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**E-RETAILING ADOPTION AND INNOVATIVENESS, IMPLEMENTATION CAPACITY
AND BUSINESS PERFORMANCE OF SMES**

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Abstract. Research on e-retailing in the context of developing countries such as South Africa has remained scarce. In order to fill this gap, the current study is done to explore the relationship of e-retailing adoption, e-retail implementation, e-retail innovativeness, brand recognition and impact on business performance, particularly in this growing South African economic sub-sector. Five hypotheses were posited in this study and in order to test these hypotheses a sample of 273 was used. The findings in this study showed that, e-retailing adoption, mediated by e-retail implementation and innovativeness positively influences brand recognition and consequently business performance in a significant way. Management implications and limitations of the findings are discussed and future research directions proposed. The paper also suggests measures designed to create an enabling and nurturing environment that promotes and accelerates e-retailing adoption within the SMEs sector.

JEL Classification: M30, M31, M37, M38, M39

Keywords: SMEs, Retail innovativeness, E-retailing, Business performance, South Africa

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