Ethical Concerns in the Adoption of Electronic Commerce Technology by Small and Medium Sized Enterprises

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Abstract
The interest and urge of business organizations to take advantage of the growth of internet usage for day to day business transactions continues to increase. The main aim of this study is to investigate on ethical concerns in the adoption of electronic commerce technology by small and medium sized enterprises in Nigeria. The study used a quantitative approach to data collection to gather information from small and medium sized enterprises in 6 classified sectors in Maiduguri, Borno State. In this study, closed-ended questionnaires were designed and distributed to participants in the responding organizations to elicit information pertaining to adoption of electronic commerce technology in their daily operations. The data obtained were analyzed and presented in tabular form with the aid of descriptive statistics. This study found that online transaction is mainly determined by the knowledge of business owners and potential customers coupled with availability of internet and technology infrastructure in the country. This study also revealed that small businesses with online knowledge use the internet infrastructures for the exchange of information and customer support services. However, for those with online presence the use internet facilities for customer support services and checking of new varieties of products and services. Finally, the study reported that some of the factors that determine online transaction among small

business owners and customers in Nigeria are; fear of fraud, lack of privacy, lack of rust, unreliability of the system and lack of security. Future researchers could use a qualitative method of data collection to find out real life experiences of business owners and customers as regards the ethical concerns in the adoption of electronic commerce technology in Nigeria.

Keywords: *Business Ethics, E-Commerce, Technology Adoption, Small and Medium Scale Enterprises, Nigeria.*

1.0 Introduction

Like any other innovation, electronic commerce (e-commerce) technology has been discussed in literature as having the potential to positively alter the way businesses operate especially in the way they transact and deliver goods and services to customers and clients (Jones et al., 2000; Doyle, 2001; Baltzan and Phillips, 2008). Hence, emphasizing on this alteration, Baltzan and Phillips (2008) posited that e-commerce has changed the face of business transactions in area of having sales people call on offices to introduce products and services. These activities could nowadays be conducted electronically with the buyer and seller seeing each other on their computer screens on real time. Thus, understanding this, e-commerce was described by Doyle (2001), as selling goods or services over the internet against the traditional display of goods and services in the distribution outlet. Nonetheless, given the financial benefits e-commerce offers especially as observed by Anup (1997) that e-commerce offers a level playing ground for large businesses as well as small and medium sized enterprises (SMEs) to operate in the global markets-place; and for regional businesses and communities to participate in social, economic and cultural networks. Seamlessly thus, across international boundaries, the rate of adoption of e-commerce is not as it should be especially by small and medium sized enterprises in the developing world. Swanson (1994) reported on the sluggish diffusion of electronic commerce technology among small and medium sized enterprises in developing countries. This has resulted in different empirical investigation of this development in various sectors by different researchers. Some of these studies have reported that SMEs are generally lagging behind compared to large organizations as far as the adoption and usage of e-commerce for buying and selling is concerned. Nonetheless, the reluctance of SMEs to implement e-commerce should be of major concern to governments, policy makers and managers alike, as they are the instrument of growth of global economy (Jones et al., 2000; Bilau et al., 2015c). Professionals and researchers have argued that SMEs require all the encouragement to enable them embrace e-commerce. They could gain competitive advantage through adoption of e-commerce as it will open their business to the larger market and thus contribute to economic growth of the country in question. Adoption of e-commerce thus entails taking advantage of the evolution of information and communication technology (ICT) that has brought various changes and advancement in the world of business. This paper therefore has as its main objective to investigate on the ethical concerns in the adoption of electronic commerce technology by small and medium scale enterprises in Nigeria. It also highlights the prospects of e-commerce and the benefits to be derived by SMEs adopting e-commerce in Nigeria. The paper, will also discuss ethical issues in the adoption of e-commerce by SMEs, first by examining the concept of business ethics and then highlighting on ethical issues that could stand in the way of SMEs adopting e-commerce technology.

