The interoperability of mobile phone technology as a way to improve immigrant entrepreneurship in South Africa

**Tatenda Chidau** (a) and **Risimati Khosa** (b)

(a) Student, Applied Management, College of Economic & Management Sciences, University of South Africa, Pretoria, South Africa
(b) Doctor, Senior Lecturer, Applied Management, College of Economic & Management Sciences, University of South Africa, Pretoria, South Africa

**Abstract**

The paper seeks to illustrate the propinquity between mobile phone technology and the profitability of immigrant entrepreneurs' businesses and whether there is a positive effect. The outcome should ascertain if mobile technology could be propounded as a credible source of competitive advantage. The paper uses a qualitative approach, using content analysis as the research design tool. Data analysis was done through the conceptual content analysis approach. Various online databases such as EBSCOhost, Google scholar, JSTOR, and Science Direct were accessed for literature. Different terms (keywords) such as: “Mobile phone technology,” “mobile marketing,” and “mobile payment” were searched. The data collected through a systematic literature review were compiled, analysed, and generated conclusions. This paper deduces that immigrant entrepreneurs stand to gain a competitive edge by using mobile phone technology, thereby improving business performance. Future researchers need to expand the scope of their study to other sectors and industries globally. The paper exhibits the significance of apps and websites as mobile technology tools that can positively impact business performance. This paper outlines how mobile technology is now an essential catalyst in the performance of various business sectors. Results are essential to app and website developers, entrepreneurs and the business society.

**Keywords:** Challenges; Mobile Phone; Immigrant Entrepreneurship; SMEs; South Africa; Technology; Xenophobia.

**JEL Classification:** O35

**Article history:**
- Received 08 October 2022
- Received in rev. form 27 Nov. 2022
- Accepted 06 December 2022

**Introduction**

Each day, tens of thousands of individuals in developing nations buy mobile phones. South Africa has a comparatively high mobile phone adoption rate. Nearly 95% of adult South African consumers owned a mobile phone as of the end of 2009 (Matlala, Shambare & Lebambo, 2014, p.182). In contrast to two decades ago, when it was a mystery, mobile technology is now a unique requirement in any nation's urban and rural parts (Ranatunga, Priyanath, & Megama, 2021, p.53). In 2013, South Africa's mobile penetration rate was 10%, meaning that out of every 100 people living there, at least ten had just recently purchased and are using a phone (Matlala et al., 2014, p.182). Modimogale and Kroeze (2011) opine that the use of ICTs in small businesses is anticipated to potentially aid in improving communications (i.e., between suppliers and customers), lower operating costs (i.e., daily travel expenses to meet clients and acquire merchandise), and enhance access to information and expertise (i.e. being informed about prices in your business). Nevertheless, the difficulty is that SMEs mostly employ conventional tactics to maintain their competitiveness. To compete against local, national, and international rivals, they must leverage the power of ICT.

Technology, in the form of mobile financial services, is steering businesses to better performance (Ajamobi, 2014, p.2). In South Africa, mobile financial services are continuously altering the traditional ways of making payments, and the disruption is forcing companies to embrace technologies or risk becoming obsolete (Pfidugu, 2015, p.7). South Africa is regarded as an advanced economy in Africa (Makwara, 2019, p.8; Ngwenya, 2017, p.1), indicating that immigrant entrepreneurs play an integral role in the South African economy. Various researchers such as Asah and Louw (2021, p.2); Marchand and Siegel (2015, p.16); and Garg and Phayane (2014, p.61) have long advocated that immigrant entrepreneurs are essential to the growth of any country and South Africa is no
exception. The modern world's traditional way of doing business changed drastically with the emergence of technology (Santhosh, 2018, p.6). Hence, technology is acknowledged and shown to have a favorable impact on the performance of immigrant-owned businesses (Chimucheka, Dodd, & Chinyamurindi, 2018, p.6). This is in line with Dodokh and Al-Maaitah (2019, p.85), who lamented that there is a positive relationship between using social media to market goods and services, which improves customer relations, and positive influences on business performance. Therefore, technology does determine the future progress of Small and medium-sized enterprises (SMEs) over a period (Alheet, Hamdan, & AL-Bazaiah 2021, p.23). In agreement, Gupta (2017) argued that small businesses could use mobile devices to access real-time information on news, stocks, finances, and even popular culture. The available social apps for mobile devices also provide a wide range of marketing options. Because of cellphones, small businesses can now conduct business in previously unheard-of ways.

