



**THE EFFECTS OF ONLINE BUSINESS TRANSACTIONS
ON CUSTOMERS IN NIGERIA: AN OVERVIEW OF
JUMIA**

USMAN OHOJI

Department: Registry, the Polytechnic, Bali, Taraba State

ABSTRACT

This paper focuses on the effect of online business transaction on customers in Nigeria with a particular attention on Jumia. In a lighter note, it is a kind of electronic business transaction that normally take place between the company and its customers around the world. The customers are people with technological ideas who know how to perform such a transaction online. However, this kind of electronic business transaction is inseparable with some risk and implications like any other business. In Nigeria, most customers find it difficult to trust such kind of business due to lack of its physical interface where complaints may be reported to by consumers. More to that, too many online business transactions are found to be failures to customers in Nigeria. This results to some vehement challenges such as inadequate knowledge of online business transaction. The method used in this study is secondary as a result of sourcing of all the relevant information from ready-made materials such as textbooks, journals, periodics and internet. Some of the outcomes of this paper showcase that inadequate knowledge of e-transaction, lack of physical interface with the company, third party involvement, poor network provision, lack of trust among others ate highly problematic. Therefore, some useful recommendation in relation to that are provided. Some of which include: educating customers on e-transactions, providing a means for physical interface with the company in case of any complaint, avoiding third party involvement for fear of fraudsters, stable network provision for the online business transaction and many more.

KEYWORDS: Internet, Facebook, Business, E-Business, Transaction

BACKGROUND OF THE STUDY

Jumia, formerly known as Africa Internet Group (AIG) whose parents company is German Rocket Internet with vision of e-commerce platform implementation for African consumers (Weigert, 2018). Jumia Online is an open Business-to-Consumer B2C platform that enables businesses to reach Africa's vast and growing consumer market (Jumia, 2019). Jumia B2C website in Nigeria deals with different commodity such as electronics, books, home appliances, kiddies items, fashion items for men, women and children, cool gadgets, computers groceries, automobile parts, and more on the go (Jumia, 2019). It was founded in 2012 by Jeremy Hodara and Sacha Poignonnec, co-founders and co-CEOs. In 2015, Jumia with other AIG e-commerce start-ups were reunited under the holding Jumia Group which forms an ecosystem comprises of nine companies controlling various segments of e-commerce namely: Jumia, Jumia Market, Jumia Food, Jumia House, Jumia Travel, Jumia Car, Jumia Deals, Jumia Jobs and Jumia Services (Weigert, 2018; Jumia, 2019).

As at 2017, Jumia operates in 23 countries and is still expanding (Weigert, 2018). As at September 30, 2019 the number of active consumers of Jumia was 5.5million up from 3.2 million in 2018 and up from 4.8million at the end of the second quarter of 2019 (Jumia report, 2019). Jumia Online B2C has established itself as the destination for quality branded product and catering to increase sophisticated African consumer(s). As at now, it is the most visited B2C online retail website in Africa (Jumia, 2019).

Jumia was launched in Nigeria in 2012 and expanded to five other countries : Egypt, Morocco, Ivory Coast, Kenya and South Africa. In 2014, the company launched offices in Tunisia, Tanzania , Ghana , Cameroon , Algeria and Uganda. In Nigeria to be specific, large number of people patronize Jumia product with cautionary tendencies.

OBJECTIVE OF THE STUDY

This study intends to investigate and address some issues related to online business transaction in respect to Jumia in Nigeria through the following objectives:

- a. To find out the effects of online business transaction on customers in Nigeria.
- b. To find out some factors that lead to such issues in Nigeria.

RELATED LITERATURE REVIEW

INTERNET

The internet has completely transformed the computer and communication nation like nothing before. It serves as a "worldwide broadcasting tool, "a way of sharing information," and "a medium for collaboration and interaction with no regard to geographic location " (Leiner et al.,1997).

The Internet is today a global resource connecting millions of users, which began as an experiment over 30 years ago by the United States Department of Defence (Leiner et al., 2000). Since then, the Internet's growth.

BUSINESS

Business refers to an occupation in which goods and services are produced and sold in return of money. It is carried out on a regular basis with the main objective of making profit. Mining, manufacturing, trading, transporting, storing, banking, and insurance are examples of business activities. Timms (2011) defined business as a commercial enterprise or establishment that trades in goods or services. However, the complication of using a general definition emerges again. For instance, the objective of 'trading' does not have to be for profit. Therefore the argument can be made that non-profit making organisations can also be regarded as businesses, at least a certain type of business. This would include public sector organisations, since there is increasing demand for these organisations to perform and be managed like profit-making businesses (Mullins, 2010).

Business can also be regarded as any economic activity which must focus on continuous and regular production and distribution of goods and services for the purpose of meeting the needs of people in the society (Aremu, 2012). The implication of this is that business must involve continuous production and distribution of goods and services with the intention of making profits.

This paper sees business as a form of activity initiated by someone who could be named a seller trying to woo the interest of another who could be a buyer of a physical or online product for the purpose of gain making and mind satisfaction.

E-BUSINESS

E-Business, by definition, implies the usage of Internet-based technologies, but to what end? Initially, e-Business was used to replace current methods of information (bits and bytes) flow within and outside organizations. Current methods of information flow to and from customers can be slow and expensive, and contribute costs that are unsustainable in environments of extreme competitiveness. (Anand-1998) E-business improved efficiency and productivity, acquisition of new products and improved customer service (Henbury, C., 2001).

Thus, e-Business eliminates the resources and costs needed to distribute and maintain software of various antiquities in the users' domain. This was a 3-21 substantial waste. With Internet-based technology, the "info base" is written once and can be accessed from anywhere, anytime. Also, the cost of keeping it constantly updated and current is minimal, without incremental distribution and maintenance costs. (Anand- 1998).

This work sees e-business as an electronic assisted business transaction that can enable customer to purchase or sell products without physical contact.

RESULT AND DISCUSSION

Some of the main issues that prevent countries such as Nigeria from leveraging the internet are lack of adequate communication infrastructure, technical know-how, and information processing. Khalfan and Akbar (2006) observe that the inadequate banking infrastructure is another problem faced by developing countries in building ecommerce solutions for effective online marketing. However, Aghaunor et al. (2006) argue that the impact of factors such as perceived complexity, perceived benefits, organisational competence, perceived compatibility, industries e-readiness, management support, market e-readiness, IT capability, and government e-readiness has facilitated e-commerce adoption in Nigeria. Particularly, the study of Aghaunor et al. (2006); Folorunso & Momoh, (2015) culminate in research model that integrates these nine operational factors as contained in the substance reviewed. Therefore, some issues that are found to be similar in this study include inadequate knowledge of e-transaction, lack of physical interface with the company, third party

involvement, poor network provision, lack of trust among others are highly problematic.

CONCLUSION

In conclusion, this study has discovered issues that are quite relevant to the challenges of online business transaction in the context of Jumia as one of the online companies in Nigeria and around the globe. The existing literatures affirm that customers in Nigeria are mostly found to be victims owing to numerous inadequate ideas and many more relevant issues. As part of the contributions of this study, some useful recommendations are made which will be highly beneficial to all and sundry, more especially the customers concern in this work.

RECOMMENDATIONS

Government, NGOs and wealthy individuals are pleased to put some measures in place in order to curtail such issues. Therefore, some of which include: educating customers on e-transactions, providing a means for physical interface with the company in case of any complaint, avoiding third party involvement for fear of fraudsters, stable network provision for the online business transaction and many more.

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