

DEVELOPING E-COMMERCE PRACTICES FOR PARADISE

BOUTIQUES LAGOS



Bachelor's thesis

Supply Chain Management & Logistics

Forssa Autumn 2017

Emeka Oguadinma

Supply Chain Management and Logistics
Forssa

Author	Emeka Oguadinma	Year 2017
Subject	Developing E-commerce Practices for Paradise Boutiques Lagos.	
Supervisor(s)	Tapani Honkanen	

ABSTRACT

The role of technology with the fast changing trends and improvements in globalization and electronic information make it important for small and medium sized enterprises to adopt the necessary changes in order to withstand competition, improve business and gain some competitive advantages. E-commerce happens to be one of these trends.

This thesis project focused on developing modern E-commerce practices which would be most beneficial for Paradise boutiques Lagos, and suggested which strategies must be implemented in order to integrate these practices in their business so as to propel productivity and improve business.

The purpose of this thesis is, to describe the roles and influence of E-commerce on small and medium sized enterprises (SMEs) in developing countries, paradise boutiques Lagos being one, and helping the company to adopt the necessary changes from brick-and-mortar methods, to incorporating E-commerce platforms and processes into the company's daily operations in order to foster growth and gain competitive advantage.

The research project was conducted using questionnaires a data acquisition method, while the questions being mainly directed at customers with plus some to the company administrative and staff. Online survey software was used to design and analyze the survey questions.

The results acquired from the answers to questionnaire survey brought about possible suggestions for Paradise boutiques Lagos which the company plans to integrate into their daily business processes.

Keywords E-commerce, SMEs, Adoption, Nigeria.

Pages 75 pages including appendices 5 pages

ACKNOWLEDGEMENTS

My utmost thanks goes to the Jehovah the Almighty God for making this work possible from start to completion.

Important and most special people in my life, my late mum Mrs. Asari Oguadinma and my dad, the person of Mr. John Oguadinma, as well as my siblings, Ndid, Onyinye, Ogechi, Kelechi and Chiaka also deserve great thanks for the role they have played in my life, through the duration of my studies up until the writing of this thesis, and their continuous support in all my life's advents.

I also have so much appreciation for the CEO of Paradise Investments Limited Mr. Emelogu Obinna, for his guidance and support as well as the encouraging words from the onset of the thesis planning all through till its completion.

My study councilor, Mrs. Anu Virtanen played a major role in my academic life in HAMK, and my supervisor Mr. Tapani Honkanen also was of great assistance and to that end, I say a big thanks. Other lecturers and good friends also deserve my thanks.

CONTENTS

1	INTRODUCTION.....	1
1.1	Commissioning company	2
1.2	Purpose of research project	2
1.3	Research questions	2
2	E-COMMERCE LITERATURE REVIEW	3
2.1	Basic concept of E-commerce	3
2.2	Brief history of E-commerce.....	5
2.3	Concepts of E-commerce	7
2.4	Classification of E-commerce	9
2.4.1	Business-to-Consumer (B2C) E-commerce	9
2.4.2	Business-to-Business (B2B) E-commerce.....	11
2.5	Functions of E-commerce in trade processes	12
2.6	Benefits of E-commerce	13
2.6.1	Limitations of E-commerce	15
2.7	Business model	17
2.7.1	E-commerce business models.....	19
3	E-COMMERCE IN NIGERIA	22
3.1	Brief overview.....	22
3.2	Internet usage and trends in E-commerce.....	24
3.3	Problems with adoption of E-commerce in Nigerian SMEs	25
3.4	Adoption and application of E-commerce in Nigerian SMEs	27
4	INFLUENCE OF E-COMMERCE IN SMES.....	31
4.1	Benefits of E-commerce to SMEs.....	31
4.2	Opportunities.....	33
4.3	Threats.....	33
5	RESEARCH METHODOLOGY AND ANALYSIS	35
5.1	Research methodology	35
5.2	Questionnaire design	36
5.3	Analysis of customer survey	37
5.4	Validity and Reliability.....	49
6	ADOPTING E-COMMERCE PROCESSES IN PARADISE BOUTIQUES.....	51
6.1	Ongoing transaction processes.....	51
6.2	E- shop design.....	52
6.3	Website design	54
6.4	Integration of logistics systems	56
6.5	Point of sales (POS)	58
6.6	POS integration.....	59
7	RECOMMENDATIONS.....	61

8 CONCLUSIONS.....	63
REFERENCES	64

Appendices

Appendix 1 Paradise Boutiques Online Purchase Survey.

1 INTRODUCTION

Organizations, large or small alike, have seen the emergence of new technologies and their influences in business processes. The importance of technology cannot be overly emphasized as to its benefits in bringing about, gaining and maintaining competitive advantage with a high level productivity in organizations and aid the company to withstand external business environmental factors which include the effects of politics, economics, demographics, socio-cultural, and legal factors while edging over its competitors.

With the advent and the steady growth of the internet, opportunities have been created, one of such being the evolving and emergence of E-commerce. Customers literally do not have to be physically present at a store or business place in order to make purchases of their needs, when all transaction processes, from start to finish, can be done online.

Information and communications technology have brought about these advances, and E-commerce as one of these advances, has brought business and commerce, over the internet, right to the door steps of customers, without them having to leave the comfort of their homes in order to go shopping for their desired needs or wants (Fredricksson, 2013; Nanekaran, 2013.)

Today, we live in a world where businesses improve rapidly through E-commerce practices, mainly in the developed countries (Lawal & Khadija, 2012, 1-3.) The advent of even better innovations in technology has improved operations in companies of all sizes. Due to these improved technologies, E-commerce has emerged and has a steady development and is one of the best new tools in developed countries for trading activities (Lawal & Khadija 2012, 1-7.)

SMEs in developing or underdeveloped countries have a lot to do in terms of catching up with the rest of the world (developed countries), and Paradise Boutiques happens to be one of such still stuck with old, sometimes obsolete, and inconsistent practices. Local ways of trading, physical handling of bulk cash, cash payments etc have all had their harsh effects on Paradise Boutiques. Huge risk factors, theft and armed robberies, loss of customer information, inadequate inventory keeping and other negative effects have been the results of outdated business practices still in use by Paradise Boutiques.

1.1 Commissioning company

Paradise boutiques is a subsidiary of Paradise Outfits and Investments Limited Lagos, a company that started out as a small shoe sales company situated in Iyana Ipaja Lagos with one outlet, and now has five outlets for sales of all kinds of fashion apparel.

The evolution of business with paradise boutiques has seen an expansion and diversification into other business avenues namely, sports, perfumeries, celebrity wealth management and sports management.

For Paradise boutiques to increase its productivity and to get back its balance while being able to get a competitive advantage over other fashion businesses in Lagos and its environs, E-commerce has to be integrated into the company's business strategy.

1.2 Purpose of research project

As information and communication technology advances, so too are the daily needs of customers in the commercial economy steadily increasing. Traditional commerce processes have not been able to meet with the requirements of the existing markets or trade environments.

The study will be beneficial in examining and proffering E-commerce practices that could be adopted by Paradise Boutiques while creating solutions to already existing problems being faced by the company.

The up-to-date practices, if applied and integrated into the daily commercial activities of Paradise boutiques, will propel productivity, foster better sales and give the company a competitive advantage above its other competitors, which are still stuck in old, brick-and-mortar or traditional commercial practices.

This purpose of this report was to give information on small and medium sized enterprises in Nigeria and to suggest how modern business practices can improve businesses in developing countries, with the suggestions and information being translated into the integration of the E-commerce practices of business operations of paradise boutiques.

1.3 Research questions

Three main questions that were focused on and answered in the research project were what factors affect E-commerce adoption by Paradise boutiques? The second question was what E-commerce practices will be most beneficial for Paradise boutique Lagos? The third question answered in the research project, was what strategies should be adopted

to develop and implement E-commerce practices in Paradise boutiques Lagos?

2 E-COMMERCE LITERATURE REVIEW

This part describes the theory basis of the research and approaches to be used therein.

The framework of this research peers into relevant literature on E-commerce, in order to obtain definitions, classifications, importance, and information on the advent of E-commerce, benefits and limitations, and discussions on E-commerce models that could be implemented when planning the adoption of these E-commerce practices.

2.1 Basic concept of E-commerce

E-commerce or electronic commerce is not subject to a particular definition as it encompasses a variety of mediums or processes. E-commerce is easily described as the making use of computers or computer technology and networks communication technology to do business. It is the purchasing and selling of goods and services online or through an electronic network, with the internet as the main medium of transmission of, data, information, funds and other related services.

Riggins and Rhee (1998, 90) defined E-commerce as the sharing of business information, maintaining business relationships and conducting business transactions by means of internet-based technology.

Put simply, any transactions done over electronic tools such as the internet, while trading commercially, in providing goods and services to consumers or businesses, with information being passed across these, is known as E-commerce.

Time and distance are no barriers in the electronic exchange of goods and services for consumers in E-commerce. In the past decade, there has been a rapid expansion of E-commerce, and predictions show that there will be an acceleration of this growth (Fredricksson, 2013.)

This growth will enable more businesses integrate E-commerce into parts of their business, and thus reduce the gap between electronic and traditional commerce, as time passes.

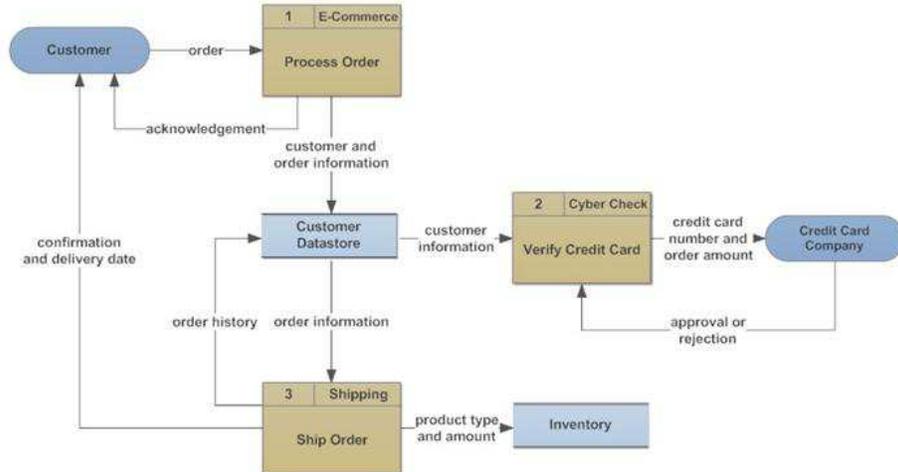


Figure 1. E-commerce workflow chart (Smartdraw 2017).

Figure 1 is an illustration of the E-commerce workflow from the point of the customer making an order online, through all verification processes of credit cards, to the shipping as well as delivery date and confirmation, back to the customer getting the purchased item.

o

It is worthy of note though, that the terms E-commerce and E-business are used interchangeably often. This does not mean that they are the same in entirety. The differences that exist between these two terms are that, while E-commerce is trading activities over the internet or electronic medium and computer network, E-business refers mainly to internet businesses i.e. businesses that use internet technology to propel productivity thereby encompassing all aspects of businesses that function online. The processes involved in the operation of a business organization that are digital or electronic in nature are what E-business is. E-business is an extension of E-commerce. With the addition of online catalogues and virtual store fronts, brick-and-mortar businesses like Paradise boutiques, become E-commerce businesses, which in itself, does not make Paradise boutiques an E-business company (Turban et al. 2015, 7.)

Figure 2 illustrates the difference between E-commerce and E-business, thereby making it clearer that E-commerce is also a component of E-business.



Figure 2. Components of E-business (Lardbucket 2012).

2.2 Brief history of E-commerce

As much as it might sound like a new or modern concept, E-commerce has its traces back to the early 1960s. Its beginnings came with the introduction of Electronic Data Interchange (EDI), to business. At this time, it was used primarily in the sharing of business documents with other companies.

Fast forward to 1979, the development of a standard known as ASCX12, a universal standard for business, was introduced. At this time, it was used for the sharing of documents through electronic networks. Number of users continued to grow into the 1980's and 1990's (Roos, 2017.)

In 1990, a researcher from the European Organization for Nuclear Research (CERN), by the name of Tim Bernars-Lee, wrote and proposed the first world wide web. He created an interface use through browsers on a navigable web by hypertext.

There were earlier bans on commercial businesses operating over the internet, but this ban was lifted in 1990. It wasn't until 1994 though, that third party companies, who provided online credit card processing services, began. Thereafter in 1995, a company known as Verisign started digital identification verification.

Later in 1995, Verisign started developing certificates of digital identifications, for the verification of online businesses, and then on to certifying that a website's E-commerce servers were properly encrypted and secure.

It was in this same year, 1995 that the E-commerce industry was revolutionized by Amazon and EBay, with Amazon launching its online bookstore in USA, on the 5th July 1995, and EBay starting an online based auction services. Both of these companies paved the way for all other E-commerce merchants that exist today, and anything, yes, just anything, can be found for sale online today in search engines just with the click of the mouse (Roos, 2017.)

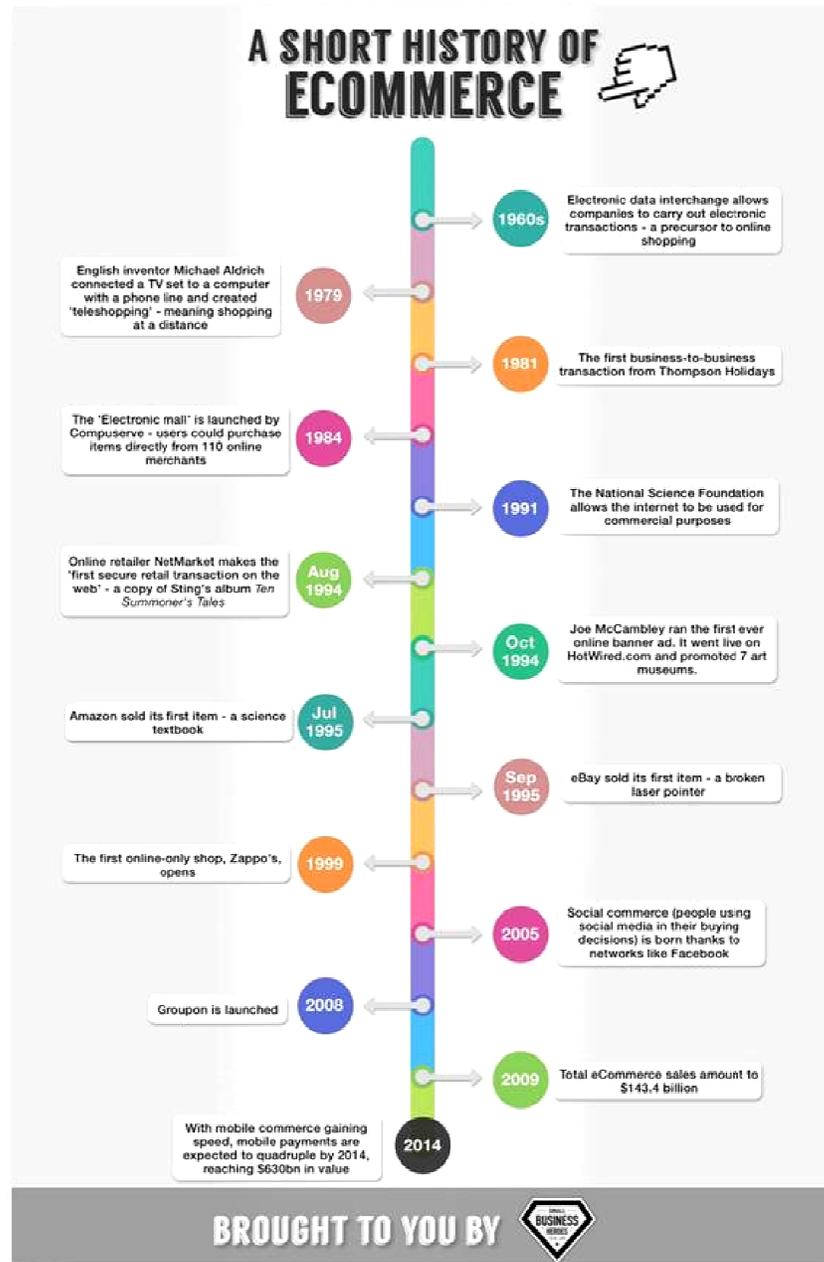


Figure 3. A short history of ecommerce (Smallbusinessheroes 2013).

2.3 Concepts of E-commerce

E-commerce has some defining characteristics which differentiate it from traditional commerce. These characteristics are briefly discussed in the following

Ubiquity simply means the availability or accessibility. It is common for customers to go from shop to shop walking to reach each of these, but the accessibility of E-commerce stores translates to ease of customers shopping online while simply switching from online shop to online shop, if need be, all this without moving an inch from their couch or desk comfort spaces. E-commerce gives the least energy consuming effort in order to complete any given tasks (Gao, 2014.)

Global reach means there are no boundaries when it comes to transactions on E-commerce platforms. Transactions are not restricted by country or national boundaries. Therefore, the potential market scale here is the whole world population i.e. every with internet accessibility (Gao, 2014.)

A *universal standard* refers to standards being the same world over in E-commerce. Technical standards of the internet, translates to technical standards of conducting E-commerce universally i.e. all countries around the world share the same standards (Gao, 2014.)

Richness directly refers to branding or advertising as both are very important features in E-commerce. Audio, video, animations, signs, billboards etc are all important features that exist here. It is all about making information a lot more interesting to the viewer, therefore craving the viewers' thoughts and indulgence (Gao, 2014.)

