Digital Remedy: A Prophylaxis for Business Failure in Emerging Markets

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Abstract

The introductory phase is a critical stage in the growth and development of any small business. Past studies have reported a high mortality rate of SMEs within the first few years of commencing business operations. With the advent of technology in the rapidly advancing business scenario, digital tools and strategies are increasingly identified as essential for business survival and growth. Methodologically, the study adopted secondary data to proffer an all-inclusive and comprehensive technique to comprehend how digital remedies can be prophylaxis (preventive measure) against business mortality using secondary data from academic journals, industry reports and peer-reviewed articles on digital transformation and highlighted causes of business failures. This study forms a bedrock for a more in-depth analysis of digital resolutions, such as data analysis, artificial intelligence AI, automation, cloud computing, digital marketing, and advertisement, as prophylaxis or preventive measures for common causes of business failure. The findings of a more comprehensive study will provide insight for stakeholders desiring to alleviate risks, enhance operations, and remain competitive in an ever-evolving digital economy.

Key words: digital remedies, Artificial Intelligence, business failure, small and medium enterprises performance, mortality rate
J.E.L. classification: L29, O33

1. Introduction

Over the years, SMEs have contributed to economic growth. Businesses are created to bridge the gap and meet the needs and wants of the populace by creating value and wealth and transforming raw materials into finished products and services. The major challenge most SMEs face is the survival of the teething period. The first five years of upcoming business portend to be the toughest. Most of the challenges range from financial issues to finding suitable suppliers of raw materials at the right place and the right quality to brand loyalty, among others. One of the values that will make an entrepreneur stand out is having the proper orientation. These include proactiveness, risk-taking, and innovation (Chima et al., 2023, p.84).

Data from the U.S. Bureau of Labour Statistics revealed that 20% of newly established businesses fail within the first two years, 45% do so within the first five, and 65% do so within the first ten. Ahamed and Mallick (2019, P.403) studied 2635 banks in 86 countries over eight years and found that higher financial inclusion contributes to greater bank stability. The survey reported that only 25% of newly established enterprises survive for 15 years or more. The U.S. Bank study reported that 82% of business failures were credited to cash flow stressing the significance of appropriate and effective cash management in businesses' continuous existence, survival, and success. A similar survey by QuickBooks discovered that 61% of small enterprises commonly need help with cash flow, with slightly above 50% of all bills being paid promptly (U.S. Bank, 2023).

According to Muriithi (2017, pp.36-37), enterprises make up at least 90% of businesses in developed and developing nations because they are the main drivers of employment, taxation, job creation, and GDP (Gross Domestic Product) contributions. Around 90% of companies in South Africa are classified as micro, small, and medium-sized businesses, which generate more than 80% of the country's employment and more than 50% of its GDP (Petersen et al., 2020, p.111). Mhlongo & Daya's survey from 2023 highlighted that the majority of micro, small, and medium-sized businesses face higher rates of failure and poorer performance because of poor entrepreneurial leadership abilities, insufficient funding or cash flows, inadequate training and education programs, inadequate technology infrastructure, crime, and corruption.

Most of the literature cited in this study demonstrates that SMEs are a formidable force needed to stabilise the value chain and support medium-scale and large corporations in economic stability and sustenance. This study aims to determine why small and medium-sized businesses (SMEs) fail within their first two years of business. Predominant elements associated with SMEs' performance are those associated with the owners' motivations, personality, personal values, and managerial skills

Having established that SMEs contribute to economic development and most fail during the business's infancy period, it is pertinent to proffer a solution to elongate the business lifespan. One would have expected that due to technological transformation and information available on the internet, businesses will have all it takes to succeed in the first decade of its existence. Therefore, the study forms a basis for a more detailed study on business, industry trends, why businesses fail during their toothing period, and the role of digital transformation in cubbing business failure, mitigating risks, optimising operations, and maintaining a competitive edge in the ever-evolving digital economy.

