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The Intersection Of Digital Entrepreneurship And Business Ethics: A Case Of Digital Entrepreneurs Selling Clothes On Whatsapp Platform In South Africa

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Abstract
The rapid evolution of digital technologies has transformed the business landscape, particularly in the realm of online retail. This article explores the intersection of digital entrepreneurship and business ethics with a focus on digital entrepreneurs selling clothes on the WhatsApp platform in South Africa. Drawing on Schumpeter's theory of entrepreneurship, the study highlights how these entrepreneurs act as innovators who disrupt traditional retail models through creative approaches to e-commerce. McClelland's theory of needs further informs the analysis by examining the personal motivations—such as the need for achievement, affiliation, and power—that drive individuals to pursue and sustain entrepreneurial ventures in the online space. Using qualitative case studies and in-depth interviews, the research reveals that adaptability, digital literacy, and intrinsic motivation are key to navigating the challenges of a VUCA environment. The article contributes to the discourse on digital entrepreneurship in emerging economies, offering theoretical and practical insights into the dynamics shaping South Africa's online clothing market. This article focused on entrepreneurs who sell goods from overseas countries such as China and Turkey. The paper used secondary data gathered through participant -observation from 5 WhatsApp groups whereby the author is a member. The data collection methodology is Participant Observation. The findings of the study indicate that the entrepreneurs involved in digital entrepreneurship are managing to make a living out of the business and leveraging on the usage of the internet in order to decrease the unemployment in South Africa. The findings indicate that customers trust the entrepreneurs, pay money without knowing the people and are never sure if they will receive their orders. The study recommends that the entrepreneurs should uphold high ethical standards, be trustworthy and deliver to the customers as promised..
Keywords VUCA, Online businesses, digital entrepreneurs, digital entrepreneurship, Digital marketing, E-commerce
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INTRODUCTION

Digital entrepreneurship has emerged as a transformative force in the global economy, driven by rapid technological advancements and the ubiquity of the internet. It encompasses the creation of ventures and innovation in digital spaces, leveraging technology to deliver goods, services, and solutions to consumers (Davidson & Vaast, 2018). Platforms like e-commerce, digital marketing, social media, and fintech have provided unprecedented opportunities for entrepreneurs to scale their businesses, disrupt traditional industries, and contribute to economic development (Nambisan, 2017). In addition, the digital economy has also revolutionised how businesses operate, creating unparalleled opportunities for innovation, efficiency, and connectivity. Furthermore, the COVID-19 pandemic and the volatile, uncertain, complex, and ambiguous (VUCA) environment have also significantly transformed the entrepreneurial landscape. Entrepreneurs are increasingly gravitating towards digital ventures, which offer agility, scalability, and cost-effectiveness compared to physical shops. This shift reflects broader changes in consumer behavior, technological adoption, and market dynamics (McKinsey, 2020).

In South Africa, the access to platforms such as WhatsApp, X (formerly known as Twitter), Instagram, TikTok and Facebook has encouraged a lot of people to start businesses and there is a plethora of advertisements on social media advertising various commodities such as clothes especially from Turkey and China; household appliances and brands like SMEG appliances and many more. These digital entrepreneurs create WhatsApp and Facebook links whereby they attract and encourage potential customers to join such platforms.

However, the digital economy's evolution has also raised significant ethical concerns. Issues such as data privacy, cybersecurity, misinformation, and algorithmic bias have put digital entrepreneurs under scrutiny. The rise of platforms reliant on user data and artificial intelligence has led to debates about the balance between innovation and the ethical use of technology (Floridi & Taddeo, 2016). For example, companies operating in the gig economy, such as Uber and Deliveroo, have faced criticism for their labor practices and their reliance on technology to circumvent traditional regulatory frameworks (Kenney & Zysman, 2016).

In this context, integrating business ethics into digital entrepreneurship is not just a moral obligation but also a strategic imperative. Ethical practices in digital entrepreneurship enhance trust, protect brand reputation, and contribute to long-term sustainability (Crane, Matten, Glozer & Spence, 2019). This article explores the intersection of digital entrepreneurship and business ethics, examining how entrepreneurs can balance innovation with ethical responsibility while navigating challenges in the digital age.

BACKGROUND TO THE STUDY

The COVID-19 pandemic became a catalyst for digital entrepreneurship. COVID-19 disrupted traditional business operations, forcing entrepreneurs to adopt to digital strategies. Social distancing, lockdowns, and shifts in consumer preferences accelerated the transition to online platforms (UNCTAD, 2021). E-commerce became a critical channel during the pandemic, with global online sales increasing by 27.6% in 2020 (UNCTAD, 2021). Entrepreneurs leveraged platforms like Shopify, Etsy, Amazon and Take-a-lot in South Africa to meet this growing demand, bypassing the challenges of operating physical stores. In South Africa, online shopping has scaled up in such a way that shops such as TEMU, SHEIN and others use sponsored advertisements on websites, Facebook, Instagram and other social media platforms in order to advertise their products. A lot of literature is available which focuses on online businesses and digital entrepreneurship (UNCTAD, 2021, Brynjolfsson et al., 2020;McKinsey, 2020,(Floridi & Taddeo, 2016). However, none of them focused on the usage of WhatsApp in particular as a business platform although the platform is able to create business accounts and also individual accounts for personal usage. Therefore, this paper will focus specifically on the WhatsApp platform.

