a wide range of products including, quality product, price, availability and discounts. This strategy can also increase internal efficiency within the organization by using the internet to reduce the amount of paperwork and administrative tasks associated that is associated with traditional forms of transaction. It can equally manage inventory and stock control and reduce the procurement cycle time of inputs (Colin, 2006).

Transaction costs are the costs incurred by the firms in the process of using the market system for buying and selling goods and services. It includes the costs of locating suppliers or customers and negotiating transactions with them (Bremen, Oehmen, Alard, & Schonsleben, 2010). Yousuf, (2017) e-business helps firms to reduce the transaction costs at one or more stages of the buying and selling process. According to Yousuf (2017) transaction costs includes search costs, information cost, bargaining costs, decision costs, policing costs and enforcement costs.

Research evidence has found that the performance of firms that consider transaction costs is better than the performance of firms which does not consider transaction costs (Macher & Richman, 2008). However, Steven and Oliver (2010) asserted that transaction costs are concerned with findings and negotiation of firms with a proper partner, customers and monitoring the performance of them. Further findings revealed that firms that follow the basic transaction costs having high costs of findings and negotiating with partners and customers and also tend to use a higher degree of control.



#### 2.1.3.3 Delivery Channel

Distribution channels are referred to as inter-organizational networks, it is described as a pathway for providing product flows from the firms to customers (Andrejic & Kilibarda, 2015). Distribution channels represent a network of partners between producers or firms to consumers including various intermediaries such as wholesalers and retailers, showing the route of moving goods from producers to industrial users or consumers. However, the purpose of distribution channels is to overcoming the gap (Cunningham, 2013). However, firms used the internet as a channel of distribution to offer instant supply at a significant reduction of delivery cost and it enhances tracking capability for customers (Aleksandra, Nada, & Marija, 2017).

Delivery channel as e-business strategy offered the advantage that includes much greater scope for firms to form a trading partnership; opportunities for lower costs associated with the negotiation and transactions of products and services through the use of automated systems. It also benefits from a more open and transparent pricing environment; opportunities presented by access to value-adding services using electronic systems and opportunities for access to the global market, particularly for small and medium scale enterprises (Colin, 2006).

Aleksandra, Nada and Marija (2017) delivery channel as e-business strategy can be used by firms to acquire inputs and sell outputs, electronically, thereby saving on search costs and transaction costs. Since most products bought and sold in business to business marketplace require transportation, the exchange models invariably include automated multi-party transactions facilities. Therefore, research findings showed that the distribution channel can be used as a source of strategic advantages for all networked partners. Further findings showed that distribution channel has a positive significant impact on organization performance (Cunningham, 2013). Alicic and Duman (2013) state that the selection of distribution channels is a very



important process for firms, basically because the efficiency of distribution channels has a great influence on the success of firms operations.

## 2.1.3.4 Management styles and E-Business Strategies

The business world is changing more rapidly and more dramatically than ever before which is associated with changes in technology, globalization, the rise of the service sector and competition. All these have contributed to reshaping the business environment over the years. Organizations need to cope with these environmental changes, and it is therefore fundamental for firms to have people with well-articulated management and leadership abilities.

Like any other strategies, e-business based companies are bound to face challenges. Since the business environment is uncertain, clients and partners of the company have a "wait and see" perception of these businesses. This scepticism tends to discourage e-business based companies because the public that is the customers have low confidence level in the capability of the firm to deliver its products. Another major difficulty faced by e-business based companies especially small and Medium Enterprises (SMEs) is financial resources. In addition to the doubt by clients, the size of investment needed to have a full e-business corporation makes scares away entrepreneurs in venturing in e-business. The initial investment also needs to pay back, which at times it may take longer than expected (Cote, Sabourin & Vézina, 2005).

When venturing into e-business managers need to bear in mind the nature of the external factors that may foster e-business. For example government policy on the adoption of information technology which may vary with industries and nations. Government financing may be a policy encouraging businesses to adopt information technology (IT) to increase the country's gross domestic product (Cote, Sabourin, &Vézina, 2005).



Management style is an important factor that influences strategy implementation. Management role is vital especially in the situation that an organization would like to implement a new strategy; which is occurs after the management has realized that there is a need for change. Effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process. Therefore, the management style of a firm dictates the level of participation of the organizational members in the strategy implementation process.

Accordingly, Taylor (1994) argues that for all employees to fully understand the organization's mission, vision and objectives, there is a need for string and decisive management. Commitment from the top of the organization to the bottom is highly essential for a strategy to be implemented effectively. In an organizational set up the top management is represented by the Chief Executive Officer (CEO) who leads the team members. In a holistic view, it is the responsibility of the CEO and the management team to shape the organization to achieve the strategic dream of the organization (Awino, 2007).

Thompson and Strickland (2007) state that strategic leadership maintains creativity and innovation through nourishing and supporting champions of new ideas, new products and services and new procedures. The concept of strategic leadership includes the management motivating workers to perform effectively and efficiently through clear communication of the goals and objectives of the firm and providing an environment for both individual and teambased contributions (Curtin, 1999). In strategy implementation, Crittenden and Crittenden (2008) argue that a contributing, competent, effective and active leader comes in handy.

Managerial involvement has little impact on strategy implementation which varies among different companies. Research shows that there is a positive relationship between strategy



implementation and good performance. However, this may not be the case in all firms as leadership could also have a role to play to attain the desired results (Aosa, 1988).

Management can be divided into three levels namely; corporate, business and operational (Pearce & Robinson, 2007). These levels are represented in a pyramid form in Figure. The corporate level is the top level of management that is responsible for making long term decisions that give direction for the entire organization. In the middle of the pyramid is the administrative level where tactical decisions are made. These decisions focus on intermediate or midterm decisions that fulfill the firm's mission and objectives. Lastly is the operational level which consists of supervisors and workers that need to make data-driven decisions on the day to day activities (Pearce & Robinson, 2007).

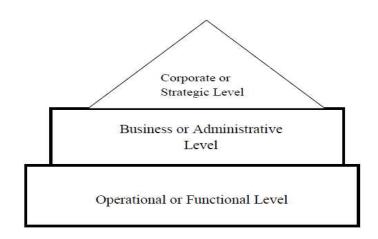


Figure 2.1: Three Levels of Management

Source: (Pearce & Robinson, 2007)

Nutt (1986) notes when the lower-level managers and non-management employees are inadequately informed on the strategy implementation process. Noble (1999) states when the information is sent through numerous management levels, there arises an issue of inconsistency which may hinder the success in the strategy implementation process.



The management should develop a good communication system to disseminate information to employees. They should be updated on all the strategies that have been developed by the strategy formulators. They need to be well informed about these strategies and the various tasks they are required to perform during the strategy implementation process (Mbaka & Mugambi, 2014).

## 2.1.3.5 Organizational Resources and E-business Strategies

The use of organizational assets has a link to the successful implementation in firms. Resource Allocation is the systematic process of ensuring that all necessary time, financial material such as money, skills and qualifications are made available when they are needed (Fevzi, 2003). He further elaborates as resource allocation resources, information and time allocation. In terms of e-business based companies, there is a need for the electronic basis of the business. Internet usage in e-business based companies is vital to the daily operations of the firm. This implies that the success of the organization is partially reliant on the use of internet services (Fillis 2004).

E-business strategy is not just for internet businesses. An e-business strategy is essential to any organization conducting business over the internet. It defines both your short term and long term e-business goals and involves careful and skilled planning.

E-business strategy is part of your cooperate strategy and business plan and also interconnects with other plans including your marketing, organizational and IT strategic plans. E-business strategy and planning include the following: E-Risk management and contingency planning, website technology, applications, infrastructure, security, resources and budget, marketing planning and budget, change management strategy.

E-business is multi-disciplinary, and therefore involves collaboration among stakeholders and experts from all relevant departments in an organization. Depending on the resources and no-



how available within an organization, additional input may be required from outside experts and consultants.

In some organizations, they have a separate E-business department and in others, they realize that the 'e' in E-business is simply part of every department's role. However, there has to be an owner or a manager of the strategic plan, and they must have some strategic and managerial incite of all those disciplines.

According to Mitzberg, Lamb and Ruth (1988) strategic management as an intended course of action, plan, and a pattern that emerges over some time. This implies that strategic management is not an end but a means to the end. For the desired results to be achieved there is a need to put some action with the help of the adequate and well-equipped resources. The action takes the form of strategy implementation.

In addition to this definition is the behavioral perspective of strategy implementation. This is one of the three perspectives of management; process, behavioral and hybrid. The behavioral perspective of strategy implementation process leans more on the organizational resources as compared to the two perspectives. It shows a relationship between resources and strategy implementation process in that for the successful process to be realized, resources need to put into action that is geared to achieving the organization's set strategies. This implies that having adequate resources (financial resources and people in term of reward and incentives) is not only sufficient but they need to be directed to fulfilling the goals of the organization (Schaap, 2006).



## 2.1.4 Organizational Performance

The concept is one of the most popular terms in management research and arguable the most defining indicator of the organization. The concept is very common in academic literature; its definition is difficult because of its many meanings. Besides, Richard, Devinney, Yip and Johnson (2009) says organizational performance measurement is concerned with the input and output mainly for financial resources, resources, a practice that was later criticized and mostly abandoned. As such, the earliest roots of performance measurement can be traced back to the use of cost-benefit analysis. Lebas and Euske (2002) provide a set of definition to illustrate the concept of organizational performance: That organizational performance could also be seen as a set of financial and non-financial indicators which offers information on the degree of achievement of the objective and result.

Similarly, Campbell, McHenry and Wise (1990) view performance as the ability of employees to assemble organizational commitments and achieve the goals of the organization. Performance behaviour is evaluated based on the contributions and it is capable of bringing about in the realization of the organization's goals (Asiegbu, Awa, Akpotu & Ogbonna 2011; Spitzer, 2007).

### 2.1.4.1 Customer Satisfaction

Customer satisfaction is a term frequently used in marketing. Today's companies are facing their toughest competition ever. It is generally believed by so many authorities in the field of marketing that companies can outperform competition if they can move from a product and sales philosophy to marketing philosophy. The answer lies in doing a better job of meeting and satisfying customer needs. There is generally congruence in the conceptual clarification of customer satisfaction by different authorities. The most important role of technology in customer service is that it helps to increase the speed of customer interactions. Customers no longer need



to wait on hold on the phone to speak with a representative. Instead, live chat on company websites enables organizations to help customers as soon as they show interest.

Yi (1990) defined customer satisfaction as a collective outcome of perception evaluation and psychological reaction to the consumption expectation with a product or services. Faris and Neil (2010) defined customer satisfaction as the number of customers or percentage of total customers whose reported experience with a firm, its products or its services (ratings) exceeds specified satisfaction goals.

Gitman and MacDaniel (2015) in their view, see customers satisfaction from the perspective of being a key performance indicator within the business which is also parts of the balanced scorecard. They went further to assert that in a competitive market place where business competes for a customer, customer satisfaction is seen as a key to differentiation and increasingly has become a key to business strategy.

Johnson and Andreas (2016) defined customer satisfaction from the view of how products or service has met or exceed expectations. This expectations as he confirmed are a key factor beyond satisfaction. Kotler and Keller (2016) see customer satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product perceived performance (or outcome) in relating to his or her expectation. They went further to say that if the performance falls short of expectation the customer is dissatisfied. If the performance matches expectations the customer is satisfied. If the performance exceeds expectations the customer is highly satisfied or delighted.

Jobber and Ellis-chardwick (2018) belief customer satisfaction occurs when perceived performance matches or exceeds expectations. He further asserted that expectations are formed



through post buying experiences, discussions with other people, and suppliers marketing activities. They further advised the companies to avoid the mistake of setting customer expectation too high through exaggerated promotional claims since this can lead to dissatisfaction if performance falls short of expectations.

## 2.1.4.2 Customer loyalty

Customer loyalty has been described as a composite of several qualities that are driven by the goal of attaining customer satisfaction so that customer could show commitment to the range of company products, and it is regarded as a strategic marketing tool (James & Annie, 2012). Yakup, Sinan and Ozlem (2018) referred to customer loyalty as a commitment deeply held by customer to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive purchase of same brand or product of the same company, despite the situational influences and marketing efforts that have potential to effect switching behaviours.

Customer loyalty also defined as the behaviour that is associated with products or services or the company; it is the mindset of customers that hold a favourable attitude toward specific company and committed to buy back from the same company's products or patronize services of same company, and willing to recommend the same product/service to other people. According to Paul and James, (2014) loyalty is a philosophy of leadership which seeks mutually beneficial management of the relationship between the company and its stakeholders.

The concept of customer loyalty comprising components such as customer attitudes and behavior, on the perspective of customers' attitude it involve intention to repurchase or buy more products or by patronize services from the same company, demonstration of commitment to the company by exhibiting resistance to switch from particular company to another as well as



willingness to recommend the products of particular company to other consumer, and willingness to pay a premium price for particular product of the same company (Heri & Jalaluddin, 2017).

On the aspect of behaviour, customer loyalty symbolize the actual repurchasing of products or services; it includes more purchase of different products or patronizing services of the same company, reflects the probability of long-term option for brands and recommends the company to others people (Heri & Jalaluddin, 2017). Therefore, several researchers asserted that loyalty comprises both attitude and behaviour of customers toward particular products or services of a particular company (James & Annie, 2012; Yakup, Sinan, & Ozlem; Ashraf, Ilyas, Imtiaz & Ahmad, 2018).

