INFLUENCE OF BRICKS AND CLICKS MODEL ON PERFORMANCE OF WOMEN-LED COMMUNITY-BASED MICRO-ENTERPRISES IN KENYA

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ABSTRACT

The main objective of this study was to determine the influence of bricks and clicks model on performance of women-led community-based micro-enterprises in Kenya. The population for this study consisted of the employees and owners of WLCBMEs. The total target population was 781. A total of 257 respondents were used as the sample size for the study. Descriptive survey design was used in this study. Primary and secondary data was used. While self-administered questionnaire and interview guide was used to collect primary data, the study reviewed the previous evaluation reports to seek the secondary data on performance. The data collected was then analyzed by both descriptive and inferential statistical tools. Being that the current research was dealing with the influence study, the researcher therefore used regression model as a tool of analysis and the information generated was presented in form of tables. The findings indicated that there was a positive relationship between Bricks and Clicks model and organization performance. Consequently, the null hypothesis was rejected. The study concluded that Bricks and Clicks model has an effect on performance of WLCBMEs in Kenya and hence it should be embraced by the enterprises to maximize on the returns.

Keywords: Bricks and Clicks model, Performance, and Women Led Microenterprises

1. INTRODUCTION

Bricks and clicks business model (or sometimes called clicks and bricks) is one where a company conducts business both offline and online. Offline refers to doing business in person, such as having store locations or buildings; so this is where the "bricks" part of the title comes from. The word "clicks" relates to the clicking of a computer for online purchases and transactions. According to a December 2001 article on E-Commerce Times (a website for business and e-businesses), the bricks and clicks business model has many advantages. For one, it allows companies to benefit from doing online commerce that can reach a vast consumer population. Additionally, the article on E-Commerce points out that consumers are happy with the efficiency and flexibility involved with online purchases, so this business method gives companies a competitive advantage. Due to technological advancements in our daily lives the need for digitization has arrived at workplace, homes, business houses to keep up with its pace. The greater use of web technology in the past years has made marketers to rethink on the methods of marketing to reach more consumers. So web marketing is use of internet by the marketer for marketing his products. The modern brick and click firms help the marketers today to combine the online capabilities of a website with a nearby local store to timely deliver the products to the consumers. Brick and click model now has replaced the traditional model of brick and mortar firms because of want of web technology. The history of Brick and click firms start with the emergence of internet where consumers could order a product online and the same being delivered to them by collaborating with a nearby store (Bansal, 2014).

2. Statement of the Problem

David (2004) conducted a study on business model for the new economy which showed that the success of organizations and the move by some of the largest corporations in the world towards a model within which assets are managed rather than owned has led to significant changes not only in structure, but also in attitudes and managerial behavior. As a result the "new business model" has five common attributes, the firm should: be cash flow driven; focus on return on investment; function with distributed (leveraged) assets or low capital intensity; do so with a single minded view on core assets and distinctive capabilities; and develop competitive advantage by relevant positioning within its industry value chain. Briffaut and Saccone, (2002) conducted a study on business performance sustainability through process modelling and found out that sustaining business performance in an ever changing economic and technical environment is a challenge to be addressed with relevant management implements. This goal can be achieved by using business modelling by processes allowing for costing deliverables, controlling operations and designing information systems aligned with business procedures and organization (Briffaut & Saccone, 2002). Sujith *et al.*, (2012) in study on the impact of knowledge brokering on performance heterogeneity among business models found out that the flexibility that the business model acquires is determined by how efficiently resource accumulation is aligned with its external environment. Gathenya, *et al.,* (2011) in the study of interaction between women entrepreneurs' age and education on business dynamics in small and medium enterprises in Kenya concluded that there was significant interaction between the effects of both age and education on locus of planning. Both also had a significant impact on the profitability of the enterprises when firm performance was measured as return on asset. However, these studies do not show the importance of business models on performance; neither do any of them link the strategic business models to the performance of women – led community based micro – enterprises in Kenya. The departure of the current study from the rest of the above studies was also noticed in the sense that none of the studies focused on the influence of strategic business models on performance in the Kenyan scenario which creates the gap that the current study sought to fill. The study therefore focused on the influence of bricks and clicks model on performance of women – led community based micro – enterprises in Kenya.