2. Theoretical background

In any given economy, it has been shown that the number of SMEs outnumbers and employs more people than large enterprises (Olorunshola & Odeyemi, 2022*)*. Across the globe, about 90% of all companies are SMEs and account for above 50% of all employment (Gómez & Titi, 2023). About 99% of the EU businesses are SMEs (Gómez & Titi, 2023), which is slightly above that of Australia, with SMEs accounting for about 98%; a report in 2014 reveals that 98.5% of firms in Chile were classified as SMEs (Chile, 2016). Small businesses comprise more than 99% of all firms in the U.S., contribute at least 43.5% of the entire U.S. GDP, and are estimated to pay 39.4% of all U.S. private payroll and 62.7% of new U.S. jobs from 1995 to 2021. The literature considers many factors when defining the term "small business." These factors include the size of the company, management duties or responsibilities, turnover, gross income, taxable income, net assets, ownership concentration, equity, number of employees, stage of the business life cycle, and industry-based size relativity.

Definitions of SMEs also vary from region to region. The definition of the region is quite elusive, as it may vary from district to area-territory-zone-country-continent or realm. In this research, a *region is* defined as a single country with a strong economy or a group of countries forming an economic block. An economic block would be, for example, the European Union (EU) or the Southern African Development Community (SADC); however, the United States of America, for example, could also be regarded as either a country or economic bloc because of its strong economy, technological advancement and worldwide use of its currency, when compared to all the other countries on the American continent. Similarly, South Africa can be regarded as a country or economic bloc because of its strong economy and currency compared to the SADC region and the rest of Africa. On the other hand, Australia qualifies as both a country and a continent and may be regarded as an economic entity.

SMEs adhere to an organisational cycle which is a process of categorising the problems and growth patterns of small businesses in a systematic way that is useful to entrepreneurs. Like all other businesses, SMEs pass through stages from conception, initiation, maturity, and decline, referred to as the traditional organisational lifecycle. Each phase is exposed to distinctive challenges and opportunities. Being aware of the intricacies of each stage will help the organisation to anticipate and identify possible risks, make informed decisions, and leverage the opportunities for business success and sustainability (Schmidt, 2024). The scale and potential for expansion of small enterprises vary greatly. Their distinct management styles, varying organisational structures, and independence of action are what define them. However, a closer examination reveals that they have similar issues that arise at roughly the exact times in their growth.

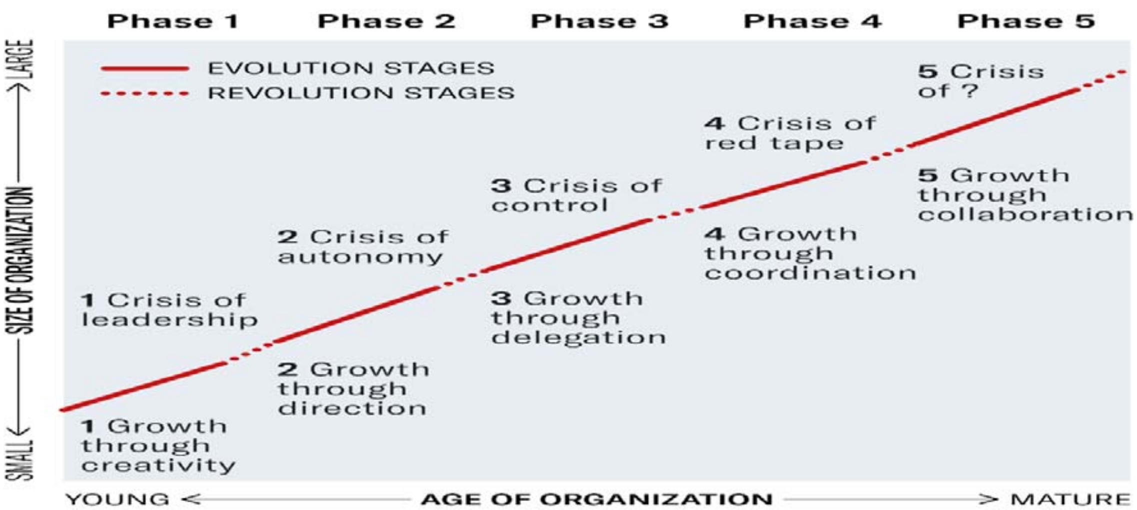
Churchill and Lewis (1983) developed a model appropriate for small and growing businesses that outlines five phases or stages of firm development. These stages are:

i. **Existence**-concerned with gathering customers and delivering the product or service contracted for.