Businesses that engage in the use of E-commerce are said to be *interactive* because they allow for communication both ways between the business and the consumer. It is known as two way communication (Cosgun & Dogerlioglu 2012.)

There has been a great improvement in the *density of information* that could be found over the internet. This here refers to the amount of quality information that is made available to all involved in an E-commerce, consumers and merchants alike. Communication costs, processing costs, information collection and storage, are all reduced by E-commerce technologies. These technologies therefore increase the accuracy and timeline of available information, thereby making this information more useful than ever before (Cosgun & Dogerlioglu 2012.)

Personalization or customization refers to personalization in the sense of the merchants targeting specific individuals or adjusting messages in order to fit a person's purchase history, name or interests. With customization, a merchant can easily change a service or change a product, based on prior behavior of the customer or based on the user's preferences. Personalization and customization also let customers interact with the system in terms of creating, sharing and suggestion of comments, opinions, style, designs etc (Gao, 2014.)

E-commerce allows for *user built contents* in order to create connection between users, organizations and businesses that either have the same or different minds. This is defined as social technology (Gao, 2014.)

More than ever before, E-commerce technologies have made it possible for merchants to know more about consumers and the information gathered here is used more effectively. This information can be used to enhance their abilities to brand products, develop new information asymmetries, make market segmentations into countless number of subgroups, as well as charge premium prices for high quality services.

2.4 Classification of E-commerce

For business to be transacted between parties, E-commerce makes use of communication and information technologies. Based on the different commercial activities or transactions that occur, E-commerce has been categorized into six types. Turban et al. (2015, 8-11) listed the following

- Business-to-Consumer (B2C) E-commerce
- Business-to-Business (B2B) E-commerce
- Consumer-to-Business (C2B) E-commerce
- Consumer-to-Consumer (C2C) E-commerce
- Peer-to-Peer (P2P) E-commerce
- Mobile E-commerce (M commerce)

Turban et al. (2015, 8-11.) have categorized EC based on the nature of transactions and relationships among the participants therein, and have as a result, added other types of EC to those listed above. These are,

- Business-to-Business-to-Consumer (B2B2C) E-commerce
- Business-to-Employee (B2E) E-commerce
- E-Government, under which exist the (G2G) Government-to-Government (G2C) Government-to-Citizens
- (G2G) Government-to-Government E-commerce types.

The author will be examining the B2C E-commerce class and some aspects of the B2B E-commerce, based on the scope of this study.

2.4.1 Business-to-Consumer (B2C) E-commerce

This type of E-commerce involves the retailing of transactions from businesses to individual shoppers. An example of this is Amazon.com. In this category, sellers are usually retailers. Therefore this type of E-commerce is also known as e-tailing or, E retailing. While B2B focuses on mainly businesses, B2C E-commerce sells products or services directly to personal-use customers. (Griffin 2017)

B2C companies communicate, connect and make business transactions mainly via the internet. Even though it is called e-tailing, it involves more than just retailing online. It includes travel services, online auctions, online banking, health, as well as real estate sites. (Griffin 2017)

B2C companies are typically characterized by a lower purchase volume of higher priced products. E-commerce websites are used to sell or market directly between businesses and consumers. Wholesale transactions are eliminated as transactions are done individually, therefore making the model more profitable for businesses. B2C model is really effective for smaller companies because consumers here do not worry mainly about the company recognition or branding and are rather interested in getting their desired products for the best prices. (Griffin 2017)

B2C companies are put into five main categories, based on the models that they apply. These models are not directly comparable as some B2B companies apply more than one type, based on the different audience type they are trying to reach. These categories are explained below.

Direct sellers category is one where online retailers sell a service or product direct to customers via the internet. Direct sellers are further divided into *e-tailers* who ship products from their warehouses or in some cases, trigger deliveries from other companies and stocks, and *product manufacturers* who use the internet as a catalogue and sales channel in order to eliminate intermediaries. (Griffin 2017)

Online intermediaries function as brokers. In this model, brokers offer buyers a service and help sellers' alternate price-setting processes. This model therefore allows non B2C businesses reap benefits. (Griffin 2017)

Advertising-Based models are models where websites offer free services to consumers and cover the costs through revenue gained from advertising. Popular websites rely on this model. Consumer traffic or website visitors are high on the websites thereby making them ideal streams for companies. To websites that have such high traffic numbers, advertisers pay premiums. (Griffin 2017)

In *Community-Based models*, communities are created by combining advertising methods that rely on traffic at websites who focus on specialized groups. Social and networking marketing is utilized here by focusing on specific groups and their specific product wants. An example of this is the manner in which computer hardware and software product adverts are perfectly placed on sites where computer programmers frequent. Also, based on location and interests, some social media websites use member information for target advertisement. (Griffin 2017)

Fee-Based model is mainly a subscription service model. In most cases, nominal fees are charged in this system, as is the case with companies or services like iTunes or Netflix, where consumers are convinced to pay certain amounts, while the company relies on its ability to provide quality content. (Griffin 2017)

2.4.2 Business-to-Business (B2B) E-commerce

B2B E-commerce is an E-commerce type that involves companies doing businesses with each other through the internet. This happens when systems of two or more businesses exchange information electronically, whether directly or indirectly, with the end result being a transaction. It is possible for multiple organizations to exchange information as part of a single transaction in B2B E-commerce. Aggregation and distribution of data under B2B E-commerce may not be real time only due to the transaction requirements, but the transactions are real time. The type of transactions that occur in B2B E-commerce range from traditional purchases, to requesting for quotes, order management, information status etc (Samtani, 2002.)

According to Turban et al (2015, 164-166.), companies practicing B2B E-commerce aim to computerize their trading transactions, communication and collaboration processes in order to increase effectiveness or transaction efficiency. The need to reduce cost, gain competitive advantage, the availability of secure internet platform, and the private and public E-market places, are the key drivers for electronic B2B. Companies here aim to get new effective technologies for interaction and systems integration, and reduce transaction time and delays along the supply chain.

The basic types of B2B transaction activities are Sell-side which has to do with one seller to many buyers, buy-side which has to do with one buyer from many sellers, market places or exchanges which has to do with many sellers to many buyers, supply chain improvements and collaborative buyers.

The One-to-many and Many-to-one *Private E-market place*, is one where the company does either all the selling or buying. This type of EC is also known as company-centric EC because EC is based on one company's selling or buying needs. The companies in company-centric EC have total control over transactions and supporting information systems, with the owner having the ability to restrict and control trading parties. Market places here are therefore private, be it on the sellers' side or buyers' website, or hosted by an intermediary (Turban et al. 2015, 165.)

In Many-to-Many *Public Exchanges (or E-Marketplaces)* many buyers and sellers meet to trade electronically with one another in this B2B type. E-

market places here are known as trading communities or trading exchanges (generally, the term Exchanges is used). Exchanges are usually owned and run by a third party or by a consortium, and are open to all interested parties, i.e. sellers or buyers alike. An example of an Exchange is *Alibaba.com* (Turban et al. 2015, 165.)

For *Supply Chain Improvers and Collaborative Commerce*, transactions in B2B E-commerce are conducted along segments of the supply chain. Collaborative commerce has to do with communication, joint design, planning and information sharing among involved business partners. B2B initiatives here are examined in light of supply chain activities like order fulfillment, raw material procurement, logistics, shipments etc (Turban et al. 2015, 165-166.)

2.5 Functions of E-commerce in trade processes

E-commerce serves as a positive function for trading processes for enterprises and some of these basic functions are explained below.

Transaction security management is one function. In E-commerce, enterprises are able to process activities online that would rather have been time consuming if it were the traditional commerce. The nature of E-commerce means that activities will be done online. These activities include business processing, insurances, banking documents, taxes, transportation etc. All are done on a single network through which, whole or part of these activities are completed, without time wasting and capital, during transaction processes (Wang & Zhao 2017.)

Network order and payments is another function of E-commerce in trade processes. E-commerce uses online trading platforms to order or make purchases, with all payments done online. Audio, video and other consultation services etc and other productions are conveniently and effectively done online, therefore saving costs (Wang & Zhao 2017.)

Consultation and negotiation are vital factors to any successful trade process. Unlike the traditional commerce where buyers and sellers have to physically meet at certain places or times, location or time is not a threat to E-commerce. In the case of traditional commerce done via the telephone, insufficient information could be conveyed and this could hamper meeting existing business requirements. In network communications, there is convenience, low cost communication functions, information passing and efficiency. Network communication plays a vital role in network business consulting and negotiation processes. Time and cost of consultation and negotiation are reduced or overcome (Wang & Zhao 2017.)

Another of such E-commerce functions in trade processes is *seeking trade objectives*. Human and material resources to carry out trading activities are reduced in the E-commerce trading systems. In traditional commerce, it becomes inevitable to pay high fees while carrying out activities or searching for suitable trade partners. The case is quite different with E-commerce because enterprises or businesses can take the initiative to search for necessary information relevant economic information etc through the network, therefore finding ideal partners without high cost spending (Wang & Zhao 2017.)

2.6 Benefits of E-commerce

E-commerce has a low startup cost. Physical stores (traditional stores) have to pay lots of money for rents or to buy store locations. In this case, some upfront costs are involved; Store signs, designing of the store, decorating of the store, sales equipments, buying inventory etc. Staff has to be paid to work between different store locations if the retailer has different stores. As is the case with Paradise boutiques, security personnel are employed due to some product value. E-commerce stores on the other hand only have to pay some e-commerce solutions e.g. mybigcommerce.com, spotify.com, etc for virtual rent.

E-commerce stores trying to launch their own websites can pay some E-commerce solutions providers certain amounts for virtual rent, which covers an easy to use platform, hosting, free themes, apps etc. Depending on the business being run, there may be need to hire new employees when business grows. When an e-tailer uses drop shipping, there will be no need to store bulk inventory. (Ferreira 2017.)

Stores online are always open for business. Adverts attract customers round the clock. Physical stores may be open and closed within certain hours. The possibility of being available at all hour's means that customers are attracted at all hours and could purchase products. People who work at odd hours and can't make it to the traditional store floors have no problem shopping online at any time. There wouldn't be a need for security personnel or night shift workers in order for products to be purchased at nights (Schneider 2008, 17.)

Physical stores are designed to attract buyers for certain products. In E-commerce, customers easily find best-seller products in the online store. Best sellers are proven products; customers have bought and possibly made positive comments about such products. The best way to showcase new products is by retargeting ads, including them in up sell and email marketing (Schneider 2008, 17.)

E-commerce makes it possible for even small businesses or brands to sell to customers easily world over. Customers or target audiences are

discovered wherever the internet exists. In some cases, free standard shipping could be used, irrespective of the country or customer. An example is drop shipping from Ali express, with products offering affordable e-packet shipping. In this case, it is possible to price and ship products competitively worldwide (Schneider 2008, 17.)

Personalized shopping experience is another advantage. Based on purchases made, it is possible to segment email list, location, or amount of money spent by a customer. Customers who have previously visited the online store can be retargeted and shown products they previously added to cart and forgot about. For online stores with login features, customers can be welcomed back by their names. Making product bundles means that customers can buy more for better prices. It also is possible to personalize upsells, based on what the customer searched before or what the customer search suggests as a liked item/items (Laudon & Traver 2009, 14-16.)

E-commerce stores encourage customers to make impulse buying. Making photos attractive, adding catchy vibrant colors of products, human emotions and creating ads that drive impulsive buys. In E-commerce, it is possible to execute a process known as scarcity tactics - a process that involves showcasing of limited quantities of certain products or adding countdown times to drive the impulsive buyer to make purchase/purchases at such times (Ferreira 2017.)

Hiring employees is affordable. Work can be outsourced to countries with low living costs. In E-commerce businesses, fewer employees are needed that is the case with a traditional retail business. It is even possible to start and run an E-commerce business by oneself even without hiring employees during the starting or launching stages.

It is easy to retarget or remarket to customers. Customers can be retargeted when running an online store. This is done to mainly customers who visit but don't buy. Some customers add to cart and later abandon selected items. It is possible to collect email addresses using effective pop-ups or lead magnet in order to continue marketing to customers after sales have been made (Ferreira 2017.)

The ability to gain access to customer data easily is one huge advantage of E-commerce. In many situations, customers do not always feel comfortable giving their information such as postal codes, email addresses to physical retailers. E-commerce on the other hand, makes it easier to communicate and build further relationships with customers as the e-tailer gets mailing addresses, email addresses, phone numbers etc. Customers can be given surveys to fill out, and further information is gotten directly from customers in order to create and continue with a better customer service (Turban et al. 2015, 17.)

In e-commerce, customers get a less invasive experience. Some customers dislike walking in and out from one store to another while having to interact with shop floor or store employees in these different stores. It is easier for such customers to shop online and learn about promos or other offers being made without having to interact with store employees. In situations when customers need to contact store owners, emails, messages or live chat features on the page could be used (Turban et al. 2015, 17.)

In brick-and-mortar stores, the ability to scale is delayed in situations where the shop needs to grow in space in order to accommodate new products or add more employees or cashiers. Searching for bigger shop spaces, renovating or waiting till a lease ends all delay ability to scale. Drop shipping makes it easier to add new products to the online store with fewer worries about holding inventory or about product shipping. Ad budgets can be increased when performance increases, without worrying about keeping up with demand (Turban et al. 2015, 17.)

Using drop shipping process helps E-commerce businesses process high number of orders easily. In traditional retail stores, long lines of customers waiting to purchase products can be annoying to some customers, thereby deterring them from shopping. E-commerce has no waiting time in this regard. Customers place orders whenever they like and there are no delays which allows for accepting high number of orders by the e-tailer (Turban et al. 2015, 17.)

E-commerce blogging is one way, organic traffic and sales improve. The use of videos or writing blog contents optimizes E-commerce stores by adding traffic and sales without high cost or spending a lot of money. Traditional retailers need to market to their customers to encourage them to visit their stores or they locate their stores in high traffic areas in order to get more shoppers. E-commerce makes it even easier to monetize customers with retargeting ads after this traffic organically through content creation (Turban et al. 2015, 17.)

2.6.1 Limitations of E-commerce

Site crash is easily the worst limitation of E-commerce. Customers can not buy or make purchases when the site is crashed. Site crash happens mostly when there is a surge of traffic from a high converting ad or when popularly viewed programs or podcasts give shout-outs to an E-tailer.

It is worth to note that this occurs mostly to E-commerce shops that pay minimum hosting fees to web hosting or other third party providers. These days some providers offer free hosting with their monthly fees, therefore giving some E-commerce stores the best web service providers.

As is the case with many E-commerce stores available providing fashion merchandise today, the inability of customers to try on products is one limitation. Some companies though, are trying solutions known as augmented reality (AR) for stores to add elements of AR to their stores. AR allows customers to try on products virtually. It is mostly being used today by cosmetic stores who offer virtual artist apps for customers to be able to try products virtually. (Ferreira 2017.)

Impatience of some customers is something that E-tailers have to deal with on a regular basis. In traditional shop floors, customers get almost immediate responses from sales personnel, but there is delay in responding to customer inquiries in E-commerce, to customers who basically expect responses to be, latest, within an hour. In this case, an E-commerce store might need to hire well trained customer service representatives, in order to respond to customer inquiries and keep them happy with these experienced responses given.

E-commerce is highly competitive. It is difficult to find the right niche. Best niches are often with high competition due to being overly saturated with other competitors, and customers are drawn to them. The best way around this limitation is to use other very good visual platforms that are not often used by competitors. Also, sending traffic to blog posts to retarget customers could save E-tailers from some spending for expansive ads, thereby creating lower cost ads.

Shipping of products also is one limitation of E-commerce in the sense of the time it takes for customers to get their purchases. When customers visit traditional retail stores, they take the products right after they purchase. With online shopping though, it takes about a week or more depending on the location of the customer, in order to receive their purchased merchandise. Companies like Amazon have tried same day shipping but the model was unprofitable. So the company added Amazon prime to its model. Amazon prime only started being profitable at the time its subscribers were into their tens of millions in number. Transparency also helps in this situation. Letting customers know the time frame or fixed dates when their packages can be expected to be delivered to them is one way to be transparent and forge better customer retention or relationship. (Ferreira 2017.)

Customers are still unsure about the security of the data or personal information they are providing stores with, when they make purchases online using their credit cards and other bank or personal information, which could be accessed by hackers or fraud stars who are continuously hacking or stealing customer information from different E-commerce sites. Companies therefore have the responsibility of preserving their brand image by putting powerful safeguards to ensure protection of customer information used on their site, therefore building trust of the customers in the process (Schneider 2010, 19-20.)

Though there has been a decline in traditional or physical retailing, it is still more popular than E-commerce and still owns most market share, even if the benefits of E-commerce is that it is still growing. Traditional retail accounted for \$22 trillion accumulated in 2014, while E-commerce accounted for only \$1.3 trillion in same year, worldwide. In order to have competitive advantage, companies could have a physical store in the early stages of business (Ferreira 2017.)

2.7 Business model

Curtis and Cobham (2008, 28) have defined business model as the theoretical design for an organization that describes how it makes money on a sustainable basis and grows. A well planned business model will give the business competitive advantage in its industry, in the long term, and enable it to make more profits than its competitors (Tassabehji 2003, 154.)

Traditional Business Model

Business processes have been revolutionized since the evolution of E-commerce. Previously existing business models were sometimes changed or modified in order to fit in with E-commerce businesses. At the same time, new business models have been introduced. Traditional business processes though, are still relevant today (Curtis & Cobham, 2008). A few business models, relevant to this research, will be discussed by the author, below.

