

Challenges of adopting Cooperative Financing Method in an E-Commerce Environment: Experience from Nigeria.

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Abstract

Most studies on cooperatives in Nigeria have been on its micro credit delivery potentials and credit source to Small and Medium scale Enterprises (SMEs). Cooperatives serve low income group and the poor that account for over 70% of the economy. Ignoring cooperatives on the crusade for cashless society would be acceptance of the fact that over 70% Of currency in circulations would be in cash as against the practice in developed economy. The emphasis of existing studies on the active participation of cooperatives as important tools of financial inclusion needs further empirical evidence in the Nigeria context. This paper is an attempt to explore the challenges of cooperative method in an e-commerce environment with a view to proffer solution to issues and problems. Data were collected from 150 staff of selected Cooperatives in Lagos state and analyse using correlation matrix to model relationship between e-commerce and Cooperative service delivery while regression analysis was used to analyse determinants of e-commerce adoption by Cooperatives and its impact on Cooperative operations. Findings showed that increase in e-commerce practices by cooperative based on (E-Dividend, E-Accounting, E-payment system, E-services and E-business) lead to increase in service delivery of Nigeria cooperative Organisation (F-Value-13.36; P-Value-0.000). Also several challenges were faced conducting cooperative business online, the major of which were fear of E -fraud by members @mean of 3.79, security of information @mean of 3.62 and technophobia @mean of 3.58).

Keywords: E-commerce, Financial inclusion, Cooperative Financing Method, Cooperative service delivery

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I. Introduction

The financial inclusion policy of the Nigerian government may not be complete if Cooperative organizations are ignored. This is because majority of low income group and small business owners form the membership of Cooperative Societies worldwide evidenced from existing studies on cooperative accounting and finance (Epetimehin, 2006; Oladejo, 2013). The study of Lakshmi and Visalakshmi (2013) concluded that the success of financial inclusion in India is next to impossible without the participation of Cooperatives and thus emphasised the active participation of cooperatives as important tools of financial inclusion. This situation require further test in the Nigerian socio cultural context. According to Lakshmi and Visalakshmi (2013) the promotion of an inclusive financial system is considered a policy priority in many countries and that financial inclusion is important for improving the living conditions of poor farmers, rural non- farm enterprises and other vulnerable groups who are mostly members of Cooperative Societies. Also Shemshad, Lashgarara, Mirdamadi, Omid and Abadi (2015), believed that using internet facilitates selling products and marketing in cooperatives.

Studies over the years have shown the positive impact of cooperative societies as micro credit delivery channel and vehicle for poverty alleviation (Asaolu 2004; Oladejo 2013). Otto and Ukpere (2011) identified co-operative credits and thrift associations as a veritable source of capital formation which is required for investment purposes. The thrift cooperative as a micro finance agency is also a direct source of employment for those engaged in its management or coordination. However, there is the need for changing roles of cooperatives to meet the global challenges of e-commerce going by the calling by various authors and players in commerce. For example, Birgegaard and Genberg (1994) have pointed out that unless the cooperatives can meet these challenges, they will end up in down-turn spirals of decreasing volumes of business, deteriorating profitability of their operations, reduced capacity to pay remunerative and competitive prices and provide useful services to their members, continued flight of members, still further decline in volumes of business. Lakshmi and Visalakshmi (2013) also suggested that Cooperative Banks in Indian should be proactive about transferring Information and payment technology into an opportunity.

According to Shemshadet *al* (2015), although more than half of employment rate and added value are related to the Cooperatives in this Iran they have not involved in export activities and international business considerably (UNCTAD 1993). The most important Problems and obstacles of these Cooperatives include lack of the adequate resources and capacity, and complications related to the provision of services in international markets as put by Rajabion (2008). Internet suggests set of economical and affordable ways to attract foreign customers and remove the obstacles by providing services and reducing costs related to geographic area(UNCTAD 2002).The use of the Internet for e-Commerce associated with some obstacles and the problems. For example, in a research study conducted by the Organization Economic Development and Cooperation, there are two main reasons advanced on why managers of cooperatives do not use the internet in business to include the fact that they are not familiar with this technology and its benefits as well as costs And security consideration. Also, Oluyinka, Shamsuddin, Wahab, Ajagbe and Enegbuma (2013 found among others that poor infrastructural facilities are the major factors hindering e-commerce adoption among Nigerians. The current study is an attempt to examine whether any of the various identified factors; hinders adoption of e-commerce in Nigeria and to what extent they affect cooperative financing thus forming the basis for policy recommendation relating to e commerce, financial inclusion and cashless policies of Nigerian Government.

