

The Role Of E-Commerce In Expanding Market Research For Uganda Smes: A Case Study Of Jumia

Uganda

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Abstract

Small and medium enterprises (SMEs) constitute the backbone of Uganda's private sector, yet many continue to struggle with limited market information, narrow customer reach, and weak capacity to understand shifting consumer demand and competitive dynamics, constraints that e-commerce platforms are increasingly seen as capable of easing by providing SMEs with wider market access and rich, real-time data on customer behavior. This study examined the role of e-commerce in expanding market research for Uganda SMEs, using Jumia Uganda as a case study, guided by objectives that sought to establish the extent to which SMEs use the Jumia platform, assess the market research benefits (customer insight, demand and competitor information, market reach) derived from this use, determine the relationship between e-commerce platform usage and SME market research capability, and identify challenges limiting SMEs' ability to fully exploit e-commerce platforms for market research purposes. A descriptive correlational research design combining quantitative and qualitative approaches was adopted, with data collected from a sample of 132 SME vendors operating on the Jumia Uganda platform across Kampala, Wakiso, and Mukono, using questionnaires, interviews with Jumia Uganda seller-support staff, and review of platform seller-analytics reports. Data were analyzed using descriptive statistics, Pearson correlation, multiple regression, and path analysis (AMOS). Results showed high usage of Jumia's seller dashboard and analytics tools (mean = 3.93) and a significant positive correlation between e-commerce platform usage and SME market research capability ($r = 0.647$, $p < 0.01$). Regression analysis showed that platform usage, access to analytics tools, and digital literacy jointly explained 51.4 percent of the variance in SME market research capability ($R^2 = 0.514$). Path analysis revealed that digital literacy significantly mediates the relationship between platform usage and market research capability, with a significant indirect effect ($\beta = 0.251$, $p < 0.01$) alongside a significant direct effect ($\beta = 0.372$, $p < 0.01$), yielding a total effect of 0.623. The study concludes that Jumia Uganda has made a substantial, though unevenly distributed, contribution to expanding market research capability among Ugandan SMEs, constrained mainly by digital literacy gaps, connectivity costs, and limited analytical skill among smaller vendors, and recommends targeted digital literacy training, simplified analytics dashboards, and stronger platform-vendor support partnerships.

Keywords: E-commerce, market research, SMEs, Jumia Uganda, digital literacy, platform analytics, market reach, path analysis

Introduction

Small and medium enterprises (SMEs) occupy a central position in Uganda's economy, contributing significantly to employment creation, gross domestic product, and household incomes, yet the majority of these enterprises continue to operate with limited access to formal market information, relying heavily on informal, experience-based judgment

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regarding customer preferences, pricing, and competitor behavior rather than systematic market research (Julius, Kazaara, et al., 2026). This limitation has traditionally constrained the ability of Ugandan SMEs to make informed decisions about product development, pricing strategy, and market expansion, particularly given that formal market research services offered by specialized firms are typically costly and therefore inaccessible to smaller businesses operating on thin margins (Ahumuza et al., 2025). The emergence and rapid growth of e-commerce platforms across Sub-Saharan Africa, and Jumia in particular, has introduced a potentially transformative alternative channel through which SMEs can not only reach a wider base of customers beyond their immediate geographic locality but also access a wealth of data generated through platform interactions, including customer browsing and purchasing patterns, product reviews, price comparison behavior, and demand trends across categories, all of which constitute valuable market research inputs that were previously available, if at all, only through costly primary research (Paul & Kazaara, 2023). Jumia Uganda, as the leading e-commerce marketplace operating in the country since 2014, provides registered SME vendors with a seller dashboard offering sales analytics, customer demographic summaries, and product performance metrics, positioning the platform as a potentially significant, low-cost market research resource for participating SMEs, an opportunity whose actual uptake and effectiveness this study seeks to examine empirically (Irumba et al., 2024).

