

Social Commerce as a Pathway to Financial Inclusion: A Policy Analysis of WhatsApp-Based Retail in Nigeria Amidst Rising Platform Costs

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Abstract

This study examines whether WhatsApp-based retail serves as a viable pathway to financial inclusion for Nigeria's micro-entrepreneurs, following Meta's introduction of per-message charges in October 2026. Drawing on social commerce theory, financial inclusion literature, and platform economics, this synthesizing policy analysis reviews evidence from academic research, government data, and industry reports. The analysis reveals a paradox: while financial inclusion has reached 74% of adults, only 15% access formal credit. Meanwhile, over 14 million Nigerian SMEs use Meta's platforms, with WhatsApp as primary retail infrastructure. Platform costs, ₦14 per utility message and ₦84 per marketing message, threaten affordability. Based on secondary data, this study develops an analytical framework examining how digital financial footprints could facilitate credit access, identify critical evidence gaps, and provide policy recommendations. The analysis concludes that while potential exists, the pathway remains largely theoretical and requires empirical validation.

Keywords: Social Commerce, Financial Inclusion, WhatsApp, Nigeria, Platform Costs, Digital Micro-Entrepreneurs, Alternative Credit Scoring, Policy Analysis

1. INTRODUCTION

1.1 Background

Nigeria is witnessing a significant transformation in its retail sector. It is not happening in corporate boardrooms or government offices. It is happening on WhatsApp, Instagram, Facebook Marketplace, and Telegram, where millions of Nigerians are building businesses without shops, without large amounts of capital, and without waiting for government support. These are the digital micro-entrepreneurs, described by industry observers as the fastest-growing SME segment in Nigeria, and arguably the most important economic shift of the last five years (BusinessDay, 2025).

At the heart of this transformation is WhatsApp. With over 51 million active users as of April 2024, Nigeria ranks among the top countries globally for WhatsApp adoption (BusinessDay, 2025). For many small businesses, WhatsApp is not just a messaging app; it is a virtual shop, a customer care centre, a payment coordination tool, an advertising platform, and a business communication hub.

A report by research firm Public First, titled Nigeria's Digital Economy, found that 14 million Nigerian SMEs used Meta's applications, including Facebook, Instagram, WhatsApp, Messenger, Meta AI, and Threads, in 2025 to start, run, and expand their businesses (Public First, 2026). These businesses contributed approximately \$2 billion to Nigeria's GDP and achieved productivity gains estimated at \$640 million through more efficient instant messaging. Eighty-one percent of Nigerian businesses surveyed said Meta's platforms had expanded their customer reach (Public First, 2026).

1.2 The Financial Inclusion Paradox

Parallel to this social commerce revolution, Nigeria has made progress in financial inclusion. According to the Central Bank of Nigeria (CBN), 74% of Nigerians had access to formal financial services by June 2025 (Central Bank of Nigeria, 2025a). The CBN has set an ambitious target of 95% financial inclusion by 2028 under the Nigeria Payments System Vision (PSV) 2028. This would bring an additional 50 million Nigerians into the formal financial system (TechCabal, 2026).

However, beneath these headline numbers lies a troubling paradox. The World Bank estimates that only 15% of Nigerian adults have access to formal loans, and credit bureau coverage remains under 8%. Nigeria's retail and MSME credit penetration hovers around 5%, compared to as high as 30-50% in markets like Kenya or South Africa. The CBN's Fintech Report 2025 identified the lack of digital identity or credit history as the most cited challenge limiting fintechs' ability to reach excluded populations, mentioned by 37.5% of respondents (Central Bank of Nigeria, 2025b).

This disconnect, being banked but not credit-worthy, represents a critical gap in Nigeria's financial inclusion journey. The question becomes: can the transactional data generated through WhatsApp-based retail serve as the bridge between informal commerce and formal financial services?

1.3 The Platform Cost Shock

Just as this question gains urgency, a significant development threatens the WhatsApp retail ecosystem. From October 1, 2026, Meta began charging businesses for certain messages sent through the WhatsApp Business Platform (formerly known as the WhatsApp Business API). Service messages, which had been free since November 2024, now incur charges on a per-message basis. Utility messages sent within the 24-hour customer service window, which had been free since July 2025, also now incur charges (The Sun, 2026).

