



## ABSTRACT

*Electronic commerce also known as e-commerce has facilitated the emergence of new marketing strategies and business models in several industries in developing countries, Nigeria inclusive. This study examined E-commerce and Customer satisfaction. Selected customers and employees of Jumia.com and*

# E-COMMERCE AND ITS IMPACT ON ACHIEVEMENT OF CUSTOMER SATISFACTION OF CONSUMER PRODUCTS

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## Introduction

Electronic commerce also known as e-commerce has facilitated the emergence of new marketing strategies and business models in several industries in developing countries, Nigeria inclusive. Significant changes are happening in product retailing with the introduction of online shopping, especially in terms of channel development and coordination, business scope redefinition, the development of fulfillment center model and core processes, new ways of customer value creation, online partnerships and general customer satisfaction. In fact, the role of online marketing itself has undergone some significant changes in the last few years in Nigeria (Irene 2004). The electronic commerce segment of the retail market has witnessed tremendous growth in terms of participation in the Nigerian economy in the past few years. According to Johnson, (2012) over 100 firms both local and foreign have shown greater i



*OLX.com served as the study population. The broad aim of the study is to examine the effect of E-commerce on customer satisfaction. The study is on Jumia.com and Olx.com in Minna, Niger State which is about 305 customers. This population was selected with simple random technique using Taro Yamane formula to determine the sample size of 173. The research instrument used in this research for the collection of data is questionnaire. Analysis of data is based on 173 copies of questionnaire administered to users of Jumia.com and OLX.com. A total of 80 copies were filled and returned from Jumia.com and 70 was filled and returned from OLX.com, making a total of 150 copies returned while 23 was withheld. The statistical tool used is the chu-square ( $X^2$ ) model using statistical package for social sciences(SPSS) as a tool. The formulated hypotheses were tested using chi-square. Summary of findings shows that 56% agreed that Jumia.com make transaction process so easy that buyers forgot about open market while 26% disagreed while 28% shows that Olx.com makes transaction process so easy that buyers forget about Open market while 63% disagreed. It is therefore concluded that Nigeria is one of the fastest growing telecommunication country in Africa. The study therefore recommends that online marketing organization should work at adopting policies that would reflect the factors that encourages customers to use online shops.*

**Keywords:** *E-commerce, Impact, Achievement, Customer Satisfaction, Consumer Products.*

interest in the sector alleged to worth over \$50 billion annually. The industry has no doubt opened doors for the coming generation of young Nigerian entrepreneurs. Electronic commerce industry has no doubt increased the percentage of local content in products and services as well as increased utilization of local capacity.

Ayo, Adewoye and Oni (2011) asserted that the adoption of e-commerce in Nigerian business organizations has increased since the users of internet in



Nigeria has grown from 0.1% in 2000 to 29.5% of its population in 2014 and still has the potential to grow higher. Tunde (2014) also noted that online retail market in Nigeria has significantly impacted the nation's economy. In the same vein, Mary-Anne (2008) affirmed that e-commerce has offered a level playing ground for large businesses, as well as small and medium-scale enterprises (SMEs) to operate in the global market-place; and for regional businesses and communities to participate in social, economic and cultural networks seamlessly across international boundaries. E-commerce refers to the use of communications technology particularly the internet to buy, sell and market goods and services to customers. The Internet has brought about a fundamental shift in national economies that are isolated from each other by barriers to cross-border trade and investment; isolated by distance, time zones and language; and isolated by national difference in government regulations, culture and business systems (Mohammad, 2004).

A customer is said to be satisfied when products and/or services meet the expectation of the customer. Trust which is a belief that one can rely upon a promise made by another (Pavlou, 2003), is an important factor in customer satisfaction. Stewart, Ellis, Johnson and Meyer (2009) define trust in electronic commerce as the subjective probability with which consumers believe that an online transaction with a web retailer will occur in a manner consistent with their expectations. Scholars have identified lack of trust as one of the main reasons for consumers' cynicism towards electronic commerce. In the context of ecommerce, trust beliefs include the online consumers' beliefs and expectancies about trust-related characteristics of the online seller (McKnight and Chervany, 2002). The online consumers desire the online sellers to be willing and able to act in the consumers' interests, to be honest in transactions (not divulging personal information to other vendors), and to be capable of delivering the ordered goods as agreed. According to Mahmood (2004), the trust factor has significant positive contributions to consumers' online shopping behaviour. Jiang, Chen and Wang (2008) argued that consumer trust is a critical enabler of successful online retailing and knowledge is one important factor influencing the level of trust. The work of Gefen (2003) and Al-Dwairi,



Chappel and Feindt (2009), among others presented an integrated trust model with the technology acceptance model for business-to-consumer (B2C) e-commerce.

