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IMPACT OF ONLINE PRESENCE ON THE PERFORMANCE OF BUSINESSES IN LAGOS STATE, NIGERIA

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ABSTRACT: *Online business is one of the latest development in business environment in Lagos State, and Nigeria as a whole. The presence of online buying and selling is seen as a jet development in today's business environment. The primary aim of this study is to examine the impact of online presence on the performances of businesses in Lagos State, Nigeria. The study adopted a descriptive survey research design and the population of this study comprises of customers and employees of the selected online stores in Lagos State. A purposive sampling technique was used to select a sample of 172 respondents across the population of the study. Data were collected through the use of a well-structured Likert scale questionnaire. Data collected were analyzed using inferential statistics and Ordinary Least Square (OLS) techniques. Findings from the result reveal that online presence has significant positive impact on the performance of businesses in Lagos State, Nigeria. The study concluded that the null hypothesis (H_0) should be rejected. The study further recommended that online stores such as Jumai, Konga, Jiji and others should constantly use all forms of advertising to adequately and effectively increase their performance through increased patronage from the public.*

Keywords: *Business, Performance, Online Presence*

INTRODUCTION

The World Wide Web has created electronic or virtual market places where trading can be conducted without any geographical and time barriers. Online Business, also known as e-business or electronic commerce, refers to conducting business transactions over the Internet, which includes exchange of information of value in the form of products and services as well as payments, using web-based technologies (Aminu, 2013). It is no different from ordinary business, except that it is facilitated by web-based technologies. An online transaction can be done 100% online for electronic products such as music, video clips, e-books, air tickets, cinema tickets, hotel booking, share trading, banking service, Data or call credit purchase and more. The transaction can also be done in mixed mode where order and payment are done online while delivery is done offline. (Guesalaga, 2016).

Considering the well-documented decision making process, Knoll (2016) Predicts that the internet will have an enormous impact on how consumers make buying decisions, the time and cost of searching and evaluating alternatives and negotiating terms are being driven lower and lower, through online platforms, consumers find that they no longer have to accept fixed prices for products and services.

As a business owner, there are always people looking for information online regarding your products and services, effective online presence ensures that we don't miss

out on their patronage, gone are the days when traditional advertising such as Print advertisements, yellow pages, billboards, radio and television commercials were enough to keep new customers coming in and the old ones coming back, in today's world, businesses must be using the internet to bring in more clients and stay competitive and profitable (Nwokah & Ngirika, 2018). What is an effective online presence? In order to bring in business on a regular basis, businesses must take advantage of online marketing strategies such as;

- A website for the business that brings new customers
- Search engine optimization (SEO) that ensures top positions on search engines
- Google places listing for potential customers and clients to find the business contact details.
- A Facebook business page to generate local and international awareness about the business.
- A Twitter handle, blog and Instagram page to create followers and brand loyalty,
- A mobile version of the website so people using iPhones, Tablets and other mobile devices can view the business online.
- An online customer follow up and retention system so customers and clients are encouraged to come back again and again.

Statement of the Problem

The problem attributable to lack of online presence in some businesses in Lagos State and Nigeria as a whole, that is, not using website or social media platforms to increase sales, brand recognition and engage with customer's despite the obvious inherent benefits in the use of such platforms are likely to be, high cost of technology solutions, inadequate experience in maintaining security and reliability of the website and social media platforms, insufficient telecommunication coverage and capacity in some areas, Increase instances of online transaction fraud, concern with transaction security, trust and privacy, Perceived lack of online customers due to customer's inability to touch and feel the products before purchase (i.e People not used to faceless, paperless, non-physical transactions where they can bargain effectively). However, this study would focus on the inadequate experience in operating, maintaining and securing the website and social media platform to maximize its performance and benefit to the business.

The objective of this study is to examine the impacts of online presence on the performance of businesses in Lagos State, Nigeria. In line with the objective of this study, the following research hypothesis was specified.

H₀: Online presence has no significant impact on the performance of businesses in Lagos State, Nigeria

LITERATURE REVIEW AND THEORY

Online business has provided new opportunities to consumers to engage in social interaction on the internet. Consumers use social media, such as online communities, to generate content and to network with other users. The study of social media can also identify the advantages to be gained by business (Olusoji, et al, 2015). A multidisciplinary model, building on the technology acceptance model and relevant literature on trust and social media, has been devised. The model has been validated by SEM-PLS, demonstrating the role of social media in the development of e-commerce into social commerce (Reuben, 2014). The data emerging from a survey show how online businesses facilitate the social

interaction of consumers, leading to increased trust and intention to buy. The results also show that trust has a significant direct effect on intention to buy. The perceived usefulness of a site is also identified as a contributory factor (Olusoji, et al, 2015).

