**THE PLACE OF DIGITAL COMMERCE IN THE FEDERAL CAPITAL TERRITORY, NIGERIA.**

**Oni, Olufemi O., Adeyeye, Mercy M. &Ayorinde, Afisat A.**

*Department of Entrepreneurship and Business Studies, Federal University of Technology, Minna*

*peaceoni@yahoo.co.uk**,* *memoade4real@yahoo.com**,* ayofisat@futminna.edu.ng

**Abstract**

*Digitalization plays an important role in today’s competitive market as it involves exploring business model using digital technologies which reduces cost and expands businesses globally. The COVID-19 outbreak has irreversibly changed digital buying behavior in emerging and industrialized markets. Abuja is the capital city of Nigeria and one of the fastest growing cities in Africa where digital business opportunities exists. Hence, this study investigates the place of digital commerce in the Federal Capital Territory (FCT). This study anchored on the x-efficiency theory and employed a desk review of related literature. In doing this, it discussed the concept of Digital commerce, quality of service, adaptability to digital commerce, entrepreneurship and digital commerce and challenges faced by digital commerce in FCT. In conclusion, it was noted that the changing habits of consumers continue to increase while it is suggested that businesses should speed up their adaptation with novel digitalization, in order not to be left behind in the digital market space. This study will be of benefit to digital entrepreneurs, consumers and policy makers. Empirical study can be explored in order to confirm this study by future researchers.*

**Keywords**: Digital *commerce*, Customers’ satisfaction, Quality of service provider, Adaptability

**1. INTRODUCTION**

The COVID-19 outbreak has irreversibly changed digital buying behavior, according to a survey of almost 3,700 customers in nine emerging and industrialized markets. The poll, titled "COVID-19 and E-commerce," explored at how the pandemic has impacted online buying and the usage of digital solutions. Brazil, ‘China, ‘Germany, ‘Italy, Republic of ‘Korea, Russian Federation, South Africa, ‘Switzerland, and ‘Turkey were all represented. According to the poll, after the outbreak, digital purchases grew by 6 to 10% across most product categories, with consumers in emerging nations making the largest shift to online shopping (UNCTAD, 2020).

Information technology has brought significant improvements to customer service delivery (Idris, *et al*, 2013). More and more self-service solutions are being used by customers, which are more convenient and quicker. Alavi and Majidi (2015) observed that the increasing use of digital platforms by consumers Many businesses are rethinking their customer service operations as a result of their need for a personalized experience. Faced with increasing competition from new digital platforms that are redefining consumer loyalty and wooing younger customers, this is the disruption of conventional trade services by digital entrepreneurs incorporating new technologies.

The capacity of these businesses working in a digital environment exceeds that of the traditional model in terms of scalability (Verhoef, *et al* 2019). Consumer’s expectations can be met in the long run through digital entrepreneurship, resulting in customer happiness. Customer’s happiness is the most critical aspect in any company's long-term success such as in the customers of the Federal Capital Territory (FCT), Abuja.

*1.1 Why Abuja*

Abuja is Nigeria's capital. It is one of Africa's most rapidly developing cities. Abuja offers a diverse range of digital business opportunities. Dynamic incubators, venture capital firms and digital start-ups are all contributing to Abuja's thriving digital entrepreneurship ecosystem.

*1.2 Justification for the Study*

Digitalization is crucial in today's competitive market since it means experimenting with new business models that employ digital technology to reduce costs and expand operations internationally. It will be extremely beneficial to FCT customers because, given the country's current state of insecurity, it will allow them to make purchases and receive products from the comfort of their own homes. Because the business is transparent and the market is highly competitive, customers can make their own decisions, which ensures quality and reduces fraud.

*1.3 Significance of the study*

This study could provide digital entrepreneurs with knowledge on the place of digital commerce in the FCT and will be useful to the consumers on their possible watch-out in a digital commerce. It is relevant to authorities in Nigeria most especially the FCT in evaluating the economic and regulatory policies and other ongoing policies on digital entrepreneurship to decide whether there is need for a better policy or improved policy.

