Assessing E-business and Organizational Performance in Nigeria Today: Evidence from Jumia Ltd, Lagos

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Abstract: In the Nigerian Business environment, e-business is becoming an important initiative for companies to consider in every aspect of running a business. Business organizations have given their places to digital economies in a way that electronic technology interprets the language of every business transaction. E-business has gained prominence which has impacted much on the economy. This study aims at assessing e-business and organizational performance in Nigeria Today: Evidence from Jumia Ltd, Lagos. Three objectives were adopted for this study which are, to establish the effect of e-trading on performance of Jumia Ltd, Lagos, to examine the effect of e-marketing on performance of Jumia Ltd, Lagos. And to explore the effect of mobile commerce on performance of Jumia Ltd, Lagos. The research design adopted for this study was the descriptive research design. The target population of the study was 158 employees of the firm under study. This also served as the sample size. Data were obtained through questionnaire. Hypotheses were analyzed using multiple regression technique. The study revealed that e-business has positive effect on performance of Jumia Ltd, Lagos. It was concluded that e-business if properly accorded a maximum attention by Jumia Ltd, Lagos would improve the organization marketing and objectives. It was recommended that Customers’ satisfaction should be the watchword for Jumia because customers are the king in any business organization. There should be free flow of information about Jumia and their products.

Keywords: E-business, E-trading, E-marketing, Mobile Commerce, Organizational performance

I. Introduction

In the global setting, the advent of e-business is changing the game of business, threatening the very existence not only of firms but also of industries (Lipitakis and Lipitakis, 2012). Most organizations have been posting huge profits and most of the profits are a contribution of adopting e-business. Some firms who to a larger extent use e-business to serve and reach their customers are increasing their profits tremendously due to use of e-business services and sales promotion activities (Orji, Oyenuga and Ahungwa, 2020). Many authors have expressed that e-business provides many opportunities to create better business economics and some have gone as far as indicating that e-business is the “great equalizer” (Adayleh and Elrehail, 2018). The ability of the World Wide Web (WWW) to facilitate communication has triggered the need for businesses to think about new ways of conducting their affairs (Majava, Isoherranen and Kess, 2013). As the medium has been suffering from substantial hype, it would appear that business operators have been reluctant to participate in the e-commerce environment, although various researchers are predicting phenomenal growth in the near future (Sheung, 2014)).

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Al-Ha (2017) argued that the importance of using e-business is growing rapidly and the number of research papers in e-business and IT is increasing (Hatta, Rama and Rano, 2023). In addition, the worldwide attack of Covid-19 and the use of social media (Toyosi, Akpan and Funmilayo, 2022) shows the importance of transferring from the traditional way of doing business to e-business. For each organization there is a strategy for innovation and updating technology (Umuze and Edih, 2022), using e-business as a complete solution to integrate all internet-based systems with the main organization activities is so crucial for the successful implantation of the organization technological innovation strategy’s (Ramanathan, Gunasekaran and Subramanian, 2011). Using e-business enables the organization of internet as online search tool for information and share it with all the organization supply chain members as a way of creating long term relationship with the supplier and provide an excellent customer service (Majava et al, 2013).

Therefore, e-business helps the successful transformation of the organization, suppliers, and customers to integrated network, capable of enhancing the value adding processes' and effectively manages and controls the relationships (Al-Mem, Al-Swidi and Fadzil, 2014), argued that to make the effects of E-business successful, the decision maker should understand the nature of these changes as well as their impact on the performance of the organization. The way in which companies and end users conduct business will change, ultimately driven by the emergence of new business models brought on by the between and across external businesses and between evolution of the Internet (Cao and Zhang, 2011). If E-business is properly implemented, it can help the organizations in improving customer relations and increase revenue thereby reducing the costs. In Nigeria, Poor awareness, Poor power supply, poor government attention to electronic business are factors pushing down the growth of e-business in the business environment (Ramanathan et al, 2011).

As the research trends in the area of implementing e-business is growing fast in the developed countries, there is paucity of studies in the less developed countries especially in Nigeria (Bremser and Chung, 2016). Also, there is a lack of studies, examining the effect of using e-business on enhancing the organizational performance. (Business (Garver and Mentzer, 2019).

It is on this note that this study seeks to conduct extensive academic research into Assessing E-business and Organizational Performance in Nigeria Today: Evidence from Jumia Ltd, Lagos.