Advancements on the internet in recent years have made new systems available to business, social media such as online communities being a good example (Lu & Hsiao, 2010). The general availability of the internet has given individuals the opportunity to use online business, social media from email to Twitter and Facebook, and to interact without the need for physical meetings (Gruzd et al. 2011). This has been facilitated by Web 2.0 applications. Web 2.0 is a new advancement, which has transferred the internet to a social environment by introducing social media, where individuals can interact and generate content online (Lai & Turban 2008).

Web 2.0 has emerged to give users easier interconnectivity and participation on the web (Mueller et al. 2011). With the rise of social media and online communities, individuals can easily share and access information (Chen et al. 2011). Online communities and social networking sites (SNSs) are an effective web technology for social interactions and sharing information (Lu & Hsiao 2010). Today's consumers have access to many different sources of information and experiences, which have been facilitated by other customers' information and recommendations (Senecal & Nantel 2004). This is an important point as customer involvement through social media is a key factor in marketing (Wamba, & Carter, 2016).

Online businesses offer different values to firms, such as enhanced brand popularity (Zhang, Guo, Hu, & Liu, 2017), facilitating word-of-mouth communication (Xie et al. 2016), increasing sales (Gabriel et al, 2016), sharing information in a business context (Lu & Hsiao 2010) and generating social support for consumers (Ali, 2011). In addition, online businesses through social media provide shared values, leading to a positive impact on trust (Felix et al, 2017). Today, with the expansion of social media online businesses are likely to develop marketing strategies in firms through trust-building mechanisms and affecting customers' intention to buy online products.

Theoretical Framework

Theories are crucial to enable researchers and businesses understand and take advantage of online media. Theoretical frameworks can help the discovery of new opportunities in the field of social network, relevant theories can assist to interpret and make sense of data about consumer buying behavior, there are several theoretical frameworks that demonstrate the phenomenon and understanding of social media and online business, these theories can be separated into three; micro-theories dealing with studying the dynamics of individual's contribution to discussions online and social platforms; macro-theories looks at the dynamics and structures of social media content and actors through global or abstract views. Third is pseudo-theories which include the recent conceptual frameworks in marketing and social media, proposed mainly by non-academics. Pseudo-theories may make sense intuitively but are yet to be tested empirically. All these three frameworks might contribute to our understanding of social media, how people form relationships, followership, why people contribute and how to find opinion leaders and value social media contents (Contractor, 2009; Altman & Taylor, 1973).

EMPIRICAL REVIEW

Aminu (2013) examined the Challenges Militating against Adoption of Online Shopping in Retail Industry in Nigeria. The study made it known that Internet has revolutionized the way socio-economic activities are conducted globally. One of such activities is shopping. The primary objective of the paper was to examine the challenges of online shopping in retail industry in Nigeria. Data were obtained mainly from secondary source. Some challenges were found to militate against adoption of online shopping in Nigeria's retail industry. These include cultural barriers, infrastructure challenge, security concern, perceived risk and inadequate regulatory framework. The study however concluded that, these challenges have led to the slow adoption of online shopping in Nigeria, and based on this it was recommended that e-tailers should embark on advertising campaign to break the entrenched traditional shopping habits of Nigerian consumers; governments should sensitize the general public on the importance and benefits of the Internet adoption; government, should partner with the local PC manufacturers to make PC ownership affordable; and should make laws (e.g. cyber-crime law) that protect online shoppers.

Jenyo & Soyoye (2015) conducted a study on online marketing and consumer purchase behavior: A study of Nigerian firms. The primary objective of the study was to understand the consumer behavioural factors that influence e-marketing effectiveness in Nigeria. The survey research design was used for this study while a structured questionnaire was designed to elicit data from selected firms in Lagos State. The data collected were analyzed using simple regression analysis. The findings from the study shows that online marketing has impacted consumer purchase decisions in Nigeria firms.

Olomu & Irefin (2016) conducted a study on e-marketing adoption and performance in the Nigeria Paint Industry. The study made it known that firm deploys information and communication technology to to improve sales and create competitive advantage. The primary objective of the study was to examine the impact of e-marketing adoption on the performance of Nigerian paint industry. The study made use of a well-structured questionnaire distributed to 240 respondents who are paint manufacturer. Data collected were analyzed using ordinary least square (OLS) analysis and the performance parameter measured were; market share, sales growth and customer retention. The study however revealed that, sales growth has more intensity in the e-Marketing performance, while the study further suggested that firms should intensify the utilization of ICT for marketing thereby increasing profitability and thus promote sales performance in the industry.

