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The essentiality of trust and trust building for digital platforms in Nigeria

 Chibueze Clinton Jan 19, 2022



Nigeria is a fertile ground for the development of digital platforms in Africa and the world

The importance of trust in the conduct of all human affairs is widely acknowledged and espoused by parents, teachers, scholars, and practitioners. That is why trust games such as Trust Fall have gained far-reaching popularity among different segments of society. In the Trust fall game, a person intentionally falls believing that his teammate(s) will catch him.

Generally, trust is a necessary element of all social, economic, religious, and political transactions and its violation usually comes with a serious consequence. The pervasion of trust in all spheres of human activities can make it appear abstract, confusing, and elusive. Nonetheless, it is clear that trust lessens the complication of human conduct in situations where people must c

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uncertainty, even though it does not really enable people to control or even anticipate, without error, the behaviour of others. A major theme that emerges from this view of trust is vulnerability—the conscious placement of one's trust in another person's power with the risk of being harmed if they fail to comply seriously with the ethical demands of having that power.

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In traditional businesses where interaction between a buyer and a seller is physical, this vulnerability is easily managed and made less complex because both entities can see each other. However, with the emergence of digital platforms (internet-based businesses that match producers and consumers, buyers and sellers of businesses and investors such as Jumia, FarmCrowdy, etc.), trust has become more complex, unpredictable, and uncertain because an interpersonal relationship is much more limited.

For instance, confirming the quality of the product that is being sold in a digital market like Konga and Jumia is almost impossible due to the absence of physical contact between buyers and sellers; ascertaining the security of riders in ride-sharing platforms like Uber and Bolt is difficult since drivers are complete strangers, and assurance that one's credit card detail and other personal data are well secured is not certain due to the activities of cybercriminals on one hand, or inappropriately allowing third party access by the platform on the other hand. These are some examples of issues that make trust complex, uncertain and unpredictable on digital platforms and they show the extent to which trust is important for digital platforms. To be sure, scholars of digital platforms mention customer wariness or social scepticism as one of the factors that impact the growth and scale of digital platforms negatively.

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Trust for and in digital platforms has tremendous benefits for platforms. It promotes consumers' comfort which makes it safe for customers to use without the worry of personal loss; it ensures customer loyalty which in turn influences the level of network effects (users causing more users to adopt and use a platform) since customers are satisfied with the authenticity of the platform; presents the platform as a one that is predictable because it is consistent with what it says and what it does, benevolent because it considers the interests of others in a balanced way, competent because it carries out its responsibilities well and decent because it acts justly.

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Overall, trust enables digital platforms to grow and scale. Hence, digital platform builders/creators need to be aware of this and ensure adequate mechanisms for building trust in their platforms and online communities especially in countries like Nigeria with a low level of societal trust. And according to Retamal and Dominish (2016), a country with low levels of societal trust is automatically at a disadvantage with regards to the sharing economy which is enabled by digital platforms.

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In this regard, an impersonal form of trust or a system trust, a situation whereby a system is presupposed to be functioning in a predictable way, is important. Additionally, digital platform builders should consider a tripartite structure where formal mechanisms such as third-party trust-building institutions are included to reduce uncertainty and facilitate an online buyer-seller relationship. In Nigeria, third-party trust-building institutions can be the Central Bank of Nigeria (CBN) in the case of Fintech platforms for instance. Platform builders and founders can also build trust through sufficient branding to induce affinity and trust, while government support is essential since consumers perceive from it which digital platforms they can trust.

To conclude, Nigeria is a fertile ground for the development of digital platforms in Africa and the world. In fact, the annual Global Start-Up Ecosystem report ranked Lagos start-up ecosystem as the most valuable in Africa in 2017. In 2019, Lagos was named one of the 12 “challenger” start-up ecosystems across 150 cities in the world by start-up Genome.

However, as start-ups are rising so are trust issues such as data privacy and security, quality of goods, data protection, consumer rights, and others which affect the growth and scalability of digital platforms negatively. Also, as the level of societal trust can positively or negatively affect a digital platform, it is, therefore, expedient for digital platform builders or creators in Nigeria to build trust enhancing mechanisms into their platforms, from the design stage and also understand how national trust plays out in Nigeria to know what level of customer wariness to expect.

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