Furthermore, remote work became the norm during the pandemic, prompting businesses to adopt digital tools such as Zoom, Slack, Microsoft Teams, GoogleMeet and many more. This lowered operational costs, enabling entrepreneurs to manage operations without physical offices (Brynjolfsson et al., 2020). Many service industries, including education and fitness, transitioned to digital models. Platforms like Udemy and Peloton gained traction as entrepreneurs reached customers via virtual channels (McKinsey, 2020). The VUCA environment has further solidified digital entrepreneurship as the dominant business model.

Physical businesses faced numerous challenges during and after the pandemic such as health and safety concerns due to reduced foot traffic due to ongoing health fears made it difficult for physical shops to recover. The pandemic caused widespread supply chain disruptions, which disproportionately affected physical retailers reliant on just-in-time inventory models (Floridi & Taddeo, 2016).

The COVID-19 pandemic and the VUCA era have accelerated the growth of digital entrepreneurship by fostering a shift toward flexible, scalable, and technology-driven business models. The reduced risks, increased market reach, and alignment with changing consumer behaviors make digital entrepreneurship a compelling alternative to traditional physical shops. Entrepreneurs who embrace digital solutions are better positioned to navigate the complexities of the modern business environment and drive innovation in the post-pandemic world (McKinsey, 2020). Therefore, this study will explore the intersection between digital entrepreneurship and business ethics of entrepreneurs selling clothes online using WhatsApp platform in South Africa.

RESEARCH PROBLEM

Besides the COVID-19 pandemic, South Africa's unemployment rate is one of the highest in the world. South Africa continues to grapple with a high unemployment rate, although recent data shows a modest improvement. According to the Quarterly Labour Force Survey (QLFS) for Q3 2024, the official unemployment rate decreased to 32.1%, down from 33.5% in the second quarter. This translates to 8 million unemployed individuals out of a labor force of 24.9 million. Youth unemployment remains particularly high at 45.5%, underscoring a critical challenge in addressing economic inclusion for young South Africans (Statistics South Africa, 2024).

Despite the high unemployment figures, digital entrepreneurship presents a promising avenue for job creation. Platforms like WhatsApp, Facebook, and Instagram allow individuals to launch businesses with minimal startup costs. This trend is evident in the informal sector, which recorded a 165,000 job increase during Q3 2024, as digital platforms increasingly facilitate trade and service delivery (Current Affairs ZA., 2024). Therefore, the objective of this paper is to investigate the Volatility, Uncertainty, Complexity and Ambiguity (VUCA) of the Online businesses with a specific focus on digital entrepreneurs selling clothes from China and Turkey. The focus of this study is on digital entrepreneurship conducted through WhatsApp platform.

LITERATURE REVIEW

Digital entrepreneurship offers opportunities to bridge the economic gap, especially in rural and marginalized communities. These platforms reduce barriers to entry by eliminating the need for physical infrastructure and enabling broader market access. By fostering innovation, digital businesses can alleviate unemployment and provide sustainable livelihoods, particularly for youth and women who face systemic challenges in traditional labor markets (Briefly News, 2024).

Advantages of digital entrepreneurship
The rapidly changing business landscape has highlighted the advantages of digital-first approaches which include the following:
Volatility: Digital Agility
Digital businesses can adapt quickly to market changes. For instance, online retailers can adjust product offerings or pricing in real time, a flexibility unavailable to physical shops (World Economic Forum, 2021).
Uncertainty: Risk Reduction
Physical shops involve high fixed costs, such as rent and utilities, making them riskier in uncertain economic times. Digital entrepreneurship offers a low-cost, low-risk alternative. For example, South African entrepreneurs have increasingly used platforms like Takealot to operate online without the financial burden of physical stores (UNCTAD, 2021).
Complexity: Leveraging Technology
Entrepreneurs use digital technologies such as Artificial Intelligence (AI) and analytics to navigate complex markets. Predictive algorithms enable e-commerce businesses to personalize customer experiences, increasing competitiveness (Nambisan, 2017).
Ambiguity: Encouraging Innovation
Ambiguous market conditions have prompted entrepreneurs to explore new models, such as subscription services and virtual events. Digital platforms like Patreon and Zoom have facilitated this shift, offering global reach and monetization opportunities (Kenney & Zysman, 2016).
Preference for Online Shopping
Consumers increasingly valued the convenience and safety of online shopping, pushing businesses to invest in digital channels. A McKinsey (2020) study revealed that e-commerce adoption surged during the pandemic across all demographic groups.
Trust in Digital Transactions
Enhanced trust in online payments and financial platforms such as PayPal and SnapScan has encouraged digital entrepreneurs to innovate in e-commerce and fintech (UNCTAD, 2021).
Cost Efficiency and Scalability
Digital entrepreneurship is inherently more scalable than physical businesses. Entrepreneurs can launch online ventures with minimal investment, using platforms like Shopify and Etsy. This contrasts with the high initial costs associated with opening physical shops (World Economic Forum, 2021).
Global Reach
Digital businesses can cater to global audiences, a feat difficult for physical shops. For instance, African entrepreneurs using platforms like Jumia and Take-a-lot expanded their market reach during the pandemic (UNCTAD, 2021).
Pattern of ordering clothes online through WhatsApp
Many South African entrepreneurs are presently involved in digital entrepreneurship in various ways. This article will focus on entrepreneurs who sell goods from overseas countries such as China and Turkey. The entrepreneurs follow an established pattern of ordering goods as follows:
Step 1: The entrepreneur creates a link and advertises it on the social media indicating the goods that are being sold, for instance, clothes, furniture, household goods such as dishes, machines and others. An example of a link is indicated below:

Open this link to join my WhatsApp Group: https://chat.whatsapp.com/JkTR59DU1aH4FqUBZmLqTb
Step 2: The potential buyers then "click" on the link and are immediately part of the group, be it on WhatsApp or any other platform;
Step 3: The entrepreneur posts the goods on the platform in available colours, price and available sizes if it is clothes. An example is indicated below in figure 1: **PRICE: R550.00 – ALL COLOURS ARE AVAILABLE**
Figure 1: Available colours for Steve Madden bags

Step 4: Then the potential buyers choose the products or goods they want and indicate their choice to the entrepreneur who in turn sends the potential buyers the banking details for payment. An example is indicated below in Figure 2:

Figure 2: Example of dress sizes

First serie
36-Justine

38-Phindile✅

40-Liile✅

42-Mirriam M✅

2nd Serie

36-Victoria L✅

38-Majambase✅

40-Vero✅

42-Prriscilla J✅

3rd Serie

36-Wancy

38-Nomandla✅

40-Mmamma✅

42-Tshidi M

4th serie

36-Wancy

38-Antjie M✅

40-Nonkoliso✅

42-Dinah L✅

****R1150*Preorder****
Payments are Open
Step 5: The entrepreneur orders the goods and depending on the number of orders, the consignment takes 4 – 6 weeks to arrive in South Africa.
Step 6: When the consignment arrives in South Africa, the entrepreneur collects the goods and starts packing them and labelling them according to the names of the customers.
Step 7: The customers pay for courier options which they choose. For example, PEP PAXI, The Courier Guy company or Postnet are the most common methods of delivery.
The author is in five different groups for different types of goods and has observed that some of the participants in the groups also own their own businesses. In the process of ordering, they also post their own goods and WhatsApp links and then the group members end up with irrelevant information in the group, which questions the digital business ethics in such business groups. This is the focus of this article.

The Impact of the Digital entrepreneurship on Business Ethics
Digital entrepreneurship has reshaped traditional business practices by leveraging digital technologies to create new business models and opportunities. Platforms like WhatsApp, which facilitate instant communication and direct interaction, have become popular tools for online businesses. These platforms enable entrepreneurs to reach diverse audiences with minimal financial investment, fostering economic growth and innovation (Smith, 2022). However, the informal and decentralised nature of digital entrepreneurship also introduces significant ethical challenges. Issues such as data privacy, product authenticity, accountability, and fair competition demand scrutiny as these practices evolve (Graham & Wood, 2021).
Business ethics is the framework guiding moral principles in commerce, becomes increasingly complex in digital contexts. While digital platforms like WhatsApp offer unprecedented access to markets, they also risk enabling unethical behaviors, such as privacy violations and false advertising, which undermine trust and sustainability in online commerce (Nissenbaum, 2019). This section explores how digital entrepreneurship impacts business ethics, focusing on the ethical dilemmas and responsibilities associated with WhatsApp-based businesses. It emphasises the need for transparency, inclusivity, and accountability to foster trust in the digital economy (Turilli & Floridi, 2020).
a) Data Privacy and Security
In the digital economy, data has become a valuable commodity. Companies collect, analyse, and monetise vast amounts of user data to personalise services, improve marketing strategies, and drive decision-making. However, this data-driven approach has led to significant privacy concerns. Organisations face ethical challenges regarding consent, transparency, and data ownership. For example, Facebook's Cambridge Analytica scandal exposed how personal data can be misused for political manipulation without users' explicit consent (Isaak & Hanna, 2018). Such practices erode consumer trust and raise questions about the ethical boundaries of data collection and usage. Ethical frameworks are needed to balance business interests with individuals' rights to privacy.

b) Spread of Misinformation
The digital economy's reliance on social media and online platforms has created an environment ripe for the spread of misinformation. Platforms like Twitter and Facebook have faced criticism for failing to curb fake news and harmful content, which can influence elections, incite violence, and harm public health, as seen during the COVID-19 pandemic (Cinelli et al., 2020). Businesses must navigate the ethical implications of hosting, amplifying, or profiting from misleading content while safeguarding freedom of expression.

c) Consumer Manipulation
Digital platforms use sophisticated algorithms and behavioral insights to influence consumer behavior. While this can enhance user experience, it also raises ethical concerns about manipulation. Practices like "dark patterns" (designs that trick users into certain actions) and addictive app features have drawn criticism for prioritising profits over consumer well-being (Mathur et al., 2019). These practices can harm consumers, leading to increased scrutiny from regulators and calls for greater ethical accountability.