It hugely concerns that, globally, immigrant entrepreneurship is regarded as the catalyst to uplifting communities and resolving unemployment. In contrast, South Africa is battling with high unemployment and immigrant entrepreneurship is detested. Despite comprehensive international studies on immigrant entrepreneurship, South Africa needs more information on how immigrant entrepreneurs can implement different technologies simultaneously. To address the gap, this article focuses on ways immigrant entrepreneurs can achieve success by concurrently using different technologies. Globally, technology is embedded in people's daily activities. Moreover, the world is going through digital evolution. Therefore, for companies to be successful in this new era, there is a need to increase mobile adoption, leverage mobile devices, and proactively prepare for the future of mobile technologies (Srinivas, Friedman, & Eckenrode, p.2014:3).

The research explored how technology improves the profitability of immigrant entrepreneurs' businesses.

The objective of the study ought to answer the following questions:

- What are the benefits derived by immigrant entrepreneurs from using mobile phone technology? How does the implementation of mobile phone technology affect the profitability of businesses owned by immigrant entrepreneurs?

This study contributes to the literature by addressing how immigrant-owned businesses can benefit from the proliferation of mobile phone technology. There is evidence from the literature reviewed that mobile technology's interoperability can positively influence the profitability of immigrant entrepreneurship.

In establishing how technology can play a role in boosting the performance of immigrant-owned businesses, firstly, the study explores the literature from previous studies that relate to the research topic and explores the two supporting theories. Then, the study applied a qualitative research method. The data was gathered via reputable web databases and a conceptual content analysis approach was used to analyze the literature results manually. Finally, Microsoft Word was used to complete the selective reduction and produce the results.

This paper is organised in the following order: starting with a systematic review of literature, research approach, results and discussion, ending with the conclusion and implications.

**Literature Review**

The study does not fit neatly into a single literature body, therefore, it encompasses different aspects such as immigrant entrepreneurship, SMEs, and technology.

**Immigrant Entrepreneurs**

Chimucheka, et al (2018, p.2) propound that immigrant entrepreneurs are immigrants that establish and operate businesses in a foreign country, that is not their country of birth or origin, that they migrated to (the host country). According to the International Organisation for Migration (IOM, 2011, p.25), a migrant is:

An individual who relocates from his/her home country, or usual residential area to another area or a foreign country in search of better living conditions and job opportunities and that the country of destination effectively becomes his or her new country of usual residence.

Various immigrants are propelled into entrepreneurship due to a lack of job opportunities and the need for survival (Dheer, 2018, p.560). In a similar vein, numerous scholars consented that immigrant entrepreneurs are referred to as ethnic or minority entrepreneurs because they belong to a minority ethnic community (Najib, 2015, p.6). African immigrant entrepreneurs in South Africa are divided into two groups; those from the Southern African Development Community (SADC) and Non-SADC countries (Rogerson, 1997, p.10). In addition, globally, there are two different types of immigrant entrepreneurs: necessity and opportunity (Chrysostome, 2010, p.138). Hence, in South Africa, the migration of Zimbabweans is attributable to hunger, poverty, lack of security, political persecution, loss of livelihoods, health issues, educational advancement, and employment opportunities (Mpondi & Mupakati, 2018, p.231). Khosa and Kalitanyi (2015) underscored political instability and economic reasons as the main causes of migration into South Africa by immigrant entrepreneurs. Furthermore, Cobbinah and Chinyamurindi (2018, p.5) append that immigrants end up pursuing ‘dirty work’ due to the inability to meet work permit requirements or failure to attain documentation on time. According to Olawale and Garwe (2010, p.729), immigrant entrepreneurs operate diverse businesses that are stratified as small and medium-sized...
enterprises (SMEs). Several researchers such as Ngwenya (2017); Garg and Phayane (2014); Radipere (2012); Kalitanyi and Visser (2010, p.379) acknowledged that in South Africa, immigrant entrepreneurs operate predominantly in the retail or service sectors, compared to the manufacturing and production sectors of the economy.