This has implications for the development of accounting theories and principles for globalised cooperative operations. The factors influencing adoption of e-commerce by Cooperative Societies in Nigeria is worthy of researching as a basis for financial inclusion and pointer to cashless policy in Nigeria.

Statement of the problem

Experiences from practices of cooperatives over the world and hypotheses derived from institutional economics and the theory of collective action, as observed by Hannisch (2009), suggest that taking advantage from globally integrating value added chains created by development of Information Technology is possible for cooperatives. The observation of Lakshmi and Visalakshmi, (2013) thatwhile the importance of financial inclusion is widely recognized, there is lack of assessment of the extent of financial inclusion based on credit flow to small borrowers in Indian economy calls for further empirical research in the Nigeria context. Also the conclusion of Oladejo and Yinus (2014) that information technology has a significant impact on the Cooperative services and influence the level of economic activities calls for further empirical study on the factors militating against adoption of Cooperative financing method in an e-commerce environment. This could serve as the basis for attaining the objective of e-payments policy as contained in the CBN Report (2012) in Nigeria. This paper remains germane by examining the factors militating against adoption of e-commerce and improved service delivery by the cooperatives societies in the prevalence of e-commerce. The paper will provide answers to the following questions:

- What are the factors militating influencing adoption of e-commerce by cooperatives?
- Is there any significant difference in the effect of these factors on cooperative service delivery?
- To what extent can cooperatives societies deliver in an e-commerce economy?

Research Hypotheses

Ho₁: There is no significant difference in the effect of factors influencing adoption of e-commerce by Cooperative Societies

Ho₂: There is no significant relationship between Cooperative service delivery and e-commerce adoption

II. Literature Review and Conceptual Underpinning

Cooperative Societies and Financial Inclusion Policy

According to CBN Report (2014) there are about 7 billion people in the world and according to Global Financial Inclusion database hosted by the World Bank ; only 50% of adults have accounts at formal financial institutions-bank, credit union, cooperative, post office or micro finance institution. This implies that 3.5 billion people are financially excluded. The situation is worse in Africa as only 24% of people have accounts at formal financial institutions compared to 84% of adults having accounts in high income countries. Furthermore the study of Abifarin and Bello (2014) concluded that to reduce poverty, ensure food security and create jobs, cooperative banking based on cooperative principles is imperative in Nigeria. With an estimated population of 170 million people, Nigeria's rate of financial exclusion currently stands at 39.7%, according to the 2012 survey conducted by Enhancing Financial Innovation and Access (EFInA). Financial exclusion retards economic growth as small and medium enterprises are denied credit as only large corporate and guaranteed wage earners in the public and private sector have access to credit(World Bank 2015). However, the objectives of Financial Inclusion include extension of financial services to the vast sections of disadvantaged and low income group population of the country at an affordable cost to unlock its growth potential. In addition it strives towards a more inclusive growth by making banking services available to unbanked and unserved sections of the society. Siddaraju (2012) observed that financial inclusion will act as a source of empowerment and allow people to

participate more effectively in the economic and social process and that financial Inclusion is critical for achieving inclusive growth in the country.

Economic importance of Cooperatives

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise” (Anbumani, 2007). The lending target of cooperatives is to direct credit to priority sectors of agriculture and the weaker section of the population. Another group, Enhancing Financial Inclusion in Nigeria, EFLNA, under took an in-depth study of the sector in three states namely Enugu, Kebbi, and Oyo states. Their data revealed that the 700 members they interviewed in the three states saved over #243 million annually, and that the 150 managers interviewed managed a loan portfolio of #122 million. 2015). Individuals’ membership of Cooperative The study of Otto and Ukpere (2011) found that co-operative credits and thrift associations as a veritable source of capital formation which is required for investment purposes and those cooperatives are socially and individually profitable. The patronage of the cooperatives and credit associations is very high as observed Ewubare, Aiie and Akekere, (2008) given the high level of poverty in Nigeria and paucity of loan able funds. The credit and thrift association is a potential source of self-employment for any individual or group of individuals with sufficient interest in such ventures.

