Appraising Entrepreneurs' Mentality on Digitalized Financial Economy Towards Entrepreneurship Development in South West, Nigeria

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Abstract
Globally, entrepreneurship is digitalized. This was therefore conduct on appraising traditional entrepreneurship mentality on digitalized financial economy as stimulants of entrepreneurship development in South West, Nigeria. A descriptive survey research design was used for the study. The study population comprised traditional entrepreneurs. The sample size of the study was 90 respondents, selected through a simple random sampling technique. Two research questions were raised. Data were generated through a research instrument developed by the researcher titled "Questionnaire on Appraising Traditional Entrepreneurs' Mentality on Digitalized Financial Economy as Stimulant of Entrepreneurship Development in South West, Nigeria". It was fashioned on four points (4, 3, 2 and 1) respectively. The research instrument was validated by experts in measurement and evaluation. Its reliability was determined through test-retest method at two weeks interval. 0.69 coefficient reliability was established. Data generated were analyzed using descriptive statistics (simple percentages, frequency counts and mean (x)). Based on the results, it was concluded that traditional entrepreneurs could not use digital tools for entrepreneurial financial activities. However, they were of the knowledge that digital tools could develop entrepreneurship in South West, Nigeria. Recommendations were made that government should create enabling environment for digitalization of entrepreneurs' economy, and so on.

Keywords: Appraising, Digitalized Financial Economy, Mentality, Entrepreneurship, Development

Introduction
There is no gain saying the fact that poverty and unemployment are some of the socio-economic challenges in Nigeria today. They are not recent unsavory trends, rather long-term issues of great concern to government. Erinsakin (2014) notes that many people in the country are wallowing in an abject poverty due to several factors, lack of employment, inclusively. Many families cannot afford the basic necessities of life (shelter, clothes and feeding). According to National Bureau of Statistics (NBS) (2022) [1], "63% of persons living within Nigeria (133 million) are multidimensionally poor". It is higher in rural areas, puts at 72 percent, while in urban areas poverty stands at 42 percent. Considering the weak income growth and effects of protracted inflationary trend, poverty in Nigeria in 2026 may rise more than before.
One of the major causes of poverty in Nigeria is unemployment, specifically among the youths. NBS (2026) states that unemployment rate in Nigeria today stands at 4.9% while youth's unemployment sits at 6.5%. There is variation of unemployment rate from state to state and region to region. The poverty and unemployment status of people in Nigeria have resulted into myriads of socio-economic challenges, ravaging the country at present, such as; terrorism, banditry, kidnapping, pipe line vandalization, human ritual, 419 scam, prostitution, destitution, political thuggery, and so on (Erinsakin, 2014). Agagu (2007) says that "an idle brain is a devil's workshop". Boko Haram insurgents and other deadly criminal groups' members were easily lured to join the groups because of their idleness and joblessless, partly.

The realization of effects of poverty and unemployment by government, individuals and groups resulted into implementation of entrepreneurship programme. The definition of entrepreneurship is a complex one. However, cardinally, the essence of the programme is to equip people with desirable and appropriate skills relating to opportunity pursuit, business creation, uncertainty and profit seeking. It is a process of making a person successful by identifying business opportunities, starting the business, sourcing capital to start the business and managing the business. Erinsakin and Erinsakin (2024) conceptualise entrepreneurship as the process of acquiring and applying technical, technological and managerial competences to create, organize and manage a new business.

Implementation of entrepreneurship programme is not the case, rather their practical applications to become a successful entrepreneur. In Nigeria, several challenges have been identified as constraints to business creation management and development such as; financial, infrastructural, regulatory, market and socio-cultural challenges. All these factors are roadblocks and cogs in the wheel of entrepreneurship boosterism and massification in Nigeria. Importantly, the financial challenge is a major challenge to entrepreneurs or who-would-be entrepreneurs.

Akpan (2025) [3] opines that the cardinal challenge to entrepreneurship promotion and development is situated around financial context in Nigeria, these includes: high interest rates, stringent collateral demands, inflation, multiple taxation, and poor book keeping. Many entrepreneurs are unable to carry out sound financial transactions, source for capital, and so on, especially, in the 21st century where economy is strictly digitalized.

The advancement of digital financial economy that characterized the 21st century has contributed intensely and significantly to development and promotion of entrepreneurship practice, globally. According to Eche, Ogundare, Maryam, Abdullahi and Jaafar (2024) [4].

