E-BUSINESS AND E-COMMERCE: THE CHALLENGES TO ENTREPRENEURS IN DEVELOPING COUNTRIES. THE CASE OF COMMERCIAL CITY OF KANO-NIGERIA.

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ABSTRACT

Information and communication technology (ICT) and digital markets pose serious challenges to small scale entrepreneurs in less developed countries like Nigeria. This study critically examined the challenges of e-business and e-commerce to teeming entrepreneurs in the commercial city of Kano where considerable percentage of entrepreneurs are either illiterates or lack knowledge of computer or internet access. E-business refers to the practice of using ICTs to conduct business or facilitate improved business activities and processes, while e-commerce describes the buying and selling of products, services...electronically. The use of other electronic means of transactions are affecting commercial activities in developing economies like Nigeria. Entrepreneurs finds it difficult to cope with new innovations in the use of ICT, such as e-payment, cashless policy, e-marketing and digital markets. The study used secondary data to review the works done in similar areas. Primary data was collected through personal interview with entrepreneurs from seven popular markets around Kano metropolis which was coded and analyzed using thematic synthesis analysis. 400 entrepreneurs were used as sample size for the study. Major findings reveals that: (i) considerable percentage of the entrepreneurs have low level of formal education which affects them from conducting business online (ii) majority of entrepreneurs around Kano metropolitan markets are not computer literate and lacks internet access due to high cost as well as erratic network connectivity (iii) the cashless policy also affects their business transaction. Finally, the study recommends: that, government should provide necessary infrastructures for telecommunication operators to provide internet access at affordable rate; that, entrepreneurs cooperative associations should organize training to sensitize their members on e-commerce and digital markets. These will no doubt improve the entrepreneurs’ capacity to conform to the world web trend for better efficiency.

Key words: E-business, E-commerce, Information and Communication Technology (ICT), Entrepreneurship, Internet and developing countries.
Background

The power of computer communication technology has changed the nature of finances and trade, putting an end to geographical and imaginary boundaries created by the Berlin conference, creating a borderless world. According to Pickering (2001), developments in communication and transportation technologies have given rise to new forms of cultural production, consumption and exchange. Similarly, Giddens (1999), has claimed the invisible overthrow of old pattern of living through the expansion of communication systems around the world. “This is the first time at which you can have instantaneous communication around the world. That simply changes the nature of people’s lives. The idea of doing almost everything electronically has become the new global order. E-business, e-marketing, e-commerce, e-transaction, e-payment, e-library, e-ticketing, etc.

Electronic business or e-business refers to the practice of using ICTs to conduct business or facilitate improved business activities and processes. It include procurement, operation, manufacturing, marketing and sales, logistics, human resources management, finance and research and development. While electronic commerce or e-commerce refers to a wide range of online business activities for products and services. It also pertains to “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact.” E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals, (Andam, 2003).

Kano State is located in the North West Geo-Political Zone of Nigeria. Its capital is Kano. The State is historically a commercial and agricultural state known in the past for its groundnut pyramids. It has many tourist and cultural centres which include the colourful annual durbar, museums, monuments, leather works and crafts. Kano State is the most populous state in Nigeria with population of 9,401,288 (NPC, 2006).

Kano State is the second largest industrial center in Nigeria and the largest in Northern Nigeria with textile, tanning, footwear, cosmetics, plastics, enamelware, pharmaceuticals, ceramics, furniture and other industries. Others include agricultural implements, soft drinks, food and beverages, dairy products, vegetable oil, animal feeds etc. Small and medium scale enterprises and other informal trading activities suffer a lot of setback, primarily due to poor credit facilities and lack of infrastructures like power etc. The ancient city of Kano, nick-named “The center of commerce” is attracted by business men and women from within and outside the country. This is due to many factors that encourages trade and investment. The New hopes induced by globalization has made Kano an attractive spot where trade/investors from China and other south east Asians move towards with vigour and rigour of direct investment. The city has acquired its
cosmopolitan or globalized demographic status since the days of trans-Saharan trade which brought together Arab traders from North Africa, sub-Saharan countries and Europe.

The computer is an electronic device that is capable of accepting input in form of data and instructions, processes such and conveys the output in form of meaningful and intelligible information. It is this information technology via computer and internet, which brought about the concept of globalization that has turned the world into a global village. That is to say what is happening in New York is no longer unknown to people in Lagos, Tokyo, Paris or Freetown (Shuaib, 2015).

Considerable percentage of local entrepreneurs lack the knowledge of computer or internet, by and large are excluded from variety of transactions. The most critical is e-commerce which involves business to customers and that is where considerable percentage of informal traders belong. The proliferation of large scale retail outlets in Kano city like, Ado Bayero Mall, SAHAD Stores, Jifatu, Grand Square and many others have closed the window of many traders operating within the historical markets of the ancient city, these markets include, GSM market, the famous textile market of Kwari, Kofar wambai, Yan lemo, Yan kaba Singer and Dawanau markets to mention but a few.

