



**LANDMARK
UNIVERSITY**

...breaking new grounds



**LANDMARK UNIVERSITY INTERNATIONAL
CONFERENCE ON MANAGEMENT, BUSINESS
AND ENTREPRENEURSHIP
(LU-ICMBE) 2021**

THEME:

**REVITALIZING DEVELOPING ECONOMIES TOWARDS
ACHIEVING SUSTAINABLE DEVELOPMENT GOALS (SDGS):
POST COVID-19**

BOOK OF PROCEEDINGS

May 19 - 20, 2021

**Zoom Platform/International Conference Centre,
Landmark University, Omu-Aran Kwara State.**

THE PLACE OF DIGITAL COMMERCE IN THE FEDERAL CAPITAL TERRITORY, NIGERIA.

Oni, Olufemi O., Adeyeye, Mercy M., Ayorinde, Afisat A.

Department of Entrepreneurship and Business Studies, Federal University of Technology, Minna

peaceoni@yahoo.co.uk, memoade4real@yahoo.com, ayofisat@futminna.edu.ng

Abstract

Digitalization plays an important role in today's competitive market as it involves exploring business model using digital technologies which reduces cost and expands businesses globally. The COVID-19 outbreak has irreversibly changed digital buying behavior in emerging and industrialized markets. Abuja is the capital city of Nigeria and one of the fastest growing cities in Africa where digital business opportunities exists. *Hence, this study investigates the place of digital commerce in the Federal Capital Territory (FCT). This study anchored on the x-efficiency theory and employed a desk review of related literature. In doing this, it discussed the concept of Digital commerce, quality of service, adaptability to digital commerce, entrepreneurship and digital commerce and challenges faced by digital commerce in FCT. In conclusion, it was noted that the changing habits of consumers continue to increase while it is suggested that businesses should speed up their adaptation with novel digitalization, in order not to be left behind in the digital market space. This study will be of benefit to digital entrepreneurs, consumers and policy makers. Empirical study can be explored in order to confirm this study by future researchers.*

Keywords: Digital commerce, Customers' satisfaction, Quality of service provider, Adaptability

1. INTRODUCTION

The COVID-19 outbreak has irreversibly changed digital buying behavior, according to a survey of almost 3,700 customers in nine emerging and industrialized markets. The poll, titled "COVID-19 and E-commerce," explored at how the pandemic has impacted online buying and the usage of digital solutions. Brazil, China, Germany, Italy, Republic of Korea, Russian Federation, South Africa, Switzerland, and Turkey were all represented. According to the poll, after the outbreak, digital purchases grew by 6 to 10% across most product categories, with consumers in emerging nations making the largest shift to online shopping (UNCTAD, 2020).

Information technology has brought significant improvements to customer service delivery (Idris, *et al*, 2013). More and more self-service solutions are being used by customers, which are more convenient and quicker. Alavi and Majidi (2015) observed that the increasing use of digital platforms by consumers Many businesses are rethinking their customer service operations as a result of their need for a personalized experience. Faced with increasing competition from new digital platforms that are redefining consumer loyalty and wooing younger customers, this is the disruption of conventional trade services by digital entrepreneurs incorporating new technologies.

The capacity of these businesses working in a digital environment exceeds that of the traditional model in terms of scalability (Verhoef, *et al* 2019). Consumer's expectations can be met in the long run through digital entrepreneurship, resulting in customer happiness. Customer's happiness is the most critical aspect in any company's long-term success such as in the customers of the Federal Capital Territory (FCT), Abuja.

1.1 Why Abuja

Abuja is Nigeria's capital. It is one of Africa's most rapidly developing cities. Abuja offers a diverse range of digital business opportunities. Dynamic incubators, venture capital firms and digital start-ups are all contributing to Abuja's thriving digital entrepreneurship ecosystem.

1.2 Justification of the Study

Digitalization is crucial in today's competitive market since it means experimenting with new business models that employ digital technology to reduce costs and expand operations internationally. It will be extremely beneficial to FCT customers because, given the country's current state of insecurity, it will allow them to make purchases and receive products from the comfort of their own homes. Because the business is transparent and the market is highly competitive, customers can make their own decisions, which ensures quality and reduces fraud.

1.3 Significant of the study

This study could provide digital entrepreneurs with knowledge on the place of digital commerce in the FCT and will be useful to the consumers on their possible watch-out in a digital commerce. It is relevant to authorities in Nigeria most especially the FCT in evaluating the economic and regulatory policies and other ongoing policies on digital entrepreneurship to decide whether there is need for a better policy or improved policy.

