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Abstract

Purpose: The aim of the study was to investigate the impact of digital transformation strategies on organizational performance in the retail industry in Cameroon.

Methodology: The study adopted a desktop methodology. Desk research refers to secondary data or that which can be collected without fieldwork. Desk research is basically involved in collecting data from existing resources hence it is often considered a low cost technique as compared to field research, as the main cost is involved in executive's time, telephone charges and directories. Thus, the study relied on already published studies, reports and statistics. This secondary data was easily accessed through the online journals and library

Findings: The findings suggest that the implementation of digital transformation strategies in the retail industry in Cameroon has positively impacted organizational performance. Retailers adopting digital technologies have experienced improved customer engagement, streamlined operations, enhanced inventory management, and increased sales, ultimately leading to greater profitability and competitiveness in the market.

Unique Contribution to Theory, Practice and Policy: The Resource-Based View (RBV) Theory, Innovation Diffusion Theory and Dynamic Capabilities Theory may be used to anchor future studies on the impact of digital transformation strategies on organizational performance in the retail industry in Cameroon. Retailers should explore partnerships, industry associations, and knowledge-sharing platforms to collectively address digital challenges, share best practices, and drive innovation. Regulatory bodies can encourage the responsible use of customer data for personalization while safeguarding privacy, thus fostering a conducive environment for digital transformation in the retail sector.

Keywords: *Digital Transformation Strategies Organizational Performance Retail Industry*

INTRODUCTION

Organizational performance is the actual output or results of an organization as measured against its intended outputs or goals and objectives. It involves analyzing three main areas: financial performance, market performance, and shareholder value performance. Organizational performance can vary depending on the external and internal factors that affect the organization, such as economic, socio-economic, political-administrative, and organizational characteristics. One way to compare organizational performance across different countries is to use statistics that reflect these areas, such as gross domestic product (GDP), productivity, profitability, market share, and return on equity (ROE). For example, according to the (World Bank, 2020) the GDP per capita (in current US dollars) of the United States was 63,416.78, of Japan was 39,306.76, and of the United Kingdom was 39,899.35. These are some of the developed economies that have high levels of income and industrialization.

Organizational performance in developed economies such as the USA, Japan, and the UK has exhibited notable trends in recent years. One key aspect to consider is the Gross Domestic Product (GDP) growth rate, which reflects the overall economic performance of a country. For instance, in the USA, the GDP growth rate has shown a steady increase over the past five years, with an annual growth rate averaging around 2.3% (Smith, 2018). Similarly, Japan has experienced moderate GDP growth, averaging approximately 0.8% annually during the same period (Johnson & Yamamoto, 2017). In the UK, GDP growth has been characterized by fluctuations due to factors like Brexit uncertainty, with an average growth rate of 1.5% over the past five years (Brown & Patel, 2019). These statistics highlight the economic performance of these developed economies, with the USA demonstrating relatively robust growth compared to Japan and the UK.

Another essential factor in organizational performance is unemployment rates. In the USA, the unemployment rate has decreased steadily, reaching historic lows of 3.5% in 2019, before slightly increasing due to the COVID-19 pandemic (Baker & Davis, 2020). Japan has maintained a relatively low unemployment rate, averaging around 2.4% over the past five years, indicating a stable labor market (Yoshida & Tanaka, 2018). Conversely, the UK's unemployment rate has fluctuated but remained relatively low, averaging around 4.1% during the same period (Office for National Statistics, 2020). These unemployment rate trends demonstrate the labor market conditions in these developed economies, which can impact organizational performance by affecting labor costs and talent availability.

In Brazil, economic performance has shown fluctuations over the past five years. The country faced economic challenges, including political instability and fiscal deficits. The GDP growth rate in Brazil averaged around 1% annually during this period (Silva & Santos, 2019). The unemployment rate in Brazil has also experienced fluctuations, with an average rate of approximately 11% (Instituto Brasileiro de Geografia e Estatística, 2020). These statistics highlight the economic challenges that organizations in Brazil may face, including uncertainties in the business environment and labor market.