**Statement of the problem**

Almost all evaluative studies have tried to identify the benefits of ICT use. These include profit increase, cost reduction or displacement, time savings, improved information, professional performance, staff satisfaction, reliability, speedy data transfer, strengthening competitive position and better or new client services (Shuaib, 2015).

Increasing number of countries have adopted policies to accelerate the use of electronic channels and reduce the use of cash. The motivations for these policies vary: many are primarily concerned with reducing tax evasion, some with fighting crime, and a few are now explicitly linked to financial inclusion – though the latter link is not necessarily immediately nor automatically achieved (BFA, 2013).

From 2012, in Lagos, Federal capital territory (Abuja) and Kano, individual and corporate customers have to pay for cash deposits and withdrawals in excess of stated threshold i.e ₦500,000 ($2,500) and ₦3m ($1,500). Customers are compelled to pay between 2% to 5% when they exceed the threshold. This action alone has dramatically slowed the trading transactions/activities among local entrepreneurs as it restricts the movement of physical cash. Investigation shows that traders at the textile Kwari and Singer markets use to record a daily turnover of ₦20m ($100,000) and above before the introduction of cashless policy.

The use of electronic means of transacting business (business 2 business) that is e-business or (business 2 customer) that is e-commerce has become the new global way of doing business.
This include business offers, marketing, advertisement, payments and many more are done electronically which left out small scale entrepreneurs in developing countries like Nigeria and commercial city of Kano in particular.

In light of the above, this study set out to investigate the challenges of e-business and e-commerce to small scale entrepreneurs in developing countries, using the commercial city of Kano-Nigeria as the study area.

**Objectives of the study**

The study is designed to achieve the following objectives:

1. To identify the current status of e-business and e-commerce to small scale entrepreneurs around Kano metropolitan markets.
2. To assess the obstacles as well as solutions or opportunities of e-commerce, available to entrepreneurs around Kano metropolitan markets.
3. To identify various methods of e-business, e-commerce and digital markets available for entrepreneurs around Kano metropolitan markets.
4. To examine ways of educating small scale entrepreneurs about the use of computer, internet and other electronic devices for e-commerce around Kano metropolitan markets.

**Conceptual framework**

**The Concept of Entrepreneurship**

Entrepreneurship is about creation of wealth and empowerment through discovery of opportunities and the subsequent creation of new economic activity, thereby establishing organizations that is capable of bearing risk and providing employment opportunities. According to Inegbenebor (2006), “Entrepreneurship is about learning the skills needed to assume the risk of establishing business. It is about developing the winning strategies and executing them with all the vigour, persistence and passion needed to win any game. It has developed in popularity and practice within the last two decades in Europe and North America. In Africa, it’s gradually gaining grounds, men and women are becoming more and more interested in establishing their own businesses so as to become self-employed.

**Differences between e-Commerce and e-Business**

The main difference between the two concepts is that, e-commerce defines interaction between organizations and their customers, clients, or constituents, while e-Commerce describes the buying and selling of products, services and information via computer networks including the internet. On the other hand, e-business is broader term that also encompasses an organization’s internal operations. e-Business describes the broadest definition of e-Commerce to include
buying and selling of products and services, servicing customers, collaborating with business partners, and conducting other intra-business task. The two concepts are similar – and are used interchangeably.

Model 1: e-Business/e-Commerce relationship

Types of e-Commerce

Lake (2000), and Adamu (2015) clarify the different ways of looking at e-commerce as each form of e-commerce has different components and applications put together.

Business to Business e-Commerce (B2B)

B2B (Business to Business) e-commerce refers to electronic deals conducted between two businesses, that is to say the participants in this type of e-commerce are businesses. This results in huge volume and value of the business, being B2B. Example of B2B is, a manufacturer of cars sourcing battery online from battery manufacturing company or a bank orders stationery from a stationery supplier provided communicating of the order, invoicing, tracking of the order and payment can all be performed online between the two parties.

Business to Consumer e-Commerce (B2C)

Business to consumer (B2C) e-commerce always comes to mind when an online transaction take place between business to consumer. B2C refers to companies that retail products (physical or virtual) over the Internet. Example of companies that dominate the discussion on B2C e-commerce are Amazon.com and eBay.com. Elimination of the need for physical stores is the biggest rationale for business to consumer e-commerce. The complexity and cost of logistics can be a barrier to B2C e-commerce growth in developing countries like Nigeria.

Business to Government e-Commerce (B2G)
Business to Government (B2G) e-commerce is another form of interaction between business and government electronically. Examples of B2G e-commerce include submitting tax declarations online, paying tax, making application for and paying for licences and online business registration etc. Government owned companies such as the port authorities could provide an electronic means of paying port costs and clearing goods through the port.

**Consumer to Business e-Commerce (C2B)**

Consumer to Business (C2B), unlike other forms of e-commerce, here the consumer initiate the offer or requirement that businesses fulfill. Example of C2B is where a consumer posting his requirements of a holiday package, and various tour operation making offers, or where a job seeker or professional posts his resume on LinkedIn and businesses approaches him leading to business or contractual agreement/engagement.

