**THE IMPACT OF ONLINE SHOPPING SYSTEMS IN NIGERIA**

**by**

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**ABSTRACT**

*This seminar paper is a reflection of the impact of online shipping system in Nigeria. This paper work recognized online shopping systems as the collection of tools and telecommunications elements that enables the shopping behaviour of initiating and completing business transactions with out or with minimal direct human contact. The Internet has made online shipping not only a possibility but also a huge success contribution to economics around the globe. The study study also suggest that vendors should introduce online review of their products to honestly share their experiences on the product Page as a way to create improved customer experiences.*

**INTRODUCTION**

Like in developed countries, an increasing number of retailers in Nigeria are adopting the Internet as a platform to make sales; this is known as online shopping. The adoption and use of the Internet (a major technological platform) to facilitate socio-economic activities is growing in all parts of the world, and this growth is poised to continue unabated in coming years. In developed countries, the growth has been very high with the Internet penetration reaching over 75 per cent of the population (Zhu, 2020).

With this ambitious Internet statistics, Nigerian consumers can join millions of other consumers in the globe and relish new and exciting online shopping experience. E- Shopping behaviour (also called online buying behaviour and Internet shopping/buying behaviour) refers to the process of purchasing products or services via the Internet. E-Shopping behaviour refers to consumer’s psychological state in terms of making purchases on the Internet (Singla & Kumar, 2011).

Online shopping, especially in retail environment, enables consumers to visit electronic stores (e-stores), locate and select products, make payment through credit cards, debit cards money transfer, or cash on delivery and get delivery at their door steps. Prices can be compared before purchases by visiting estores of two or more competing electronic retailers (e-tailers) or online price comparison websites.

E-stores offer shoppers certain benefits that cannot be offered by brick-and-mortal (physical) stores, and these attract a growing number of consumers to online shopping from all over the world. These benefits are well documented in the extant literature. For example, prior studies have indicated that e-stores offer online shoppers more diverse product choices, individualized (customized) products, service information, shopping convenience, 24/7 shopping, time saving, competitive pricing and privacy (Shen, 2005).

## The concept of online shopping

Online shopping has a lot of connotations which are used interchangeably in the extant literature. These are Internet shopping, electronic shopping, and web shopping. Online shopping has been defined by scholars and researchers. On-line shopping is a single, homogenous activity, the selling of goods and services via the World Wide Web (www) (Clarke, 2012). Online shopping is the use of online stores by consumers up until the transactional stage of purchasing and logistics (Ruyter, 2014). Web shopping is an e-commerce system used by shoppers in the context of business-to-consumer (B2C) or business-to-business (B2B) (Chai, & Piew, 2010). These definitions imply that online shopping requires existence of retailers’ websites through which shopping is done in a virtual environment devoid of physical contact between sellers and buyers. To attract shoppers to, keep them longer on, and make them return to the sites, e-tailers must design and promote a user-friendly websites. Ultimately, the main goal of online shopping is to provide a platform for shoppers to make exchange of goods and services with retailers.

These products range from computers to compact discs to canned goods and can be evaluated by using text, pictures and other digitally communicable information. This category of products can be purchased online. The second category of products refers to experience products, which consumers prefer to see and touch before purchasing. It includes clothes and groceries (Legard, 2018).

Nigeria is witnessing upsurge of e-tailers (online stores), who are trying to promote online buying behaviour for some of the above mentioned and other products. These e-tailers attract shoppers into their well-crafted web sites and encourage them to do window shopping, locate products, compare prices, make purchase, drop product in e-shopping cart, make payment and get product delivered at their door steps. Some of these e-tailers in Nigeria are:

1. www.glamour.com.ng dealing in perfume, jewellery, sunglasses and beauty products.
2. www.jumia.com.ngstocking and selling women’s clothing, women shoes, men’s clothing, men’s shoes, watches & sunglasses, health & beauty products.
3. www.konga.com dealing in clothing, phones, computer & electronics, watches, books & stationery, music, movies & games, home & kitchen.
4. www.mannastores.comselling babies/kids, electrical, home/kitchen, motors, sports and women products.
5. www.onstentationclothing.com specializing in dresses, pant & leggings, shirts, hand bags, shoes and perfume.

With improved Internet infrastructure and penetration in the country, there is prospect for more e-tailers’ presence in the Nigeria’s cyberspace. However, little or nothing is known about these e-tailers in the country. This is because many of them hardly promote their websites to attract shoppers.

