

# Adoption of E-Commerce Platforms by Shoprite Customers in Ilorin Kwara State.

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## Abstract

This paper examines the adoption of e-commerce and e-commerce platforms and their effects on the sales of goods and services, using the case of Shoprite in Ilorin. Technology Acceptance Model (TAM) is employed in carrying out the research. Two hundred (200) copies of the questionnaire were administered, using the judgment sampling technique. Descriptive design was employed for the research. Descriptive statistics were used to answer the stated research questions and Pearson Correlation was used to test the hypotheses. Results show that the growth and rapid adoption of e-commerce platforms have significant effects on the sales of goods and services of physical stores. Hence, e-commerce platforms and physical stores can co-exist. Results show that the growth and rapid adoption of e-commerce platforms have a significant effect on the sales of goods and services of physical stores. Moreover, e-commerce and e-commerce platforms are gradually becoming a success in the society, especially among the young ones, despite some of the challenges they face when using the system. In spite of the growing success of e-commerce platforms, the respondents still have few challenges, which they face while using them. Such challenges need to be looked into by the government, financial institutions and private business owners, who utilize such platforms. This is because those challenges would not only retard the use of the system but also the trust and interest in it. Ignoring such concerns may eventually result into the failure of the system.

**Keywords:** e-commerce, e-commerce platforms, internet banking, e-technology

## Introduction

Electronic commerce is now an alternative and convenient way of conducting business both nationally and internationally. This revolutionary way of business transaction has since broken down the geographical boundaries of the market, where people visit to buy or sell (Khan 2016). Internet Electronic Business (e-Business) has continued to be a catalyst which accelerates economic growth in

many developed countries. According to e-commerce statistics (2001), annual online sales was USA \$995 billion (93.3% of all US e-Commerce), Asia-Pacific est. \$300 billion by 2004, Latin-America est. \$12.5 billion by 2003 and Africa est. \$0.9 billion by 2003, with South Africa accounting for 80 to 85 per cent.

As the giant of Africa, not only in numerical strength but also in economic power and intellectualism, Nigeria has not proved her leadership role in championing technological advancement in Africa (Akintola, 2011). So, it has to move its economic activities to cyberspace through e-commerce. This is because, e-commerce is now seen as one of the areas developed through which nations are gaining competitive advantage. According to Ayenagbo, Rongcheng, Wengjing, Ngbuhi (2012), a country determined to compete in the 21st Century marked by globalization, fiercely competing markets, job opportunities, and rapid technological advances, must commensurate infrastructure to drive its vision.

Among the most powerful forces affecting the world's economy and commerce today is the substantial increase in globalization through the use of ICT. Olatokun and Bankole (2011) stressed that the rapid emergence of e-commerce had changed the nature of business so quickly and pervasively that where once it was revolutionary, now, it is simply evolutionary. The term "Electronic commerce" (or *e-commerce*) refers to the use of an electronic medium to carry out commercial transactions. More often than not, it refers to the sale of goods and services using the Internet as its medium. However, the term *e-commerce* also covers purchasing mechanisms via the Internet. (Abubakar, 2019) stated that e-commerce provides many opportunities to create better business economics. In the words of Brynjofsson, Smith & Montgomery (2007) e-commerce is the "great equalizer". If these statements are true, then it means that businesses should be receiving some sort of benefits from the implementation of these technologies. The ability of the World Wide Web (WWW) to facilitate communication has triggered off the need for businesses to think about new ways of conducting their affairs (Herbig & Hale, 1997; Pattinson & Sood, 2020; Saeed, 1999) which has brought about the need for e-commerce platforms. E-commerce platforms are virtual storefronts where consumers can go to buy a product or service of their choice. So, online merchants can list just about whatever they have in their current inventory. A good e-commerce site should have an online catalogue, a virtual cart, a search engine, secure online payment and virtual tracking. The advent of e-commerce platforms has increased rapidly in the past couple of years and seems to be taking over the business of today, due to its ability to increase sales, increase business reach, keep business open 24/7 and so much more. This has given users easy and quick access to goods and services of their choice and at their convenient time. Therefore, this study examines the

adoption of e-commerce platforms and their effects on goods and services in Kwara State.

The objectives of this study are to:

1. examine the level of awareness and relevance of e-commerce platforms;
2. determine the frequency e-commerce platforms are used for the sales of goods and services;
3. identify factors affecting the use of e-commerce platforms for sales/purchase of goods and services;
4. identify the challenges of using electronic commerce platforms for sales of goods and services as against the primitive way of buying and selling.

### **Research Hypotheses**

The following null hypotheses will be tested at 0.05 level of significance

1. H<sub>01</sub>- There is no significant relationship between the use of e-commerce platforms and sales of goods and services.
2. H<sub>02</sub>- There is a significant relationship between the use of e-commerce platforms and the sales of goods and services.