*1.4 Objective of The Study*

The principal objective of this paper is to assert the place of digital commerce in the Federal Capital Territory, Nigeria. Recently digital commerce entrepreneurs have a greater scope of expanding their business as customers are getting satisfied by doing digital shopping as they find digital commerce much safer than traditional commerce. Each income group makes digital purchases because there are different varieties of products available at different prices different methods of payment also available, which becomes convenient for customers to make digital purchases in FCT. The question is whether FCT has adapted to digital commerce

**2. THE PLACE OF DIGITAL COMMERCE**

*2.1. Digital* *commerce*

Digital commerce is a type of electronic commerce that involves using the internet to purchase products and services. Commerce, advertising, product support, security, delivery, and payment are all examples of these transactions (Laudon and Laudon, 2016).

Digital commerce, according to Radovilsky (2015), is the most essential solution in the development of internet-based trading systems. In recent modern global economic environment such as in the FCT, digital commerce is becoming increasingly important. The use of computer networks, particularly the Internet, by FCT users to sell or buy goods or services, as well as the sharing of information and communication media, is defined as digital commerce. Using digital technology, this approach entails using new technology to develop more frictionless ways of engaging and transacting (Digitalization).

Digitalization is the process of converting a firm to a digital one by utilizing digital technologies to modify a business model and develop new income and value streams. (Gartner, 2018). Digitalization has led to robust data analytics and intelligence, helping firms to get closer to their customers. Whitsed, & Green, (2015) and Rachinger, *et al* (2019) argued that digitalization influences everything, and this influence is transformative. Digitalization is taking full control of the customer’s experience and managing all the existing and new needs in accomplishing their goal. However, the factors such as quality of service provided, adaptability, are to be considered and put in place optimally. Customers including those of the FCT wants a transactional process that is seamless and straightforward, made possible by technology and multiple digital platforms.

*2.2.* *Quality of Service Provider*

Quality is the whole features and characteristics of services that bear its ability to satisfy implied needs. It is simply defined in daily life as meeting the requirements of a user, unstated desire, and degree of excellence. It is the result of comparing expectations of service and the real perception of the way the service has been performed (Al-Somali *et al* 2020). The total effect of the usage of services determines the degree of happiness FCT users has with that service.

In strategic planning, quality is frequently a critical variable. In general, service quality refers to how well a service meets or surpasses a customer's expectations. Quality of Service (QoS) in e-commerce refers to the non-functional aspects of a service that indicate how well it is delivered, such as availability, reliability, responsiveness, and security. Indeed, quality of service (QoS) is a significant factor in the acceptance of e-commerce (Zheng, *et al* 2017). Furthermore, QoS is an important part of e-commerce in enhancing its adoption (Mondal, *et al* 2017).

*2.3. Adaptability of Digital commerce*

Adaptability refers to a system's ability to adapt to technological or functional changes without necessitating structural alterations (Westerhuis, 2020). As a result, digital commerce entrepreneurs should concentrate on providing what clients desire rather than what is convenient. This digital era requires digital commerce entrepreneurs to be more dynamic, change-sensitive, accept the new notion of trust, and function as adaptable, technology-enabled information businesses that use digital technologies to reinvent the customer experience (Muluka, 2015).

The continuing and acceptance of products, ideas, and services is referred to as adoption. Customers go through persuasion, information, confirmation, and decision, according to Yusuf-Dauda and Lee (2015), before they are ready to embrace a service or product. Digital commerce entrepreneurs must go to considerable lengths to fulfill their consumers' needs, solve their issues, respect their relationship, and invest in it. All sorts of digital commerce platforms must be user-friendly; this characteristic makes it simpler for customers to use them, which is why they have a positive image of them (Gracia *et al* 2011).

*2.4. Entrepreneurship and Digital commerce*

Consumer satisfaction requires an organization's quality policies to fulfill customer needs (Asiago and Paul, 2015). In a business setting, customers satisfaction is a metric that can be used to manage and enhance a company's performance. Among several definitions, Allen (2006) defined entrepreneurship as a way of thinking or mindset which focuses on opportunity and growth as well as innovation. In all the definitions that are provided by different scholars, there are common characteristics as well as elements, which are economic innovation and creativity, opportunity to increase under uncertainty and risk, identification, acquisition, and marshaling of resources.

Mainly, entrepreneurship refers to the deployment as well as control of resources with a view of creating an innovative economic corporation to gain or achieve growth under the conditions of uncertainty and risk (Barney, 2001). Innovation and creativity form the key aspects of entrepreneurship. Through these elements, a digital entrepreneur can introduce new ideas or products into the market to meet the demands of customers which is ever-changing every time especially in Abuja. Such of these novel ideas is digital commerce.