3. Literature Review

"Do consumers prefer bricks to clicks?" While, the U.S. Census Bureau reports that retail e-commerce sales continue to grow, they still represented 4.7% of total retail sales (U.S. Census Bureau, 2013). So what is the future of e-commerce? Do consumers really prefer to buy from traditional retail stores, or do they prefer to shop online? The answer to this question has significant implications for manufacturers and retailers seeking to establish an e-business, for firms that want to expand their market potential by tapping into customer segments that otherwise would not buy, or for manufacturers who are strategically contemplating dual supply chains (Chiang, *et al.,* 2013).

Online stores sell goods and services where the buyer places an order over an internet, extranet, electronic data interchange network, electronic mail, or other online system. It has been suggested that online retailing is a more convenient shopping channel for consumers because online stores offer greater time-savings (Szymanski & Hise 2010). Consumers can more easily find merchants, products, and product information by browsing the web, reducing search costs, and eliminating the need to travel. Thus, consumers may prefer the convenience of online stores compared to traditional stores. In 2005, however, conventional stores rang up 97.5% of all retail sales compared to e-commerce's 2.5% share (U.S. Census Bureau 2007a), so certainly convenience is not the only factor influencing consumers' decisions of whether to buy online or at a traditional store. Some costs of buying from an online store such as shipping and handling charges, or delayed consumption during the delivery period exceed those costs associated with buying from a traditional store (Liang & Huang 2008). The Wall Street Journal (Wingfield 2002) reported that, "Online buyers cite shipping discounts as more likely than any other promotion to encourage them to purchase goods. Amazon credits free shipping as a key factor in boosting its growth." For the 2002 holiday shopping season, 144 merchants on BizRate.com, an online comparison shopping site, offered free shipping to buyers an increase of 31% from the number of online retailers in 2001 (Zimmerman, *et al.*,2012). Understanding consumer's acceptance level of online stores appears crucial in a business-to-consumer e-business context. Determining what consumers' value, and how online stores compare to traditional stores on valued attributes is a necessary first step in resolving the bricks or clicks question. Keeney (2009) interviewed consumers about the pros and cons of Internet commerce and qualitatively categorized their responses into objectives (attributes) such as maximize product quality, minimize cost, minimize time to receive the product, maximize convenience, and maximize shopping enjoyment. Such "voice of the customer" interviews (Griffin & Hauser 2003) are valuable in identifying the attributes upon which customers distinguish one store-type from another. Several studies recently published seek to explain consumers' acceptance of online shopping. In an empirical study of consumer willingness to buy from online retailers, Liang and Huang's (2008) respondents stated that they preferred to buy some products (shoes, toothpaste, microwave oven) from traditional stores and other products (books and flowers) from online stores (although only 28 of the 86 student respondents had online shopping experience).

The authors explained this acceptance of online buying using consumer perceptions of transaction-costs associated with shopping (composed of seven indicators: search, comparison, examination, negotiation, payment method, delivery, and post-service costs), uncertainty (product and process indicators), and asset specificity (site, human, special, temporal, and brand asset indicators). Missing from their structural equation model analysis are any direct measures of the relative importance of each of these indicators. Moreover, the structure of their model of online acceptance is under-identified (Fisher 2006, Hess 2012), so their empirical results do not necessarily measure the intended relationships. Szymanski and Hise (2010) investigated

consumers' satisfaction with Internet shopping. They found that greater satisfaction with online shopping is positively correlated with consumer perceptions of the convenience, product offerings, product information, site design, and financial security of an online store relative to traditional stores. The authors did not experimentally manipulate perception levels, so this correlational study cannot impute causation. The question of whether perceptions of convenience cause satisfaction or satisfaction causes perception of convenience is left unanswered. Their survey also does not attempt to measure differences in satisfaction across product categories, nor does it measure consumers' overall attitude toward online stores compared to traditional stores. Further, their survey of consumers' satisfaction with online shopping necessarily excluded people who shop only at traditional stores.

