

E-Commerce and Traditional Open Market Retailers in the Federal Capital Territory of Abuja, Nigeria

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Abstract

E-commerce encompasses more than just the trade of technology and goods. It's a whole new way of conducting business on a platform that changes the rules of the game dramatically. However, the paper investigates e-commerce and traditional open market retailers in the federal capital territory of Abuja, Nigeria. The study examines the association between e-commerce and traditional open markets in FCT, Abuja, and also examines the association between e-commerce adoption and sustainable value creation in traditional open markets in FCT, Abuja. Spearman's rank correlation coefficient was used as the estimation technique, and the findings show that there is no significant association between e-commerce and traditional open markets in FCT, Abuja, and that there is a significant association between e-commerce adoption and sustainable value creation in traditional open markets in FCT, Abuja. The paper concludes that e-commerce lowers costs, increases clientele and operational effectiveness, better satisfies the needs of overseas consumers, and ultimately increases profit. E-commerce not only offers opportunities for the modification of customary tasks but also helps to create value that is unmatched for all stakeholders. Therefore, the study recommends that the government should take the lead in providing the necessary infrastructure to enable the growth and acceptance of e-commerce as a means of effective business operations for retailers operating in the traditional open market and that by providing loans to conventional open market merchants to aid in their startup, financial institutions play a significant role in encouraging them to participate in electronic commerce.

Keywords: E-commerce, Sustainable Value Creation, Traditional Open Market Retailer

JEL Classification Codes: N7, M31, M37

1. Introduction

E-commerce encompasses more than just the trade of technology and goods. It's a whole new way of doing business on a platform that changes the rules of the game dramatically. As a result, business management and strategy are more important than technology. The Organization for the Advancement of Trade Unions (1999) states that when used properly, the internet and e-commerce can support long-term, consistent economic growth. A number of socioeconomic domains, such as business and the economy, as well as the expansion of the information society overall, will benefit from e-commerce's increasing prominence and influence.

E-commerce and the new emerging digital technologies and services can improve the lives of millions of people worldwide by connecting remote areas and bringing together scientists, administrators, development professionals, managers, and people in projects and programs to promote economic and social development. Two main categories can be used to categorize e-commerce (Organization for Economic Co-operation and Development, 1999). Online sales of products and services are known as e-merchandise. While e-finance includes everything from debit cards and smart cards to banking machines, telephone banking, and online banking, all of which can be accessed over the internet, this also includes online shopping for groceries, tickets to concerts and other events, as well as clothing or other items (Dein, 2020).

According to Farooq (2019), e-commerce has become more popular than the conventional approach to business management because of the flexibility of the internet. Nowadays, practically all traditional commercial activities may be completed online, including publishing, ordering, banking, investing, auctioning, and other professional services that were formerly limited to in-person interactions. Modern communication tools like the phone, fax, internet, money transfer systems, e-payment, and e-data interchange are utilized in e-commerce to do business.

The pace of globalization is quickening, and technology is becoming a more significant factor in establishing the relative significance of various nations and areas worldwide. In summary, electronic commerce has the potential to reduce trade barriers between nations, improve and expedite market access, and lower costs for participating enterprises, as stated by the United Nations Conference on Trade and Development (2015). It is well known that the internet and everything it encompasses give retailers the power to shape the buying behaviors of their clients (Doherty, 2010). The efficacy of an organization's business model, which encompasses

customer acquisition and retention strategies, is closely associated with its capacity to generate value.

When businesses use the internet to expand their customer base, customers have the potential to create value. Customers gain from a larger range of products and services, less information asymmetry, and time savings, in addition to a more dependable and economical supply chain (Amit & Zott, 2001). The lines separating traditional and electronic trade will eventually become more blurry as businesses gradually move some of their operations online (Franco & Bulomine, 2016). E-commerce in Nigeria has found new markets as a result of increasing mobile data usage and network penetration, according to Zanaib (2021). Since e-commerce and internet connectivity are intimately intertwined, there are benefits for the entire nation. Thanks to the revolutionary advances e-commerce and the internet have brought about, quick, easy, and affordable transactions are now the standard in today's commercial world.

But when it comes to investigating the opportunities presented by e-commerce, there is a big difference between Nigeria's traditional and contemporary retail sectors. It's usual to see traditional retail markets in Nigeria. According to the Nigeria Retail Sector Report 2014/2015, the majority of it is made up of open-air market businesses and street sellers. It is noteworthy that traditional markets play a major role in the lives of Africans. They serve as both a financial necessity for those who cannot afford the more expensive western retail experience and a cultural phenomenon that has influenced community ideas for many years. Given the current high rates of unemployment and poverty, those who frequent traditional open markets will continue to exist and prosper; in addition, as the middle class grows, the formal market will also continue to flourish and expand (Chidozie, Olanrewaju, & Akande, 2013). The unofficial markets will survive the construction of new retail areas in city cores. This is a remarkable example of what development economists refer to as "dualism," or the coexistence of two diametrically opposed circumstances within one economy.