Collective business model is such where there is no boss. It is a collection of companies, entrepreneurs, professionals and the bringing together of each resources to share relevant information for their benefits in order to achieve their goals. It is mostly for business professionals in a particular industry or fields that have something in common. Services in this model are designed to make its members more competitive in the market place. An example of this is dairy producers who pool resources in order to promote their products with the public. (Spacey 2017)

Direct sales model is a model where organizations show and sell their products directly to customers. Employees are given a scale target to sell the company products directly to their end users. This business model gives small businesses the ability to build and manage personal relationships with its customers. (Petryni 2017)

Complementary goods are products or services that often go together or sell together. Products here complement each other. This model is used as a product strategy and is a basic concept of economics. Common implications of this can be seen in pricing, promotions, distribution etc.

An example is selling shoes and spray protections for these shoes, where retailers always display shoe protection chemicals or products in shoe store. (Spacey 2017)

Bricks and clicks model happens to be the most relevant to this research. In this model, a business has not just a physical or online location, but also a retail outlet and a website enabled for E-commerce. As mentioned earlier in this research, it is becoming increasingly important for businesses that engage in E-commerce to own physical stores, if they want to gain competitive advantage or have a high conversion rate for their E-commerce ventures. When businesses offer traditional retail as well as online shopping opportunities, such business enjoy two way profit, that being the brick and click components which complement each other and ensure worldwide access to a company's product and services (Canzer 2005, 93.)

Franchise business model has to do with successful brands or organizations, selling their trademark license or brand name to third party retail outlets in another location upon agreed terms and conditions. The party granting such rights is known as the franchisor while the party that buys the rights is known as the franchisee (Spacey 2017.)

Fast fashion business model delivers current fashion trends to a market at scale. Here, fashion, design, manufacturing, retailing, forecasting are all done in an industrial scale. A typical example of this model is how the styles that appeared in a fashion week are already being sold in store shelves within a few weeks or a month, at low cost prices, world over. Fast fashion has many criticisms though, one of which is the accusation of emulating works of popular designers to produce low quality items, thereby making fashion to be deemed as a disposable commodity (Spacey 2017.)

Cutting out the middleman model is also known as *disintermediation*, because in this model, intermediaries are bypassed in the supply chain. Companies using this business model avoid the use of agents, brokers or distributors in order to reach customers, rather doing this directly, possibly through the use of the internet (Spacey 2017.)

Designer label is a model applied to goods sold as luxury brands. The term in itself comes from the tendency of luxury brands to centre on the name of the designer or a chief designer, who in some cases may have high social status or a celebrity-like status.

An example is Versace designs, named after the head designer Gianni Versace.

2.7.1 E-commerce business models

B2B and B2C businesses use this model type. According to Curtis and Cobham (2008) E-shops are simply online shops that offer services online i.e. via the internet. Businesses here introduce the possibility for customers to pay for goods purchased or services rendered online. Though the purchasing is carried out online, deliveries are made traditionally i.e. both traditional and electronic commerce systems are combined in this model. Some cases involve making deliveries over the internet though, if these are electronic services or products. This model comes with a key benefit, and this benefit to the company is that it sees an increased demand for its products, a low cost channel to global presence with a reduction of costs to sales and production. Customers on the other hand benefit from this model by getting low product prices, compared to competitors, with a wider range of or variety of choices with better information. This model is a very effective way of bypassing intermediate operators. (Curtis & Cobham 2008, 208-210.)

Brokerage Model is comprised of a digital platform where brokerage firms provide E-commerce platforms for customers to buy and sell on. The model aims at bringing buyers and sellers together in order to exchange goods and services. EBay is a typical example of companies using this business model. The platform on EBay is such where buyers and sellers can transact virtually all sorts of things. Most brokerage firms are niche markets because they aim to provide online platforms for particular products and services (Turban et al. 2015, 34.)

In situations where firms end up with excess inventory due to overestimated demand, these firms can easily display their products on E-commerce sites that specialize in redistribution of unwanted inventory. Overstock.com is an example of sites that use the brokerage model. Revenue is earned by commission based on the value of the products bought or sold. Some collect membership fees or collect advertising revenue by selling spaces for display on their screens.

In *Content Providers Model*, information, digital contents like photos, videos, articles, and art works etc, are offered from the content providers' website via the internet, to the customer. Website content providers charge monthly fees in order to gain revenue. They charge subscription fees as well, as is the case with online publications or research organizations, who crave the customers' indulgence and whet their appetites by providing some of their site contents for free and charging a subscription fee for the rest of the information or full range of content available on their sites.

There are other cases though where subscribers may not be charged any fees to access the sites, rather the sites requests that customers register to their site in order to have a full view of the available contents or

information being sought. Sites make money through advertising and partner promos on their site (Rappa, 2010.)

Distribution channel member Model involves the activities that happen between wholesalers, retailers and manufacturers over the web. Wholesalers and retailers commonly make use of this model in order to exchange products among themselves, seeing that the internet, as a tool for sales and services, has aided reducing costs as well as aided sales (Rappa, 2010.)

Affiliation model involves an agreement process. In this model, website operators and companies reach an agreement, one in which the operators create a link to the company's site on their web page. When customers visit or make purchases on the company's website, due to the agreement made, the website operators are paid a certain fee. It is the best model for a website to gain a share of the revenue from such companies they are in affiliation with. Uniquely coded links are available on the websites, such that whenever visitors visit the affiliate website, also visit the site of the website operators and could end up purchasing items. (Turban et al., 2015, 32-34.)

This model is very useful for companies to save funds because they do not have to invest in huge advertisement campaigns, because the affiliation programs are only paid for as sales are made. The only cost here is the screen space taken up by the affiliation site icon. One point of note though, is the fact that this affiliation program might be more profitable for known brands because, in many cases, customers might not want to try out a new brand (Laudon & Traver 2009, 23.)

Community Model is based on the loyalty of users as they invest a lot of time and emotions. Revenue is based on the sale of products and services or other contributions. Revenue might as well come from subscription fees for premium services, or advertising. Community model is seen as the most fertile area for development and the rise of social networking is accounting for this.

Community model developers use the open source software to share code openly, and instead of charging fees for programs, they get revenue from services like tutorials, product support, system integration etc. content on the community model are openly accessible and development is done by a global community of voluntary contributors. A typical example is Wikipedia.

This model is used by social networking sites as well, who provide customers the opportunity to connect with friends, people with common interests (romance, business, hobbies etc) (Rappa, 2010.)

Infomediary Model is used by firms that function as information intermediaries. Customer information is very valuable, when data and customer habits are carefully analyzed and used for target marketing campaigns. On the other hand, data collected about producers and their products are very useful for customers considering making a purchase of products from them. Infomediaries help such customers to buy or sell or understand any given market.

Incentive marketing takes place here using the infomediary model. Here, loyalty programs are done, in order to provide customers with incentives such as coupons or redeemable points to use to make purchases from associate retailers. The data collected about these users, is then sold to make target advertising (Rappa, 2010.)

Merchant Model is used by wholesalers or retailers of goods and services and are auction based or with list prices. There are different types of model merchants, as explained by Rappa (2010), include the following,

Virtual merchants are also known as E-tailers. They are called virtual merchants because all transactions here are done virtually and solely on the web. Amazon.com is an example of this.

Catalog merchants who make use of web based catalogues. Telephones, online ordering and mails are used.

Click-and-mortar merchants, for traditional brick-and-mortar businesses that also have store fronts on the web.

Bit vendors, who are merchants that deal in strictly digitally based sales and services, or online based sales and distribution of their products and services. Apple iTunes music store distributes its music and contents only digitally making it a good example of a bit vendor.

In the *Service provider Model*, customers here are provided with web 2.0 applications online which could be video sharing, user generated content, photo sharing etc. Examples of such providers are, Google, Yahoo and Microsoft. These 3 are actually known as the pioneers of the service provider model. Revenue here is earned from adverts, fees, monthly subscriptions, and collecting customer information to be used for direct marketing.

According to Laudon & Traver (2009, 23) in comparison to traditional services providers, the service provider model is less time consuming, saves costs, and is convenient. It is worthy to note though, that some services cannot be rendered with this model. Examples are car repairs, medical services, dentistry and plumbing. Arrangements in order to carry out these services though, can be completed online.

3 E-COMMERCE IN NIGERIA

In this chapter of the research, the author peers into the existence of E-commerce in Nigeria, being the country where Paradise Boutique is located, and explains about the E-commerce usage and trends in Nigeria as well as, the adoption and application of E-commerce by SME's in Nigeria, the importance and inherent problems that exist, and the benefits, threats, and opportunities of E-commerce to SME's in Nigeria and generally.

3.1 Brief overview

According to Mwakikagile (2001, 188), Nigeria is the country with the greatest population in Africa. One in seven Africans is Nigerian.

The Central Intelligence Agency, CIA (2016) reports, that Nigeria has an estimated 186,053,386 million people. It is a multi-ethnic nation with more than 250 ethnic groups. The three main ethnic groups are the Hausas and Fulani who constitute 29% of the population, the Yoruba who constitute 21% and the Igbo who constitute 18%. As Nigeria was colonized by the British, the official language spoken is English, though other indigenous languages are spoken by different ethnic groups (CIA 2016.)

A phenomenal increase has been seen in the number of internet users in Nigeria in the recent past. Likewise, the number of online financial transactions has largely increased. The year 2008 saw a 90% increase in internet users significantly in Nigeria from the year 2000, and many businesses communicate and trade online now (Lawal & Khadija 2012, 7.)

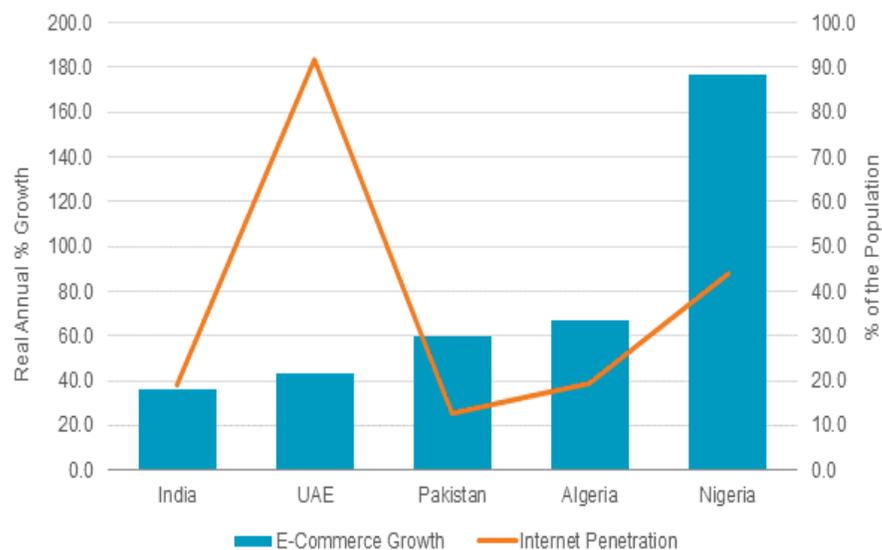


Figure 4. Growth of E-commerce and internet penetration in selected markets (2015). Adapted from Euromonitor.com

The Economist Intelligence Unit (EIU 2006) stated that the stock of personal computers (PC's) per 1000 persons grew from 10.66 in 2004 to 11.09 in 2005. Affordable Asian technologies have fueled the market with cloned and branded PC's thereby doing away with low PC penetration which previously accounted for the slow growth of E-commerce in Nigeria. The initial advances in electronic banking therefore, are a huge motivator in the adoption of E-commerce services by Nigerian businesses (Lawal & Khadija 2012, 7.)

Intelligent payment electronic payment systems have been integrated into financial systems in Nigeria, thereby reducing the flow of physical cash in the economy. Globalization has as well influenced the encouragement of electronic-based transactions.

As E-commerce grows, Nigeria is fast approaching an increase in economic growth. According to Orimobi (2017), Nigeria is the fastest growing telecommunications country in Africa with growth rates reaching 29,891.1% in 2010, despite the fact that less than 60% of the populations are active internet users, which in essence, directly translates to the expected growth of about 40%. The growth of internet usage is sporadic though, and can be bettered only when Nigerians change from their reluctance to fully embrace the online community, such reluctance that exists primarily due to lack of trust, sprouting from high illiteracy levels, few or no express legislations dealing with E-commerce, and high levels of interne scams in the country (Orimobi, 2017.)

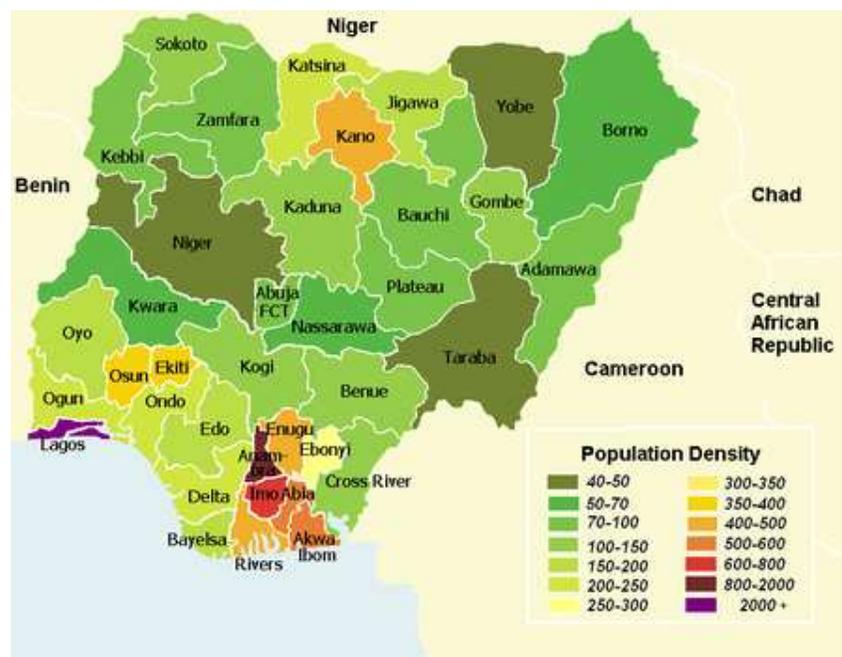


Figure 5. Map of Nigeria. Adapted from Wikimedia.org n.d.

3.2 Internet usage and trends in E-commerce

Oyeniya (2013) stated that Nigeria has a gross domestic product (GDP) of \$236 billion, making it one of the world's fastest growing economies and Africa's second largest economy.

The World Bank Euromonitor International found that the middle class in Nigeria has risen by 28% and its GDP based on purchasing power has increased by 21% in 2013. This rise, coupled with the recent growing online convenience, has boosted the growth of internet based businesses in Nigeria. The business industry estimated to be worth \$230 million in 2013 (Oyeniya, 2013.)

Today in Nigeria, there are about 130 licensed internet service providers (ISP's) and number of data carriers, internet exchange and gateway operators. Due to the telecom growth, Nigeria has attracted numerous amounts of foreign investors and has overtaken South Africa to become the largest mobile market in Africa, with over 75 million subscribers (Oyeniya, 2013.)

The banking sector is an area where E-commerce has seen a boom in Nigeria. Over 90% of Nigerian banks offer online, real-time banking services, making it possible for customers to perform banking transactions from their homes or offices. The rapid development of E-commerce can be seen in the growth of Credit/Debit cards and Automated Teller Machines (ATM). Interswitch, Master card, Visa card and e-transact have been introduced in Nigeria, thus allowing for payment, transfer or withdrawing of funds, anywhere (Ovia 2007.)

According to Ovia (2007), with the introduction of online shopping cards by Passport USA (PUSA) a Nigerian company, online shopping systems are showing signs of development. Business Day Nigeria reported that the current market opportunity for electronic commerce in Nigeria is over, 255 billion Nigerian Naira (NGN) and growing at a rate of 25% per year.

Ihenyen (2015) mentioned that E-commerce emergence has changed the traditional shopping methods greatly because of its affordable and competitive prices of goods and services provided on E-commerce platforms. E-commerce in Africa generally, is growing at a rate of 25.8% as against the rest of the world's 16.8%, making Africa the fastest growing E-commerce market in the world.

Recent studies by Marceaux (2015) have shown that, enhanced domestic broadband offerings and vibrant retail environments have led to Nigeria becoming the global leader in E-commerce growth as at 2015, with an annual growth of 177%. Mobile internet is accessible by a fifth of mobile subscribers. This recent trends have made venture capitalists, who have

been taking note of the E-commerce successes in Nigeria, actively seek to invest in the Nigerian E-commerce market. (Marceaux 2015)

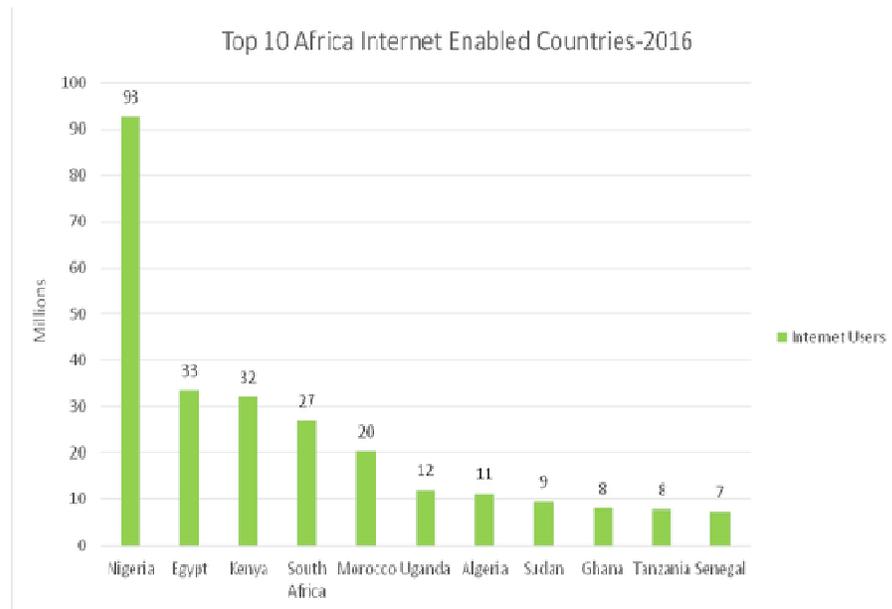


Figure 6. Top 10 Africa internet enabled countries. (Panday 2016).