### **Overview of Nigeria E-Commerce Platforms**

E-Commerce operates on digital technology for its activities and transactions which is based on e-Communication (Turban et al., 2018). The technology used included internet communications via websites, emails (intra-net and extra-net), digital media such as mobile or wireless media for the availability of cable television and satellites, mobile phones/devices for mobile banking services and also telemarketing, fixed telephone lines which are used for telephone banking. While all these platforms are used for e-commerce operations, it is important to state the importance of the web as it is the base of all the e-commerce platforms. This is because the web has been a very useful tool in breaking through different nations, and transactions can be done almost any time, irrespective of the various time zones that exist around the world.

According to Tella and Isah (2015), most African nations are being plagued by bad governance, corruption and deficient infrastructure. In spite of that some are making giant strides in the ICT, which has led to the massive growth of e-commerce platform activities in this part of the world. The authors further stated that Nigeria is at the forefront of e-commerce platform activities in Africa. They listed the top 10 e-commerce platforms in Nigeria. These are Konga Nigeria, Jumia Nigeria, Kaymu Nigeria, Taafoo Nigeria, Wakanow Nigeria, Dealdey Nigeria, Adibba Nigeria, Shopaholic Nigeria, Buy Correct, and Mall for Africa, according to their effectiveness in Nigeria. Jumia Nigeria, established in May 2012, is Nigeria's variant of amazon.com. The popularity of Jumia Nigeria has gone far beyond the shores of

the African continent and it has been rated by Amazon's alexa, as the most visited e-commerce platform in the country. Virtually, all household needs can be found on Jumia. Yea, almost everybody is singing the Jumia's song because of their viral offline advertising campaign which is currently being used to encourage Nigerians to embrace online shopping and of course to promote their brand (Usman, 2009).

### Methodology

Descriptive survey research and a closed-ended questionnaire were used to collect data from the respondents. The population of the study is based on consumers purchasing at Shoprite in Kwara State. Shoprite attracts thousands of people who visit it daily to purchase varieties of products. A 35 item questionnaire modified from previous studies was used to collect data. Descriptive statistical analysis was used to identify frequencies and percentages to answer all the questions in the questionnaire. Data was analyzed to identify, describe and explore the adoption of e-commerce platforms and the effect it has on the sales of goods and services. Eventually, the data generated was analyzed using SPSS. What is more fascinating is that Pearson correlation statistical tool was employed to test the hypotheses of this research.

### Results and Discussion of findings

The findings of this study show that perception and attitude play a vital role in determining the adoption of e-commerce and the effect it has on the users, at least among the sampled respondents.

### Test of Hypotheses

**H<sub>0</sub>:** There is no significant relationship between the use of e-commerce platforms and sales of goods and services.

Table 1. Analysis of the relationship between the use of e-commerce platforms and sales of goods and services using Pearson correlation (**H<sub>0</sub>**).

Variable	Frequency	Significant Value	Correlation Value	Result
Relationship between e-commerce plat-forms and sales of goods and services	200	0.000	Pearson's correlation 0.486	Rejected

Table 1 shows the relationship between the use of e-commerce platforms and sales of goods and services. The p-value was 0.000, while the correlation value was 0.486

at a 0.05 level of significance. The result rejected the null hypotheses because the p-value is lesser than 0.05. Therefore, the null hypothesis was rejected which shows that there is a significant relationship between the use of e-commerce platforms and sales of goods and services.

**H<sub>1</sub>:** There is a significant relationship between the use of e-commerce platforms and sales of goods and services

Table 2. Analysis of the relationship between the use of e-commerce platforms and sales of goods and services using Pearson correlation (**H<sub>1</sub>**).

Variable	Frequency	Significant Value	Correlation Value	Result
relationship between e-commerce platforms and sales of goods and services	200	0.09	Pearson's correlation (0.547)	Accepted

Table 2 shows the relationship between the use of e-commerce platforms and the sales of goods and services. The p-value was 0.09, while the correlation value is 0.547 at a 0.05 level of significance. The result accepts the alternative hypotheses because the p-value is greater than 0.05. Therefore, the alternative hypothesis is accepted which shows that there is a significant relationship between the use of e-commerce platforms and sales of goods and services. This goes in line with the words of Kaynak et al (2005) that the rapid emergence of e-commerce has changed the nature of business so quickly and pervasively **that where once it was revolutionary, now, it is simply evolutionary.** The results of the study have confirmed that there is a statistical correlation between the predicted direction of the research model as the hypothesis that there is a significant relationship between e-commerce platforms, and sales of goods and services accepted based on the data collected.

Table 3. Distribution of the respondent's awareness of the relevance of e-commerce platforms for the sales of goods and services.