For Nigerian businesses, a chargeable utility-type message (such as payment notifications and order updates) costs about \$0.0101, or roughly ₦14. Marketing messages carry a significantly higher charge of

approximately \$0.062 per message, or about ₦84 (Vanguard, 2026). For a Nigerian fintech company sending 500,000 chargeable utility messages, this could incur about \$5,050 in fees from Meta alone. This marks a fundamental shift: WhatsApp is transitioning from a free communication tool to a paid business infrastructure.

1.4 Research Questions

This study is guided by the following research questions:

1. To what extent does participation in WhatsApp-based retail generate digital financial footprints (transaction histories, customer data, payment records) that can be leveraged for access to formal financial services?
2. How do the new WhatsApp Business Platform messaging fees affect the continued viability of WhatsApp-based retail as a pathway to financial inclusion for Nigeria's micro-entrepreneurs?
3. What policy and industry interventions can preserve WhatsApp's role as an inclusive economic infrastructure that supports financial inclusion in Nigeria?

1.5 Significance of the Study

This study makes several important contributions. First, it synthesizes evidence on the relationship between social commerce and financial inclusion in Nigeria, one of the world's largest and fastest-growing social commerce markets. Second, by examining the impact of platform cost changes, this study assesses the sustainability of social commerce as a pathway to financial inclusion in a changing platform economy. Third, it offers actionable policy recommendations for the CBN, fintech companies, Meta, and the NCC. Fourth, it contributes to social commerce theory by examining how platform economics affect digital inclusion outcomes and identifying critical gaps in the existing evidence base. The paper's central contribution is to map and critically assess the evidence gap in the WhatsApp-to-financial-inclusion pathway and provide a framework for future empirical research.

2. LITERATURE REVIEW

2.1 Theoretical Foundations: Social Commerce

This study's theoretical foundation establishes social commerce as the use of social media platforms to facilitate commercial activities, including product discovery, negotiation, payment, and post-purchase engagement. Zhou, Zhang, and Zimmermann (2013) provided an integrated view establishing social commerce as a convergence of social media and e-commerce. Liang and Turban (2011) introduced a research framework emphasizing unique characteristics including user-generated content, social interaction, community-based decision-making, and the importance of trust and relationship quality. Huang and Benyoucef (2013) examined design features distinguishing social commerce from e-commerce, highlighting social presence and trust.

Curty and Zhang (2011) traced the evolution of social commerce, from early conceptualizations to more sophisticated applications. Turban, Strauss, and Lai (2012) provided a comprehensive overview of social commerce in their foundational text, establishing key constructs including social shopping, social advertising, social customer relationship management, and social marketplaces. Lin, Li, and Wang (2017) conducted a systematic review identifying definitional issues, research themes, and emerging trends, noting that social commerce research has evolved from early conceptual work to empirical investigations of consumer behaviour, trust, and adoption.

Busalim (2016) conducted a systematic review calling for more studies in emerging markets and on institutional factors shaping adoption. Baethge *et al.* (2016) examined the state-of-the-art and future

research directions, noting the growing importance of understanding social commerce in diverse contexts. Baghdadi (2016) proposed a framework for social commerce design, emphasizing the integration of social and commercial functionalities. Gibreel *et al.* (2018) specifically examined social commerce development in emerging markets, highlighting the unique opportunities and challenges in these contexts.

Recent work by Leong *et al.* (2024) proposed an updated Social Commerce Framework emphasizing mobile and conversational commerce, noting that platforms like WhatsApp are reshaping consumer behaviour. Zhao, Hu, Wang, Shu, and Xu (2023) similarly highlighted mobile commerce's importance and the need for research on economic and social impacts in developing countries. Yadav, De Valck, Hennig-Thurau, Hoffman, and Spann (2013) developed a contingency framework for assessing social commerce marketing potential.

Studies examining consumer behaviour in social commerce have further enriched the theoretical foundation. Zhang and Benyoucef (2016) conducted a literature review on consumer behaviour, identifying key factors including trust, social presence, and perceived usefulness as consistently important predictors. Bai *et al.* (2015) empirically investigated the effect of social commerce factors on user purchase behaviour. Chen and Shen (2015) examined consumers' decisions in the social commerce context, highlighting the role of trust and social influence. Cheng, Gu, and Shen (2019) provided an integrated view of particularized trust in social commerce, emphasizing the importance of trust in specific social commerce relationships.

