



IMPACT OF DIGITAL MARKETPLACES ON MICRO-ENTREPRENEURSHIP GROWTH IN ENUGU STATE

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Abstract

Online markets have become an innovative avenue to micro-entrepreneurship, which allows small-scale business persons in Enugu State, Nigeria, to reach out to larger markets, lower operational expenses, and increase the business potential. Digital marketplaces, including Jumia, Konga, and social media, have the potential to fundamentally change the operations of micro-enterprises in Enugu and this article explores the role of digital marketplaces in increasing revenue, its customer base, as well as its efficiency in conducting business. Adopting primary data collection method comprising of surveys and interviews of 300 micro-entrepreneurs in Enugu both rural and urban, the study demonstrates that digital marketplaces lead to a 40 percent average level of primary revenue growth and broadly increase customer base by as much as 60 percent. Even then, the adoption cannot be complete due to such problems as insufficient digital literacy, high-platform costs, and unstable internet connectivity. The study will fill research gaps in the locality as it will offer more Enugu specific knowledge compared to the wider Nigerian literature. Among the suggestions will be customized digital training, the subsidization of platform access, and investments in infrastructure so as to have the best out of it. This paper highlights the strategic nature of digital marketplace and how it can lead to inclusive economic development of micro-entrepreneurs in Enugu.

Keywords: Digital Market places, Micro-Entrepreneurship, Enugu State, Economic Growth, Digital literacy, E-Commerce, inclusive development.

Introduction

Micro-entrepreneurship is the mainstay of local economies in Enugu State, Nigeria, where people live on it as formal employment for them is scarce. Micro-enterprises, as a category of businesses, which refer to businesses having less than ten employees and a yearly turnover of less than N5 million, preside over industries such as retail, artisan services and agriculture. These operations were traditionally based on in-person markets like Ogbete and New Market with limitations such as poor access to customers, transportation is expensive, and economic inefficiencies. Another potential game-changer is the emergence of digital marketplaces, i.e. websites where customers can buy and sell goods online. Services such as Jumia, Konga, and the social media markets (e.g., WhatsApp and Instagram) allow micro-entrepreneurs to reach national and global buyers and stream their activities as well as adjust according to the current trends in commerce.

Although promising, little has been done concerning the effect the digital marketplaces have on micro-entrepreneurship in Enugu. The growth of e-commerce has been identified as an important aspect in national studies, but limited state-specific studies exist, given that in Nigeria, the digital economy is estimated to grow to N18 trillion in 2026 (NBS, 2023). Enugu with its mix between urban trade centers and rural agricultural foundations do not show similar dynamics. There are inquiries regarding the effects of these platforms on revenue, customer growth, and business sustainability and what impediments hinder fair adoption. In this paper, the gaps will be filled using a primary data research method, first by conducting a survey and interviewing 300 micro-entrepreneurs in the urban and rural areas of Enugu. The article offers practical solutions to



policymakers, platform providers and businesspersons by analyzing key growth indicators and issues to use digital market places in driving inclusive economies.

Literature Review

The convergence of digital market places and micro-entrepreneurship is based on the theories of development economics and technology adoption. The theories proposed earlier, like the diffusion of innovations formulated by Rogers (1962) describe the way in which new technologies convert into social systems and highlight the significance of such aspects as the perceived benefits and convenience. Considering the African context, Hart, (1973) definition of the informal sector brings out the micro-enterprise as a robust unit of the economy, adjusting to the structural limitations. These theories provide a prerequisite in realizing how e-commerce transforms small-scale trade.

The scientific community around the world highlights the potential changes in e-commerce. In a 2015 study, McKinsey discovered that digital platforms in the developing economies increase small business revenues by 20-30 percent due to the increased market access. According to Olatokun and Kebonye (2010), early adoption of internet in Lagos enhanced efficiency of small businesses which were constrained by infrastructural facilities. Recent reports, including the review of Nigerian e-commerce by Etim and Daramola (2020) note that thus, there has been a 50 percent increase in online shopping since 2015 due to the phones and services like Jumia. Neodemocratically, the social media marketplaces, especially WhatsApp, have increased access to anyone, allowing micro-entrepreneurs to enter cheaply (Moniepoint, 2024).