3.3 Problems with adoption of E-commerce in Nigerian SMEs

SME's definitions differ by the different forms of economics of a country or continents. According to Osuala (2004), "the definitions of what constitute a small business defy precision".

The industry policy of Nigeria, give the bench mark for small and medium enterprises. That policy describes SME'S in terms of micro, small and medium enterprises. Micro enterprises have investment costs that do not exceed 100,000.00 NGN including work capital but excluding land, Small enterprises have a total investment between 100,000.00 NGN and 2 million NGN, excluding land but including working capital, while Medium enterprises have a total investment between 2 million NGN and 5 million NGN, excluding land but including working capital. (Jegade 1990.)

A later modification was made by the Federal Government of Nigeria (FGN) in 2007. This modification categorized SME's into 3, Micro, Small and Medium enterprises (MSME's).

According to the FGN (2007) categorization, Micro enterprises have less than 10 employees and a capital base of 5 million NGN. Small enterprises have between 10-49 employees and a capital base of 5 million NGN to 49 million NGN, and Medium enterprises have between 50-199 employees and a capital base of 50 million NGN to 499 million NGN. Therefore with

these descriptions, SME's in Nigeria are businesses whose capital base does not exceed 499 million NGN, and 199 employees.

Grandon and Pearson (2004) discussed the benefits of SME'S, stating that SME's attributed to the development of healthy and dynamic economies and the introduction of inventions within most countries in the world. SME's constitute more than 95% of enterprises and account for more than 60% of employment levels in countries around the world. Therefore, it is important that Nigerian SME's align with the global marketing improvements being brought about by the improvements of E-commerce so as to progress in national economic development role it plays. This will improve the IT growth in Nigeria (Oborah, 2011.)

According to Nworgu (n.d.) the IT policy in Nigeria aims at making it an IT capable nation and key player to the information society, one which uses IT for sustainable development and global competitiveness.

Amid all successes and development of E-commerce in Nigeria, internet penetration remains on a low level and still impedes the fast adoption of E-commerce by enterprises in the country. According to Apulu & Lathan (2009, 7) the successful adaptation of E-commerce in Nigerian businesses is hindered by factors such as Lack of infrastructure, network unreliability, privacy, product authenticity, electricity, institutional framework, cultural barriers, costs of implementation, corruption, owner enthusiasm and security. Also Folorunsho, Awe, Sharma & Zang (2006) have outlined these hindrances as explained below.

Lack of infrastructure: there is no ease of access to the certain infrastructure and technologies that are meant to foster the growth of E-commerce in Nigeria.

Network unreliability: the internet network is sometimes low and slow in Nigeria and this leads to alt of time wasting in the process of purchasing products or transacting online.

Privacy: as is the case with many countries world over, Nigerians are as well not totally sure about how their information could be used, if in the wrong hands i.e. if stolen by hackers or other unscrupulous individuals. Therefore, Nigerians remain skeptical about releasing their information to businesses. Data protection hasn't been enforced, despite various bills being presented to the Nigerian senate.

Product Authenticity: unless it is from already known physical store fronts, Nigerians are not sure about the authenticity of products being purchased online. This also is as a result of the high flow of substandard goods and other merchandise in Nigerian markets, mainly from Asian products.

Electricity: power or electricity supply is not constant in Nigeria. It is almost impossible to transact online when there is no electricity to power computers, laptops, phones and other medium through which E-commerce processes are carried out.

Institutional Framework: there is a lack of institutional framework that support E-commerce. The existing policies put in place to support E-commerce businesses are poorly implemented.

Cultural Barriers: Nigeria is very culturally diverse. Instead of this factor being a positive one for Nigerian E-commerce penetration, it actually works to the contrary because people from one cultural background tend to hoard information from a different culture, thereby hampering the success of E-commerce, which requires openness.

Cost of Implementation: businesses in Nigeria avoid adopting E-commerce because of the cost of its implementation. It is easier though, for already existing businesses to implement E-commerce practices if they already have a strong customer base, one that's willing to continue transacting business with the company after they shift to or implement E-commerce practices.

Corruption: unfortunately, there is high corruption in Nigeria at various levels or parastatals. Government officials tend to steal funds that were meant for organization of E-commerce awareness programs and campaigns and use these funds for other personal purposes.

Owner Enthusiasm: the more a business owner is willing to adopt E-commerce practices, the easier and quicker it is to implement. Business owners shy away from adopting E-commerce practices especially when unsure or unfamiliar with its processes or how things function under E-commerce. This calls for the need for more awareness campaigns about E-commerce and its practices in Nigeria.

Security/Safety: in some situations, customers are unsure if their online payments information can be accessed and used by unauthorized persons. Online transactions aren't as safe in Nigeria, therefore leading to the fear on the part of customers to give their personal details, credit card details etc on E-commerce sites. (Folorunsho et al. 2006).

3.4 Adoption and application of E-commerce in Nigerian SMEs

"E-commerce adoption is defined as the decision to make use of E-commerce to conduct business transactions with its trading partners and E-commerce implementation is taking the necessary actions to facilitate EC into business practices or processes" (Lawal & Khadija 2012.)

The factors affecting the adoption and implementation of E-commerce in SME's are explained in terms of the contexts in which they exist by the author, in this part of the report. Technological context, Organizational context and Environmental context are explained below.

Technological context

This has to do with the technologies that are available to a firm for adoption of these, either in the market or currently owned by the firm. Adoption of E-commerce depends on both what is available to the organization, and how these appropriate with what is to be gotten in the markets (Scupola, 2009.) Such technological contexts are discussed below.

Perceived Benefits refers to the relative advantage of adopting E-commerce as perceived by an organization. Relative advantage as defined by Rogers (1995) is the extent to which an innovation is perceived as better than the nearest alternative to it. It can be measured not only in financial terms, but also social status, comfort, and satisfaction. The adoption of any innovation is affected by perceived benefits i.e. if it will be advantageous or not. Adoption rate is rapid, if an innovation is perceived to be especially beneficial (Rogers, 1995.)

Perceived Complexity refers to the perception that it is difficult or complex to adopt E-commerce practices. Rogers (1995) explains that new ideas which are simpler to understand are adopted quicker than those requiring new skill set or new understanding by the adopter.

Organizational context (Readiness)

Organizational readiness measures whether the attributes of an organization are good or sufficient enough for the adoption and implementation of E-commerce.

Top Management Support is the most important factor that determines the readiness of an organization to adopt E-commerce and commit to supporting it at all levels of the organization.

According to Al-Alawi & Al-Ali (2015), it is important for the top management to ensure that an organization gets all the required resources for E-commerce adoption, when there are limited resources as well as competing firms. Management commitment is very crucial for developing a successful system and it indicates the positive effect of leadership support on innovation adoption in any organization (Aghuanor & Fotoh 2006).

E-commerce is very influential to the competitive position of an organization as well as other business relationships. Therefore, the top management needs to clearly understand the factors and issues surrounding E-commerce (Epstein 2004, 224).

Financial Resources available is another influential factor to the adoption and implementation of E-commerce in an organization is the financial. Hardware, software and employee training require some cost (Bagale 2014.)

According to Nelson and Shaw (2003), financial feasibility substantially affects E-commerce adoption. Nelson and Shaw have defined this as the level of funds available for the installation, promotion, purchasing, delivery and continuous expenses during the usage of E-commerce.

Organizational Competence is needed and important skill set that must be had by the staff of an organization planning to implement E-commerce practices. It is the ability of staff that has experience and practical exposure to information and communication technology as well as other needed skills for operating E-commerce processes. There must be a certain level of understanding and support of IT, in order to be able to meet organizational objectives which stand to influence IT innovation and E-commerce adoption. (Clarke 2001.)

Environmental Context (External Pressure)

This refers to the factors surrounding the location or environment where businesses are conducted. This includes market conditions such as government laws and regulations.

Wang and Hou (2012) stated that an important factor affecting the adoption of E-commerce by SME's is the role that the government of a country plays in the accepting or fostering of E-commerce adoption.

Government Regulation: Government policies affect or stimulate E-commerce adoption directly or indirectly in the supply of information required to disseminate technology faster (Bagale 2014.)

The government of a country is also responsible for dissemination of necessary or important information pertaining to E-commerce benefits. When government regulations support E-commerce adoption, then there is more creation of awareness, appropriate infrastructure is put in place, and there is more local content creation. Bagale (2014) reiterates that government support has always had a positive association with the adoption of E-commerce.

Competitive Pressure: According to Bagale (2014) a motivating factor for adopting and implementing E-commerce, is competition. When

competitors adopt E-commerce, smaller firms tend to adopt innovation in order to sustain competitive advantages or positions. Competition has been found to be a motivating factor for E-commerce implementation by SME's.

4 INFLUENCE OF E-COMMERCE IN SMES

Due to the nature of E-commerce, SMEs stand to benefit a lot when they adopt and implement EC practices. This part of the report will be stating the influences of E-commerce to SMEs in terms of the benefits that are gained, the opportunities created by its adoption as well as the threats that are posed by the adoption and implementation of EC by SMEs.

4.1 Benefits of E-commerce to SMEs

Organizations implement E-commerce to improve decision making, lower costs, and improve customer satisfaction levels. Of these mentioned benefits, a major one is the lowering or reduction of costs. According to Tagliavini et al (2001), "a correct adoption of E-commerce could lead to a reduction of costs and coordination costs". Furthermore, there is faster communication, effective dissemination and collection of information, as well as closer relationships throughout the supply chain (Davies & Garcia 1999.)

Due to the nature of E-commerce, business organizations interact directly with customers while at the same time running business smoothly and on time. E-commerce helps organizations gain competitive advantage and with a consistent usage, outperform competitors. When E-commerce is adopted and implemented, SMEs gain access to a large customer base, and an extended market.

Auger and Gallagher (1997) stated further benefits to include; access to affluent customer base, lower information dissemination costs, lower transaction costs, broader market search, increased service, additional channels for customer feedback and customer and market reach.

According to Cosgun & Dogerlioglu (2012), it is possible to classify benefits into long and short term, as well as direct and indirect benefits. In few months, short term benefits could be achieved, while long term benefits are unpredictable and take a longer time to reach. In either case, SMEs stand to benefit from less cost and large customer base in the short term, and a transformation of business in the longer term.

Economic costs of SMEs reduce, when they adopt E-commerce practices. Inventory cost reduces substantially when properly implementing EC practices. Transaction operations are simplified when performed online. It is easier to understand customer needs and make contacts with relevant production companies on time and effectively, as well as maximizing customer satisfaction with their product needs. The need to store large number of inventory in warehouses reduces, as is the case with drop shipping. The flexibility to respond to customer needs reduces

the risks of inventory and backlogs, while achieving non-stock transactions. (Cosgun & Dogerlioglu 2012; Nordas 2015)

Unlike it is with traditional commerce, marketing costs reduce in E-commerce implementing. Using professional business websites or other relevant network platforms, firms are able to promote products, interact real-time with customers and access customer services. This helps to eliminate unwanted travelling costs by marketing staff and reduces promo expenses, thereby saving transport and communication costs (Wang & Zhao 2017.)

One major contribution of E-commerce to SMEs is the provision of virtual supply products of foreign business enterprises. Businesses utilize network technology to provide their products and services effectively according to product needs by customers. To this end, business enterprises in SME have undergone major changes. Unlike traditional enterprises, SMEs using E-commerce platforms can expand globally. The business process of SMEs are made easier with the application of EC as it provides favorable conditions for SMEs to enter international markets, thereby expanding these businesses. (Nordas, 2015)

E-commerce changes the SME environment and produces new market opportunities when properly applied. There is an open environment, which leads to the changing of market structure, impacts the traditional business structure, and makes it possible for SMEs to meet the needs of the network business better. These network and business platforms can be used by SMEs to provide their products to the world, thereby transforming potential customers to real customers, whilst creating an opportunity of development and expansion of market opportunities for such enterprises (Wang & Zhao 2017.)

To this end, we can list the benefits of E-commerce to SMEs as

- Shift in value added and content components of products and services
- Changing the economies of scale and the traditional barriers as well as large enterprise advantages
- Reduces time constraints and spreading the work function across locations
- Flattening and disintegration of organizational structures
- Scope for customization at low costs
- Innovative products, better services and exploring new market opportunities
- Customization of in-house content and know how.

4.2 Opportunities

E-commerce has provided countless opportunities and benefits for SMEs. It is an opportunity for small firms because it levels the playing fields and reduces transaction costs. It expands the marketing scope, creating a wider and richer communication, and makes it easier for small firms to partner with big suppliers at even reduced costs. There is efficiency of productivity and a creation of new market opportunity as well as a global market, for SMEs implementing E-commerce.

Industry structure, markets and macro environments are a major factor that influence the benefits of E-commerce to SMEs. It is wise though for SMEs to consider external and internal factors while adopting E-commerce practices, despite the opportunities that exist therein. According to Tagliavini et al (2001, 211) “the real opportunity of E-commerce adoption force is still unclear”.

Global Trading is a significant opportunity for SMEs as it helps to extend their markets internationally. SME's are able to access the global market and gain a global reach. Entry barriers and cost of entering the global market are diminished while chances are created for SMEs to enter these markets by the internet. According to Organization for Economic Cooperation and Development reports, OECD (2010), companies gain an international market and the constraints of time and location are removed, thereby enhancing the competitiveness of these companies.

Enterprises are provided with the opportunity to increase competition with larger firms in variety of businesses and are provided with an extended trading geography.

4.3 Threats

Despite the many opportunities provided to SMEs that implement E-commerce, it is important to note that there are also existing threats for these enterprises that arise from the adoption of E-commerce practices.

As Drew (2003, 81) points out, when SMEs adopt E-commerce, it is easier for larger firms to copy the traditional strengths of these smaller firms in small or niche markets, thereby intimidating these big firm with the customer base of these smaller firms, who probably had few or no competitors in their local markets prior to their entering the E-market places. This might directly translate, to much larger competition than the small firms are used to or able to compete with. Unless smaller firms have sufficient enough or even abundant resources, their chances to compete might be squeezed by these bigger firms. In some cases, this has forced smaller firms to retrench or even exit business. (Drew 2003, 81.)

OECD (2002, 16) further explains that reaching the benefits of E-commerce is more difficult for smaller firms than it is for larger firms, which means that the results of the opportunities created by the adoption of E-commerce by an SME could differ to that of a larger firm. When smaller firms lack resources or knowledge base of online business or online transaction processes, E-commerce might present a threat, therefore stressing the importance of research or knowledge of E-commerce platforms and design processes and transaction scope, before venturing into an adoption or implementing of these practices.

5 RESEARCH METHODOLOGY AND ANALYSIS

5.1 Research methodology

Research is defined as the search of knowledge. It can be defined as scientific systematic approach for meaningful or important information on a specific topic. It is considered as the movement from known to unknown. According to the Advanced Learners Dictionary of Current English, research is defined as “a careful investigation or inquiry especially through search for new facts in any branch of knowledge”. Mans inquisitiveness for knowledge and the methods for obtaining such knowledge is known as research (Kothari 2004, 1).

This part of the study explains the types of research methods that were used during this report. The author here defines research, briefly explains research techniques, and analyzes the data collected during this research project.

Descriptive and Analytical research includes surveys and fact finding enquiries. It is used to describe the state of affairs existing presently. Analytical research is one where the researcher uses facts and information already available and analyzes these facts to make critical evaluations of the matter (Kothari 2004, 2).

Applied and Fundamental research is done to find solutions to immediate problems faced by business organizations while fundamental research is concerned with theory formation and generalizations (Kothari 2004, 3.)

The basis for *quantitative design* is measurement of quantity. *Qualitative research* is based on qualitative phenomenon. It aims at discovering desires and motives and in-depth interviews are used also for this purpose. It is critical in behavioral sciences (Kothari 2004, 3.)

Conceptual vs. Empirical is used mostly by philosophers in order to develop new concepts or interpret existing ones. Conceptual research is based on abstract theories and ideas. Empirical research relies on experience or observation, without any regards to theory. It is based on data and conclusions made here could be verified by experiment or by observation (Kothari 2004, 4.)

The method used by the author in this report is literature research in order to obtain profound theory knowledge which was further considered as to how it could positively impact the business operations and other commercial activities of Paradise Boutiques.

Questionnaires were used to get information from customers as regards their views and wishes (feedback). Loyal customers as well as recent ones

were either given questionnaires physically or in the form of an email link.

This research process was done using qualitative research methods as the main method for gathering information. Literature from the field acquired through libraries, questionnaires, internet sources and interviews was also used.

According to Denzin & Lincoln (2005), qualitative research is a situated activity that locates the observer world. It consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations; including field notes, interviews, conversations photographs, and memos to the self. At this level, qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret phenomena in terms of meanings people bring to them. (Denzin & Lincoln 2005, 3.)

5.2 Questionnaire design

For this part of the research project questionnaires were designed and sent out to customers. Customers of the company formed the population for his study. The population is formed by all the individuals who form the subject in a study.

Getting to the whole population was not totally possible, but in this study, surveys were sent to 155 customers, 155 emails precisely. At the time this survey was conducted, 105 participants had already completed and returned the questionnaires, which accounted for 68% of total survey responses.

