

Leveraging digital technology to boost Nigeria's MSMEs

Small and medium scale businesses are the foundation of Nigeria's economy. Thanks to digital technology, it is worth noting that e-commerce platforms like Jumia have so far played a key role in boosting and accelerating MSMEs in the last seven years.



Image source: Gallo/Getty.

A significant number of MSMEs are riding on these platforms to reach millions of customers in Nigeria and across Africa. Today, these MSMEs are raking in more revenue compared to the past.

The fact is, there is a link between technology adoption and the MSME sector growth, with some stating that MSMEs who were early adopters of eCommerce platforms doubled their annual revenue much faster than their counterparts who were reluctant to join the rising tide of e-commerce. This article explores the five leading ways in which technology will encourage growth in the MSME sector.

1. Creating a digital business

Thinking through and executing a digital business model requires a fundamental shift in strategy because it is completely different from offline business. In this case, you either bring out a new offering or take the existing offering to market in newer ways. This means being able to explore technologies such as the Internet of Things and Artificial Intelligence to make the customer experience seamless.

The opportunities for digital technology in MSMEs are numerous. It only requires very strong business understanding to be able to analyse what the ecosystem looks like, have a very strong understanding of the customer and their insatiable expectations to being able to devise an appropriate strategy to create the digital business that meets their needs.

2. Social impact

You can't afford to operate your business as if it exists in a vacuum any longer. The rise of social media networks such as Twitter, Facebook and Instagram means your customers are simply a click away, and users can now connect without regard to geographical obstacle, financial background, or even social status. Indeed, in the past, there were very limited avenues for customers to raise their queries but now as a business, you are likely to incur an unfavourable rant or a bad review on Facebook.

This is why as a business, you should not compromise on standards because what goes on on the Internet stays on the Internet. This means that if you earn a bad reputation, it's going to stick with you. It is for this reason that businesses large and small worry about their digital footprint, and a good number of organisations have experts who are on the lookout for potential "bad press" and are out making the rounds trying to be proactive.

3. Increased interest in and need for security

Businesses of all sizes need to be increasingly aware of the need for enhanced security. The rise in cyber-crime has also led to an increased interest in protecting data, training employees and incorporating IT into every aspect of the business. At the very least, an organisation needs to be committed to protecting data with backups, integrating patches and updates regularly and training all employees to spot the signs of trouble.

4. Connectivity

Digital technology has also increased the ease with which we can all stay in touch, interact and engage. Whether it's having your co-workers and employees available via text/video chat at a moment's notice, or being able to send targeted promotional email blasts to pre-qualified customers when they're shopping at nearby businesses, the rise of mobile technology has blended almost seamlessly with communication software to create a web of real-time information.

5. Improved access to information and data

Digital Technology has made it easier than ever to research and find data without leaving the office. Enhanced access to data gives your business the ability to offer your customer service team not only a way to connect with customers but also a way to instantly access complete customer history. In addition to this, you can provide a better user experience for anyone who interacts with your brand.

Irrespective of how big or small a business enterprise is, application of digital technology offers numerous benefits including those that facilitate the smooth running of business operations. These benefits are sometimes tangible while other times, they are intangible. The bottom line is that business applications play a significant role in increasing profitability for businesses while generating the results that customers need.