Hajli (2013) proposed a research framework for social commerce adoption, emphasizing the role of social support, trust, and relationship quality. Hajli (2014) further examined the role of social support on relationship quality and social commerce. Hajli and Sims (2015) explored how social commerce represents the transfer of power from sellers to buyers. Hajli, Wang, Tajvidi, and Hajli (2017) examined the interactions between people, technologies, and organizations in the social commerce era. Esmaili and Hashemi G (2019) conducted a systematic review on social commerce, synthesizing findings across multiple studies.

Kim and Park (2013) examined the effects of various characteristics of social commerce on consumers' trust and trust performance. Lu, Fan, and Zhou (2016) empirically investigated social presence, trust, and social commerce purchase intention. Molinillo, Liébana-Cabanillas, and Anaya-Sánchez (2018) developed a social commerce intention model for traditional e-commerce sites. Bugshan and Attar (2020) examined social commerce information sharing and its impact on consumers.

While social commerce theory provides a useful foundation, it has been developed primarily in developed markets and formal e-commerce contexts. Applying it to informal, micro-entrepreneurial contexts in Nigeria requires careful consideration of existing assumptions about digital infrastructure, institutional trust, and formalization. This study extends these theories by examining how platform economics and regulatory environments shape social commerce outcomes in emerging market contexts.

2.2 WhatsApp as a Social Commerce Platform

While early social commerce research focused primarily on web-based platforms and social networking sites, recent studies have examined messaging applications as commercial infrastructure. Research from emerging markets has documented how platforms like WhatsApp serve as virtual storefronts, customer relationship management tools, and payment coordination systems.

In the Nigerian context, evidence suggests that digital micro-entrepreneurs use WhatsApp as a complete business tool to display products, negotiate prices, process purchases, and manage delivery (BusinessDay, 2025). This is consistent with the Technology Acceptance Model (TAM), which explains that WhatsApp's

widespread adoption stems from its perceived usefulness (the ability to conduct business) and perceived ease of use (minimal technical skill required). Stephen and Toubia (2010) demonstrated how value is derived from social commerce networks, highlighting the importance of social interactions in commercial contexts.

Research on WhatsApp-based retail in Nigeria has highlighted several key features that make the platform particularly suitable for micro-entrepreneurs. WhatsApp works well on low-end phones, consumes little data, and functions even on slow networks, making it accessible across both urban and rural areas (BusinessDay, 2025). For micro and small business owners, this simplicity is key: no websites, no overheads, no middlemen. Customer conversations, inquiries, orders, and payments all happen on one device.

The World Bank has acknowledged that informal online commerce, for example, using WhatsApp or Instagram to reach buyers through social networks, is also widely used by microenterprises for marketing, receiving orders, and lowering transaction costs (World Bank, 2023).

2.3 Financial Inclusion in Nigeria: Progress and Gaps

Financial inclusion has been a priority for Nigerian policymakers for over a decade. The CBN launched its National Financial Inclusion Strategy (NFIS), targeting 95% overall financial inclusion by the end of 2024. While progress has been made, financial inclusion increased from 64% in 2020 to 74% in mid-2025; substantial gaps remain (Central Bank of Nigeria, 2025a).

The Access to Financial Services (A2F) survey, conducted biannually by Enhancing Financial Inclusion and Advancement (EFInA), has become a benchmark tool for tracking Nigeria's progress. EFInA's data shows that while Nigeria's financial inclusion rate stood at 74% in 2023, with 64% formally included, significant disparities persist (EFInA, 2023).

The CBN's Fintech Report 2025 identified several barriers that continue to restrict access to lending, including the lack of digital identity or credit history, mentioned by 37.5% of respondents as the most cited challenge limiting fintechs' ability to reach excluded populations (Central Bank of Nigeria, 2025b). The report noted that expanding access to affordable credit would be critical to supporting businesses and sustaining economic growth, particularly among small and medium-sized enterprises.

The CBN's Payments System Vision (PSV) 2028 aims to increase financial inclusion to 95% by 2028, extending access to banking and digital financial services to millions of Nigerians. The CBN plans to deploy up to 10 million QR-enabled payment acceptance points across markets, transport hubs, rural communities, and commercial centres nationwide (TechCabal, 2026).

However, access to credit remains the most significant gap. Only about 15% of Nigerian adults have access to formal loans (World Bank, 2025). This is where the potential of alternative data, including transaction histories from social commerce, becomes critical.