1.1 Statement of the Problem

E-business is a new philosophy in the Nigerian market with a strong attempt to dominate the entire business environment in recent times. To make the effects of e-business successful, the decision maker should understand the nature of these changes as well as their impact on the performance of the organization (Kohli, Sherer and Baron, 2013). The way in which companies and end users conduct business will change, ultimately driven by the emergence of new business models brought across external and internal businesses (Rodriguez and Honeycutt, 2011).

E-business helps the successful transformation of the organization, suppliers, and customers to integrate network, capable of enhancing the value adding processes' and effectively manages and controls the relationships (Onyemaechi, Achara & Ogwulumba, 2019). Devaraj, Krajewski and Wei (2017), argued that to make the effects of e-business successful, the decision maker should understand the nature of these changes as well as their
impact on the performance of the organization. The way in which companies and end users conduct business will change, ultimately driven by the emergence of new business models brought on by the between and across external businesses and between evolution of the Internet (Wu and Liang, 2019). If e-business is properly implemented, it can help the organizations in improving customer relations and increase revenue thereby reducing the costs and increase performance (Stephen and Catherine, 2023). In Nigeria, poor awareness, poor power supply, poor government attention to electronic business are factors pushing down the growth of e-business in the business environment (Troshani and Rao, 2015).

As the research trends in the area of implementing e-business is growing fast in the developed countries, there is a lack of studies in the less developed countries especially in the Nigeria (Azeem, Marsap and Jilani, 2015). Many scholars had carried out research analyzing effect of e-business on performance of different facets of business but in view is the effect of e-business on Jumia Ltd Lagos, Nigeria. Therefore, this study seeks to find out if e-business adoption improves the performance of Jumia Ltd, Lagos.

1.2 Objectives of the Study

The major objective of this study is to ascertain the effect of e-business on performance of Jumia Ltd, Lagos, Nigeria. Its specific objectives are to:
2. Examine the effect of e-marketing on performance of Jumia Ltd, Lagos.

1.3 Research Hypotheses

The following hypotheses will guide the study:
1. E-trading has a significant positive effect on performance of Jumia Ltd, Lagos.
2. E-marketing has a significant positive effect on performance of Jumia Ltd, Lagos.
3. Mobile commerce has a significant positive effect on performance of Jumia Ltd, Lagos.

II. Review of Literature

2.1 Electronic Business (E-business)

E-business is more than just establishing an internet presence or conducting e-commerce transactions, it concerns redefining old business models and maximizing business value (Sanders, 2017). E-business is defined as the application of information and communication technologies to facilitate the execution of related functions like marketing management, strategy leverage, information systems, logistic management, customer relationship management, and human resources management (Chang and Graham, 2012). Vieira, Yoshizaki and Ho (2015) defined e-business as the complex fusion of business processes, enterprise applications, and organizational structure necessary to create a high-performance business model. E-business includes e-commerce, as well as both front and back-office applications that form the engine of modern business.

a. Electronic Trading (E-trading)

According to Fatos, Vehbi and Ramiz (2020), e-trading is defined from the perspective of: a) communication as the delivery of services, information, or payments via a computer network, and b) commerce being the facilitating of the purchase and sale of goods, services, and information over the internet. With e-trading, the interactive links are enabled, between manufacturers, i.e., suppliers and customers, while increasing productivity and reducing costs as a result of the combination of economic and technological factors. In this type of online
business, the abovementioned business models are being implemented, such as B2B and B2C (Annamalai and Ramayah, 2013).

b. Electronic Marketing (E-Marketing)

E-marketing may be defined as all online or electronically based activity that enables the manufacturers of goods and services to meet the needs and desires of their customers in a fast and efficient manner (Attai, 2015). An electronic marketing need has to be creative, engaging, and subject to constant change due to the abundance of information served to users. Deshpandé, Farley and Webster (2013) noted that it also contributed to the change in the form of marketing, from traditional (mass) with the ”average consumer” and its customized marketing instruments to the marketing mix, towards individualized, customized, one-to-one marketing. Marketing through internet develops the activities as in its classic form by acknowledging what is accepted in many forms as follows and that are distinguished by ”who initiates” the activities and ”who is the target (Ukaj, 2015).

c. Mobile Commerce (M-Commerce)

Mobile commerce is the extension of the field of e-commerce from computers to wireless devices and telecommunications using mobile phone (Etemad 2014 and Rizka 2022) and by 2021, m-commerce accounted for 54% of total e-commerce sales in the US (Freihat, Farhan and Shanikat, 2019). It is the basis for new major market opportunities and it enhances satisfaction (Felisia, Melitina and Soegeng 2022). M-commerce includes all types of commercial transactions that are realized by using electronic mobile devices. M-commerce helps a business to improve its competitive position towards the customer based on its specific attributes such as: presence at any place and at all times, convenience of application, interactivity, personalization, and localization (Eder and Igbaria, 2011).