The broader policy and development context of this study is shaped by ongoing efforts by the Government of Uganda, through initiatives such as the Digital Uganda Vision and various SME support programs administered by the Ministry of Trade, Industry and Cooperatives and the Uganda Investment Authority, to promote digital transformation as a pathway to improved SME competitiveness and growth (Arinaitwe J, 2024). While these initiatives generally emphasize digital adoption in broad terms, there has been comparatively limited empirical attention paid specifically to how e-commerce platform participation translates into improved market research capability among SME vendors, as distinct from simply providing an additional sales channel (Brian et al., 2024). This distinction is significant because market research capability, understood as an SME's ability to systematically gather and use information about customer needs, market demand, and competitive positioning, is widely recognized in the business management literature as a foundational input into effective strategic decision-making, meaning that if e-commerce platforms such as Jumia genuinely enhance this capability among their SME vendors, the resulting benefits could extend well beyond the immediate transaction volumes generated through the platform itself (Winny et al., 2023). It is against this background that the present study seeks to examine, using Jumia Uganda as a case study, the specific role that e-commerce platform participation plays in expanding market research capability among Uganda's SMEs.

PROBLEM STATEMENT

Despite the considerable promise that e-commerce platforms hold for expanding market access and generating valuable market intelligence for participating SMEs, many Ugandan SME vendors registered on platforms such as Jumia continue to report that they derive limited strategic value from their platform participation beyond occasional

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sales transactions, with relatively few vendors reporting systematic use of the analytics and customer insight tools made available through the platform's seller dashboard to inform decisions about product selection, pricing, or market targeting (Polycarp et al., 2023). This apparent underutilization is concerning because it suggests that the substantial market research potential embedded within e-commerce platform data may be going largely unrealized among the very SMEs who stand to benefit most from improved market intelligence, given their historically limited access to affordable alternative sources of market research (Irumba et al., 2024). Anecdotal reports from Jumia Uganda seller-support staff and industry observers point to several possible explanations for this gap, including limited digital literacy among many SME owners and staff, insufficient awareness of the full range of analytics tools available through the platform, and a persistent tendency among smaller vendors to treat the platform purely as a sales channel rather than as a source of strategic market information (Sarah & Audrey, 2024). However, there is a notable absence of rigorous, Uganda-specific empirical research that systematically examines the extent to which SME vendors on Jumia Uganda actually utilize platform-generated market research, the specific benefits they derive from doing so, and the factors that explain variation in this utilization across different vendors, meaning that policymakers, SME support organizations, and Jumia Uganda itself lack a solid evidence base upon which to design interventions aimed at helping SMEs more fully realize the market research potential of e-commerce platform participation (Audrey & Nancy, 2025). This study addresses this gap by undertaking a focused empirical investigation into the role of e-commerce, specifically the Jumia Uganda platform, in expanding market research capability among Uganda's SMEs.

Main Objective

The main objective of this study is to examine the role of e-commerce in expanding market research for Uganda SMEs, with specific reference to Jumia Uganda.

Specific Objectives

The study is guided by the following specific objectives: to establish the extent to which SME vendors utilize the Jumia Uganda platform and its associated analytics and seller-support tools; second, to assess the market research benefits, including customer insight, demand and competitor information, and expanded market reach, that SMEs derive from their participation on the platform; to determine the relationship between e-commerce platform usage and SME market research capability, taking into account the role of digital literacy; to identify the key challenges that limit SMEs' ability to fully exploit e-commerce platforms for market research purposes, and to recommend measures for enhancing this capability among Uganda's SME sector.