### **STATEMENT OF THE PROBLEM**

Despite the growth of internet users in Nigeria, much research work has not been done in accessing the Business to Customer (B2C) e-commerce relationship. Presently, many online shopping sites are thriving in Nigeria, servicing thousands of searchers every week. Some of them are: [www.234world.com](http://www.234world.com), [Xtaples.net](http://Xtaples.net), [www.booksng.com](http://www.booksng.com), [www.orderbay.com](http://www.orderbay.com), [Jumia.com](http://Jumia.com) and [OLX.com](http://OLX.com). Some of these sites make the transaction process so easy that buyers forget about the open market. A site like OLX.com allows buyer to pay to a designated bank account after making online purchases. The items purchased are then shipped to the buyer at the speed of light. Jumia.com allows individual to receive money online and thereafter use it to pay for purchases made. Considering all these, it is expected that the number of people engaging in e-commerce activity will increase. E-commerce has however not been widely tapped into in Nigeria. Many Nigerians still treat its benefits with deep skepticism. They do not believe that e-commerce transactions could be successfully conducted. Customers do not have trust on the delivery system, the payment style and the facelessness of e-commerce activities. Therefore, there is need for online marketing organizations in Nigeria to understand what satisfies individual and organizational customers. Based on this, the study is a comparative analysis of e-commerce and customer satisfaction using Jumia.com and OLX.com, which are some of the leading online shops in Nigeria.

### **OBJECTIVES OF THE STUDY**

The objective of the study is to

1. Identify the effect of E-commerce on consumer satisfaction with consumer products
2. Identify the factor(s) responsible for consumer patronage of online retail business



3. Determine the extent of consumer loyalty to consumer product via online retail businesses

### **QUESTIONS**

In comparatively analyzing e-commerce and service delivery the following questions are pertinent

- i. What is the effect of E-commerce on consumer satisfaction with consumer product?
- ii. What are the factors responsible for consumer patronage of online retail businesses?
- iii. What is the extent of consumer loyalty to consumer product via online retail businesses?

### **HYPOTHESES**

H<sub>1</sub>: There is no effect of E-commerce on consumer satisfaction with consumer product

H<sub>2</sub> There is factor(s) responsible for consumer patronage of online retail businesses

H<sub>3</sub> There is extent of consumer loyalty to consumer product via online retail businesses

### **CONTRIBUTIONS TO STUDY**

This study became extremely important because of observed knowledge gap on e-commerce and its impact on customer satisfaction. This has made it apparently necessary to carry out this study. This study is therefore of significance to the following user groups:

It is beneficial to the researcher as it is part of the requirements for the award of higher National Diploma in marketing

Managers of marketing organizations in Nigeria would benefit from the study as recommendations would serve as necessary data for management strategic decision making.



Findings obtained from this study shall be of assistance to the Nigerian consumer public as recommendations would serve as a source of information for purchase decision making.

The online shops in Nigeria would also benefit from this study as findings would assist them in formulating policies to counter competition in the sector. The study would also be of benefit to entrepreneurs who wish to venture into online marketing in Nigeria.

This study would be of importance to academics who are involved in knowledge transfer as findings would serve as research evidence.

### **LITERATURE REVIEW**

Customer satisfaction has been traditionally studied in marketing area as one of the critical attitudinal variables that may influence customer behavior. Most of the studies of satisfaction in marketing literature are based on the disconfirmation theory. It postulates that, the feeling of satisfaction is a result of the comparison between perceptions of a product's performance and expectations. This theory, representing psychological evaluation processes, provides an understanding of expectations, desires, experiences, and performances that may affect customer attitudes. Based on this theory, McKinney (2017) study suggested that the difference between expectations and actual performance on system quality and information quality is likely to determine Web customer satisfaction. Similarly, Khalifa and Liu (2016) posed that confirmation/disconfirmation of pre-adoption expectations and desires, upon adoption, could influence overall customer satisfaction. While the disconfirmation theory has been supported by many researchers, it is hard to operate the theory consistently for all product categories.