ii. **Survival**--generating enough cash flow to break even and replacement of capital assets as they wear out.
iii. **Success**--here the decision facing owners is whether to exploit the company's accomplishments and expand or keep the company stable and profitable, providing a base for alternative owner activities
iv. **Take-Off**-- how to make the firm grow rapidly and finance this growth; and
v. **Resource Maturity**--companies have the advantages of size, financial resources, and managerial talent and will be a formidable force in the market if they retain their entrepreneurial spirit.

According to Churchill and Lewis (1983), each stage is characterised by an index of size, diversity, and complexity and is described by five management factors: managerial style, organisational structure, extent of formal systems, major strategic goals, and the owner's involvement in the business.

Figure no. 1 Growth of SMEs by age of the organisation



Source: Authors' contribution after (Churchill, N. & Lewis, V.L., 1983)

Table no. 1 SMEs definitions in different countries by number of employees and annual turnover

Country	Maximum number of employees	Annual Turnover	Source
Australia	200 0 <Micro < 4 5 < Small < 20 21 < Median < 200	 N/A N/A N/A	(Alkhoraif et al. 2018) (SMEAA, 2011) SMEAA, 2011) SMEAA, 2011)
Canada	Small <99 100 < Median < 499	< $ 1million $1 Million < $ 5 Million	(Gibson et al 2011, Seens, 2015) (Gibson et al 2011, Seens, 2015)
China	999		
EU & UK	250 Micro <10 Small <50 Medium <250	 ≤ € 2 Million ≤ € 10 Million ≤ € 50 Million	(Alkhoraif et al. 2018)
USA	499 Small <99 100 < Median < 499		(Alkhoraif et al. 2018) (USCE, 2016) (USCE, 2016)

Source: Authors' contribution

3. Research methodology

3.1. Statement of the problem

Numerous opportunities and challenges plague businesses operating emerging markets. Due to the large and rapid growing population of most of these emerging economies, they are characterized by rapid economic growth, changing consumer needs and behaviour, and the prospects for untapped market share.

Most of the emerging market are challenged by potential risks, ambiguities, and uncertainties arising from economic volatility, political instability, inadequate infrastructure, regulatory uncertainty, and limited access to capital. In the face of these challenges, many businesses especially the small and medium-sized enterprises (SMEs) might lack adequate resources, capabilities, skills, and resilience to handle such challenges.

One of the major factors that may pose a challenge to SMEs in a developing world is their ability to adapt to a rapidly changing environment. In the past two decades, the emergence of digital transformation portends to be a veritable tool that can help businesses mitigate risks, increase operational efficiency, enhance customer engagement, and expand market reach. However, despite the growing recognition of the importance of digital strategies, many businesses in emerging markets are either slow to adopt or unable to fully leverage digital technologies due to barriers such as digital illiteracy, infrastructure limitations, high costs, and a lack of skilled talent.

Therefore, the fundamental problem identified by the researchers is how to address the gap between the potential benefits of digital strategies and the actual implementation and impact of digital tools in preventing business failure in emerging markets. While there is a growing body of research on digital transformation in developed economies, there is limited understanding of how digital remedies can serve as a prophylaxis for business failure in the unique context of emerging markets.

Our **key research problem** is: How can digital tools and strategies help businesses in emerging markets avoid failure and build resilience in the face of the challenges they face? Thus, the study seeks to explore the specific digital remedies—ranging from e-commerce platforms, cloud computing, and artificial intelligence (AI) to digital payments and marketing solutions—that businesses in emerging markets can adopt and to what extent these strategies contribute to the survival and growth of businesses in environments characterized by high levels of risk and uncertainty. By addressing this gap, the research aims to provide valuable insights that can guide policymakers, business owners, and stakeholders in crafting strategies for sustainable growth and long-term success in emerging markets.