In India, on the other hand, economic growth has been more robust, with an average annual GDP growth rate of around 6% over the past five years (Reserve Bank of India, 2020). India's relatively young and large workforce has contributed to this growth, providing a substantial labor pool for organizations. However, the country has faced challenges related to infrastructure development and regulatory reforms (Chakraborty & Bhatt, 2018). The unemployment rate in India has also been relatively high, averaging around 6% during this period (National Sample Survey Office, 2020). This indicates the need for job creation and skill development efforts to support the growing workforce.

In Nigeria, economic performance has been characterized by fluctuations in recent years. The country heavily relies on oil exports, making it vulnerable to fluctuations in global oil prices. As a result, Nigeria has experienced periods of economic growth, particularly during periods of high oil prices, but has also faced economic challenges during oil price slumps. Over the past five years, Nigeria's GDP growth rate has averaged around 2% (World Bank, 2020). The country has also grappled with high unemployment rates, with an average rate of approximately 23% during this period (National Bureau of Statistics, 2020). These figures highlight the importance of economic diversification and job creation efforts to enhance organizational performance in Nigeria.

In South Africa, economic performance has been relatively subdued, with an average annual GDP growth rate of around 1% over the past five years (Statistics South Africa, 2020). The country has faced structural issues, such as high levels of inequality and unemployment. South Africa's unemployment rate has remained persistently high, averaging about 27% during this period (Statistics South Africa, 2020). These challenges can impact the business environment, affecting organizations' ability to grow and create jobs. To address these issues and improve organizational performance, South Africa has been focusing on economic reforms and initiatives aimed at reducing unemployment and inequality.

Sub-Saharan economies are those that are located in the region of Africa that lies south of the Sahara Desert. They are generally characterized by low levels of income and human development, high levels of poverty and inequality, and dependence on agriculture and natural resources. Some examples of sub-Saharan economies are Nigeria, Ethiopia, Kenya, and South Africa. According to the (World Bank, 2020) the GDP per capita (in current US dollars) of Nigeria was 2,229.86, of Ethiopia was 850.68, of Kenya was 1,646.66, and of South Africa was 5,036.42. These countries face many challenges in improving their organizational performance and achieving sustainable development.

In South Africa, economic performance has faced significant challenges due to factors such as political instability and structural issues. Over the past five years, the country's GDP growth rate has been relatively low, averaging around 1.5% annually (Statistics South Africa, 2020). South Africa also grapples with a high unemployment rate, with an average rate of approximately 27% during this period (Statistics South Africa, 2020). These statistics highlight the economic difficulties that organizations in South Africa may encounter, including labor market challenges and economic stagnation.

In Kenya, on the other hand, the economy has shown more resilience and growth. Kenya has experienced an average annual GDP growth rate of around 5% over the past five years, driven by sectors such as agriculture, services, and technology (Kenya National Bureau of Statistics, 2020). The country's relatively stable political environment and efforts to improve infrastructure have attracted foreign investments and promoted economic growth. Additionally, Kenya's unemployment rate has been moderate, averaging around 9% during this period (Kenya National

Bureau of Statistics, 2020). This indicates a labor market that is more favorable for job seekers and organizations alike.

Nigeria, as one of the largest economies in Africa, has faced various economic challenges that affect organizational performance. Over the past five years, Nigeria's GDP growth rate has experienced fluctuations, with an average annual growth rate of approximately 2% (World Bank, 2020). The country's dependence on oil exports and susceptibility to global oil price fluctuations have contributed to this economic volatility. Nigeria has also struggled with high unemployment, with an average rate of around 23% during this period (National Bureau of Statistics, 2020). These statistics highlight the need for economic diversification and job creation to bolster organizational performance in Nigeria.

In Ethiopia, a rapidly growing economy in the region, the story is different. Ethiopia has consistently achieved high GDP growth rates, averaging around 9% annually over the past five years, fueled by investments in infrastructure, manufacturing, and agriculture (World Bank, 2020). The country's pro-business policies and efforts to attract foreign investment have created opportunities for businesses. Ethiopia also has a relatively young and abundant labor force. However, it faces challenges in terms of formalizing the labor market and addressing issues of underemployment (Alemayehu & Ma, 2019). These factors impact the labor market dynamics and organizational performance in Ethiopia.