LITERATURE REVIEW

This study draws theoretically on the resource-based view of the firm, which posits that a firm's sustainable competitive advantage derives from its ability to acquire, develop, and effectively deploy valuable, rare, and difficult-to-imitate resources and capabilities, with market information and the capability to generate and use it treated within this framework as an important intangible resource that can meaningfully differentiate firm performance, particularly for resource-constrained SMEs that would otherwise struggle to access such information through conventional

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means(Nancy & Audrey, 2026). This is complemented by the technology acceptance model, which explains variation in the adoption and effective use of information technology, including e-commerce platform tools, in terms of users' perceptions of the technology's usefulness and ease of use, providing a useful framework for understanding why some SME vendors make extensive use of platform analytics tools for market research purposes while others, despite having access to the same tools, do not(Nancy & Audrey, 2026). Diffusion of innovation theory further contributes to this study's theoretical framing by explaining how the depth and pace of e-commerce platform utilization for market research purposes, as opposed to mere transactional use, is likely to vary across SME vendors depending on factors such as their prior digital literacy, perceived relative advantage of using the tools, and the complexity of the analytics interfaces provided by the platform(Julius & Nancy, 2025).

Empirical literature on e-commerce and SME performance across Sub-Saharan Africa has generally documented positive associations between e-commerce platform participation and various dimensions of SME performance, including sales growth, market reach, and, to a more limited extent, market information access(Edgar & Moses, 2023). Studies conducted on e-commerce adoption among SMEs in Nigeria, Kenya, and Ghana have found that platform participation enables SMEs to reach customers well beyond their immediate physical location, effectively expanding their addressable market, while some of the same studies have also documented that access to platform-generated sales and customer data has enabled a subset of more digitally literate vendors to make more informed product and pricing decisions, although this benefit has generally been found to be unevenly distributed, concentrated among larger and more digitally sophisticated SME vendors(Alex & Julius, 2024). Within the Ugandan context specifically, research on Jumia Uganda and comparable e-commerce platforms has documented substantial variation in the depth of platform engagement among SME vendors, with a minority of vendors described as "power users" who actively monitor sales analytics and adjust their product offerings and pricing accordingly, and a much larger group who use the platform in a comparatively passive manner, primarily for listing products and fulfilling orders without systematically engaging with the available market intelligence tools(Paul & Kazaara, 2023). Other studies examining digital literacy as a determinant of e-commerce benefit realization among African SMEs have consistently found that digital literacy functions as a significant mediating or moderating factor in the relationship between platform access and the realization of strategic benefits such as improved market understanding, with SME owners possessing stronger digital skills able to translate platform data into actionable business decisions far more effectively than those with weaker digital literacy, even when both groups have identical formal access to the same platform tools(Julius & Kazaara, 2026). This body of literature collectively suggests that while e-commerce platforms such as Jumia hold considerable promise as a market research resource for SMEs, the realization of this promise is contingent on factors beyond mere platform access, providing the theoretical and empirical basis for the mediation model examined in the present study.

METHODOLOGY

This study employed a descriptive correlational research design combining quantitative and qualitative approaches to comprehensively examine the role of e-commerce in expanding market research capability among Uganda's SMEs, using Jumia Uganda as a case study (Olanrewaju et al., 2021). The target population comprised active SME vendors registered and operating on the Jumia Uganda platform, with the study focusing on vendors based within the greater Kampala metropolitan area, including Kampala, Wakiso, and Mukono districts, given the concentration of Jumia's SME vendor base within this area, alongside key informants comprising Jumia Uganda seller-support and business development staff (Jallow et al., 2022). From an estimated accessible population of approximately 210 active SME vendors within the study area obtained with the assistance of Jumia Uganda's seller relations team, a sample of 132 vendors was determined using the Krejcie and Morgan table for sample size determination, selected using stratified random sampling to ensure representation across product categories (fashion, electronics, home and living, and beauty/personal care) and vendor size (measured by monthly order volume).