Furthermore, customer loyalty can be developing through a progressive process. Researchers have contributed to the development of loyalty by emphasized on different phases that loyalty follows (Ling & Sirion, 2014). Oliver (1999) as cited by Patricia and Ignacio, (2016) stated that the process of developing loyalty follows a cognitive-affective-conation pattern. Furthermore, four phases of loyalty were highlighted in which consumers can be committed to the company at each attitudinal stage. Cognitive loyalty phase is the first step, on this stage consumers could prefer a particular product or brand to the alternatives due to the information, awareness or belief.

Affective loyalty is the second phase, that is where consumers develop like or dislike the product and positive or negative attitude towards product or service will be developed based on continuous satisfaction or dissatisfaction experiences. At this stage, consumers' have no strong commitment to producing the intention to repurchase or recommend the product or brand to



anyone because there is hypothetical evidence that sometimes satisfied customers do not return (Sabir, Irfan, Akhtar, Pervez, & Rehman, 2014).

Conative loyalty is the next stage where consumer formed an intention to return because they would have generated a brand-specific commitment to repurchase the same products from the same company. Lastly, action loyalty stage follows when consumer's intention to return is transformed into readiness to act (Tweneboah-Koduah & Farley, Relationship between customer satisfaction and customer loyalty in the retail banking sector of Ghana, 2016). Meanwhile, at this stage of loyalty consumers would have developed deep level commitment and possess resistance to change to other product or brand from competitors and switching behaviours could be minimized. According to Ling and Sirion (2014), true loyal consumers are the customers who hold firm to the product or service provider and equally provide repeat purchase behaviour.

### 2.2 Theoretical Review

### 2.2.1 Stage Theory

Nolan (1973) made one of the first attempts to explain the relationship between a stage and the preceding one for IT adoption, i. e. computer resources. Compared to early diffusion of innovations literature that regards innovation as an idea, practice or material artefact that is perceived as new to an individual (Zaltman et al., 1973), Nolan's framework is developed based solely on the adoption of the computer system by firms.

Nolan's Stage theory emerged in the mid-1970s. Using computer budget as a surrogate for representing the growth and usage of computers in organisations, Nolan proposed four stages for managing computer resources: Stage 1, Initiation (computer acquisition); Stage 2, Contagion (intense system development); Stage 3, Control (proliferation of control); and 4, Stage



Integration (user/service orientation). This framework suggests that planning, organizing and controlling activities associated with managing computer resources change in character over some time. The framework is based on the premise that elements in systems move through a pattern of distinct stages over time, and these stages can be described (Nolan, 1973). This stage of growth theory has been widely used to explain how firms move through stages when embracing Internet technologies such as e-business (Mendo & Fitzgerald, 2005).

In recent years, several stage frameworks were developed to identify and describe different phases that firms moved through concerning the sophistication of their usage of Internet technologies such as e-business (e. g. Willcocks et al., 2000; Daniel et al., 2002; Levy & Powell 2003, Rao et al., 2003; Teo & Pian, 2004). Generally, these frameworks focused on businesses functions, or are based on connectivity measures, such as access to the Internet, and types of web technologies adopted, to characterize e-business adoption in firms.

### 2.2.2 The Resource-based View (RBV)

The RBV theory propounded by Daniel and Wilson (2003) links a firm's competitiveness to the firm's possession of resources. The RBV strategic paradigm considers a firm as a bundle of tangible and intangible assets or resources (Daniel & Wilson, 2003). Penrose originated the idea of viewing the firm as a bundle of resources in 1959 (Kim, Song, & Triche, 2014). Wernerfelt (1984) explains the concept of the RBV and described firm resources to include brand names, inhouse technology knowledge, capital, skilled personnel, machinery, processes, and trade contacts. For firms to achieve sustained competitive advantage, they should possess resources that are valuable, rare, inimitable, and non-substitutable, such that competitors cannot easily replicate the resources (Shuen et al., 2014). The RBV helps in understanding how a firm can sustain a competitive advantage by using resources available to it (Kim et al., 2014).



Paredes, Barrutia, and Echebarria (2014) argue that RBV provides a link between an organization's internal characteristics and its performance. Based on the RBV paradigm, a firm's resources are their sources of competitive advantage. The competitiveness of firms, however, depends on the ability of the firms to accumulate resources that competitors may not easily replicate.

Some studies, based on the RBV indicated relationships between firm resources, e-business strategy, and firm performance. Yang, Xun, and He (2015) use the RBV to investigate the relationship between SME e-business investments and firm performance, and found that e-business sophistication, complimentary human resources, and complimentary business resources have positive relationships with firm performance, while IT investment has no positive association with firm performance.

Perrigot and Penard (2013) use the RBV as a theoretical lens to examine e-business strategy in franchise networks and argued that internal resources and competencies of franchisors are important considerations when adopting e-business. Yu, Ramanathan, and Nath (2014) used the RBV framework to investigate the relationship between marketing capability, operations capability, and firm performance, and found that marketing capability positively affects operational capability, which in turn affects firm performance. These studies illustrate the efficacy of the RBV as a framework for understanding the effect of resources on firm performance. The studies showed how various organizational resources influenced organizational performance.



### 2.2.3 Technology Acceptance Model (TAM)

This theory was propounded by Davis and Richard (1989) and the model submitted that the acceptance of new technology by a user is based on two cognitions; Perceived Usefulness and Perceived Ease of Use. Perceived usefulness is the extent to which a person believes that using a particular system will enhance his or her job performance. Studies show that users are driven to adopt a technology primarily because of functions it provides them and also for the easiness of benefiting from these functions. E-businesses are like other firms likely to benefit from the adoption of internet marketing as it enhances their performance at a reduced cost. E-business who have realized this have benefited (Sharma & Aragón-Correa, 2005).

E-business may be aware of the importance of Internet marketing but are barred from their inability to apply this technology. This has been to be as a result of skilled IT personnel as well as lack of IT knowledge. The perceived ease of use of the technology also affects the adoption by firms; this is more so for e-businesses. Etemad and Wright (2004) state that technology should both easy to learn and easy to use; this implies that perceived ease of use is expected to have a positive influence on users' perception of credibility and intention of using internet marketing. Perceived credibility can be defined as the perception of one that the other has the required expertise to perform effectively and reliably. E-businesses depend on the credibility of internet marketing for their success in performance for their adoption. Business owner's way these variables of its.

## 2.2.4 Theories adopted for the Study

Various theories relevant to the subject matter of e-business strategies have been reviewed, the core concern of this research work revolves around analyzing e-business strategies and its impact on small scale information technology firm. Therefore, the study is anchored on stage theory by



Nolan (1973) which is built on the premise that the strategies of e-business come in stages (i.e., Stage 1, Initiation (computer acquisition); Stage 2, Contagion (intense system development); Stage 3, Control (proliferation of control); and Stage 4, Integration (user/service orientation)). Garriga and Mele (2004) opine that stakeholder theory was developed to balance the diverse interests of firms' stakeholders in industrial society. Freeman et al. (2004) posit that the importance of stages theory is in its ability to ask two questions: What is the purpose of implementation strategies towards e-business? What responsibility does management have in the implementation? Answers to these questions help firms to define their objectives clearly, their shared sense of value and their relationships with diverse management styles, organizational resources and communication with stakeholders. Other theories (TAM and RBV) are supporting theories to the e-business implementation strategies.

# 2.3 Empirical Review

### 2.3.1 Empirical Studies from Developed Countries

Thi (2016) surveyed on electronic commerce adoption among manufacturing SMEs in Malaysia. The study was conducted using a postal questionnaire survey. A total of 187 usable responses was generated for analysis. Based on a two-dimensional matrix depicting the adoption of ecommerce applications and extent of usage of each application. Using multinomial regression, the organizational, and technological and external factors influencing the decision to adopt ecommerce were examined. The factors found to be significant were organizational readiness, organizational proactiveness, CEO computing experience, and CEO /T knowledge. It was found that the more advanced adopters of e-commerce had gained more significant benefits from their adoption than less advanced adopters. The findings provide a useful benchmark against which each SME can assess its level of e-commerce adoption and usage.



Eid and El-Gohary (2013) examine the impact of EM use by SBEs on marketing success and to develop and test a conceptual model of the antecedents and consequences of EM use by SBEs in the UK. The conceptual framework consists of the following constructs: EM budget, EM tools, pre-sales activities, after-sales activities, marketing performance and marketing effectiveness. Moreover, 12 hypotheses were developed and tested. Exploratory and confirmatory factor analyses were used to test the validity of measures, while structural equation modelling was used in hypotheses testing. Data were collected from 114 SBEs who had used different EM tools. Findings reveal that the use of EM tools has a positive influence on SBEs pre-sales activities, aftersales activities, marketing performance and marketing effectiveness. The results of this study have major implications for the marketing domain, as they stress the central role of marketing people in the successful implementation of EM in SBEs.

Cosgun and Dogerlioglu, (2012) examine the critical success factors affecting e-commerce activities of small and medium enterprises in Turkey. A model has been developed based on previous researches and a questionnaire has been composed to collect data for the research. The questionnaire items have been tested by using factor analysis and Cronbach's alpha. The regression analysis has been applied to explore the factors affecting the e-commerce activities of SME's. The success measures financial resources, perceived benefits and content as significant factors affecting the success of e-commerce in SME's. The negative relationship between content and performance of the e-commerce can be attributable to the complexity created with the abundance of information which leads to more confused customers.

Jahanshahi, Rezaei, Nawaser, Ranjbar and Pitamber (2012) examine the impacts of electronic commerce (e-commerce) applications on the organizational performance of the Indian small and medium enterprises (SMEs). There are many different types of e-commerce applications that



may influence the organizational performances; in this research, they are categorized into five different categories: electronic advertising, electronic payment system, electronic marketing, electronic customer support service and electronic order and delivery. According to the literature review, most common types of organizational performance measures that are used in recent empirical researches are included: Financial or accounting performance, operational performance and market-based performance. For analyzing the data derived from questionnaire structural equation modelling were used and the software used for analyzing the data were LISREL 8.54 and SPSS 18. The survey method was considered to be the most suitable research method for this investigation. On the whole, this paper illuminates significant relationships between applications of electronic commerce and operational and market-based performance. The proposed measurement model exhibited a good level of model fit, too.

Golami, Al Somali and Clegg (2009) examine the E-business adoption and its impact on performance in Australia. In this study, a unified framework that captures the antecedents of e-business adoption, adoption intensity, and performance outcomes is proposed and empirically tested using data collected from senior managers in four technology-intensive industries. Applying a framework that captures the intensity of e-business adoption across four business process domains, the authors find that the antecedents and performance outcomes of e-business adoption are best studied in a process-specific context. The findings of research study showed that communication and internal administration aspects of e-business can positively affect performance outcomes of the organization, the more high-profile activities related to online order taking and e-procurement, the more higher the performance of the organization. The authors' findings provide the foundation for a more rigorous study of e-business.



### 2.3.2 Empirical Studies from Developing Countries except Nigeria

Nzisa (2016) examined the assessment of factors affecting strategy implementation in e-business based companies in Kenya. The study was undertaken using a sample of 113 e-businesses from which 98 responded to the questionnaire. A quantitative approach was adopted to collect data using questionnaires that we emailed and hand-delivered. The data was then interpreted with the use of the Statistical Package for Social Sciences (SPSS). The results and findings of the study that communication, organizational resources and management styles had great importance on the implementation of strategic plans on e-business based companies. The study found that the laissez-faire management style and participative leadership style are the most preferred. Organizational resources had a role to play in a firm's strategy implementation process to a great extent. It was recommended that further studies to be done on the other different factors that affect the strategy implementation process to see how other organizations are effectively implementing their strategies.

Wymer and Regan (2015) examined the factors influencing e-commerce adoption and use by small and medium businesses. The literature provides an extensive list of incentives and barriers to adoption and use of e-business and e-commerce information technology (EEIT) by small and medium businesses (SMEs). The objective of this current research was to consolidate these factors and determine their level of influence, either positively or negatively from the adopter's perspective, on the adoption decision. A set of 26 factors, used as variables in various adoption models from the literature, were presented objectively, without pre-classifying them as barriers or incentives, through a survey sent to SMEs. Respondents were asked to rate the effect of these factors on their EEIT adoption decisions. Sixteen of the factors were found significant, ten as incentives and six as barriers. The only consistent factor across all groups was cost perceived as



a barrier. The study concluded that factors are perceived differently by adopters, intended adopters and those not intending to adopt. These results should serve as a basis for more accurate use of these factors in adoption models.

Kithinji (2014) examined the internet marketing and performance of small and medium enterprises in Nairobi Country. The research was a descriptive survey and used a sample size of 90 SMEs. Primary data was collected using questionnaires from the top management of the SMEs. The collected data were analyzed using frequencies, percentages, means and standard deviation as well as a factor and regression analysis. The study established that internet marketing was used at a moderate extent and that certain challenges affected the SMEs ability to apply internet marketing. The firm's image was enhanced and increased competitive advantage as well as more loyalty and access to new markets as impacts of using internet marketing by these SMEs.