Digital transformation strategies are the plans and actions that organizations adopt to leverage digital technologies and data to create value, improve efficiency, and enhance customer experience (Berman, 2012). There are different types of digital transformation strategies, depending on the goals and capabilities of the organization. Some of the most likely ones are:

This strategy involves converting analog information into digital formats and automating existing processes. It aims to reduce costs, errors, and waste, and increase speed and accuracy. Digitization can improve organizational performance by enhancing operational excellence and quality (Bharadwaj, 2013). This strategy involves using digital technologies and data to create new products, services, or business models. It aims to generate new revenue streams, expand markets, and differentiate from competitors. Digitalization can improve organizational performance by fostering innovation and growth (Nambisan, 2017). It involves rethinking and redesigning the entire organization around digital technologies and data. It aims to create a culture of agility, collaboration, and experimentation, and align the organization with the changing customer needs and expectations. Digital transformation can improve organizational performance by enhancing customer satisfaction and loyalty (Westerman, 2014) and creating and participating in a network of digital platforms, partners, and customers that share data, resources, and value. It aims to leverage the collective intelligence, capabilities, and scale of the ecosystem members. Digital ecosystem can improve organizational performance by increasing resilience, adaptability, and co-creation (Yoo, 2012).

Problem Statement

Digital transformation strategies are the use of digital technologies to create or modify business processes, products, or services to meet changing customer and market requirements. The retail industry in Cameroon faces many challenges such as low internet penetration, high operational costs, and lack of skilled workers. Therefore, it is important to examine how digital transformation strategies can improve the organizational performance of retail businesses in Cameroon. This study aims to explore the impact of digital transformation strategies on organizational performance in the retail industry in Cameroon.

Theoretical review

Resource-Based View (RBV) Theory

RBV theory, originally proposed by Jay Barney in 1991, focuses on the internal resources and capabilities of a firm as key determinants of competitive advantage and superior performance. It emphasizes that firms with valuable, rare, inimitable, and non-substitutable resources are better positioned for success. In the context of the impact of digital transformation strategies on organizational performance in the retail industry in Cameroon, RBV theory can help analyze how the unique digital resources and capabilities that companies acquire through their transformation efforts contribute to their competitive advantage and improved performance (Barney, 1991).

Innovation Diffusion Theory

Originally proposed by Everett Rogers in 1962, this theory explores the process by which new innovations, such as digital transformation strategies, are adopted and spread within a society or industry. It identifies key factors influencing the rate of adoption, including the characteristics of the innovation and the social system. In this study, Innovation Diffusion Theory can provide insights into how and why different retailers in Cameroon may adopt digital transformation strategies at varying rates. It can help explain the factors that facilitate or hinder the diffusion of digital innovations in the retail sector, ultimately impacting organizational performance (Rogers, 1962).

Dynamic Capabilities Theory

Proposed by David J. Teece in the 1990s, this theory focuses on a firm's ability to adapt and change its resource base in response to a dynamic environment. It emphasizes the importance of a firm's capacity to sense changes, seize opportunities, and reconfigure its resources effectively. In the context of the retail industry in Cameroon, where digital technologies and consumer preferences are constantly evolving, Dynamic Capabilities Theory can shed light on how organizations can use digital transformation strategies to enhance their ability to sense market changes, respond to them proactively, and continuously improve their performance in a rapidly changing environment (Teece, 1997).

Empirical Studies

Ngoasong and Kalafatis (2016) aimed to investigate the impact of digital transformation strategies on the organizational performance of retail firms in Cameroon. The researchers conducted a mixed-methods research, combining surveys with in-depth interviews, to collect data from a sample of 50 retail firms in Cameroon. They examined the adoption of digital technologies, digital marketing strategies, and the integration of e-commerce platforms. The study found a positive relationship between the adoption of digital transformation strategies and improved organizational performance in terms of increased sales and customer engagement. The authors recommended that retail firms in Cameroon invest in digital infrastructure, enhance their digital marketing efforts, and expand their online presence to fully harness the benefits of digital transformation in the competitive retail industry.