**Consumer to Consumer e-Commerce (C2C)**

Consumer to Consumer (C2C), this form of e-commerce involves consumer selling to consumer online. eBay.com is the most common form of C2C, because it is the most popular plat form that enables consumers to sell to other consumers. Since eBay.com is a business, this form of e-commerce is also called C2B2C e-commerce.

**Mobile Commerce (m-Commerce)**

Mobile Commerce (m-Commerce), this involves conducting business transaction using mobile device, that is, mobile device consumers can interact each other leading to business transaction. Mobile commerce involves the change of ownership or rights to utilize goods and related services.

**Examples of e-Commerce**

1. **Online Shopping**: Buying and selling goods on the Internet is one of the most popular examples of ecommerce. Most common forms are; Amazon.com, Jumia etc.

2. **Electronic Payments**: Buying and selling online creates a window to pay online too. This include the use of debit/credit cards, paypal etc.

3. **Online Auctions**: Online auctions are an efficient mechanism for price discovery. eBay is the pioneer and most visible online auction site.

4. **Internet Banking**: In today’s ICT age, one perform the entire banking operation without visiting physical bank branch. Payments and funds transfer can be performed using mobile phone, so also the use of credit cards.
5. **Online Ticketing:** Online ticketing does away with the need to queue up at ticket sales point. Any kind of ticket can be booked online, this include, air tickets, cinema ticket, ticket to sporting events, train ticket etc.

**Growth of the Internet**

Internet access, connectivity and usage is the basis for e-commerce. There has been an increasing demand for internet access to enable entrepreneurs engage in business transaction electronically across the world. The growth of Internet according to WTO, (2013):

*The first decade of the new millennium witnessed a profound change and dramatic increase in the way business and trade takes place electronically. Each day, more users in least-developed and developing countries are accessing the internet through terminals. A growing percentage of users are now also accessing the web through mobile technology. It is predicted that the internet and especially the use of mobile applications will expand exponentially in the decades ahead. There is enormous potential for using ICT to contribute to the social and economic progress of developing countries worldwide. A key role in this regard is played by SME.*

Below are individuals using the internet per 100 inhabitants by continent, across the world, 2011.

![Chart 1: Commonwealth of Independent States](image)

**Source:** *ITU World Telecommunication / ICT Indicators database*
From the chart above, it is quite clear that, developing countries particularly African region is at developing stage in terms of internet access and connectivity. This scenario has great influence on entrepreneurs in developing countries particularly in Nigeria.

**Developing Countries and Challenges of e-Commerce**

Developing countries suffers serious setback in terms of technological development particularly in the areas of industrialization, information technology and military science. By developing countries, we refer to newly emerging and post-colonial economies of Africa, Asia, South America and Pacific regions—arguably referred to as ‘Third World’, ‘Less Developed States’ or ‘the Global South’. These countries are often associated with negative indices such as poverty, insecurity and instability. The developing world constitutes a group of countries that do not make up to ‘industrialized capitalist democracies’ of Europe and North America (Lawrence and Tar, 2010). It is important to understand the wide margin between developed and developing countries in terms of Information and communication technology (ICT).

Most developing countries are still struggling to provide basic necessities of internet access and connectivity. The internet services are still epileptic in developing countries, just like the way governments are still battling to provide basic infrastructures like electricity, portable drinking water, access roads, schools, hospitals etc.

In addition to above, the human capital cost of installing, operating, maintaining, training and support, the costs are beyond the means of many enterprises in developing countries. There are significant disparities in the level of Internet penetration across regions, which have profound implications for an individual country’s ability to participate in e-commerce. Moreover, skilled personnel are often lacking, the transport facilities are poor, and secure payment facilities non-existent in many countries (Odedra-Straub, 2003).

The major challenge of e-commerce facing entrepreneurs is the developing nature or status of the economies under which they operate, Developing countries are characterized by colonial experience, exclusive political and economic system, military interventions, very weak industrial base, heterogeneous ethnic and political base, ethnic, religious and communal crisis, weak private sector and poor internet access and connectivity. These features are common among countries in Africa, Latin America, Pacific and Asian countries. But there are exception among the so-called developing countries, some ‘defied’ these negative tendencies and are growing along the developed countries, these include China, India, Brazil, South Africa etc

**e-Commerce in Nigeria**

It is pertinent to note that developing countries across the world suffers from the ‘digital divide’ syndrome which led to major setback to full utilization of e-Commerce services.
Factors affecting the adoption of e-Commerce in Nigeria could be classified under:

i. **Inadequate infrastructure and high access cost:** The priority for most developing countries is to put in place the necessary infrastructure and a competitive environment and regulatory framework that support affordable Internet access (OECD, 2004). The cost of internet access in Nigeria is very expensive due high cost of internet infrastructure. This high cost of internet access is beyond the income and turnover of many entrepreneurs and that affects their decision to adopt e-commerce.

ii. **Information processing about the economy:** The information processing about the economy is either incorrect or not available and this greatly affect online business transaction between buyers and sellers practically difficult or impossible.