The digital economy has created both opportunities and challenges for ethical business practices. While it has enabled innovation and economic growth, it has also exposed individuals and societies to risks such as privacy breaches, labor exploitation, and environmental degradation. To address these concerns, businesses must adopt a proactive approach to ethics, integrating transparency, accountability, and inclusivity into their digital strategies. Such measures will not only mitigate risks but also build consumer trust and ensure long-term sustainability in the digital age.

Benefits and challenges of Digital Entrepreneurship on WhatsApp for Consumers
WhatsApp has become a prominent platform for digital entrepreneurship due to its wide adoption, accessibility, and user-friendly interface. While it offers significant benefits for consumers, there are also notable drawbacks.
Benefits of digital entrepreneurship on WhatsApp
Ease of Communication
WhatsApp facilitates direct and real-time communication between businesses and consumers. This enhances customer service, enabling quick responses to inquiries and personalised interactions (Adepoju, 2020).
ii) Convenience and Accessibility
WhatsApp is widely available on mobile devices, making it accessible to consumers in various geographic locations, including rural areas. Its simplicity allows consumers to engage with businesses without needing specialised skills or tools (Lal et al., 2021).
iii) Cost Savings for consumers and business owners
Transactions and communications on WhatsApp are cost-effective, as consumers only require an internet connection, avoiding expenses like call charges or travel costs associated with traditional shopping (Chatterjee & Kar, 2020).
iv) Wide Range of Offerings
Digital entrepreneurs on WhatsApp often offer diverse products and services, providing consumers with multiple choices and customised solutions tailored to their needs (Adepoju, 2020).

Challenges of digital entrepreneurship on WhatsApp
The usage of WhatsApp as a business platform also has disadvantages as briefly outlined below.
i) Lack of Trust and Credibility
Unlike established e-commerce platforms, businesses on WhatsApp often lack formal accountability mechanisms. Consumers face risks of fraud, non-delivery of goods, or substandard products (Chatterjee & Kar, 2020).
ii) Privacy Concerns
WhatsApp requires the sharing of personal phone numbers, which can expose consumers to unsolicited messages or misuse of personal data if businesses do not adhere to ethical practices (Lal et al., 2021).
iii) Limited Consumer Protection
Since many WhatsApp-based businesses operate informally, they may not adhere to consumer protection laws. Disputes regarding refunds, returns, or warranties can be difficult to resolve (Adepoju, 2020). This is particularly true especially because in most cases the consumers do not know the owners of the b business; they just operate on trust.
iv) Overdependence on Internet Connectivity
Access to WhatsApp depends on internet availability, which can be a barrier in areas with poor connectivity or high data costs, limiting its inclusivity (Chatterjee & Kar, 2020).

For consumers, WhatsApp provides an accessible and cost-effective channel for engaging with digital entrepreneurs, but its informal nature raises concerns about trust, privacy, and consumer protection. To maximise the platform's potential, digital entrepreneurs must adopt ethical practices and establish credibility, while consumers should remain vigilant in their transactions.

Risks of Online Business to Entrepreneurs, Customers, and the Government
Online businesses provide significant opportunities, but they also present risks to various stakeholders, including entrepreneurs, customers, and the government. Below is an analysis of these risks and their implications:

Risks related to Entrepreneurs
a. Financial Risks
Entrepreneurs face the risk of financial losses due to fluctuating demand, operational costs, and unforeseen market changes. For instance, high advertising expenses on digital platforms like Google Ads or social media may not always translate into proportional sales (Turban et al., 2021).
b. Cybersecurity Threats
Online businesses are vulnerable to cyberattacks such as hacking, ransomware, and data breaches, which can result in significant financial losses and reputational damage (Kshetri, 2018).
c. Intense Competition
The online marketplace is highly competitive due to low entry barriers. Entrepreneurs often struggle to differentiate themselves, leading to price wars and reduced profit margins (Laudon & Traver, 2020).
d. Dependence on Technology
Reliance on e-commerce platforms and payment gateways exposes entrepreneurs to risks of service outages or changes in platform policies. For example, sudden changes in algorithms by search engines or social media platforms can affect visibility and sales (Chaffey, 2019).

4.6.2. Risks related to Customers
a. Fraud and Scams
Customers are at risk of fraud, such as non-delivery of products or receiving counterfeit items. This is particularly prevalent on platforms with inadequate seller verification processes (Kotler & Keller, 2022).
b. Privacy and Data Breaches
Online shopping involves sharing sensitive personal and financial information. Customers risk identity theft and misuse of their data if businesses fail to implement robust security measures (Turban et al., 2021).
c. Lack of Quality Assurance
Unlike physical stores, customers cannot inspect products before purchasing. This often leads to dissatisfaction when products do not meet expectations, especially in categories like clothing and electronics (Berman & Evans, 2019).
d. Delivery Delays and Logistic Issues
Customers may face long delivery times, especially for international orders, or experience logistical problems such as damaged or lost items during transit (Kshetri, 2018).