In the United States, 4 in 10 individuals is a member of a co-operative bank (40%). Co-operative Banks in Europe have over 150 million clients (one third of the EU population), 60,000 banking desks, 50 million members. In France, 21,000 co-operatives provide jobs to 700,000 people. In Germany, 8,106 co-operatives provide jobs for 440,000 people. Co-operative Banks in Europe are responsible for 74% of the meat products, 96% of dairy products, 50% of the egg production, 34% of forestry products & 34.2% of the total deposits in banks. In Korea agricultural co-operatives have a membership of over 2 million farmers (90% of all farmers) , an output of US\$11 billion. In Canada, co-operatives and credit unions employ over 160,000 people. In Colombia, the co-operative movement provides 109,000 jobs which is 23% of jobs in the health sector, 18% of the jobs in the transport sector, 13% in the worker/industrial sector, 11% in the financial sector and 9% in the agricultural sector.

Cooperatives and e-commerce Adoption in Nigeria

Evidence from recent studies show that the level of e-Commerce transactions conducted in Nigeria in the past three years has increased exponentially. However there is doubt if the rate of adoption was significant in Cooperative Societies and other informal sector of the economy that account for more than 70% of economic and financial activities. E-Commerce which is conducting business online, is all about a perfect interface between business management, strategy and technology with a view to serving the customers more satisfactorily. The internet on which e-Commerce rides is a major catalyst for the economic development of Nigeria. According to Oluyinka *et al*(2013) vital benefit of e-commerce is access to global markets which enables businesses to expand their reach. The internet allows increase in awareness, visibility and opportunity for organisations to promote its products and services (Senn,2000). E-commerce acceptance is at initial adoption stage in Nigeria (Onifade, 2003). The acceptance of e-commerce is noticeably growing in the country particularly among the large number of educated people. In retrospect, small and medium enterprises are still struggling to provide internet services at their own expenses due to limited government support (Onifade, 2003). The e-commerce industry in Nigeria began in the mid-nineties when the internet and telecommunications industry started becoming popular (Martin and Ernst, 2003). Its growth was slow until the advent of internet banking at the beginning of the 21st century. This is because an e-commerce service is dependent on people’s ability to make use of this new innovation technology. Service like the electronic cash transfer has a large impact in the development of e-commerce in Nigeria (Bada et al., 2006). Nigerian businesses are facing expansion gradually, as e-commerce creates global advantages to open new profitable market for local goods and services at far and at close distance. An online shopping system which is a vital component of e commerce, give consumers a much greater choice with regard to their desired products and services, and offer much more in terms of ease and convenience, as against overseas travels for shopping purposes as could be understood from the submission of Park et al., (2007).

According to Shemshad *et al*(2015) the number of cooperative that provide products, services and information via email is growing rapidly at the worldwide and also the SMEs that are more innovative more likely to export and new technologies such as the Internet are more likely to accept. The results of the experimental study by Santarelli, and ED’Altri, (2001) on the adoption of e-commerce show that the full implementation of e-business solutions, still have not reached puberty in the most sampled SMEs.

Problems of e-commerce development in Nigeria

Several studies have noted factors that influence individuals and firms to adopt e-commerce (Rodríguez et al., 2008; Grandon and Pearson, 2004; Kurnia, 2006). These factors are technological characteristics, social characteristics, and environmental characteristics, time, relative advantage of e-commerce, IT knowledge, and e-commerce compatibility. Others as identified in the literature include lack of proper infrastructure, taxation, security issues, privacy concerns, high cost of shipping goods to and from Nigeria, low penetration of credit cards usually required to shop online (debit cards are the common payment cards available in Nigeria), unreliable distribution and delivery processes, residual distrust of paying online in a society where cash is the king among others. The major reasons for slow adoption of e-commerce in Nigeria include lack of trust in online retailers, lack of adequate technological infrastructure and fear of inadequate online security of their data when making payments.

Oluyinka et al (2013) identified factors hindering the adoption of e-commerce among Nigerians considering four important dimensions with first being infrastructure barriers like telecom connection, and supported by Lawrence and Usman, (2010) that E-commerce accomplishment depends heavily on a number of infrastructure technologies. Second is a Socio-cultural barriers as Efendioglu and Yip (2004) argued that adoption of e-commerce may be hindered by individual consumers who thought that counterfeit products are sold online. Lack of transactional trust between parties is a major problem. Lawrence (2011) and Poon and Swatman (1999) found that consumers in developing countries prefer traditional commerce in order to ascertain the quality of the product. In developing countries, there is a perception that technology is to destroy their culture and way of life. Oluyinka et al 2013. Third reason is socio economic barriers supported from the study of Kshetri and Dholekia (2002) that economic conditions in developing countries are widely recognised as a major hindrance to e-commerce adoption. Lawrence (2011) argued that, gross domestic product and per capita income are common indicators for the economic conditions of a country. Lu et al. (2010) affirmed that access charge relative to income and earning affects internet use. Similarly, Mbarika (2002) stated that many developing countries with unfavourable economic conditions are not likely to be involved in e-commerce. Fourth is Political and governmental barriers Lawrence and Usman (2010) found that, political and government policies may pose some significant challenges to e-commerce adoption in developing countries.