NO	Awareness	Extremely familiar F (%)	Very familiar F(%)	Moderately familiar F(%)	Slightly familiar F(%)	Not at all familiar F(%)
1	Online shopping	67 (33.5)	80 (40)	24 (12)	1 (0.5)	28 (14)
2	Online Banking	19 (9.5)	48 (24)	52 (26)	15 (7.5)	66 (33)
3	Automated Teller Machine	52 (26)	68 (34)	26 (13.5)	5 (2.5)	48(24)
4	Mobile Banking	26 (13)	47	41 (20.5)	18 (9)	68 (34)

			(23.5)			
5	Point of Sale (POS)	54 (27)	73 (36.5)	39 (19.5)	5 (2.5)	29 (14.5)
6	Transfer of funds	50 (25)	70 (35)	40 (20)	10 (5)	30 (15)
7	Recharge of credit for phones	82 (41)	52 (26)	5 (2.5)	41 (20.5)	20 (10)
	Percentage Average	25	31.3	16.3	6.8	20.6

Table 3 shows a total of 79.4% of the respondents are familiar with e-commerce. This shows that the level of awareness of e-commerce platforms has effects on the sales of goods and services.

Table 4. Distribution of respondents on how frequently they make use of e-commerce platforms.

NO	USAGE	DAILY F (%)	WEEKLY F (%)	MONTHLY F (%)	YEARLY F (%)
1	Online shopping	60 (30)	48 (24)	60 (30)	32 (16)
2	Online Banking	30 (15)	66 (33)	24 (12)	86 (43)
3	Automated Teller Machine	142 (71)	36 (18)	21 (10.5)	1 (0.5)
4	Mobile Banking	140 (70)	36 (18)	21 (10.5)	1 (0.5)
5	Point of Sale (POS)	102 (51)	26 (13)	42 (21)	30 (15)
6	Transferring funds	56 (28)	52 (26)	50 (25)	42 (21)
7	Recharge of credit for phones	116 (58)	44 (22)	20 (10)	20 (10)
	Percentage Average	46	22	17	15

Table 4 shows that 85% of the respondents have used e-commerce platforms for sales/purchase of goods and services daily, weekly or monthly while the remaining 15% use e-commerce yearly.

Table 5. Distribution of respondents on factors affecting the use of e-commerce platforms.

NO	Factors affecting	SA F (%)	A F (%)	N F (%)	D F (%)	SD F (%)
1	The platforms are Secure and have reliable payment systems compared to using cash	32 (16)	58 (29)	26 (13)	55 (27.5)	28 (14)
2	The platforms make my transaction quicker compared to using cash	80 (40)	62 (31)	10 (5)	20 (10)	28 (14)
3	The platforms are	12 (6)	31 (15.5)	14 (7)	61 (30.5)	82 (41)

	trustworthy					
4	The platforms reduce the cost of doing business by lowering transaction costs and increasing efficient methods for payment such as using online banking and reducing stationery and postage costs	91 (45.5)	62 (31)	25 (12.5)	19 (9.5)	3 (1.5)
5	The platforms are easy to use (USER FRIENDLY)	14 (7)	53 (26.5)	36 (18)	46 (23)	51 (25.5)
6	The platforms are time saving compared to using cash	75 (37.5)	53 (26.5)	10 (5)	33 (16.5)	29 (14.5)
7	The platforms are difficult to use due to my inability to read and write	11 (5.5)	20 (10)	22 (11)	74 (37)	73 (36.5)
8	Am not interested in making use of e-commerce platforms	10 (5)	15 (7.5)	31 (15.5)	66 (33)	58 (29)

Table 5 indicates that 45% of the respondents agreed that the platforms are secured compared to using cash. 41.5% of the respondents admitted that the platforms are not secure compared to moving cash while others are undecided. 71% of the respondents agreed that the platforms make their transaction quicker compared to using cash while 24% disagreed with this statement. 21.5% of the respondents agreed that the platforms are trustworthy, while the highest percentage disagreed with this. 76.5% of the respondents agreed that the platforms reduced the cost of doing business by lowering transaction costs and increasing efficient methods for payment such as using online banking and reducing stationery and postage costs, while others didn't agree with this. 33.5% of the respondents agreed that the platforms are user-friendly, while 48.5% of the respondents disagreed that the platforms are user friendly. Majority of the respondents which carry 64% agreed that the platforms are time saving compared to using cash while 31% of the respondents disagreed that the platforms are time saving compared to using cash. 15.5% of the respondents agreed that the platforms are difficult to use due to their inability to read and write, while the majority of the respondents disagreed with that, which means the majority are educated. 22.5% of the respondents agreed that they are not interested in using e-commerce platforms, while 62% of the respondents are interested in using e-commerce platforms. In line with the result of this study, it shows that people have a positive attitude towards the use of e-commerce platforms. This is also in line with the accepted hypothesis as well.