In this context, this study reviews relevant literature on how digital remedies can reduce the mortality rate of small—and medium-scale enterprises in emerging economies. The methodology highlights some of the techniques that can be used to investigate the role of digital remedies, such as E-commerce and digital payments, cloud computing and big data analysis, digital market and customer engagement, and mobile technologies and service accessibility. Secondary data from scholarly articles, journals, and online documentation was used to identify some of the causes of SME failure in the first few years of its existence and how organisations have used digital tools, as listed above, to prevent business failure. Content Analysis from the existing related literature was deployed to identify predominant digital tools that contributed to the sustainability of businesses that might have otherwise gone into extinction.

Our **research objectives** are:

- To identify the major causes of business failures in emerging markets.
- To assess digital strategies and technologies that businesses in emerging markets are required to mitigate risks of failure.
- To examine to what extent digital remedies can help businesses overcome challenges exclusive to emerging markets.
- To evaluate the measurable impacts of digital transformation on business sustainability in emerging markets

3.2. Research design

A mixed-methods research design integrating both qualitative and quantitative approaches will be employed in this study. The research design will employ provide a comprehensive perspective of how digital tools and strategies can assist businesses in emerging markets evade failure especially in the first five years of its existence. Also, the mixed- methods design will make room for the triangulation of data from various sources to ensure validity and reliability.

The **population** will include SMEs in Major cities in Nigeria and South Africa from where the samples will be drawn from.

Data collection methods for qualitative data will be interviews and case studies. The interview includes in-depth with business leaders, technology experts especially those involved in digital transformation, at least 15 key respondents from various sectors of SMEs for a focused group discussion and interview. The major focus for the discussion will be how digital tools such as Artificial Intelligence, cloud computing, e-commerce platforms, digital payments can be integrated into business models to pervert possible risk. The case studies will be conducted from selected SMEs in Nigeria Major cities (Abuja, Lagos, and Nnewi) and in South Africa major cities (Johannesburg, Cape town, and Durban).

For quantitative data, a Google form questionnaire will be distributed to the selected SMEs. The questions will include respondents' knowledge of digital tools available for SMEs, the challenges faced by these businesses, and their perceptions of how digital strategies have influenced business outcomes (growth, survival, profitability), Business performance indicators before and after digital adoption, Perceived challenges of digital transformation, Impact on competitive advantage, customer engagement, and operational efficiency.

Statistical Analysis. The data will be keyed into Microsoft EXCEL and analysed using SMART PLS 4 and SPSS 26. Regression and correlation analysis will be used for quantitative data while Thematic content analysis, and SWOT analysis will be used for the qualitative data.

Ethical consideration. The researchers will get adequate consent from all the interviewees and survey participants about the purpose of the research and how their data will be utilised before being included into the survey. Also, participants will be assured of the confidentiality of the data provided by not including personal data like name of the participant or their personal identity number. The survey will ensure the accuracy and reliability of all data collected, predominantly through transparent and objective survey and interview processes.

4. Findings

4.1. Reasons for small businesses' failure

Business failure is not peculiar to a particular sector of the economy or the size of a nation. However, it varies across sections, regions, industries, businesses, and the duration of the business. Due to various environmental challenges and unforeseen circumstances, initiating and sustaining a business can be challenging. The failure rate varies from one economy to another. In the USA, the data released by the Bureau of Labor Statistics (BLS) 2022 reports that approximately 20% of new businesses collapse within the first two years, about 45% crash within five years, an estimated 65% of businesses fail within 10 years of existence; while about 70-80% of small businesses ultimately fail in the first 10 years (source: BLS, 2022). Small businesses are easier to set up and improve the standard of living of local communities. Therefore, understanding why small businesses succeed or fail is essential to the sustainability of the economy. The results of this research will help identify the root cause of the issue and provide solutions. It is now commonly acknowledged that a country's economic progress is significantly influenced by the proliferation of small companies (UNDP, 2000).