The intersection of digital finance and sustainable development in Nigeria presents a transformative opportunity for the nation's economy, promising

to redefine the contours of financial inclusion, economic growth and environmental sustainability. As we navigate through the early decades of the 21st century, the digital revolution has emerged as a powerful catalyst

for economic transformation, offering unprecedented opportunities to address longstanding challenges of accessibility, efficiency and transparency in the financial sector.

From the above extract, it could be summarily and succinctly be deciphered that the use of digital devices, such as; smart phone, computer, tablet, and so on have brought tremendous improvement in financial transactions thus, promotes entrepreneurial activities. The proliferation of digital banking, mobile money services, and fintech innovations in Nigeria has been instrumental and useful in bridging the gap between traditional banking systems and the digital economy, facilitating more efficient transactions and fostering inclusive entrepreneurship growth and development. The digitalized financial economy drives down transaction costs and expands credit access. Further, it empowers entrepreneurs to innovate and scale globally. It also promotes digital payment thus, making payment possible without face to face contacts.

In the study carried out by Erondu, Ndigwe, Nnamdi, Oyeniran, Ilesanmi, Maiyaki and Ekpeniaka (2025) on digital financial inclusion and entrepreneurship growth a case of E-business in Africa, the results of the study showed that digital revolution in entrepreneurship practice in Africa could facilitate a global link between local entrepreneurs and their international counterparts in terms of exchange of payments, sourcing for capital and business information. Leong and Sung (2018) [6], contends that financial technology presents a transformative approach to financial services through technology integration.

By and large, the digitalized financial economy in the 21st century in the context of entrepreneurship practice and culture has dismantle the barriers that prevent individuals and businesses from accessing essential financial services, comprising credit, investments, savings, insurance and payment platforms. In Nigeria, one of the greatest challenges which entrepreneurs are facing with is financial challenge in terms of making financial transactions through digital system to source capital to start business, exchange business information on business and other financial allied activities.

The researcher therefore conducts the study to ascertain entrepreneurs' mentality on digitalized financial economy as stimulant of entrepreneurship development in South West Nigeria.

Statement of the Problems

Disposition among entrepreneurs on digitalized financial economy for entrepreneurship development and massification has several advantages or benefits to entrepreneurship promotion and development, especially in the 21st century when every sector of the nation, including economy is digitalized, using devices, such as, smart mobile phone, Fin-tech, laptops, computer and so on. Digitalized financial economy as remarked and noted in several scholarly studies has brought unprecedented development and massification to entrepreneurship.

The researcher therefore carried out this very study to investigate in order to ascertain entrepreneurs' mentality on digitalized financial economy towards entrepreneurship development in South West, Nigeria.

Objectives of the Study

The broad objective of the study was on appraising entrepreneurs' mentality on digitalized financial economy towards entrepreneurship development in South West Nigeria.

The specific objectives were to:

1. ascertain usage of digital devices for business activities by traditional entrepreneurs in South West, Nigeria.
2. investigate knowledge of traditional entrepreneurs on digital application on entrepreneurship development in South West, Nigeria.

Research Questions

Two research questions were raised for the study:

1. Are traditional entrepreneurs using digital services for entrepreneurial activities in South West Nigeria?
2. Do entrepreneurs have knowledge of digital applications for entrepreneurship development in South West, Nigeria?

Methodology

Descriptive survey research design was used for the study. The population of the study comprised, traditional entrepreneurs in Nigeria. The same size of the study was

Ninety (90) respondents, selected through a simple random sampling technique using ballot paper from the six states of South West in Nigeria. Fifteen (15) respondents were selected from each of the six states (Oyo, Ogun, Osun, Ondo, Ekiti and Lagos). Two research questions were raised for the study.

Data were generated through research instruments developed by the researcher, titled "Questionnaire on Appraising Entrepreneurs' Mentality on Digitalized Financial Economy towards Entrepreneurship Development in South West, Nigeria". It was fashioned on four Likert rating scale; Strongly Agreed (SA), Agreed (A), Disagreed (D) and Strongly Disagreed (SD) rated as 4, 3, 2 and 1 points, respectively.

The research instruments were validated by experts in Measurement and Evaluation. Its reliability was determined, through test-retest method at two-week interval. 0.69 coefficient reliability was established. Data obtained were analyzed, using descriptive statistics (simple percentages, frequency counts and Mean (x).

Presentation of findings and Discussion of Results

Presentation of Findings

Research Question one: Are entrepreneurs using digital devices for entrepreneurial activities in South West, Nigeria?