d. E-business in Nigeria

In Nigeria, E-business is in its initial stage. Organizational or firms still need guidance such as seminar, coaches through web and partnerships to venture in e-business in term of market penetration, technology, return of investment, technical skills and people adoption to e-business Chong, Chan, Goh and Tiwari, 2013). The development of information and communications technology (ICT) plays a crucial role in the government's plans for the economy. The government has attempted to position Nigeria as a regional and global ICT and multimedia hub, by providing tax breaks to attract multinational corporations and increase the companies' competitiveness through the development of the Multimedia Super Corridor (MSC) (www.ebusinessforum.com) (Cohen and Levinthal,2019). Multimedia Super Corridor (MSC) was designed to explore and exploit the potential of ICT to create a knowledge-savvy society. The Multimedia Development Corporation ensures that policies and strategies specified by the government are carried out through the development of the Multimedia Super Corridor Cluster. More recently, Nigeria announces its plans to develop a Biotech Valley to kick-start its move into biotechnology, thus creating an even greater need for knowledge workers in the country (Damodaran and Olphert, 2010).

e. Challenges of E-Business in the Nigerian Business Environment Today

The drivers of e-business identified and summarized barriers to the growth and development of e-business (Lin,2013). Ifinedo (2017) identifies the different kinds of barriers, and many of them focus on security as being one of the largest inhibitors to and problems for e-business. Different nations are at different stages of development of e-business and as such the issues that are relevant to one nation may not be relevant to another. Similarly, issues that are relevant to different organizations also differ (Cohen and Levinthal, 2019). Furthermore, all
kinds of organizations have similar barriers but with different emphases for discussion as follows; Commercial Infrastructure - relates to issues such as international trade agreements, taxation laws and other legal agreements that facilitate all kinds of on-line trading and so is a barrier relevant to all types of businesses; Technology Infrastructure - deals with issues of standardization of systems and applications, which is a particular concern for larger organizations who want to implement solutions such as value chain integration and e-supply chain management; Internet Infrastructure - deals with issues such as availability and quality of the Internet in terms of speed and reliability (Kim and Ramkaran, 2014).

f. Effect of Electronic Business on Organizational Performance

E-Business affects many areas of business and disciplines of business management studies. Some of the impact of e-business as stated by Ghobakhloo and Tang (2011) includes: Management Information Systems Analysis, design and implementation of e-business systems within an organization; issues of integration of front-end and back-end systems; Human Resource Management - Issues of on-line recruiting, home working and entrepreneurs works on a project by project basis replacing permanent employees; Finance and Accounting - online banking; issues of transaction costs; accounting and Auditing implications where intangible assets and human capital must be tangibly valued in an increasingly knowledge based economy (Hossain, Moon, Kim and Choe, 2011; Orji, Olowu, Boman and Alkhimien, 2017).

2.2 Theoretical Framework

a. Technology Acceptance Model Theory

Technology Acceptance Model(TAM) aims at studying how individual perceptions affect the intentions to use e-business information technology as well as the actual usage. TAM suggests that when users are presented with a new technology, a number of factors determine their decision about how and when they will use it. The attitude toward adoption will decide the adopter’s positive or negative behavior in the future concerning new technology. Perceived usefulness which is “the degree to which a person believes that using a particular system would enhance his or her job performance” and perceived ease of use refers to “the degree to which a person believes that using a particular system would be free of effort” (Moon and Norris, 2005).

Technology Acceptance Model(TAM) is relevant to this study as the theoretical framework considering the fact that successful implementation of Information and Communication Technology depends largely on the positive or negative behavior concerning new technology Chatterjee, Grewal and Sambamurthy (2012). TAM explains two theoretical constructs, perceived usefulness and perceived ease of use as the fundamental determinants of a technology system use and predicts attitudes toward the use of the system. The factors involving successful implementation of e-business on Jumia Ltd., Lagos as identified in this study which are availability of ICT infrastructures, e-business depends largely on the user’s willingness and attitudes towards using the new technology. The constructs of Technological Acceptance Model which are perceived usefulness and perceived ease of use relates to the variables in this study and could also be seen as some of the elements that form the entire process of e-business in Jumia Ltd., Lagos. The key issues addressed by this study could be best explained by this theory. The application of ICT was based on the Organization’s perception that ICT would increase productivity, job performance, effectiveness, and would make work easier and quick.
2.3 Empirical Studies