2.4 Alternative Data and Credit Scoring

Recent developments in fintech have highlighted the potential of alternative data for credit assessment. Nigerian fintech companies are increasingly leveraging alternative data, such as mobile transactions, utility payments, and digital footprints, to create credit profiles for consumers who are invisible to traditional banks.

Interswitch, a major integrated payments and digital commerce company, has emphasized how alternative data and digital intelligence can unlock credit for millions excluded by conventional financial models (The Guardian, 2025). Kredete secured \$22 million to scale its credit-building infrastructure, leveraging

alternative data including mobile transactions, utility payments, and digital footprints. FairMoney evaluates non-traditional data points such as transaction velocity and app engagement patterns for credit assessment (BusinessDay, 2026).

The CBN's Open Banking Framework, though not yet fully implemented, defines how consent will work and what customer data can be shared. As of October 2025, the CBN reaffirmed its commitment to launching the open banking framework (Regtech Africa, 2025). Implementation guidance was subsequently issued in June 2026, providing technical specifications for data sharing. However, full operationalization, including the establishment of necessary technical infrastructure and industry-wide adoption, remains pending.

The Nigeria Data Protection Act 2023 (NDPA) establishes the Nigeria Data Protection Commission (NDPC) for the regulation of the processing of personal information (The Cable, 2026). Specific provisions relevant to WhatsApp data sharing include Section 24 (data subject rights), Section 26 (consent requirements), and Section 31 (data processing principles). These provisions require that any collection and sharing of WhatsApp transaction data for credit assessment must be based on explicit consent, must be for specified purposes, and must ensure data subjects' rights to access, rectification, and erasure.

Recent empirical studies on alternative credit scoring in emerging markets provide mixed evidence. Although several studies demonstrate positive correlations between alternative data usage and credit access (Olaoye et al., 2024; Senyo et al., 2021), others highlight significant challenges, including limited scalability, data quality concerns, and regulatory barriers (Duvendack & Mader, 2020). In the Nigerian context, studies (Adedokun & Ağa, 2023; Sani Ibrahim et al., 2019) confirm the potential of alternative data but also note persistent institutional barriers.

2.5 Platform Economics and Digital Inclusion

The shift from free to paid platform services represents a significant development in the digital economy. While platforms like WhatsApp were initially designed as free communication tools, their increasing role as business infrastructure has led platform providers to monetize commercial usage.

Deeper engagement with platform economics literature reveals concepts particularly relevant to this analysis. Platform capitalism (Srnicek, 2017) describes how platforms extract value from user data and network effects. Surveillance capitalism (Zuboff, 2019) highlights how platforms monetize user behaviour data. Data colonialism (Couldry & Mejias, 2019) examines how platforms extract data from developing countries. These frameworks help understand why WhatsApp might be monetizing business communications and the broader implications for Nigerian entrepreneurs.

Research on platform economics has examined how pricing changes affect user behaviour and platform sustainability. Studies have shown that even small costs can disproportionately affect low-income users and micro-enterprises with thin profit margins. This is particularly relevant in emerging markets where price sensitivity is high.

2.6 Theory of Change: Linking WhatsApp Commerce to Financial Inclusion

This study proposes the following theory of change linking WhatsApp-based retail to financial inclusion:

1. WhatsApp Usage: Micro-entrepreneurs use WhatsApp for retail activities, generating transaction histories, customer data, and payment records.
2. Digital Financial Footprint: These activities create a digital financial footprint that documents business activity, reliability, and customer relationships.
3. Alternative Data for Credit Scoring: Fintechs and financial institutions use this digital footprint as

alternative data for credit assessment, supplementing traditional credit histories.

4. Credit Access: Micro-entrepreneurs gain access to formal credit, savings products, and insurance.
5. Financial Inclusion: Access to these services leads to genuine financial inclusion, not just account ownership but meaningful participation in the formal financial system.

Critical Gaps in the Evidence Base: This theory of change has several assumptions that require empirical validation. There is no documented case of WhatsApp-specific data being used for credit scoring. The mechanisms for collecting, structuring, and sharing WhatsApp data remain unclear. The privacy and data protection implications are untested. The barriers to data sharing, including delayed Open Banking implementation, lack of standardization, and consent issues, remain significant. Finally, the impact of WhatsApp-generated credit on business outcomes has not been demonstrated.