The literature of Enugu-specific is small but on the increase. When informal traders were surveyed, Uzochina et al. (2021) discovered that 30 percent used digital tools, and the higher the earnings. According to the Enugu State Ministry of Commerce (2022), the number of online vendor registration increased by 25 percent compared to 2020, which was attributed to online pandemic-imposed changes. However, gaps persist. There are limited studies done in the rural areas, but these studies concentrate on urban centers, yet there are rural entrepreneurs who encounter different connectivity problems. There is a lack of research on gender dynamics, where women are more than retail but less in adopting technology (Akpan and Sempere, 2019). Moreover, the long-term sustainability of dependence on the digital marketplace under the conditions of changing platform rates and the issue of data privacy needs to be examined (Selwyn, 2022). This paper fills these gaps as it dwells on the heterogeneous micro-entrepreneurial environment in Enugu.

Methodology

In this research, the researcher has been using the primary data collection method as a means of collecting information on subtle effects of digital marketplaces on micro-entrepreneurship in the state of Enugu. The mixed-methods design is quantitative surveys coupled with qualitative interviews, as it guarantees a strong insight. The target population is made up of micro-enterprises in the economy of Enugu which deal in retail, services and agriculture as it is common in the economy.



Overall, 300 micro entrepreneurs were selected in the three senatorial zones of Enugu, that is, Enugu North, Enugu East and Enugu West using purposive sampling method. This was to provide representation of the urban (e.g., Enugu metropolis) and rural (e.g., Nsukka, Oji River) settings. The survey instrument which was conducted in August 2025 had closed-ended questions on revenue changes, the number of customers reached, costs of operations, and use of the platform, and open-ended questions concerning the issues and perceived view. To address the language diversity, surveys were carried out in both English and Igbo and the trained enumerators ensured that there was understanding.

Thirty people (10 in each zone) were interviewed in semi-structured interviews to learn more about the findings in the surveys. They were 3045 minutes, discussing the experience with online platforms, the obstacles to adoption, and the recommendations towards them. Audio-recorded interviews were transcribed to be analyzed.

The sample is representative of the entrepreneurial variety of Enugu. The sample considered was 300 individuals, with 55 percent being women, which corresponds to the domination of women in the retail field. Ages were 60 per cent under 18 35, 30 per cent under 36 50, and 10 per cent above 50, as it reflects youthful entrepreneurship. The level of education was a factor of 40 percent secondary, 30 percent tertiary, 20 percent primary, and 10 percent uneducated. The urban respondents were 60 percent of the sample population, and 40 percent rural, which provided equal geographic coverage. In the sector, half were engaged in retail (e.g., clothing, food), a third in services (e.g., tailoring, repairs), and a fifth in the agricultural industry (e.g., processed farm goods).

The quantitative data was examined based on the descriptive statistics (means, percentages) and based on the inferential statistics (t-tests, ANOVA) to compare the growth indicators of each demographic and each platform. Qualitative data was analyzed through thematic analysis and NVivo software was utilized to encode the responses into themes such as revenue impact, connectivity barriers, and digital skills. The triangulation was used to guarantee uniformity between the findings of the survey and interviews.

Participants willingly gave informed consent, and anonymity was ensured by using coded identifiers. Data were kept in a safe place and ethical approval had been taken in the Research Ethics Committee of the University of Nigeria in July 2025.

Discussion

The results shed some light on how online markets facilitate the development of micro-entrepreneurship in Enugu and unveil limitations to fairness in impact. The most important themes are revenue and customer growth, business efficiency, and adoption issues with the evidence-based research and the voices of individuals.

Revenue and Customer Reach



The online market places greatly enhance the micro-entrepreneurial incomes. According to the results of surveys, monthly earnings have increased by an average of 40 percent since platforms have been adopted with urban retailers reporting up to 50 percent increase. To cite an example, a attire seller in Enugu metropolis remarked, “Jumia has increased my sales twenty times; I have customers in Abuja too. The rural entrepreneurs on the other hand recorded a growth of 30 percent because of connectivity problems. The customer bases grew by an average of 60 percent, and 70 percent of new connections were propagated by social media, such as WhatsApp, as it was cheap to use. ANOVA tests also validated that revenue varied significantly by platform ($F(2,297) = 12.45, p 0.01$), Jumia doing better than Konga.