The questionnaire was designed based on the research questions which are mentioned in chapter 1.3 of this report on page 2.

- What factors affect E-commerce adoption by paradise boutiques?
- What E-commerce practices will be most beneficial for paradise boutiques?
- What strategies must be put in place to develop and implement E-commerce practices in paradise boutiques Lagos?

The question of which factors affected E-commerce adoption by paradise boutiques has already been answered in chapter 3 of this thesis. Thus, the other two questions are in the preceding chapter.

Secondary sources were used for analysis throughout this report, but for primary reports, survey questionnaires were used for the target group,

the company's customer base, to evaluate the customer mindset or motivation and to develop strategies required by the company to adopt and integrate E-commerce practices.

5.3 Analysis of customer survey

This part of the research analyses the data collected from the survey questionnaires that were sent out to be completed by the customers. The appendix 1 of this report includes the research questionnaire used. An analysis was done and illustrated with pie charts and bar graphs. Questions were formulated based on internet use, confidence of internet users, internet security, and willingness of customers to purchase products online, as well as customers thoughts on Paradise Boutiques running a business online.

For how long have you been using the internet?

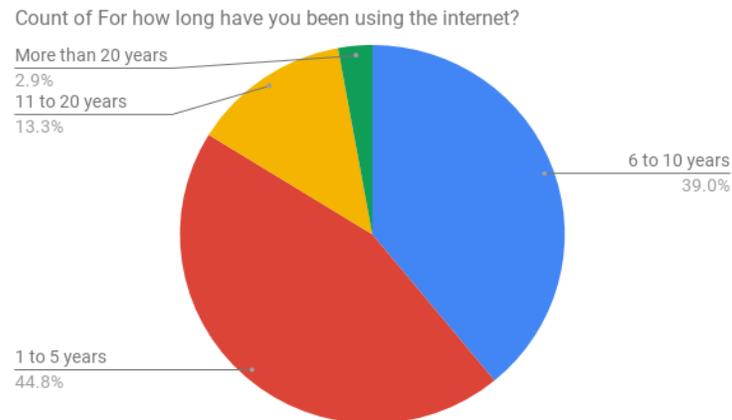


Figure 7. Customer response on history of internet usage.

The past 10 years have seen a significant development in the usage of the internet. As seen in figure 7, 44.8% of the respondents had used the internet for the past five years as compared to 13.9% of the respondents having used it for the past 15 years.

How often do you use the internet?

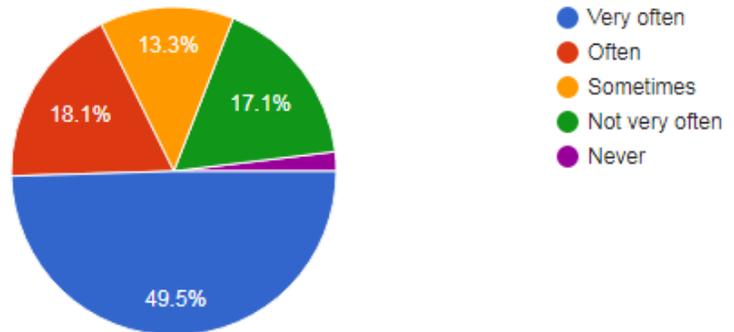


Figure 8. Customer response on time spent on the internet.

The customers with the highest percentage here give the answer “very often”, with 49.5% of the respondents indicating that they spend a lot of time on the internet as illustrated in figure 8.

How confident do you feel when using the internet?

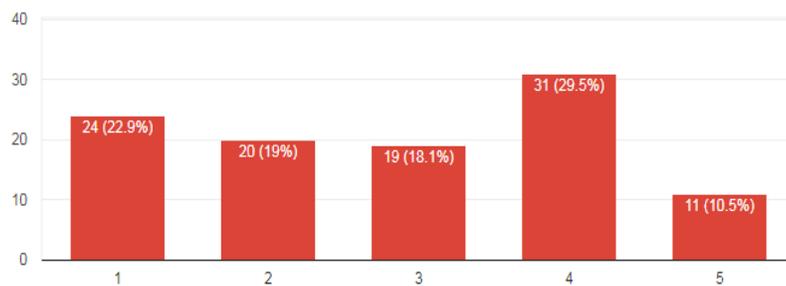


Figure 9. Confidence of customers using the internet.

It can be seen in figure 9 on a scale of 1-5 from very confident (1) to not confident at all (5), responses show that 22.9% of responders were very confident, 19% were confident, 18.1% were indifferent, 29.5% were not very confident and only 10.5% expressed not being confident, indicating that there are still some existing fears while using the internet in general.

The fourth question in the survey was about the purposes of the customers using the internet. In the list were included issues such as: reading news articles and journals, job search, shopping online, travel

plans, career search, searching for product information and research purposes and the choice of response: very often, often, sometimes, not very often and never

How often do you use the following while browsing the internet?



Figure 10. Different purposes of internet usage of customers.

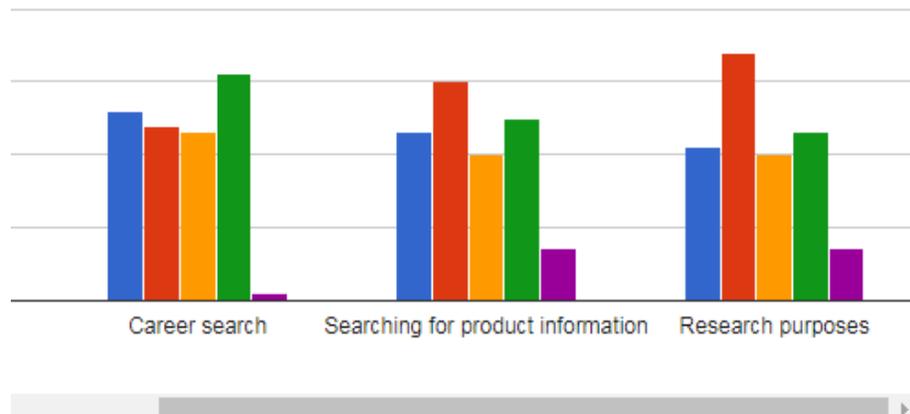


Figure 11. Different purposes of internet usage of customers as continued.

Reading news articles, shopping online, career search and searching for product information had the highest values of 'very often' usage with over 24 respondents in each case as can be seen from figures 10 and 11.

Have you ever purchased a product on the internet?

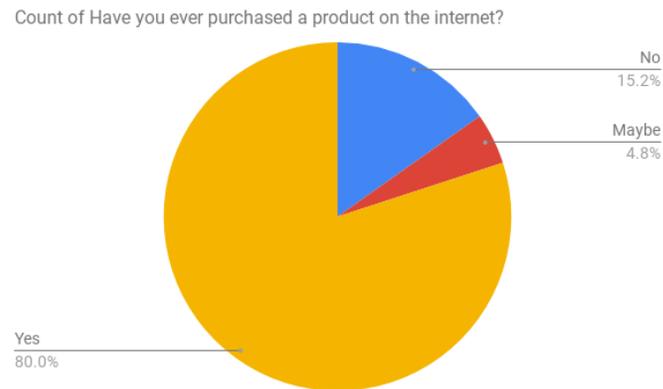


Figure 12. Purchasing products on the internet survey.

80% of the respondents have purchased products on the internet at one time or another, indicating that customers see the internet as a good medium to purchase products, while only 15.2% claim to not have purchased products via the internet as illustrated in figure 12.

If yes, how often do you buy products on the internet?

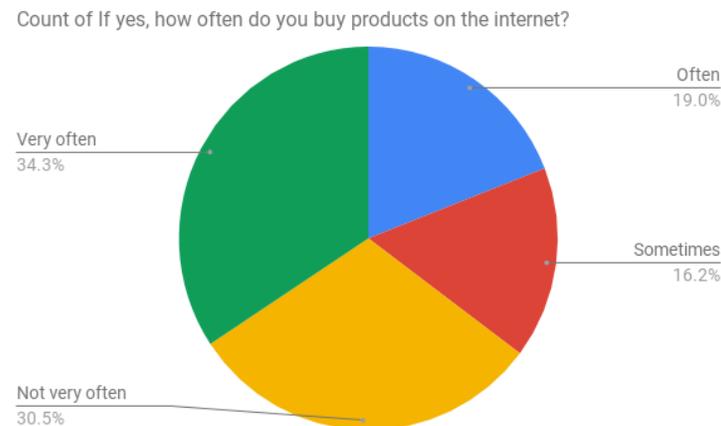


Figure 13. Survey of regularity of internet purchases.

The chart in figure 13 shows that 34.3% of customers buy products on the internet very often, while an additional 19.0% often buy products on the internet, which means that a combined 53.3% of respondents shop regularly on the internet.

What is your preferred mode of shopping?

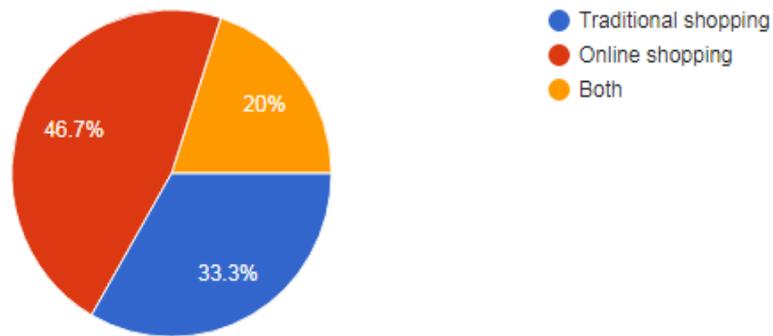


Figure 14. Survey for preferred mode of shopping.

The chart in figure 14 above indicates that the preferred mode of shopping for customers is online shopping, with 46.7% of the respondents preferring online shopping, 33.3% opt for traditional shopping while 20% consider using both methods. This response is valid for the research.

Why do you not prefer online shopping?

Respondents who like online shopping were asked to skip this question.

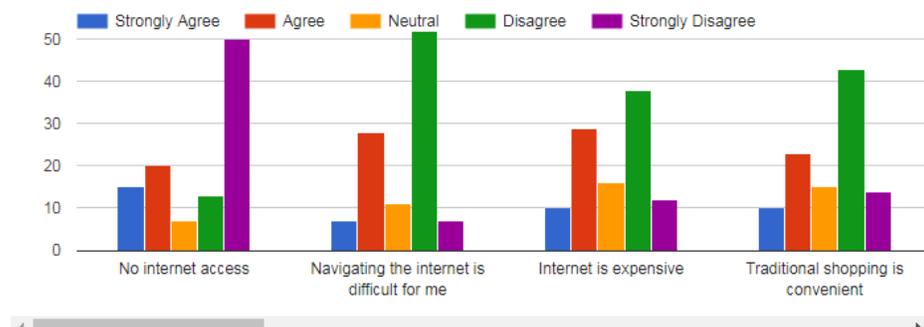


Figure 15. Respondents preferring traditional shopping.



Figure 16. Respondents preferring traditional shopping as continued.

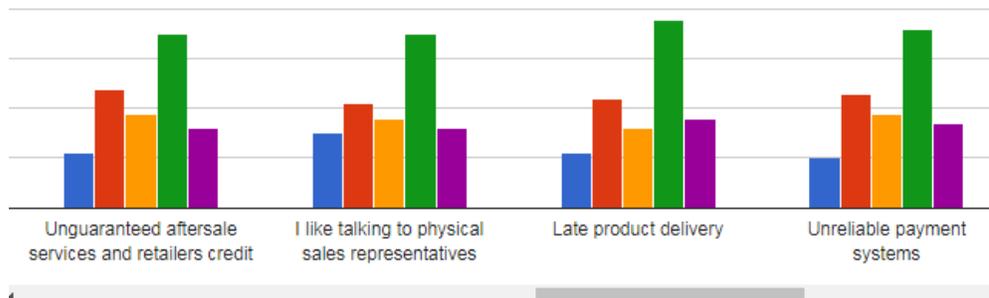


Figure 17. Respondents preferring traditional shopping as continued.

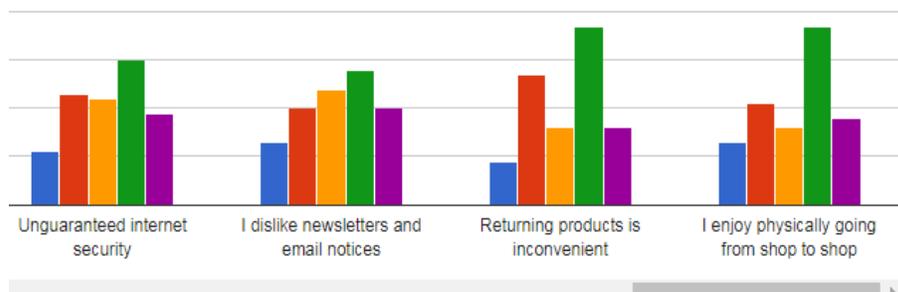


Figure 18. Respondents preferring traditional shopping as continued.

The reasons given for not preferring online shopping were, not having access to the internet, difficult to navigate on the web, cost, convenience of traditional shopping, not enough product information online, shopping out with friends, unreliability of some online shops, time taken to deliver products, internet security, dislike of newsletters in mails, inconvenience in returning products, and enjoying going from shop to shop in malls as can be seen from the chart illustrations in figures 15 through 18.

The highest ranges though were the 29 respondents who indicated the cost of the internet and 28 others who indicated their reason as there being not enough product information for them online.

Why do you prefer online shopping?

Respondents who didn't prefer online shopping were asked to skip this question.

Why do you prefer online shopping (tick one option for each)- skip this part if you do not like shopping online?

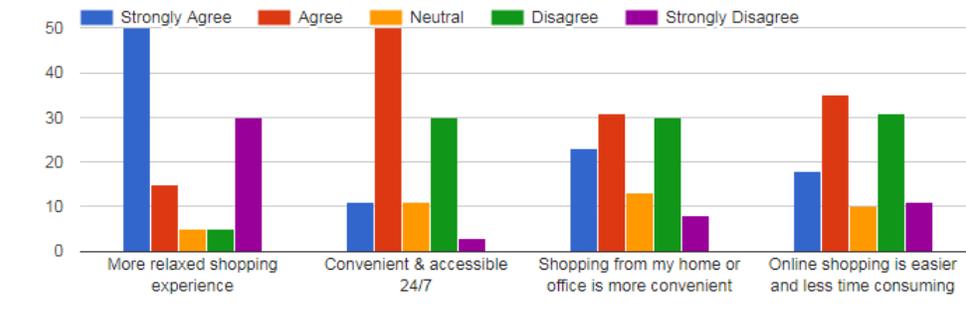


Figure 19. Respondents preferring online shopping.

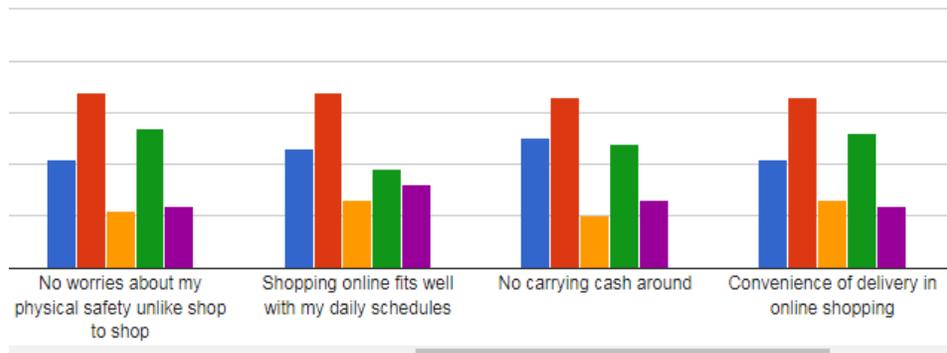


Figure 20. Respondents preferring online shopping as continued.

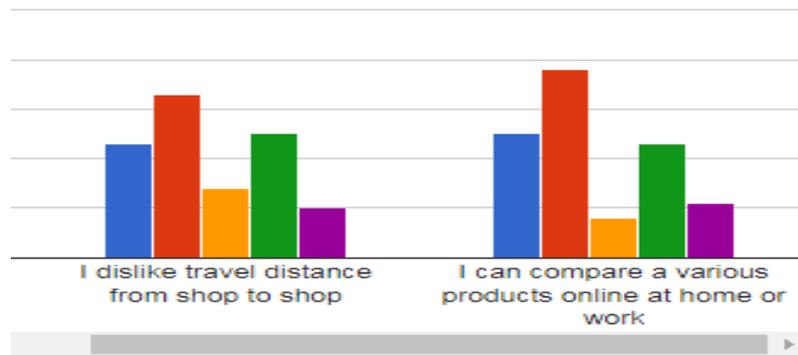


Figure 21. Respondents preferring online shopping as continued.

In the illustrations in figures 19, 20 and 21, reasons given which were also very strongly agreed upon were more relaxed shopping experience, round the clock accessibility, easier shopping online, less time consuming, not worrying about safety when not going from shop to shop, not scared about carrying cash, fitting well with daily schedules, comparing various products online at home or work while not physically going from shop to shop.

The highest ranges were 50 respondents who strongly agreed that it is a more convenient way to shop with round the clock shopping possibilities, with the same number liking it for the more relaxed shopping experience, and 38 respondents agreeing that they can compare numerous products online without going physically from shop to shop.

Do you feel secure sending personal information across the web?