### **IMPACTS OF E-COMMERCE ON THE GLOBAL ECONOMY**

Companies E-commerce is the process of managing on-line financial transaction by individuals and. This includes business-to-business (B2B), business-to-consumer (B2C) and business-to-government (B2G) transactions. The focus of e-commerce is on the systems and procedures



where by financial documents and information of all types are exchanged. This includes online credit card transactions, e-cash, e-billing, e-cheques, electronic invoices, purchase order and financial statements. Ecommerce is particularly concerned with the technologies that enable electronic data interchange (EDI)-type functionality on the internet. E-commerce is often described as being one of three varieties; business-to-business (B2B), business-to-consumer (B2C) or business-to-government (B2G). Much of the interest and the literature had focused on B2B and B2C electronic commerce and most of the statistical indicators have also been in respect of these two forms.

About 80 percent of the total value of electronic commerce in the world today is accounted for by B2B e-commerce. It provides also the greatest potential benefits in terms of productivity gains. B2C e-commerce has the potential to substantially affect the way in which people live and interact with each other and is therefore a key aspect for statistical measurement. E-commerce today is very much a business-to-business affair. Enterprises in developing countries should not let themselves be fooled by the much higher visibility of the business-to-consumer dotcoms. Those enterprises in developing countries that make goods or service delivery that are necessary for the productive process of other enterprises are the ones that should first consider incorporating the internet as an instrument to enhance their opportunities to complete and grow at the same time. Due to the lack of reliable and internationally comparable e-commerce statistics, numerous national statistical offices have started to collect data on ecommerce and generally, the use of ICT and internet.

### **CHALLENGES AND PROSPECTS OF E-COMMERCE IMPLEMENTATION IN NIGERIA**

Many writers of e-commerce and e-business extol the enormous potential and opportunities provided for consumers and businesses globally. However, there are some drawbacks and the benefits to be derived tend to be overstated, (Mark and Bynoe 2018). While many commentators hold the view that ecommerce has many advantages for developing countries, the



African continent has a number of major challenges to overcome before it can more fully exploit the benefits of e-commerce. A number of constraints, specific to doing ecommerce in Africa, are apparent (Akoh, 2017). These include but not limited to the following: low level of economic development and small per-capital incomes; limited skills base with which to build e-commerce services; the number of internet users needed to build a critical mass of online consumers and; lack of familiarity with even traditional forms of electronic commerce such as telephone sales and credit card use.

E-commerce offers a level playing ground for large businesses, as well as small and medium-scale enterprises(SMEs) to operate in the global market-place; and for regional businesses and communities to participate in social, economic and cultural networks seamlessly across international boundaries (Mary-Anne, 2018).It equally fosters direct access to distant markets and promotes globalization of commercial activities; and blurs many of the current distinction between domestic and foreign companies to an extent that it becomes practically impossible to determine the origin of products (George, 2017).Hitherto, multinationals that operated in a number of countries had to adjust their products and services to accommodate the diverse operating environments at a relatively high cost, which the virtual market place has reduced. However, with the paradigm shift in the mode of operation occasioned by the advent of the internet, global corporations now operate with much consistency and at reduced cost of transaction as if the entire world were a single entity. The internet has changed the face of businesses and is providing consumers with the ability to bank, invest, purchase, distribute communication, explore, and research from virtually anywhere, anytime there is internet access (Anup, 2015). The public nature of the internet has made it vulnerable to a lot of security threats.

### **THE CONCEPT OF E-COMMERCE**

In this study E-commerce is defined as the use of computer networks, principally the internet, for sharing of business information; maintaining of business relationship, and conducting of business transactions e-commerce commonly involves integration of the internet and related ICTs into the



business organization and has two chains. One is the integration of the supply chain so that production and delivery becomes a seamless process. The other is the creation of new business models based on an open system of communication between customers' suppliers and partners. Where the integration of the supply chain provides increased efficiency and significant cost advantages through waste minimization, the development of new products and services are facilitated by new ways of conducting business based on internet working between organizations and individuals (Windrum and De Berraner, 2016).