Informal channels still account for 98% of transaction volume, according to Adesanmi (2021), the Deloitte worldwide market report. 40% and 70% of all traffic in South Africa and Kenya, respectively, comes from these sources. The currency rate and fluctuating oil prices have resulted in only 2% of Nigeria's retail consumption coming from formal channels. This might potentially curtail discretionary spending generally. Nigerians like to purchase in traditional marketplaces rather than the more contemporary ones for several reasons. Native foods are freely accessible in traditional marketplaces, and retailers can purchase from wholesalers due to the lower

costs and more flexible pricing compared to other retail channels. At any moment, an interested buyer can purchase an extensive variety of fresh produce, meat, seafood, and root crops (Global Agricultural Information Network, 2021).

Due to the lengthy walks required in order to get a good deal and the persistent crowds that constantly get in the way, a typical shopping trip at any large traditional market in Nigeria takes a long time. When strolling around these marketplaces, you should also look out for wheelbarrow pushers, who usually have high-stacked merchandise. When shopping for items on a long list, a customer may need to spend up to three hours finding the stores that provide what they need. Thanks to improvements brought about by the internet's paradigm shift in commercial activity, firms can now engage virtually from anywhere at any time. The overvaluation of the traditional market's significance for Nigeria's GDP growth cannot be overstated. For developing economies such as Nigeria, the current market trend toward convenience, time savings, and ease of transactions made available by e-commerce is a certain path to international recognition. When traditional markets fully embrace e-commerce, they stand to gain in terms of increased sales, decreased costs, and improved sustainability. Traditional Nigerian marketplaces cannot afford to disregard e-commerce as a strategy for long. The Nigeria Retail Sector Report 2014/2015 states that over N1 billion worth of transactions occur in the country's open marketplaces every day.

The previous methods of conducting business have mostly been replaced by e-commerce, which offers new options that are easier, faster, and more efficient. In Nigeria, traditional retail markets seem to be falling behind their contemporary counterparts when it comes to e-commerce research. E-commerce presents a number of challenges and worries, particularly in countries like Nigeria: cybercrime, delayed delivery of ordered goods, and client rejection of orders. A website may have a number of problems, some of which are related to irregular upkeep and updating (Fisher, Gant, & Sander 2012).

According to Lawrence and Tar (2010), in addition to a lack of confidence in Nigeria, risks and security issues associated with online transactions, and a lack of capabilities in certain companies, e-commerce is also hampered by some management's unwillingness to embrace it. There are drawbacks to the open market system, though, such as the need to manage large quantities of cash, the risk of providing inconsistent service, and the need to deal with numerous customers at once (Bibi, 2021). Nevertheless, those who participate in the open market system prioritize this mode of selling over online e-commerce. The paper seeks to examine e-

commerce and traditional open market retailers in FCT, Abuja, Nigeria. However, the specific objectives are to examine the association between e-commerce and traditional open markets in FCT, Abuja, and to examine the association between e-commerce adoption and sustainable value creation in traditional open markets in FCT, Abuja.

2. Literature Review

2.1 Conceptual Review

2.1.1 Concept of E-commerce

Online business is known as e-commerce, according to Tito (2019). It could be a combination of buying and selling. You could use any mix of goods and services. E-commerce has changed as computers and communication technology have progressed. According to Ikemelu (2012), this technology has the potential to revolutionize retail merchandising and shopping. It's a new idea that offers a way out of traditional trade while also supporting and enhancing business as it exists today (Gonca, Eser, Bekir, & Ozgur, 2014). E-commerce transactions can be broadly defined as the selling or buying of goods or services over computer networks using procedures created especially for the purpose of receiving or placing orders, according to the Organization for Economic Co-operation and Development (2009). The order of the goods or services can be placed via these means, but online payment and delivery are not required.

Every type of private or public organization, including homes and corporations, can conduct e-commerce transactions. Clients who use an extranet, an EDI system, or the internet to place their orders will be taken into account. It is the method of placing the order that determines its type. Ukpere, Slabbet, & Ukpere (2014) claim that the use of Web 2.0 for real-time information retrieval has resulted in a more interconnected infrastructure worldwide. Digital marketing and online trade through e-commerce and m-commerce platforms are deployed in this networked environment; they involve a variety of strategies whose success hinges on a user-centric and interconnected approach to technology. There are two basic categories of e-commerce transactions: business-to-business (B2B) and business-to-consumer (B2C) operations. Examples of business-to-business (B2B) Internet applications include shared databases, electronic data interchange (EDI), electronic financial transfers (EFT), and electronic forms and messages (eforms). Regarding business-to-consumer electronic commerce, the Internet serves as a channel for the conveyance of information as well as a distribution channel for retail goods.