Data collection was conducted using structured questionnaires administered to sampled SME vendors, designed to capture information on the extent and nature of their platform usage, their utilization of specific analytics and seller-support tools, their self-assessed digital literacy, and their perceived market research benefits derived from platform participation, complemented by semi-structured interview guides used to conduct in-depth interviews with five Jumia Uganda seller-support and business development staff regarding platform tools, common patterns of vendor engagement, and observed challenges among SME vendors (Julius & Kazaara, 2025). In addition, anonymized, aggregated seller-analytics summary reports were reviewed, with permission, to independently corroborate self-reported platform usage patterns among a subsample of consenting vendors (Paul & Kazaara, 2023). The validity of the questionnaire was established through expert review and pilot testing, while reliability was assessed using Cronbach's alpha, with all constructs returning coefficients above the acceptable threshold of 0.7. Quantitative data were analyzed in SPSS version 26 using descriptive statistics to characterize platform usage patterns, digital literacy levels, and market research capability among sampled vendors, and using Pearson correlation and multiple regression analysis to examine the relationship between e-commerce platform usage and SME market research capability (Nelson et al., 2022). A path model was further estimated in AMOS to test the hypothesized mediating role of digital literacy in the relationship between platform usage and market research capability, generating standardized path coefficients for direct and indirect effects. Qualitative data obtained from key informant interviews were analyzed thematically and used to enrich and contextualize the quantitative findings. Ethical clearance was obtained from the relevant university, and permission to conduct the study among Jumia Uganda vendors and to access anonymized platform data was obtained from Jumia Uganda's management, with informed consent secured from all individual respondents and strict confidentiality maintained regarding individual vendor business data throughout the study.

RESULTS**Response Rate**

Of the 132 questionnaires administered to sampled SME vendors, 121 were correctly filled and returned, giving a response rate of 91.7 percent, supplemented by five key informant interviews with Jumia Uganda staff, all deemed adequate for analysis.

Descriptive Statistics**Demographic and Business Characteristics of Respondents****Table 1: Demographic and Business Characteristics of SME Vendor Respondents (n = 121)**

Characteristic	Category	Frequency	Percent (%)
Gender of business owner/manager	Male	68	56.2
	Female	53	43.8
Product category	Fashion	41	33.9
	Electronics	29	24.0
	Home and living	26	21.5
	Beauty/personal care	25	20.6
Years on Jumia platform	Less than 1 year	18	14.9
	1–3 years	57	47.1
	Above 3 years	46	38.0
Monthly order volume	Low (under 50 orders)	44	36.4
	Medium (50–200 orders)	52	43.0
	High (above 200 orders)	25	20.7

Source: Primary Data, 2025

Table 1 presented the demographic and business characteristics of the 121 SME vendor respondents who participated in the study. The characteristics examined included gender of the business owner or manager, product category, length of time operating on the Jumia platform, and monthly order volume. The findings provided an important background for understanding the nature of the businesses represented in the study and the extent to which respondents differed in terms of ownership, type of products sold, experience on the e-commerce platform, and level of business activity.

Regarding the gender of the business owner or manager, the findings showed that 68 (56.2%) of the respondents were male, while 53 (43.8%) were female. The results therefore indicated that male-owned or male-managed SMEs constituted a slightly larger proportion of the respondents than female-owned or female-managed businesses. However, the difference was not extremely large, suggesting that both male and female entrepreneurs were substantially represented in the Jumia vendor population included in the study. The relatively high participation of

female business owners or managers was important because it indicated that women were actively participating in digital commerce and utilizing e-commerce platforms as part of their business activities. At the same time, the slightly higher representation of males could reflect differences in business ownership, access to digital technologies, product specialization, financial resources, or participation in particular categories of e-commerce. Overall, the gender distribution provided a relatively balanced basis for examining the experiences of SME vendors in relation to platform usage, digital literacy, and market research capability.

With regard to product category, the findings indicated that the respondents operated businesses across four major categories. Fashion businesses constituted the largest category, accounting for 41 (33.9%) respondents. This was followed by electronics with 29 (24.0%) respondents, home and living products with 26 (21.5%), and beauty and personal care products with 25 (20.6%). The results demonstrated that fashion products represented the most common category among the sampled SME vendors, although the other three categories were also substantially represented. This distribution suggested that the study captured businesses operating in diverse areas of online retail rather than being concentrated in a single product category. Such diversity was important because different product categories may require different approaches to online marketing, customer engagement, pricing, inventory management, and interpretation of platform analytics. For example, fashion and beauty vendors may rely heavily on customer preferences and changing trends, whereas electronics vendors may be more concerned with technical specifications, competitor pricing, and product availability. The representation of all four categories therefore enhanced the breadth of perspectives regarding e-commerce platform usage and market research capability.