2.0 Literature Review and Various Definitions of Small and Medium Sized Enterprises

In both developing and developed countries, small and medium sized enterprises play substantial roles in the process of industrialization and economic growth (Bhatt, 2005; Covill, 1999; Doyle, 2001; Bilau et al., 2016a). Apart from increasing per capita income and output, SMEs create employment opportunities, enhance regional economic balance through industrial dispersion and generally promote effective resource utilization considered critical to engineering economic development and growth. Bilau et al. (2016c) argued that, the role played by SMEs notwithstanding its development is everywhere hindered by insufficient financial wherewithal, incapable managers and inadequate technology infrastructure. Beauchamps and Bowie (1981) observed that small and medium sized enterprises with opportunities to invest in positive net present value projects may be obstructed from doing so because of adverse selection and moral hazard problems. Ajagbe (2014) posited that adverse selection problems arise when anticipated providers of external finance cannot readily confirm whether the organizations have access to high grade projects. Nonetheless, the liquidity ratio of the financiers plays a major role. The researcher also adds that the problem of moral hazard could be linked with the possibility of SMEs diverting capital allocated to finance alternative projects. Also to build the inclination to take excessive risks due to some pervasive incentive structure in the system. On the other hand, because SMEs do not have access to public capital markets they naturally rely on commercial banks for financing their organizations.

Beck and Demirgüç-Kunt (2006) further noted that shocks to the economic environment in which both commercial banks and SMEs exist can substantially impact the willingness and capability of commercial banks to fund small and medium sized enterprises. These shocks come in different ways such as technological innovation (Ajagbe et al., 2015), regulatory regime shifts, and shifts in competitive conditions and changes in macroeconomic atmosphere of the country. However, financial institutions respond to these shocks in a number of ways, one of which is to develop stringent lending rules that not only avail them of full information about the firm and the owner, but also ensure that their investment in such firms are guaranteed in both the short and the long-run (Bhatt, 2005; Covill, 1999; Doyle, 2001). In less developed countries where there is a dearth of information on the operations of SMEs, the situation degenerates into total risk-aversion by financial institutions in funding SMEs. Ajagbe (2014) stressed that such risk-averse attitude can eventually affect the performance of monetary policy through the credit channel of policy transmission and perhaps snowball into financial instability in the system.

In China, SMEs were described as an enterprise with 1-3000 personnel; total assets from ¥40-400 million and business revenues from ¥10-300 million depending on the industry. Huy and Filiatrault (2006) opined that the European Union (EU) considers an SME as an enterprise with up to 250 personnel and turnover of about €50 million or a total balance sheet of about €43 million (Grandison and Sloman, 2000; Gunatilaka, 1999; Huy and Filiatrault, 2006). Theoretically, the choice of SME definition could depend on many factors, such as business culture; the country's population; industry; and the level of international economic integration. Or it could be the result of businesses pushing for a particular definition, which would permit their organization qualify for public SME support scheme. This can result in some very strange distinctions between firms. Grandison and Sloman (2000) suggested that an SME is an organized enterprise with annual turnover in U.S. dollar terms, of between 10-1000 times the mean per capita gross national income, at purchasing power parity, of the country in which it operates. Such description is beautiful in the sense that annual turnover is a good tool to evaluate the impact of SMEs to gross domestic product (GDP). Still on the definitions of SMEs, substantial investigation in about 120 countries reported that it is demanding to obtain information on the annual turnover by SMEs in developing countries. Also, the informal SMEs in some developing countries outnumber formal SMEs, hence, the problem of a universal definition seems unacceptable (Fraser et al., 2000; Goodin, 1975; Jarvenpea et al., 1999).

However, in Nigeria, the Third National Development plan (1975-1980) viewed SMEs as a manufacturing or service organization whose personnel is not more than 10 employees (Afolabi and Efunwoye, 1996; Anup, 1997; Ayo et al., 2011). A research unit of Obafemi Awolowo University (1987) defined an SME as one whose total assets or capital is less than N50, 000 and personnel not more than 50 full time employees. Lacovou et al. (1995) referred to an SME as that whose annual sales do not exceed 9.5million USD. Small businesses are however very important in the nation's economy. Meanwhile, a study by the Federal Office of Statistic (2001) shows that 97% of all businesses in Nigeria employ less than 100 personnel. Considering this definition, an umbrella description entails that it involves enterprises with less than 250 personnel. In the same vein, evaluating United States of America organizations, Pavlou (2001) found small firms have higher degree of innovation in high technology and capital intensive industries particularly in developed countries. Whereas, in developing countries, there is little research and development activity going on in the sector.