The consumer-to-business (C2B) model involves a consumer indicating the price they are willing to pay for a service, product, or loan on

a website, and businesses responding appropriately. The consumer-to-consumer (C2C) model enables people to sell their assets, such as real estate, cars, or even an apartment, directly to another consumer. The business-to-government (B2G) model allows businesses to reach the government with their goods and services. The government can also reach citizens through the government-to-citizen (G2C) model, which decreases the average time it takes to process citizen requests for government services and increases revenue (Barkley, Markley, and Lamie, 2007; Nemat, 2011). Auction sales of goods like cars and machinery as well as services like birth registration, marriage, and death certificates are done through this model. Online sales have increased at a pace of 25 percent every year (Garret, 2007).

The availability of web technology everywhere at work, at home, at any time, and anywhere—and the market's detachment from physical locations to become "market space" are just two of its unique features. An additional benefit is having a global presence that transcends national and cultural boundaries, as there are millions of businesses and billions of consumers worldwide. By adding the speed and flexibility that electronic communications offer, it improves traditional trading (Reindy, 2021). This can encourage operational changes through the reorganization of long-standing corporate procedures, leading to notable cost reductions as well as increased competitiveness and efficiency. Using new technologies is not the only thing to do. It will need to boost the company's external ties with partners, suppliers, customers, and clients in addition to improving internal efficiency and launching new goods and services (Duncombe, Kintu, & Abraham, 2006).

2.1.2 Concept of Sustainable Value Creation

Value creation for all stakeholders in a way that promotes a sustainable society is known as sustainable value creation, or SVC, according to Ademidun (2021). The consideration of ecological and social values is in addition to economic worth. Organizations that practice SVC must consider the effects of their actions on the environment, society, and future generations. This is known as systems thinking. Furthermore, he claims that SVC offers businesses a strategic chance to stand out from the competition, develop new ideas, and improve their position in the market. It is not just a moral duty. Organizations that pursue SVC can gain in four ways, per research by Hart and Milstein (2021): in terms of cost and risk reduction, strengthening of reputation and legitimacy, capacity for innovation and difference, and growth and market potential. Paying attention to today and tomorrow while keeping a close eye on the balance is crucial.

The world has changed to a more ecologically sensitive and sustainable way of thinking, according to Armstrong (2021). People's perspectives are changing, but businesses are also changing the way they make decisions about how to add value. It is not a novel concept that "sustainable value creation" Within the sustainability field, it has long been utilized by academics and professionals. Incorporating environmental, social, and economic factors into a company perspective is the process of creating sustainable value.

It is also a style of thinking about business and sustainable development that takes into account the interests of all parties involved, including suppliers, customers, workers, investors, and communities, as well as the effects that its operations and outputs have on the environment. It also acknowledges the existence of several capitals, such as social, natural, and economic capitals, and prioritizes long-term development over immediate profits. But according to George (2022), there are differing views on what constitutes sustainable value generation and how to get there. In light of this, this article presents two value development standards that were developed in collaboration with multinational companies. Finally, it is important to discuss the circular economy. It is an alternative to a linear economy that is sustainable. A variety of methods and instruments are available to assist companies in incorporating SVC into their value chain, value proposition, and business strategy.

2.1.3 Concept of Traditional Open Market Retailer

Jaji (2022) defines traditional retailers as businesses that have a monthly turnover of less than \$1,500 and employ fewer than four people. They often operate independently and carry a small range of goods or storage units. They sell goods from both stationary establishments, like stores, and mobile vendors, like street sellers. These stores typically have a footprint of 25 to 50 square meters. Modern trade is still in its infancy in emerging markets, particularly in certain less developed economies in Asia and Africa. In most marketplaces, the vast majority of retailers are still traditional trade outlets or unofficial retailers. However, the base of these outlets is frequently unstable due to the establishment and closing of new stores. Because traditional trade outlets are dispersed, providing services to them presents a variety of issues for businesses, which can be expensive and time-consuming.

Lewis (2021) draws the conclusion that traditional trade, also known as informal retail, is made up of a complicated web of distributors, stockists, open market dealers, kiosk operators, hawkers, and micro-retailers. The foundation of traditional trade is the personal relationships that exist

between retailers and customers. Compared to modern trade, traditional trade is less organized and is more likely to stock out or suggest substitute products to clients. Mom-and-pop stores, or traditional retail, are referred to by a variety of names, including sari-sari in the Philippines, baqala in the Gulf, kirana in India, duka in East Africa, spaza in South Africa, souk in Ethiopia, and tiendita in Mexico. Twelve million of the over 400 million micro, small, and medium-sized firms (MSMEs) in emerging countries are found in India alone, according to World Bank estimates. In Asia and India, they make up about half of all grocery purchases.