1.4 Objective of The Study

The principal objective of this paper is to assert the place of digital commerce in the Federal Capital Territory, Nigeria. Recently digital commerce entrepreneurs have a greater scope of expanding their business as customers are getting satisfied by doing digital shopping as they find digital commerce much safer than traditional commerce. Each income group makes digital purchases because there are different varieties of products available at different prices different methods of payment also available, which becomes convenient for customers to make digital purchases in FCT. The question is whether FCT has adapted to digital commerce

2. THE PLACE OF DIGITAL COMMERCE

2.1. Digital commerce

Digital commerce is a type of electronic commerce that involves using the internet to purchase products and services. Commerce, advertising, product support, security, delivery, and payment are all examples of these transactions (Laudon and Laudon, 2016).

Digital commerce, according to Radovilsky (2015), is the most essential solution in the development of internet-based trading systems. In recent modern global economic environment such as in the FCT, digital commerce is becoming increasingly important. The use of computer networks, particularly the Internet, by FCT users to sell or buy goods or services, as well as the sharing of information and communication media, is defined as digital commerce. Using digital technology, this approach entails using new technology to develop more frictionless ways of engaging and transacting (Digitalization).

Digitalization is the process of converting a firm to a digital one by utilizing digital technologies to modify a business model and develop new income and value streams. (Gartner, 2018). Digitalization has led to robust data analytics and intelligence, helping firms to get closer to their customers. Whitsed, & Green, (2015) and

Rachinger, *et al* (2019) argued that digitalization influences everything, and this influence is transformative. Digitalization is taking full control of the customer's experience and managing all the existing and new needs in accomplishing their goal. However, the factors such as quality of service provided, adaptability, are to be considered and put in place optimally. Customers including those of the FCT wants a transactional process that is seamless and straightforward, made possible by technology and multiple digital platforms.

2.2. *Quality of Service Provider*

Quality is the whole features and characteristics of services that bear its ability to satisfy implied needs. It is simply defined in daily life as meeting the requirements of a user, unstated desire, and degree of excellence. It is the result of comparing expectations of service and the real perception of the way the service has been performed (Al-Somali *et al* 2020). The total effect of the usage of services determines the degree of happiness FCT users has with that service.

In strategic planning, quality is frequently a critical variable. In general, service quality refers to how well a service meets or surpasses a customer's expectations. Quality of Service (QoS) in e-commerce refers to the non-functional aspects of a service that indicate how well it is delivered, such as availability, reliability, responsiveness, and security. Indeed, quality of service (QoS) is a significant factor in the acceptance of e-commerce (Zheng, *et al* 2017). Furthermore, QoS is an important part of e-commerce in enhancing its adoption (Mondal, *et al* 2017).

2.3. *Adaptability of Digital commerce*

Adaptability refers to a system's ability to adapt to technological or functional changes without necessitating structural alterations (Westerhuis, 2020). As a result, digital commerce entrepreneurs should concentrate on providing what clients desire rather than what is convenient. This digital era requires digital commerce entrepreneurs to be more dynamic, change-sensitive, accept the new notion of trust, and function as adaptable, technology-enabled information businesses that use digital technologies to reinvent the customer experience (Muluka, 2015).

The continuing and acceptance of products, ideas, and services is referred to as adoption. Customers go through persuasion, information, confirmation, and decision, according to Yusuf-Dauda and Lee (2015), before they are ready to embrace a service or product. Digital commerce entrepreneurs must go to considerable lengths to fulfill their consumers' needs, solve their issues, respect their relationship, and invest in it. All sorts of digital commerce platforms must be user-friendly; this characteristic makes it simpler for customers to use them, which is why they have a positive image of them (Gracia *et al* 2011).

2.4. *Entrepreneurship and Digital commerce*

Consumer satisfaction requires an organization's quality policies to fulfill customer needs (Asiago and Paul, 2015). In a business setting, customers satisfaction is a metric that can be used to manage and enhance a company's performance. Among several definitions, Allen (2006) defined entrepreneurship as a way of thinking or mindset which focuses on opportunity and growth as well as innovation. In all the definitions that are provided by different scholars, there are common characteristics as well as elements, which are economic innovation and creativity, opportunity to increase under uncertainty and risk, identification, acquisition, and marshaling of resources.