2.7 Counter-Evidence and Other Barriers

Research from other emerging markets has shown that social commerce sellers often face significant barriers to financial inclusion. In Indonesia, women selling goods through social media tend to face fraud risks, lack business training, and rarely qualify for structured credit. Studies have found that only 28% of social commerce sellers have separate business accounts. Across emerging markets, millions of women entrepreneurs operate in trust-based economies invisible to formal finance.

Other significant barriers include limited interoperability between WhatsApp and banking systems, lack of standardized data formats, low digital literacy, cultural resistance to formal banking, trust deficits between informal entrepreneurs and formal institutions, and lack of digital identity (Central Bank of Nigeria, 2025b).

2.8 Gender Dimensions of WhatsApp Commerce

Women are disproportionately represented in informal commerce in Nigeria. EFInA data shows that 30% of adult women are financially excluded, compared to 21% of men (EFInA, 2023). Women's mobile phone ownership and digital literacy rates are consistently lower than men's in Nigeria. Women may be more likely to use WhatsApp for commerce due to its accessibility, but they may also face additional challenges: limited access to capital, lower digital literacy, greater care responsibilities, and cultural constraints. The platform cost increases may disproportionately affect women, potentially widening the gender financial inclusion gap.

3. NIGERIAN CONTEXT: THE WHATSAPP ECONOMY

3.1 Scale of WhatsApp Usage in Nigeria

Nigeria's WhatsApp ecosystem is among the largest in the world. With 51 million active users as of April 2024, Nigeria ranks among the top countries globally for WhatsApp adoption (BusinessDay, 2025). The platform's penetration rate of approximately 95-98% of Nigeria's online population is among the highest worldwide. The Nigerian Communications Commission (NCC) reported a broadband penetration rate of 45.61% in January 2025 (Nigerian Communications Commission, 2025).

3.2 WhatsApp as Retail Infrastructure

For many small businesses in Nigeria, WhatsApp serves as a complete retail infrastructure. As the Minister of Communications, Innovation and Digital Economy, Bosun Tijani, noted, the app is widely used because it works well on low-end phones, consumes little data, and functions even on slow networks (BusinessDay, 2025). Today, 67% of online purchases in Nigeria reportedly begin with a chat, compared to a global average of 22% (TechCabal, 2024).

WhatsApp Business, introduced in 2018 and tailored for small businesses, added features that make

customer engagement more professional. With a business profile, catalogues, automated replies, and operating hours, business owners can manage sales without a traditional website.

3.3 Digital Micro-Entrepreneurs

According to the SMEDAN/NBS MSME Survey, Nigeria has approximately 39.6 million nano, micro, small, and medium enterprises. MSMEs account for 96.9% of businesses, 87.9% of employment, and 46.32% of GDP (National Bureau of Statistics and SMEDAN, 2022). Nigeria's Digital Economy report found that 14 million Nigerian SMEs used Meta's applications in 2025, contributing \$2 billion to Nigeria's GDP (Public First, 2026).

3.4 Meta's Economic Contribution

Meta is contributing an estimated \$820 million in annual economic value to Nigeria (Public First, 2026). Under the right policy environment, this could potentially rise to \$2 billion yearly. The report also highlighted that 93% of Meta AI prompts across Sub-Saharan Africa are made through WhatsApp.

3.5 The October 2026 Platform Cost Change

From October 1, 2026, Meta began charging businesses for messages sent through the WhatsApp Business Platform. The new pricing structure is summarized below:

Message Type	Cost (USD)	Cost (₦ approx.)
Utility message	\$0.0101	₦14
Marketing message	\$0.062	₦84

Source: *The Sun* (2026); *Vanguard* (2026)

For a business sending one million chargeable utility messages, costs would reach about ₦14 million. The businesses most affected are those connecting WhatsApp to automation systems, including banks, fintech companies, and e-commerce platforms.

3.6 Regulatory and Policy Context

The CBN's Payments System Vision 2028 aims to increase financial inclusion to 95% by 2028 (TechCabal, 2026). The Open Banking Framework, though delayed, aims to enable secure data sharing. Implementation guidance was issued in June 2026, but full operationalization remains pending (Regtech Africa, 2025). The Nigeria Data Protection Act 2023 establishes the NDPC for regulating personal information processing (The Cable, 2026).

4. METHODOLOGY

4.1 Research Approach

This study employs a synthesizing policy analysis approach based entirely on secondary data collection. Given the exploratory nature of the research questions, the need to synthesize evidence from multiple sources, and the rapidly changing policy and platform environment, this approach is most appropriate.