The best way for your customers to see your products up close and personal is still through traditional retail. When a customer enters your store, they may examine your products firsthand by picking them up and feeling the materials to determine how well they were made. Additionally, your clients can decide which product is better for them via side-by-side comparison shopping. The consumer will be able to determine which best meets their demands through in-person inspections and comparisons, and they will be satisfied as a result of this in-person retail experience. (Willert, 2021)

Willert (2021) does, however, also claim that some products are not able to benefit from this, such as larger things that cannot be shown on a store floor. Because they won't have access to it, the client won't have the opportunity to evaluate these products. To address this, you might use window displays or a video wall, like the one below, to showcase these products so that your clients can still learn about them and get a glimpse of how they look. Galiba (2022) defines conventional marketing as a promotional technique that uses offline materials to reach audiences. Traditional marketing is a tool that marketers can use to engage with customers in person. These marketing materials are usually inserted in locations where their target audience is more likely to see, hear, or engage with them. Billboards, direct mail campaigns, and radio and television advertising are a few examples of traditional marketing.

2.2 Theoretical Review

2.2.1 Creative Destruction Theory

The concept of creative destruction proposed by Schumpeter in 1942 is associated with the current trend of innovation in e-commerce. One effective tool for addressing capitalism's social and economic issues is creative destruction. According to Schumpeter (1942), new solutions eventually contribute to economic progress and an improvement in the standard of living for the majority of people. This concept holds that there is an ongoing process of industrial mutation that continuously modifies the

structure of the economy and ushers in a completely new one. With Schumpeter's original work and subsequent treatises on the subject, advanced technological advancements were recognized as the primary driver of economic expansion and the ensuing improvement in living standards (Diamond, 2006).

This theory, which illustrates how e-commerce is altering the existing firm paradigm and bringing in a new digital technical model, supports both economic growth and a greater standard of living. It is common knowledge that as e-commerce develops, the outdated business model—like manual invoicing—will eventually become outdated, and the time for this to happen is not far off.

2.2.2 Innovation Diffusion Theory

The innovation diffusion theory, as put forth by Rogers (2003), looks at how quickly and widely innovative technologies are adopted. This concept states that new ideas and technology proliferate inside social systems. Innovation can be defined as new information, new methods of doing things, or anything that is accepted by others and considered novel by an individual or group (Rogers, 2003). The process of discovering an idea, developing an opinion about it, deciding whether to accept or reject it, carrying it out, and then verifying it is known as the "innovation-decision process" (Aizstrauta, Ginters, & Eroles, 2014).

2.2.3 Theory of Contingency

According to organizational theory, the optimal situation depends on a number of factors, such as the technology being utilized, the structure of the organization, and the state of the market (Badara, 2017). Woodward (2022) asserts that there is no one ideal way to run a business. Since no two instances are same (Eboh, 2008), several answers are needed depending on the situation. Contingency theory asserts that there isn't a single best way to accomplish tasks when it comes to innovation. The contingency theory is applicable to the rate at which e-commerce is gaining traction in Nigeria and other developed nations. Their different viewpoints on e-commerce can be somewhat explained by their different histories and cultures. Strong English language proficiency is one of the key components of e-commerce.

2.3 Empirical Review

Ibikunle (2019) conducted an exploratory study with the goal of advancing knowledge of the problems and obstacles associated with e-commerce in developing countries. The study specifically focuses on

consumer attitudes in Nigeria, one of the biggest markets in Africa. In order to gather data for this study, quantitative written questionnaires were given to users of various e-commerce platforms in Lagos, Nigeria. The results were analyzed using SPSS and interpreted using chi-square analysis, descriptive analysis, and simple relative percentages. These analyses clearly highlight the main problems and obstacles that Nigerian online businesses face, including those related to infrastructure, risk and security, education and awareness, finance and cost, and trust and confidence. A number of e-commerce platforms that are accessible in the corporate setting were found, and cross-tabulations across the various age and gender demographics using these platforms were conducted. The research's findings demonstrated that, despite problems and obstacles, consumer attitudes are generally positive. However, concerns about consumer trust and confidence in the system must be addressed, and infrastructure, particularly internet supply, which serves as the foundation for e-commerce, needs to be improved.

Imokua (2020) conducted research on traditional and e-commerce marketing in Imo State. Regression analysis was utilized as the empirical analysis in this study, which included 412 respondents. The findings indicate that e-commerce and traditional marketing in Imo State, Nigeria, are positively and directly correlated. Tienne (2020) study examines the relationship between traditional marketing retailers and e-commerce in a particular Lagos market. A questionnaire was distributed to 339 respondents, and the spearman's rank correlation coefficient was used as an estimation method. According to the study's findings, e-commerce has made things more convenient and accessible than traditional retail models. The ease with which customers can now compare items and prices while buying online has boosted competition and put pressure on merchants to provide better value for their money.