Hussien and El Aziz (2013) examined the internet banking quality dimensions that affect customer satisfaction from the consumer and provider perspectives. This bridges the gap between theory and practice which is part of contributing to the body of knowledge, thus improve the service quality dimensions to attain a better quality of life. This study aims to investigate how do users perceive e-banking quality dimensions in terms of their importance; how do decision-makers in banks perceive and provide e-banking quality dimensions; whether each quality dimension directly affects users satisfaction of the service. Structured questionnaires were randomly distributed over 300 bank clients, 133 valid copies of the questionnaire were returned. Data were statistically analyzed using SPSS. Two key decision-makers were interviewed to get the broader picture, where data were interpretively analyzed. Results were integrated allowing authors to show that service quality has a significant effect on customer



satisfaction. the bank could be considered a success story that provides a guideline for decision-makers in banks that are less fortunate in providing high service quality, thus help them better address their customers' needs. The main limitation of this paper is that the research was conducted at one bank and thus a more comprehensive study, involving other banks in the industry could enable research generalizes results.

## 2.3.3 Empirical Studies from Nigeria

Nwosu (2017) carried out a survey on E-Commerce Adoption by Small and Medium Enterprises in Nigeria. The population consisted of 276 retail SMEs in Lagos. The conceptual framework supporting the study was the dynamic capabilities framework. Data for the study were derived from semi-structured interviews of 4 SME business owners/managers and documentation from the case companies. Data analysis entailed the coding of the interview transcripts and analysis of documentary data to identify themes. Member checking and triangulation ensured the credibility of the study. The implications for social change include the potential to contribute to increased wealth creation opportunities for the business owners, their employees, and the local communities in Nigeria.

Emmanuel (2012) carried out a study on the adoption of e-commerce in Nigerian Businesses. The qualitative research methodology was utilized in this study. The qualitative research data consisted of two in-depth interviews with key managers of Richbol Environmental Services Limited. The respondents who are directly involved in the management of the company gave an in-depth analysis of the pros and cons of their business model, and also indicated their desire to adopt an e-commerce business model amidst concerns over potential safety issues. The author recommends that management within Richbol re-evaluate their current business model and endeavour to modify their website for this purpose. It is also recommended that the e-shop



business model be adopted as it is easy to implement, fits well with the product they offer, and represents an avenue in which most online businesses start their e-business adventures.

Grace (2010) examines an appraisal of the application of direct and online marketing in the banking industry in Nigeria. The study had a population of 2,401, out of which a sample size of 343 was realized using Taro Yamane formula. The questionnaire was primarily used for data collection. 343 copies of questionnaire were distributed and 304 copies were collected. The survey research method was adopted for the study while chi-square was used to test the hypotheses. The findings showed that the application of direct and online marketing communication enhances marketing of banking products and services, effective channel of communication impacts positively on the profitability of the bank, application and usage of direct and online marketing by zenith bank is deceptive and fraudulent to their customers, the benefits tied to direct and online marketing attracts customer's patronage. The study recommends that Banks should periodically organize seminars and symposia for their customers on the need to safeguard their pin code and in doing so give them quality services on automated teller machine

## 2.4 Gaps in Literature

Based on a review of the transfer of e-business strategies, the study concluded that there are significant gaps in the empirical literature for e-business. Studies have stressed the importance of several factors including communication, transaction process and delivery channel.

The current study benefitted from previous efforts in determining the most important factors related to e-business strategies. It also benefited from the statistical treatment which previous studies employed, for example, measurement model, structural model, regression analysis, factor



analysis and principal component analysis. Most of the previous efforts on low e-business strategies performance indicate the need for studies to investigate the impact of these issues on the e-business process. Thus, considering the main influences on e-business previously identified by Mulu (2016), this study aims to contribute to the theory of e-business by empirically analyzing how different sets of variables simultaneously influence the e-business.



#### **CHAPTER THREE**

#### **METHODOLOGY**

#### 3.0 Preamble

In this chapter, an attempt was made to describe the methodology and framework that was used in attaining the stated objectives of the study and how the research hypotheses were empirically determined. This chapter also focuses on the procedures of data gathering and analysis employs in the study. The research instrument and the methodology used in this study were identified. This chapter contains the research method, the research design, population of the study, sample size determination, sampling techniques and procedure, sample frame, sources of data and data collection, research instrument and design, validity and reliability of the research instrument.

### 3.1 Research Design

This research study adopted the descriptive research design. The descriptive research design assists to assess the determined sample at a specific time without changing the behaviour or trying to make casual statements. The descriptive research design was necessitated by the understanding to verify formulated hypotheses that referred to the situation to elucidate it. This method is primarily concerned with the process and nature of this study.

The target population for this study is existing customers of FEMTECH Information Technology, and this help to determine the sample frame and sample size. The procedure for data collection is done with the aid of is research instrument, which is designed from existing instruments. Research assistants were engaged in the adequate collection and collation of data. When the data is collected and collated, it was analyzed using frequencies, inter-item correlation and regression tools with the aid of Statistical Package for Social Sciences (SPSS).



# 3.2 Population of the Study

This study target 1000 customers that buy or patronized FEMTECH information technology limited in Kwara State. The study population comprises existing customers of FEMTECH information technology in Ilorin and Offa respectfully. The basis for considering the FEMTECH information technology Limited is because they're more exposed to electronic business in Kwara State.

## 3.3 Sample Size Determination

In this study, Raosoft sample size calculator was used for sample size determination. In this study, the error of sampling of 0.05 is allowed. The output of sample size from Raosoft recommended 278 as the minimum size of a survey for 1000 population. Therefore, the sample size of 2780 existing customers of FEMTECH Information Technology was selected to participate in the study.

# 3.4 Sampling Techniques

Simple random sampling method was used in the selection of customers of FEMTEC ICT Company. Simple random sampling was adopted because of the homogeneous characteristics of the study population. Also, each element of the population has an equal chance of being selected and represented; it comes with no bias in nature.

### 3.5 Sources of Data

There are two sources from which data were collected for this research study. These are:

i. Primary sources: The primary source of data for this study was from customers patronizing FEMTECH and information were extracted from the questionnaire administered to them. The research instrument used for collecting the primary data for



this research study is the questionnaire. The questionnaire was administered to respondents and retrieved after completion. These methods were adopted to enable absolute and accurate capture of data from existing customers of FEMTEC Information Technology Firm. The research instrument used to capture personal data of the respondent's gender, age, marital status, ethnicity, years of patronage and how often customers buy products from FEMTECH Information Technology. The instrument used to collect data on customers perception on characteristics of e-business strategy dimension such as communication, transaction costs and delivery channel explored by FEMTECH Information Technology in Kwara state.

ii. Secondary sources: The secondary source of information for this study was generated from various literature reviewed such as journal articles, internet publications, textbooks, and soft copy of SPSS.

#### 3.6 Data Collection Procedure

Copies of the questionnaire (Appendix A) was administered to the existing customers of FEMTECH information technology in Ilorin and Offa respectfully. The copies of the questionnaire were administered and retrieved with the help of trained field assistants and supervised through a coordinated effort. Personal contact method was employed for both the distribution and retrieval of the questionnaire, which involved trained research assistants. The research assistants used are graduates of statistics related field and were trained on this special research process for the purpose and significance of questionnaire administration.



## 3.7 Research Instrument

## 3.7.1 Instrument for Quantitative Data

A structured questionnaire was developed and used to gather data from the existing customers of FEMTECH information technology limited. The items in the research instrument were adapted from the existing questionnaire, which included studies from Eric, (2006). The research instrument is divided into two sections of A and B which adapted in form of a Likert scale, it had five-point scale of "Strongly Disagree (SD)" as (1); "Disagree (D)" as (2); "Undecided (U)" as (3) "Agreed (A)" as (4) and "Strongly Agree (SA)" as (5).

**Section A:** This section contains questions on the biographical data of the respondents for gender, age, marital status, highest educational qualification, professional background, designation, number of years worked in the company, job status.

**Section B:** This section contains items on the objectives of the research study, which concerned factor affecting the e-business strategy (communication, transaction process and delivery channel) on customer satisfaction. It also contains items on organizational performance coefficient which are customer satisfaction and customer loyalty

Respondents are required to respond to questions in a self-administered quick-answer structured questionnaire. The use of mainly structured questionnaire is to enhance uniformity of employee responses bearing in mind the degree of variations in perception of the factor affecting the implementation strategy of e-business.



## 3.7.2 Instrument for Qualitative Data

The interpretive presumed that the social aspect of human life can qualitatively be studied through the interview, observation, case study and many others. The researcher draft questions as an interview guide and also designed a "data slip" containing semi-structured questions for some selected customers of FEMTECH Information Technology Limited.

Also, the study employs both interviews and Focus Group Discussion (FGD) consisting of existing customers to explore their perceptions on the e-business strategy such as communication, transaction process and delivery channel of used by FEMTECH Information Technology. The strength of this method (FGD) is to yield varied information within a short period and also allow them to agree or disagree with each other to give an insight into the varieties of opinion.

## 3.8 Validity of Research Instrument

Several concepts are involved in a discussion of validity. At least four types of validity have been identified. These include; the predictive validity which is the ability of an instrument to predict some future events, the concurrent validity which is usually measured by the calculation of a correlation coefficient between the distribution of test scores and some concurrently existing criterion measure, the content validity which is essentially determined by the process through which the items were selected, the construct validity whereby a researcher devises an instrument in terms of how much the results obtained to fit the theoretical formulations that constitute its development, and the face validity which is concerned with the extent to which the researcher believes the instrument is appropriate.



For this research project, the face validity approach was adopted whereby my project supervisor(s) examined the questionnaire, make relevant corrections that were implemented for approval based on the belief that the instrument is appropriate.

## 3.9 Reliability of Research Instrument

Osaeze and Izedonmi (2000) define reliability as the consistency between the independent measurement of the same phenomenon, which implies stability, dependability and predictability of a measuring instrument. They outline three principal methods of testing reliability measurement instruments namely; Test re-test alternate form, split-half method, and test of internal consistency

Test and re-test involve the use of the same measuring instrument at a different time on the population. It is expected that with a valid and reliable instrument there could be the reduction of measurement error to a large extent. The most common test of inter-item consistency reliability is Cronbach's alpha coefficient. Therefore, the Cronbach's alpha coefficient was employed in this study to measure the internal consistency of the instrument. A scale is considered to have a high internal consistency when its items are highly interrelated. The test and re-test reliability approach adopted for the convenience of the researcher. Reliability is ensured by test re-test According to Nunnally (1978), a minimum level of 0.7 is recommended to show that an instrument is internally consistent. Table 3.1 details Cronbach's alpha coefficients of pilot testing conducted for this study.



**Table 3.1:** Reliability for Pilot Testing

Variables	Cronbach Alpha Coefficients	No of Items
Communication	.783	5
Transaction costs	.799	5
Delivery channel	.848	5
Customer satisfactio	n .712	5
Customer loyalty	.799	5
Overall scales	.818	5

**Source:** Author's computation, 2019

The study found that all the items measured possess a high-reliability standard in which communication showed Cronbach alpha coefficients of 0.783, transaction process with 0.799, and delivery channel with 0.848. Whereas customer satisfaction showed Cronbach alpha coefficients of 0.712 and customer loyalty with 0.799 respectively. The findings of overall scales revealed that all variables used are reliable and have internal consistency with 0.818 which is acceptable. This is following the standard that an instrument with a coefficient of 0.60 is regarded to have average reliability; whereas a coefficient of 0.70 and above shows that the instrument has a high level of reliability (Sekaran & Bougie, 2014).

### 3.10 Method of Data Presentation and Analysis

The data collected for this study were presented by using frequency tables, percentages and charts. All data analyses were conducted using IBM -SPSS software. Descriptive statistics were used to determine the mean, median, mode, variance and standard deviation scores of both the dependent and independent variables. an inter-item correlation test was carried out in other to identify if there exist relationships and differences among demographic factors and normative



variables, as it related to personal and situational characteristics of customers perception about e-business strategy used by FEMTECH Information Technology. Content analysis was used to identify similar patterns in respondents' perception of the open-ended questions. Statistical analysis, on the other hand, enables one to calculate partial correlation and multiple regression, multiple regression and one-way analysis of Variance (ANOVA), was used to test the three stated hypotheses.

For analysis of the qualitative data, the study adopts a generic qualitative inquiry method. According to Percy (2015), generic qualitative enquiry method is a good approach to be used when a research problem requires a mixed-method or qualitative methodology. As this study examined the impact of e-business strategies on the performance of small scale information technology firms, the study is that determinant of e-business strategies such as communication, transaction process and delivery channel as identified in the quantitative part of the study. Therefore, asking one or two questions according to Percy and Kostere (2015) may expand the previous knowledge and as such, a generic qualitative enquiry approach is appropriate for this study. Finally, the study used Nvivo software to analyse the data collected from the interview and make a recommendation based on the result of the study.

## 3.11 Ethical Consideration

This study applied ethical procedures as suggested by Sekaran (2007). The ethics required in conducting research were strictly adhered to, the information provided by the respondents were treated with the utmost confidentiality and as such the respondents were not coerced to give their opinions and information was given willingly. Also, the identity of the respondents was not disclosed alongside they are guaranteed a sense of responsibility for relevant questions that need to be answered thereafter.



### **CHAPTER FOUR**

## DATA ANALYSIS, RESULTS AND DISCUSSION

#### 4.0 Preamble

This chapter deals with presentations of data and the results obtained from the questionnaire, interview and focus group discussions. The first section presents comprehensive analyses of the demographic data of respondents using descriptive analyses. This is an important section as the hallmark of research is data collection. The demographic data obtained for this study are presented in tables, analyzed and interpreted using frequencies and simple percentages. The second section presents a thematic analysis conducted in this study.

# 4.1 Data Analysis

## 4.1.1 Response Rate of Respondents

Table 4.1 summarized the response rate for the data collected for the analysis. Two hundred and seventy-eight (278) copies of questionnaire were administered to the respondents and two hundred and thirty (230) copies of questionnaire were filled and retrieved. Therefore, only two hundred (200) copies of questionnaire valid after removal of outliers. This accounted for 55.6% valid response rate.