The construct of this study is embedded on Innovation Diffusion to explain the benefits derivable by adopting e-commerce by Cooperative Societies in Nigeria. The Innovation Diffusion Theory (IDT) is a model that explains the process by which innovations in technology are adopted by users. It focuses on explaining how new ideas and concepts gain widespread adoption and considers a set of attributes associated with technological innovations that affect the rate of widespread adoption which are: relative advantage, compatibility and complexity. Since this theory focuses on technology adoption and majority of scholars have appraised it in health industry, banks and informal sector of financial institutions it becomes relevant to explain why Cooperatives are adopting e-commerce and at what rate leaning on innovation diffusion. This research work intends to exploit how the idea and structure can work well for cooperative financing service in e-commerce environment.

III. Methodology

The population of this study comprises of all registered Cooperatives under Lagos State Co-operative Federation Ltd (LASCOFED). Lagos state has been chosen because of the predominance of cooperative activities and the selection of Lagos by CBN as Cashless zone for the implementation of the government e-payments policy. Furthermore, according to the Lagos State Cooperative Federation Ltd. (LASCOFED Report 2016) cooperators in Lagos state had contributed about N80 billion as net asset to the state economy and that Lagos State had the highest number of cooperative societies in Nigeria. However, according to P.M NEWS Monday June 20, 2016 Lagos captures 2,523 Cooperative Societies in database. The Lagos state government decried that out of the about 16,000 cooperative societies operating in the state, only 2,523 societies had come forward to have their database captured. The study relied on the 2,523 Cooperatives on data base of the state government for ease of access to the identified Societies in the administration of research instruments. 80 Societies spread across four geopolitical zones in the state were selected for the purpose of the study to include 20 each from Island, Ikeja, Ikorodu and Badagry. Two respondents staff each including secretary/manager and accounts officers were sampled purposively to elicit information on their knowledge of e-commerce and operations of the society under e-commerce including buy and selling online and provision of financial services electronically that are central to e-commerce practice as well as e-accounting practices in the Cooperative Societies. This made the total respondents to be 160. The choice of staff as respondents both on the fact that they are employed staff who are always found in their offices to provide service to cooperators. Primary data were employed via questionnaire. The questionnaire consists of questions that are related to e-commerce impact on cooperatives services as identified in the literature as well as factors influencing e-commerce adoption by Cooperatives in Nigeria. Out of the 160 questionnaires administered on the respondent cooperative staff sampled only 150 were found useful for data analysis. Descriptive analysis like frequency table and percentage were used to analyze the

determinants of e commerce adoption by the sampled Cooperatives while the formulated hypotheses were tested through the use of correlation matrix to model relationship between e commerce and Cooperative services and Regression Analysis to analyse the determinants of e commerce adoption and effect on cooperative activities.

IV. Result and Discussions

Perception of Respondents on Awareness of E-commerce Practices

The results of data analyses on the awareness of cooperatives on e-commerce practices were displayed in table1 to table 5 below. Based on analysis shown in table1, 100% of respondents know the meaning of e-commerce as conducting business online. Table2, also revealed that 100% of respondent were of opinion that e-commerce require use of information Technology devices. Furthermore table3 showed that 73% of the respondents were of opinion that there is need for internet account to conduct e-commerce while 27% of the respondent believed otherwise. Also table4, revealed that 65.3% of respondent were of opinion that e-commerce means access to global market while 34.7% of the respondent said is not. Moreover table5, showed that 100% of respondent were of opinion that computer or mobile phone need for e-commerce contact.

Table1: Respondent Opinion on the meaning of e-commerce as conducting Business online.

Response	Frequency	Percentage
Yes	150	100%
No	-	0
Total	150	100%

Table2: Respondent Opinion on whether e-commerce requires use of information Technology devices.