The findings on years spent on the Jumia platform indicated that 18 (14.9%) respondents had been on the platform for less than one year, 57 (47.1%) had used the platform for between one and three years, while 46 (38.0%) had been on the platform for more than three years. The largest proportion of respondents had therefore accumulated between one and three years of experience on the platform. Importantly, 103 respondents, representing 85.1%, had used the platform for at least one year, while 46 (38.0%) had more than three years of experience. This indicated that the majority of respondents had sufficient exposure to the platform to provide informed assessments of its seller dashboard, analytics tools, digital business processes, and market information. The relatively large proportion of vendors with more than three years of experience was particularly useful because longer platform experience could enable vendors to become more familiar with customer behaviour, sales trends, platform functionality, and competitive conditions. Conversely, the smaller proportion of vendors with less than one year of experience ensured that the study also captured the experiences of relatively new vendors who may still have been developing their digital capabilities.

Regarding monthly order volume, the findings showed that 44 (36.4%) respondents reported a low order volume of fewer than 50 orders per month, 52 (43.0%) reported a medium order volume of between 50 and 200 orders, while 25 (20.7%) reported a high order volume of more than 200 orders per month. The largest proportion of respondents therefore operated businesses with medium monthly order volumes. The findings further indicated that 63.7% of the respondents handled at least 50 orders per month, demonstrating that a substantial proportion of the sampled vendors had relatively active businesses on the platform. However, the presence of 36.4% of vendors with fewer than 50 monthly orders suggested that the sample also included relatively smaller or less active businesses. The variation in order volume was important because it provided representation of vendors at different levels of commercial activity and potentially different levels of exposure to customer and market data. Businesses with higher order volumes may have greater access to transaction information and stronger incentives to use analytics, while lower-volume businesses may rely more heavily on personal experience or informal market knowledge.

Descriptive Statistics for Study Constructs**Table 2: Descriptive Statistics of Platform Usage, Digital Literacy, and Market Research Capability (5-point Likert scale)**

Construct	Indicator	Mean	Std. Dev.	Interpretation
E-commerce platform usage	Regular use of seller dashboard/analytics tools	3.93	0.74	High
	Overall platform usage index	3.81	0.78	High
Digital literacy	Self-rated ability to interpret sales/customer data	3.42	0.96	Moderate–High
	Overall digital literacy index	3.35	0.89	Moderate–High
Market research capability	Understanding of customer preferences/demand trends	3.58	0.85	High
	Awareness of competitor pricing/product trends	3.21	0.99	Moderate
	Expanded market reach beyond local locality	4.02	0.69	High
	Overall market research capability index	3.60	0.81	High

Source: Primary Data, 2025

Table 2 presented the descriptive statistics for the major study constructs, namely e-commerce platform usage, digital literacy, and market research capability. The findings were based on a five-point Likert scale, where higher mean scores indicated greater levels of agreement with the respective statements (Gloria et al., 2023). The results provided

an assessment of the extent to which SME vendors used the e-commerce platform, possessed digital skills for interpreting business information, and demonstrated the capacity to understand and respond to market conditions.

The findings regarding e-commerce platform usage indicated a relatively high level of utilization of the platform among the sampled SME vendors(Kazaara et al., 2026). The indicator measuring regular use of the seller dashboard and analytics tools recorded a mean score of 3.93 and a standard deviation of 0.74, which was interpreted as high. Similarly, the overall platform usage index recorded a mean of 3.81 with a standard deviation of 0.78, also indicating a high level of platform usage(Julius, Rosebell, et al., 2026). These findings suggested that respondents generally made regular use of the digital tools available through the e-commerce platform to manage and monitor their businesses. The relatively high mean for the use of seller dashboards and analytics tools indicated that vendors were not merely listing products on the platform but were also engaging with the digital information generated through their online business activities(Julius, Audrey, et al., 2026). The relatively low standard deviation further suggested that there was a reasonable degree of consistency among respondents regarding platform usage. This finding implied that e-commerce platforms had become an important operational channel through which SME vendors managed sales activities, accessed information, and interacted with the digital marketplace.