Table 1: Showing simple percentages, frequency counts and mean (x) on traditional entrepreneurs using digital devices for financial entrepreneurial activities in South West, Nigeria. N = 90 C = 2.5

S/N	Items	SA %	A %	D %	SD %	N	Mean x	Decision
1.	I often use smart mobile phone for making payment	12 13.33	29 32.22	9 10	40 44.44	90	2.14	R
2.	I do not usually use mobile smart phone for making payment	19 21.11	13 14.44	14 15.55	44 48.88	90	2.07	R
3.	I borrow money for my business through online loan	15 16.66	10 11.11	31 34.44	34 37.77	90	2.06	R
4.	I do not borrow money to do business through online loan	22 24.44	17 18.88	16 17.77	35 38.88	90	2.28	R
5.	I can exchange business conversation with my colleagues using laptop	12 13.33	9 10	31	38	90	1.94	R
6.	I do not know how to use laptop to exchange conversation with my colleagues using laptops	15 16.66	31 34.44	17 18.88	27 30	90	2.03	R
7.	I can search for business opportunities using computer	19 21.11	21 23.33	15 16.66	35 38.88	90	2.26	R
8.	I do not know how to search for business opportunities through computer	18 20	19 21.11	31 34.44	22 24.44	90	2.36	R
	AVERAGE MEAN	132 18.33	149 20.69	164 22.77	275 38.19		2.14	R

Source: Field survey, 2026

Keys: N = Total number of Respondents, C = Cut-off-point, (x) = Mean, SA = Strongly agreed A = Agreed, D = Disagreed SD = Strongly Disagreed A = Accepted R = Rejected

Table 1 above, shows the findings on research question one. On item (1), 12 (13.33), 29 (32.22), 9 (10) and 40 (44.44) were obtained as responses for strongly agreed, agreed, disagreed and strongly disagreed, respectively. On item (2), responses got were, 19 (21.11), 13 (14.44), 14 (15.55) and 44 (48.88) for strongly agreed, agreed, disagreed and strongly disagreed. On item (3), the following responses were got; 15 (16.66), 10 (11.11), 31 (34.44) and 34 (37.77) for strongly agreed, agreed, disagreed and strongly disagreed. On item (4), responses obtained indicated 22 (24.44), 17 (18.88), 16 (17.77) and 35 (38.88) for strongly agreed, agreed, disagreed and strongly disagreed.

On item (5), 12 (13.33), 9 (10), 31 (34.44) and 38 (42.22 were got as responses for strongly agreed, agreed, disagreed and strongly disagreed, as well. On item (6), 15 (16.66), 31 (34.44), 17 (18.88) and 27 (30) were got for strongly agreed, agreed, disagreed and strongly disagreed. On item (7), 19 (21.11), 21 (23.33), 15 (16.66) and 35 (38.88) responses were got for strongly agreed, agreed, disagreed and strongly disagreed. Finally, 18 (20), 19 (21.11), 31 (34.44) and 22 (24.44) responses were also, obtained for strongly agreed, agreed, disagreed and strongly disagreed.

Generally, the average mean of the findings showed that the average rating scale of four (x = 2.5) was greater than the mean of average rating scale of four (x = 2.14) that indicates that entrepreneurs are not using digital devices for financial activities in South West, Nigeria.

Research Question Two: Do entrepreneur have knowledge of digital financial economy relevance entrepreneurship development in South West, Nigeria

Table 2: Showing simple percentages, frequency counts and mean (x) on do entrepreneur have knowledge of digital financial economy relevance entrepreneurship development in South West, Nigeria N = 90 C = 2.5

S/N	ITEMS	SA %	A %	D %	SD %	N	MEAN x	DECISION
9.	Are you aware that of usefulness of digital system on sourcing for capital	51 56.66	13 14.44	6 6.66	20 22.22	90	3.05	A
10.	I am ignorant of usefulness of digital system on sourcing for capital	7 7.77	9 10	13 14.44	61 67.77	90	1.57	R
11.	I am of the knowledge of selling goods to customers without face to face contact	71 78.88	9 10	8 8.88	2 2.22	90	3.65	A
12.	I am not of the knowledge that buying and selling to customers through digital and without physical contact	3 3.33	9 10	13 14.44	65 72.22	90	1.44	R
13.	I am of the knowing that through mobile phone that I can send money to someone	81 90	4 4.44	2 2.22	3 3.33	90	3.81	A
14.	I am not aware that payment can be made through mobile phone usage	3 3.33	9 10	33 36.66	45 50	90	1.66	R
15.	Through computer costing can be done on my business	77 85.55	6 6.66	2 2.22	5 5.55	90	3.72	A
16.	Computer can't be use to do costing on my business	6 6.66	9 10	14 15.55	61 67.77	90	1.55	R
	AVERAGE MEAN	299 411.25	68 9.44	91 12.63	262 36.38		2.55	A