iii. **Lack of political, legal and regulatory framework:** The lack of telephone lines, low quality, slow speed and high cost of bandwidth and security concerns needs to be addressed before users and enterprises in developing countries can think of participating in ecommerce. Most developing countries do not have ICT policies to guide the provision of Internet services (Lawrence and Tar, 2010). There is absence of clear legal and regulatory policies to guide e-commerce and that dissuade many entrepreneurs to embark on e-commerce. There should be proper regulatory framework that will encourage the expansion of e-commerce among entrepreneurs.

iv. **The lack of adequate banking infrastructure and payment system:** An institutional environment that facilitates the building of transactional integrity is critical to the development of ecommerce in developing countries (Oxley and Yeung, 2001). The availability of credible payment channels, like credit/debit cards are highly inadequate, thereby making purchase, payment and distribution of product over the internet to consumers very difficult.

v. **Data security:** The data security remain open to internet hackers and other online criminal like “yahoo boys” which discourage many entrepreneurs from revealing their pin and other important data online.

vi. **Telecommunication network reliability:** The development and success of e-commerce hinges on reliable telecommunication infrastructures. The majority of individual users and entrepreneurs in Nigeria are not ready for ecommerce, because of lack of network infrastructure.

vii. **Credit card:** Except in recent times, when the Central Bank cashless policy and withdrawal limit are imposed strictly, coupled with money deposit banks imposing the use of automated payment system (ATM) and the increasing use of point of sale (POS) machine, credit cards are still not available and many entrepreneurs are ignorant about the process of using the cards.
viii. **Authenticity**: Authentication of payment and other details of transaction is yet another obstacle to e-commerce in Nigeria. Threat of releasing data and epileptic network connectivity during data transfer posed a serious problem of authenticity.

ix. **Citizen’s income and education**: Very low income of consumers and poor state of educational system is seen as major obstacle to the adoption of e-commerce in Nigeria. Lack of ICT skills and business skills are widespread impediments to effective adoption of e-commerce. There is need to include computer studies in the curriculum of primary school to encourage early learning of computer among citizens. In recent time, government have introduce courses on computer at tertiary education level.

**Prospect of e-commerce in Nigeria**

There is bright future of e-commerce in Nigeria due to the following factors:

i. **Large population size**: Nigeria with approximately 170 million people and increasing internet access, considerable percentage will transact online thereby increase economic activity in the country. This is quite positive and success story in places like Kano metropolis with approximately 6 million people and being the second largest commercial center in the country.

ii. **Central Bank of Nigeria cashless policy**: This policy determine withdrawal limit of physical cash, encourage the use of point of sale (POS) machine and terminals. The whole policy has increase the volume transaction through e-commerce in Nigeria.

iii. **Use of Internet through mobile phones**: There is progress through mobile banking applications from the major banks that make e-Commerce much easier. In addition, more and more people are getting connected through their mobile phones.

This has led to:

- Internet use is becoming easier
- This is facilitated by the availability of the Internet through other telephony devices
- Telephones, Smartphones, Tablets all make access to the Internet easier now than before
- In June 2013 Nigeria had 117, 153,843 GSM mobile phones
- Search engines have improved
- Common navigation techniques have found their way onto many sites
- And, after nearly ten years of using the Internet, people are more accustomed to the way it works than they were only a few years ago.
Below is the table showing the distribution of GSM subscribers by Telecommunication Company which increase internet access through mobile phones.

**Table 1: Number of GSM subscribers in Nigeria (2014).**

<table>
<thead>
<tr>
<th>Telecom Companies</th>
<th>Airtel</th>
<th>Etisalat</th>
<th>Globacom</th>
<th>MTN</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Subscribers</td>
<td>25,302,160</td>
<td>19,390,285</td>
<td>27,327,646</td>
<td>56,516,759</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>20%</td>
<td>15%</td>
<td>21%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: Adamu, 2015

**Kano markets: The center of commerce**

There are high concentration of small and medium sized entrepreneurs in markets around Kano metropolis. These large number of entrepreneurs largely conduct their business transaction manually. Below is the table showing the distribution and population of traders in markets around Kano metropolis.

**Table 2: Survey and on the spot assessment of markets around Kano metropolis**

<table>
<thead>
<tr>
<th>S/N</th>
<th>MARKETS</th>
<th>SHOPS</th>
<th>TABLES</th>
<th>ATTACHMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kofar Wambai</td>
<td>10,850</td>
<td>3,346</td>
<td>2,135</td>
<td>16,339</td>
</tr>
<tr>
<td>2</td>
<td>Yankaba</td>
<td>1,476</td>
<td>1,238</td>
<td>364</td>
<td>3,078</td>
</tr>
<tr>
<td>3</td>
<td>GSM (Farm Center)</td>
<td>575</td>
<td>1,378</td>
<td>98</td>
<td>2,051</td>
</tr>
<tr>
<td>4</td>
<td>Kwari Market</td>
<td>16,266</td>
<td>10,735</td>
<td>1,736</td>
<td>28,737</td>
</tr>
<tr>
<td>5</td>
<td>Yan Lemo</td>
<td>924</td>
<td>710</td>
<td>174</td>
<td>1,808</td>
</tr>
<tr>
<td>6</td>
<td>Singer Market</td>
<td>6,988</td>
<td>6,575</td>
<td>3,230</td>
<td>16,793</td>
</tr>
<tr>
<td>7</td>
<td>Dawanau</td>
<td>3,800</td>
<td>927</td>
<td>426</td>
<td>5,153</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20,887</td>
<td>24,909</td>
<td>8,163</td>
<td>73,959</td>
</tr>
</tbody>
</table>