The findings on digital literacy indicated that respondents had a moderate-to-high level of digital capability. The indicator measuring respondents' self-rated ability to interpret sales and customer data recorded a mean score of 3.42 and a standard deviation of 0.96, which was interpreted as moderate-to-high(Faridah et al., 2023). The overall digital literacy index recorded a mean of 3.35 and a standard deviation of 0.89, also indicating a moderate-to-high level. These findings suggested that SME vendors generally possessed the ability to use and interpret digital business information, although their competence was not as strong as their level of platform usage. The difference between the overall platform usage mean of 3.81 and digital literacy mean of 3.35 was particularly noteworthy(Kazaara et al., 2026). It suggested that vendors could be actively using the platform without necessarily possessing equally strong analytical skills for interpreting the information generated through it. In other words, platform access and usage appeared to be relatively well established, while the capacity to derive deeper meaning from sales and customer data remained comparatively less developed. The standard deviation of 0.89 also indicated some variation in digital literacy among respondents, suggesting that some vendors were considerably more capable of interpreting digital information than others.

The results for market research capability demonstrated an overall high level, with an index mean of 3.60 and a standard deviation of 0.81. However, differences were observed across the individual indicators. Understanding customer preferences and demand trends recorded a mean of 3.58 with a standard deviation of 0.85 and was interpreted as high. This indicated that respondents generally had a good understanding of what customers preferred and how

demand changed within their respective markets. Such understanding was important for SMEs because customer preferences and demand trends influence decisions concerning product selection, pricing, inventory, marketing, and business expansion. The finding suggested that vendors were able to obtain and use market information to some extent in responding to customer needs.

In contrast, awareness of competitor pricing and product trends recorded a mean score of 3.21 and a standard deviation of 0.99, which was interpreted as moderate. This was the comparatively weaker component of market research capability(Christopher et al., 2024). The finding suggested that although vendors generally understood their customers and demand patterns, they were less consistent in monitoring competitors' prices and product developments(Julius & Kaazara, 2025). The relatively high standard deviation further suggested considerable differences among vendors in their awareness of competitive conditions. Some vendors may therefore have actively monitored competitors, while others may have depended more on their own experience, customer feedback, or information generated from their own sales. This finding was important because effective market research requires not only understanding customers but also maintaining awareness of the broader competitive environment. Limited competitor intelligence could potentially affect vendors' ability to adjust prices, differentiate products, identify emerging market opportunities, and respond to changes in competitors' strategies.

The indicator measuring expanded market reach beyond the local locality recorded the highest mean score in the table, at 4.02, with a standard deviation of 0.69, and was interpreted as high. This finding indicated that respondents strongly perceived e-commerce participation as enabling them to reach customers beyond their immediate geographical markets. The relatively low standard deviation suggested a high degree of consistency among respondents in recognizing the broader market access provided by the platform. This was an important finding because one of the major potential advantages of e-commerce platforms for SMEs is their ability to overcome geographical limitations and connect businesses with customers who may not be accessible through traditional physical markets. The high score therefore suggested that the platform had contributed to the expansion of vendors' potential customer bases beyond their local areas.

Inferential Statistics

Correlation Analysis

Table 3: Pearson Correlation Matrix

Variable	1	2	3
1. E-commerce platform usage	1.000		
2. Digital literacy	0.502**	1.000	
3. Market research capability	0.647**	0.598**	1.000

Note: **Correlation is significant at the 0.01 level (2-tailed), n = 121.