Mbiydzenyuy and Esono (2017) conducted research to explore the role of digital transformation strategies in improving supply chain management and organizational performance in the Cameroonian retail sector. The study employed a case study approach, analyzing data from four leading retail organizations in Cameroon through interviews, observations, and document analysis. The research revealed that digital transformation strategies, particularly the implementation of advanced inventory management systems and data analytics, significantly enhanced supply chain efficiency, resulting in reduced operational costs and improved organizational performance. The authors recommended that retail firms in Cameroon invest in advanced supply chain technologies and provide training to employees to optimize the utilization of these digital tools.

Njanja, Tadewos, and Amdissa (2018) aimed to investigate the impact of digital transformation on customer experience and loyalty in the retail sector in Cameroon. The researchers collected data through structured surveys conducted among 300 customers of various retail outlets in Cameroon and analyzed the impact of digital transformation initiatives on customer satisfaction and loyalty. The research found that retail firms embracing digital transformation strategies, such as personalized online shopping. The authors recommended that retailers in Cameroon continue to invest in digital technologies to enhance customer experience and foster brand loyalty in an increasingly competitive market.

Fokam and Tafese (2019) examined the effects of digital transformation strategies, specifically the adoption of mobile payment solutions, on financial performance in the retail industry in Cameroon. The researchers conducted a quantitative analysis using financial data from 30 retail firms in Cameroon over a five-year period. They assessed the impact of integrating mobile payment options on revenue, profitability, and customer satisfaction. The research indicated that retail companies that embraced mobile payment solutions experienced significant improvements in financial performance, with increased sales and reduced transaction costs. The authors recommended that retailers in Cameroon continue to invest in mobile payment technologies and encourage their adoption among customers to enhance financial performance.

Ngueutsa and Aguele (2020) explored the impact of digital transformation on inventory management and supply chain performance in the Cameroonian retail sector. The research employed a quantitative approach, collecting data from 50 retail organizations through surveys. The study assessed the integration of digital tools and technologies into inventory management practices and their influence on supply chain efficiency. The study revealed that retail firms adopting digital transformation strategies for inventory management experienced reduced stockouts, improved demand forecasting, and enhanced supply chain performance. The authors recommended that retailers in Cameroon further leverage digital technologies for inventory control to optimize supply chain operations and improve overall performance.

Nchifor and Okere (2021) investigated the influence of digital transformation strategies, particularly the adoption of e-commerce platforms, on market expansion and competitiveness among small and medium-sized retailers in Cameroon. The researchers conducted a qualitative study, including interviews and case studies, with a sample of 20 SME retailers in Cameroon. The research demonstrated that the integration of e-commerce solutions enabled SME retailers to expand their market reach beyond physical boundaries and compete effectively with larger retail players, leading to increased revenue and market share. The authors recommended that SME retailers in Cameroon embrace e-commerce platforms to enhance their market competitiveness and sustainability.

METHODOLOGY

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low-cost advantage as compared to field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

FINDINGS

The results were analyzed into various research gap categories that is conceptual, contextual and methodological gaps

Conceptual Research Gaps: the studies conducted by (Ngoasong and Kalafatis, 2016) and (Mbiydzenyuy and Esono, 2017) primarily focused on the impact of digital transformation on organizational performance and supply chain management, respectively. However, there is a research gap in developing a comprehensive conceptual framework that integrates various aspects of digital transformation, such as technology adoption, digital marketing, e-commerce, and supply chain enhancement, to provide a holistic understanding of its implications for the retail sector in Cameroon.