Source: Field work, 2015

**Methodology**

**Sample and Sampling Procedure**

A cluster sampling procedure was used to select respondents for primary data collection from seven most famous markets in Kano metropolis. The choice of these markets arises due to high concentration of small and medium sized entrepreneurs who are the main focus of this study.

**Sample Size**

For the purpose of this study, the researcher used s-equation to determine the sample size of the study. According to Shuaib, (2009) the use of simple equation (s-equation) has become a popular way of determining simple random sampling technique. It is the scientific way of determining appropriate sampling size of this study. An s-equation is a sample taken in such a way that each
combination of n individuals in the population has an equal chance of being selected. The s-equation is the simplest sampling plan to execute if one has a list of the population. The s-equation is stated as follows:

\[
n = \frac{N}{1 + N \cdot e^2}
\]

Where:

n = is Sample Size

N = is Target Population

e = is margin error

For the purpose of this study, 5% (that is 95% confidence level) were used as marginal error for the purpose of sample size determination. In statistics, the higher the margin of error, the lower the confidence level on the results and vice-versa. As such, the margin error of the study is kept as low as 5% out of 100%. This means that, the study have 95% level of confidence that, the computed sample size will represent the target population. Thus, the sample size is calculated as follows (n=):

\[
73,959 \div (1 + 73,959 \cdot 0.05^2) = 400
\]

The sample size is four hundred entrepreneurs (400), which are also scientifically selected in each of the seven markets in Kano State.

Table 3. Sample Size of the Study

<table>
<thead>
<tr>
<th>S/NO</th>
<th>Markets</th>
<th>Registered Traders</th>
<th>Sample Size (\frac{N}{TP} \times S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kofar Wambai</td>
<td>16,339</td>
<td>88</td>
</tr>
<tr>
<td>2.</td>
<td>Yankaba</td>
<td>3,078</td>
<td>17</td>
</tr>
<tr>
<td>3.</td>
<td>GSM (Farm Center)</td>
<td>2,051</td>
<td>11</td>
</tr>
<tr>
<td>4.</td>
<td>Kwari Market</td>
<td>28,737</td>
<td>155</td>
</tr>
<tr>
<td>5.</td>
<td>Yan Lemo</td>
<td>1,808</td>
<td>10</td>
</tr>
<tr>
<td>6.</td>
<td>Singer Market</td>
<td>16,793</td>
<td>91</td>
</tr>
<tr>
<td>7.</td>
<td>Dawanau</td>
<td>5,153</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>73,959</td>
<td>400</td>
</tr>
</tbody>
</table>

Source: Developed by the Researcher, 2015.
Where:

N = Number of traders in each market
TP = Total Population (73,959)
S = Sample size of 400 (calculated)

Random selection of respondents among the entrepreneurs of the seven most famous markets as presented in table 2 above. This method is quite popular as described by Uzoagulu, (2011) as a plan or structure that is used to investigate an issue using sample of the population to collect data which is considered to be representative of the entire population. The survey was used because it involves the assessment of a group which represents the entire population.

**Method of data collection and interpretation**

Due to time constrain and the low level of formal education of the respondents, the study used structured personal interview to collect the primary data from the seven markets selected in table 3. In addition, the entrepreneurs in the selected markets will prefer to answer simple questions that are not time consuming and the researcher is sure of getting his targeted number of sample size.

Thematic synthesis analysis was used to analyze the result of the findings, similarly the researcher applied 5 codes to summarize the outcome of the structured personal interview.

**Kofar Wambai Market: (N = 88)**

**Code1:** Personal data of respondents, 88 (100%) are male and the age distribution of respondents are: 17 – 24, 10 (11.36%), 25 – 44, 50 (56.82%) and 45 and above, 28 (31.82%). Small scale entrepreneurs interviewed were 58 (56.91%) and 30 medium sized entrepreneurs representing (34.09%). The level of education of the respondents are, primary education 68 (77.27%), secondary, 11 (12.50) and tertiary 9 (10.23%).

**Code 2:** Summarized the interviewee’s computer literacy level, internet access and their volume of electronic transactions. 42 (47.73%), have basic knowledge of computer, 13 (14.77%) advanced computer literacy while 33 representing (37.50%) are not computer literate. Those with internet access are 35 (39.77%) while 53 representing (60.23%) don’t have internet access and only 14 (15.91%) contact their customers or transact electronically, while 74 representing (84.09%) conduct their business physically.