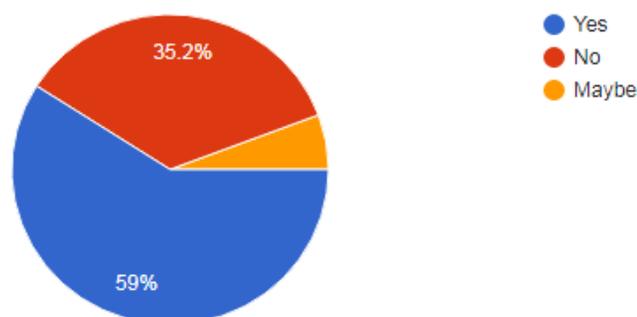


Figure 22. Survey for personal information security.

The chart in figure 22 shows that 59% of the respondents feel secure while sending personal information across the web while 32.2% do not feel secure while sending personal information across the web. This

response is very valid in relation to the mindset of customers as regards giving their personal information when making online purchases.

According to Ranganathan and Ganapathy (2002), security and privacy have greater impact on the intention of customers to purchase online, than the information content of on such site or the designing of the retail website. To that end, there is the need of necessary and adequate protection mechanisms by online retailers, to ensure customer security of transactions and other necessary or sensitive information.

Which features do you value the most while shopping online?

Which features do you value the most while shopping online?

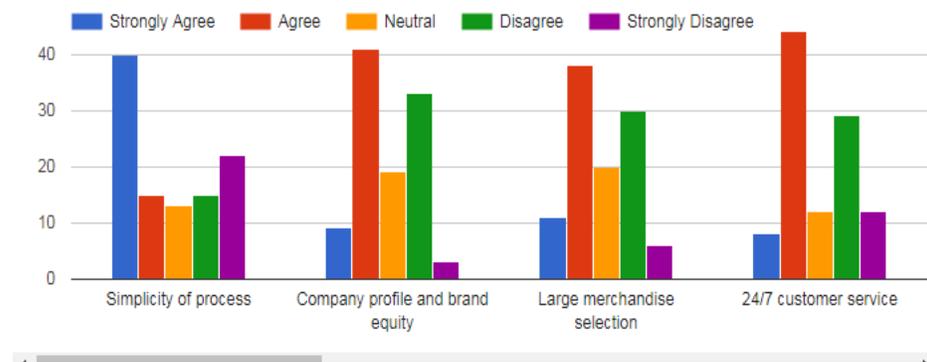


Figure 23. Online shopping most valued features.



Figure 24. Online shopping most valued features as continued.

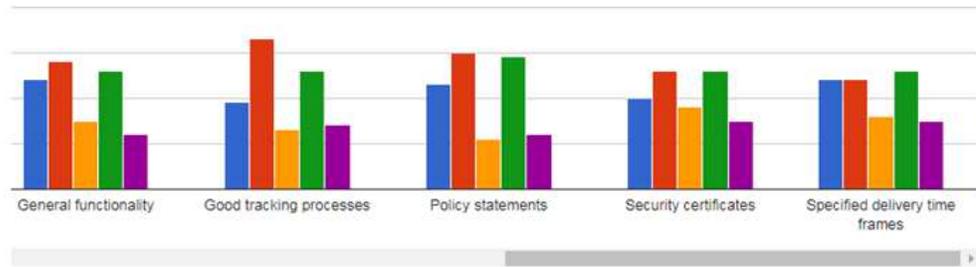


Figure 25. Online shopping most valued features as continued.

In the charts for the most valued features of online shopping, as illustrated in figures 23, 24 and 25, simplicity of process was highly valued, with 40 individuals strongly agreeing, 41 respondents agreeing strongly about the company profile and brand equity being a highly valued feature, and 44 respondents agreeing that round the clock customer service is a highly valued feature of online shopping.

Do you intend to purchase products online in the future?

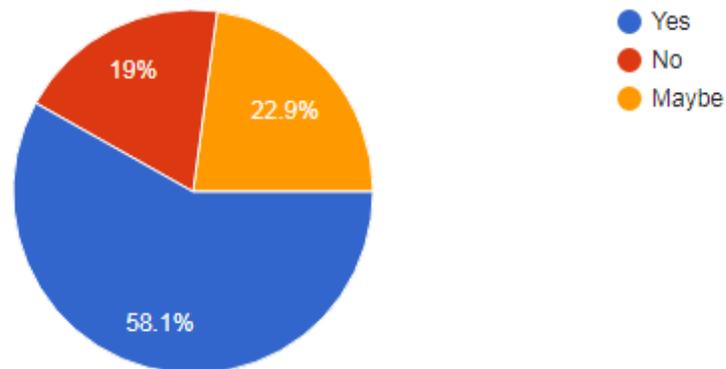


Figure 26. Survey for future online purchase intentions.

Despite some fears that may come along with the online purchase processes, it can be seen that respondents still intend to continue making online purchases. As illustrated in figure 26, 58.1% of the respondents indicated their willingness to purchase products online in the future while about 19% do not intend to make future online purchases. 22.9% of respondents though still remain undecided.

Would you like to see a paradise boutique online shop in the nearest future?

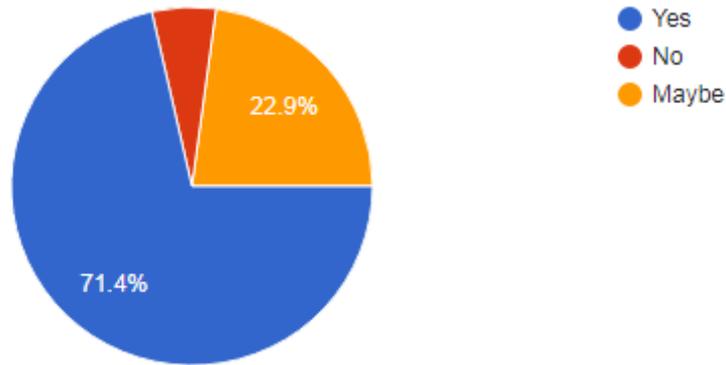


Figure 27. Customer wish for Paradise boutique online.

This is a very important aspect of the survey as it concerns the mindset of the customers of Paradise boutiques and peers into their readiness to seeing an online boutique being run by the company. At the time this survey was carried out, 75 of the 105 respondents, which translate to 71.4% of the respondents, indicated their readiness to see an online Paradise boutique in the nearest future. This also stems from their assurance about the brand and quality of products and services received from their patronage at Paradise boutiques over the past years. These can be seen from the illustration in figure 27.

Will you refer others to our online shop if started?

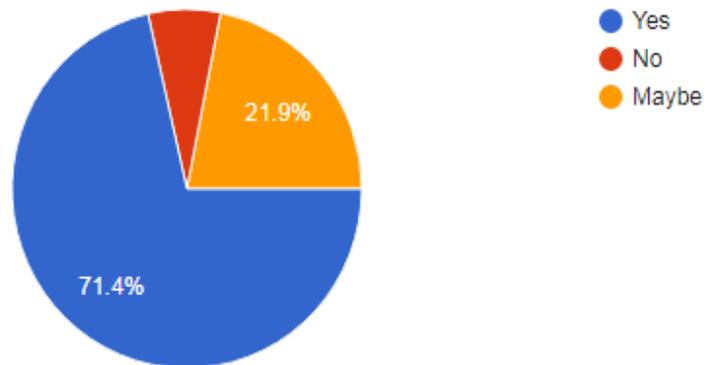


Figure 28. Survey for customer referrals.

As seen in figure 28, 71.4% of the respondents have answered yes to the fact that they are willing to also refer others to the online shop when it is started, which also boosts the confidence of Paradise boutique to start an online shop in the nearest future. By implementing a referral system,

Paradise boutiques will be able to gain more customers in the future, thereby expanding their customer base.

Gender

-

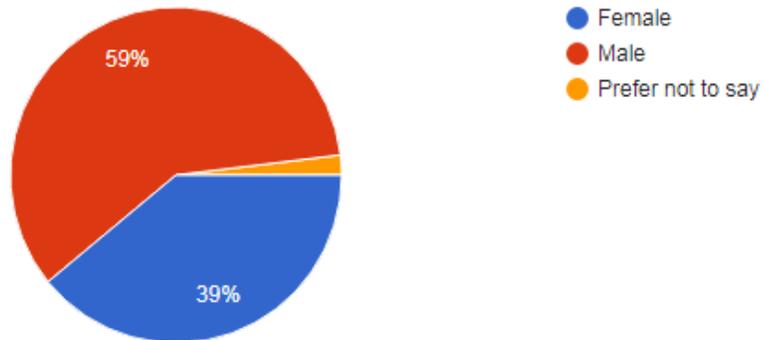


Figure 29. Survey for gender of respondents

The chart for the gender of respondents in figure 29 shows that 59% were male respondents while 39% were female respondents, this also being due to the fact that Paradise boutiques started out as a strictly male fashion apparel company before later diversifying into selling few female apparel, therefore males are the highest number in customer base.

How old are you?

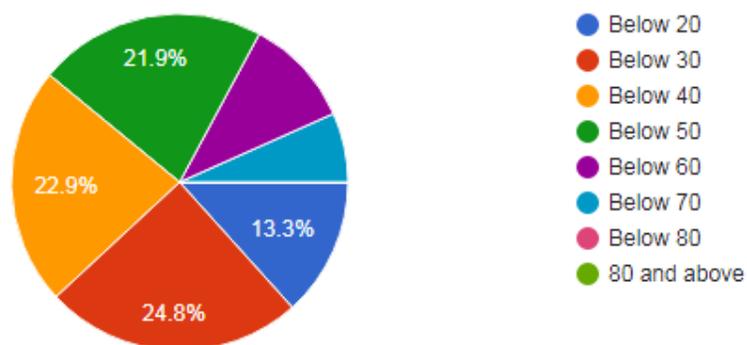


Figure 30. Survey of age range of respondents.

As seen in figure 30, the highest percentage of respondents is 24.8% which stands for the customers below the age of 30, 22.9% below the age of 40 and 21.9% below age 50. These figures actually stand out as the

average age of Paradise boutique customers, which range from men and women in their late 20's to early 40's.

Employment status

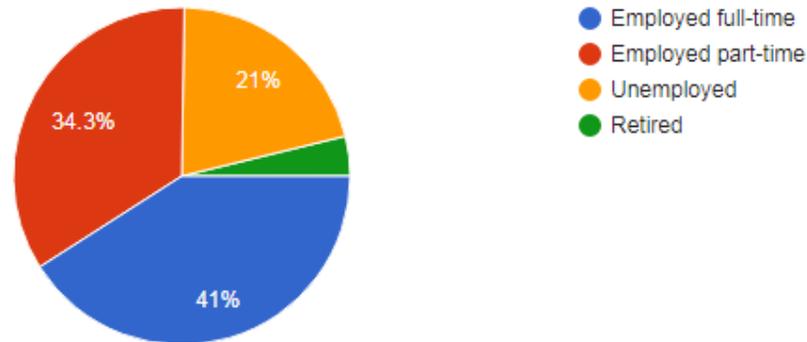


Figure 31. Employment status of respondents

From the chart in figure 31, it can be seen that 41% of the respondents are fully employed, 34.3% are part time employed, and 21% are unemployed. Unemployed respondents here can also account for the many university level students that are Paradise boutiques customers.

5.4 Validity and Reliability

Validity is credibility or believability of a research. There are two types; internal validity which dictates design structure and encompasses all the steps of the scientific research method. Explanations of events provided by a research must be sustained by data. External validity involves examining the results and questioning whether there are other possible casual relationships and if these can be generalized (Shuttleworth 2017).

Reliability means if the significant findings or results of findings are reliable and inherently repeatable. It has to do with random errors because it fluctuates and it is unpredictable. Results are not trustworthy if measures are unreliable. Reliability exists of two main forms; repeated measurement and internal consistency. Repeated measurement refers to our ability to measure same findings at different times, while internal consistency refers to how well the items of a test measure a single construct or how homogeneous these test items are. (Daniel 2004, 71-73.)

In the case of this study, it means that the answer must represent the real opinions of the respondents. Lin & Jones (1997, 6) suggest that the sample should be a minimum of 20 to 50 respondents, but more than 100

respondents to reach a better reliability. In this report, a qualitative research method was used, and the questions were sent in a survey questionnaire to 155 customers with 105 of these returning their responses at the time this report was written and can thus be seen as enough for the general picture of the overall customer satisfaction of the population.

65% of the population that the survey questionnaires were sent to is the longest standing, returning customers of Paradise Boutiques. This population was particularly selected because these customers have been doing business with the company for over 10 years and whose opinions are highly regarded as they have reiterated prior to this report writing, the notion of shopping online if the services were to be adopted by Paradise Boutiques. These notions have been made clearer by the responses to the surveys mailed out to them. Other customers too who have been shopping with Paradise Boutiques for less than 10 years, but whose emails and contacts were seen as frequently in the log books as returning or regular customers were also targeted as they are seen as the next generation of customers for the company.

Reliability and validity of the responses to the survey was therefore expanded with the information and acknowledgements received from this selected population. Also, most applicable theories were used in order to get an overview of research problems and develop questions for this research, while ensuring that these were current as well as in direct relation to this report.

6 ADOPTING E-COMMERCE PROCESSES IN PARADISE BOUTIQUES

This part of the research delves straight into the development of E-commerce processes for paradise boutiques. The ongoing processes of transaction used by paradise boutiques will be looked into and solutions for more proficient and profitable transaction processes, which will lead to a better business stability or improvement, will be proffered.

6.1 Ongoing transaction processes

Firstly looking into the ongoing commerce processes in Paradise Boutiques will be helpful in seeing which E-commerce processes will be most beneficial when adopted and implemented.

There is need to adopt E-commerce business models because the brick-and-mortar model alone is not sustaining business. Paradise boutiques have seen a recent serious dwindling of business also due to the emergence of competitors in the same niche business and around the same locations.

Even though one of the strengths of Paradise Boutiques is its customer base, business has been slower as of late as some customers now prefer to shop online or make transactions over the phone, calling shop branches to order desired apparel or merchandise, especially long time customers who the staffs know most information about. Such customers want merchandise to be delivered by hand to their locations, where they further make selections of preferred items, after which, the staff that went to deliver this has to go back to the branch they came from. This creates a loop with one less staff at the branch at that time, which means one less sales personnel to attend to customers on the shop floor.

Staff also has to move between branches to bring desired merchandise when one branch does not have it and a customer is requesting for such merchandise. Customers are urged to wait while the requested item or items are brought from other branches, and if not given some incentive or promise of substantial discount, the customer or potential customer may get annoyed and that directly translates to ineffective service of Paradise Boutiques. Transportation costs also are another problem because the back and forth movement between branches as well as to customers, entails some transport cost.

Cash handling is another present process that has to be changed immediately, using E-commerce practices. At present in Paradise Boutiques, customers pay with raw cash for merchandise purchased and during the festive seasons in Nigeria, this poses a problem when, the author for example had to take the cash earned to the banks about four times in one day over a 2 week period, huge sums of cash in different

currencies as paid by the customers. With the security situation in Lagos state or Nigeria as a whole, that method is no longer the most viable of options as there have been 4 cases to date when the different branches of Paradise Boutiques have been attacked by armed robbers, carting away with thousands in cash and stealing high end products and expensive merchandise. The use of cheques, which take days to clear the bank and delay transactions is also a problem as there have been cases of dud or fake cheques which later bounce or get cancelled. The use of electronic payments and cash point of sales machines will do away with that problem, especially as Nigerians are getting more and more used to card transactions and will prefer to use that, if in trustworthy establishments, one of the competencies which Paradise Boutiques has at the moment and should use. Customers are getting more inclined to the cashless society as it is being improved and aided by the governments and bank policies and businesses willing to thrive and gain competitive advantage are shifting to cashless technologies.

Security companies are used by Paradise Boutiques that offer security services. Each branch of Paradise Boutiques has security personnel which in itself is costly. The need for E-commerce business models and practices for Paradise Boutiques cannot be understated.

6.2 E- shop design

One of the business models mentioned earlier in this research is the E-shop business model. Being the most basic of all E-commerce models, it focuses on reducing costs and getting access to new markets. This involves the Paradise Boutiques having an online catalogue which will display its products online so that existing as well as potential customers can see this, browse through products and make purchases. Such E-shop is facilitated for order allocations and electronic payments.

Paradise Boutiques can either purchase E-commerce software or integrate E-commerce into its website when it is finally built. The E-commerce software has features that include hosting, shopping cart and credit card processing and gateway payment integration. For a transparent fee, it is easy for Paradise Boutiques to Build an E-commerce online store and stop the service if no longer desired. It is important to choose an E-commerce builder that is flexible and has the potential to grow as the business grows too. If Paradise Boutiques will opt for a website builder instead, it is important to note that the website is not the main business but that the business driving force, the entrepreneur, is the business. Once the online store has been built, it should first be tested to be sure if it works or not.

The author has recommended shopify. It is a fully hosted turnkey E-commerce solution that allows easily setting up and running an online store. If Paradise Boutiques does not want to build a website and power

it, E-commerce platform like shopify offers this solution. The company has over 100 beautiful and professionally created designs to make the online store look amazing. There are mobile ready themes, which will be a big plus for Paradise Boutiques with the trend of mobile commerce in Lagos or Nigeria at large. Shopify technologies allow to build a store without any technological knowledge or graphics and web design knowledge. Shopify also has an app store that has many other business tools. As the online business improves and grows, Paradise will need some important easy to use tools that could also involve accounting, sales records, taxes etc, and shopify already offers those tools. Price ranges from 14\$ to 229\$ a month, though the latter is more for bigger businesses and Paradise Boutiques are a small scale business.

The E-commerce system that will be integrated by paradise will have registration, basket, payment, product management, order management, VAT and shipping costs, in both the back and front office.