El-Sharawy and Abouzeid's (2015) empirical study looked at the Egyptian business environment while examining the barriers to success facing startups and small firms. They claim that small businesses are vital to the economy and that when they fail, the effects on the economy can be catastrophic. The research's hypothesis—that management insufficiency is the most frequent reason for small business failure in the Egyptian market—was validated based on the data analysis. In addition, poor decision-making, inadequate capitalisation, and incompetent management all contribute to business failure.

In their 2019 study, "Business Failures Around the World: Emerging Trends and New Research Agenda," Amankwah-Amoah and Wang (2019, p.367-369) examined how many organisations will inevitably experience business failures. In order to avoid significant challenges, they collected and applied lessons learned from mistakes and reduced needless company failures. In addition, their study looked at how young entrepreneurs overcome their fear of failing their enterprises and how more research is needed to determine why and how many small businesses fail as they grow from startups to huge enterprises that might eventually fail. Similarly, Zhang et al. (2019, p.427-429) developed a novel model of how exogenous and endogenous factors combine to produce stages/processes of business failures by drawing on the experiences of fifty failed Chinese entrepreneurs.

Using a matched sample of 808 failed and non-failed firms, Muñoz-Izquierdo, Segovia-Vargas, Camacho-Miñano, and Pascual-E (2019; p.403) explored the causes of business failure using audit report disclosures. Their findings suggest that audit report disclosures play a significant role in explaining the causes of business failure. In 2020, Twesige, Gasheja, Hategekimana, Nkubito, and Hitayezu analysed Rwandan business failure factors and proposed a recommended course of action for business sustainability in the country. The researchers combined positivism and phenomenology with a multimethod approach to create a combination approach. Data was gathered through documents and questionnaires from various corporate organisations. The researchers concluded that both qualitative and quantitative aspects influence a business's success or failure.

Elbahjaoui, Elabjani, and Ciloci (2022) investigated the reasons why Morocco's tiny or micro businesses failed. To comprehend the intricacy of the internal processes involved in small business operations, they concluded, based on their research, that both endogenous and external variables contribute to the failure of small enterprises. In Burao, Somaliland, Mohamed (2022) researched to determine the internal and external factors that influence small business failure. The study was survey research, meaning that 200 respondents who owned small firms had yet to provide information via questionnaires. With the use of SPSS 21, the data was examined using descriptive statistical techniques. The study discovered that the following were the most significant internal causes: a lack of advice from seasoned and qualified businesspeople; a poor advertising or promotional plan; a wrong choice for the location of the business site; a lack of awareness of the current state of the industry; the absence of a transparent target market; unfavourable economic conditions; and high operating costs, such as rent and salaries. Entrepreneurship contributes to economic growth in South Africa and worldwide by raising living standards, increasing productivity, and creating jobs. According to UNDP (2000), small firms contribute to employment creation, product and service innovation, and providing specialised expertise to large corporations.

Lack of industry experience. Every firm functions in a particular environment, and a lack of experience in that industry or area results in a poorly organised business and underutilised resources.

Inadequate financing. A developing company needs financing to stay afloat to avoid business failure.

Inadequate cash flow gauges a company's ability to maintain enough cash flow to pay its short—and long-term financial obligations. Many small businesses fail because their owners do not budget for how much money will arrive each month and how much can be spent.

Poor business planning. Almost nine out of ten business failures in developing nations like South Africa result from inadequate planning and general business management abilities. A strong business plan aids in identifying the mission, vision, cost structure, market, external influences, strengths, weaknesses, opportunities, and threats. The South African perspective is worsened by the environment that small businesses face when planning comprehensive business. Sometimes, they must pay exorbitant amounts to avoid being rejected by financial institutions.

Management incompetencies. Management incompetencies have been attributed to being one of the contributing factors to business failures. Inadequate management can be attributed to either incompetence or inexperience. Effective management effectively implements and oversees a company's strategic and operational strategy.