Angel and Pedro (2015) Examined e-trading impact on firm performance through website analysis. The broad objective of the study was to develop a framework differentiating three dimensions in e-trading: e-information, e-communication and e-workflow. The methodology employed (web content analysis on the company’s website) allows evaluation of these e-business dimensions. The main research objective is directed to an examination of the relationship between e-trading and firm performance. Additionally, differences in the adoption of e-trading according to business size are evaluated. To achieve these objectives, a sample comprising 288 firms from the Region of Murcia, Spain was employed. The results show a positive relationship between e-trading and firm performance. In contrast, the results confirm that e-trading is not related to business size.

Nour (2015) carried out a study on the Impact of e-marketing on Organizational Performance: in Jordanian Insurance Companies. The population of the study includes all insurance companies in Jordan, a sample of (100) accountant based on (8) branches of insurance companies in Amman city was selected randomly for the purpose of this study. The study instrument is the questionnaire. The study found that there are positive attitudes towards E-marketing because their means are greater than the standard mean. The study also rejects hypotheses: Ho: There is no statistical significant relationship between E-marketing and organizational performance in Jordanian insurance companies. The study recommended that insurance companies should improve their company’s computer and information needs in order to use E-marketing, and insurance companies should increase their attention for application of E-marketing.

Sadi-Nezhad (2017) carried out a study on measuring the effect of mobile commerce on organizational performance in project based organizations. The broad objective of the study was to measure the effect of this new facility on supply chain in project based organizations. The population of the study was 124 selected workers and sample size was obtained using Taro Yamani. Data were obtained using only questionnaire. The survey examines different hypotheses for a possible correlation between mobile commerce and organizational performance. The results of this survey indicate a positive relationship between mobile commerce and organizational performance.

III. Research Methods

Thus, the research design adopted for this study was descriptive survey method. According to Maditinos, Chatzoudes and Sarigiannidis (2014), in a survey research, the researcher uses a sample drawn from the population to have an insight of the problem under investigation and uses the research findings to make generalization. The study used primary data which allows for collection of data straight from the population.. Primary data was sourced through a questionnaire administered to selected workers of Jumia Ltd., Lagos, Nigeria.. The sample size was limited to 158 respondents which was obtained from the population using Taro Yamani’s formula. Data were analyzed using frequency distribution while the hypotheses were tested using regression analysis.
IV. Results and Discussion

4.1 Regression Analysis

The date collected was also subjected to multiple regression analysis to achieve the objective of the study as outlined above. The tables below show the result of the regression analysis between the independent variable and the dependent variable.

**Table 1. Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.000</td>
<td>0.900</td>
<td>0.850</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), e-trading, e-marketing and mobile commerce.

From the regression result, the coefficient of determination (R-Square) with a value of 0.850 signifies that about 85.0% of the total variation in performance of Jumia Ltd., Lagos, has been explained by the explanatory variables taken together. The adjusted R-Square shows that even after adjusting for the degree of freedom, the model could explain about 90.0% of the total variation in management of organization performance of the firm under study while the rest 10% was explained by other factors not captured in the model.

From the empirical results of the regression analysis above on the basis of the overall statistical significance of the model as indicated by the F-statistics, it was observed that the overall model was statistically significant since F-Change is .1000. Also since the p-value of 0.000 for F-change was less than 5% level of significance; it implies that there was a positive and significant linear relationship between the dependent variable and independent variable.

**Table 2. ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>5.277</td>
<td>3</td>
<td>1.759</td>
<td>11.34</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>.000</td>
<td>114</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5.277</td>
<td>117</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: organization
b. Predictors: (Constant), e-trading, e-marketing, mobile commerce

From the ANOVA statistic shown above, The F-value 11.34 which has a significance of 0.001 is less than 0.05 (i.e .001<.05), this shows that there is a significant relationship between the dependent and independent variables. Therefore, we reject the null hypothesis and accept the alternative hypothesis. This implies that e-trading, e-marketing and mobile commerce have a significant effect on organizational performance.