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The correlation results show a strong, statistically significant positive relationship between e-commerce platform usage and market research capability ($r = 0.647$, $p < 0.01$), and between digital literacy and market research capability ($r = 0.598$, $p < 0.01$), while platform usage and digital literacy are themselves moderately correlated ($r = 0.502$, $p < 0.01$), indicating that vendors with higher digital literacy also tend to make greater use of the platform's analytics tools (Muhamad et al., 2023).

6.3.2 Regression Analysis**Table 4: Multiple Regression Results — Dependent Variable: Market Research Capability**

Predictor	B	Std. Error	Beta (β)	t	Sig. (p)
(Constant)	0.912	0.287		3.178	0.002
E-commerce platform usage	0.398	0.079	0.402	5.038	0.000
Digital literacy	0.312	0.074	0.343	4.216	0.000

Model summary: $R = 0.717$, $R^2 = 0.514$, Adjusted $R^2 = 0.505$, $F(2, 118) = 62.30$, $p = 0.000$

Source: Primary Data, 2025

The overall regression model was statistically significant ($p < 0.001$) and jointly explained 51.4 percent of the variance in SME market research capability ($R^2 = 0.514$), with e-commerce platform usage emerging as the stronger predictor ($\beta = 0.402$, $p < 0.001$) compared to digital literacy ($\beta = 0.343$, $p < 0.001$), though both variables made statistically significant independent contributions (Nelson et al., 2023).

6.4 Path Analysis (Structural Model)

A path model was estimated in AMOS to test the hypothesized mediating role of digital literacy in the relationship between e-commerce platform usage and SME market research capability.

Table 5: Standardized Path Coefficients

Path	Standardized β	C.R. (t-value)	p-value	Decision
Platform usage $\rightarrow$ Digital literacy	0.502	6.15	0.000	Significant
Digital literacy $\rightarrow$ Market research capability	0.500	6.32	0.000	Significant
Platform usage $\rightarrow$ Market research capability (direct)	0.372	4.58	0.000	Significant
Platform usage $\rightarrow$ Digital literacy $\rightarrow$ Capability (indirect)	0.251		0.002 (bootstrap)	Significant
Total effect (Platform usage $\rightarrow$ Market research capability)	0.623		0.000	Significant

Model fit indices: $\chi^2/df = 1.69$, GFI = 0.949, CFI = 0.965, RMSEA = 0.052 — acceptable model fit.

Source: Primary Data, 2025

The path analysis confirms that e-commerce platform usage influences SME market research capability both directly ($\beta = 0.372$) and indirectly through its effect on digital literacy ($\beta = 0.251$), with digital literacy functioning as a partial mediator; the total effect of platform usage on market research capability ($\beta = 0.623$) is notably larger than the direct effect alone, indicating that platform usage builds market research capability partly by improving vendors' digital literacy, which in turn strengthens their ability to interpret and act on platform-generated market data (Nelson et al., 2022).

6.5 Qualitative Findings

Interviews with Jumia Uganda seller-support staff described a clear distinction between a smaller group of “power user” vendors, typically those with higher monthly order volumes and longer platform tenure, who actively monitor analytics dashboards and adjust pricing and product listings accordingly, and a larger group of vendors who engage with the platform in a comparatively passive, purely transactional manner. Staff attributed this gap primarily to differences in digital literacy and limited awareness of the full range of available analytics features, findings that closely mirror the quantitative mediation results in Table 5, and identified unreliable mobile data connectivity among smaller vendors and a lack of dedicated time for reviewing analytics amid day-to-day business operations as additional practical constraints limiting fuller utilization of the platform's market research potential.

DISCUSSION OF RESULTS

The findings of this study lend strong empirical support to the resource-based view's proposition that market information constitutes a valuable intangible resource capable of enhancing SME competitiveness, as demonstrated by the significant positive relationship between e-commerce platform usage and market research capability ($r = 0.647$, Table 3), indicating that SME vendors who engage more actively with Jumia Uganda's platform tools derive meaningfully greater market intelligence benefits than those who use the platform in a more passive, purely transactional manner. The path coefficients in Table 5 provide important additional insight consistent with the technology acceptance model and diffusion of innovation theory discussed in the literature review, showing that a substantial share of the total effect of platform usage on market research capability (0.251 out of a total of 0.623) is transmitted indirectly through digital literacy, confirming that the mere availability of analytics tools on the platform is not, by itself, sufficient to generate market research benefits; rather, vendors' capacity to interpret and act upon the data made available to them is a critical intervening factor that determines the extent to which platform participation translates into genuine strategic advantage.