Larry (1998) explained that the research on entrepreneurship is of importance in recent times as a result that the study enables small businesses or entrepreneurs better fulfill their individual requirements, but also because of the economic contribution of the young businesses. Small and medium sized enterprises are therefore seen as a positive mechanism in economic development and growth of every nation (Ramas, 1998; Swanson, 1994; Teragam Insights, 2013). The authors summarized the importance of SMEs to include ensuring rapid development, increased utilization of local resources and provision of a training ground for indigenous managers and semiskilled workers, reduction of the rural-urban drift, development of indigenous technology and raising the living standard of rural dwellers and so on. In fact, SMEs account for the economic development in most developed economies of the World today. It has helped in the balance of payment position of countries; it reduces over dependence on inputs relative to their capital investment. Consequently, the Federal Government of Nigeria has made numerous efforts through the introduction of policies at developing SMEs in the country.

Elumilade et al. (2000) argued that the major hindrance in undertaking a cross-country evaluation of SME information is the unavailability of a general definition of the concept of an SME. Hence, a number of attempts to summarize SME definitions has not succeeded. Even though, the heterogeneous nature of the firms and the nature of the economy they exist in might mean that establishing a global definition might prove difficult. The most common definitions adopted by public organizations are dependent on the number of personnel, sales and/or loan size. According to the Organization for Economic Cooperation and Development (OECD), the characteristic of SMEs not only reflects the economic patterns of a country but also the social and cultural dimensions (Bilau et al., 2015b; Bilau et al., 2015c; Dubrin, 2010). These differing patterns are noticeably reflected within different definitions and criteria of SMEs adopted by different countries.

2.1 Concept of Electronic Commerce Technology

Fraser et al. (2000) stressed that the newness of the internet has made it safer to believe that almost everybody who has made an online purchase derived their knowledge about electronic commerce offline. Goodin (1975) argued that 'dirt-side' commerce transactions have structural, schematic, and semantic orders that do not fully align to the numerous medium of the web. In addition, the gap in mapping results to the challenges internet users experience trying to shop online. Jarvenpea et al. (1999) described electronic commerce technology as the process of buying, selling, transferring, or exchanging products, services, or information through computer platforms. On the other hand, electronic business is perceived to be wider in scope because it involves not only the buying and selling of goods and services, but also servicing customers, collaborating with business partners, and carrying out electronic trading within an organization. The traditional organizations carry out their primary business off-line, selling physical products by means of physical agents. However, the virtual organizations are those firms that conduct their business activities solely online (FMLP 2004; Fraser et al., 2000; Goodin, 1975; Jarvenpea et al., 1999).

In the opinion of Kuisma et al. (2007), electronic commerce technology entails numerous online businesses trading for products and services. The authors continued that it pertains to any kind of business operations in which the buyers and sellers intermingle electronically rather than by physical exchanges or direct physical contact. Electronic commerce technology is often connected with buying and selling over the Internet, or carrying out any business involving the transfer of ownership or rights to use goods or services through a computer-connected system. Nevertheless, this definition is viewed as widespread, it is not detailed enough to capture current happenings in the current and dynamic business atmosphere (Kuisma et al., 2007; Ogbari et al., 2016). Another mindset was put forward as positioning electronic commerce as the adoption of electronic communications and digital data processing technology in business operations to create, transform, and redefine linkages for value creation between or among organizations and/or individuals.

Efforts were made by some researchers to distinguish the concept of electronic commerce from that of electronic business (Longman, 2008; Mahmood et al., 2014; Mambula, 2002). They posited that e-commerce; ICT is used in inter-business or inter-organizational operations and in business-to-consumer dealings. Whereas, in electronic business, it is thought that ICT is used to enhance one's business activities. This involves any process that a business organization conducts over a computer-linked mechanism. Mambula (2002) suggested a more comprehensive description as the transformation of an organization's processes to deliver added customer value through the application of technologies, philosophies and computing paradigm of a new economy.