The growth of e-commerce in Nigeria is also examined in Johnson and George (2020) study. 500 entrepreneurs and owners of e-commerce businesses in the Ikeja local government of Lagos State were given questionnaires as part of the study, which used primary data. In order to test its hypotheses, the study uses chi-square analysis as an estimation technique. The findings demonstrate that e-commerce, which is driven by entrepreneurship and e-commerce synergies, has emerged as a significant business outlet and strategy in this era of the digital global economy. Ademuyiwa (2021) study examines how e-commerce has affected business operations in Lagos State, Nigeria. A questionnaire was sent to 660 respondents in different markets in Lagos State that deal with e-commerce businesses, and primary data analysis was employed. The questionnaire was analyzed using SPSS, and the study's hypothesis was tested using chi-square

analysis. The findings indicate that e-commerce significantly affects business operations in Lagos State.

Adeyinka (2021) examined the opportunities and difficulties of Nigerian e-commerce. The study uses primary data via questionnaire analysis, and while there are 200 participants in total, only half of them are included in the sample size. Nonetheless, 100 business owners involved in e-commerce received surveys. Chi-square analysis was used as the estimation technique, and the outcome demonstrates how profit-oriented and expansive the e-commerce opportunities are. This will enable businesses to sell and acquire goods more quickly and profitably for their owners. The Dahurada (2022) study focused on consumer protection and e-commerce in India. Both primary and secondary analyses are used in the study. The results of the ordinary least squares regression study, which included 229 respondents, indicate that the legal provisions pertaining to consumer protection in e-commerce transactions are neither particularly targeted nor focused on ensuring effective consumer protection in these types of transactions. Due to these factors, Indian customers who transact online may not have sufficient legal protection for their consumer rights. If these problems are not sufficiently resolved, consumers' interest in online shopping may be impacted, which could have a detrimental effect on the industry's expansion.

The study by Sandares (2022) examines how trust influences the desire to make an online purchase based on peer communication and perceived usefulness. The study employed a sample size of 375 respondents and employed chi-square analysis as an estimation approach. The findings indicate that peer communication has an impact on the perceived utility and trustworthiness of the fashion brand and its social media platforms. Purchase intention is influenced by trust in the brand but not in its social media presence. In our model, privacy issues play a little part.

Digital marketing opportunities and challenges in Nigeria studied by Ademola (2023). 188 respondents were employed in the study, which used Chi-square analysis as its estimation approach. The study comes to the conclusion that firms now sell their goods and services differently as a result of digital technologies. Businesses may reach a wider audience and forge deeper connections with their customers by utilizing these new platforms. Additionally, companies may personalize their communications and offer a more customized experience that boosts sales and consumer happiness by utilizing data-driven insights. As a result of poor infrastructure and a sluggish adoption of technology, digital marketing poses several obstacles in Nigeria; nonetheless, the possible benefits outweigh these drawbacks for companies trying to gain an edge in this fiercely competitive market.

Lewis (2023) study examines the connections between modern, traditional, and e-commerce marketing in Nigeria. Regression analysis was utilized in the study as the estimation technique, and 417 respondents were used. According to the study's conclusion, Nigeria's e-commerce and digital marketing have a promising future. E-commerce companies in Nigeria have a greater chance of succeeding as long as more people have access to the internet and technology keeps developing. The study also comes to the conclusion that businesses have a chance to engage with their target audience because of the growing prevalence of mobile devices in Nigeria. Businesses in Nigeria are poised to increase their usage of machine learning and data analytics, so those who take advantage of this trend will be well-positioned. They look for more effective ways to engage their audience.

3. Methodology

Using a concurrent mixed method, this research adopted a descriptive survey design. Raw data were collected from randomly selected retailers in the traditional open markets, using personal structured questionnaires analysis. This study's sampling size comprises of retailers in selected seven traditional markets drawn from the following sectors: clothing, mobile and technology, books, food items, fruits, fish, and meat. The population is 6500 people that are registered federal capital territory FCT, Abuja were obtained. The sample size would be computed as follows using Yamane (1967) formula and is stated as follows:

$$n = \frac{N}{1+Ne^2} \dots\dots\dots (1)$$

Where

n = desired sample size, N= Population size, e = maximum acceptable value of error, 1 = a theoretical constant, n = no of respondents.

$$= \frac{6500}{1+6500(0.05)^2} = \frac{6500}{1+6500(0.0025)} = \frac{6500}{16.2525} = 399.9 = 400.$$

Therefore the figures from mapping records, obtained from FCT, Abuja authorities, and based on the sample size obtained is 400 and the distribution are as follows for kado fish market -50, for the Utako market-50, for the Maraba fruit market- 50, for the Wuse market – 50, for the Gosa market – 50, for the Garki international market – 50, for Dutse Alhaji market - 50 and 50 for Deidei market, giving a total of 400 retailers that were studied and the reason for the choice of these retailers is hinged on where E-commerce transformation is likely to begin.