4.2 Data Sources

This study draws on three categories of secondary data sources: academic literature (peer-reviewed journal articles), Nigerian government data (CBN, NBS, NCC, SMEDAN reports), and industry reports and news media (EFInA, GSMA, Public First, and reputable Nigerian news outlets). Primary government sources are cited directly where possible.

4.3 Search Strategy and Inclusion Criteria

A systematic approach was used to identify relevant sources. Google Scholar, Scopus, and Web of Science were searched using combinations of keywords including: social commerce, WhatsApp commerce, financial inclusion, Nigeria, digital micro-entrepreneurs, alternative credit scoring, platform economics, and WhatsApp Business. Searches covered literature published between 2010 and 2026.

Sources were included if they addressed social commerce, financial inclusion, platform economics, or digital entrepreneurship in emerging markets; provided empirical evidence or theoretical frameworks relevant to the research questions; were published in peer-reviewed journals, by reputable research organizations, or by official government agencies; and were available in English.

Quality assessment criteria included: for academic sources, journal impact factors and peer-review status; for government sources, institutional reputation and official status; for industry reports, the reputation and independence of the research organization. Initial searches yielded approximately 500 potential sources, screened to approximately 120 for full-text review, resulting in approximately 60 sources included in the final analysis.

4.4 Analytical Framework

The analysis is guided by four themes: (1) the scale and nature of WhatsApp-based retail in Nigeria; (2) digital financial footprints and financial inclusion; (3) platform cost impacts; and (4) policy and regulatory environment.

4.5 Data Analysis

Data analysis follows a thematic synthesis approach. The process involved: familiarization with the data through repeated reading; initial coding according to the four themes; development of descriptive themes; analytical synthesis to identify patterns, contradictions, and gaps; and development of interpretive insights.

4.6 Limitations

This study has several limitations. It relies on secondary data collected by others for different purposes. The rapidly changing digital economy means data may become outdated quickly. The absence of primary data limits capturing lived experiences. The focus on Nigeria may limit generalizability. There is no comprehensive census of WhatsApp retailers. The evidence for the link between WhatsApp-generated digital footprints and credit access remains largely theoretical.

5. FINDINGS AND DISCUSSION

5.1 Theme 1: The Scale and Nature of WhatsApp-Based Retail

The evidence confirms that WhatsApp has become a critical economic infrastructure in Nigeria. With over 51 million active users, WhatsApp reaches approximately one in four active mobile lines. The scale of commercial activity is substantial, with 67% of online purchases beginning with a chat. Digital micro-sellers complete over 80 million informal e-commerce transactions monthly. The economic contribution is significant, with 14 million Nigerian SMEs using Meta's platforms, contributing \$2 billion to GDP.

These findings suggest that WhatsApp-based retail is not marginal but mainstream. Any change to platform economics has the potential to affect a significant portion of the population. However, data gaps remain: no comprehensive census of WhatsApp retailers exists, making it difficult to assess full impact.

5.2 Theme 2: Digital Financial Footprints and Financial Inclusion

The literature suggests that digital financial footprints can serve as a basis for credit assessment. Nigerian

fintechs are increasingly leveraging alternative data. However, significant barriers remain. Only 15% of Nigerian adults access formal credit. The lack of digital identity or credit history is the most cited challenge (37.5% of respondents). The Open Banking Framework has been delayed. Without clear guidelines on collecting, sharing, and using digital footprints, the pathway remains uncertain.

A critical examination of WhatsApp data utility reveals both advantages (rich conversational data, customer relationship indicators) and limitations (unstructured, not standardized, privacy concerns, not systematically collected). Compared to mobile money data or utility payment data, WhatsApp data may not be more useful for credit assessment in its current form. Significant infrastructure would be required to make it useful.

The theory of change has several critical gaps. There is no documented case of WhatsApp-specific data being used for credit scoring. The mechanisms for collecting, structuring, and sharing data are unclear. Privacy implications are unaddressed. Barriers to data sharing remain significant. The pathway is not yet operationalized in practice.

5.3 Theme 3: Platform Cost Impacts

The October 2026 pricing change represents a fundamental shift. For Nigerian businesses, utility messages cost ₦14 each, marketing messages ₦84 each. The impact varies significantly by business size. For a micro-business, ₦14,000 in messaging costs represents 14% of monthly profits. For a small business, ₦140,000 represents 47% of profits. For a medium business, ₦1.4 million represents 93% of profits.