**Table 4.1** Response Rate of the Questionnaire

Response	Frequency	Percentage (%)
Copies of the Questionnaire	278	100
Questionnaires returned	230	82.7
Questionnaire not returned	48	17.3
Questionnaire not Valid	30	10.8
Valid Questionnaire	200	72.3
Valid response rate	200	100%

**Source:** Author's Field Survey, 2019



# **4.1.2** Demographic Profile of the Respondents

Respondents' profile was analyzed using demographic characteristics in terms of sex, age, marital status, ethnicity, years of patronage and how often customers buy products from the firm.

**Table 4.2:** Respondents by Sex

Items	Frequency	Percentage (%)
Male	115	57.5
Female	85	42.5
Total	200	100%

The number of respondents by sex is a reflection of the total number of male and female for customers that buy and patronized information technology firms in Kwara State. Table 4.2 revealed that out of the 200 respondents' that were administered structured questionnaire, 115 (57.5%) were male while the remaining 85 (42.5%) were female. This implies that there are more male respondents than a female that respond to the questionnaire.

**Table 4.3:** Respondents by Age

Items	Frequency	Percentage (%)
18-20 years	7	3.5
21-25years	43	21.5
26 – 30yrs	61	30.5
31 years and above	89	44.5
Total	200	100%

Source: Author's Field Survey, 2019



Furthermore, from the 200 respondents, 7 (3.5%) of respondents are between 18 and 20year, 43 (21.5%) respondents are between 21 – 25years, 61 (30.5%) respondents are between 26 – 30years, and, 89 (44.5%) respondents are between 31years and above. This indicates that a larger percentage of customers that patronized information technology firms in Kwara State is between 30 years and above.

Table 4.4: Respondents by Marital Status

Items	Frequency	Percentage (%)		
Single	27	13.5		
Married	159	79.5		
Others	14	7.0		
Total	200	100%		

Source: Author's Field Survey, 2019.

As revealed in the descriptive analysis of table 4.4, 27 (13.5%) of the respondents are single, 159 (79.5%) are married, while the remaining 14 (7.0%) are divorced, separated or widowed. This is an indication that the majority of the respondents sampled were married.

**Table 4.5:** Respondents by Ethnicity

Items	Frequency	Percentage (%)		
Yoruba	87	43.5		
Hausa	25	12.5		
Igbo	79	39.5		
Others	9	4.5		
Total	200	100%		

**Source: Author's Field Survey (2019)** 



Table 4.5 above, also indicates that 87 (43.5%) of the respondents are Yoruba of an ethnic group; 25 that represent (12.5%) are Hausa; whereas 79 (39.5%) of the respondents are Igbo and the remaining 9 represent (4.5%) of the respondents are from other ethnic groups. This implies that customers that patronized information technology firms cover all tribes.

**Table 4.6:** Respondents by Years of Patronage

Items	Frequency	Percentage (%)		
1-5years	82	41.0		
6 - 10 years	90	45.0		
11 - 15years	28	14.0		
Total	200	100%		

**Source: Author's Field Survey (2019)** 

Table 4.6 revealed that out of the 200 respondents that participated in this studied, 82 (41.0%) have been patronizing information technology firms for the period of 1-5 years, while 90 (45.0%) have been with firm for period between 6-10 years, whereas the table also indicates that 28 (14.0%) of the respondents have been with firm for 11-15 years. The study reflects that customers that have been buying products from the information technology firms participated in this research study.

Table 4.7: Respondents by How often Customers Buy Product from the Firm

Items	Frequency	Percentage (%)		
Every time	67	33.5		
Once in a while	89	44.5		
Not remember	44	22.0		
Total	200	100%		

**Source: Author's Field Survey (2019)** 



Also, table 4.7 presents the respondents' that buy products often from the information technology firm. Of the 200 valid respondents, 67 (33.5%) used to buy products often from the IT firms, 89 (44.5%) are those that buy products once in a while, whereas 44 (22.0%) are those that did not remember when last they buy products from information technology firms. This implies that the study sampled the opinion of existing customers that buy products from an information technology firm in Kwara State.

## 4.1.3 Descriptive Statistics for Respondent Perceptions on Variables

The items of e-business strategy include communication, transaction process and delivery channel, while firm performance items include customer satisfaction and customer loyalty were measured by frequency, mean and standard deviation. The study used a five-point Likert scale and both mean and standard deviation are used to measure interval and ratio scale. Therefore, scores of mean less than 2.33 are at a low level, 2.33 to 3.67 are at a moderate level and 3.67 and above are regarded as high level.



Table 4.8: Frequency, Mean and Standard Deviation of Communication Variable

Items/ Communication	Characteristics	Freq.	%	Mean	SD	Remark	Total
The company website allows easy access to information	Strongly Disagreed	21	10.5				
about their products and services	Disagreed	10	5.0				
	Undecided	51	25.5				
	Agreed	85	42.5				
	Strongly Agreed	33	16.5	3.50	1.150	Agreed	200
Company provide information to customers on	Strongly Disagreed	13	6.5				
demand through internet services	Disagreed	23	11.5				
	Undecided	29	14.5				
	Agreed	91	45.5				
	Strongly Agreed	44	22.0	3.65	1.139	Agreed	200
The company provides almost instant information	Strongly Disagreed	12	6.0				
that allows a customer to have access to a wider	Disagreed	15	7.5				
range of service through a	Undecided	50	25.0				
website.	Agreed	85	42.5				
	Strongly Agreed	38	19.0	3.61	1.065	Agreed	200
Company website encourages interactivity between firms and customers through several	Strongly Disagreed	11	5.5				
forms of communication	Disagreed	14	7.0				
including e-mail, newsgroup and chat rooms.	Undecided	53	26.5				
	Agreed	100	50.0				
	Strongly Agreed	22	11.0	3.54	.971	Agreed	200
The company website allows the customer to give feedback about products and services offered by the firms	Strongly Disagreed	12	6.0				
	Disagreed	17	8.5				
	Undecided	57	28.5				
	Agreed	86	43.0				
	Strongly Agreed	28	14.0	3.51	1.032	Agreed	200

Source: Author's Fieldwork Computation, 2019



Item 1, from table 4.8 shows that 33 of the respondents representing (16.5%) are strongly agreed to the statement that "Company website allows easy access to information about their products and services". Meanwhile, 85 respondents representing (42.5%) said they agreed to the statement and 51 respondents representing (25.5%) are undecided, whereas 2 respondents representing (10.5%) said they are strongly disagreed and 10 respondents representing (5.0%) disagreed with the statement. Therefore, the mean score of 3.50 indicates that the majority of respondents agreed with the statement. The implication is that a larger percentage agreed that company website allows easy access to information about their product and services.

Item 2, Table 4.8 shows that 91 respondents representing (45.5%) agreed to the statement that "Company provide information to customers on demand through internet services". 44 respondents representing (22.0%) are strongly agreed with the statement, and 29 respondents representing (14.5%) choose their opinion to be undecided, and 23 respondents representing (11.5%) disagreed, while 13 respondents representing (6.5%) respondents are strongly disagreed to the statement. Therefore, the mean score of 3.65 indicates that the largest population of the respondents agreed with the statement. This implies that the larger percentage agreed that the company provide information to the customers on the demand through internet services.

Similarly, the item 3 of the table 4.8 revealed that 85 respondents representing (42.5%) agreed with the statement "Company provides almost instant information that allows the customer to have access to a wider range of service through the website". However, 38 respondents representing (19.0%) are strongly agreed, and 50 respondents representing (25.0%) are undecided to the statement, while 15 respondents representing (7.5%) disagreed with the statement, whereas 12 respondents representing (6.0%) said they are strongly disagreed with the statement. The mean score of 3.61 indicates that many respondents agreed with the statement.



This simply indicates that the larger percentage agreed that the company provides almost instant information that allows the customer to have to a wider range of service through a website.

Again, table 4.8 shows that 100 respondents representing (50.0%) said they agreed with the statement that "Company website encourage interactivity between firms and customers through several forms of communication including e-mail, newsgroup and chat rooms". 22 respondents amounting to (11.0%) were strongly agreed with the statement, and 53 respondents representing (26.5%) were undecided in their opinion on the statement, whereas 14 respondents representing (7.0%) said they disagreed while 11 of the respondents representing (5.5%) were strongly disagreed with the statement. Therefore the majority of the respondents agreed with the statement with the mean score of 3.54 as shown in table 4.3.1. The implication is that a larger percentage agreed that company website encourages interactivity between firms and customers through several forms of communication including e-mail, newsgroup and chat rooms.

Finally, on table 4.8, 86 of the respondents representing (43.0%) were agreed to the statement that "Company website allows the customer to give feedback about products and services offer by the firms". 28 respondents representing (14.0%) were strongly agreed, and 57 respondents amounting to (28.5%) shared opinion of undecided, and 17 respondents representing (8.5%) said they disagreed with the statement, while 12 respondents representing (6.0%) were strongly disagreed. This implies that majority of the respondents agreed with the statement with a total mean score of 3.51.

From table 4.8, item 2 recorded the highest mean of (M = 3.65, SD = 1.139); whereas item 1 recorded lowest mean of (M = 3.50, SD = 1.150). Finally, the entire variable means were in the range of moderate level. This simply indicates that larger percentage agreed that company website allows customers to give feedback about products and services offered by the firms.



Table 4.9: Frequency, Mean and Standard Deviation of the Transaction Process

Items/ Transaction Process	Characteristics	Freq.	%	Mean	SD	Remark	Total
Transaction costs for the	Strongly	11	5.5				
customer were reduced by	Disagreed						
ease access to market	Disagreed	20	10.0				
information on wide range	Undecided	33	16.5				
products including price,	Agreed	94	47.0				
quality, availability and	Strongly Agreed	42	21.0	3.68	1.083	Agreed	200
discounts.							
Firm website reduced the	Strongly	7	3.5				
time and effort expended	Disagreed						
by customer to search for	Disagreed	18	9.0				
products and compare	Undecided	50	25.0				
price.	Agreed	82	41.0				
	Strongly Agreed	43	21.5	3.68	1.021	Agreed	200
Company website plays	Strongly	9	4.5				
an important role in	Disagreed						
administrative costs	Disagreed	11	5.5				
reduction	Undecided	65	32.5				
	Agreed	78	39.0				
	Strongly Agreed	37	18.5	3.62	.996	Agreed	200
The firm was able to	Strongly	14	7.0				
increase internal	Disagreed						
efficiency by using the	Disagreed	22	11.0				
internet to reduce the	Undecided	64	32.0				
amount of paperwork	Agreed	78	39.0				
	Strongly Agreed	22	11.0	3.36	1.047	Agreed	200
The firm was able to	Strongly	7	3.5				
increase efficiency and	Disagreed						
lower costs of buying and	Disagreed	19	9.5				
selling by using the	Undecided	62	31.0				
internet system	Agreed	85	42.5				
	Strongly Agreed	27	13.5	3.53	.961	Agreed	200
Source Author's Fieldwork							

Source: Author's Fieldwork Computation, 2019

Item 1, from table 4.9 shows that 42 respondents representing (21.0%) are strongly agreed to the statement that "Transaction costs for the customer were reduced by ease access to market



information on wide range products including price, quality, availability and discounts". Meanwhile, 94 respondents representing (47.0%) agreed to the statement and 33 respondents representing (16.5%) are with an undecided opinion, whereas 20 respondents representing (10.0%) disagreed with the statement and 11 respondents representing (5.5%) are strongly disagreed with the statement. Therefore the mean score of 3.68 implies that the majority of respondents agreed with the statement. The implication is that the larger percentage agreed that transaction costs for the customer were reduced by ease access to market information wide range products including price, quality, availability, and discount.

Item 2, Table 4.9 shows that 82 respondents representing (41.0%) agreed to the statement that "Firm website reduced the time and effort expended by customer to search for products and compare price". However, 43 respondents representing (21.5%) strongly agreed with the statement, and 50 respondents representing (25.0%) choose their opinion to be undecided, and 18 respondents representing (9.0%) disagreed, while 7 respondents representing (3.5%) respondents are strongly disagreed to the statement. Therefore, the mean score of 3.68 indicates that the largest population of the respondents agreed with the statement. This implies that the larger percentage agreed that firm website reduced the time and effort expended by customer to search for products and compare price.

Similarly, item 3 of the table 4.9 revealed that 78 respondents representing (39.0%) agreed with the statement "Company website play an important role in administrative costs reduction". 37 respondents representing (18.5%) are strongly agreed with the statement, and 65 respondents representing (32.5%) are undecided to the statement, while 11 respondents representing (5.5%) disagreed with the statement, whereas 9 respondents representing (4.5%) are strongly disagreed with the statement. The mean score of 3.62 implies that many of the respondents agreed with the



statement. This simply indicates that the larger percentage agreed that company website plays an important role in administrative costs reduction.