However, Spearman’s Rank Correlation Coefficient was adopted in this paper using the software for social sciences package (SPSS) and mathematically; Spearman’s Rank Correlation Coefficient is written as;

$$R = \frac{1-6\epsilon d^2}{n^2(n-1)} \dots\dots\dots 2$$

Where d= the difference between the ranks of each pair.

n = Number of paired observations

4. Results and Discussion

4.1. Bio-Data of Respondents

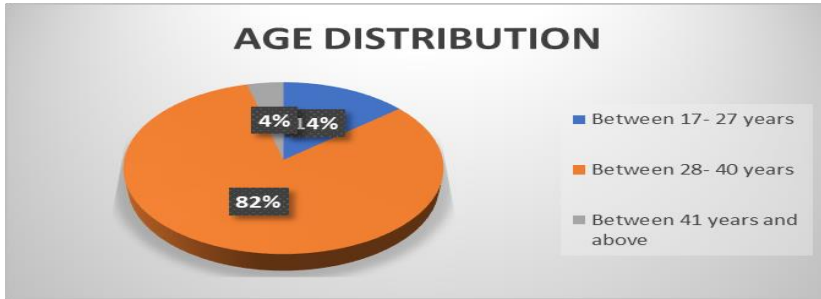


Figure 1: Age Distribution

Source: Authors' Design

The statistics in figure 1 showed that 14% of the total respondents are between the ages of 17 and 27, while 82% of the total respondents are between the ages of 28 and 40, with only 4% of the total number of respondents being over the age of 41. Given the information presented above, it is reasonable to assume that the study's participants are predominantly aged 28 to 40 years old; this conclusion is supported by the data.

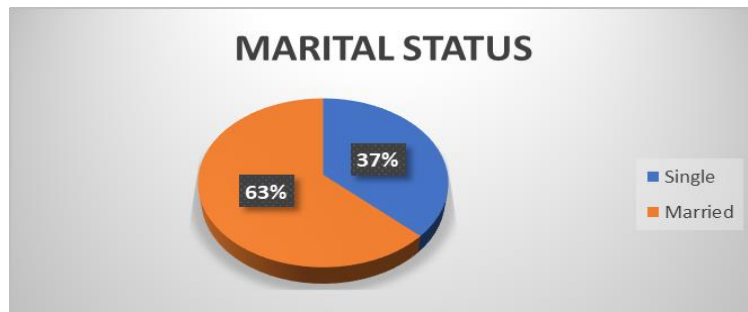


Figure 2: Marital Status

Source: Authors' Design

Figure 2 showed that there are 37% single respondents and 63% married respondents in the study. This is a significant difference in the

population. We may conclude that the majority of respondents are married based on the results of the study.

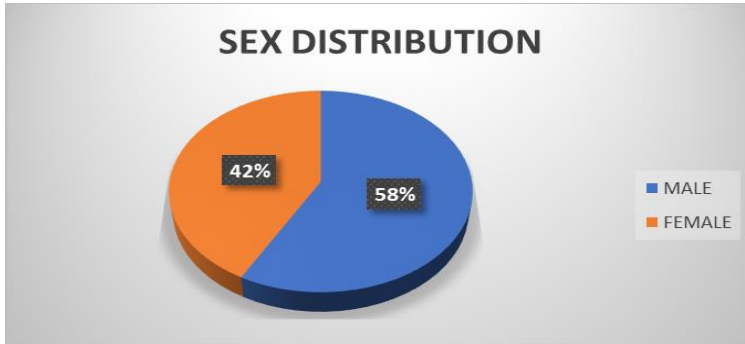


Figure 3: Sex Distribution

Source: Authors' Design

Figure 3 showed that 232 respondents are male and this represents 58% of the total respondents while 168 respondents are female and this gives 42% of the whole respondents. Therefore, the research concludes that there are more male respondents.