Table 6. Distribution of respondents on the challenges faced when using e-commerce platforms.

NO	Challenges	SA F (%)	A F (%)	N F (%)	D F(%)	SD F(%)
1	Lack of personal interaction	49 (24.5)	35 (17.5)	12 (6)	28 (14)	76 (38)
2	Network failure	17 (8.5)	86 (43)	32 (16)	28 (14)	37 (18.5)
3	Poor quality of service	10 (5)	86 (43)	32 (17.5)	37 (18.5)	32 (16)
4	Poor security	9 (4.5)	48 (24)	21 (10.5)	81 (40.5)	41 (20.5)
5	High cost of maintenance	18 (9)	42 (21)	32 (16)	67 (33.5)	41 (20.5)

Table 6 reveals that majority of the respondents faced challenges such as frequent network failures (51.5%), and poor quality of service (48%) when using e-commerce.

Table 7. Distribution of respondents on the challenges faced when using primitive ways of purchasing goods/services.

NO	Challenges	SA	A	U	D	SD
1	Lack of security for moving money	25 (12.5)	81 (40.5)	29 (14.5)	29 (14.5)	36 (18)
2	It is more familiar	7 (3.5)	46 (23)	58 (29)	55 (27.5)	34 (17)
3	No large purchases	11 (5.5)	27 (13.5)	28 (14)	86 (43)	48 (24)
4	Exposure to robbery	62 (31)	80 (40)	26 (13)	19 (9.5)	13 (6.5)

It also revealed that the majority of the respondents faced challenges such as lack of security for moving money (53%) and exposure to robbery (71%) when using primitive ways. The positive linear relationship between perceived ease of use and perceived usefulness of e-commerce platforms for sales of goods and services is significant at 0.000 ( $p < 0.05$ ). The result rejected the null hypothesis (there is no significant relationship between e-commerce and sales of goods and services. This is, because the p-value is lesser than 0.05, which shows that there is a significant relationship between the adoption of e-commerce platforms and the sales of goods and services. This is in agreement with the findings of Purvagrover, Saade, Nedebe and Tan (2007), (Mahdizadeh, Biemans and Mulder, 2008). This implies that the respondents believed that at least a significant relationship exists between the adoption of e-commerce platforms and the sales of goods and services.

Secondly, the alternative hypothesis was tested to find as to whether there is no significant relationship between the adoption of e-commerce platforms and sales of goods and services. With a significant level of 0.013 ( $p > 0.05$ ). The result



accepted the alternative hypotheses because the p-value is greater than 0.05. Therefore, the alternative hypothesis was accepted which showed that there is a great significant relationship between the adoption of e-commerce platforms and sales of goods and services. This corroborates the findings of Olatokun et al. (2011) who found out that the rapid emergence of e-commerce has changed the nature of business so quickly and pervasively that what was once revolutionary is simply evolutionary now.

### **Implication of the Results**

Based on the finding of this research, it can be deduced that e-commerce platforms have a significant and positive effect on the sales of goods/services due to some factors such as convenience, saving the cost of doing business, and of recent, secure and reliable payment systems.

### **Conclusion**

Based on the results gathered, the growth and rapid adoption of e-commerce platforms have a significant effect on the sales of goods and services of physical stores. Similarly, e-commerce and e-commerce platforms are gradually becoming a success in society, especially among the young ones despite some of the challenges they face when using the system. However, the success is attributed to its usefulness, ease of use, in addition to the fact that it saves time and it has a wider reach.

### **Recommendations**

A system that satisfies the needs of its users would boost their satisfaction with the system and is an indicator of the system's success (Nasim,2009). Despite the growing success of e-commerce platforms, the respondents still have a few challenges faced while using them. This has to be looked into by the government, financial institutions and the private business owners that use them. Failure to do so would not only slow down the use of the system, the trust and interest in it, but it might ultimately result in the failure of the system either. Therefore, the following recommendations are provided:

1. From table 3 and table 4, ATM and online shopping have the highest level of awareness as well as the highest level of use. Awareness campaigns should be made to customers about other e-commerce platforms aside from these two so as to encourage more usage and equally increase the level of adoption of such platforms.
2. Customers need to have access to the Internet to utilize e-commerce platforms. Therefore, the government should compel internet service

- providers to reduce the cost of the internet subscriptions to encourage the users to adopt the system.
3. The government and financial institutions should enforce additional measures in securing users' transactions and personal information for them (the users) to feel safe when using these platforms. Also, individuals should be enlightened on measures of securing their financial information and transactions on e-commerce platforms.
  4. Older people should be enlightened on the numerous functions of the e-commerce platforms because the majority of the users fall within the younger age group. The older ones barely use the numerous functions of the available e-commerce platforms.

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