Mainly, entrepreneurship refers to the deployment as well as control of resources with a view of creating an innovative economic corporation to gain or achieve growth under the conditions of uncertainty and risk (Barney, 2001). Innovation and creativity form the key aspects of entrepreneurship. Through these

elements, a digital entrepreneur can introduce new ideas or products into the market to meet the demands of customers which is ever-changing every time especially in Abuja. Such of these novel ideas is digital commerce.

2.5 *Challenges of Digital commerce in FCT*

The delayed adoption of digital commerce in underdeveloped nations such as Nigeria can be attributed to a variety of issues. Many studies on the adoption of digital commerce in developing nations have highlighted concerns such as consumer attitudes, infrastructure, political challenges, socio-economic challenges, language hurdles, and computer illiteracy (Olatokun and Bankole, 2011; Apulu and Ige, 2011; Bankole *et al.*, 2017). Consumer attitudes about digital commerce systems, privacy, security of customers' information, and trust are all concerns that are impeding the expansion of digital commerce (Wei *et al.*, 2010).

2.5.1 *Security and privacy*

Consumers in the FCT can access products and services from anywhere, at any time, thanks to the convenience of digital commerce, which has increased its popularity. Although security and privacy have limited the full potential of digital commerce (Agwu *et al.*, 2014), many consumers have real concerns about disclosing personal information to an unknown third party via the internet, and they are unaware of how their data will be treated (Feigenbaum *et al.*, 2009). Due to the extreme fear of fraud and digital crime, consumers' attitudes about digital commerce have shifted, making security and privacy one of the most pressing concerns for digital commerce providers (Ibikunle, 2013). Consumers and businesses alike are concerned about this problem, as it is a vital success component for businesses (Mandi, 2009).

2.5.2 *Awareness of digital commerce*

Digital commerce development in the FCT is hampered by a lack of internet awareness. Users of the internet frequently confront barriers that obstruct good online engagement. As a result, many individuals are limited to e-mail, web surfing, and social media conversing. Furthermore, individuals and organizations' poor levels of understanding of information technology contribute to the restricted use of digital commerce, which inhibits them from exploring new ways to better their enterprises (Salehi, 2013).

2.5.3 *Economy and efficiency of the platform*

Some of the difficulties impeding the implementation of digital commerce in FCT include efficiency and citizen's income. In majority of the developing nations, customers are fixated on utilizing the conventional commerce transaction because of several technological and non-technical concerns and thus customers' preparedness becomes a significant aspect (Awa *et al.*, 2010).

2.5.4 *Trust about digital commerce system*

When it comes to digital commerce in the FCT, trust is crucial because it is one of the primary motivators for customers to do transactions digitally (Kobayashi *et al.*, 2013). One of the fundamental challenges of digital purchasing is lack of confidence in digital purchases (Huamei, 2013). In a big community of unfamiliar vendors, trust is key (Bazdan, 2011). It is critical in encouraging people to buy items and services digitally (Boateng *et al.*, 2014).

3. THEORETICAL FRAME WORK

This study is based on Harvey Leibenstein's X-Efficiency Theory of Entrepreneurship (1966). Entrepreneurs are viewed as input complementors and gap fillers in the study. Gaps appear when markets are inefficient, such as when incumbents do not efficiently use their resources (Leibenstein,

1966;1978;1980;1983). ICT has been for some time in the commerce sector, but due to the underutilization, Digital entrepreneurs surfaced to fill in the gap that was created.

4. METHODOLOGY

The desk research approach is used in order to position the extant literature. This provides quick, trustworthy background information, enhances the focus and ROI of primary research by providing context and depth to primary research results.

5. CONCLUSION AND SUGGESTIONS

X-efficiency theory is concerned with the underutilization of digital commerce resources in the FCT. Therefore X-efficiency theory continues to be a better understanding of the effects of digital market space and organizational forces on the use of digital commerce resources in the FCT and, hence, on making improvements in the use of the resources.

The study finds out that the changing habits of consumers continue to increase and demand new ways to use digital commerce, and novel digital technologies. businesses are now confronted to speed up their adaptation with novel digitalization, in order not to be left behind in the digital market space. Businesses should be apt in the development of new digital channels and products, adapting new technology infrastructure, and implement deep organizational changes for strategic positioning in the digital environment. Focusing on satisfying their customers through the improved speed of transactions and smooth adaptability process. Any institution which has embarked on this process will be better-placed to satisfy the new demands of customers. Finally, The Place of digital commerce in the Federal Capital Territory, Nigeria is very key most especially during this period of unexpected pandemic. further empirical researches can be the impact of digital commerce in the Federal Capital Territory, Nigeria and digital commerce and the effect on the Federal Capital Territory, Nigeria.