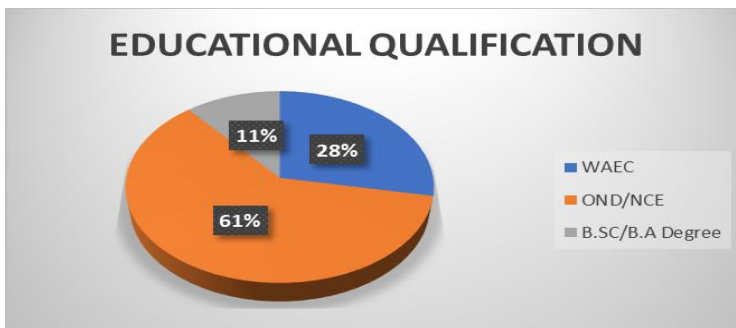


Figure 4: Educational Qualification

Source: Authors' Design

Figure 4 showed that 28% of respondents have a WAEC certificate, 61% have an OND/NCE diploma, and 11% are graduate. As a result, there are more OND/NCE holders in the sample than expected.

4.2 Test of Hypotheses

H0₁: There is no significant association between E-commerce and traditional open markets in FCT, Abuja.

Table 1: Spearman’s Correlation Result

| **Correlation Coefficient | **pp | Spearman’s Rank correlation Calculated |
|---------------------------|------|--|
| At 2 tailed | 400 | 0.042 |

Source: SPSS Package

According to the aforementioned conclusion, there were 400 respondents overall, and the degree of correlation and the spearman's rank correlation coefficient are estimated at 0.042. On the other hand, 0.05 is the spearman's rank correlation coefficient at a 5% significance level. As a result, we accept the null hypothesis and draw our conclusion because the obtained Spearman's rank correlation coefficient is smaller than the computed value, indicating that there is no significant association between e-commerce and traditional open markets in FCT, Abuja. It is obvious that, despite the level of e-commerce awareness amongst retailers in the traditional open markets, few have fully embraced it in their business operations. This may be due to some of the noted obstacles (security, trust, connectivity, etc.) that come with adopting e-commerce. In actuality, most open-market retailers are aware of and comprehend the basics of e-commerce, although their perspectives vary. However, the common misconception is that online transactions are part of e-commerce. This highlights how important training is to having a cohesive viewpoint. In the traditional open market, e-commerce is not yet a necessary means of operating a firm.

H0₂: There is no significant association between E-commerce adoption and sustainable value creation in the traditional open Markets in FCT, Abuja.

Table 2: Spearman’s Correlation Result

| **Correlation Coefficient | **pp | Spearman’s Rank correlation Calculated |
|---------------------------|------|--|
| At 2 tailed | 400 | 0.774 |

Source: SPSS Package

Based on the results above, all 400 respondents have a Spearman's rank correlation coefficient of 0.774. At a 5% threshold of significance, the spearman's rank correlation coefficient is 0.05. We therefore reject the null hypothesis and reach the following result: since the computed Spearman's rank correlation coefficient is greater than the tabular value, there is a significant association between e-commerce adoption and sustainable value creation in the traditional open markets in FCT, Abuja. Indeed, e-commerce is a great tool for cutting out middlemen. Eliminating intermediaries allows us to complete more tasks faster. Consequently, businesses can run more

cheaply. Additionally, e-commerce lowers costs, increases clientele and operational effectiveness, better satisfies the needs of overseas consumers, and ultimately results in higher profits. E-commerce not only offers opportunities for the modification of customary tasks but also helps to create value that is unmatched for all stakeholders.

5. Conclusion and Recommendations

Nigerian traditional retailers will benefit from training on online business transactions as they grow their e-commerce businesses and boost their earnings. Giving staff training through workshops and seminars with high emphasis is essential. This is because technology and digitization play a major role in the fourth industrial revolution. A robust and enduring government policy is desperately needed in the retail sector. Regulations that promote the use of e-commerce and cater to merchants should be designed simultaneously. More stringent laws and regulations pertaining to protection should be imposed on all online commercial activities. This needs to be done if the people of Nigeria are to trust the government to enforce the law successfully. It is impossible to overstate how crucial consistency is to the creation and application of policies.

More than that, awareness efforts ought to be carried out in open marketplaces by the Nigerian Postal Service's logistics and e-commerce departments. Establishing a corporate alliance that tackles logistical obstacles will yield mutual benefits for everybody involved. The omni-channel strategy can also be advantageous for traditional retailers looking to maintain a presence in the physical world in addition to online. The primary objective of any traditional retailer's management team should be to achieve success with an omni-channel strategy, which is the application of a multichannel strategy to sales. The goal is to give customers a seamless buying experience regardless of whether they are shopping online from a desktop or mobile device, over the phone, or in a traditional brick-and-mortar store. This approach ensures the long-term stability of merchants' operations by allowing them to keep their physical storefronts open while duplicating an enjoyable online and offline buying experience for customers.

Based on the findings, the study recommends the following;

- i. For merchants in the conventional open market, the government must actively participate in providing the essential infrastructure that would support the development and adoption of e-commerce as a mechanism for efficient business operation.
- ii. Financial institutions play an important role in encouraging conventional open market retailers to participate in electronic commerce by giving out loans to the retailers, which will help them start up.