Response	Frequency	Percentage
Yes	150	100%
No	-	0
Total	150	100%

Table 3: Respondent Opinion on whether there is need for internet account to conduct e-commerce.

Response	Frequency	Percentage
Yes	110	73%
No	40	27%
Total	150	100%

Source: Field survey 2021

Table 4: Respondent Opinion on whether e-commerce means access to global market.

Response	Frequency	Percentage
Yes	98	65.3%
No	52	34.7%
Total	150	100%

Table5: Respondent Opinion on whether computer or mobile phone need for e-commerce contact :

Response	Frequency	Percentage
Yes	150	100%
No	-	0%
Total	150	100%

Source: Field survey 2021

E- commerce practices by Cooperatives

Table6, revealed that 22.67% of the respondents made use of E-E-payment System, 1.33% made use of Internet Services, 28.67% made use of E-dividend, 10.67% made use of E-business, 2.66% made use of E-advertising, 14% made use of E-marketing while (20%) made use of E-accounting. this show that the sample cooperative were exposed to e-commerce through use e-payment system, embracing different internet service that enhanced the organization performance, paying dividend electronically into members account, doing business electronically, advertising and marketing their services and product electronically, giving accurate record of financial transaction electrically using technology devices.

Also based on analysis shown in table 7, about 25.3% of the respondents made use of mobile banking while 52% Automated Teller Machine, 14.67% Internet banking, 8%Electronics fund transfer system while none made use of Point of sales .This implies that majority of the sampled cooperative members made use of E- payment system which comprises of Automated Teller Machine, Internet banking , Mobile banking, Electronics fund transfer except Point of sales (POS).

Table 6: Response on E-commerce exposure in Cooperative Societies

Response	Frequency	Percentage
Use of E-payment System	34	22.67%
Use of Internet Services	2	1.33%
E-dividend	43	28.67%
E-business	16	10.67%
E-advertising	4	2.66%
E-marketing	21	14.00%
E-accounting	30	20%

Source: Field survey 2021

Table 7: Response on Effective form of E- payment system adopted by the cooperative Members.

Response	Frequency	Percentage
Internet banking	22	14.67%
Mobile banking	38	25.33%
Point of sales (POS)	-	0%
Electronics fund transfer	12	8%
ATM	78	52%

Source: Field survey 2021

Identified Factor militating against E-commerce adoption by cooperatives

Table 8 showed the descriptive analysis of factors Militating against e-commerce adoption by Nigeria cooperatives as elicited from cooperative members and Staff . Based on the analysis of result each stated factor indicated the following means **3.393** lack of information; **3.407**, Cybercrimes; **3.267**, Poor Technology infrastructure; **2.96** Political situation; **3.793** fear of e-fraud; **3.58** Technophobia; **3.62**, of Security of information; **3.387**, Members demand for e-service; **3.213**, of Size of the cooperative organisation; **3.427**, technology Attitude Toward local culture; **3.433**, Government e-commerce policy; **3.013**, Moderate Internet access charge; **3.493**, Lack of trust; **2.147** Online products Guaranty; **2.06**, nature of cooperative business; **1.96** Limited production of cooperative goods and services; **1.95** international trade of cooperative.

The above result showed that all the eighteen identified variable are part of factors influencing e-commerce adoption by Nigeria cooperatives societies. The overall results however ranked fear of e fraud highest (3.79), followed by security of information (3.62), Technophobia (3.58) and Lack of Trust (3.49). Whereas International trade of cooperatives (1.96) was ranked least of the factors, followed by limited cooperative production capacity (1.96) and general nature of cooperatives business (2.06). This result is in line with the argument of (Kshetri and Dholekia, 2002; Lawrence and Usman, 2010; Ajagbe and Enegbuma 2013) concluding that most of these variables influencing adoption of e-commerce in their separate studies. It is however at variance with the study of Oluyinka, Shamsuddin, Wahab, Ajagbe and Enegbuma (2013) that found among others poor infrastructural facilities as major determinants of e commerce adoption. Therefore in the cooperative context fear of e fraud by members, security of information and technophobia were the major determining factors for e commerce adoption,