Degeratu, *et al.,* (2010) studied the decision of individuals to use Peapod online grocery shopping. They gathered a sample of Peapod online buyers and a matching sample of individuals who did their grocery shopping in traditional supermarkets. As part of their broader study of brand preferences, their random utility model specified an indirect utility function for online versus offline shopping that depended only on the income of individuals. Perceptions of online grocers versus traditional grocery stores were not measured. While demographic measures are valuable in describing differences between online versus traditional grocery store buyers, such variables do not address Kenney's (2009) call to understand and quantify customer values. A single demographic measure, in contrast to measures of a variety of attribute perceptions, does not provide a very rich answer to the question of why some people shop online and others in a traditional store. Bellman, *et al.,* (2009) analyzed the responses of over 8000 participants in the Wharton Virtual Test Market who completed an initial survey about online buying and attitudes. Their logistic regression model found that online experience (web browsing) was the dominant predictor of whether or not the respondent had ever bought anything online.

4. Research Methodology

The study in particular made use of questionnaires. Closed ended questions are accompanied by a list of all possible alternatives from the respondents who selected the answer that best describes their situation. The study used both qualitative and quantitative data. Descriptive statistics was applied to analyze both qualitative and quantitative data. Data obtained from the questionnaires was processed through editing and coding and then entering the data into a computer for analysis using descriptive statistics with the help of Statistical Package for Social Sciences (SPSS) version 21.0,which offers extensive data handling capabilities and numerous statistical analysis procedures that analyses small to very large data statistics (Bell, 2007). Qualitative data was analyzed using content analysis. The study used Pearson's correlations to determine the relationship between the performance and the study factor variables.

5. Findings

The first objective of the study sought to determine the influence of Bricks and Clicks model on Performance of WLCBMEs in Kenya. The respondents were asked the level of agreement with the statement that; they are aware of bricks clicks model. 41.2% strongly agreed, 34.3% agreed 17.1% were undecided, 3.7% disagreed, while 3.7 strongly disagreed. Concerning whether the enterprise practices bricks and clicks model, 41.6% strongly agreed, 33.1% agreed, 10.6% were undecided, 7.3% disagreed and 7.3% strongly disagreed. Again based on whether the enterprise uses web based method of selling its products, 40.0% strongly agreed, 36.7% agreed, 17.1% were undecided, 3.7% disagreed and 2.4% strongly disagreed.

The enterprise uses paper based paper based method of selling its products, 48.6% strongly agreed, 35.5% agreed, 9.8% were undecided, 2.4% disagreed and 3.7% strongly disagreed. Lastly based on the statement the use of bricks and clicks model has improved performance of this enterprise majority at 45.3% strongly agreed, 34.3% agreed, 15.5% were undecided, 3.7% disagreed and 1.2% strongly disagreed the rest of the finding are shown in table 4.10. The findings of this study is in harmony with Bansal (2014) on the study of bricks and Clicks Model: An important tool for Web Marketing where he established that 40.4% of the respondents were aware of the bricks and clicks model; 39.8% of the enterprises were practicing bricks and clicks model and there is a margin of departure on whether the enterprise uses web based method of selling its products; the enterprise uses paper based paper based method of selling its products; the use of bricks and clicks model has improved performance of this enterprise which were at 52.8%, 23.4%, and 60.3% respectively. With reference to Bansal (2014) and the findings of the current study, it can be noted with authority that the performance of the enterprise can be improved to a greater extent if bricks and clicks model is embraced by the enterprises.