*2.5 Challenges of Digital commerce in FCT*

The delayed adoption of digital commerce in underdeveloped nations such as Nigeria can be attributed to a variety of issues. Many studies on the adoption of digital commerce in developing nations have highlighted concerns such as consumer attitudes, infrastructure, political challenges, socio-economic challenges, language hurdles, and computer illiteracy (Olatokun and Bankole, 2011; Apulu and Ige, 2011; Bankole *et al*., 2017). Consumer attitudes about digital commerce systems, privacy, security of customers' information, and trust are all concerns that are impeding the expansion of digital commerce (Wei *et al*., 2010).

*2.5.1 Security and privacy*

Consumers in the FCT can access products and services from anywhere, at any time, thanks to the convenience of digital commerce, which has increased its popularity. Although security and privacy have limited the full potential of digital commerce (Agwu *et al*., 2014), many consumers have real concerns about disclosing personal information to an unknown third party via the internet, and they are unaware of how their data will be treated (Feigenbaum *et al.,* 2009). Due to the extreme fear of fraud and digital crime, consumers' attitudes about digital commerce have shifted, making security and privacy one of the most pressing concerns for digital commerce providers (Ibikunle, 2013). Consumers and businesses alike are concerned about this problem, as it is a vital success component for businesses (Mandi, 2009).

*2.5.2 Awareness of digital commerce*

Digital commerce development in the FCT is hampered by a lack of internet awareness. Users of the internet frequently confront barriers that obstruct good online engagement. As a result, many individuals are limited to e-mail, web surfing, and social media conversing. Furthermore, individuals and organizations' poor levels of understanding of information technology contribute to the restricted use of digital commerce, which inhibits them from exploring new ways to better their enterprises (Salehi, 2013).

*2.5.3 Economy and efficiency of the platform*

Some of the difficulties impeding the implementation of digital commerce in FCT include efficiency and citizen’s income. In majority of the developing nations, customers are fixated on utilizing the conventional commerce transaction because of several technological and non-technical concerns and thus customers’ preparedness becomes a significant aspect (Awa *et al*., 2010).

*2.5.4 Trust about digital commerce system*

When it comes to digital commerce in the FCT, trust is crucial because it is one of the primary motivators for customers to do transactions digitally (Kobayashi et al., 2013). One of the fundamental challenges of digital purchasing is lack of confidence in digital purchases (Huamei, 2013). In a big community of unfamiliar vendors, trust is key (Bazdan, 2011). It is critical in encouraging people to buy items and services digitally (Boateng *et al*., 2014).

**3. THEORETICAL VIEW**

This study is based on Harvey Leibenstein's X-Efficiency Theory of Entrepreneurship (1966). Entrepreneurs are viewed as input complementors and gap fillers in the study. Gaps appear when markets are inefficient, such as when incumbents do not efficiently use their resources (Leibenstein, 1966;1978;1980;1983). ICT has been for some time in the commerce sector, but due to the underutilization, Digital entrepreneurs surfaced to fill in the gap that was created.

**4. METHODOLOGY**

The desk research approach is used in order to position the extant literature. This provides quick, trustworthy background information, enhances the focus and ROI of primary research by providing context and depth to primary research results.

**5. CONCLUSION AND SUGGESTIONS**

X-efficiency theory is concerned with the underutilization of digital commerce resources in the FCT. Therefore X-efficiency theory continues to be a better understanding of the effects of digital market space and organizational forces on the use of digital commerce resources in the FCT and, hence, on making improvements in the use of the resources.

The study finds out that the changing habits of consumers continue to increase and demand new ways to use digital commerce, and novel digital technologies. businesses are now confronted to speed up their adaptation with novel digitalization, in order not to be left behind in the digital market space. Businesses should be apt in the development of new digital channels and products, adapting new technology infrastructure, and implement deep organizational changes for strategic positioning in the digital environment. Focusing on satisfying their customers through the improved speed of transactions and smooth adaptability process. Any institution which has embarked on this process will be better-placed to satisfy the new demands of customers. Finally, The Place of digital commerce in the Federal Capital Territory, Nigeria is very key most especially during this period of unexpected pandemic. further empirical researches can be the impact of digital commerce in the Federal Capital Territory, Nigeria and digital commerce and the effect on the Federal Capital Territory, Nigeria.

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