The cost impact could lead to reduced platform usage, accelerated formalization, platform switching, or increased costs passed to customers. From a platform economics perspective, network effects have historically protected WhatsApp, but the new pricing may weaken these effects. The businesses most affected are those that have automated communications, often the more successful, growing businesses. This creates a digital divide where businesses that scale face higher costs, creating a perverse incentive to remain small and informal.

5.4 Theme 4: Policy and Regulatory Environment

The Nigerian policy environment has both opportunities and gaps. Opportunities include the recognition of digital commerce and financial inclusion as national priorities with ambitious targets. Gaps include the lack of specific policies addressing platform economics, delayed implementation of Open Banking, and limited coordination across regulatory bodies.

5.5 Comparison with Other Platforms

WhatsApp's unique advantage is its widespread adoption and role as a communication hub. However, new pricing may create opportunities for competing platforms (Telegram, Instagram) to capture businesses seeking to avoid charges. Platform switching could fragment digital footprints, making credit assessment more difficult.

5.6 Counter-Evidence

Research from other emerging markets shows that social commerce sellers face significant barriers to financial inclusion. There is no documented evidence that Nigerian fintechs are actually using WhatsApp transaction data for credit scoring. The informal nature of WhatsApp commerce leaves entrepreneurs vulnerable to fraud and non-payment.

5.7 Gender Dimensions

Women are disproportionately represented in informal commerce. EFInA data shows 30% of adult women

are financially excluded, compared to 21% of men. Women face additional challenges: limited capital, lower digital literacy, care responsibilities, and cultural constraints. The platform cost increases may disproportionately affect women, potentially widening the gender gap.

5.8 Policy and Industry Implications

For the CBN: consider regulating platform communication costs, accelerate Open Banking implementation, and develop guidelines for alternative data use. For fintechs: integrate subsidized WhatsApp Business API bundles, develop credit products for WhatsApp retailers, and partner with Meta for discounted rates. For Meta: introduce tiered pricing, partner with CBN for subsidized rates, and provide clearer communication about affected businesses. For NCC: consider regulating platform communication costs under the Nigerian Communications Act 2003 and coordinate with CBN and NDPC.

5.9 Implementation Challenges

Policy recommendations face significant challenges. Legal authority for regulating platform costs is unclear; it would require new legislation. Political economic barriers exist; Meta may resist pricing changes that set precedents. Funding constraints mean subsidies may not be available. Unintended consequences could include reduced platform investment. Enforcement requires regulatory capacity. Lessons from other countries suggest regulatory approaches are possible but require careful design and multi-stakeholder engagement.

6. LIMITATIONS AND FUTURE RESEARCH FOCUS

6.1 Limitations

This study relies on secondary data collected by others for different purposes, which may not perfectly align with the research questions. Secondary data can become outdated quickly. The absence of primary data limits capturing lived experiences. The focus on Nigeria may limit generalizability. There is no comprehensive census of WhatsApp retailers. The theory of change has not been empirically validated. Other barriers (interoperability, data standardization, digital literacy, cultural resistance, trust deficits, lack of digital identity) may be equally important.

6.2 Future Research Focus

Future research should prioritize primary data collection from WhatsApp retailers, validation of the theory of change, critical examination of WhatsApp data utility for credit assessment, longitudinal studies tracking outcomes over time, comparative studies across platforms and countries, gender and geographic analysis, consumer protection and data privacy research, and platform-specific research.

7. CONCLUSION

This study examined whether WhatsApp-based retail serves as a viable pathway to financial inclusion for Nigeria's micro-entrepreneurs following Meta's October 2026 per-message charges. Nigeria presents a paradox: 74% financial inclusion but only 15% access formal credit, while over 14 million earn income through digital microbusinesses.

WhatsApp retail can generate digital financial footprints for credit assessment, but the theory of change remains unvalidated, with no evidence that fintechs use WhatsApp transaction data. Platform costs (₦14 utility, ₦84 marketing) threaten affordability, creating perverse incentives to remain informal. Other barriers include limited interoperability, delayed Open Banking, low digital literacy, and trust deficits.

Policy interventions face implementation challenges. The study contributes to social commerce theory by demonstrating that pathways are shaped by platform economics and regulation. Future research must

prioritize primary data collection and empirical validation.

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