Customers will have to register with paradise boutiques site to make purchases, providing all the needed information for billing and shipping. The data will be stored in a database which will be made available from the back office.

The basket is a tool that will allow users to select products, add to their baskets and go to a checkout to make payments. Baskets are managed in the sense of, summarizing user requests within a catalogue offer, checking to cancel or modify items placed in it, and starting payment processes for products selected.

A payment system with a mechanism to facilitate dialogue between the bank, paradise boutiques and the customer's credit card will also be in place. Customers will enter credit card numbers when making orders and this is through an access accessible by the bank only. The bank authorizes payment after checking. Payments will then be accepted and transferred to the account if approved, or declined if not approved.

An important part of the system to be integrated is the production management part because, it will provide all features required for product placement, order fulfillment etc and this is the key to management of online sales. A set of standard fields will define products and these are product code, category, sub category, product name, description, image, zoom and sizes, prices in local currency or dollars and pieces in stock. To stimulate online sales, related products could be associated.

Order management will summarize the delivery and order information to enable correct delivery. This will include the list of products purchased, user information, details of place of delivery, delivery time information, and payment information. Order management crosses information on

the registration database, basket data, delivery information, and verification data all related to the payment credit rating. An order number identifies and summarizes this information.

Using the order list and the customer details, orders can be searched and sorted by customer, order status, date and payment. This is helpful when orders may be printed and attached to a shipment.

In addition to the costs of purchased merchandise, the system manages the VAT and shipping charges. Based on the weight and volume of the system, shipping costs are fixed or variable. The system to be integrated in Paradise Boutique will also be able to manage discounts or promos.

6.3 Website design

One way to improve the online experience for Paradise Boutiques will be integrating a website. According to Patten (2008, 61), though many websites spring up daily, it is worthy to note that an efficient website may add between 5-10% turnovers, very quickly to a business. Paradise boutiques would do well to treat the web as another medium in addition to the existing physical stores it owns.

As mentioned in earlier chapters of this report, small firms stand to gain a lot from running E-commerce sites especially as number of internet usage keeps increasing in Nigeria. Paradise Boutiques must ensure that web surfers are attracted, retained and persuaded to buy and with time develop a strong brand image, making visitors feel wanted.

The website will provide information (technical support), sell produce (main purpose i.e. E-commerce), solve problems (FAQ's), encourage request for catalogues and quotations, show what is in stock, reach new customers world over and communicate better with the existing customer base and send direct email offers to mailing lists.

For the website to run, Paradise Boutiques will check that the domain name is functional, have web hosting by an ISP (internet service provider), and check for the cost for designing. Web hosting is inexpensive and Paradise Boutiques will get a good bargain basement ISP with enough web space available. POP 3(post office protocol), IMAP (internet messaging access protocol) or the more recent Microsoft exchange safety net must be installed, and emails are scanned for viruses on their server. A helpdesk phone should be open at reasonable hours and charged reasonably as well, the control panel easy and logical to understand, basic visitor statistics are included, back up can be done to their server or the PC in Paradise Boutiques, databases, scripts and that other management tools are included.

It is of the author's advice that Paradise Boutiques registers all variants to avoid problems of the domain name being cyber squatted by another company. Therefore .com, .ng, .org all need to be registered.

It is wise to look for proficient web designers with good software engineering, graphics and marketing skills to build this website so as to have a website that is expertly functional in the sense of being quick to download, catches customer eyes, has visible contact details preferably on the homepage, has clear product information, secure server for online transactions, encourages visitors to register to receive updates by emails, is updated regularly, should measure traffic, works out conversion rate.

For the site to be easily discovered on search engines, the design process has to incorporate text rich pages, good keywords on page top, frequently mentioned keywords used while avoiding spamming, bold keywords to show importance, keywords in title tags same as page name, headline texts for relevance by search engine crawler, less flash graphics, many links, flat sites so that customers already see what they want in first 2 levels, ALT texts so that visually impaired people also can use, good site map on the home page, regular updates and a relevant domain.

Paradise Boutiques could make use of good Ad-words which will help with the click-through rate (CTR), Ad text relevance, and overall historical performance with search engine and user experience on the page associated with the Ad.

Site testing should be done before the site goes live in order to avoid credibility issues that may arise as a result of site crashing. Big money marketing promos should be avoided till there's an assurance that the site can cope. Good software's are in place to handle site expansion, then there's a thorough checking that ordering, sock control, distribution and response email integrate seamlessly.

To crave the indulgence of site visitors and hook them, the site must design must avoid great slabs of texts, have a nice white or pale background to aid legibility, have an easy to manage homepage nicely designed to impress visitors, have a log on, go to, search the site, and submit lines, so the visitor knows what to do next, have short questionnaires, no banner Ad's, avoid large graphic files and animations which take long to download, have an interactive forum for visitors comments on problems or advice, newsletter add line, brand image carried all through the site, have RSS feeds to automatically send information to customers or captive audience, have a web analytic tool that shows whether the site visitors are new or returning customers.

6.4 Integration of logistics systems

The logistics structure must be well coordinated and managed in Paradise Boutiques. A logistic system must incorporate designing, development, producing and operating an integrated system that responds to customer expectations and makes available all the required quantity of quality products when required, for best customer services at the least possible cost. (Bhatnagar 2009, 28.)

According to Kulkarni (2013), elements of a good logistic system are customer service, which includes all facets from *customer satisfaction*, getting the right products to customers at the right time and making sure the products are in good shape or condition at the lowest cost possible in order to develop and maintain a good relationship and retain customer loyalty, *order processing* which includes collection and transmitting of sales order information which is useful for further market analysis, making financial estimates, production as well as logistics operations, *inventory management* which includes checking inventory efficiently and effectively to avoid high logistics costs, *transportation* which entails how the products or merchandise are moved between parties in the supply chain. (Kulkarni 2013, 4-13.)

Paradise Boutiques can integrate supply chain solutions provided by logistic companies to the website. One of such recommended by the author is the DHL developer kit. The process of integration and software system recommendations are found on the DHL website under the industry sector solutions and supply chain menus.

This kit is designed to improve efficiency on the company part, and improves accuracy and flexibility of delivery times to customers. DHL API's (Application Programming Interface) are standards as well as full programming instructions used to access and integrate DHL service functionalities into E-commerce sites. IT developers use this API to write XML codes provided by DHL, with the ability to integrate DHL service availability, transit times, rates and shipment tracking. This integration with DHL, through shipment management systems, is done via XML based secure platforms. Available services include shipment processing, tracking, rate quote, capability, label generation and pick up bookings.

With the integration of the API, customers will have an improved experience and it also makes employees efficient by checking shipping details, tracking directly into paradise's website or other applications. Developers receive technical support from DHL. If a firm has an in-house developer, they can handle the process independently, and if it is a third party integrator, they register and certify the API on behalf of the firm. Paradise Boutiques can buy logistics software and use a DHL ready provider. Such companies already have approvals and certificates from DHL to integrate the API into their software.

To integrate the API, it will be essential to modify it into Paradise Boutique website. After getting the website up and running and integrating E-commerce system into the site, the DHL API's can be integrated, therefore making all orders to go through the DHL shipping system. Customers can select pick up or delivery options. Shipments can be tracked using order numbers and tracking numbers to know the status of their shipment while tracking their packages. Customers can select and compare shipping prices and options more favorable for them.

Customer retention is what drives the company further ahead. Making use of this E-commerce system will help Paradise Boutique set shipping charges for merchandise, create a menu from which customers can choose shipping options, make Paradise Boutiques more consistent in providing detailed and up-to-date shipping information about customer products in transit, manage inventory and help with information about restocking, add traffic to the website with returning customers. Customers will be able to compare shipping prices, get accurate information about their packages and choose shipping options that favor their spending ability.

The API integration process is done as the following ways explained below.

Implementation: This is done by requesting a tool kit from DHL, and checking sample messages. A review of API requirements must be done by the developer on the page set out for that on WWW.dhl.com.ng. The software developer kit is downloaded and reviewed. After review, the developer requests access to the test environment. Access is given to both the testing and certification environment.

Testing: After receiving the toolkit and developer guide, the test environment can be accessed. The test will enable response messaging and live request stimulation, where it is checked if the company's XML or web service request was formatted correctly.

Certification: The Company's implementation must meet DHL requirements for production access to be gained. In the developer guide, there are laid out information on all the steps required for certification. After providing test case results, and getting validation by a DHL representative, the company is certified as production ready.

Technical support: It is possible at all times to get email technical support at WWW.dhl.com.ng. All that has to be done is attaching a file with the company's email support request, one that includes the XML request and response message and errors.

The three steps for integration are thus, requesting toolkit/developer guide (sample messages, utilities, and documentation for implementation procedure), completing development and services integration work (access testing and certification environment) and certification (requesting certification by providing test case results and get certified as production ready).

It is essential though, that before integrating the API, Paradise Boutiques needs to have a plan to see if the costs are low and considerable or too high. Paradise Boutiques can identify the pain points first, then identifying the appropriate API to meet its needs. Also the Paradise Boutiques must evaluate the cost and time taken to integrate the API and the number of API's to be integrated (a cost and benefit analysis could be helpful with that), and can finally make a decision to build or buy based on these estimates. According to Carter (2012), a pain point is a problem, real or perceived. Entrepreneurs do well to create opportunities for themselves when they create solutions to those pain points, creating value for everyone with those solutions.

6.5 Point of sales (POS)

A point of sale is different from a cash register. Paradise boutiques still uses the cash register system but stand to benefit more with the integration and use of a point of sale system which is a more advanced system. The POS is set with software that also links with other networks, which have endless data stored about stock lists, client information etc and this is done instantly and electronically.

Through and API and web standards, cloud technology have created faster and easier effective systems integration. Point of sale is used in connection with the hardware or software for checkouts either through wireless capable systems or via TCP/IP in the company's web.

Benefits of POS for paradise boutiques include

Improved efficiency as employees do not have to spend time memorizing product prices or manually inputting vast data amounts. Customer service is improved which in turn stimulates more loyal customer base. Expertmarket (2017) explains that the error rate of a POS is, one subscription error for every 15,000-36billion barcode characters scanned, as opposed to one mistake per 300 characters typed in the traditional cash register as well as the 0.3 seconds it takes to scan an item using a POS barcode reader, as opposed to 6 seconds inputting an items data using traditional cash register.

Stock management becomes easier with the POS as stocks can be scanned upon delivery and entered into the digital database. Overall

stock levels are reviewed and purchasing discounts are more accurately done.

Accurate reports are kept as regards seasonal variations in product demand, which helps to organize stock levels in advance in order to meet customer needs, customizable reports about daily takings and spending, which helps to identify and curb unnecessary spending.

Employee tracking, using unique codes (clerk codes), helps link individual employees with specific transactions. It can aid healthy competition in the business, while taking necessary action with employees who are weaker or not improving. When transactions are being tracked, it discourages employee stealing.

Price consistency is sometimes problematic across different outlets. When implemented, POS helps merchants have access to a digital product database where promos, price amendments or one-off deals can be made and these amendments are applied across all outlets. This improves customer service as customer receive sale service levels and prices are same in all outlets, and will make customers more inclined to keep doing business with paradise boutiques

Paradise boutiques can integrate POS system with the accounting software and use data obtained to adjust prices, establish recurring sales, renew accounting information to check how variables affect their business, decipher items requiring less stock in order to consolidate shipping processes, determine factors like opening hours or how raised prices affect account statement of the business. Information about customer buying preferences can be used to drive sales when such data is leveraged.

6.6 POS integration

POS providers offer third party integration mostly. In order to gain access and be integrated with their systems one needs to be sure to choose the right vendor. Efficient integration with a POS system can be quickly done when all involved parties have clear synergy statements and plans.

First process involves paradise *choosing the right vendors* as there are many vendors but not all are efficient. Proper background check on their previous integrations should be done.

Introducing the company, paradise boutiques, in a way that makes it stand out from the crowd, is the next step, as good POS companies get at least 5 daily requests for integration. *Setting up a strong portfolio* before approaching a POS company, with a strong web page which in itself answers the question of why the company should integrate with paradise

boutiques, what they get from this integration and how sustainable paradise boutiques is, in the market.

Making *clear synergy statements* when pitching an integration request is all important. There are always integration managers from looking for integration requests. Websites, customer service centers or LinkedIn are some places to interact with possible vendors. The integration process is halved already when such people are contacted. A *stable revenue model* and *cost synergy* need to be discussed and well detailed or planned out. Synergy statements and benefits to be derived on both sides should be made clear, while deciding what each side stands to benefit.

After revenue discussions, then is time for the product development team. *Technical requirements* also should be discussed, sharing the API as well as doing a proper SOP before initializing development.

Testing part now comes in. This is actually a key part of the integration process as it is the communication between two products. A week up till a month should be enough for the testing period. (Vasudev 2017.)

7 RECOMMENDATIONS

Paradise Boutiques has to create a plan in order to reach a decision as to whether they need to build their own website or buy E-commerce software as well as to figure out which E-commerce practice they intend to start with.

In order to fully capture their customer's interest and to increase their customer base, Paradise Outfits needs to look into the security or protection of customer information as this is paramount in giving the customers an assurance of safety as to their personal information. The shopify E-commerce software is easy to integrate, if the E-shop model is adopted.

Reasonable funds have to be allocated for the implementation of the different E-commerce practices that have been detailed in this report in order for Paradise Boutique to get the best quality service providers.

Choosing the best logistic service provider (LSP) while implementing the logistic system is quite essential, especially one that is conversant with the density of population in the city of Lagos and its environs, which is the reason the author has recommended DHL here as they have a longstanding and trustworthy reputation in Nigeria, for safe, fast, effective and reliable deliveries.

The author recommends that Paradise Boutiques begins with an adoption of the POS in order to have a common point of reference between its different outlets and to synchronize all products catalogues and orders generated in the POSs since that is one of the main problems of the company.

In the present situation there is bulk physical cash handling, going to and from different outlets to retrieve products for customers while being unsure of which particular outlet might have the desired merchandise, diminishing the carrying of bulk cash to the banks. E-commerce would reduce the possibility of cash being stolen whether by robberies or by staff, and better record keeping. This is a recommended start for the adoption of E-commerce practices by Paradise Boutique. The POS Openbravo 2.00 integration is therefore recommended here by the author.

Development of such integration is done using the current infrastructure of web services used for integration. An Openbravo POS operator executes the action that starts the integration process and synchronizes data. The dependencies are current technology and integrator libraries – Web services and Axis.

Master data will be managed by Openbravo ERP. Customer information and outlet or warehouse information will be managed by Openbravo ERP as well. Openbravo ERP will execute the integration process in order to maintain the information on the customers up to date. Openbravo POS administrators will update master data of the POS environment by starting the synchronizing process which is done by pressing the corresponding button in Openbravo POS. Other information about taxes, products, categories customers and outlet status as well will be managed therein.

The Openbravo POS will be configured to be connected to an Openbravo ERP server which must have an External POS registered. Periodical recording of sales generated in the POSs needs to be done. The uploading process starts by pressing the corresponding button on the Openbravo POS.

Technical Requirements

To synchronize the product catalogues, the following process is executed in Openbravo POS

```
public Product [ ] getproductscatalog(
int ID_Client ,
int ID_Org ,
int POS_Key ,
String Openbravo_User,
String Openbravo_Password) ;
```

And to Upload Orders

```
public void uploadorders(
int ID_Client ,
int ID_Org ,
int POS_Key ,
Order [ ] Orders ,
String Openbravo_User ,
String Openbravo_Password) ;
```

To synchronize the master data

```
public Customer [ ] getcustomers(
int ID_Client ,
int ID_Org ,
int ID_POS Key ,
String Openbravo_User ,
String Openbravo_Password) ;
```

The customer class contains fields required to identify the customers in the POS, the product class includes outlet or store information status to include store information, and the customer ID needs to be included to show customer information.

8 CONCLUSIONS

After examining E-commerce and its influence on SMEs in developing countries, this report analyses the current state of the E-commerce business in Nigerian SMEs, the country where Paradise Boutiques is based, lists underlying problems which limit the operation of the SMEs and the impact that adopting and implementing E-commerce practices will have for Paradise Boutiques. Organizations intending to gain a competitive advantage and stand out with an ability to compete with their competitors stand to benefit from the E-commerce adoption and integration. This report identifies and details processes involved in the adoption of these practices.

As technological advancements continue rapidly in Nigeria, it is necessary for Paradise Boutiques to change its present transaction practices if it is to meet up with the rising business standards and if growth and outshining competitors is their business intent and to adopt these profitable E-commerce practices.

Conclusively, besides from checking the current transaction processes and proffering solutions to underlying existing problems, this report also presents a new business model that could only bring about profit and standard business practices in the online fashion retail business for Paradise Boutiques Lagos.