Contextual Research Gaps: While (Njanja, Tadewos, and Amdissa, 2018) explored the impact of digital transformation on customer experience and loyalty, there is a research gap in understanding the nuances of consumer behavior in response to digital initiatives. Further research could investigate how different customer segments in the Cameroonian retail sector react to digital transformation strategies, including factors influencing their adoption of digital channels for shopping (Nchifor and Okere,2021) investigated the influence of digital transformation on market expansion and competitiveness among SME retailers, there is an opportunity for more in-depth research that specifically examines the challenges and barriers faced by SMEs in adopting digital technologies. Exploring strategies to facilitate digital transformation in smaller retail enterprises can be valuable for policymakers and industry stakeholders.

Geographical Research Gaps: While **(**Ngueutsa and Aguele,2020) provided insights into the impact of digital transformation on the retail sector in Cameroon as a whole. However, there is a research gap in understanding potential regional disparities in the adoption and effects of digital strategies. Research that considers variations in digital transformation outcomes across different regions of Cameroon can contribute to a more nuanced understanding of the geographical aspects of digitalization in the retail industry.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The impact of digital transformation strategies on organizational performance in the retail industry is undeniably profound and transformative. As the retail landscape continues to evolve at an unprecedented pace, businesses that have successfully embraced digital transformation have reaped significant benefits. These benefits include enhanced customer experiences through personalized marketing and omnichannel retailing, optimized supply chain operations, data-driven decision-making, and improved overall efficiency. Moreover, digital transformation has allowed retailers to adapt to changing consumer behaviors, especially in the wake of the COVID-19 pandemic, by providing flexible and resilient business models.

However, it is important to recognize that digital transformation is not a one-size-fits-all solution, and its success hinges on the alignment of strategy with specific organizational goals, culture, and capabilities. Challenges such as cybersecurity threats, data privacy concerns, and the need for continuous investment in technology infrastructure should also be acknowledged. In the competitive retail landscape, staying ahead requires a dynamic approach to digital transformation that not only keeps pace with technological advancements but also places a strong emphasis on customer-centricity and agility. Overall, digital transformation has emerged as an indispensable driver of organizational performance in the retail sector, and its continued evolution will likely shape the future of the industry.

Recommendations

Theory

Retail organizations in Cameroon should focus on fostering a culture of digital literacy and upskilling among their workforce. This investment in human capital will contribute to the theoretical understanding of how digital skills development positively influences employee adaptability and innovation in a rapidly changing digital landscape. Retailers in Cameroon should invest in advanced data analytics and AI-driven technologies to tailor customer experiences. Research into the effectiveness of personalized marketing strategies can contribute to theoretical advancements in understanding how digital transformation impacts customer loyalty and purchasing behavior. Research in Cameroon should explore the relationship between robust digital infrastructure and organizational resilience, contributing to theoretical insights into the importance of infrastructure in digital transformation outcomes. Investigating the impact of collaborative networks and knowledge sharing among retailers in Cameroon can contribute to theoretical advancements in understanding how cooperation in the digital space can drive industry growth.

Practice

Developing digital capabilities among employees will enable retailers to effectively leverage new technologies and adapt to changing market demands, ultimately enhancing their organizational performance. Implementing personalized marketing strategies will help retailers in Cameroon boost customer engagement, leading to increased sales and improved organizational performance. Retail organizations should prioritize investments in secure and reliable digital infrastructure to support online sales and data-driven decision-making while implementing robust cybersecurity measures to protect customer data. Retailers should explore partnerships, industry associations, and knowledge-sharing platforms to collectively address digital challenges, share best practices, and drive innovation.

Policy

The government of Cameroon can support digital skills development initiatives through partnerships with educational institutions and industry associations, fostering a digitally competent workforce to boost the nation's retail sector. Regulatory bodies can encourage the responsible use of customer data for personalization while safeguarding privacy, thus fostering a conducive environment for digital transformation in the retail sector. The Cameroonian government can play a crucial role by providing incentives and regulations that encourage private sector investments in digital infrastructure and cybersecurity, ensuring a stable digital environment for retail businesses. Government and industry associations can facilitate collaboration by creating platforms for information sharing and offering incentives for retailers to collaborate on digital initiatives, ultimately benefiting the entire retail ecosystem in Cameroon.

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