Source: Field survey, 2026

Keys: N = Total number of Respondents, C = Cut-off-point, (x) = Mean, SA = Strongly agreed A = Agreed, D = Disagreed SD = Strongly Disagreed A = Accepted R = Rejected

Table 2 above, shows the findings on research question one. On item (9), responses for strongly agreed, agreed, disagreed and strongly disagreed were 51 (56.66), 13 (14.44), 6 (6.66) and 20 (22.22) respectively. On item (10), responses were 51 (56.66), 13 (14.44), 14 (15.55) and 44 (48.88) for strongly agreed, agreed, disagreed and strongly disagreed. On item (11), responses were 71 (78.88), 9 (10), 8 (8.88) and 2 (2.22) for strongly agreed, agreed, disagreed and strongly disagreed. On item (12), responses obtained were 3 (3.33), 9 (10), 13 (14.44) and 65 (72.22) for strongly agreed, agreed, disagreed and strongly disagreed.

On item (13), the following responses were got; 8 (9), 4 (4.44), 2 (2.22) and 3 (3.33) for strongly agreed, agreed, disagreed and strongly disagreed. On item (14), 3 (3.33), 4 (4.44), 33 (36.66) and 45 (50) were got as responses for strongly agreed, agreed, disagreed and strongly disagreed respectively. On item (15), 7 (55.55), 6 (6.66), 2 (2.22) and 5 (5.55) were obtained as responses for strongly agreed, agreed, disagreed and strongly disagreed. Finally, on item (16), the following responses were obtained, alike 6 (6.66), 9 (10), 14 (15.55) and 61 (67.77) for strongly agreed, agreed, disagreed and strongly disagreed.

Generally, the average mean of the findings showed that the average rating scale of four (x = 2.05) was lesser than the mean of average rating scale of four (x = 2.55). This result indicates that the entrepreneurs were of the knowledge of relevance of digital financial economy relevance to development of entrepreneurship in South West, Nigeria.

Discussion of Results

The result of research questions reveals that entrepreneurs were not using digital financial economy in other words they were unable to use digital devices, such as; laptops, computer, smart mobile phone, and so on to carry out business activities. The results do not align with the opinion and submission of several scholars in their studies or researches; that traditional entrepreneurs are rapidly adopting and shifting to digital financial services to manage their business operations, accessing working capital, and reach our customers through the mobile money and digital payment, digital banking, micro-loan and credit scoring. Thus, reduce the structural costs of handling cash, avoid the friction of physical bank notes, and so on. For example, Liu and Yung (2024) [7], maintains that digital financial inclusion enables the entrepreneurs who are people living in rural and remote areas to conveniently open bank accounts and access financial services online by combining digital payment technology with mobile phone technology.

In the same vein, Erondu *et al* (2025), maintain that the expansion of digital financial inclusion has tremendously and significantly enhance performance of traditional entrepreneurship in African communities by making them to have access to financial services in the informal sector.

The result of research question two that reveals that traditional entrepreneurs were of the knowledge of relevance of digital financial economy to development of entrepreneurship in South West, Nigeria. The result was corroborated by the view of Osinubi, Simatele and Ajide (2025), that entrepreneurs are aware that digitalization plays several roles in entrepreneurship sustainable development in Africa. Further that most traditional entrepreneurs are of the knowledge that through digitalization, entrepreneurs can reach out to customers without physical contact or face to face. Also, that it enables entrepreneurs to have insights into customers behaviours, and that it allows individuals to start businesses with minimal overhead costs, often requiring only a computer and an internet connection.

Conclusion

Based on the results of the study conclusion were made that the traditional entrepreneurs were not using digital financial economy for entrepreneurial activities in South West, Nigeria. However, they were of the knowledge and have the awareness that digital financial economy is relevant to development of entrepreneurship in South West, Nigeria.

Recommendations

Recommendations were made based on the conclusions of the study:

1. The traditional entrepreneurs should be encouraged by the major stakeholders in entrepreneurship promotion and development in Nigeria to be using digital tools.
2. Digital devices, such as; smart mobile phone, laptops, smart card, ATM, computer, and so on should be made accessible and affordable to entrepreneurs.
3. Governments should create enabling environment for digitalization of Nigerian economy.
4. Entrepreneurs should be sensitized the more on the benefits and relevance of using digital devices to entrepreneurship promotion and development by the sector of economy where entrepreneurship, and allied programmes are domiciled, and so on.

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