Defining Small and Medium-Sized Enterprises

Globally there have been many attempts to define SMEs; however, there is no universal definition due to the different arrays considered by various countries (Moonsmay, 2017, p.7; Sitharam & Hoque, 2016, p.277). According to the Government Gazette, (2004:2-3), in South Africa, SMEs are defined as separate distinct entities, including cooperative enterprises and non-governmental organisations [NGOs], managed by one owner or more. The concept of SMEs also includes branches or subsidiaries as stated in the National Small Business Act (NSBA) 102 of 1996 amended in 2004. According to Rwigema and Karungu (1999), immigrant-owned SMEs are generally defined by revenue, assets (excluding fixed property), or the number of employees. However, Storey (1994, p.8) cautioned against using size to define a firm's status, arguing that in some industries, all firms may be considered small, whereas, in others, no firms may be considered small. Bolton (1971) attempted to solve the problem of defining small businesses as early as 1971 by developing what they called an "economic" definition and a "statistical" definition.

According to the economic definition, a firm is considered small if it meets three criteria: It has a relatively small market share; it is managed in a personalised manner by the owner or part-owners rather than through the medium of a formalised management structure, and it is independent in that it is not part of a larger enterprise. More so, according to Bolton (1971), the statistical definition is used in three major areas: Qualifying the size of the small firm sector and its contribution to GDP, employment, and exports; comparing the extent to which the small firm sector's economic contribution has changed over time; and comparing the economic contribution of small firms across countries.

In this study, a small business is regarded as an independently owned, managed, and controlled enterprise that is not dominant in its field of operation and employs fewer than 500 people.

Immigrant-Owned Smes in The Global Economy

The consensus is growing globally that immigrant entrepreneurs are pivotal in resolving socio-economic challenges in various countries (Mukwarami, Mukwarami, & Tengeh, 2020, p.490). Immigrant entrepreneurs are regarded as the foundation of prosperity in many developed countries (Opoku & Sandberg, 2017, p.179; Ramukumba, 2014, p.19). According to Najib (2015, p.9), immigrant entrepreneurs played a major role in advancing Sweden. Globally, Chinese immigrant entrepreneurs are renowned for providing cheaper substitute goods and services that they import from China (Kademaunga, 2017, p.112). In Ghana, immigrant entrepreneurs are very active and influential in the banking, insurance, and telecommunications sectors (Bosiakoh, 2011, p.7). However, Yendaw (2019, p.235) argued that immigrant entrepreneurs in Ghana are evading paying taxes to authorities and are responsible for the excessive competition which impaired other businesses. Based on Dheer (2018, p.556), immigrant entrepreneurs played a crucial role in building countries such as Australia, Belgium, Canada, Germany, and Spain.

In the USA, immigrant entrepreneurs are credited with innovation, the creation of jobs, and the formation of wealth (Marchand & Siegel, 2015, p.16; Garg & Phayane, 2014, p.61). In terms of patents per employee, small creative enterprises are 16 times more productive than large inventive businesses. As judged by patent activity, small enterprises are particularly inventive in some industries. Small enterprises, for example, own more than 32% of patents in smart grids and solar energy, as well as 15% of patents in batteries and fuel cells (Barringer & Ireland, 2016, p.46). According to Garg and Phayane (2014, p.60), the Chinese immigrants depleted competitors’ profits and drove the locals out of business in Hungary, by paying higher rental fees to landlords and simultaneously lowering the prices of goods. In Spain, there is competition among South Americans, Moroccans, and Eastern European immigrant entrepreneurs. However, those from Eastern Europe tend to have the most initial capital required to set up a business (Armengot, Parellada, & Carbonell, 2010, p.387).