2.2 Small and Medium Sized Enterprises and Electronic Commerce Technology Adoption

Dubrin (2010) reported that SMEs differ from country to country, culture to culture, and that it transcends beyond sectors of the economy. The author added that the definition is not identical because countries vary in the parameters adopted in the description. Whereas, some use number of people employed, others use size of capital, sales, assets and so on. In Egypt, they view SMEs as those business having more than 5 and fewer than 50 personnel. Vietnam, considers SMEs to be business that have between 10-300 personnel, 15 million in annual revenue and 15 million in assets (Anup, 1997). However, Afolabi and Efunwoye (1996) mentioned that the Central Bank of Nigeria (CBN) viewed a small business as that organization having less than 50 personnel, and a medium sized organization as one with not above 100 personnel. Nonetheless, SMEs are described as having between N1-N150 million naira in asset base. Pavlou (2003) found that the Tanzania Ministry of Industry classified small and medium sized enterprises with number of employees and cost of investment parameter. The numerous descriptions validate earlier suggestion that different countries use varying measures to define the concept. In view of this, Ayo et al. (2011) suggested that the most important is not how the concept is defined, but that they play significant roles in economic growth. In another dimension, they are perceived to lack the muscles of large businesses to be everywhere; hence, they are sometimes localized to small communities.

Dubrin (2010) stated that the introduction of computer and internet has enabled SMEs to extend their operations to other business and individual customers, and would-be customers through the implementation of electronic commerce technology in their day to day transactions. Hence, it has become a way that they could use to pilot business transactions over the web, which includes exchange of information of value in the form of products and services as well as expenditure with the help of web-based technologies (Fraser et al., 2000). However, the introduction of internet technology has become the backbone for the encouragement to adopt electronic commerce technology. In this view, Anup (1997) posited that the internet has changed the face of businesses and is providing consumers with the ability to bank, invest, purchase, distribute, communicate, explore and research from virtually from anywhere. Moreover, having internet access only is however not the only requirement in the adoption of e-commerce. Business organizations need to build a call centre to enable for human touch, keep customers informed about order progress, constantly monitor and update the e-business, mix bricks and clocks, develop a global presence and protect customers against fraud.

2.3 The Need for E-Commerce Technology Adoption by Small and Medium Sized Enterprises

The changing business environment has been boosted since the emergence of the world-wide-web. Due to this, there exist the needs for SMEs to adopt e-commerce technology if they have to efficiently and effectively compete in local and global environment. This is because as Doyle (2001) reported that the platform provides a level playing field with which SMEs can effectively compete with large organizations. Baltzan and Philips (2008) argued that e-commerce simply is the buying of and selling of goods and services over the internet or simply an online transaction. They added that the benefits from e-commerce can be argued to be greater for SMEs since traditionally they have operated in an uncertain and dynamic atmosphere. Ayyagari et al. (2007) go further that the time for SMEs not to lag behind in adopting new technologies like the e-commerce is now as many SMEs in developing countries are not making enough efforts for e-commerce adoption despite its benefits. Nonetheless, among the numerous benefits e-commerce offers according to Doyle (2001) are: Online catalogues can be viewed, there is much bigger choice of products, products review can be obtained before you buy, you can see what previous buyers say about a product before you buy, orders can be placed on internet at any time of the day, you can buy software over the internet and receive it by downloading it which is easier than order by post or visiting, amongst other benefits.

From the above outlined benefits, Asing and Tanakinjal (2006) argued that it is obvious that adopting e-commerce by small and medium sized firms is important from the perspective of commercial transactions as it encourages prompt business transactions. Some studies mentioned that many SMEs may have been scared to adopt e-commerce as a result of other requirement to make the e-commerce technology efficient and effective (Beauchamps and Bowie, 1981; Asing and Tanakinjal, 2006). But the fear by SMEs need not have been as cost of implementing e-commerce technology is witnessing a downward trend. Swanson (1994) stated that financially constrained SMEs can use e-commerce as less expensive medium of reaching wide consumers. The concern nonetheless is the reason electronic commerce penetration has not been widely embraced despite the numerous benefits. Beauchamps and Bowie (1981) found that perceived benefits, organizational readiness and external pressure are the perceived factors that could enhance the adoption of electronic data interchange (EDI) of small and medium sized firms. While the perceived benefits factor of e-commerce adoption is on the positive lane, efforts are often directed on the perception and attitude on the perceived benefits which have ethics coloration.