4.6.3. Risks related to the Government
a. Tax Evasion
The rise of e-commerce has made it easier for some businesses to evade taxes, particularly if they operate informally or across borders. This reduces government revenue, impacting public services (World Bank, 2022).
b. Regulatory Challenges
Governments struggle to regulate online businesses effectively due to the cross-border nature of e-commerce and rapidly changing technologies. This complicates enforcement of consumer protection laws, intellectual property rights, and cybersecurity standards (Chaffey, 2019).
c. Impact on Local Economies
The dominance of global e-commerce platforms and foreign suppliers can undermine local businesses, leading to job losses and economic inequalities. For example, small physical retailers often cannot compete with the pricing and convenience offered by online giants (Kotler & Keller, 2022).
d. Cybercrime and Fraud Management
The rise in online transactions has led to increased cybercrime activities, requiring governments to invest in sophisticated cybersecurity infrastructure. However, these initiatives are often costly and resource-intensive (Turban et al., 2021).
Online business offers significant growth potential, it also comes with considerable risks that impact entrepreneurs, customers, and governments. Addressing these risks requires robust cybersecurity measures, effective regulations, and transparent practices to ensure a secure and equitable digital marketplace.

THEORETICAL FRAMEWORK FOR THE STUDY
A theoretical framework is a foundational aspect of academic research, providing a lens through which a study is structured and analysed (Swanson and Chermack, 2020). It represents a set of interrelated concepts, theories, or models that guide the researcher's approach to the study (Grant & Osanloo, 2020).). The theoretical framework supports the articulation of the research questions, hypotheses, and objectives and anchors the study's findings within established knowledge. The most relevant theories for this study are McClelland's Theory of Needs and also Schumpeter's Theory of Entrepreneurship. Both theories are discussed in the sections below:

McClelland's Theory of Needs
McClelland's Theory of Needs, also known as the Achievement Motivation Theory, is highly relevant to the field of entrepreneurship as it highlights the role of intrinsic motivation in driving entrepreneurial behavior. Developed by David McClelland in the 1960s, this theory posits that individuals are primarily driven by three key needs: the need for achievement (nAch), the need for power (nPow), and the need for affiliation (nAff) (McClelland, 1961). Among these, the need for achievement is particularly significant for entrepreneurs, as it reflects a desire to excel, accomplish challenging goals, and attain personal fulfilment through work. In addition, Sout Africa has high levels of unemployment as discussed earlier, therefore entrepreneurship is the next available option for survival. McClelland's Theory to Entrepreneurship is based on four aspects which are discussed below:

Need for Achievement (nAch): Entrepreneurs often exhibit a high need for achievement, seeking out opportunities where they can exercise independence, take calculated risks, and strive for personal success. According to McClelland, individuals with a high need for achievement are more likely to engage in entrepreneurial activities due to their drive to overcome challenges and attain set goals (Kuriloff et al., 2016). This trait is essential in entrepreneurship, where the pursuit of innovation and value creation is paramount.

Risk-Taking and Innovation: McClelland identified that those with a high need for achievement tend to prefer moderate risks, which aligns well with entrepreneurial ventures. Entrepreneurs often face uncertain environments, and their ability to take calculated risks allows them to innovate and remain competitive (Carland et al., 1984). McClelland's theory supports the notion that achievement-oriented individuals are more inclined to start businesses where risk-taking is an integral part of growth and success. The people who are selling clothes from Turkey online through social media like WhatsApp are open to many risks especially because they use "runners" who are people located in Turkey who buy the clothes on their behalf, pack the clothes and courier them to South Africa. This is the first risk which involves money which has been collected from the customers and is paid into the account of the "runner" in Turkey. The second risk is based on the quality of the clothes that are delivered and also the sizes and cuts of the clothes.

Goal Orientation and Persistence: Entrepreneurs are typically goal-oriented, embodying persistence and resilience even in the face of challenges. McClelland's theory suggests that individuals driven by achievement set realistic yet challenging goals and are motivated to accomplish them independently. This intrinsic motivation fosters the persistence needed to overcome entrepreneurial obstacles, making McClelland's theory highly relevant in explaining why certain individuals are more inclined toward entrepreneurship (Bird, 1989).

Need for Power and Influence (nPow): Entrepreneurs often seek to influence others, whether by inspiring a team or making an impact in their industries. While not all entrepreneurs have a high need for power, many successful ones leverage their influence to grow their ventures and effect change in their communities (Shane et al., 2003). This aspect of McClelland's theory aligns with entrepreneurship, as it highlights the entrepreneurial drive for impact and leadership.

Schumpeter's Theory of Economic Development

Schumpeter's Theory of Economic Development is a cornerstone in the study of entrepreneurship, as it positions the entrepreneur as the primary driver of economic growth and innovation. Joseph Schumpeter argued that economic development is a dynamic process driven by "creative destruction," where entrepreneurs introduce new products, processes, or business models that disrupt existing markets and generate economic progress (Schumpeter, 1934). The advent of online buying and selling has disrupted people who used to own shops since customers have moved to online purchases. Schumpeter's insights highlight how entrepreneurship is not merely a pursuit of profit but a transformative force that creates opportunities, advances industries, and reshapes the economic landscape. Schumpeter's Theory of Economic Development to Entrepreneurship is relevant for this article in terms of the following aspects:

Entrepreneurship as Innovation: Schumpeter's theory emphasizes that entrepreneurs are innovators who introduce new products, processes, and technologies, setting the stage for economic growth. This perspective underscores the importance of entrepreneurial innovation in creating competitive advantage and generating value. In today's dynamic markets, innovation is essential for entrepreneurs seeking to differentiate their offerings, adapt to changing demands, and drive industry advancements (Drucker, 1985). As discussed earlier, entrepreneurs establish WhatsApp groups whereby potential customers choose the items they want to buy and pay for them. When the stock arrives, the entrepreneur just sends the items by courier to the customers in South Africa and other countries such as Lesotho, Zimbabwe, Mozambique and Namibia.