Table 8: Factors influencing e-commerce adoption by cooperatives

S/N	Militating Factors	Mean (X)	Std.Dev (STD)	Min	Max
1	lack of information	3.393333	1.079999	1	5
2	Cybercrimes	3.406667	1.081241	1	5
3	Technology infrastructure	3.266667	1.173915	1	5
4	Political situation	2.96	1.110535	1	5
5	Fear of e-fraud	3.793333	.8458082	1	5
6	Technophobia	3.58	.9642607	1	5
7	Security of information	3.62	.9739562	1	5
8	Online products Guaranty	2.146667	.846522	1	5
9	Limited production of cooperative goods and services	1.96	.8737791	1	5
10	General nature of cooperative business	2.06	.899142	1	5
11	International trade of cooperative	1.906667	.7539308	1	5
12	Members demand for e-service	3.386667	1.085516	1	5
13	Size of the cooperative org.	3.213333	1.161962	1	5
14	Technology Attitude Toward local culture	3.426667	1.025492	1	5
15	Government e-commerce policy	3.433333	1.150353	1	5
16	Moderate Internet access charge	3.013333	1.074329	1	5
17	Lack of trust	3.493333	.8414327	1	5
18	Economic conditions	3.213333	1.070763	1	5

Source: Field survey 2021

Test of Hypothesis

Regression Analysis of factors Influencing Adoption of E-commerce in cooperative Societies of Nigeria

As shown in Table 9a, A unit increase in the following identify variable such as: lack of information, Cybercrimes, Fear of e-fraud, Technophobia, Limited production of cooperative goods and services, Government e-commerce policy and Lack of trust will reduce e-commerce practice by (4.4 units, 1.0 unit, 5.6 units, 6.1 units, 22.8 units, 8.6 units and 5.5 units respectively); this shows that lack of information, Cybercrimes, Fear of e-fraud, Technophobia, Limited production of cooperative goods and services, Government e-commerce policy and Lack of trust has a significant influence on e-commerce and its adoption system. The analyses indicate that e-commerce adoption is significantly related to all these variables at 0.050 percent, 0.003 percent, 0.044 percent, 0.063 percent, 0.000 percent, 0.055 percent and 0.113 percent respectively. The results indicate that an increase in all these variables will diminish e-commerce adoption.

Also a unit increase in the following identify variable such as: Technology infrastructure, Political situation, Security of information, Online products Guaranty, nature of cooperative business, international trade of cooperative, Members demand for e-service, Size of the cooperative organization, Moderate Internet access charge and Economic conditions will increase e-commerce practices by (9.2 units, 16.5 unit, 8.0 units, 3.6 units, 16.4 units, 6.1 units, 6.8 unit, 6.2 units, 4.5 units, 8.5 units and 3.3 units respectively); which shows a positive influence between all the variables: (Technology infrastructure, Political situation, Security of information, Online products Guaranty, nature of cooperative business, international trade of cooperative, Members demand for e-service, Size of the cooperative organization, Moderate Internet access charge and Economic conditions) and e-commerce practices by cooperative societies in Nigeria. It also revealed that e-commerce adoption is significantly related to all these variables at 0.023 percent, 0.000 percent, 0.070 percent, 0.010 percent, 0.000 percent, 0.225 percent, 0.239 percent, 0.140 percent, 0.009 percent, 0.055 percent, 0.045 percent and 0.018 percent respectively. Following the result of the analysis (Table 9a), the null hypothesis that there is no significant difference in the effect of factors influencing adoption of e-commerce is rejected. Given the coefficient of determination (R^2) of **0.9658** (approximately 97%) and also supported by high value of **Adjusted (R^2)** significant at **0.9611** (approximately 96%), the result indicates that independent variables incorporated into this model proved otherwise. Therefore there is significant difference in the effect of factors influencing adoption of e-commerce. The F-Value (**1318.81**) and P-Value (**0.000**) also confirmed the significance of the model. The constants and coefficients are statistically significant making for rejection of null hypothesis and acceptance of the alternative hypothesis. Furthermore in table (9b), the result of heteroscedasticity supports the significance of the model since **Prob>chi2 is 0.000** with **chi2(18)** at **60.22**.