2.4 Business Ethics in Electronic Commerce Technology Adoption

Ogbari et al. (2016) assumed that SMEs are in possession of substantial absorptive capacity (Bilau et al., 2016a; Bilau et al., 2016b; Bilau et al., 2016c) about electronic commerce technology and would have been willing candidates for e-commerce adoption. The researchers posited further that their reluctance might not be unrelated with ethical issues that will emerge in the adoption by small and medium sized enterprises. Ethics are moral principles or beliefs about what is right or wrong. According to Beauchamp and Bovie (1981), these beliefs guide individuals and groups in their dealings with other individuals and provide a basis for deciding whether behavior is right and proper. Hence, ethics guides and also help on decision making. Ogbari et al. (2016) stressed that ethical principles, rules and resolutions are consequently essential as they differentiate socially tolerable behavior from that which is viewed as socially unacceptable. There is no doubt that individuals and enterprises usually encounter ethical dilemma in the course of dealing with individuals, customers and businesses (Ogbari et al., 2016; Qirin, 2004). They asserted that managers often experience ethical dilemma when they confront a situation that requires them to choose between two courses of action, especially if each of them is likely to serve the interests or detriment of the other. A situation often requires that one evaluate a situation or persons and come out with a verdict of the person/situation as ethical or unethical behavior. Such analysis are often on the basis of set standards to be adhered to when such situations surface. Qirin (2004) opined that ethical values are hence strictly in the interest of all stakeholders, meaning that these standards are not expected to be restricted, it should cover not only individual, professional and society but should be taken holistically and factored into any endeavour including business organizations. Ogbari et al. (2016) argued that business ethics is wide as it covers aspects of business social responsibility which will not be discussed here as the focus would be on ethics in electronic commerce. In order words, ethical concerns that can or will interfere in the efficient and effective adoption of e-commerce by SMEs require to be investigated. As e-commerce technology is thumbed up as the innovation that should be embraced by businesses not only large ones but also the SMEs, as a catalyst to efficient and effective collaboration. In the same view, many are quick to point out hindrances that may impact the adoption or non-adoption of electronic commerce by some organizations. Some of the problems that are ethical are thus discussed below.

2.4.1 The Behavior of the People

The people considered here consist of customers, staff of the organization and management of the business as they are the ones greatly affected by the adoption of e-commerce technology. According to Beck and Demirgüç-Kunt (2006), if employees already have adequate knowledge about e-commerce technology, the organization will be more disposed to adopt the technology. However, if not, the first challenging task would require finding and retaining qualified personal with required skills and knowledge (Bilau et al., 2016b; Bilau et al., 2016a). Where the employees already have the knowledge about e-commerce technology, the challenge will shift toward knowing their temperament and disposition towards behaving ethically. However, exposing information that is willingly given by customers and not keeping it confidential as well as possible as not using such information only for the purpose for which the information is given is betrayal. Asing and kinjal (2006) added that through this approach, this means that the business will not take advantage of the customer and expose his information to sources not authorized by him. Often times this are becoming difficult due to the changing behavior of people to compromise and expose valuable information and when this happen the customer will be disenfranchised. As a result of this, the customer involved would not speak well about that business organization as well as the process.

2.4.2 Trust

Mohmood et al. (2004) posited that the trust factor has significant positive contributions to consumer's online shopping behaviour. Customers trust thus impact more on business partners, customers, and staff disposition to e-commerce adoption. Terragon Insights (2013) found that 58% of the population cites fraud and trust as their major reasons for not doing business online. As a result of this fear, businesses thus have the onerous task to assure their customers that they can be trusted. As a way of building trust, businesses are to ensure that all information they are providing are accurate, timely and comprehensive. Nonetheless, providing false or untrue data is not only irresponsible but it is also unlawful (Beck et al., 2005; Pavlou, 2001). Many who have fallen victim of this type of scam are quick to share their encounters. Such experience is enough to deter first timers from engaging in online transactions. Pavlou (2001) posited that business customers doubt the geniuses of online information out of previous encounters or hear say, hence, it is the task of business operators to douse customers doubt by adhering strictly to sets of ethical standards when giving out information.