## Challenges of Online Shopping in Retail Industry in Nigeria

The low adoption of the Internet to make purchases in retail stores by Nigerian consumers may be attributable to some challenges discussed in this section. The literature is deluged with number of challenges militating against the adoption of the Internet, especially in developing countries (Williams, 2012).

## Cultural Barriers

The use of the Internet for shopping is culture bound and, therefore culture influences its adoption from one country to another. This view is corroborated by Rogers (1995) who explained that the degree of compatibility of the information technology and its various uses with the values and norms of a social system influences its diffusion pattern in that social system. Suki, Ahmad, & Thyagarajan, (2012) have also indicated that one of the obstacles which limit the development of e-commerce locally is related to the culture or the behaviour of customers when it comes to buying goods and services through credit cards.

## Infrastructure Challenge

This is another major challenge militating against rapid adoption and continued use of the Internet to do shopping in the developing countries, including Nigeria. According to Fleenor and Raven (2012), infrastructure refers to the hardware or equipment, software applications and services associated with ICTs, including telecommunication and electricity, grid networks. From this, infrastructure challenge can be categorized as: the challenge of personal computer (PC) penetration, the challenge of access to the Internet, the challenge of electronic payment and the challenge of electricity supply.

The second infrastructure problem is the access of Nigerians to the Internet. Access to the Internet, is by and large, a function of telecommunications infrastructure.

Thirdly, electronic payment system in Nigeria is not well developed, and also discourages online shopping. In countries where online shopping is very popular, the use of credit cards to settle payment is well established and used. In Nigeria, only few banking customer have and use credit cards. Murray (2009), opined that few people in developing countries have credit cards and most banking sectors in developing countries lack a national clearing system and potential customers are suspicious of being cheated.

## Fraud and Security Concern

Another serious impediment to the adoption of the Internet to make transaction in the retail industry is security concerns by the prospective and actual shoppers. Security is defined as a set of procedures, techniques, and safeguards designed to protect hardware, software, data, and other system resources from unauthorized access, use, modification, or theft (Davis, 2013).

From the foregoing, security challenge is a real one that should be tackled headlong to encourage more Nigerian adopt online shopping. Online shopping relies heavily on the use of Credit Cards to make payment, and online shopping can be promoted to reduce the amount of cash shoppers carry in this cashless era. According to Ojomuyide (2012) online shopping is just one way Nigerians can reduce their dependence on cash payments. In Nigeria, many users of electronic platforms such ATMs, Mobile phone, and Credit cards have lost several millions of naira to e-fraudsters.

## Perceived risk

This challenge stems from the factor of fraud and security. As users interact with a new technology, they will learn the usefulness as well as the risks associated with the technology. Torkzadeh & Dhillon (2011) defined perceived risk as an assessment of uncertainties or lack of knowledge about the distribution of potential outcomes. There is the risk that the supplier may not satisfactorily deliver the goods ordered. The goods may be inferior, incorrectly selected, and may never arrive (Tian, 2010). Uncertainties about how customers’ financial information is treated by e-tailers will increase perceived risk associated with online transactions, and reduce their willingness to adopt online shopping.

## Inadequate regulatory framework

With the advent of the Internet many developing nations have not amended their laws to accommodate rights, obligations and responsibilities of the providers and users of the Internet services, and how redress can be sought and obtained in the court of competent jurisdiction, thus making it difficult for shoppers to get redress in case of injury.

# Conclusion

The growth of the Internet is very high in developed country and even explosive in some developing countries, including Nigeria. However, Nigerian consumers are not exploiting the Internet to make purchase in the retail stores despite the rising population of the Internet users and the upsurge in the number of e-tailers in the country. The challenges militating against online shopping adoption are cultural barriers, infrastructure challenge, fraud and security concern, perceived risk and inadequate regulatory framework.

**RECOMMENDATIONS**

In light of the conclusion above, it is pertinent to make the following recommendations to enhance rapid adoption and diffusion of online shopping in Nigeria:

1. Breaking the yolk of cultural barrier requires an advertising blitz by e-tailers.
2. Nigerian governments, at all levels, should sensitize Nigerians on the importance and benefits of adopting the Internet in all facets of our life and not only as a tool of shopping.
3. As a way of reducing costs of doing business in Nigeria and further achieving reduction in the price of the Internet service, federal government should improve the current epileptic electricity supply in the country.
4. To address the fraud and security challenge, e-tailers should develop a comprehensive privacy policy for their customers on the disclosure of personal information in order to reduce their concerns for security matter.

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