Creative Destruction: Schumpeter's concept of "creative destruction" explains how entrepreneurs disrupt established markets and replace outdated products and practices with improved alternatives such as online buying of clothes. This process is central to entrepreneurship, as it reflects the ability of entrepreneurial ventures to challenge the status quo and introduce transformative changes that lead to economic renewal (Schumpeter, 1942). For example, digital technology startups have revolutionized traditional industries like retail, finance, and media, illustrating Schumpeter's idea of creative destruction in modern markets.

Economic Growth and New Opportunities: Schumpeter argued that entrepreneurial innovation leads to economic development by creating new opportunities for growth. By introducing new products and services, entrepreneurs expand market offerings and stimulate demand, generating employment and economic activity. This aligns with the role of entrepreneurship in creating wealth, improving productivity, and fostering economic resilience, particularly in developing regions where entrepreneurship is essential for addressing unmet needs (Wennekers & Thurik, 1999).

The Entrepreneur as an Agent of Change: According to Schumpeter, entrepreneurs are agents of change who actively seek out new possibilities, take calculated risks, and adapt to market conditions. This focus on the proactive nature of entrepreneurs highlights the importance of risk-taking, strategic foresight, and flexibility in building successful ventures (Sledzik, 2013). Entrepreneurs who embrace this role are better equipped to seize emerging opportunities and navigate the uncertainties of the business environment.

Encouragement of Competition and Market Efficiency: Schumpeter's theory also underscores the role of entrepreneurship in stimulating competition, as new entrants challenge established players and compel them to improve efficiency. This competitive dynamic promotes a healthier market environment, where consumers benefit from a wider range of choices and higher-quality products (Aghion & Howitt, 1992). The resulting pressure on incumbents encourages a cycle of continuous improvement and economic vitality, making Schumpeter's theory particularly relevant for understanding the broader impact of entrepreneurship.

RESEARCH METHODOLOGY

This study utilised secondary data. Secondary data refers to information that has been previously collected, processed, and made available by another party, rather than collected firsthand by the researcher. It includes data from sources like government reports, academic studies, organisational records, or industry surveys. Researchers use secondary data for analysis, providing context, or supporting new studies without conducting original data collection (Johnston, 2017). Desktop research, also known as secondary research, refers to the process of gathering information from existing sources without direct data collection or fieldwork. It involves analysing data that has already been published or documented, such as books, journals, online articles, government reports, and databases (Saunders et al., 2019). This type of research is typically conducted using online resources, libraries, or organisational records, making it cost-effective and efficient for gathering preliminary or supporting information. For the purpose of this study, the researcher has been a member of various whatsapp group created by digital entrepreneurs. Therefore data for this paper is obtained from five whatsapp groups.

Population and sampling in the study

The secondary data was collected from five WhatsApp groups which are used for digital entrepreneurship. The sampling technique used in the study is Purposivive sampling whereby the groups have been selected because they are involved in advertising goods and clothes from Turkey and China. The purpose of the study was to establish the modus operandi of these groups and how they ensure that business ethics are observed in the group. The researcher is a participant observer in this case since she is a member of all the 5 groups.

Measurement instrument for participant observation
For this study, the researcher used an observation guide or checklists whereby the following variables were observed and studied in the five groups: Number of members in the group, commodity being sold, country of origin for the commodity, availability of stock, access to comment on the posts and the purpose of the group. Observation guides or checklists are structured or semi-structured frameworks that list specific behaviors, events, or indicators to be observed. Their purpose is to improve consistency and dependability of the observation. Observation checklists allow researchers to maintain focus and reduce subjectivity while still remaining open to emerging themes (Bengtsson, 2020).

Data collection and analysis
A participant observer in research refers to an individual who takes on dual roles: actively participating in a group or community while systematically observing its activities, interactions, and norms. This approach is widely used in qualitative research to gain an insider perspective on the dynamics and behaviors of the group being studied (Spradley, 2016). By immersing themselves in the environment, researchers can experience events as participants do, while also maintaining an analytical lens to collect data and interpret findings (Creswell & Poth, 2016). Participant observation offers a unique way to access in-depth and nuanced data about a group or culture. However, it also presents challenges, such as maintaining objectivity, managing ethical dilemmas, and ensuring the accuracy of interpretations.

RESULTS AND DISCUSSION
The data presented in Table 1 below is based on the observations of how the 5 groups have been composed and how they are operating. The process starts with a link which is posted on social media and potential customers click on the link and join the group. Alternatively, the link can also be sent to members who are already in the group to share it with their friends, relatives and other types of contacts**.** The data presentation will focus on the following aspects: Number of members in the WhatsApp group, commodity being sold, country of origin for the commodity, availability of stock, access to comment on the posts and the purpose of the group.