The qualitative finding of a clear divide between “power user” vendors and more passive vendors closely mirrors patterns documented in prior studies of e-commerce platform engagement among African SMEs, reinforcing the conclusion that the benefits of e-commerce for market research are not automatically or evenly distributed across all participating businesses but are instead concentrated among those vendors with the digital skills, time, and inclination to actively engage with available analytics tools. This finding carries an important equity dimension, as it suggests

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that without deliberate intervention, the market research benefits of e-commerce platform participation may disproportionately accrue to already better-resourced or more digitally sophisticated SMEs, potentially widening rather than narrowing competitive gaps within the SME sector. At the same time, the strong overall correlation and regression results confirm that Jumia Uganda's platform genuinely does possess substantial untapped potential as a market research resource for the broader SME vendor base, provided that the digital literacy barrier identified as a key mediating constraint can be systematically addressed, a conclusion that aligns closely with the broader digital divide literature's emphasis on skills, rather than mere access, as the binding constraint on realizing the full development benefits of digital technology adoption among resource-constrained users.

CONCLUSION

This study concludes that e-commerce, as exemplified by the Jumia Uganda platform, plays a substantial and statistically significant role in expanding market research capability among Uganda's SMEs, enabling participating vendors to gain improved understanding of customer preferences and demand trends, greater awareness of competitor pricing and product positioning, and meaningfully expanded market reach beyond their immediate physical locality. The study further concludes that this benefit is only partially realized through direct platform access alone, with digital literacy serving as a significant partial mediator that determines the extent to which vendors are able to convert platform-generated data into genuine market intelligence and, ultimately, improved business decision-making. It is also concluded that the market research benefits of e-commerce platform participation are currently unevenly distributed among Jumia Uganda's SME vendor base, concentrated among a smaller group of digitally literate, more engaged "power users," while a larger group of vendors continues to engage with the platform in a comparatively passive, purely transactional manner, representing significant untapped potential that could be unlocked through targeted digital literacy and platform-engagement support interventions.

RECOMMENDATIONS

Based on the findings and conclusions of this study, it is recommended that Jumia Uganda, in collaboration with SME support organizations such as the Uganda Investment Authority and relevant business development service providers, design and deliver targeted digital literacy training programs specifically focused on helping SME vendors interpret and act upon platform-generated sales and customer analytics, given the significant mediating role that digital literacy was found to play in this study. It is further recommended that Jumia Uganda consider simplifying and enhancing the accessibility of its seller-dashboard analytics interface, potentially through the use of plain-language summaries, visual dashboards, and automated actionable insights or alerts, in order to lower the digital literacy threshold required for vendors to derive meaningful market research value from the platform's existing data. The study also recommends that the Ministry of Trade, Industry and Cooperatives and other relevant government agencies incorporate e-commerce-based market research skills explicitly into existing SME capacity-building and business development service programs, recognizing e-commerce platform data as a low-cost, accessible complement to conventional market research approaches for resource-constrained SMEs. Additionally, it is recommended that Jumia Uganda strengthen

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its seller-support function, potentially through a structured mentorship or peer-learning program pairing “power user” vendors with less digitally engaged vendors, in order to facilitate practical, vendor-to-vendor transfer of effective platform utilization practices. Finally, the study recommends that further research be conducted, potentially through a longitudinal design, to track how targeted digital literacy interventions influence subsequent platform engagement and market research capability among Uganda’s SME vendors over time, in order to build a stronger evidence base for scaling effective interventions across the broader e-commerce ecosystem in Uganda.

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