Immigrant-Owned Smes in South Africa

According to Ngwenya (2017, p.1), South Africa is regarded as one of the most developed economies on the African continent. However, despite the lack of a universal agreement on the SME definition, there is also a well-documented record of the high failure rate of SMEs, particularly within the first year of operation (Fatoki, 2014, p.926; Abor & Quartey, 2010, p.220). In South Africa, the SME sector is not performing particularly well, which is supported by Sitharam and Hoque (2016, p.277), who indicated a high failure rate of SMEs, averaging 50%. Furthermore, local SME operators tend to underperform when compared with immigrant entrepreneurs as outlined by Charman, Petersen, and Piker (2012) and Radipere (2012). Various researchers focused on how immigrant entrepreneurs managed to run their SMEs successfully and the findings all revealed a link between how immigrant entrepreneurs made use of different business practices simultaneously (Chidau, Khosa, & Phillips 2022). Naudé, Siegel, & Marchand (2017, p.3) disputed the notion of immigrant entrepreneurs’ success by outlining the lack of empirical evidence to prove it. These differences in opinions of researchers have resulted in mixed views on how immigrant owned SMEs are operated in South Africa.

Immigrant-owned SMEs in South Africa include different business types, but all operate in the formal and informal sectors (Moonsmay, 2017, p.10). In their study with a sample of 378, Mukwarami et al (2020) reported that immigrant entrepreneurs operate in the trading and service sector. There was consensus amongst the majority of participants that access to technology is beneficial for
the success of their businesses (Chimucheka et al, 2018, p.6). Regardless of the glamorising of SMEs in South Africa, the majority barely break even or survive (Govuzela & Mafini, 2019, p.2). Low returns in the SMEs were a major factor indicated by locals as the reason for them abandoning operating SMEs (Ngwenya, 2017, p.4; Charman et al, 2012, p.47).

Barriers Facing Immigrant Entrepreneurs

There is a greater need to understand the persecution of immigrant entrepreneurs in the environment in which they operate. Immigrant Entrepreneurs encounter different obstacles; Mukwarami et al (2020, p.499) expounded that inaccessibility to finance, lack of managerial skills, high crime rate, and inaccessibility to global markets are the domineering obstacles to the existence of SMEs. More so, controversies such as xenophobia (Maharaj 2002; Hunter & Skinner 2003) and competition further negatively affected immigrant entrepreneurs (Khosa, 2014, Khosa & Kalitannyi, 2014), however, inconsistent with the previous researchers, it surfaced that lack of technology seldom affected SME growth (Mukwarami et al, 2020, p.499). It is documented that various institutions in South Africa subconsciously discriminate against immigrant entrepreneurs despite them possessing valid documentation (Crush & Tawodzera, 2017, p.12; Naudé et al, 2017, p.11). According to Opoku and Sandberg (2017, p.199), immigrant entrepreneurs are affected by different political parties’ ideologies, particularly when governments change in a country. Furthermore, Sekatane (2018, p.105) and Tinuoye, Olalekan, and Adenike (2015, p.718) explained that lack of finance is the biggest challenge faced by immigrant entrepreneurs.

The assertion is that labour laws in South Africa are very restrictive as they entail having employers’ contributions compulsory to unemployment insurance and requiring paying employees a minimum wage, which can adversely affect SMEs with limited finances (Musara & Gwaindepi, 2014, p.113). More so, Amien (2020, p.1) exhibited how Muslim and Hindu females are discriminated against as religious marriages are not recognised legally in South Africa. Consequently, females are left vulnerable in cases of divorce or the death of a husband. In South Africa, immigrant SME owners constantly face hostility and xenophobic attacks (Field, 2017, p.1; Ngwenya, 2017, p.38). Additionally, the contradicting views of the government exhibited a lack of support for entrepreneurs by downplaying xenophobia as mere acts of criminality (Crush & Tawodzera, 2017, p.9). These indications confirm that the lack of resources restrict immigrant entrepreneurs from quickly adapting to changes in the market. Immigrant entrepreneurs in South Africa tend to operate in close proximity to populated residential areas and that negatively affects their business when there are service delivery strikes and xenophobic attacks (Sekatane, 2018, p.103; Garg & Phayane, 2014, p.61).

Even though the South African government is currently actively involved in improving the SME sector, there were major restrictive growth factors that were noted, such as unfavourable labour laws, tax laws, BEE3 laws and government bureaucracy (Sitharam & Hoque, 2016, p.284; Neneh, 2014, p.260). In South Africa, immigrant entrepreneurs struggle with meeting the work-permit requirements or fail to attain documentation on time (Cobbinah & Chinyamurindii, 2018, p.5). According to immigrant entrepreneurs in South Africa, they face herculean tasks and extreme complications when registering a company (Akinyemi & Adejumo, 2018, p.7).