Statement	SD	D	U	A	SA
I am aware of bricks and clicks model	3.7%	3.7%	17.1%	34.3%	41.2%
This enterprise practices bricks and clicks model	7.3%	7.3%	10.6%	33.1%	41.6%
The enterprise uses web based method of selling its products	2.4%	3.7%	17.1%	36.7%	40%
The enterprise uses paper based paper based method of selling its products	3.7%	2.4%	9.8	35.5	48.6
The use of bricks and clicks model has improved performance of this enterprise	1.2%	3.7%	15.5%	34.3%	45.3%

The respondents were asked if their company conduct business offline and online. Majority (55.51%) agreed that their company conduct business offline and online while 44.49% of the respondent indicated that they do not conduct business offline or online. The results are presented in figure 4.4. This is a departure from Szymanski & Hise (2010) who in their study suggested that online retailing is a more convenient shopping channel for consumers because online stores offer greater time-savings. This may be because of the fact that most of the enterprises studied in the current study are rural based and many of them are not well conversant with the online shopping and that is why they combine both online and offline marketing. In agreement to the current study is Liang and Huang's (2008) study whose respondents stated that they preferred to buy some products (shoes, toothpaste, microwave oven) from traditional stores and other products (books and flowers) from online stores (although only 28 of the 86 student respondents had online shopping experience). From the foregoing, it therefore means that both offline and online shopping and marketing can improve the performance of the business.
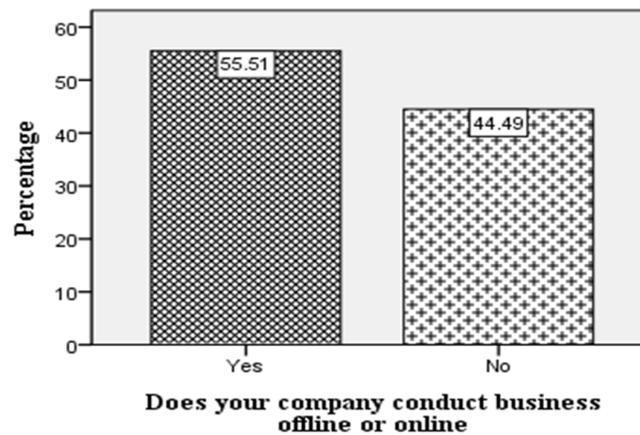
Figure 4.3

The respondent were also asked to rate how efficient and flexible is the business 37.1% of the respondent said that business was very efficient and Flexible, 29% of the respondent said that business was fairly efficient and Flexible, 20% of the respondent said that business was Not Efficient and Flexible and lastly 13.9% of the respondent did not know.

	Frequency	Percentage
Not Efficient and Flexible	49	20.0
Fairly efficient and Flexible	71	29.0
Very Efficient and Flexible	91	37.1
Don't Know	34	13.9
Total	245	100.0

Skewness and kurtosis statistic was used to check the normality in the study as recommended by Myoung (2008). The skewness value for a normal distribution is expected to be zero implying that the data has symmetric distribution. On the other hand Kurtosis is a measure of the peakness of a distribution. West, *et al.* (1996) proposed a reference of substantial departure from normality as an absolute skewness value greater than 2 and an absolute kurtosis value greater than 7. However, for this study the recommendation of Myoung (2008) who asserted that as a rule of thumb a variable is reasonably close to normal if its skewness and kurtosis have values between -1.0 and + 1.0. The results presented in table 4.12 shows that Bricks and Clicks model had a skewness coefficient of -0.153 and its kurtosis coefficient being -0.083. Based on these values it was concluded that Bricks and Clicks model were normally distributed since they lie within the ±

Bricks and Clicks model	**Statistic**	**Std. Error**
Skewness	-.153	.156
Kurtosis	-.083	.310

The normal Q-Q plot for Bricks and Clicks shown in Figure 4.5 shows that most of the observed values were falling along the straight line indicating that Bricks and Clicks was normally distributed. This is consistent with the earlier findings based on skewness and Kurtosis.