Table 1: Data collected from the five WhatsApp groups

Name of the group	**Number of members in the WhatsApp group**	**Commodity being sold**	**Country of Origin for the commodity**	**Availability of stock**	**Access to comment on the posts**	**Purpose of the group**
Sobre Turkey pictures	186	Clothes for males and females, shoes, bags, sun glasses, etc	Turkey and China	Stock is available per order	NO	To post available clothes with prices and available sizes and colours
Sobre Turkey Combining	233	Clothes for males and females, shoes, bags, sun glasses, etc	Turkey and China	Stock is available per order	YES,	Potential buyers indicate their sizes of the items that they want to buy
Branded and Non-branded shoes, bags and household accessories	124	Branded and Non-branded shoes, bags and household accessories	China	Stock is available per order	YES	Potential buyers indicate the items they want to buy, specific colours and the quantities

Juliana Turkey boutique	683	Clothes for males and females, shoes, bags, sun glasses, etc	Turkey	Stock is available per order	NO	To post available clothes and available sizes and colours
ReeRee's beauty studio	53	Hair products and wigs	China	Stock is available per order	YES	To post the available wigs and hair products Potential buyers indicate the products they would like to buy

Number of members in the group

In this type of digital entrepreneurship, people who become members of the group join by clicking the available link created by the entrepreneur. According to Table 1 above, the group with the highest number of members is Juliana's group with 683 members; followed by Sobre group with 233 and 186 members respectively. The last two groups are the branded group with 124 members and then lastly the Beauty studio with 53 members. This is an indication that many people are interested in buying clothes and other commodities from Turkey and China in South Africa and other neighbouring countries like Lesotho, Mozambique, Swaziland, Zimbabwe and Namibia. This type of online buying is preferable as opposed to travelling to Turkey or China as an individual. Another observation is that most people who own shops that sell the clothes from Turkey are very expensive as the shop owners have other expenses such as rent, electricity and others. Entrepreneurship in the digital age offers two major avenues for business operations: online buying (e-commerce) and traditional physical shops. Each mode has its unique dynamics, advantages, and challenges as indicated in table 2 below:

Table 2: Comparative Analysis of online buying and owning a physical shop

Aspect	**Online Buying**	**Opening a Shop**
Market Reach	Global	Local
Startup Costs	Low	High
Customer Interaction	Indirect (via chat or email)	Direct
Flexibility	High (operate anywhere)	Low (fixed location)
Trust Building	Relies on reviews and branding	Relies on personal interaction

Commodities being sold

According to table 1, four out of the five groups sell commodities which include clothes for males, females and children; household amenities such as dishes, machines and others; shoes, bags and many more. Only one group is only focused on wigs for ladies and it has the lowest number of members who have joined the group because not all women wear wigs. Others prefer their normal hair or even cut the hair off. From table 1, clothes and other household amenities seem to be more a more lucrative business than the wigs. The dominance of clothes and household amenities in online commerce can be attributed to several factors related to consumer behavior, convenience, and market dynamics. Clothing and household items are essential commodities with consistent demand across diverse demographic groups (Statista, 2023). Consumers regularly purchase these items due to necessity, seasonal trends, or lifestyle changes. Their universal appeal contributes significantly to their popularity in e-commerce. E-commerce eliminates the need to visit physical stores, offering significant convenience, especially for busy or remote consumers. Clothes and household items are lightweight and relatively easy to ship, making them suitable for online retail (Turban et al., 2021).

Country of Origin for the commodity

According to table 1, the commodities that are being advertised in the five groups are being imported from Turkey and China. China and Turkey have emerged as major suppliers of clothes and household amenities to South Africa due to their robust manufacturing capabilities, competitive pricing, and favorable trade agreements. China and Turkey have a significant advantage in large-scale production, leveraging low labor costs and efficient supply chain systems. China, often referred to as the "world's factory," produces goods at a scale that allows it to maintain low production costs while ensuring a steady supply to global markets, including South Africa (Kshetri, 2018). Similarly, Turkey has developed a reputation for offering competitive prices while maintaining quality, particularly in textiles and home furnishings (Akgündüz et al., 2020).

Both countries offer a diverse range of products tailored to different market segments. Chinese manufacturers supply budget-friendly options that cater to low- and middle-income households in South Africa, while Turkish exporters emphasize high-quality textiles and design-driven household items (Statista, 2023).

The dominance of China and Turkey in supplying clothes and household amenities to South Africa is rooted in their ability to combine cost efficiency, diverse product offerings, and strong trade relations. These factors, along with consumer demand for affordable and quality products, ensure their continued importance in South Africa's import landscape.

Availability of stock

All of the five groups do not have stock available since they do not have physical shops. Therefore, the customers have to order the items that they want and pay in advance first. Thereafter the group leader who is an entrepreneur orders the goods through a "runner "in China or Turkey. For clothes, they are normally sold in a "Serie "which is composed of 4 or 5 different sizes. So clothes can only be ordered if all the sizes have been ordered by the customers. Otherwise the entrepreneur will have to pay for the entire serie whilst the clothes do not have buyers. In a few cases, the entrepreneurs do buy incomplete series and then sell the clothes on the group once they arrive in South Africa. Online entrepreneurs often struggle to maintain inventory for clothes and household items due to financial, logistical, and operational constraints. Maintaining stock requires significant upfront investment, which many small online entrepreneurs cannot afford. Purchasing inventory in bulk to benefit from economies of scale can strain limited financial resources, especially for startups with tight budgets (Turban et al., 2021). In addition, unlike large retailers, many online entrepreneurs operate from home or small spaces, which limits their capacity to store stock. Renting warehouse space adds to operational costs, often making it unfeasible for entrepreneurs with low-margin products (Laudon & Traver, 2020). Lastly, predicting customer preferences for clothing styles and household items is challenging, especially for small businesses without robust market research capabilities. Entrepreneurs risk overstocking unpopular items, leading to losses, or understocking popular items, resulting in missed sales opportunities (Kotler & Keller, 2022).