Nabee and Swanepoel (2021, p.9) outlined the difficulties encountered by immigrant-owned SMEs, whereby large retailers use dominant behaviour, which negatively influences SME’s cash flow. More so, SMEs cannot compete due to their lack of negotiating power to go against big companies, which reflects supply chain bullying, something that immigrant entrepreneurs are forced to accept (Nabee & Swanepoel, 2021, p.9). However, Neneh (2012, p.3364) attributed the high failure rate of SMEs in South Africa to a lack of entrepreneurial education and mindset. Whereas, Olarewaju and Msomi (2021, p.112) concluded that accounting skills were requisite in ensuring that SMEs perform successfully through financial sustainability. For South Africa to have a solid industrial sector, it is thus a requirement to have a successfully functioning SME sector (Olarewaju & Msomi, 2021, p.103). Neneh (2012, p.3370) adamantly outlined that optimum SME success in South Africa is achievable through increasing the level of entrepreneurial mindset amongst immigrant entrepreneurs. The entrepreneurial mindset will be crucial in putting together business practices that complement each other. Although there is an increase in the availability of information on SME growth, there are still many obstacles to overcome (Mukwarami et al, 2020, p.494).

Technology

Technology has disrupted the traditional way of doing business in the modern world, especially with the availability of seamless mobile internet browsing (Santhosh, 2018, p.6). Hence, technology is considered mystifying by SMEs and considered too costly to acquire, and manage (Durowoju, 2017, p.744). Technology is regarded as a factor that enables easy penetration into new markets and improves business brand image and brand awareness. According to Nuseir (2020, p.2) and Santhosh (2018, p.6), the emergence of technology-enabled immigrant entrepreneurs to reach new economic markets increased the ease of how businesses communicate with their customers. Furthermore, the internet and electronic devices truncated the global range and eased the way of doing business between companies (Mgunda, 2019, p.149). Businesses need to be aware of technological changes such as automation to keep abreast of changes in the business environment (Wilburn & Wilburn, 2018, p.36). Chimucheka et al (2018, p.4) specified that technology is essential in improving business performance. SMEs that invest in technology can easily solve problems aligned with their business

3 Broad-based black economic empowerment
(Durowoju, 2017, p.749). Various elements such as online businesses, consumer payments, mobile payment and e-commerce emanated from the evolution of technology (Mgunda, 2019, p.149).

Different Types and Forms of Technologies

In this world, humans are producing, altering, storing, communicating, and disseminating information via technology. There are ample capabilities as data, audio, and video circulates at rapid speeds due to technology. Furthermore, technologies vary immensely as explained by Berisha-Shaqiri (2014, p.75) and it includes solutions for different business sectors, but the study focuses on communication technologies that include elements such as; personal computers (laptops), televisions, electronic appliances, and current portable gadgets like smartphones. Mishra and Mahalik (2017, p.1935) explained how businesses use online advertising as an indispensable form of communication used to lure and engage future customers. Electronic media-based business systems such as radio and the internet, including mobile phone technology, software, apps, and television all represent e-commerce (Mgunda, 2019, p.150). This research adopted mobile cellular phones as the main technology on the rise as people are using them daily to conduct business and communicate. In this paper, the term mobile phone is used interchangeably with cellular phones and smartphones. According to Sarpong and Agbeke (2020, p.1), there is an astronomical growth rate of the population internationally and that has drawn attention to mobile cellular phone technology to solve existing problems. Therefore, mobile phones have evolved continuously and now resemble computers, which are capable of implementing financial services (Masamila, 2014, p.53; Wu & Yen, 2014, p.1222).

Internationally, there is an increased awareness of using social media on smartphones as an advertising strategy. In a country such as Jordan, social media is now the primary driver for advertising strategy for many businesses (Dodokh & Al-Maaitah, 2019, p.75). Globally mobile cellular phone technology is evolving and has birthed mobile commerce (Gao & Waechter, 2017, p.525). Currently, mobile phones are also used to access banking and financial services (Salam, Saha, Rahman, & Mutsuddi, 2021, p.101).