Normal Q-Q Plot of Bricks and Clicks Model
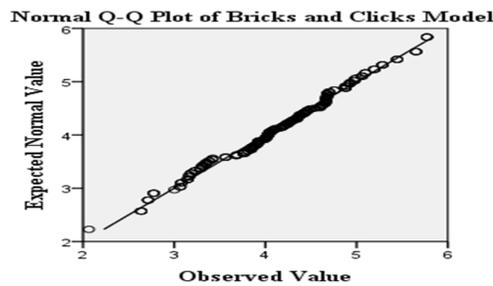
To find out whether there was linear relationship between Bricks and Clicks model and Performance of WLCBMEs Pearson moment's correlation coefficients was used as suggested by Cohen, West and Aiken, (2003). The result of the finding is presented on table 4.25. The result indicates that the variables Performance of WLCBMEs and Bricks and Clicks model had a strong positive relationship indicated by a correlation coefficient value of 0.556[**]. This suggests that there was a linear positive relationship between Bricks and Clicks model and Performance of WLCBMEs which implies that an increase in Bricks and Clicks model value would lead to a linear increase in Performance of WLCBMEs. This finding is supported by Szymanski and Hise (2010) who in their study, investigated consumers' satisfaction with Internet shopping. They found that greater satisfaction with online shopping is positively correlated with consumer perceptions of the convenience, product offerings, product information, site design, and financial security of an online store relative to traditional stores.

		Performance of WLCBMEs	Bricks and Clicks Model
Performance of WLCBMEs	Pearson Correlation	1	0.556[**]
	Sig. (2-tailed)		.000
	N	245	245
Bricks and Clicks Model	Pearson Correlation	0.556[**]	1
	Sig. (2-tailed)	.000	
	N	245	245

**. Correlation is significant at the 0.01 level (2-tailed).

Other than product moment correlation coefficient, linearity was also tested using scatter plot between Performance of WLCBMEs and Bricks and Clicks model and the result in figure 4.2 clearly indicates that there was linear relationship between Performance of WLCBMEs and Bricks and Clicks model.

$y=19.85+1.78*x$ $R^2 \text{ Linear} = 0.310$
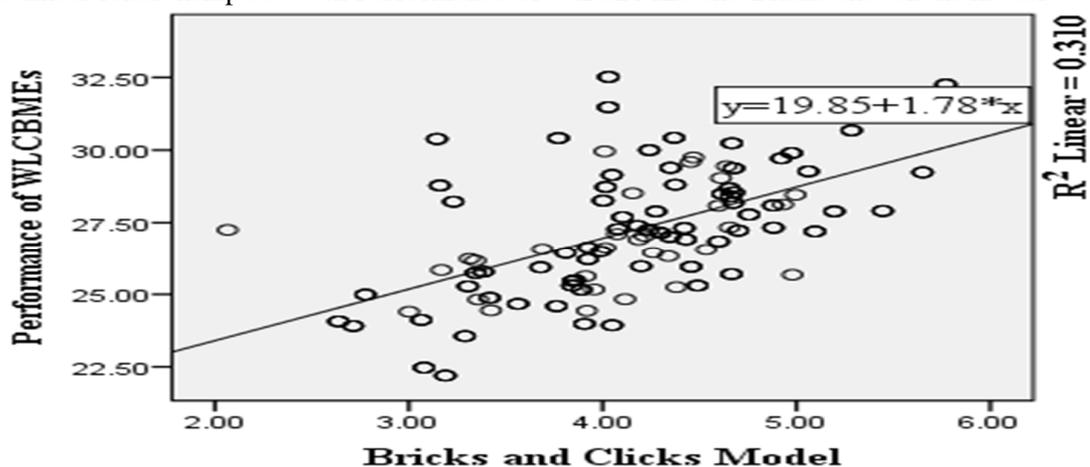
To test for homoscedasticity, Levene test (1960) for equality of variance was computed using one way ANOVA procedure. This test was used to assess variance homogeneity, which is a precondition for parametric tests such as the t-test and ANOVA. If the Levene test is statistically significant, the hypothesis of homogeneous variances should be rejected. The results therefore in table 4.13 indicated that the Levene statistic was 1.113 and it was further established that the Levene statistic was significant (p-value=0.0). This therefore implies that the null hypothesis is not rejected and thus the variances are said to be homogeneous.