2.4.3 Security Perception

Beck et al. (2006) described the public nature of the web as having made it susceptible to many security threats. However, issues of stakeholders emphasize on how secure and reliant online transaction is. Anup (1997) stated that the security perception is so serious that making many consumers perceive the internet as a window were hawkers and seekers of information play dubious games with not only personal information but also financial and material resources of consumers for their selfish aims. This, thus, informs customers and businesses to always want to play safe by not wanting to disclose their private data that are usually needed in e-commerce transaction. Baltzan and Philips (2008) concluded that the fear of internet fraud and advance fee fraud is often the bane of online transaction.

2.4.4 Privacy

Information of people and business organizations dominate the internet such that critics worry most about online privacy issues. Baltzan and Phillips (2008) described privacy as the right to be left alone when you want to be, to have control over your own personal possession, and not be observed without your consent. This is saying yes, I have availed information about myself or my business, use it only when it will be of value to me, use it only when you need them, do not take undue advantage of it. Solomon et al. (2014) argued that this will raise the degree of trust between firms, partners and suppliers and thus support the structure of e-commerce in organizations. They concluded that when stakeholders are skeptical about private information that are provided online for the purpose of online transactions this means an ethical hindrance has already been created. This does not augur well for any business.

2.4.5 Risk

Qirin (2004) opined that the risk in online transaction among many potential users is not unconnected to the uncertain disposition of many customers and individuals to internet business. Nonetheless, the degree of trust reduces the amount of perceived risk by an individual or organization in a particular transaction situation. Solomon et al. (2014) added that when perceived risk is reduced, confidence level will rise, and this enables electronic trading to be established. Several individuals and businesses like to be careful on relationship they want to enter into as a result of the risk factors (Beck et al., 2005; Pavlou, 2001). However, some customers have been known not to complete simple online purchase information order forms. Thus, perceived risk is thus a serious barrier to consumer acceptance of e-commerce. Jones et al. (2000) emphasized that with the openness of the internet, the skepticism is often high particularly the fear that somebody might take advantage of the information one might be making available.

3.0 Research Methodology

The main objective of this paper is to examine ethnical issues in the adoption of electronic commerce by small and medium sized enterprises in Nigeria. However, in order to achieve the objective of this study, the ethical issues identified and reviewed in earlier studies form the basic questionnaire framework to be validated. To collect the data, designed questionnaires in closed-ended format were randomly distributed to small and medium scale enterprises stratified into 6 sectors (SMEs in Maiduguri the capital city of Borno State). The data obtained were presented in table and analyzed using descriptive statistics.

4.0 Presentation and Analysis of Data

Table 4.1: Sector Interviewed

Sector	Number of Enterprises	Number Circulated	Number Retrieved
Restaurant and eateries	10	20	14
Building materials	10	20	12
Printing/Printing materials	10	20	13
Electronic/Household appliances	10	20	11
Telecommunication services/accessories	5	10	6
Travelling and Tour Agents	5	10	6
	50	**100**	**62**

Table 4.2: Online Operations

Sector	Online Yes	Knowledge No	Online Yes	Presence No
Restaurant and entries	4	10	0	4
Building materials	6	6	2	4
Printing/Printing Materials	10	3	9	1
Electronic/Household appliance	5	6	1	4
Telecom services/accessories	6	0	6	0
Travelling and Tour Agents	4	2	2	2
	35 **56.4**	**27** **43.6**	**20** **57.14**	**15** **42.86**

Table 4.3: Online Usage/Application

Constructs Investigated	Percentages of Responses	
	Online Knowledge	**Online presence**
Exchange of information	21 (60%)	10 (50%)

Sales of services	6 (17%)	6 (30%)
Customer support services	21 (60%)	15 (75%)
Checking new variety of products/services	19 54%)	15 (75%)

Table 4.4: Issues in Online Transaction

Constructs Investigated	Number of Respondents	Online knowledge	Online presence
Lack of security	30	48.39%	51.61%
Fraud	40	64.52%	35.48%
Net reliable	32	51.61%	48.39%
Lack of trust	35	56.45%	43.55%
No privacy	38	61.29%	38.71%

Table 4.1 shows the responses from the respondents who completed the questionnaires distributed to respondents in the 6 sectors used for the study. From the number of questionnaires distributed, about 62% of completely filled questionnaires were returned. This percentage was achieved due to the wait and fills method that was used to collect the data. This method was used as a strategy to save time and avoid reluctance and or abandonment of the questionnaire.