Again, table 4.9 shows that 78 respondents representing (39.0%) agreed with the statement that "Firm was able to increase internal efficiency by using the internet to reduce the amount of paperwork". 22 respondents amounting to (11.0%) were strongly agreed with the statement, and 64 respondents representing (32.0%) were undecided in their opinion on the statement, whereas 22 respondents representing (11.0%) said they disagreed while 14 respondents representing (7.0%) were strongly disagreed with the statement. Therefore the majority of the respondents agreed with the statement with the mean score of 3.36 as shown in the above table

Finally, on table 4.9, 85 respondents representing (42.5%) were agreed to the statement that "Firm was able to increase efficiency and lower costs of buying and selling by using internet system". 27 respondents representing (13.5%) were strongly agreed, and 62 respondents amounting to (31.0%) shared opinion of undecided, and 19 respondents representing (9.5%) said they disagreed with the statement, while 7 respondents representing (3.5%) were strongly disagreed. This indicates that majority of the respondents agreed with the statement with a total mean score of 3.53. From table 4.9, item 1 and 2 recorded the highest mean of (M = 3.68, SD = 1.083 and 1.021); whereas item 4 recorded lowest mean of (M = 3.36, SD = 1.047). Finally, the entire variable means were in the range of moderate level... This implies that the larger percentage agreed that the firm was able to increase efficiency and lower costs of buying and selling by using internet system.



Table 4.10: Frequency, Mean and Standard Deviation of the Delivery Channel

Items/ Delivery Channel	Characteristics	Freq.	%	Mean	SD	Remark	Total
The firm make instant delivery of the products	Strongly Disagreed	4	2.0				
bought to the customers	Disagreed	14	7.0				
	Undecided	64	32.0				
	Agreed	86	43.0				
	Strongly Agreed	32	16.0	3.64	0.902	Agreed	200
Customer enjoy a low cost of products delivery	Strongly Disagreed	6	3.0				
	Disagreed	20	10.0				
	Undecided	65	32.5				
	Agreed	86	43.0				
	Strongly Agreed	23	11.5	3.50	0.930	Agreed	200
Customers can track products delivery through	Strongly Disagreed	5	2.5				
the internet system	Disagreed	18	9.0				
	Undecided	64	32.0				
	Agreed	85	42.5				
	Strongly Agreed	28	14.0	3.57	0.927	Agreed	200
Firm give discounts on delivery of products	Strongly Disagreed	3	1.5				
bought by the customers	Disagreed	14	7.0				
	Undecided	66	33.0				
	Agreed	88	44.0				
	Strongly Agreed	29	14.5	3.63	0.870	Agreed	200
The firm make delivery of the products ease to the	Strongly Disagreed	13	6.5				
customers	Disagreed	8	4.0				
	Undecided	47	23.5				
	Agreed	84	42.0				
	Strongly Agreed	48	24.0	3.73	1.074	Agreed	200

Source: Author's Fieldwork Computation, 2019



Item 1, from table 4.10 shows that 32 respondents representing (16.0%) are strongly agreed to the statement that "Firm make instant delivery of the products bought to the customers". However, 86 respondents representing (43.0%) agreed to the statement and 64 respondents representing (32.0%) said they are not sure to the statement, whereas 4 respondents representing (2.0%) said they are strongly disagreed and 14 respondents representing (7.0%) said they disagreed with the statement. Therefore the mean score of 3.64 indicates that the majority of respondents agreed with the statement. The implication is that lager percentage agreed that the firm makes instant delivery of the products brought to the customers.

Item 2, Table 4.10 shows that 23 respondents representing (11.5%) said they are strongly agreed to the statement that "Customer enjoy a low cost of products delivery". 86 respondents representing (43.0%) said they agreed with the statement, and 65 respondents representing (32.5%) choose their opinion to be undecided, 20 respondents representing (10.0%) disagreed, while 6 respondents representing (3.0%) respondents are strongly disagreed to the statement. Therefore, the mean score of 3.50 indicates that majority of the respondents agreed with the statement. This indicates that larger percentage agreed that customer enjoys a low cost of product delivery.

Similarly, the item 3 of the Table 4.10 shows that 28 respondents representing (14.0%) said they are strongly agreed with the statement "Customers can track products delivery through internet system". 85 respondents representing (42.5%) said they agreed with the statement, and 64 respondents representing (32.0%) are undecided to the statement, while 18 respondents representing (9.0%) disagreed with the statement, whereas 5 respondents representing (2.5%) said they are strongly disagreed with the statement. The mean score of 3.57 indicates that many of the respondents are undecided with the statement.



Again, table 4.10 shows that 29 respondents representing (14.5%) said they are strongly agreed with the statement that "Firm give discounts on delivery of products bought by the customers". 88 respondents amounting to (44.0%) were agreed with the statement, and 66 respondents representing (33.0%) were undecided in their opinion on the statement, whereas 14 respondents representing (7.0%) said they disagreed while 3 respondents representing (1.5%) were strongly disagreed with the statement. Therefore the majority of the respondents agreed with the statement with the mean score of 3.67 as shown in the above table. This implies that larger percentage agreed that customers can track products delivery through the internet system.

Finally, on table 4.10, 48 respondents representing (24.0%) were strongly agreed to the statement that "Firm make delivery of the products ease to the customers". 84 respondents representing (42.0%) said they agreed with the statement, and 47 respondents amounting to (23.5%) shared opinion of undecided, and 8 respondents representing (4.0%) said they disagreed with the statement, while 13 respondents representing (6.5%) were strongly disagreed. This implies that majority of the respondents agreed with the statement with a total mean score of 3.73.

From table 4.10, item 5 recorded the highest mean of (M = 3.73, SD = 1.074); whereas item 2 recorded lowest mean of (M = 3.50, SD = 0.930). Finally, the entire variable means were in the range of moderate level. This indicates that larger percentage agreed that firm give discounts on delivery of product bought by the customers.

Table 4.11: Frequency, Mean and Standard Deviation of the Customer Satisfaction

Items/	Characteristics	Freq.	%	Mean	SD	Remark	Total
What I get from buying products online meets my	Strongly Disagreed	7	3.5				
expectation	Disagreed	12	6.0				
	Undecided	38	19.0				
	Agreed	91	45.5				
	Strongly Agreed	52	26.0	3.85	0.993	Agreed	200
The information content I derived from company	Strongly Disagreed	21	10.5				
online service met my needs.	Disagreed	32	16.0				
necus.	Undecided	74	37.0				
	Agreed	57	28.5				
	Strongly Agreed	16	8.0	3.08	1.089	Agreed	200
I look for convenience while conducting online	Strongly Disagreed	10	5.0				
shopping	Disagreed	25	12.5				
	Undecided	57	28.5				
	Agreed	76	38.0				
	Strongly Agreed	32	16.0	3.48	1.061	Agreed	200
The price offered for the product via e-business is	Strongly Disagreed	11	5.5				
clear and affordable	Disagreed	17	8.5				
	Undecided	65	32.5				
	Agreed	74	37.0				
	Strongly Agreed	33	16.5	3.51	1.042	Agreed	200
Customer is benefiting and satisfy from the	Strongly Disagreed	9	4.5				
quality of e-business service	Disagreed	20	10.0				
501 1100	Undecided	75	37.5				
	Agreed	70	35.0				
	Strongly Agreed	26	13.0	3.42	0.989	Agreed	200

Source: Author's Fieldwork Computation, 2019



Item 1, from table 4.11 shows that 52 respondents representing (26.0%) are strongly agreed to the statement that "What I get from buying products online meets my expectation". Meanwhile, 91 respondents representing (45.5%) said they agreed to the statement and 38 respondents representing (19.0%) said they are not sure to the statement, whereas 7 respondents representing (3.5%) said they are strongly disagreed and 12 respondents representing (6.0%) said they disagreed with the statement. Therefore the mean score of 3.85 indicates that the majority of respondents agreed with the statement. The implication is that a larger percentage agreed what I get from buying products online meets my expectation.

Item 2, Table 4.11 shows that that 57 respondents representing (28.5%) said they agreed to the statement that "The information content I derived from company online service met my needs". 16 respondents representing (8.0%) said they are strongly agreed with the statement, and 74 respondents representing (37.0%) choose their opinion to be undecided, 32respondents representing (16.0%) disagreed, while 21 respondents representing (10.5%) respondents are strongly disagreed to the statement. Therefore, the mean score of 3.08 indicates that majority of the respondents agreed with the statement. This implies that larger populations of 37% have no information and idea that "information content I derived from company online service met my needs".

Item 3 of the table 4.11 revealed that 76 respondents representing (38.0%) agreed with the statement "I look for convenience while conducting online shopping". 32 respondents representing (16.0%) said they are strongly agreed, and 57 respondents representing (28.5%) are undecided to the statement, while 25 respondents representing (12.5%) disagreed with the statement, whereas 10 respondents representing (5.0%) said they are strongly disagreed with the



statement. The mean score of 3.48 indicates that many of the respondents were undecided with the statement.

Table 4.11 shows that 74 respondents representing (37.0%) said they agreed with the statement that "Price offered for the product via e-business is clear and affordable". 33 respondents amounting to (16.5%) were strongly agreed with the statement, and 65 respondents representing (32.5%) were undecided in their opinion on the statement, whereas 17 respondents representing (8.5%) said they disagreed while 11 respondents representing (5.5%) were strongly disagreed with the statement. Therefore the majority of the respondents agreed with the statement with the mean score of 3.51 as shown in the above table. This indicates that larger percentage agreed that "I look for convenience while conducting online shopping".

Finally, on table 4.11, 70 respondents representing (35.0%) were agreed to the statement that "Customer is benefiting and satisfy from the quality of e-business service". However, 26 respondents representing (13.0%) were strongly agreed, and 75 respondents amounting to (37.5%) shared opinion of undecided, and 20 respondents representing (10.0%) said they disagreed with the statement, while 9 respondents representing (4.5%) were strongly disagreed. This implies that majority of the respondents agreed with the statement with a total mean score of 3.42.

From table 4.11, item 1 recorded the highest mean of (M = 3.85, SD = 0.993); whereas item 2 recorded lowest mean of (M = 3.08, SD = 1.089). Finally, the entire variable means were in the range of moderate level. This implies that larger populations of 37.5% have no information and idea that "customers are benefiting and satisfy from the quality of e-business service".



Table 4.12: Frequency, Mean and Standard Deviation of the Customer Loyalty

Items/	Characteristics	Freq.	%	Mean	SD	Remark	Total
I would like to buy the product from the firm due	Strongly Disagreed	20	10.0				
to their consistency	Disagreed	45	22.5				
	Undecided	52	26.0				
	Agreed	57	28.5				
	Strongly Agreed	26	13.0	3.12	1.193	Agreed	200
I would continue buying from the firm because of	Strongly Disagreed	5	2.5				
the easy access to information provided by	Disagreed	22	11.0				
the firm	Undecided	60	30.0				
	Agreed	83	41.5				
	Strongly Agreed	30	15.0	3.56	0.960	Agreed	200
I would continue patronizes the firm as a	Strongly Disagreed	9	4.5				
new product is introduced and upgrade the existing	Disagreed	22	11.0				
ones	Undecided	67	33.5				
	Agreed	77	38.5				
	Strongly Agreed	25	12.5	3.44	0.995	Agreed	200
Firm render exceptional services through the	Strongly Disagreed	10	5.0				
internet with less effort and maximum output	Disagreed	20	10.0				
and maximum output	Undecided	76	38.0				
	Agreed	69	34.5				
	Strongly Agreed	25	12.5	3.40	0.997	Agreed	200
I would remain to buy from the IT firm because	Strongly Disagreed	18	9.0				
of the information shared about their brand through	Disagreed	47	23.5				
online services	Undecided	53	26.5				
	Agreed	51	25.5				
	Strongly Agreed	31	15.5	3.15	1.206	Agreed	200

Source: Author's Fieldwork Computation, 2019



Item 1, from table 4.12 shows that 26 respondents representing (13.0%) are strongly agreed to the statement that "I would like to buy the product from the firm due to their consistency". 57 respondents representing (28.5%) said they agreed to the statement and 52 respondents representing (26.0%) said they are not sure to the statement, whereas 20 respondents representing (10.0%) said they are strongly disagreed and 45 respondents representing (22.5%) said they disagreed with the statement. Therefore the mean score of 3.12 indicates that the majority of respondents agreed with the statement. The implication is that a larger percentage agreed that "I would like to buy the product from the firm due to their consistency".

Item 2, Table 4.12 shows that 30 respondents representing (15.0%) said they strongly agree to the statement that "I would continue buying from the firm because of the easy access of information provided by the firm". 83 respondents representing (41.5%) said they agreed with the statement, and 60 respondents representing (30.0%) choose their opinion to be undecided, 22 respondents representing (11.0%) disagreed, while 5 respondents representing (2.5%) respondents are strongly disagreed to the statement. Therefore, the mean score of 3.56 indicates that majority of the respondents agreed with the statement. This indicates that larger percentage agreed that "I would continue buying from the firm because of the easy access of information provided by the firm".

Similarly, the item 3 of the Table 4.12 shows that 25 respondents representing (12.5%) said they are strongly agreed with the statement "I would continue patronizes the firm as new product is introduced and upgrade the existing ones". 77 respondents representing (38.5%) said they agreed with the statement, and 67 respondents representing (33.5%) are undecided to the statement, while 22 respondents representing (11.0%) disagreed with the statement, whereas 9



respondents representing (4.5%) said they are strongly disagreed with the statement. The mean score of 3.44 indicates that many of the respondents are undecided with the statement.

Again, table 4.12 shows that 25 respondents representing (12.5%) said they are strongly agreed with the statement that "Firm render exceptional services through the internet with less effort and maximum output". 69 respondents amounting to (34.5%) were agreed with the statement, and 76 respondents representing (38.0%) were undecided in their opinion on the statement, whereas 20 respondents representing (10.0%) said they disagreed while 10 respondents representing (5.0%) were strongly disagreed with the statement. Therefore the majority of the respondents agreed with the statement with the mean score of 3.40 as shown in table 4.12. This implies that larger percentage agreed that "I would continue patronizes the firm as new product is introduced and upgraded the existing ones."