- iii. Because infrastructure is the basic cornerstone of e-commerce, it is critical that a great deal of attention be paid to concerns that will result in the rapid expansion of the industry. The issue of epileptic internet coverage, bandwidth, and appropriate technologies that can assist in overcoming the restrictions of the local environment should be given a high level of consideration.
- iv. Risks and security should be given adequate consideration, as they are a primary reason why customers are reluctant to use e-commerce in general. Experts believe that e-commerce is not completely free of fraud because it is still feasible in developed economies, but more secure platforms are being produced on a regular basis, and this should be extended to developing markets in conjunction with a robust risk management system. This is an area in which the government should take a leading role.
- v. Cost and financing issues that prevent e-commerce from being cost-effective for consumers should be addressed. Reduced deplorable costs can only be achieved by cross-organizational cooperation through infrastructure sharing and collective bargaining.

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Appendix

Result of General Questions Distributed to the Respondents

| Questions | Response Column | Frequency | Cumulative Frequency | Percentage (%) |
|--|---|-----------|----------------------|----------------|
| 1. What is your current business model? | * Payment in cash | 360.00 | 360.00 | 90.00 |
| | *Transferring Money Through a Mobile Device | 20.00 | 400.00 | 10.00 |
| | *Point of Sale | - | - | - |
| | * The internet portals Jumia, Konga. | - | - | - |
| | | | | |
| 2. You have been in business for how long now? | *15 - 20 years | 287.00 | 287.00 | 71.75 |
| | *10 –15 years | 52.00 | 339.00 | 13.00 |
| | *5 - 10 years | 40.00 | 379.00 | 10.00 |
| | * 1 - 5 years | 21.00 | 400.00 | 5.25 |
| 3. When it comes to online trade, what do you know about it? | * Customers from all over the world are able to purchase things through this website. | 36.00 | 36.00 | 09.00 |
| | * Internet-based business transactions | 88.00 | 124.00 | 22.00 |
| | * Allows buyers and sellers to do business without the need for face-to-face meetings | 276.00 | 400.00 | 69.00 |
| 4. Have you bought goods online? (E-commerce) | *YES | 166.00 | 166.00 | 41.50 |
| | *NO | 234.00 | 400.00 | 58.50 |
| | | - | - | - |
| | | - | - | - |
| 5. What are the mode of payment from your customers? | * Cards, ATMs, and mobile money transfers are all acceptable methods of payment. | - | - | - |
| | * Platform for accessing the internet via a web browser | - | - | - |
| | *Point of Sale | 12.00 | 12.00 | 03.00 |
| | *Cash | 388.00 | 400.00 | 97.00 |

| | | | | |
|--|---|------------------------------------|--------------------------------------|---------------------------------|
| 6. When do you conduct your business on the Internet? | *Never *Daily *Weekly *Occasionally | 68.00 18.00 46.00 268.00 | 68.00 86.00 132.00 400.00 | 17.00 4.50 11.50 67.00 |
| 7. Do you agree that doing business online bring more profit to your business than accepting cash? | *Yes *No | 188.00 212.00 | 188.00 400.00 | 47.00 53.00 |
| 8. Do you agree that Traditional Open market is better than E-commerce | *Yes *No *Not Sure *Don't Know | 168.00 94.00 122.00 16.00 | 168.00 262.00 384.00 400.00 | 42.00 23.50 30.50 4.00 |
| 9. What are your internet business (E-commerce) obstacles? | *Security threat *Lack of Confidence in Connectivity *High Cost of internet. | 322.00 12.00 66.00 | 332.00 334.00 400.00 | 80.50 3.00 16.50 - |
| 10. What do you need in order to get on the internet? | *Infrastructure support from the government *Education/training *Laws of protection | 202.00 146.00 52.00 | 202.00 348.00 400.00 | 50.50 36.50 13.00 |
| 11. Compared to the open market, do you believe that large and overseas buyers favor modern trade? | *Yes *No *Not Sure *Don't Know | 361.00 11.00 18.00 10.00 | 361.00 372.00 390.00 400.00 | 90.25 2.75 4.50 2.50 |
| 12. Do you agree there is an association between E-commerce and traditional open market. | *Yes *No | 144.00 256.00 | 144.00 400.00 | 36.00 64.00 |
| 13. Do you agree that there is an association between E-commerce adoption and sustainable value creation in the traditional open Markets in Nigeria. | *Yes *No | 348.00 52.00 | 348.00 400.00 | 87.00 13.00 |
| Total | Total numbers of respondents | 400.00 | Total Percentage | 100.00 |

Source: Authors' Research Survey, 2023