In table 4.2 the online operations of the responding organizations were determined from responses from the completed questionnaires. The analysis of the data reported that 56.4% of the business organizations surveyed have online knowledge, while 57.4% of respondents indicated that they have online presence. The study further found that the organizations with online presence use the telecommunication (Internet service provider) modem to transact their businesses online. It is common to hear conversations between people (individual and business owners) on the need to search the internet in order to avail oneself with opportunities and trends in new products or services. Many are therefore being encouraged to be internet computer literate. Furthermore that their goods and services can be displayed online which is one of the benefits of e-commerce especially for SMEs. Managers of SMEs believe that through the internet they can make their goods and services available to the larger market.

Table 4.3 reported on results from online usage and application of internet infrastructure among the organizations surveyed. The analysis of the data revealed that organizations with online knowledge recorded about 60%. This means that in each case they use the online facilities for the exchange of information and customer support services. However for organizations with online presence which recorded about 75%, they adopt internet facilities for customer support services and checking of new varieties of products and services. The reason for this high percentage is not unconnected with the inquisitive nature of the Nigerian customer who likes to compare and contrast his transactions if the necessary information would be made available. The sales of services though has the lowest percentage (17%) for knowledgeable businesses and (30%) for those with online presence is a growing area that require to be exploited by businesses that provide services. The trend now is for those buying services to purchase those services right from the comfort of their homes and offices. The physical presence needed to purchase and use services is decreasing. The service sector is thus one of the biggest gainers in e-commerce (online) transaction. Individuals and businesses with online facilities have been able to reap the benefits of online transactions anytime they require some services. Though online usage for purchase of goods is still very low.

In table 4.4, analyzed data concerning online transaction revealed that the fear of fraud, indicating 64.52%, topped the major ethical issues in e-commerce adoption, followed by lack of privacy, indicating 61.29%, lack of rust, indicating 56.45%, the unreliability, indicating 51.61%, and lack of security factor, indicating 48.39%. The reported factors are derived from customers and organizations that are knowledgeable about online transaction. In another dimension, for those with online presence, lack of security, indicating about 51.61%, unreliability, indicating 48.39%, lack of trust, indicating 43.55%, lack of privacy, indicating 38.71% and fraud factor, indicating 35.48%. Diverse opinion is that some of these ethnical concerns may have been implied by discussions rather than by own experience.

5.0 Conclusion

The main aim of this study is to investigate on ethical issues in the adoption of electronic commerce by small and medium sized enterprises in Nigeria. Even though, extant literature has recorded e-commerce is developed to improve on how enterprises can operate more efficiently and effectively. This entails that with perceived widespread penetration of internet facilities in Nigeria, by now it is believed that the rate of adoption of electronic commerce for online business transactions would have been high. However the rate of e–commerce adoption by SMEs still remains low. This study finds that online transaction is mainly determined by the knowledge of business owners and potential customers coupled with availability of internet and technology infrastructure in the country. This study also finds that small businesses with online knowledge use the online facilities for the exchange of information and customer support services. However, for those with online presence, the use online facilities for customer support services and checking of new varieties of products and services. The reason for the high percentage is not unconnected with the inquisitive nature of the Nigerian customer who likes to compare and contrast his transactions if the necessary information would be made available. Since the physical purchase of services recorded a low value for knowledgeable business owners, the study suggests that the trend now is for those buying services to purchase those services right from the comfort of their homes and offices. This implies that the service sector is thus one of the biggest gainers in e-commerce (online) transaction in Nigeria. As a result of this, organizations with online facilities have been able to reap the benefits of online transactions anytime they require some services. Though, online usage for purchase of goods is still very low, the study reported that people still believe that the need to physically inspect the goods they want to purchase before paying for such products. Nevertheless, customers prefer to source product information via online platform but make purchases the traditional way. Finally, the study reports that some of the concerns in the adoption of electronic commerce among small and medium sized enterprises in Nigeria are; fear of fraud, lack of privacy, lack of rust, unreliability of the system and lack of security.

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