Political instability. Political instability is a change in some countries in Africa, and it has a way of affecting businesses in a way that they cannot be as productive as they would have been in a stable Shoprite, a South African retailer, closed its businesses in Nigeria, Uganda and Madagascar due to an unstable political environment that has led to currency depreciation, high commodity prices, and high inflation which in turn affected local household incomes thus company revenues.

Diminished customer base. Competition may result in a decline in the consumer base. Small businesses should concentrate on a customer approach that generates revenue. Concentrating solely on one secret to success is risky, however. Increasing the variety of clientele is crucial to growing the company. Maintaining a firm requires the ability to adjust to changing ideas and trends.

Poor system of control. In addition to establishing appropriate targets for business management, a control system is required to gauge performance. Checks and measurements aid owners in managing organisational operations. A company can modify its internal organisational operations but cannot control the external elements, like competitors and customers that affect its surroundings.

Failure to innovate. Many businesses fail because they are unable to capitalise on rapidly changing technology or customer demands.

Unfavourable government policy. Unfavourable government policies can affect businesses. For instance, media reports asserted that major Multinational companies are relocating their offices from Nigeria between 2020 and the date due to economic challenges and the fluctuations of the naira. Africell, a major telecom company operating in Uganda, left the market in 2021, citing high transaction costs after the Ugandan government hiked taxes on local internet data, Africell's main core market.

Poor marketing. Another major reason for business failure in Africa has been associated with poor marketing. There is an advert that says if you do not say it, you will not sell it. It is said that 1 in 2 businesses launched in Africa end up failing due to poor marketing (Researchtec). Other reasons include poor market research, a wrong target market, and poor product-market fit.

Lack of entrepreneurial skills. A firm might collapse due to an owner's lack of entrepreneurial abilities, competencies, and capabilities, usually during the enterprise's startup phase as a company matures and grows later in life when more managerial and administrative abilities are needed. The performance of a small corporation rests on several factors, such as the traits and actions of individual owners and external factors. Entrepreneurs typically take significant risks and have a strong drive for success and social consciousness. As a result, an owner's personality and personal traits may contribute to the failure of a business.

Kunle (2022, p.38), in "What are the causes of small business failure in Burao, Somaliland?" highlighted eight predominant causes of small business failure in Burao. Five of these were external causes, and three were internal causes. These were poor economic conditions, lack of consultation with experienced and professional business people, and ineffective advertising or promotional strategy. Poor business site location; high operating expenses; lack of knowledge of current business situation; competition; and lack of specific target market. The above list of reasons is inexhaustive, as many more failure scenarios can be investigated. If these were the only ones, there would be no need to conduct further research on this topic. The researchers focused on identifying contributing factors to SMEs' high failure rate within the first two years of commencing business operations, rejuvenating the title and making it worthwhile.

4.2. Digital remedies for business failure

The last two decades have witnessed a rapid increase in digital technologies that have predominantly transformed how businesses operate globally. These digital tools have been deployed by developed and industrialised nations. If emerging economies are to catch up with the developed world, mitigate risks of business failure, and improve efficiency, they must adopt digital tools and strategies. These tools and strategies have become crucial for business survival and growth, providing solutions to challenges such as economic instability, poor infrastructure, and limited access to resources.

This literature review explores the key digital remedies businesses in emerging markets adopt and their effectiveness in mitigating the risks associated with operating in such environments.

4.2.1. Digital transformation in emerging markets

Emerging markets are often defined by volatility, where businesses are exposed to unique risks such as currency fluctuations, political instability, regulatory uncertainty, and inadequate infrastructure. In such contexts, digital technologies have emerged as powerful tools for overcoming these challenges. According to World Bank (2016), digital technologies can help firms reduce operational costs, improve service delivery, and expand market reach, particularly in regions with underdeveloped physical infrastructure. Digital tools allow businesses to leapfrog traditional barriers and create more resilient business models by facilitating better decision-making, enhancing customer engagement, and improving supply chain management.