Nwokah & Ngirika (2018) carried out a study on Online Advertising and Customer Satisfaction of E-Tailing Firms in Nigeria. The study adopted a survey research design while 285 questionnaires were correctly filled and returned by respondents. Data collected from study were analyzed using Spearman's rank order correlation coefficient. Result from the study, reveal amongst others that there is a positive and strong relationship between online advertising and customers' satisfaction; and online advertising significantly affects customer satisfaction. The study concludes to a strong extent, online advertising influenced satisfaction of the customers.

METHODOLOGY

The study adopted a descriptive survey design. A well-structured likert scale questionnaire was employed for gathering data by primary means. The use of questionnaires promises a wider coverage since it helps researcher approach respondents more easily than other method (Amadahe, 2002; Adeniyi & Okoye, 2017). This ensured a holistic and an indebt examination into the impact of online presence on business performance in Lagos state.

The population of this study comprises of customers and employees of selected online stores in Lagos State. The selected online shops are Jumia, Konga, and Jiji Nigeria. The justification for customers and employees of these online stores was based on their role in economic development of online business in Lagos state.

The purposive sampling technique was used in selecting 172 respondents from the population of the study. The purposive sampling technique was used for convenience sake. A linear regression model was specified for this study. Regressionally, the econometric model for this study using regression was;

$$PF = \beta_0 + \beta_1OP + e_i, \dots \dots \dots (i)$$

Where; PF = Performance and

OP = Online Presence

Data collected was analyzed using Inferential Statistics and the Ordinary Least Square (OLS) Regression analysis. Inferential statistics was used to measure the aspects of questions retrieval analysis and sampled population while the OLS regression analysis was applied to test the hypothesis since this study sought to establish the impact of one independent variable on one dependent variable. This method was suitable because it found the target variables by finding a best suitable fit line between the independent variable and the dependent variable. Linear regression makes the assumption that the changes in the dependent variable can be modelled as a monotonic linear function of the independent variables i.e a change in the independent variable will result in a change in the dependent variable. Analysis was carried out using Statistical Package for Social Science (SPSS) version 23 software.

4.0 Results

Ordinary Least Square (OLS) linear regression analysis was employed as the basic statistical tool for data analyses in the study, with the aid of SPSS version 20.0 software.

Table 1: The sample size of 172 respondents selected from the population

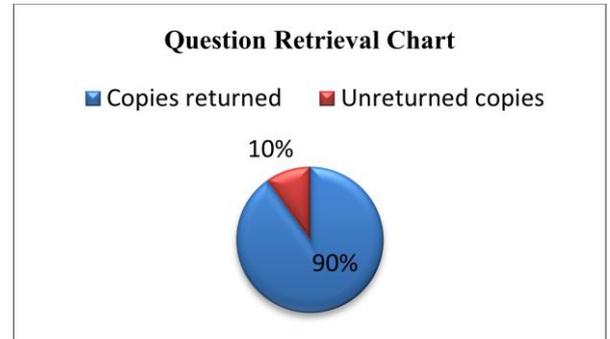
Sampled Respondents		S/N	Respondents Business Affiliation	Total
		1	Jumai	67
		2	Konga	55
		3	Jiji	50
			Total	172

Source: Field Survey, 2019

The information above from both the pie chart and table shows that 67 respondents representing 39% of the sampled size were both customers and employees of Jumai. 55 respondents representing 32% of the total respondents were from Konga while 50 respondents representing 29% of the total sampled respondents were from Jiji. This simply implies that more questionnaires administered to employees and customers Jumia.

Table 2: Questions Retrieval analysis

S/N	Administration of Questionnaire	No of copies	Percentage (%)
1	Copies Administered	172	100
2	Copies returned	155	90
3	Unreturned copies	17	10



Field Survey, 2019

One hundred of seventy-two copies of questionnaires were purposively administered by the researcher. One hundred and fifty five copies were successfully retrieved from the respondents which represent 90% of the total respondents while 17 respondents representing 10% of the total respondents failed to return their questionnaires. The 90% retrieval rate is reliable enough to base a research on.

Table 3: OLS Regression analysis of the impact of online presence on the performance of businesses in Lagos State, Nigeria

Model Summary (a)				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.317 ^a	0.100	0.098	3.04534
a. Predictors: (Constant), Online Presence				

Source: Field survey, 2019

Coefficients (b)						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.086	1.111		10.878	0.000
	Online Presence	0.364	0.055	0.317	6.597	0.000
a. Dependent Variable: Performance						

Source: Field survey, 2019

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