Levene Statistic	1.102
df1	7
df2	238
Sig.	0.151

Multicollinearity in the study was tested using Variance Inflation Factor (VIF). A VIF of more than 10 (VIF $\geq$ 10) indicates a problem of multicollinearity. According to Montgomery (2001) the cut off threshold of 10 and above indicate the existence of multicollinearity while tolerance statistic values below 0.1 indicate a serious problem while those below 0.2 indicate a potential problem. The results in table 4.14 indicate that the VIF value for Bricks and Clicks model was established to be 1.550 while its tolerance statistic was reported to be 0.645. Based on these the assumption of no multicollinearity between predictor variables was thus not rejected as the reported VIF and tolerance statistics were within the acceptable range

Co linearity Statistics	
Tolerance	VIF
0.645	1.550

Table 4.15 indicates the model summary for the regression between Bricks and Clicks model and Performance of WLCBMEs. An R squared of 0.310 indicates that 31.0% of Performance of WLCBMEs is explained by changes in Bricks and Clicks model.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.556[a]	.310	.307	1.81611	2.459

a. Predictors: (Constant), Bricks and Clicks model

The ANOVA table 4.16 shows that the regression model between Bricks and Clicks model and Performance of WLCBMEs was significant (it indicates the goodness of fit for the regression model established between dependent variable and independent variable). F statistic of 108.996 indicated that the overall model was significant as this was further supported by a probability value of 0.000 which less than 0.05 (p=0.00>0.05).

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	359.498	1	359.498	108.996	.000[b]
Residual	801.480	243	3.298		
Total	1160.978	244			

The regression coefficient table 4.18 shows that the regression model between Bricks and Clicks model and Performance of WLCBMEs was given as Y=19.854+1.7760X_1 which indicate that there was a positive and significant relationship between Bricks and Clicks model and organization performance. The regression

coefficient of 1.776 indicates that for every unit of Bricks and Clicks model value, performance of WLCBMEs increases by 1.776 while 19.854 indicates Performance of WLCBMEs value in the absence Bricks and Clicks model. P-value that corresponds to the coefficient value also suggests that Bricks and Clicks model affect Performance of WLCBMEs significantly.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	19.854	.714		27.800	.000
Bricks and Clicks model	1.776	.170	.556	10.440	.000

a. Dependent Variable: Performance of WLCBMEs

6. Conclusion and Recommendation In regards to the first objective and using F statistic of 108.996, overall model was significant as this was further supported by a probability value of 0.000 which less than 0.05 (p=0.00>0.05). The findings also indicated that there was a positive relationship between Bricks and Clicks model and organization performance. Consequently, the null hypothesis was rejected. Being that the null hypothesis was rejected then the study can conclude that Bricks and Clicks model has an effect on performance of WLCBMEs in Kenya and hence it should be embraced by the enterprises to maximize on the returns. From the study, it is evident enough that the knowledge that the employees and the owners of WLCBMEs have concerning a particular business model, the more it is practiced and the more returns it brings to the enterprise. In the basis of bricks and clicks model, the researcher recommends that the employees, owners of WLCBMEs and business people should be educated on the business model putting more emphasis on its meaning, how it works and how it can benefit the business. It could be seen that however less knowledge about the model, it could still have positive impact on the performance so a little emphasis on it would do the business owners favor as far as their returns are concerned. This will encourage the business managers to use the model and will enable them attract more customers to their enterprises hence huge returns.

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