References

- Agwu, E., Atuma, O., Ikpefan, O.A. and Iyoha, O.F. (2014) Adoption triggers and barriers of mobile banking services in Nigeria, *International Review of Social Sciences*, Vol. 2, No. 9, pp.374–386.
- Alavi, M., & Majidi, A. (2015). Explain and analyze the Different Models of E-banking Service Quality Assessment. *Iranian Journal of Business and Economics*, 2, 52-59.
- Allen, Kathleen R (2006). *Launching New Ventures: An Entrepreneurial Approach*. Boston: Houghton.
- Al-Somali, S. A., Mashat, R. M., & Aburokbah, S. H. (2020). An Examination of the Factors that Contribute to the Adoption Success of B2B E-Commerce in Saudi Arabia. *International Journal of Innovative Science and Research Technology*. 5(11).
- Apulu, I. and Ige, E.O. (2011) 'Are Nigeria SMEs effectively utilising ICT?', *International Journal of Business and Management*, Vol. 6, No. 6, pp. 207–215
- Asiago, M. F., & Paul, S. N. A. (2015) Influence of Entrepreneurial Strategy on Customer Satisfaction in Water Providers in Kenya: A Case Study of Eldoret Water and Sanitation Company Limited. *International Journal of Science and Research* 6(4).
- Awa, H. O., Nwibere, B.M. and Inyang, B.J. (2010). The uptake of electronic commerce by SMES: a meta theoretical framework expanding the determining constructions of Tan and Toe frameworks, *Journal of Global Business and Technology*, Vol. 6, No. 1, pp.1–27.

- Bankole, O.A., Lalitha, M., Khan, H.U. and Jinugu, A. (2017) Information technology in the maritime industry past, present and future: focus on long carriers, *7th IEEE International Advance Computing Conference, Hyderabad, India*, 5–7 January.
- Barney, J. (2001). Is the resource-based view a useful perspective for strategic management research? *Academy of Management Review*, 26, 41–56.
- Bazdan, Z (2011). *An international economy and e-commerce case study, Our Economy Case Study: Ebay*, Vol. 57, Nos. 3–4, pp.44–50 <http://eds.b.ebscohost.com.ezproxy.liv.ac.uk/eds/pdfviewer/pdfviewer?sid=0a8a087b-b5eb-4f1a-b65b86619a77716f%40sessionmgr113andvid=1andhid=105> (accessed 8 June 2021).
- Boateng, R., Hinson, R., Galadima, R. and Olumide, L. (2014). Preliminary insights into the influence of mobile phones in micro-trading activities of market women in Nigeria', *Information Development*, Vol. 30, No. 1, pp.32–50.
- Feigenbaum, J., Parkes, D.C. and Pennock, D.M. (2009) Computational challenges in e-commerce, *Communications of the ACM*, Vol. 52, No. 1, pp.70–74.
- Gartner. (2018). *IT Glossary: Digitalization*. Gartner. <https://www.gartner.com/it-glossary/digitalization>, Retrieved on 10th December 2020
- Gracia, E., Bakker, A. B., & Grau, R. M. (2011). Positive emotions: The connection between customer quality evaluations and loyalty. *Cornell Hospitality Quarterly*, 52(4), 458-465.
- Huamei, S. (2013). Moderating role of online word of mouth on website attributes and consumer trust in e-commerce environment. *Journal of Applied Sciences*, Vol. 13, No. 12, pp.2316–2320.
- Ibikunle, O. (2013) *E-commerce in developing nations: issues and challenges, Consumer Attitude in the Nigerian Market*. <https://www.theseus.fi/bitstream/handle/10024/65725/Thesis-Ibikunle%20Oluwaseun.pdf?sequence=1> (accessed 8 June 2021).
- Idris, A. A., Olumoko, T. A., & Ajemunigbohun, S. S. (2013). The Role of Information Technology in Customers' Service Delivery and Firm Performance: Evidence from Nigeria's Insurance Industry. *International Journal of Commerce Studies*, 5(4), 59.
- Kobayashi, T., Okada, H., Cooharajanone, N., Bracamonte, V. and Suzuki, T. (2013). *How can electronic commerce in developing countries attract users from developed countries, Comparative Study of Thailand and Japan?* <http://eds.b.ebscohost.com.ezproxy.liv.ac.uk/eds/pdfviewer/pdfviewer?sid=9855e27b-9cdf-46e3-bded9af657bbdfba%40sessionmgr112andvid=1andhid=109> (accessed 8 June 2021).
- Laudon, K. C. & Laudon J. P. (2016). *Management Information System Managing the Digital Firm*. 14th Edition, Pearson Education Limited, England.
- Leibenstein, H. 1966. Allocative efficiency vs. 'X-efficiency'. *American Economic Review* 56, 392–415.
- Leibenstein, H., 1978. *General X-Efficiency and Economic Development*. Oxford University Press, New York.
- Leibenstein, H., 1980. Microeconomics and X-efficiency theory. *Public Interest (special issues)*, 97–110.
- Leibenstein, H., 1983. Property rights and X-efficiency theory: a comment. *American Economic Review* 3, 831–842.