Merits and Demerits of Mobile Phone Technology

Internationally, mobile phone technology is portrayed as both a barrier and an enabler to newcomers in an industry. Furthermore, mobile phone technological advancements enabled advanced immigrant entrepreneurs to become omniscient in operating businesses in host countries. (Pruthi & Tasavori, 2022, p.3). Sarpong and Agbeke (2020, p.1) assert that mobile phones are now used as tools of advancement in the world and have become advantageous to businesses. Mobile phones are enabling financial inclusion and creating innovations within previously unbankable societies (Ahmad, Green, & Jiang, 2020, p.753). More so, internet banking accessed through mobile phones encompasses the checking of bank balances, bookkeeping, bill payments, money transfers, and account information retrieval (Mgunda, 2019, p.153). Today, businesses can connect with consumers directly via social media, blogs, and email globally because of mobile phone technology (Alheet et al, 2021, p.25). Mobile phones are credited with resolving challenges faced in informal remittances, like sending money to relatives by bus and giving birth to innovation that produced mobile financial services (Adjei & Odei-Appiah, 2018, p.110).

New markets are now easily accessible due to mobile phone technology (Nuseir, 2020, p.2; Santhosh, 2018, p.6). Wilburn and Wilburn (2018, p.29) point out that the e-commerce business, Amazon, is working on using drones to deliver goods to customers’ doorsteps, therefore making transportation and deliveries efficient and allowing customers to live track packages on mobile phones. Mobile phone technology is currently playing a major role in the business sector whereby entrepreneurs are now innovative, proactive, and risk-taking. Furthermore, work is now accomplished more easily and is made more cost-effective through things such as social media (Dodokh & Al-Maaitah, 2019, p.84). Social media outlets available on smartphones such as Facebook, YouTube, Instagram, and Twitter are currently applied to discover, attract, and inform prospective customers (Zarouali, Brosius, Helberger, & De Vreese, 2021, p.267; Venkateswaran, Ugalde & Gutierrez 2019, p.5). Apart from the advantages discussed, there are various drawbacks of mobile phone technology, which affect the performance of a business. Santhosh (2018, p.8-9) argued that mobile phone technology also has negative effects as:

i. The abandonment of brick-and-mortar banks and retail stores.
ii. Spam has led to time-wasting through unwanted and excessive unsolicited messages.
iii. The internet algorithms that constantly send unwanted notifications and adverts can irritate prospective customers.
iv. Low morale amongst the employees due to constant monitoring or blurred lines between working time and off time.

There are risks associated with mobile phone technology regarding social media, which entail; negative comments, viruses and malware, brand hijacking, lack of control over corporate content, and unrealistic customer expectations (Venkateswaran, Ugalde, & Gutierrez, 2019, p.6). Tajvidi and Karami (2021, p.8) reiterated that using social media on smartphones does not automatically guarantee positive results for the immigrant entrepreneur, however, this may improve marketing capabilities.

Factor Components of The Proposed Theoretical Framework

The study is based on a desktop concept to review the literature on immigrant entrepreneurs and technology and assess the need to seek a framework that will best explain immigrant entrepreneurs in South Africa. The adapted theoretical framework is rooted in the notion that there is a positive relationship between technological advancement and firm performance. In this study, two complementary theories, inclusive of the Resource-Based View (RBV) theory, are infused as outlined next. The RBV theory is
supported by the Wang, Chang and Shen (2015) hypothesis, which also outlines how the use of mobile technologies can improve business performance. In figure 1, a theory by Wang et al (2015) exhibits that technological innovation or advancement influences firm performance.

Figure 1: The Link Between Technology Advancement and Firm Performance; Source: Wang, Chang, and Shen (2015).

Technology scouting implies identifying a suitable facet such as mobile technology and that, coupled with vertical technology collaboration, entails the co-action of a business with its customers. Vertical technology enables immigrant entrepreneurs to develop appropriate technologies and customer-based innovation that create improved interactions and performance (Wang et al, 2015, p.223). Therefore, mobile phones alone will not add value to immigrant-owned businesses but, when fused with apps or websites, will enable a perdurable interaction between the business and its customers. Arguably, the customers are the most important stakeholders hence their needs are invaluable in any immigrant-owned business. Furthermore, Alheet et al (2021, p.25) adduce that, via mobile phone technology, information is available regardless of the customers and business location. The use of mobile phone technology is responsible for the way businesses are competing (Alalie, Harada, & Noor, 2018, p.1).