Online entrepreneurs face significant challenges in maintaining inventory due to financial constraints, storage limitations, and market volatility. While models like drop-shipping and just-in-time inventory help reduce the burden, they come with their own set of risks. A balanced approach, combining small-scale inventory with agile supply chain partnerships, can help mitigate these issues.

Access to comment on the posts in the WhatsApp group

There are two ways which the entrepreneurs design the WhatsApp groups for their business: Firstly, some create a group where they post the clothes and their commodities, but the customers are not allowed to comment in that group such as Sobre Turkey pictures and Juliana. They post pictures of available clothes when they receive them from the 'runners" from Turkey or China. These groups are like a "catalogue "which just displays what is available in the market. Then if a potential customer is interested in an item, they forward it to the combining group whereby potential buyers now choose their own sizes. This helps to eliminate unnecessary communication of the group members. On the other hand, the other three groups are open for potential customer's comments and potential buyers can indicate the goods that they want to buy and pay for in that same group where the goods are being advertised. This eliminates management of different groups for the entrepreneur. For the potential buyers, this makes the buying process easier as a customer only deals with one group, not two groups. Also over time, having 2 groups from the same seller starts to fill up the memory space of the phone.

Purpose of the group

As indicated in the previous discussion, some entrepreneurs prefer 2 groups whereby there is a group that acts like a "catalogue", then another group where the potential customers place their orders and indicate their sizes. Then the last group is where the buyers get the banking details and pay for their goods. According to table 1, two groups act as catalogues, and the other three have a dual purpose of being a catalogue and an ordering group at the same time.

CONCLUSIONS FROM THE STUDY

Both online buying and opening a shop present viable entrepreneurial pathways, but the choice depends on the business model, target market, and resources. The increasing adoption of digital technologies makes e-commerce appealing, but for certain industries, physical shops remain indispensable**.** In addition, the popularity of clothes and household amenities in online commerce stems from their universal appeal, visual presentation ease, and alignment with modern consumer lifestyles. These factors, coupled with strategic marketing and technological innovations, ensure their continued dominance in the e-commerce landscape.

Lastly, the popularity of clothes and household amenities in online commerce stems from their universal appeal, visual presentation ease, and alignment with modern consumer lifestyles. These factors, coupled with strategic marketing and technological innovations, ensure their continued dominance in the e-commerce landscape. However, due to the fact that these online businesses are informal businesses, operated by individuals who are difficult to control or even trace, the issue of business ethics has not been the main focus of the business. The entrepreneurs make it clear in their WhatsApp groups that 'There a re no refunds or exchanges regardless of whether the size is incorrect or the customer is unhappy". The ability to return goods is one of the business ethics is non-existent and there is no-one to enforce it because the owners of these WhatsApp groups are anonymous.

RECOMMENDATIONS

In terms of recommendations, the entrepreneurs should always be careful to present the goods that are available and of good quality in order to be able to retain the customers. Another issue is about the sizes which can be misleading and the entrepreneurs do not give an option for returns or exchanges. On the side of the customers, there is always a problem when the customers have to make a payment. A customer will choose an item and then when it is time to pay, that customer does not have money and the item has to be re-advertised which delays delivery of the goods.

MANAGEMENT IMPLICATIONS

Online businesses are not easy to monitor by the government and other relevant authorities. As a result, most of these businesses operate illegally and may not be registered as formal entities. Therefore the government misses out on the collection of tax revenue and are not able to monitor their operations. Customers also do not have a formalised structure, whereby if they have complaints they can go to. South Africa has to devise a policy on online trading and establish a body whereby such business owners can register and create standards of operations that these entrepreneurs should follow. Currently, there is no government oversight, leaving customers vulnerable to abuse and fraud.

CONCLUSION

The choice between online buying and opening a shop represents two distinct entrepreneurial pathways, each shaped by unique opportunities and challenges. Online commerce has revolutionized entrepreneurship, enabling broader market reach, lower startup costs, and operational flexibility, particularly in the sale of high-demand commodities like clothes and household items. Conversely, traditional shops provide tangible customer interactions and localized community engagement, often fostering trust and loyalty. China and Turkey's dominance as suppliers of these commodities to South Africa highlights the global nature of trade and the importance of efficient, cost-effective production and supply chains. However, online entrepreneurs face challenges such as limited inventory capacity, financial constraints, and reliance on external suppliers, which can hinder their ability to meet consumer demand effectively.

Ultimately, the success of any entrepreneurial venture depends on understanding the target market, leveraging available resources, and aligning the business model with consumer needs. As technology and consumer preferences continue to evolve, the intersection of digital innovation and traditional commerce offers immense potential for entrepreneurs to create value and thrive in a competitive marketplace..

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