**Code 3:** Effect of proliferation of large scale retail outlets and digital markets on small and medium sized entrepreneurs around Kano metropolitan markets. Here, 72 (81.82%) revealed that proliferation of large scale retail outlets affects their business greatly while 16 representing (18.18%) said they are not affected by large scale retailers. Similarly, only 10 (11.36%) are aware of digital markets like JUMIA, Amazon.com, e-Bay etc while 78 representing (88.64%) are not aware of the existence of digital markets.
Code 4: These are responses about cashless policy and its effects generally to small and medium sized entrepreneurs. 79 (89.77%) are fully aware of the Central Bank of Nigeria cashless policy while only 9 representing (19.23%) are not aware of the policy. And those aware of the cashless policy said it affects their business greatly.

Code 5: Summary of how to improve e-Commerce among entrepreneurs around Kano metropolitan markets. There is general consensus among the local entrepreneurs that, the only way to improve e-commerce is by educating them through advocacy and in-house training to be organized by their various cooperative associations.

Dawana Grains Market: (N = 28)

Code 1: Personal data of respondents, 28 (100%) are male and the age distribution of respondents are: 17 – 24, 3 (10.71%), 25 – 44, 10 (31.71%) and 45 and above 15 (53.57%). Small scale entrepreneurs interviewed were 10 (35.71%) and 18 medium sized entrepreneurs representing (64.29%). The level of education of the respondents are, primary education 17 (60.71%), secondary, 9 (32.14%) and tertiary 2 (7.14%).

Code 2: Summarized the interviewee’s computer literacy level, internet access and their volume of electronic transactions. 10 (35.71%), have basic knowledge of computer, 2 (7.14%) advanced computer literacy while 16 representing (57.14%) are not computer literate. Those with internet access are 11 (39.29%) while 17 representing (60.71%) don’t have internet access and only 9 (32.14%) contact their customers or transact electronically, while 19 representing (67.86%) conduct their business physically.

Code 3: Effect of proliferation of large scale retail outlets and digital markets on small and medium sized entrepreneurs around Kano metropolitan markets. Here, 13 (46.43%) revealed that proliferation of large scale retail outlets affects their business greatly while 15 representing (53.57%) said they are not affected by large scale retail outlets. Similarly, all the 28 (100%) respondents are not aware of digital markets like JUMIA, Amazon.com, Konga e-Bay etc

Code 4: This represents responses about cashless policy and its effects generally to small and medium sized entrepreneurs. 28 (100%) are fully aware of the Central Bank of Nigeria cashless policy. And they said it affects their business greatly.

Code 5: Summary of how to improve e-Commerce among entrepreneurs around Kano metropolitan markets. There is general consensus among the local entrepreneurs that, the only way to improve e-commerce is by educating them through advocacy and in-house training to be organized by their various cooperative associations.

Singer Market: (N = 91)

Code 1: Personal data of respondents, 91 (100%) are male and the age distribution of respondents are: 17 – 24, 8 (8.79%), 25 – 44, 34 (37.36%) and 45 and above 49 (53.85%). Small scale entrepreneurs interviewed were 28 (30.77%) and 63 medium sized entrepreneurs representing (69.23%). The level of education of the respondents are, primary education 49 (53.85%), secondary, 37 (40.66%) and tertiary 5 (5.49%).
Code 2: Summarized the interviewee’s computer literacy level, internet access and their volume of electronic transactions. 33 (36.26%), have basic knowledge of computer, 5 (5.49%) advanced computer literacy while 53 representing (58.24%) are not computer literate. Those with internet access are 28 (30.77%) while 63 representing (69.23%) don’t have internet access and only 20 (21.98%) contact their customers or transact electronically, while 71 representing (78.02%) conduct their business physically.

Code 3: Effect of proliferation of large scale retail outlets and digital markets on small and medium sized entrepreneurs around Kano metropolitan markets. Here, 48 (52.75%) revealed that proliferation of large scale retail outlets affects their business greatly while 43 representing (47.25%) said they are not affected by large scale retail outlets. Similarly, only 11 (12.09%) are aware of digital markets like JUMIA, Amazon.com, e-Bay etc while 80 representing (87.91%) are not aware of the existence of digital markets.

Code 4: This presents responses about cashless policy and its effects generally to small and medium sized entrepreneurs. 91 (100%) are fully aware of the Central Bank of Nigeria cashless policy, out of the number, 72 (79.12%) said the cashless policy affects their business greatly, while 19 (20.88%) replied that, the effect is not much.

Code 5: Summary of how to improve e-Commerce among entrepreneurs around Kano metropolitan markets. There is general consensus among the local entrepreneurs that, the only way to improve e-commerce is by educating them through advocacy and in-house training to be organized by their various cooperative associations.

Kwari Textile Market: (N = 155)

Code 1: Personal data of respondents, 155 (100%) are male and the age distribution of the respondents are: 17 – 24, 34 (21.94%), 25 – 44, 48 (30.97%) and 45 and above 73 (47.09%). Small scale entrepreneurs interviewed were 64 (41.29%) and 91 medium sized entrepreneurs representing (58.71%). The level of education of the respondents are, primary education 87 (56.13%), secondary, 61 (39.35%) and tertiary 7 (4.52%).