Resource-Based View Theory

The Resource-based View (RBV) theory was adapted as it better explains and explores how a business can be more profitable than its competitors, and more distinguishable using mobile technology (Thompson, Strickland, & Gamble, 2016, p.3; Venter, 2015, p.2). The RBV theory entails that competitive advantage for a business is achievable through possessing a combination of resources (Hesterly & Barney, 2019, p.80). Lazenby (2018, p.115) explained that a business that owns rare and valuable resources is capable of improving its overall performance. Furthermore, Hesterly and Barney (2019, p.64) state that intangible assets are more crucial and valuable than tangible assets in the creation of competitive advantage. Mobile phone technology is an asset that can be used to create a competitive advantage for a business. Heeding that the resource-based view (RBV) differs from the traditional economic theories that rely on external resources, its basis is entrusted to internal resources (Alalie et al, 2018, p.3). Here on, immigrant entrepreneurs are capable of tailor making apps and websites on mobile phones to reach customers, this can be heterogeneous resources that cannot easily be duplicated. As indicated before, cellular phones are enabling customers and businesses to make mobile payments and do banking, resulting in instantaneous feedback.

Research Methodology

This study follows a qualitative approach, using content analysis as the research design tool. Content analysis is used when there are human artefacts in the communication and study of documents such as books, personal journals, the internet, and television (Leedy & Ormrod, 2015, p.275; Kothari, 2004, p.110). Furthermore, data analysing was done through the conceptual content analysis approach, which was conducted by hand. The conceptual content analysis approach, although it explores data in communication represented using words, does further dictate the existence and prevalence of concepts in a text (Bengtsson, 2016, p.10; Wilson, 2011, p.177).

The analysed data in the study sought to explain the phenomenon of how mobile technology influences immigrant entrepreneurs. The methodology of gathering information included an online library to search for books and research journals with information on how cellular phone technology is being used or can be used, to give businesses a competitive advantage. Methodically, the secondary data were obtained from various online databases such as EBSCOhost, Google scholar, JSTOR, ProQuest, Scopus, and Science Direct, and were accessed because of their ability to retrieve relevant literature from different journals. In this paper, different search terms (keywords) were applied as; “Mobile phone technology”, “mobile marketing”, and “mobile payment”.

The study applied selective reduction through Microsoft Word. Therefore, the data gathered were analysed and generated the results that led to conclusions, which are considered to be of interest and helpful to different stakeholders.
Results and Discussion

The literature exhibits that mobile phone technology is considered a cutting-edge form of technology. More so, there is intense competition among immigrant entrepreneurs as to how best to meet the needs of their customers, and mobile technology is constantly used to differentiate competitors. Smartphones are undeniably enabling the dissemination of information to the previously unreachable population. There is a new trend, globally, of advertising on cellular phones, known as mobile marketing, which is deemed cost-effective and efficient, compared to traditional methods like TV adverts. Evidently, mobile phone technology is giving businesses operational freedom and is enabling businesses to carry out various tasks in a much more effective and efficient way without bulk equipment like desktops. The literature acknowledges that mobile phone technology removed the barriers of operating hours and having to physically visit the business premises.

This article demonstrates that mobile phones, in the composition of RBV theory, are considered tangible assets, although they do not necessarily provide a competitive advantage in the future for immigrant entrepreneurs due to their easy availability. However, there are intangible assets that can be embedded within mobile phone technology, such as apps and websites. The findings suggest that an immigrant entrepreneur can have tailor-made apps and websites which are rare and valuable resources that will directly reach the targeted market. This is in line with Nuseir (2020, p.1) who acknowledged that advertising online is instant and creates trust and appeal to customers. Avowedly, customers can do shopping from any location in the world. In this article, customer convenience, increased accessibility, cost-cutting, customer insight, and market expansion are regarded as valuable and rare resources. It is evident from the literature that apps and websites will continuously nurture goodwill and brand presence, which will provide a long-term, sustained, competitive advantage. Through these findings, we also found that Facebook, Twitter, WhatsApp, and Instagram are regarded as the ‘big four’ when advertising online, and the advertisement is tailored to the specific interests of customers (Zarouali et al, 2021, p.267; Nuseir, 2020, p.7).