Table 1

Revenue and Customer Growth by Platform Type (2023-2025)

Platform Type	Avg. Revenue Increase (%)	Avg. Customer Base Growth (%)	Sample Size	Source
Jumia	45	65	120	Survey Data (2025)
Konga	35	55	80	Survey Data (2025)
Social Media	40	70	100	Survey Data (2025)

Operational Efficiency

Online platforms facilitate business processes, save money, and time. The survey data suggests that there is a reduction in the transportation cost by 25 percent because entrepreneurs are moving towards platform logistics instead of physical delivery. The use of platform analytics led 60 percent of respondents to better inventory management, with custom reporting, “Konga stock alerts will stop us buying more stock than we need to buy.” But platform fees, which tend to be between 10-15 percent per transaction have neutralized or reduced savings among 40 percent of the surveyed vendors, especially smaller rural vendors with smaller profit margins. The T-tests found a significant reduction in the costs between the urban and the rural entrepreneurs ($t(298) = 3.67, p < 0.05$).

Adoption Challenges

Regardless, in spite of positives, there are adoption challenges. The digital literacy gap was experienced by 50 per cent of the participants particularly more so among those who were over 50 and those who were having primary education. One of the rural farmers observed, I do not understand online advertisement; I miss out customers. The connectivity to the Internet, which is not very reliable in 70 percent of the rural population, disrupted transactions (Enugu State ICT Agency, 2024). The platform was prohibitively costly, and people were afraid to get involved because 30 percent of them believed they might fall victim to a scam. The gender analysis showed



women had more problems with literacy, and only 40 percent of them were able to use more advanced platform features than 60 percent of men ($\chi^2(1)=8.92, p<0.01$).

Table 2

Key Barriers to Digital Marketplace Adoption

Barrier	Prevalence (%)	Impact on Growth	Source
Digital Literacy Gaps	50	20% revenue loss	Survey Data (2025)
Unreliable Connectivity	70 (rural)	15% sales drop	Enugu ICT Agency (2024)
High Platform Fees	40	10% profit cut	Interview Data (2025)

Policy and Contextual Gaps

The results are consistent with the rest of the literature but emphasize Enugu-specific peculiarities. The rural-urban gap in Enugu is an enhancer of inequities unlike in Lagos where infrastructural development supports e-commerce (Olatokun & Kebonye, 2010). The national policies that facilitate the development of digital economies tend to ignore the needs of the state, including the need of Enugu to have local training (NBS, 2023). These gaps are addressed in the study through the documentation of rural issues and gender inequalities, which Uzoehina et al. (2021) does not cover in their study but limits it to urban areas.

Results

The numerical findings validate digital marketplaces as growth drivers. Among the 300 respondents, 85 percent said that their revenues had grown, and 65 percent credited more than half their sales to platforms. The most accessible social media platforms were available to 90 percent of women and 80 percent of rural entrepreneurs. Qualitative themes were focused on empowerment, and the participants appreciated autonomy in dealing with customers. But 70 percent reported a barrier, and most frequently, connectivity and fees. Growth measures of statistical significance by demographics highlight the necessity to implement specific interventions.

Conclusion and Recommendations

E-marketplaces are a major boost to micro-entrepreneurship in Enugu, which generates income, customer base, and efficiency. However, their influence is not even, and less-educated and rural entrepreneurs are losing out. The following recommendations are proposed in order to maximize the benefits:

- Introduce state-sponsored digital literacy programs, to be applied to women and rural entrepreneurs, based on successful Lagos projects (Olatokun & Kebonye, 2010).
- Collaborate with Jumia and Konga to subsidize platform fees of low-income vendors.
- Increase the internet coverage in rural Enugu, with the help of federal ICT funds (Enugu ICT Agency, 2024).
- Build trust-building efforts to overcome scam fears such as open platform policies.



The sustainability of the long-term and interstate comparisons should be examined in future studies to improve strategies. Enugu can make digital marketplaces drivers of inclusive micro-entrepreneurial development by overcoming obstacles, which is consistent with the objectives of the digital economy in Nigeria.

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