McKinsey & Company (2018) highlights that digital transformation in emerging markets has been associated with improvements in productivity, revenue growth, and customer satisfaction. In particular, SMEs in these markets are increasingly adopting cloud computing, e-commerce platforms, mobile banking, and digital marketing solutions as key components of their strategy to enhance competitiveness. The ability to scale operations with fewer capital investments and reach customers across borders has made digital transformation indispensable for businesses looking to survive in an unpredictable economic environment.

4.2.2. Digital remedies

1. E-commerce and Digital Payments. One of the most significant digital remedies for businesses in emerging markets has been the adoption of e-commerce platforms and digital payment systems. These tools help businesses reach a larger, more diverse customer base, bypassing geographical and logistical barriers. The widespread use of smartphones in emerging markets has accelerated the growth of mobile commerce and digital payments. Fonseka et al. 2022, ii the impact of E-commerce Adoption on the

Business Performance of SMEs in Sri Lanka, the Moderating Role of Artificial Intelligence, reported that E-commerce Adoption positively and significantly influences business performance and AI moderates the relationship between e-commerce adoption. Moreover, digital payment systems provide businesses with an efficient way to handle transactions, mitigate risks associated with cash handling, and improve financial transparency. For example, in regions like Sub-Saharan Africa, where traditional banking infrastructure is lacking, mobile payment systems like M-Pesa have enabled businesses to thrive by offering secure, accessible, and low-cost payment options (Jack & Suri, 2011).

2. Cloud Computing and Big Data Analytics. Cloud computing has become another critical tool in the digital arsenal for businesses in emerging markets. By adopting cloud-based solutions, businesses can scale their operations more effectively without the need for heavy investment in on-site IT infrastructure. Cloud computing facilitates collaboration, data storage, and access to advanced technologies such as artificial intelligence (AI) and Machine Learning (ML), which can be used for predictive analytics and decision-making. As Brynjolfsson and McAfee (2014) highlighted, leveraging big data allows businesses to gain valuable insights into customer behaviour, market trends, and operational inefficiencies. In emerging markets, where access to real-time data is often limited, cloud-based analytics can help businesses make more informed decisions, respond to market shifts, and optimise supply chains, reducing the risk of operational failure.

3. Digital Marketing and Customer Engagement. Digital marketing and social media platforms have revolutionised how businesses connect with customers in emerging markets. According to (Kaur, 2023, p.33*)*, social media and targeted digital advertising enable businesses to engage directly with consumers, build brand loyalty, and personalise marketing campaigns. These tools are especially valuable for small businesses in emerging markets, which often struggle with limited marketing budgets and resources. Digital marketing offers a cost-effective means of reaching a wider audience and competing with larger, more established players. Furthermore, digital platforms like Facebook, Instagram, and WhatsApp have become essential for businesses looking to expand their market reach and improve customer interaction. By engaging with customers in real-time and leveraging data from digital interactions, businesses can foster stronger relationships and respond more quickly to consumer needs.

4. Mobile Technologies and Service Accessibility. Mobile technologies have also played a crucial role in facilitating business growth and survival in emerging markets. As of 2023, mobile penetration in emerging markets is on the rise, particularly in regions like Asia and Africa, where mobile phones are often the primary means of accessing the internet. Rohit and Sharma (2019) suggest that mobile apps, SMS-based services, and mobile-enabled solutions have been transformative for businesses in sectors like healthcare, agriculture, and financial services. For example, mobile-based agricultural platforms such as AgriDigital and TaroWorks provide farmers with real-time market prices, weather forecasts, and access to financial services, improving decision-making and profitability. Similarly, mobile health services are providing healthcare access to underserved populations in rural areas, enabling businesses in the healthcare sector to reach new customers and operate efficiently despite infrastructural challenges.