Within the staged adoption models, early stages of Electronic commerce adoption are typically characterized by gaining access to the internet followed by the use of relatively simple applications, such as electronic mail (email) in order to dispense and gather information. Later, the business starts to publish a wider range of information in order to market its products or services and perhaps provide after – sales support. The development of electronic commerce practices come next, allowing the users of the corporate site to order and/ or pay for goods and services. In the most mature stages, the corporate website is fully integrated with the various back office systems such as Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) and integrated supply chain management (SCM) applications (Mendo and Fitzgerald, 2015). Nigeria at present operates a predominantly cash based payment system and is characterized by the psychology to physically hold and touch a payment medium like cash; a culture informed largely by ignorance, Trust, illiteracy and lack of appreciation of the need to use digital payment system like any of the following debit cards like visa card, verve card, master card, smart card, electronic funds transfer better still use a credit card on a POS to make bulk payment.

### **CONCEPT OF CUSTOMER SATISFACTION**

Customer satisfaction occurs when customers compare their current experience in using a product or service (actual performance) with their expectations (target performance). If actual performance corresponds with



the target performance, the result is a confirmation of expectations. This can lead to satisfaction among customers. If actual performance exceeds the target performance (positive disconfirmation), it can lead to a particularly large degree of satisfaction among customers (enthusiasm). The opposite case, when actual performance is beneath the target performance, is known as negative is confirmation (Nerdinger and Neumann 2016). Customer satisfaction is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities. Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services. An organization's main focus must be to satisfy its customers. This applies to industrial firms, retail and wholesale businesses, government bodies, service companies, nonprofit organizations, and every subgroup within an organization.

## **METHODOLOGY**

The method adopted for this study is survey method. Data were sourced using primary data with questionnaire instrument and descriptive method. The population of study is the total number of customers of Jumia.com and OLX.com in Minna state capital of Niger state which, according to preliminary investigation conducted by the researcher is about 305 customers comprising of first time users, regular users and loyal customers both male and female of varying age brackets. Research instrument to be used in this research for the collection of data is the questionnaire. The study used a sample of 173 customers of the two online shops representing 39.3% of the customer population in the local governments studied. This population would be selected using simple random sampling technique. This technique of sampling was chosen because it allows equal and known probability for all the units of the sampling population to be selected users of Online Shops in Minna, Niger State Capital to select the sample size of 173 customers that serve as respondents. Chi-square ( $\chi^2$ ) model was used for statistical package for social sciences (SPSS).



### ANALYSIS

The effect of e-commerce on consumer satisfaction with product in OLX  
 When purchasing from OLX.com concern is always about e-security

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	strongly disagree	5	7.1	7.1	7.1
	disagree	9	12.9	12.9	20.0
	undecided	12	17.1	17.1	37.1
	agree	19	27.1	27.1	64.3
	strongly agree	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

### OLX.com is a widely accepted online retail in Nigeria

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	strongly disagree	15	21.4	21.4	21.4
	disagree	23	32.9	32.9	54.3
	undecided	10	14.3	14.3	68.6
	agree	13	18.6	18.6	87.1
	strongly agree	9	12.9	12.9	100.0
	Total	70	100.0	100.0	

### Online shopping makes purchases easy at any day and any time

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	strongly agree	9	12.9	12.9	12.9
	disagree	19	27.1	27.1	40.0



	undecided	6	8.6	8.6	48.6
	agree	11	15.7	15.7	64.3
	strongly agree	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

Source: survey, 2021.

The table above shows that 63% of the respondents agreed that when purchasing from Olx.com concerns is always about e-security while 20% disagreed. Again the table shows that 31% of the respondents agreed to Olx.com is widely accepted online retail in Nigeria while 55% disagreed. The table shows that 51% of the respondents agreed that online shopping makes purchases easy at any day and any time while 40% disagreed. The table further shows that 23% of the respondents agreed that buying commodities on Olx.com gives contentment due to its convenience and time saving nature while 68% disagreed.