Finally, on the table 4.12, 31 respondents representing (15.5%) were strongly agreed to the statement that "I would remain to buy from the IT firm because of the information shared about their brand through online services". 51 respondents representing (25.5%) said they agreed with the statement, and 53 respondents amounting to (26.5%) shared opinion of undecided, and 47 respondents representing (23.5%) said they disagreed with the statement, while 18 respondents representing (9.0%) were strongly disagreed. This implies that majority of the respondents agreed with the statement with a total mean score of 3.15.

From table 4.12, item 2 recorded the highest mean of (M = 3.56, SD = 0.960); whereas item 1 recorded lowest mean of (M = 3.12, SD = 1.193). Finally, the entire variable means were in the range of moderate level. This indicates that a larger percentage of 26.5% have no information and idea that "I would remain to buy from the IT firm because of the information shared about their brand through online services".



#### 4.1.4 Reliability Test

A reliability test was conducted to measure the internal consistency of the scale used in this study. Reliability of the scale is referred to as the degree of scales consistency at which scales measures what purported to measure (Hair, Black, Babin, & Anderson, 2014). According to Pallant (2011), the measurement of the scales reliability and consistency are considered important and necessary to the quality or correctness of scales measure to be sure that scales measure what it intended to measure in the research study. Therefore, the Cronbach's alpha coefficient was explored to measure the internal consistency of the instrument used. A scale is considered to have a high internal consistency when its items are highly interrelated. According to Sekaran and Bougie, (2014), a minimum level of 0.7 is recommended to show that an instrument is internally consistent. Table 4.13 presents the result of Cronbach's alpha coefficients of reliability test conducted for this study.

 Table 4.13: Reliability Test

Variables	Cronbach Alpha Coefficients	No of Items
Communication	.817	5
Transaction costs	.752	5
Delivery channel	.815	5
Customer satisfaction	.699	5
Customer loyalty	.797	5
Overall scales	.864	5

**Source:** Author's Computation, 2019

The study found that all the items measured have high-reliability standard in which communication showed Cronbach alpha coefficients of 0.817, transaction process with 0.752, and delivery channel with 0.815. Whereas customer satisfaction showed Cronbach alpha coefficients of 0.699 and



customer loyalty with 0.797 respectively. The findings of overall scales revealed that all variables used are reliable and have internal consistency with 0.818 which is acceptable. This is following the standard that an instrument with a coefficient of 0.60 is regarded to have average reliability.

#### 4.1.5 Descriptive Statistics for Normality Test

Normality test was conducted to provide accuracy of the data through the distribution volume of data to measure data skewness and kurtosis. According to Julie (2013), Skewness and Kurtosis are very important for data to intend to use for a research study to ascertain that items used are evenly distributed. Burn, Veeck, & Bush (2017) asserted that skewness should be "0" when data is evenly distributed that shows data is distributed normally. Thus, the value of skewness will be at negative when data is skewed to the left, whereas it show positive values when data skewed to the right direction. Therefore, kurtosis can be a standard normal distribution when it showed zero '0' kurtosis when kurtosis shows positive values it indicates that data distribution shows peakedness and negative values of kurtosis indicate that data used in the research study is flat (Burn, Veeck, & Bush, 2017). Table 4.14 of descriptive statistics detail the result of skewness and kurtosis of each item used in this study.

**Table 4.14:** Descriptive Statistics

	N	Ske	wness	Κυ	ırtosis
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Communication	200	772	.172	.388	.342
Transaction Process	200	563	.172	.335	.342
Delivery Channel	200	334	.172	.017	.342
Customer Satisfaction	200	379	.172	.381	.342
Productivity	200	301	.172	259	.342
Valid N (listwise)	200				

Source: Author's Computation, 2019



The preliminary test of normality shows that there a sign of non-normality. Skewness and Kurtosis value are provided as part of the output that gives information about the distribution of scores for the groups of respondents. The result revealed that the data used for this study is somewhat evenly distributed. Therefore, the skewness and kurtosis of all items were within the acceptable range of  $\pm 2.58$  respectively.

# 4.1.6 Sample Adequacy Test

In this study, KMO statistics are used to measure sample adequacy. The sample adequacy is varied between 0 and 1. Gay, Mills, and Airasian, (2012) recommend that value greater than 0.5 are considered appropriate, whereas value between 0.5 and 0.7 are mediocre, while a value between 0.7 and 0.9 are considered good. Table 4.15 details the result of sample adequacy test.

Table 4.15: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure	e of Sampling Adequacy.	.739
	Approx. Chi-Square	441.488
Bartlett's Test of Sphericity	Df	6
	Sig.	.000

Source: Author's Computation, 2019

Table 4.15 showed the result of the value of Kaiser-Meyer- Olkin (KMO) measure of sampling adequacy in this study with 0. 739 which indicate that whole item used is good and statistically significant at p=0.000 level.

#### 4.1.7 Assumptions of Regression Analysis

Multiple regression analysis was used to test hypotheses formulated for this research study and also to achieve the research objectives. However, regression allows a more sophisticated exploration of the interrelationship among a set of items. Thus, it makes several assumptions such



as normality, linearity, homoscedasticity and multicollinearity about the data. Therefore, the variables used was checked for normality, linearity, homoscedasticity and multicollinearity to satisfy the basic and underlying assumptions that must be met before using the multiple regression analysis.

#### 4.1.7.1 Normality Test

In the graphical method, normality is usually measured through histogram residual plots. It means the shape of plots will represent the data distribution to each continuous variable and its correspondence to normal distribution. Histogram residual plots were drawn to determine the performance of small scale information technology firms measured by customer satisfaction and customer loyalty (i.e. dependent variable). Figure 4.1 presents a normal curve of firm performance scores, whereas the parametric statistics assume that the scores on each of the variables are normally distributed (i.e. follow the shape of the normal curve). In this study, the scores of normality show that data are evenly distributed with most scores occurring in the centre, tapering out towards the extremes.



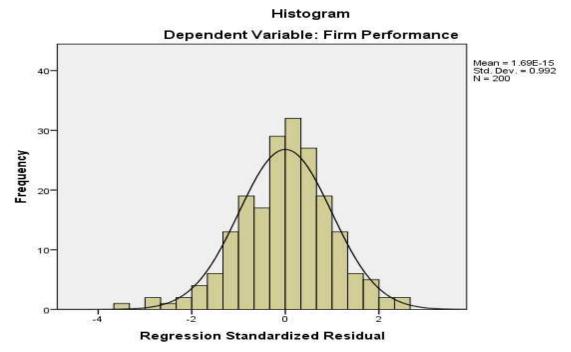


Figure 4.1: Histogram for Firm Performance

Sources: Author's Fieldwork, 2019

#### **4.1.7.2** Linearity

Normal probability plot of the standardized residual plot was explored to measure curvilinear relationship (test of linearity) between the dependent variable and independents variables. The residual ought to scatter around 0 and most of the scores should concentrate at 0 points, there is no indication of a curvilinear relationship between observations (i.e. firm performance and communication, transaction costs and delivery channel) is linear as the scatter plot shows a fair shape and the score converged at the centre along the 0 point. Thus the linearity assumption was satisfied. See figure 4.2: for detail of normality probability plot of linearity.



#### Normal P-P Plot of Regression Standardized Residual

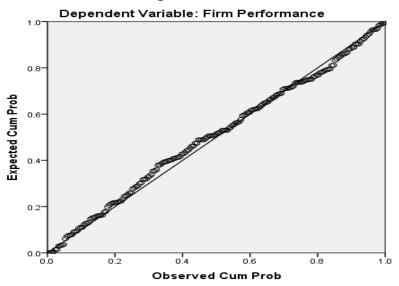


Figure 4.2: Normal Probability Plots for Firm Performance

Sources: Author's Fieldwork, 2019

# 4.1.7.3 Test of Homoscedasticity

A scatter plot was drawn to test for homoscedasticity between the dependent variable (i.e. firm performance measured by customer satisfaction and customer loyalty) and independent variables (i.e. communication, transaction costs and delivery channel). Figure 4.3 presents the result of scatter plots.



# Scatterplot Dependent Variable: Firm Performance



**Figure 4.3:** Scatter plot for Firm Performance

Sources: Author's Fieldwork, 2019

From the output, the plot appears to be moderate and the variations among observation are even.

Based on the respondent's perception, an organization with high levels of recruitment and selection process, training, motivation and evaluation experience high levels of performance.

#### 4.1.7.4 Test of Multicollinearity

Multicollinearity exists when the independent variables are highly correlated (that is r = .7 and above). In the situation where two variables with a bivariate correlation of .7 or more were included in the same analysis, there is a need to consider omitting one of the variables. To check for Multicollinearity, two methods can be used. One the correlation matrix can be used to examine the exogenous latent constructs. Secondly, variance inflated factor (VIF), and tolerance value are two collinearity diagnostic factors that can be used to identify multicollinearity. However, multicollinearity becomes a concern when VIF value is higher than 5 and tolerance value is less than 20 (Muhammad, Veera, & Kaliani, 2015). The variance inflated factor (VIF)



and tolerance are used to check whether variables show at least some high interrelationship. See table 4.16 for multicollinearity.

**Table 4.16:** Multicollinearity Test (VIF and Tolerance)

Variables	N	Tolerance	VIF
Communication	200	.336	2.977
Transaction Costs	200	.256	3.904
Delivery Channel	200	.513	1.949

**Source:** Author's Computation, 2019

Table: 4.16 revealed that multicollinearity did not exist among the exogenous latent constructs as all variables indicate that VIF values were less than 5 and tolerance values were exceeded .20. Thus multicollinearity was not an issue in this study.

# 4.1.8 Data Analysis based on Hypotheses

Standard multiple regression was used to investigate the impact of e-business strategy (measured by communication, transaction costs and delivery channel) on the performance of the firm (measured by customer satisfaction and customer loyalty). Preliminary analyses were conducted to ensure that the assumption of regression (such as normality, linearity, homoscedasticity and multicollinearity) were not violated.

# 4.1.8.1 Model fit analysis

Multiple regression was used to determine the impact of e-business strategy (measured by communication, transaction costs and delivery channel scale) on the performance of small scale informational technology firm (measured by customer satisfaction and customer loyalty scale).



**Table 4.17: Model Summary**<sup>b</sup>

# Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.620a	.384	.375	.54691	2.048

- a. Predictors: (Constant), Delivery Channel, Communication, Transaction Process
- b. Dependent Variable: Customer Satisfaction, Customer Loyalty

**Source:** Author's Field Survey (2019).

Table 4.17 of the model summary contained the result of multiple regression in which the results revealed that R Square gave a value of 38.4 per cent. This indicates that model fit analysis that comprises communication, transaction costs and delivery channel explained about 38.4 per cent of the variance in the performance of small scale information technology firm. By implication, the findings suggested that e-business strategy determinants such as communication, transaction costs and delivery channel can predict the performance of small scale information technology firm. The Durbin-Watson Statistic gives 2.048 coefficients which indicated that there is an absence of serial correlation in the error terms of the model which rule out the problems associated with spurious regressions.

#### 4.1.8.2 ANOVA

In this study, the ANOVA was explored to calculate e-business strategy determinants such as communication, transaction costs and delivery channel on the performance of small scale information technology firm. Thus, the table's value of 0.000 (sig value) indicates that the model is significant fit as it is less than the alpha value of 0.05. In other words, a model that used communication, transaction costs and delivery channel can significantly predict the performance of small scale information technology firm. Table 4.18 shows an ANOVA (analysis of variance) table with a score: F= 40.769 with sig= 0.000. This revealed that the model was well specified.

Table 4.18: ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	36.583	3	12.194	40.769	.000 <sup>b</sup>
1	Residual	58.626	196	.299		
	Total	95.209	199			

a. Dependent Variable: Customer Satisfaction, Customer Loyalty

**Source:** Author's Field Survey (2019)

#### 4.1.8.3 Regression Coefficients

The result of regression analysis conducted in this study as contained in table 4.19: Regression coefficients, test the hypotheses of this study.

**Table 4.19: Regression Coefficients**<sup>a</sup>

Model			ndardized fficients	Standardized Coefficients	t	Sig.	Colline Statis	-
		В	Std. Error	Beta			Tolerance	VIF
	(Constant)	1.105	.215		5.143	.000		
	Communication	056	.082	066	683	.495	.336	2.977
1	Transaction Process	.275	.106	.288	2.604	.010	.256	3.904
	Delivery Channel	.418	.076	.432	5.520	.000	.513	1.949

a. Dependent Variable: Customer Satisfaction, Customer Loyalty

**Source:** Author's Field Survey (2019).

Table 4.19 present the results of multiple linear regression used to assess the capacity of two control measures (impact of e-business strategy predictors: communication, transaction costs and delivery channel) to predict (the performance of firm: customer satisfaction and customer loyalty). The regression coefficients test all three hypotheses of this study. The results of



b. Predictors: (Constant), Delivery Channel, Communication, Transaction Process

multiple linear regression revealed that communication has a negative significant impact on the performance of an information technology firm. While transaction costs have no significant impact on the performance of an information technology firm. The delivery channel has a positive significant impact on the performance of an information technology firm.