Table no. 1 Summary of digital remedies using Content Analysis

Digital Approach	Remedy
E-commerce and Digital Payments	SMEs can use Point On Sale- POS transactions and mobile banking to make transactions. SMEs can access goods and services without fear of barriers. digital payment systems provide businesses with an efficient way to handle transactions, mitigate risks associated with cash handling, and improve financial transparency. SMEs can reach a wider audience.
Cloud computing	By adopting cloud-based solutions, businesses can scale their operations more effectively without the need for heavy investment in on-site IT infrastructure. Cloud computing facilitates collaboration, data storage, and access to advanced technologies such as artificial intelligence (AI) and Machine Learning (ML), which can be used for predictive analytics and decision-making.
Digital marketing and customer engagement	Digital marketing offers a cost-effective means of reaching a wider audience and competing with larger, more established players. Digital platforms like Facebook, Instagram, and WhatsApp have become essential for businesses looking to expand their market reach and improve customer interaction. By engaging with customers in real time and leveraging data from digital interactions, businesses can foster stronger relationships and respond more quickly to consumer needs.

Mobile technologies and service accessibility	Mobile apps, SMS-based services, and mobile-enabled solutions have been transformative for businesses in sectors like healthcare, agriculture, and financial services.
Blended/online learning	Blended learning, which is a combination of traditional face-to-face learning and online learning, can be a prevailing tool for developing entrepreneurial competencies. Business owners can learn more about their businesses and increase in skills.
Business tracking software	Availability of information in the face of political and economic instability. There are numerous digital platforms and software that can be used to track businesses.

Source: Authors contribution

4.2.3. Challenges to digital transformation in emerging markets

Despite the potential benefits of digital transformation, businesses in emerging markets face significant barriers to adopting digital tools. Key challenges include:

- **Digital Literacy and Skills Gap**: Many businesses in developing markets struggle to find employees with the necessary digital skills to implement and manage new technologies. A report by the OECD (2019) emphasised the importance of digital literacy for businesses to leverage the potential of digital tools fully.
- **Infrastructure Limitations**: In regions with limited or unreliable internet access, businesses may struggle to adopt cloud-based solutions or implement e-commerce platforms fully. Gopalakrishnan et al. (2020) note that poor infrastructure, such as inconsistent electricity supply and limited broadband coverage, continues to hinder the widespread adoption of digital solutions.
- **Cultural and Regulatory Barriers**: In some regions, businesses may face resistance to digital tools due to cultural preferences or regulatory hurdles. Fitzgerald et al. (2014) argue that businesses must navigate complex regulatory environments when implementing digital strategies, which can delay or obstruct their digital transformation efforts.

5. Conclusions

One of the ways to reduce poverty and unemployment in emerging economies is through job creation, wealth creation, and entrepreneurship. Education, collaboration, and digital remedies have proven to be effective in helping businesses in emerging markets navigate the complex risks they face. E-commerce platforms, digital payments, cloud computing, and mobile technologies are key tools that have enabled businesses to scale operations, engage customers, and improve operational efficiency. However, significant barriers such as digital illiteracy, infrastructure gaps, and regulatory challenges remain. For businesses to fully realise the benefits of digital transformation, targeted investments in digital skills development, infrastructure improvement, and regulatory reform are essential.

In addition, social security, education, and the government's ability are crucial supplements. The strategy depends on a few positive economic variables outside the nation's control, like global commodity prices and improved trade ties throughout Africa. All economic sectors stand to gain significantly from high output and employment growth if this scenario comes to pass. The private sector will generate most of the new jobs, strengthening tax receipts, supporting the fiscus, and establishing a positive feedback loop of investment, growth, and development. The private sector will generate most of the new jobs, strengthening the fiscus, increasing tax revenues, and starting a positive feedback loop of investment, growth, and development.

The study recommends a comprehensive study of the impact of digital remedies to curb business failures of upcoming businesses in major cities of Africa to establish the assertion that digital remedies can actually help the growth of SMEs in developing countries. The authors suggest sponsored research in the future that could investigate the integration of primary data using mixed methodology, such as surveys or interviews with business owners across various sectors of the economy in major cities of developing economies in the African region to authenticate further and validate the secondary data findings.

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