### **Factors responsible for consumer patronage on online retail business in OLX.com**

**OLX.com makes transaction process so easy that buyers forget about open market**

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	strongly disagree	25	35.7	35.7	35.7
	Disagree	19	27.1	27.1	62.9
	Undecided	6	8.6	8.6	71.4
	Agree	5	7.1	7.1	78.6
	strongly agree	15	21.4	21.4	100.0
	Total	70	100.0	100.0	



### **OLX.com product prices are affordable**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	strongly disagree	16	22.9	22.9	22.9
	disagree	11	15.7	15.7	38.6
	undecided	5	7.1	7.1	45.7
	agree	15	21.4	21.4	67.1
	strongly agree	23	32.9	32.9	100.0
	Total	70	100.0	100.0	

The table above shows that 28% agreed that Olx.com makes transaction process so easy that buyers forget about open market while 63% disagreed. Again the shows that 45% of the respondents agreed that there is no need for switching from Olx.com to another retailing when making online purchases while 44% disagreed. Also the table shows that 29% agreed that buying on Olx.com brings about repeat purchases while 55% disagreed. The table shows that 38% of Olx.com product prices are affordable while 58% disagreed.

### **The extent of consumer loyalty to consumer product via online retail business in OLX.com**

#### **The delivery service of OLX.com is faster than other online retailers**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
<b>Valid</b>	strongly disagree	6	8.6	8.6	8.6
	disagree	9	12.9	12.9	21.4
	undecided	12	17.1	17.1	38.6
	agree	20	28.6	28.6	67.1



	strongly agree	23	32.9	32.9	100.0
	Total	70	100.0	100.0	

**OLX.com is used for purchase because it fit customer's class and statue in the society rather than for its convenience**

		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	strongly disagree	14	20.0	20.0	20.0
	disagree	14	20.0	20.0	40.0
	undecided	6	8.6	8.6	48.6
	agree	11	15.7	15.7	64.3
	strongly agree	25	35.7	35.7	100.0
	Total	70	100.0	100.0	

Survey,2021.

The table above shows that 62% of the respondents agreed that the services of Olx.com is very good while 38% disagreed. The table shows that 64% of the respondents agreed that the referral from the use of Olx.com aids in achieving purchase objective while 17% disagreed. The table also shows 62% of the respondents agreed that the services of Olx.com is faster than other online retailers while 22% disagreed. The table shows that 25% of respondents agreed that the Olx.com is mostly used because tight schedule does not allow offline shopping while 69% disagreed. The table also shows that 51% of the respondents agreed that product description on Olx.com is more than Jumia.com while 45% disagreed. The table shows that 25% of the respondents agreed that would like to refer their family and friends to jumia.com while 69% disagreed. Lastly the table shows that 52% of their respondents agreed that Olx.com is used for because it fit customers class



and statue in the society rather than for its convenience while 39% disagreed.

### CHI-SQUARE TEST USING SPSS

Chi-square test is used to determine whether there is an association between two variables (JUMIA.com&OLX.com)

From Table 4.4.1 & 4.3.1

#### Hypothesis 1

HO:  $\mu_1 = \mu_2$

There is no significant association between the effect of e-commerce on consumer satisfaction with product in OLX.com and that of JUMIA.com

H1:  $\mu_1 \neq \mu_2$

There is a significant association between the effect of e-commerce on consumer satisfaction with product in OLX.com and that of JUMIA.com

Level of Significance:  $\alpha = 0.05$

Test Statistic: 
$$\chi^2 = \sum \frac{(O-e)^2}{e}$$
 (chi-square test)

Decision Rule: Reject ho if the p-value is less than the  $\alpha$  level otherwise do not reject.

#### Computation

Buying commodities on OLX.com gives contentment due to its convenience and time saving nature \* Buying commodities on JUMIA.com gives contentment due to its convenience and time saving nature Cross tabulation Count

		Buying commodities on JUMIA.com gives contentment due to its convenience and time saving nature					Total
		strongly disagree	disagree	undecided	agree	strongly agree	
Buying commodities on OLX.com gives	strongly disagree	3	13	9	0	0	25
	Disagree	0	0	2	7	14	23
	Undecided	0	0	0	0	6	6



<b>contentment due to its convenience and time saving nature</b>	Agree	0	0	0	0	11	11
	strongly agree	0	0	0	0	5	5
<b>Total</b>		3	13	11	7	36	70

FINDING: This is the observed and expected count of respondents of costumers of JUMIA.com and OLX.com on buying commodities.

