ABOUT THE CENTER

CFHE is a research entity within the College of Business Administration (UTEP) whose mission is to generate and disseminate innovative information on Hispanic Entrepreneurship to further enhance economic Development in the El Paso del Norte Region

“Creating knowledge, developing entrepreneurs, and empowering the business community”
PURPOSE OF PAPER
To analyze current **e-commerce** and **expansion** efforts by small business owners to improve the outcome of performance. In addition, to look at the mediation of new project creation and to test for **ethnic** and **gender** differences.
Previous Research
Previous Research

• **E-commerce:** The role of e-commerce is now more important as it helps expand companies’ reach to bigger audiences, to add new markets, increase market share, and profitability.

• **Role of area served:** Companies will usually begin with the implementation of e-commerce within their own national markets before going international, so analyzing the role that internationalization plays in performance improvement is also important.

• **New products developed:** Innovation has an important role in economic growth, as it leads to new products, services, enhanced quality, and lower prices; it is the lifeblood of small businesses as it helps them adapt in light of new competitive environments.
There is a stronger relationship of performance and innovation in studies framed as future performance instead of past performance. This leaves a gap of performance and innovation in the present that we would like to fill...
We decided to incorporate the current effects of % in e-commerce in relation to a company's performance, based on owners' own assessment of degree of performance measured as:

1. Operating profits
2. Profits to sales ratio
3. Cash flow from operations
4. Return on investment
5. Return on assets
6. Cash flow

Variables such as serving a wider area and % of sales of new products were added to the model.
ACCORDING TO THE AFOREMENTIONED CONSIDERATIONS, THE FOLLOWING HYPOTHESIS WERE DEVELOPED:

1. Small business % of sales from e-commerce is positively related to % of sales from new products and to performance.

2. Serving a wider area (local, state, regional, national, international) is positively related to % of sales from new products and performance.

Research Methodology
TYPE OF SAMPLE

WHO?

HOW?
TYPE OF SAMPLE

• CONVENIENCE
• QUALTRICS SURVEY

WHO?

• 22 Local (El Paso business owners)
• Business owners from all over the U.S.

HOW?

• Through surveys
• Through phone
• Through email
ETHNICITY
Hispanic 44.7%, Anglo 40.6%, African American 3.5%, American Indian 2.5%, Asian American 1.8%, Biracial 4.7%, other 2.4%

GENDER
51.2% Females 48.8% Males

INDUSTRIES
Industries varies in Art, Auto, Consulting, Childcare, Construction, Cosmetics, entertainment, Financial Services, Food, Graphics, Health, etc.

TYPE OF BUSINESS
Most of the business owners had only 1 business, and were sole proprietorship.

INCOME
Most business owners had a gross annual income of less than $100,000.

However, in our study we only included Hispanics and Anglos.
FINDINGS
Performance, as perceived by the small business owner, is improved by an increase in sales from new products...
Performance, as perceived by the small business owner, is improved by an increase in sales from new products...

which mediates the relationship between strategies implemented such as:

and a wider area served
Performance, as perceived by the small business owner, is improved by an increase in sales from new products...

The adoption of both of these strategies has shown to be beneficial in terms of performance.
INNOVATION MODEL

E-commerce → New Product → Performance

% Area served + % New Product + Performance
Conclusions and Next Developments
Conclusions and Next Developments

• A deeper study about the strategies such as e-commerce and a wider area served would be beneficial.
Conclusions and Next Developments

• Focusing on one of the industries can help to distinguish those that benefit from these strategies more than others.
Conclusions and Next Developments

• Including more countries to compare the similarities and differences of e-commerce and area served would be more beneficial than just limiting the study in the U.S.
ANY QUESTIONS?

Denisse Olivas
dolivas@utep.edu
(915) 747-7738
Thank you