In addition to the discussion, apps and websites enable customers to pay when shopping online and assist immigrant entrepreneurs to advertise and direct marketing products online. These findings are aligned with research by Chidau et al (2022, p.9), which stated that advertising increases sales and results in more profit for the business. Mgunda (2019, p.153) evinced that customers can make online payments on websites or apps, thereby removing the need to be in-store and to carry cash for payments. However, there is a need for immigrant entrepreneurs to ensure there is cooperation with service providers that host their apps and websites. This validates research by Wang et al (2015) who posit that horizontal technology collaboration entails the partnership between immigrant-owned businesses with mobile companies that provide the networks used by customers to make transactions. The cooperation ensures that there is a felicitous link between immigrant entrepreneurs and customers.

Immigrant entrepreneurs can upload promotions regularly at a cheaper cost compared to mainstream media houses. For example, apps such as Facebook and Twitter are being used for advertising free of charge. Furthermore, WhatsApp and Facebook are contributing enormously to online businesses whereby customers can view and purchase online (Ibrahim, Ros, Sulaiman, Nordin, & Yuan 2014, p.1). The impact of the adverts on a business can be easily monitored by checking the traffic and sales on the websites and apps. These findings are congruent with research by Wang et al (2015) who articulate that vertical technology collaboration means the partnership between the business and its current and future customers. Immigrant entrepreneurs are, therefore, able to make corrections after accessing feedback from customers. Furthermore, convenience warrants that all queries can be easily addressed as an interaction between customer and business in real-time online, which is aligned with previous studies such as Alheet et al (2021, p.25). Market expansion is easy due to global reachability as there are no geographical boundaries with websites and apps. These findings are concomitant with Santhosh (2018:6) who highlights that mobile phone technology removed geographical boundaries in business.

Conclusion

The article has examined how technology can improve the profitability of immigrant-owned businesses. Mobile phone technology is a crucial and essential element in our day-to-day living. Therefore, immigrant entrepreneurs need to understand how to utilise technology to improve operational efficiency fully. Immigrant entrepreneurs gain a competitive edge when they use mobile phone technology, thereby improving business performance. However, when comparing the findings from the literature, it is evident that having apps and websites for immigrant businesses does not translate to actual customer buying behaviour. Moreover, online advertising poses significant challenges when there is a need to enforce consumer protection rules.

Indubitably, every aspect of modern life, the economy, politics, and society have all been affected by the proliferation of mobile phone technology. Interestingly, Masamila (2014, p.53) acknowledged that, globally, the rapid growth of mobile phone technology is unprecedented to any other technology in the history of humankind. Nevertheless, unfortunately, all the rare and valuable resources are futile if there is no reliable network and data on mobile phones.

An immigrant-owned business using mobile marketing will be able to tailor-make information disseminated to potential customers, which is regarded as niche marketing, and transact virtually. The generalisation of the results is impossible, as technology and accessibility varies around the globe. The paper is only limited to immigrant entrepreneurs. Customer characteristics and traits differ
globally. Based on our findings, we can conclude that mobile phone technology can positively influence the profitability of immigrant-owned businesses.

Acknowledgement

All authors have read and agreed to the published version of the manuscript.

Author Contributions: Conceptualization, T.C., and R.K.; methodology, T.C., and R.K.; validation, T.C., and R.K.; formal analysis, T.C., and R.K.; investigation, T.C., and R.K.; resources, T.C., and R.K.; writing—original draft preparation, T.C.; writing—review and editing, T.C., and R.K.

Funding: This research was funded by T.C., and R.K.

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to restrictions.

Conflicts of Interest: The authors declare no conflict of interest.

References


Neneh, N.B. (2014). Determining high quality SMEs that significantly contribute to SME growth: regional evidence from South Africa. *Problems and Perspectives in Management*, 12(4-si)


Publisher's Note: SSBFNET stays neutral with regard to jurisdictional claims in published maps and institutional affiliations.