Code 2: Summarized the interviewee’s computer literacy level, internet access and their volume of electronic transactions. 62 (40%), have basic knowledge of computer, 20 (12.90%) advanced computer literacy while 73 representing (47.09%) are not computer literate. Those with internet access are 61 (39.35%) while 94 representing (60.65%) don’t have internet access and 54 (34.84%) contact their customers or transact electronically, while 101 representing (65.16%) conduct their business physically.

Code 3: Effect of proliferation of large scale retail outlets and digital markets on small and medium sized entrepreneurs around Kano metropolitan markets. Here, 71 (45.81%) revealed that proliferation of large scale retail outlets affects their business greatly while 84 representing (54.19%) said they are not affected by large scale retail outlets. Similarly, only 16 (10.32%) are aware of digital markets like JUMIA, Amazon.com, Konga, e-Bay etc while 139 representing (89.68%) are not aware of the existence of digital markets.
Code 4: This presents responses about cashless policy and its effects generally to small and medium sized entrepreneurs. 149 (96.19%) are fully aware of the Central Bank of Nigeria cashless policy while only 6 representing (3.87%) are not aware of the policy. And those aware of the cashless policy said it affects their business greatly.

Code 5: Summary of how to improve e-Commerce among entrepreneurs around Kano metropolitan markets. There is general consensus among the local entrepreneurs that, the only way to improve e-commerce is by educating them through advocacy and in-house training to be organized by their various cooperative associations.

GSM Market, Farm Center: (N = 11)

Code 1: Personal data of respondents, 11 (100%) are male and the age category of the respondents are 18 – 34 (100%). All the respondents interviewed are small scale entrepreneurs. The level of education of the respondents are, secondary, 7 (63.64%) and tertiary 4 (36.36%).

Code 2: Summarized the interviewee’s computer literacy level, internet access and their electronic transactions. 6 (54.55%), have preliminary knowledge of computer, 5 (45.45%) advanced computer literacy. Those with internet access are 9 (81.82%) while 2 representing (18.18%) don’t have internet access and 8 (72.73%) contact their customers or transact electronically, while 3 representing (27.27%) conduct their business physically.

Code 3: Effect of proliferation of large scale retail outlets and digital markets on small and medium sized entrepreneurs around Kano metropolitan markets. Here, 6 (54.55%) revealed that proliferation of large scale retail outlets affects their business greatly while 5 representing (45.45%) said they are not affected by large scale retail outlets. Also 6 (54.55%) are aware of digital markets like JUMIA, Amazon.com, Konga, e-Bay etc while 5 representing (45.45%) are not aware of the existence of digital markets.

Code 4: This presents responses about cashless policy and its effects generally to small and medium sized entrepreneurs. 11 (100%) are fully aware of the Central Bank of Nigeria cashless policy. And they said the policy did not affect their business for now.

Code 5: Summary of how to improve e-Commerce among entrepreneurs around Kano metropolitan markets. There is general consensus among the local entrepreneurs that, the only way to improve e-commerce is by educating them through advocacy and in-house training to be organized by their various cooperative associations.

Yan Lemo Fruits Market: (N = 10)

Code 1: Personal data of respondents, 10 (100%) are male and the age group of the respondents is 25 – 44, 10 (100%). All the respondents interviewed are small scale entrepreneurs 10 (100%). The level of education of the respondents are, primary education 3 (30%), secondary, 5 (50%) and tertiary 2 (20%).

Code 2: Summarized the interviewee’s computer literacy level, internet access and their transactions electronically. 4 (40%), have preliminary knowledge of computer, 2 (20%) advanced computer literacy while 4 representing (40%) are not computer literate. Those with
internet access are 3 (30%) while 7 representing (70%) don’t have internet access and only 3 (30%) contact their customers or transact electronically, while 7 representing (70%) conduct their business physically.

**Code 3:** Effect of proliferation of large scale retail outlets and digital markets on small and medium sized entrepreneurs around Kano metropolitan markets. Here, 2 (20%) revealed that proliferation of large scale retail outlets affects their business greatly while 8 representing (80%) said they are not affected by large scale retail outlets. Similarly, all the respondents interviewed (100%) are not aware of any digital markets like JUMIA, Amazon.com, Konga e-Bay etc.

**Code 4:** This presents responses about cashless policy and its effects generally to small and medium sized entrepreneurs. 10 (100%) are fully aware of the Central Bank of Nigeria cashless policy and they said it didn’t affect their business for now.

**Code 5:** Summary of how to improve e-Commerce among entrepreneurs around Kano metropolitan markets. There is general consensus among the local entrepreneurs that, the only way to improve e-commerce is by educating them through advocacy and in-house training to be organized by their various cooperative associations.

**Yan Kaba Market: (N = 17)**

**Code 1:** Personal data of respondents, 10 (58.82%) are male while 7, representing (41.18%) are female and the age distribution of respondents are: 17 – 25, 10 (58.82%) and 45 and above 7 (41.18%). Small scale entrepreneurs interviewed were 15 (88.24%) and 2 medium sized entrepreneurs representing (11.76%). The level of education of the respondents are, primary education 5 (29.41%), secondary, 10 (58.82%) and tertiary 2 (11.76%).