The standardized regression coefficients indicate the degree of strength that e-business strategy indicators such as communication, transaction costs and delivery channel have on the performance of information technology firm. The delivery channel has the highest impact with a  $\beta$  coefficient of .432 and t-value of 5.520, follows by transaction costs with a  $\beta$  coefficient of .288 and t-value of 2.604; and communication with a  $\beta$  coefficient of -.066 and t-value of -.683.

#### 4.2 Test of Hypotheses

- Communication does not have a significant impact on the performance of FEMTECH Information Technology.
- ii. Transaction process does not have a significant impact on the performance of FEMTECH Information Technology.
- iii. The delivery channel has a significant impact on the performance of FEMTECH Information Technology.

**Hypothesis One:** Communication does not have a significant effect on the performance of small scale information technology firms in Kwara State.

This hypothesis is focused on how communication could not influence the performance of small scale information technology firms in Kwara State. The null and alternative hypotheses are as follow:



 $H_{01}$ : (Communication does not have a significant effect on the performance of small scale information technology firms in Kwara State).

 $H\alpha_1$ : (Communication have a significant effect on the performance of small scale information technology firms in Kwara State).

Based on table 4.19: the results of multiple regression coefficients predicted that communication measured with  $\beta$  coefficients = -.066, t-value = -.683, while the p-value  $\mathbf{sig}$  = .495 (higher than alpha .005). This support null hypothesis (H<sub>0</sub>) as an alternative hypothesis is rejected. This is an indication that communication as e-business strategy determinant has a negative significant impact on the performance of small scale information technology firm, which means that communication cannot effectively, predict the performance of small scale information technology firms in Kwara State. This result contradicts the findings of a previous research study conducted by Bohyeon, (2014) on the effect of communication on relationship factors in marketing.

**Hypothesis Two:** Transaction process does not have a significant impact on the performance of small scale information technology firms in Kwara State.

This hypothesis is focused on how transaction costs could not influence the performance of small scale information technology firms in Kwara State. The null and alternative hypotheses are as follow:

 $H_{02}$ : (Transaction process does not have a significant impact on the performance of small scale information technology firms in Kwara State).

 $H\alpha_2$ : (Transaction processes have a significant impact on the performance of small scale information technology firms in Kwara State).



Based on table 4.19, the results of multiple regression coefficients predicted that transaction costs measured with  $\beta$  coefficients =.288, t-value= 2.604, while the p-value sig = 0.010 (higher than alpha 0.005). This support null hypothesis (H) as an alternative hypothesis is rejected. This is an indication that transaction costs as e-business strategy predictor have no significant impact on the performance of small scale information technology firms in Kwara State, which means that transaction costs cannot effectively influence the performance of small scale information technology firms in Kwara State. This result contradicts the findings of previous research carried out on the transaction costs: A conceptual framework (Yousuf, 2017).

**Hypothesis Three:** the Delivery channel does not have a significant impact on the performance of small scale information technology firms in Kwara State.

This hypothesis is focused on how the delivery channel could not influence the performance of small scale information technology firms in Kwara State. The null and alternative hypotheses are as follow:

H<sub>03</sub>: (Delivery channel do not have a significant impact on the performance of small scale information technology firms in Kwara State).

 $H\alpha_3$ : (Delivery channel has a significant impact on the performance of small scale information Technology firms in Kwara State).

Based on table 4.19, the result of multiple regression coefficients predicted that delivery channel measured with  $\beta$  coefficients =.432, t-value= 5.520, while the p-value  $\mathbf{sig} = 0.000$  (less than alpha 0.005). This support alternative hypothesis (H $\alpha$ ) as a null hypothesis is rejected. This is an indication that delivery channel as entrepreneurial training predictor has a positive significant impact on the performance of small scale information technology firms in Kwara State, which



means that delivery channel can effectively influence the performance of small scale information technology firms in Kwara State. This result supports the findings of previous research conducted on the analysis of distribution channels' successfulness – the case of the retail chains in the Republic of Serbia (Aleksandra, Nada, & Marija, 2017).

#### 4.3 Qualitative Result

As the previous chapters quantitatively answer research questions, this qualitative study was carried out using the semi-structured interview to provide information to confirm the result of the quantitative data which addressed the issues of the impact of e-business strategies and organizational performance

# 4.3.1 E-Business Strategies on the Performance of Small Scale Business in Kwara State Thematic Analysis of Work E-Business Strategies and Small Scale Firm

A thematic analysis was conducted using the data generated from interview responses from the small scale information technology firm in Kwara State. The study examined the effect of e-business strategies on the performance of small scale firm. From the analysis, two major themes were highlighted; customer satisfaction and customer loyalty. Three sub-themes were identified as determinants of the effect of e-business strategies on the performance of small businesses. These include communication channels, delivery channels and transactions. Based on the study objectives, seven customers were interviewed on the formulated themes. The themes were designed to complement the findings of the quantitative study. All the themes were based on the dependent variables and independent variables of the study. Figure 4.4 represented the analysis of the various themes which were depicted by cases and nodes. The seven respondents were coded info1, info2, info3, info4, info5, info6 and info7.



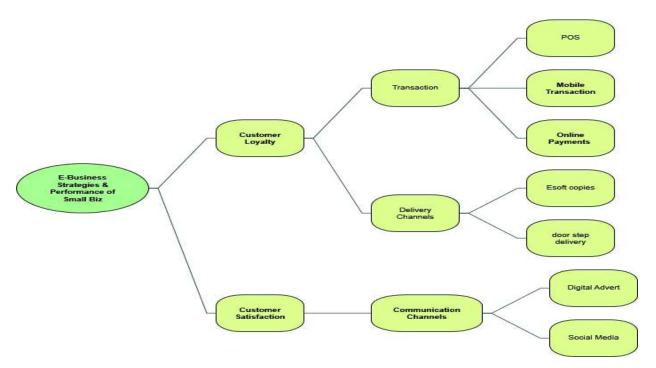


Figure 4.4: Thematic analysis of E-business Strategies and performance of Small Businesses

#### Theme one: E-business strategies and customer satisfaction

According to Yi (1990), customer satisfaction is seen as a collective outcome of perception evaluation, and psychological reaction to the consumption expectation with a product or services. Faris and Neil (2010) also viewed customer satisfaction as the number of customers or percentage of total customers whose reported experience with a firm, its products or its services (ratings) exceeds specified satisfaction goals. Meanwhile, communication channels should be deeply connected with strategy implementation as everybody in the organization is expected to know the direction the organization and what are the objectives. Communication channel also serves as a means to reach this consensus. Management's task is to ensure that this communication takes place, the top, middle and bottom levels of the organization need to strive to agree on the successful implementation of the strategic plans (Noble, 1999). Colin (2006) referred to communication in the e-business perspective as the efficient exchange of information between buyers and sellers, is the most important advantage offered by the internet.



Various respondents interviewed highlighted digital adverts and social media adverts as elements that described the effect of communication channels on customer satisfaction. This was represented in figure 4.3.

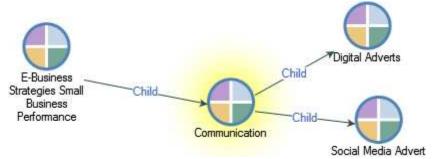


Figure 4.5: Thematic analysis of communication channels and customer satisfaction

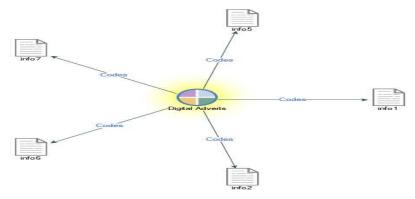
**Source:** Nvivo output 2019.

#### **Digital Advert**

The sub-theme of digital advert emerged from the responses of five small scale business owners interviewed for instance; info1 submitted that "in this modern days information technology companies use electronic adverts as means of communicating to their various companies". In answering the questions respondent info7 "go round petrol station, you will realize the rate at which small businesses are using digital marquee to pass information to the customers. Even the 'shop is open' is communicated via e processes".

While corroborating the above, info5 submitted that "in a bid to satisfy my customers, I use digital adverts to communicate with them". Also, info3 said, "electronic communication channels are often used in today's digitalized world". Lastly, info6 added that "we use e adverts a lot to attract our customers".





#### Social Media Advert

Most respondents on social media adverts as communication channels attest to the fact that they use social media such as Instagram, Facebook, Whatsapp and Twitter to attract their customers. For instance, **info3** stated that "with social media, my business has greatly improved. I had to take a course on digital marketing to be efficient in social media advert". Also, info1 "I have a business account on Whatsapp and I am using it to promote my business". Although Info7 said, "I believe personal relationship helps more than any social media". Info5 affirmed the role of social media as a channel of e-communication when he said "with social media, we have taken our businesses to the next level of customer satisfaction. Through that, our customers reach out to us and we reach out to them".

#### Theme two: E-business strategies and Customer Loyalty

James and Annie (2012) viewed customer loyalty has been described as a composite of several qualities that are driven by the goal of attaining customer satisfaction so that customer could show commitment to a range of company products, and it is regarded as a strategic marketing tool. According to respondent coded info3, he referred to customer loyalty "deep commitment held by customer to ensure repeat purchase of a product or service consistently in the future". Also, info4 suggested that "when the repetitive purchase of the same brand or product of the same company is made, despite the situational influences and marketing efforts that have



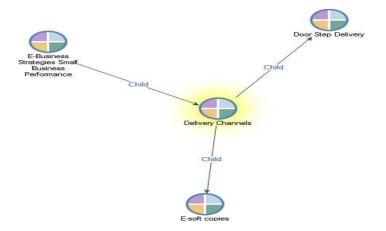
potential to effect switching behaviours". This was corroborated by the literature that defined customer loyalty defined as the behaviour that is associated with products or services or the company; it is the mindset of customers that hold a favourable attitude toward specific company and committed to buy back from the same company's products or patronize services of same company, and willing to recommend the same product/service to other people. According to Paul and James (2014), loyalty is a philosophy of leadership which seeks mutually beneficial management of the relationship between a company and its stakeholders.

Distribution channels are referred to as inter-organizational networks, it is described as a pathway for providing product flows from the firms to customers (Andrejic & Kilibarda, 2015). Distribution channels represent a network of partners between producers or firms to consumers including various intermediaries such as wholesalers and retailers, showing the route of moving goods from producers to industrial users or consumers. However, the purpose of distribution channels is to overcoming the gap (Cunningham, 2013). However, firms used the internet as a channel of distribution to offer instant supply at a significant reduction of delivery cost and it enhances tracking capability for customers (Aleksandra, Nada, & Marija, 2017).

Delivery channel as e-business strategy offered the advantage that includes much greater scope for firms to form a trading partnership; opportunities for lower costs associated with the negotiation and transactions of products and services through the use of automated systems. On customer loyalty, info6 said, "customer loyalty can be ensured through transparent pricing when the opportunities presented itself and also by value-adding services using electronic systems". Respondents on delivery channels strategies identified doorstep delivery and e soft copy delivery. For example, info5, 6 & 7 confirmed the effect of e channel strategies on customer



loyalty. Info7 confirmed that "in the 21st-century goods businesses can be transacted in the virtual realms".

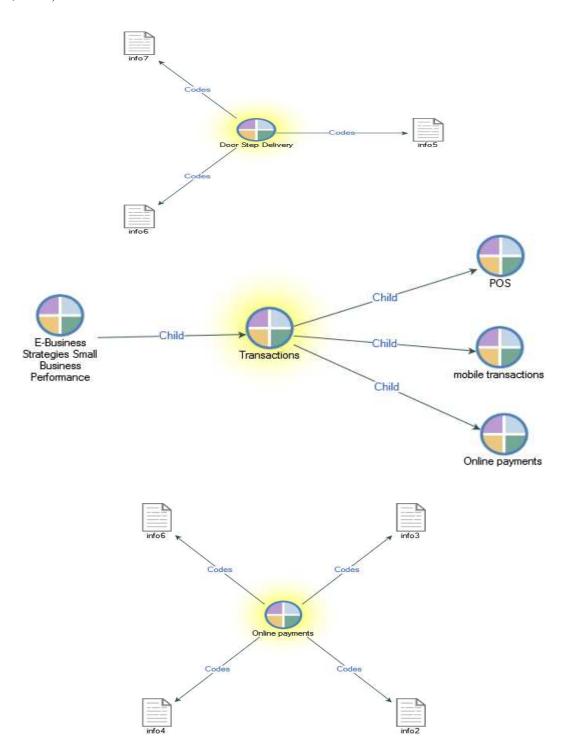


Aleksandra, Nada and Marija (2017) delivery channel as e-business strategy can be used by firms to acquire inputs and sell outputs, electronically, thereby saving on search costs and transaction costs. Since most products bought and sold in business to business marketplace require transportation, the exchange models invariably include automated multi-party transactions facilities. Therefore, research findings showed that the distribution channel can be used as a source of strategic advantages for all networked partners. Further findings showed that distribution channel has a positive significant impact on organisation performance (Cunningham, 2013).

Transaction process is referred to as a strategy that can be used to smooth transaction between firm and customers, increases efficiency and to lower transaction costs (Colin, 2006). This strategy has the potential to reduce transaction costs for customers because it enhances customers to shave easy access to market information on a wide range of products including, quality product, price, availability and discounts. This strategy can also increase internal efficiency within the organization by using the internet to reduce the amount of paperwork and administrative tasks associated that is associated with traditional forms of transaction. It can



equally manage inventory and stock control and reduce the procurement cycle time of inputs (Colin, 2006).



# 4.4 Discussion of Research Findings

#### 4.4.1 Discussion of Qualitative Finding

- Communication has a significant impact on the performance of FEMTECH Information Technology.
- The transaction process has a significant impact on the performance of FEMTECH Information Technology.
- iii. The delivery channel has a significant impact on the performance of FEMTECH Information Technology.