REFERENCES

- Aghuanor, L. & Fotoh, X. (2006). *Factors Affecting E-commerce Adoption in Nigerian Banks*. JONKOPING UNIVERSITY. Retrieved 10 August 2017 from <http://www.diva-portal.org/smash/get/diva2:4190/fulltext01>
- Al-Alawi, A.I., & Al-Ali, F.M. (2015). *Factors Affecting E-commerce Adoption in the GGC: An Empirical Study of Kuwait*. Research Journal of Information Technology 7(1): 1–21. Retrieved 6 August from <http://scialert.net/qredirect.php?doi=rjit.2015.1.21&linkid=pdf>
- Apulu, I., & Latham, A. (2009). Information and Communication Technology Adoption: Challenges for Nigerian SME's. TCM Academic Journal 4 (2): 64–80.
- Auger, P. & Gallagher, J.M. (1997). "Factors Affecting the Adoption of an Internet-Based Sales Presence for Small Businesses" The Information Society, 13, 55–74.
- Bagale, G.S. (2014). *Determinants of E-commerce in Indian MSME Sector: A Conceptual Research Model Based on TOE Framework*. Universal Journal of Management 2(3): 105–115.
- Bhatnager, A. (2009). *Textbook of Supply Chain Management*. Lucknow, India: Global Media.
- Canzer, B. (2005). *E-Business: Strategic Thinking and Practice*. USA. Cengage Learning.
- Carter, J. (2012). *What is a pain point?* Retrieved 23 August 2017 from <http://pointsandfigures.com/2012/04/27/whats-a-pain-point/>
- Central Intelligence Agency Reports (2016). *The World Facts Book*. Retrieved 9 August 2017 from <https://www.cia.gov/library/publications/the-worlfactbook/geos/ni.html>
- Clarke, G.R. (2001). How enterprise ownership and foreign competition affect internet access in Eastern Europe and Central Asia. *World Bank Policy Research Working Paper*, 2629.
- Cosgun, V. & Dogerlioglu, O. (2012). *Critical Success Factors Affecting e-commerce Activities of Small and Medium Enterprises*. Information Technology Journal, 11: 1664–1676. Retrieved 9 August 2017 from <http://scialert.net/abstract/?doi=itj.2012.1664.1676>

Curtis, G. & Cobham, D. (2008). *Business Information Systems: Analysis, Design and Practice*. 6th edition. United Kingdom: Pearson Education.

Daniel, M. (2004). *Doing Quantitative Research in Education with SPSS*. Sage Publications Inc. London, GBR.

Davies, A.J. & Garcia-Sierra, A.J. (1999). *Implementing Electronic Commerce in SME's – three case studies*. BT Technology Journal, 17(3): 97–111.

Denzin, N.K. & Lincoln, Y.S. (2005). *The Sage Handbook of Qualitative Research*. 3rd edition. California, USA: Sage Publications, Inc.

DHL Logistics. Implementing DHL XML Services. Retrieved 29 August from http://www.dhl.co.uk/content/dam/downloads/uk/Express/PDFs/developer_centre/implementing_dhl_xml_services.pdf

Drew, S. (2003). *Strategic Uses of E-commerce by SME's in the East of England*. European Management Journal 21(1): 79–88.

eCommercefuel (2015). What is Drop Shipping? Retrieved 12 August 2017 from <http://www.ecommercefuel.com/what-is-drop-shipping/>

Epstein, M.J. (2004). *Implementing Ecommerce Strategies: A guide to corporate success after the dot.com bust*. Westport, USA: Praeger Publishers.

Expertmarket (2017). What is the Advantage of a POS System? Retrieved 23 August 2017 from <https://www.expertmarket.com/advantages-pos-system>

Federal Government of Nigeria (2007). *National policy on micro, small and medium enterprises*. Abuja, Nig: SMEDAN Planet Press Ltd.

Ferreira, N.M. (2017). 20 Ecommerce Advantages and Disadvantages You Need to Know. Blog Publication 5 August 2017. Retrieved 13 August 2017 from <https://www.oberlo.com/blog/20-ecommerce-advantages-and-disadvantages>

Folorunsho, O., Awe, O.G., Sharma, S.K. & Zang, J. (2006). *Factors Affecting the Adoption of E-commerce: A Study in Nigeria*. Journal of Applied Sciences, 6: 2224–2230.

Fredriksson, T. (2013). E-commerce and Development: Key trends and issues. UNCTAD, Division on Technology and Logistics. World Trade Organization. Retrieved 28th October 2017 from https://www.wto.org/english/tratop_e/devel_e/wkshop_apr13_e/fredriksson_ecommerce_e.pdf

Gao, R. (2014). Management Information Systems: E-commerce and the Internet. Retrieved 7 August 2017 from <https://www.slideshare.net/rgao2009/8-ecommerce>

Grandon, E.E & Pearson, J.M. (2004). *Electronic Commerce Adoption: an empirical study of small and medium US businesses*. Information and Management Journal, 42(1): 197–216.

Grandon, E., & Pearson, M.J. (2004). *E-commerce Adoption: Perceptions of Managers/ Owners of Small and Medium Sized Firms in Chile*. Communications of the Association for Information Systems, 13th edition, 81-102

Griffin, D. (2017). Explain the Business to Customer Model. Retrieved 4 August 2017 from <http://smallbusiness.chron.com/explain-business-consumer-model-2258.html>

Ihenyen, S. (2015). E-commerce Evolution in Nigeria: Opportunities and Threats. Retrieved 23 July 2017 from <https://www.linkedin.com/pulse/evolution-e-commerce-nigeria-opportunities-threats-senator-ihenyen>

Jacobson, D., Brail, G. & Woods, D. (2011). *APIs: A Strategy Guide*. California, USA: O'Reiley Media Inc.

Jansen, W., Steenberkkers, W. & Jagers, H. (2007). *New Business Models for the Knowledge Economy*. Oxon, Great Britain: Ashgate Publishing Group.

Jegede, C.T. (1990). The Development of Small and Medium Scale Industries in Nigeria: management in Nigeria. *Journal of Management* 20(9): 9–13.

Kothari, C.R. (2004). *Research Methodologies: methods and techniques*. Delhi, India: New Age International.

Kulkarni, A. (2013). Elements of Logistics and Supply Chain Management. Retrieved 27 July 2017 from <https://www.slideshare.net/amitkulkarni14811/elements-of-logistics-supply-chain-27379150>

Lardbucket (2012). Components of E-Business. Retrieved 3 August 2017 from <https://2012books.lardbucket.org/books/modern-management-of-small-businesses/s08-01-e-business-and-e-commerce-the-.html>

Lawal, M.M & Khadija, A. (2012). An overview of E-commerce Implementation in Developed and Developing Country: A case study of United State and Nigeria. 2(5): 3068–3080.

Laudon, K.C. & Traver, C.G. (2009). *E-commerce: business. technology. Society*. 5th edition. New Jersey, USA: Prentice Hall.

Lin, B. & Jones, C. (1997). Some Issues in Conducting Customer Satisfaction Surveys: Applied marketing science. *Journal of Marketing Practice*. 3(1): 4–13.

Marceaux, P. (2015). Top 5 Emerging E-commerce Markets in 2015. Blog Publication 1 July 2015. Retrieved 19 August 2017 from <http://blog.euromonitor.com/2015/07/top-5-emerging-e-commerce-markets-in-2015.html>

Mwakikagile, G. (2001). *The Modern African State: Quest for Transformation*. Huntington, New York: Nova Science Publishers, Inc.

Nanehkaran, Y.A. (2013). An Introduction to Electronic Commerce. *Int Journal of Scientific and Technology Research*. 2(4): 190–193.

Nelson, M.L. & Shaw, M.J. (2003). The Adoption and Diffusion of Interorganizational System Standards and Process Innovations. *Proceedings of the Workshop on Standard Making: A Critical Research Frontier for Information Systems*. Seattle, WA: 258–301.

Nordas, H.K. (2015). *Services SMEs in International Trade: Opportunities and Constraints*. E15 Initiative. Geneva. Retrieved 9 August 2017 from <https://www.ictsd.org/sites/default/files/research/E15-Services-Nordas%20FINAL.pdf>

Nworgu, B.G. (n.d.). *The Indispensability of ICT in Education Research: Information Communication Technology in the Service of Education*. Enugu Nigeria. Timex, 1–10.

Oborah, J.O. (2011). *Status of the Utilization of E-commerce Resources by Small and Medium Enterprises in Nigeria*. *International Journal of Business. Information. Technology*. 1: 165–173.

OECD (2002). *Outlook for SME Performance and Policies*. Organization for Economic Co-operation and Development. OECD Publications. Paris, France. 2: 16.

OECD (2010). *Innovative SMEs and Entrepreneurship for Job Creation and Growth: Lessons from the Global Crisis and the Way Forward to Job Creation and Growth*. Paris. 1–14.

Openbravo (2012). Projects: Openbravo POS Data Integration/Functional Specification. Retrieved 27th October 2017 from http://wiki.openbravo.com/wiki/Projects:Openbravo_POS_Data_Integration/Functional_Specification#Closed_Discussion_Items

Orimobi, T. (2017). *The Growth of E-commerce in Nigeria: A Brief Overview*. Ibadan, Nigeria. Retrieved 7 September 2017 from <http://tolegalgroup.com/wp-content/uploads/2017/02/E-commerceArticleThegrowthofe-commerceinNigeria-ABriefOverview.pdf>

Osuala, E.C. (2004). *Principles and Practices of Small Business Management in Nigeria*. Enugu: Cheston Agency Ltd.

Ovia, F. (2007). *E-commerce in Nigeria- What the Future Holds*. Retrieved 27 July from <http://allafrica.com/stories/200701110050.html>

Oyeniya, O. (2013). Nieria.Com. *The emergence of E-commerce*. Retrieved 9 September from <http://vnt.rs/90s0w>

Patel, S. (2010). The Difference between Internal & External Business Environments. Retrieved 28 October 2017 from <http://www.expertbusinessadvice.com/leadership/The-Difference-Between-Internal-and-External-Business-Environment-321.html>

Patten, D. (2008). *How to Market Your Business: A practical guide to advertising, PR, selling, and direct and online marketing*. 6th edition. London, United Kingdom: Kogan page.

Petryni, M. (2017). Direct Sales Model Advantages. Retrieved 6 August 2017 from <http://smallbusiness.chron.com/direct-sales-model-advantages-32207.html>

Ranganathan, C. & Ganapathy, S. (2002). *Key Dimensions of Business to Customer Websites: Information and Management*. 39(6): 457–465.

Rappa, M. (2010). *Business Models on the Web*. Retrieved 9 August 2017 from <http://digitalenterprise.org/models/models.pdf>

Riggins, F.J. & Rhee, H.S. (1998). *Toward a Unified View of Electronic Commerce*: Communications of the ACM. 41(10): 81–85.

Rogers, E.M. (1995). *Diffusion of Innovations*. 4th edition. New York: Free Press.

Rogers, E.M. (2003). *Diffusion of Innovations*. 5th edition. New York: Free Press.

Roos, D. (2017). The History of E-commerce. Retrieved 9 August 2017 from <https://money.howstuffworks.com/history-e-commerce1.htm>

Samtani, G. (2002). *B2B Integration: A Practical Guide to Collaborative E-commerce*. London: Imperial College Press.

Schneider, G.P. (2008). *Electronic Commerce*. 8th edition. Boston, USA: Cengage Learning.

Schneider, G.P. (2010) *Electronic Commerce*. USA: Cengage Learning Boston.

Scupola, A. (2009). *SMEs E-commerce Adoption: Perspectives from Denmark and Australia*. *Journal of Enterprise Information Management*. 22(1/2): 152–166.

Smallbusinessheroes (2013). A Short History of E-commerce. Retrieved 27 July 2017 from <http://www.smallbusinessheroes.co.uk/features/infographic-short-history-ecommerce/>

Shuttleworth, M. (2008). Validity and Reliability. Retrieved 27 September 2017 from <https://explorable.com/validity-and-reliability>

Smartdraw (2017). E-commerce Workflow Chart. Retrieved 29 September 2017 from <https://www.smartdraw.com/workflow-diagram/examples/ecommerce-workflow-diagram/>

Spacey, J. (2016). 20+ Types of Business Models. Retrieved 13 August 2017 from <https://simplicable.com/new/business-models>

Tagliavini, M., Ravarini, A. & Antonell, A. (2001). *An Evaluation Model for Electronic Commerce Activities within SMEs*. *Information Technology and Management*. 2: 211–230.

Tassabehji, R. (2003). *Applying E-commerce to Business*. London, GBR: Sage Publications Inc.

Turban, E., King, D., Lee, J.K., Liang, T.P. & Turban, D.C. (2015). *Electronic Commerce: A Managerial and Social Networks Perspective*. 8th edition. Switzerland: Springer International Publishing.

USAID Deliver Project (2011). *The Logistics Handbook: A Practical Guide for the Supply Chain of Health Commodities*. 2nd edition. Arlington, USA: John Snow Inc.

Vasudev, N.K. (2017). 5 Steps for Efficient Integration with a POS System. Retrieved 22 September 2017 from <https://www.quora.com/Many-Point-of-Sale-POS-providers-offer-3rd-party-integration-What-is-the-most-efficient-way-to-gain-access-to-their-POS-systems>

Wang, H. & Hou, J. (2012). *Factors Affecting Business-to-Business E-commerce Adoption and Implementation in Small and Medium-Sized Enterprises*. International Conference in Electrics, Communication and Automatic Control Proceedings. 1327–1332.

Wang, R. & Zhao, Y. (2017). Impacts of E-commerce on the Development of the Small and Medium-Sized Enterprises and its Adoption of Strategies. Thesis. Degree Program in Industrial Management. Savonia University of Applied Sciences. Retrieved 13 July 2017 from <http://urn.fi/URN:NBN:fi:amk-201705168344>

Other Websites:

<https://en.wikipedia.org/wiki/Nigeria>

PARADISE BOUTIQUES ONLINE PURCHASE SURVEY

PARADISE BOUTIQUES ONLINE PURCHASE SURVEY

Please take a few minutes to answer this questionnaire about online buying behavior for a survey for Paradise Boutiques. Thanks.

* Required

1. For how long have you been using the internet? *

Mark only one oval.

- 1 to 5 years
- 6 to 10 years
- 11 to 20 years
- More than 20 years
- Other: _____

2. How often do you use the internet? *

Mark only one oval.

- Very often
- Often
- Sometimes
- Not very often
- Never

3. How confident do you feel when using the internet? *

Mark only one oval.

- 1 2 3 4 5
- Very confident Not confident at all

4. How often do you use the following while browsing the internet? *

Mark only one oval per row.

	Very often	Often	Sometimes	Not very often	Never
Reading news/articles/journals	<input type="radio"/>				
Job search	<input type="radio"/>				
Shopping online	<input type="radio"/>				
Travel plans	<input type="radio"/>				
Career search	<input type="radio"/>				
Searching for product information	<input type="radio"/>				
Research purposes	<input type="radio"/>				

5. Have you ever purchased a product on the internet? *

Mark only one oval.

- Yes
 No
 Maybe

6. If yes, how often do you buy products on the internet? *

Mark only one oval.

- Very often
 Often
 Sometimes
 Not very often

7. What is your preferred mode of shopping? *

Mark only one oval.

- Traditional shopping
 Online shopping
 Both

8. Why do you not prefer online shopping (tick one option for each) - skip this part if you like shopping online? *

Mark only one oval per row.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
No internet access	<input type="radio"/>				
Navigating the internet is difficult for me	<input type="radio"/>				
Internet is expensive	<input type="radio"/>				
Traditional shopping is convenient	<input type="radio"/>				
I like seeing physical products	<input type="radio"/>				
I like shopping physically with friends	<input type="radio"/>				
Less product information online	<input type="radio"/>				
Shopping online is unreliable	<input type="radio"/>				
Unguaranteed aftersale services and retailers credit	<input type="radio"/>				
I like talking to physical sales representatives	<input type="radio"/>				
Late product delivery	<input type="radio"/>				
Unreliable payment systems	<input type="radio"/>				
Unguaranteed internet security	<input type="radio"/>				
I dislike newsletters and email notices	<input type="radio"/>				
Returning products is inconvenient	<input type="radio"/>				
I enjoy physically going from shop to shop	<input type="radio"/>				

9. Why do you prefer online shopping (tick one option for each)- skip this part if you do not like shopping online? *

Mark only one oval per row.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
More relaxed shopping experience	<input type="radio"/>				
Convenient & accessible 24/7	<input type="radio"/>				
Shopping from my home or office is more convenient	<input type="radio"/>				
Online shopping is easier and less time consuming	<input type="radio"/>				
No worries about my physical safety unlike shop to shop	<input type="radio"/>				
Shopping online fits well with my daily schedules	<input type="radio"/>				
No carrying cash around	<input type="radio"/>				
Convenience of delivery in online shopping	<input type="radio"/>				
I dislike travel distance from shop to shop	<input type="radio"/>				
I can compare a various products online at home or work	<input type="radio"/>				

10. Do you feel secure sending personal information across the internet web? *

Mark only one oval.

- Yes
 No
 Maybe

11. Which features do you value the most while shopping online? *

Mark only one oval per row.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Simplicity of process	<input type="radio"/>				
Company profile and brand equity	<input type="radio"/>				
Large merchandise selection	<input type="radio"/>				
24/7 customer service	<input type="radio"/>				
Detailed product information	<input type="radio"/>				
Free shipping and handling	<input type="radio"/>				
Clarity of return policy statements	<input type="radio"/>				
Quick accessibility and navigation on pages	<input type="radio"/>				
General functionality	<input type="radio"/>				
Good tracking processes	<input type="radio"/>				
Policy statements	<input type="radio"/>				
Security certificates	<input type="radio"/>				
Specified delivery time frames	<input type="radio"/>				

12. Do you intend to purchase products online in the future? *

Mark only one oval.

- Yes
 No
 Maybe

13. Will you like to see a paradise boutique online shop in the nearest future? *

Mark only one oval.

- Yes
 No
 Maybe

14. Will you refer others to our online shop if started? *

Mark only one oval.

- Yes
 No
 Maybe

15. Gender *

Mark only one oval.

- Female
 Male
 Prefer not to say
 Other _____

16. How old are you? *

Mark only one oval.

- Below 20
 Below 30
 Below 40
 Below 50
 Below 60
 Below 70
 Below 80
 80 and above

17. Are you *

Mark only one oval.

- Employed full-time
 - Employed part-time
 - Unemployed
 - Retired
-

Powered by
 Google Forms