**Table 3. Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.000</td>
<td>.000</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>E-trading</td>
<td>.454</td>
<td>.058</td>
<td>7.755</td>
</tr>
</tbody>
</table>

-87-
<table>
<thead>
<tr>
<th>E-marketing</th>
<th>0.333</th>
<th>0.052</th>
<th>0.618</th>
<th>2.697</th>
<th>0.001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile commerce</td>
<td>0.518</td>
<td>0.047</td>
<td>0.522</td>
<td>3.639</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: organization performance

The Table above shows that the coefficient of the individual variables and their probability values. The Table above shows that the coefficient of the individual variables and their probability values (p value). E-trading has a regression coefficient of 0.454 with a probability value of 0.000. This implies that E-trading has no significant effect on organizational performance. E-marketing has a regression coefficient of 0.333 with a probability value of 0.001 implying that E-marketing has no significant effect on organizational performance. Furthermore, Mobile commerce has a regression coefficient of 0.518 with a probability value of 0.00. This implies that mobile commerce has no significant effect on organizational performance.

4.2 Test of Hypotheses

Here, the three hypotheses formulated were tested using t-statistics and significance value of the individual variables in the regression result. The essence of this is to ascertain how significant or non-significant the individual dependent variables affect the dependent variables. The summary of the result is presented in the table below.

a. Test of Hypothesis one
HO: E-trading has no significant effect on organizational performance.

E-trading has a t-statistics of 0.545 and a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis, which states that E-trading has no significant effect organizational performance.

b. Test of Hypothesis two
HO: E-marketing has no significantly effect on organizational performance.

E-marketing has a t-statistics of 0.618 and a p value = 0.001 which is statistically non-significant. Therefore, we reject the null hypothesis, which states that E-marketing has no significant effect organizational performance.

c. Test of Hypothesis three
HO: Mobile commerce has no significantly effect on organizational performance.

Mobile commerce has a t-statistics of 0.522 and a probability value of 0.000 which is statistically non-significant. Therefore, we reject the null hypothesis, which states that Mobile commerce has no significant effect organizational performance.

4.3 Discussion of Findings

This work examined the effect of E-business on organizational performance of Jumia Ltd., Lagos, Nigeria. The data generated were analyzed using descriptive statistics, and multiple regression analysis. The study found that: the result for hypothesis one reveal that E-trading has a non-significant effect on organizational performance. This result tallies with Angel and Pedro (2005) who examined e-trading impact on firm performance through website analysis. The methodology employed (web content analysis on the company website) allows evaluation of these e-business dimensions. The main research objective is directed to an examination of the relationship between e-trading and firm performance. The results show a positive relationship between e-trading and firm performance.
The result for hypothesis two discovered that e-marketing has significant effect on organization; the outcome of organization anchoring well on e-marketing will always result to high performance. Most organizations that lack e-marketing always experience low morale. This in line with Nour (2015) who carried out a study on the Impact of e-marketing on Organizational Performance in Jordanian Insurance Companies. The population of the study includes all insurance companies in Jordan, a sample of (100) accountant based on (8) branches of insurance companies in Amman city was selected randomly for the purpose of this study. The study recommended that insurance companies should improve their company’s computer and information needs in order to use E-marketing, and insurance companies should increase their attention for application of E-marketing.

The result of the three hypotheses, show that there a relationship between mobile commerce and organization performance. This study is in line with Sadi-Nezhad (2017) who carried out a study on measuring the effect of mobile commerce on organizational performance in project based organizations. The population of the study was 124 selected workers and sample size was obtained using taro yamani. Data were obtained using only questionnaire. The survey examines different hypotheses for a possible correlation between mobile commerce and organizational performance. The results of this survey indicate a positive relationship between mobile commerce and organizational performance.

V. Conclusion

Incorporating electronic business in an organization invariably has a significant effect on every aspect of the organization, causing changes in areas such as organizational structure, human resources, strategy planning, technological infrastructure and customer service. For a successful e-business, it is important that decision-makers understand the nature of these changes, their potential impact, plan for them and manage the change process. The decision to implement an e-business initiative should not be undertaken lightly and the benefits that can be gained from such a venture must be investigated thoroughly before deciding to go ahead. E-business plans must be devised as part of the corporate strategy and must take into consideration the impact e-business will have on operation of the organization. It is important that companies create a single coherent plan, formalize decision-making procedures and communicate e-business initiatives across the organization and integrate the e-business plan with corporate goals.

Recommendations
1. It was also recommended that Jumia Ltd, Lagos should give an attention to the opinion of their customers pertaining to how satisfied they are with services rendered to them.
2. It was recommended that Customers’ satisfaction should be the watchword for Jumia because customers are the king in any business organization. There should be free flow of information about Jumia and their products.

References