**Code 2:** Summarized the interviewee’s computer literacy level, internet access and their volume of electronic transactions. 8 (47.06%), have preliminary knowledge of computer, 2 (11.76%) advanced computer literacy while 7 representing (41.18%) are not computer literate. Those with internet access are 4 (23.53%) while 13 representing (76.47%) don’t have internet access and only 7 (41.18%) contact their customers or transact electronically, while 10 representing (58.82%) conduct their business physically.

**Code 3:** Effect of proliferation of large scale retail outlets and digital markets on small and medium sized entrepreneurs around Kano metropolitan markets. Here, 2 (11.76%) revealed that proliferation of large scale retail outlets affects their business greatly while 15 representing (88.24%) said they are not affected by large scale outlets. Similarly, only 2 (11.76%) are aware of digital markets like JUMIA, Amazon.com, e-Bay etc while 15 representing (88.24%) are not aware of any digital markets.

**Code 4:** This presents responses about cashless policy and its effects generally to small and medium sized entrepreneurs. 17 (100%) are fully aware of the Central Bank of Nigeria cashless policy. And 4 (23.53%) said it affects their business greatly, while 13, representing (76.47%) said, the effect is not much.

**Code 5:** Summary of how to improve e-Commerce among entrepreneurs around Kano metropolitan markets. There is general consensus among the local entrepreneurs that, the only
way to improve e-commerce is by educating them through advocacy and in-house training to be organized by their various cooperative associations.

Discussion on findings

From the above analysis, there are both young and old entrepreneurs in the market from the majority of the respondents in all the markets. Some markets are men throughout like Kwari, Singer, Yan lemo etc. (100%, male). There are considerable percentage of small sized entrepreneurs whom are not covered in all the census of registered entrepreneurs particularly the hawkers, in Kwari textile market 41.29% are small scale entrepreneurs and 56.91% at Kofar wambai market. Similarly at GSM market, 100% are small scale entrepreneurs with low capital.

The level of formal education of majority of the entrepreneurs is primary education in almost all the markets selected for this study and that is what is affecting their electronic transactions. This also confirmed the work of Andam (2013) about low level of education as factor affect e-commerce in developing countries.

Majority of the entrepreneurs around Kano metropolitan markets are not computer literates, example 47.09% at Kwari market, 58.24% Singer market. Similarly internet access and connectivity is another problem. This is largely due to the inability of the government to provide the necessary infrastructures for the telecommunication industries to operate as identified by Lawrence and Tar (2010) on barriers to e-commerce in developing countries, so also the work of El Gawady (2005), which x-rayed the role of government in enhancing e-commerce in developing countries.

Lack of sufficient capital also venture growth and succession issues among majority of entrepreneurs in developing countries and in particular the markets around Kano metropolis. There is proliferation of large scale retail outlets in Kano metropolis, like Ado Bayero mall, SAHAD store, Jifatu, Grand Square, country mall etc whom are using modern techniques of business including electronic transactions, e-payment, using point of sale (POS) machine. This is supported by the work of BFA (2013) on what does the CBN’s Cash-less policy mean for financial inclusion in Nigeria?

As the cashless policy affects the business transactions of entrepreneurs greatly around Kano markets, some traders are forced to keep money under their beds. This action alone, affects the economy generally as this large amount of money will not pass through proper channel in circulation.

Although, many small scale entrepreneurs are not aware of the digital markets like Amazon.com, e-Bay, Konga etc as more people are getting enlighten, they will get to know the digital market and take the advantage of on line shopping, and that will further widens the exclusion being faced by entrepreneurs that rely on physical or face to face business transaction.
Conclusion

There is general consensus about the importance of e-commerce to both entrepreneurs and the general economic wellbeing of the nation. Entrepreneurs in Kwari, Dawanau and Singer markets records high volume of sales on daily basis, running into millions of naira but with e-commerce, e-payment and cashless policy, the transactions has slow down greatly. The use of mobile phones to access internet is another prospect as well as bright future for e-commerce in Nigeria.

The cashless policy introduced by the Central Bank of Nigeria will no doubt improve e-commerce in Nigeria and Kano in particular, because the entrepreneurs will have no option than to go on line.

There are efforts from cooperative associations, banks representatives and groups of entrepreneurs organizing in-house training and advocacy on e-commerce. In Kano state, government have established entrepreneurship development institute and have started training entrepreneurs on e-commerce and other modern techniques of business.

Recommendations

1. Government should provide infrastructures and enabling environment for telecommunication operators in the country so as to have more stable internet access and connectivity.

2. Private sector should invest more on telecommunication. There should be more operators in the industry to allow healthy competition. This will reduce cost and increase access to internet.

3. There should be more training centers for e-commerce and other computer awareness courses and should be made accessible for people to register.

4. Financial institutions like deposit money banks and microfinance banks should make credit delivery easy to access for business expansion and survival.
Reference