- Mandić, M. (2009) Privacy and security in e-commerce, *Trziste/Market*, Vol. 21, No. 2, pp.247–260.
- Mondal, H. S., Hasan, M. T., Karmokar, T. K., & Sarker, S. (2017). *Improving quality of service in cloud computing architecture using fuzzy logic*. In 2017 4th International Conference on Advances in Electrical Engineering (ICAEE) (pp. 149-152).
- Muluka, K. O. (2015). *Influence of digital banking on customer satisfaction: a case of national bank of Kenya Bungoma County* (Doctoral dissertation, University of Nairobi).
- Nidhi, T., & Simran, K. (2018). Impact of Digital Market on Consumer Buying Behaviour. National Journal, *ijms.ccsenet.org International Journal of Marketing Studies* Vol. 11, No. 3; 2019 130 8(2).
- Olatokun, W. and Bankole, B. (2011) Factors influencing electronic business technologies adoption and use by small and medium scale enterprises (SMEs) in a Nigerian municipality, *Journal of Internet Banking and Commerce*, Vol. 16, No. 3, p.2.
- Rachinger, M., Rauter, R., Müller, C., Vorraber, W. and Schirgi, E. (2019), "Digitalization and its influence on business model innovation", *Journal of Manufacturing Technology Management*, 30 (8), 1143-1160
- Radovilsky Z. (2015). *Application Models for E-Commerce*. Cognella Academy Publishing, Chennai, India,
- Salehi, A. (2013). *Barriers and Challenges of E-Commerce in Iran* <http://eds.b.ebscohost.com.ezproxy.liv.ac.uk/eds/pdfviewer/pdfviewer?sid=8b9a552e-3c8f4802-825c-927ee1e3a8b8%40sessionmgr110andvid=1andhid=109> (accessed 8 June 2021)
- The World Bank (2019), Nigeria Digital Economy Diagnostic: A Plan for Building Nigeria's Inclusive Digital Future. Nigeria Digital Economy Diagnostic: A Plan for Building Nigeria's Inclusive Digital Future (worldbank.org)
- UNCTAD, (2020). *COVID-19 and E-commerce*. https://unctad.org/system/files/official-document/dtlstictinf2020d1_en.pdf, retrieved on 7th December, 2020.
- Verhoef, P. C., Broekhuizen, T., Bart, Y., Bhattacharya, A., Dong, J. Q., Fabian, N., & Haenlein, M. (2019). Digital transformation: A multidisciplinary reflection and research agenda. *Journal of Business Research*. 122, 889-901
- Wei, L.H., Osman, M.A., Zakaria, N. and Bo, T. (2010) Adoption of e-commerce online shopping in Malaysia, *7th International Conference on e-Business Engineering*, pp. 140–143
- Westerhuis, G. (2020). *Strengthen the adaptability of the ERTMS implementation*. (Master of Science thesis, Delft University of Technology, South Holland, Netherlands)
- Whitsed, C., & Green, W. (2015). Internationalization of the Curriculum and the “New Normal”: An Australian Perspective. *International Higher Education*, (83), 13-15.
- Yusuf-Dauda, S., & Lee, J. (2015). Technology adoption: A conjoint analysis of consumers' preference on future online banking services. *Information Systems*, 53, 1–15
- Zheng, X., Da Xu, L., & Chai, S. (2017). QoS Recommendation in Cloud Services. *Practical Innovations, Open Solutions*, 5, 5171–5177.