Using seven interviewees, the qualitative finding shows that there is a highly significant relationship between the variables of E-Business strategy and organizational performance. This was supported by the findings Yi (1990); Faris and Neil (2010); Noble (1999) and Colin (2006), which revealed that E-Business Strategy has a positive impact on organizational performance.

#### 4.4.2 Discussion of Quantitative Finding

- Communication does not have a significant impact on the performance of FEMTECH Information Technology.
- ii. Transaction process does not have a significant impact on the performance of FEMTECH Information Technology.
- iii. The delivery channel has a significant impact on the performance of FEMTECH Information Technology



#### **CHAPTER FIVE**

#### SUMMARY, CONCLUSION AND RECOMMENDATIONS.

#### **5.0** Preamble

This chapter discussed a summary of the research work and the conclusion was put forward based on the results of findings. Also, the chapter presented some recommendations and suggestions were made in relations to the direction for future research.

#### 5.1 Summary

The study focused on the impact of e-business strategies on the performance of small scale information technology firm in Kwara State. This research work started with the introductory part, discussing the background of the study. This was followed by a clear definition of the statement of the research problem that the researcher has observed. Objectives were drawn out to address the overriding objective- to evaluate the impact of e-business strategies on the performance of small scale information technology. The research objectives form the basis for the research questions and hypotheses. This was done through the operationalization of the two constructs (e-business strategies and organizational performance). The variables used to measure e-business strategies were communication, transaction process, and delivery channel while customer satisfaction and customer loyalty were used to measuring organizational performance.

The aforementioned variables were emphasized in the literature review section to provide a clearer understanding as regards the measurability and relations to their respective constructs. Different theories were reviewed, however, the theory adopted for the study is the stages theory which is built on the premises that the strategies of e-business come in stages. Also, the works of different scholars were reviewed to provide more depth to the understanding of the chosen topic.



This study adopted a mixed-method, it represents a series of different features of quantitative and qualitative in terms of the language, orientations, sampling, types of data, research questions, data collection procedures and types of analysis. For quantitative method, a close-ended questionnaire was adopted to elicit information from the respondents about the e-business strategies and organizational performance. The researcher drafted questions as an interview guide and also designed a data slip containing structured questions for existing customers of femtech to be able to gather the qualitative data. The study distributed 278 copies of questionnaire for the respondents and a total of 200 questionnaires were finally retrieved. SPSS was used to analyze the quantitative data. Seven small business owner was also purposively selected for interview using a semi-structured interview and thematic analyses were adopted with the use of NVIVO software to analyze the findings

The statistical result showed a negative and significant impact of communication while the transaction process and delivery channel on e-business strategies have an insignificant impact on organizational performance. The qualitative findings revealed that effective implementation of communication, transaction process and the delivery channel has a significant impact on e-business strategies and organizational performance.

#### 5.2 Conclusion

Conclusively, the research finding in quantitative terms shows that communication plays a significant impact on the operational performance of information technology firms as in the case of FEMTECH I.T firm. The variables identified under E-Business constructs such as transaction process and delivery channel were thoroughly evaluated about organizational performance. As this shows that delivery channel plays a significant impact on organizational performance while transaction process did not have much impact on organization performance. However, the



qualitative findings concluded that the effective implementation of communication, transaction process and the delivery channel has a positive and significant impact on e-business strategies and organizational performance.

#### 5.3 Recommendations

Based on the finding of this study, the following were recommended:

- i. the effective and efficient communication strategy should be put in place to ensure the proper relationship between the organization and its customers to build customer relationship.
- ii. efficient transaction process that would afford the customers to have a speedy transaction and negotiations should be put in place to guarantee customer retention and satisfaction.
- iii. efficient delivery of services should be a considerable factor in the efficient and effective management of Electronic Business to meet the needs of their esteemed customers.

# 5.4 Implication of the Study

The analysis of this research reveals that hypotheses one shows that communication has no significant relationship on the performance of small scale business. The implication of this is that effective communication on the parts of the organization and their esteemed customer does not have any significant relationship on the performance of small scale business. This reveals that despite good communication rapport between the organization and its clients, the performance on the part of small scale business remains the same. The second hypotheses which reveal that transaction process do not have a significant relationship with the performance of small scale business reveal that despite the efforts of the organization in devising a strategy that will ensure the smooth transaction between firms and customers, the performance of the small scale business remains unchanged. The last hypotheses of this research work which shows that the delivery



channel has a positive relationship imply that effective delivery channel to reach customers profitably significantly impacted on the performance of the small scale business.

#### 5.5 Contributions to Knowledge

This research work contributes significantly to the knowledge in this area of study as it serves as a supplement to existing E-Business literature. Methodologically, this study contributes to the existing literature of E-Business and organization performance by using both qualitative and quantitative method of data analysis to have an in-depth knowledge of the study. More so, the innovative variable used in this research work has not been found existing in most of the past work reviewed for this research work. Also, the result of the study will be useful for organizations that engage in e-business strategy. The geographical consideration of this research work which focuses on Kwara State, Nigeria as a case study reveals that E-Business is practicable in Nigeria through this research work.

# 5.6 Suggestions for Further Studies

This research work focused on the impact of E-Business on organizational performance. The study further suggests that further efforts should be carried out to use more innovative variables studies on this research that can lead to the generalization of the result and findings in not only service industry but in other areas of business endeavors.



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ACADEMIC QUESTIONNAIRE

Department of Business and Entrepreneurship,

School of Business and Governance

College of Humanities, Management and Social Sciences,

Kwara State University, Malete,

Kwara State Nigeria.

Dear Respondent,

I am postgraduate student in the Department of Business and Entrepreneurship, School of

Business and Governance, Kwara State University, Malete. I am conducting a research work

titled "Impact of e-business strategy on the performance of small scale information technology

firms". This research study is undertaken in partial fulfillment of the requirements for the award

of master's degree in Business Administration

A questionnaire has been developed which is essentially for research purposes and nothing else,

hence your participation and contribution to the success of this study will be greatly appreciated.

Please be assured that the data generated are purely for this research, and will be treated with the

utmost anonymity and confidentiality. Your cooperation is hereby solicited. Kindly give sincere

response to all the questions. Thank you for your anticipated participation

Yours Faithfully,

Latifat Adenike Ayantoye (Researcher)

Master of Science

Kwara State University H/P: 08133179468

Email: ayantoye.adenike@yahoo.com

المنسارات للاستشارات

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#### SECTION A: DEMOGRAPHIC INFORMATION OF RESPONDENT **INSTRUCTION**: Kindly fill the box by marking or ticking with the most appropriate alternative provided. ( ) 1). **Sex:** Male [ ] Female [ ] 2). Age: 18 - 20 years [ ] 21-25 years 26-30 years 30 years and above 3) Marital Status: Single [ ] Married Others [ ] 4) Ethnicity: Yoruba Hausa Igbo Others [ ] 5) How many years have you being patronizing FEMTEC IT? 1-5 years 6-10 years

#### SECTION B: QUESTIONNAIRE ON E-BUSINESS AND SME'S PROFITABILITY

**Instruction:** Please tick ( $\sqrt{}$ ) to indicate by ranking the degree of agreement based on your opinion on the importance of the following statements using a five point where Strongly Agree (SD= 5), Agree (A= 4), Undecided (U= 3), Disagree (D= 2), Strongly Disagree (SD= 1)

16 years and above

Once in a while

Γ 1

[ ]

11-15 years

Every time

Not remember

Γ

6) How often you buy product from FEMTECH IT?

## **COMMUNICATION**

	STATEMENTS		D	U	A	SA
		1	2	3	4	5
1	Company website allow ease access to information about their products and services					
2	2 Company provide information to customers on demand through internet services					
3	Company provides almost instant information that allow customer to have access to a wider range of service through website.					
4	<u> </u>					
5	Company website allow customer to give feedback about products and services offer by the firms					

## TRANSACTION PROCESS

S/N	STATEMENTS	SD	D	U	A	SA
		1	2	3	4	5
1	Transaction costs for customer were reduced by ease access to market information on wide range products including price, quality, availability and discounts.					
2	Firm website reduced the time and effort expended by customer to search for products and compare price.					
3	Company website play an important role in administrative costs reduction					
4	Firm were able to increase internal efficiency by using internet to reduce the amount of paperwork					
5	Firm were able to increase efficiency and lower costs of buying and selling by using internet system					



# **DELIVERY CHANNEL**

	STATEMENTS	SD	D	M	A	SA
		1	2	3	4	5
1	Firm make instant delivery of the products bought to the customers					
2	Customer enjoy low cost of products delivery					
3	Customers have capability to track products delivery through internet system					
4	Firm give discounts on delivery of products bought by the customers					
5	Firm make delivery of the products ease to the customers					

# **CUSTOMER SATISFACTION**

S/N	STATEMENTS	SD	D	U	A	SA
		1	2	3	4	5
1	1 What I get from buying products online meets my expectation					
2	The information content I derived from company online service met my needs.					
3	I look for convenience while conducting online shopping					
4	Price offered for the product via e-business is clear and affordable					
5	Customer is benefiting and satisfy from quality of e-business service					

#### **CUSTOMER LOYALTY**

S/N	STATEMENTS	SD	D	U	A	SA
		5	4	3	2	1
1	I would like to buy product from the firm due to their consistency					
2	I would continue buying from firm because of the ease access of information provided by the firm					
3	I would continue patronizes the firm as new product is introduced and upgrade the existing ones.					
4	Firm render exceptional services through internet with less effort and maximum output.					
5	I would remain to buy from the IT firm because of the information share about their brand through online services					

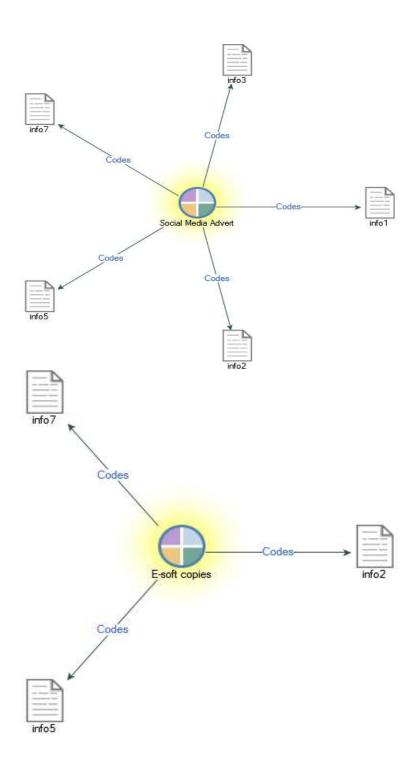


Please indicate any comments you have in order to improve this questionnaire:
Please, feel free to contact me on any issue(s) regarding to this questionnaire.
Thank you for your participation in answering this questionnaire

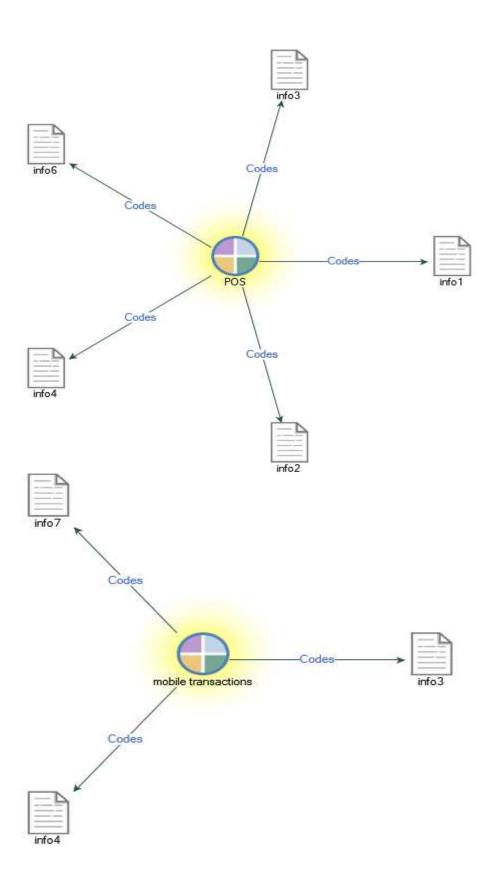














Raoso	ft <sub>®</sub>	Sample size calculator
What margin of error can you accept?  5% is a common choice	5	The margin of error is the amount of error that you can tolerate. If 90% yes, while 10% answer no, you may be able to tolerate a larger amount respondents are split 50-50 or 45-55.  Lower margin of error requires a larger sample size.
What confidence level do you need? Typical choices are 90%, 95%, or 99%	95	The confidence level is the amount of uncertainty you can tolerate. Su yes-no questions in your survey. With a confidence level of 95%, you w of the questions (1 in 20), the percentage of people who answer yes w margin of error away from the true answer. The true answer is the per you exhaustively interviewed everyone.  Higher confidence level requires a larger sample size.
What is the population size? If you don't know, use 20000	1000	How many people are there to choose your random sample from? The change much for populations larger than 20,000.
What is the response distribution? Leave this as 50%	50	% For each question, what do you expect the results will be? If the sam way or the other,the population probably is, too. If you don't know, use largest sample size. See below under <b>More information</b> if this is con
Your recommended sample size is	278	This is the minimum recommended size of your survey. If you create a people and get responses from everyone, you're more likely to get a convolute from a large sample where only a small percentage of the sample survey.

Source: Raosoft sample size calculator, (2019).