Table 9a: Regression test Analysis on Factors Militating against e-commerce adoption by cooperatives

S/N	Variables	Coefficient	Std.Err	T	P>{ T }
1	lack of information	-.4469923	7.185079	-0.06	0.050
2	Cybercrimes	-1.018057	8.353543	-0.12	0.003
3	Technology infrastructure	9.28399	4.045294	2.30	0.023
4	Political situation	16.54518	3.953268	4.19	0.000
5	Fear of e-fraud	-5.663332	3.856251	-1.47	0.044
6	Technophobia	-6.137705	4.338818	-1.41	0.063
7	Security of information	8.028764	4.397664	1.83	0.070
8	Online products Guaranty	3.63168	3.487549	2.04	0.010
9	Limited production of cooperative goods and services	-22.8862	5.192346	-4.41	0.000
10	General nature of cooperative business	16.4955	3.572998	4.62	0.000
11	international trade of cooperative	6.140811	5.039579	1.22	0.225
12	Members demand for e-service	6.810404	5.759562	1.18	0.239
13	Size of the cooperative org.	6.221857	4.191863	1.48	0.140
14	technology Attitude Toward local culture	4.580367	3.873301	2.18	0.009
15	Government e-commerce policy	-8.611643	4.453019	-1.93	0.055
16	Moderate Internet access charge	8.507163	4.198088	2.03	0.045
17	Lack of trust	-5.533591	3.465675	-1.60	0.113
18	Economic conditions	3.375274	5.208349	2.65	0.018
Constant		-42.02642	4.726441	-8.89	0.000
No of Obs = 150 F(18, 131) = 205.48		Prob>F= 0.0000	R-squared= 0.9658	Adj- Rsquared =0.9611	Root MSE = 8.5695

Source: Field survey 2021

Table9b: Heteroskedacity Test:Breusch-Pagan / Cook-Weisberg Test for Heteroskedasticity

Ho: Constant variance

Variables: All (18) Identify Factors incorporated into the Model

Chi2(18)	60.22
Prob>chi2	0.000

Source: Field survey 2021.

Correlation Analysis between e-commerce Practice and Cooperative Service Delivery

Table 10a, showed the colinearity of the variable and the relationship between the study variable. The result indicated that E-commerce practice has a positive significant relationship with Cooperative service delivery ($r = 0.8062; 0.8523; 0.6975, 0.9665, 0.7848, P<0.05$). These results implies that increase in e-commerce practice by cooperatives based on (E- Dividend, E-Accounting, E-payment system, E-services and E-business) lead to increase in service delivery of Nigeria cooperative organisation. The result revealed a correlation coefficient between e-commerce practices and Cooperative service delivery which make all the variables to be significant at 0.05 degree level. More so, the result of Ramsey Reset Test with (F-Value-**13.36**; P-Value-**0.000**) braced the significance of the model using power of the fitted value to determine mislaid variable in the model. This is shown in (table 10b).Base on this result we reject the null hypothesis stated earlier that there is no significant relationship between e-commerce practice and Cooperative service delivery and accept the alternative hypothesis which says that there issignificant relationship between e-commerce practice and Cooperative service delivery

Table 10a: Correlation Analysis between e-commerce activities and Cooperative Service Delivery.

	E-commerce Practice	E-dividend	E-Accounting	E-payment system	E-services	E-business
E-commerce Practice	1.0000					
E-dividend	0.8062*	1.0000				
E-Accounting	0.8523*	0.6560*	1.0000			
E-payment	0.6975*	0.6554*	0.7154*	1.0000		
E-services	0.9665*	0.8736*	0.8396*	0.7030*	1.0000	
E-business	0.7848*	0.9792*	0.6014*	0.6440*	0.8611*	1.0000

Source: Data Analysis, (2021).

Table 10b: RAMSEY SET Test of Omitted Variable

Ho: model has no omitted variable

F(3, 128)	13.36
Prob>F	0.000

Source: Field survey 2021

V. Conclusion

The study appraised the challenges of cooperative financing at adopting e-commerce and the influence on cooperative service delivery using 150 staff of selected Cooperatives in Lagos state as a case study. Findings from data analysis and the tested hypotheses showed that the sampled cooperators are aware of e-commerce and conducted certain business online such as e-payments, but have limited capacity for export business that would have compelled full e-commerce. These results implies that increase in e-commerce practices by cooperative base on (E- Dividend, E-Accounting, E-payment system, E-services and E-business) lead to increase in service delivery of Nigeria cooperative organisation. Also several challenges were faced conducting cooperative business online the major of which were fear of e fraud by members, security of information and technophobia.

VI. Recommendations

From the foregoing cooperative leaders should see innovations in technology as business necessity by designing bases for e-commerce trade and attendant e-payments like point of sales, internet banking and mobile banking for enhanced service delivery for sustainable development. This will facilitate policy development on financial inclusion and cashless economy that most developed countries had by passed.

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