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	77.177 <sup>a</sup>	16	.000
<b>Likelihood Ratio</b>	95.062	16	.000
<b>Linear-by-Linear Association</b>	38.519	1	.000
<b>N of Valid Cases</b>	70		
<b>a. 22 cells (88.0%) have expected count less than 5. The minimum expected count is .21.</b>			

### Interpretation:

From the analysis conducted above of chi-square test which is used to address the association between JUMIA.com and OLX.com, this shows the pearson chi-square result of the analysis: 77.177<sup>a</sup>, it shows the degree of freedom of a chi-square test:16, the likelihood ratio to be 195.062, the linear-by-linear association to be 38.519 and the significant value (p-value) to 0.000.

CONCLUSION: Since the p-value of a pearson chi-square= (0.000) is less than the alpha( $\alpha$ )=0.05, we therefore reject Ho and concluded that there is significant association between the effect of e-commerce on consumer satisfaction with product in OLX.com and that of JUMIA.com.



**Hypothesis 2**

HO:  $\mu_1 = \mu_2$

There is no significant association between factor responsible for consumer patronage on online retail business in OLX.com and that of JUMIA.com

H1:  $\mu_1 \neq \mu_2$

There is a significant association between factor responsible for consumer patronage on online retail business in OLX.com and that of JUMIA.com

Level of Significance:  $\alpha = 0.05$

Test Statistic:  $X^2 = \sum \frac{(O-e)^2}{e}$  (chi-square test)

Decision Rule: Reject ho if the p-value is less than the  $\alpha$  level otherwise do not reject.

**Computation:**

There is no need for switching from OLX.com to another retailing when making online purchases \* There is no need for switching from JUMIA.com to another retailing when making online purchases Cross tabulation Count

		There is no need for switching from JUMIA.com to another retailing when making online purchases					Total
		strongly disagree	disagree	undecided	agree	strongly agree	
There is no need for switching from OLX.com to another retailing when making online purchases	strongly disagree	14	4	0	0	0	18
	Disagree	0	7	5	0	0	12
	Undecided	0	0	8	0	0	8
	Agree	0	0	3	7	0	10
	strongly agree	0	0	0	3	19	22
Total		14	11	16	10	19	70

FINDING: This is the observed and expected count of respondents of costumers of JUMIA.com and OLX.com



### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	161.756 <sup>a</sup>	16	.000
Likelihood Ratio	156.366	16	.000
Linear-by-Linear Association	63.483	1	.000
N of Valid Cases	70		
a. 23 cells (92.0%) have expected count less than 5. The minimum expected count is 1.14.			

### Interpretation:

From the analysis conducted above of chi-square test which is used to address the association between JUMIA.com and OLX.com, this shows the pearson chi-square result of the analysis: 161.756<sup>a</sup>, it shows the degree of freedom of a chi-square test:16, the likelihood ratio to be 156.366, the linear-by-linear association to be 63.483 and the significant value (p-value) to 0.000.

Conclusion: Since the p-value of a pearson chi-square= (0.000) is less than the alpha( $\alpha$ )=0.05, we therefore reject Ho and concluded that there is significant association between factor responsible for consumer patronage on online retail business in OLX.com and that of JUMIA.com

### Hypothesis 3

HO:  $\mu_1 = \mu_2$

There is no significant association between the extent of consumer product via online retail business in OLX.com and that of JUMIA.com

H1:  $\mu_1 \neq \mu_2$

There is a significant association the extent of consumer product via online retail business between in OLX.com and that of JUMIA.com

Level of Significance:  $\alpha = 0.05$

Test Statistic: 
$$X^2 = \sum \frac{(O-e)^2}{e} \text{ (chi-square test)}$$

Decision Rule: Reject ho if the p-value is less than the  $\alpha$  level otherwise do not reject.



Product description on OLX.com is more than JUMIA.com \* Product description on JUMIA.com is more than OLX.com Cross tabulation Count

		Product description on JUMIA.com is more than OLX.com					Total
		strongly disagree	disagree	undecided	agree	strongly agree	
Product description on OLX.com is more than JUMIA.com	strongly disagree	6	3	0	0	0	9
	Disagree	0	11	5	7	0	23
	Undecided	0	0	0	3	0	3
	Agree	0	0	0	6	0	6
	strongly agree	0	0	0	20	9	29
Total		6	14	5	36	9	70

FINDING: This is the observed and expected count of respondents of costumers of JUMIA.com and OLX.com on product description.

### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
<b>Pearson Chi-Square</b>	93.375 <sup>a</sup>	16	.000
<b>Likelihood Ratio</b>	90.214	16	.000
<b>Linear-by-Linear Association</b>	45.928	1	.000
<b>N of Valid Cases</b>	70		
<b>a. 22 cells (88.0%) have expected count less than 5. The minimum expected count is .21.</b>			

### Interpretation:

From the analysis conducted above of chi-square test which is used to address the association between JUMIA.com and OLX.com, this shows the pearson's chi-square result of the analysis: 93.375<sup>a</sup>, it shows the degree of freedom of a chi-square test:16, the likelihood ratio to be 90.214, the linear-by-linear association to be 45.926 and the significant value (p-value) to 0.000.



Conclusion: Since the p-value of a pearson chi-square= (0.000) is less than the alpha( $\alpha$ )=0.05, we therefore reject  $H_0$  and concluded that there is significant association between the extent of consumer product via online retail business in OLX.com and that of JUMIA.com

## **FINDINGS**

The study shows that 63% of the respondents agreed that when purchasing form Olx.com concerns is always about e-security while 20% disagreed;31% of the respondents agreed to Olx..com is widely accepted online retail in Nigeria while 55% disagreed; 51% of the respondents agreed that online shopping makes purchases easy at any day and any time while 40% disagreed;23% of the respondents agreed that buying commodities on Olx.com gives contentment due to its convenience and time saving nature while 68% disagreed;28%% agreed that Olx.com makes transaction process so easy that buyers forget about open market while 63% disagreed;45% of the respondents agreed that there is no need for switching from Olx.com to another retailing when making online purchases while 44%disagreed;29% agreed that buying on Olx.com brings about repeat purchases while 55% disagreed;38% of Olx.com product prices are affordable while 58% disagreed;62%% of the respondents agreed that the services of Olx.com is very good while 38% disagreed;64% of the respondents agreed that the referral from the use of Olx.com aids in achieving purchase objective while 17% disagreed;62% of the respondents agreed that the services of Olx.com is faster than other online retailers while 22% disagreed. The table shows that 25% of respondents agreed that the Olx.com is mostly used because tight schedule does not allow offline shopping while 69% disagreed; 51% of the respondents agreed that product description on Olx.com is more than Jumia.com while 45% disagreed;25% of the respondents agreed that the would like to refer their family and friends to jumia.com while 69% disagreed;52% of their respondents agreed that Olx.com is used for because it fit customers class and statue in the society rather than for its convenience while 39% disagreed.



## **CONCLUSION**

Nigeria is one of the fastest growing telecommunication country in Africa. The growth of a number of Internet users from year 2000 to 2010 is sporadic as it recorded 21,891.1% growth rate. According to the Internet World Start, there were 200,000 internet users in Nigeria in year 2000. This number is however less than 1% of the national population (precise 0.1%). In the year 2006 – the number has grown to 5,000,000. This figure doubled in 2008 with 10million people having access to the Internet. In 2009, the figure went above double as 23,982,000million people used Internet in Nigeria.

E-commerce is the use of the Internet for marketing, identification, payment and delivery of goods and services. Through the e-commerce technology, the Internet has revolutionized the mode of business transactions by providing consumers with the ability to bank, invest, purchase, distribute, communicate, explore, and research from virtually anywhere, anytime where there is Internet access. Most importantly, it has created electronic markets and provided opportunities for businesses to reach consumers in a very direct way. Also by virtue of the technology, it has enabled consumers' immediate access to these electronic markets.

## **RECOMMENDATIONS**

Based on the findings above the following recommendations are made:

That an online marketing organization should work at adopting policies that would reflect the factors that encourages customers to use online shops. For example, customers want to be sure of adequate security on their online transactions, they want to be sure that their personal identity and information is intact. Again there is need for online shops to do a lot of advertisement based on the fact that many consumers still do not know the advantages of buying their goods online.

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