

**SERVICE QUALITY OF KENYAN ONLINE SHOPPING SERVICES AND
CUSTOMER SATISFACTIONS' LEVELS**

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DECLARATION

This research project is my original work and to the best of my knowledge has not been presented for a degree in any other University.

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DEDICATION

I dedicate this project to my family members, My Wife Mercy and Sons, Carlin and Calvin for their continuous support, encouragement and prayers during my entire course. God Bless them abundantly.

ACKNOWLEDGEMENT

My deepest gratitude goes to God for providing me with the knowledge and strength to complete this project successfully. Secondly, I thank my supervisor, Dr. X. N. Iraki for his timely advice in undertaking the various activities that led to the completion of the project. Thirdly, I would also like to pass my appreciation to the experts and my respondents as their passionate participation and input were instrumental in completing the project on time. May the Almighty God Reward you abundantly.

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LIST OF ABBREVIATIONS

B2C- Business to Consumer

CRM: - Customer Relationship Management

SERVQUAL: - Service Quality

E S QUAL: - E-Service Quality Dimensions

E Rec S-QUAL: – E-recovery Service Quality Scale

ABSTRACT

The emerging Internet based technologies are presenting both challenges and opportunities to the traditional retailers in Kenya. While the techno savvy entrepreneurs such as Jumia, Rupu, OLX, Pigiame, Rupu, Kilimall, Kaymu Market, Tuskys, Naivas and Cheki are utilizing these new powerful digital tools to gain competitive edge, their conventional counterparts are losing a significant part of their market share. The aim of the project is to determine the correlation between the service quality of the Kenyan e-commerce providers and their customer satisfaction levels. The quality attributes are further used to monitor the top retailers' ability to maintain persistent market share and foster growth of the country's e-commerce sector as compared to the global industry. Snowball sampling technique was used to recruit over 113 respondents. Models for quality measurement scales such as ES QUAL and E Recs Qual was used to develop online questionnaires and interview questions. The feedbacks were analyzed using relevant mathematical concepts like ANOVA, mean and standard deviation. High levels of efficiency, fulfilment, responsiveness, assurance and security are essential for maintaining relationships with the consumers. The study found that the clients are interested in more than the prices and conveniences associated with online purchases but the ability to be consistent in providing quality services. Jumia enjoys high market share because it prioritizes the diverse needs of its customers. However, just like other players in the industry the e-retailer decline in any of the quality attribute poses high risk of losing more than half of its customer base to the competitors. All the studied firms are committed towards surpassing their customers' expectations. However, it is high time the e-retailers invested in disruptive technologies in order to compete favourably with their multinational counterparts.

CHAPTER ONE: INTRODUCTION

1.1 Background

The rapid growth of e-commerce has a great impact on the business performance. The revolutionary technologies especially the Omni-channel merchandizing is creating unique opportunities for companies to deliver exceptional services to a larger population of customers (Feinleib, 2017). The internet, mobile phone Apps and social media platforms (WhatsApp, Twitter, Instagram and Facebook) and other digital technologies are increasingly becoming integral part of the modern day societies and economies across the world (Ngai, Tao, and Moon, 2015). Kenyan entrepreneurs have not been left behind in keeping pace with these value-based means of delivering convenient and cost effective services to their clients.

There is continuous rise in purely internet based businesses referred to as online companies (Kabuba, 2014). In fact, a recent report by Jumia places Kenya as the global leader as far as Internet traffic is concerned.

Figure 1 below indicates the Smartphone penetration rates in Kenya as compared to other worlds' leading digital devices users. The country has a penetration rate of 83% followed closely by Nigeria at 81%. According to the report, the number of active internet users stand at over 41 Million meaning that less than 4 Million don't own the Internet enabled devices (Zab, 2018).

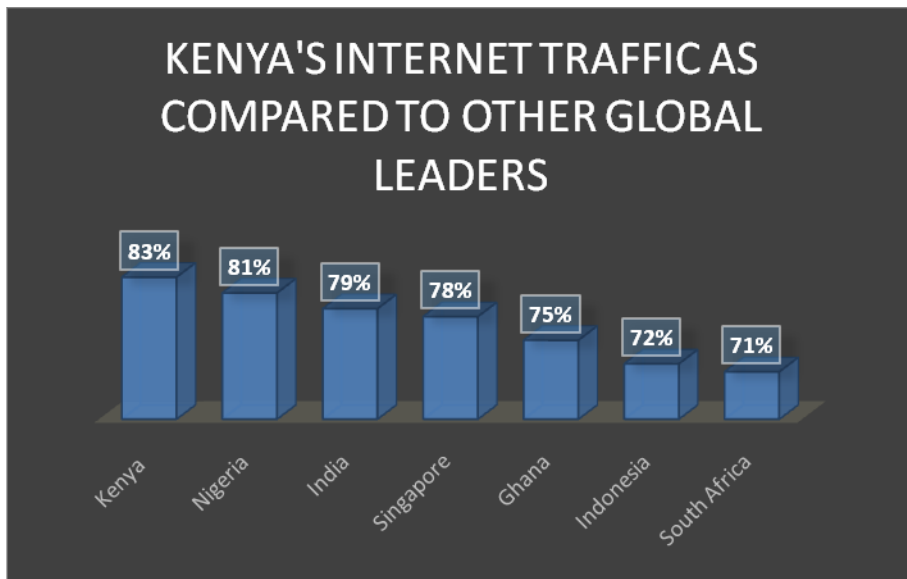


Figure 1 : Kenya’s Internet Traffic Statistics

(Data Source: Zab, 2018)

1.1.1 Online Service Quality

Kenyan business entities are rapidly investing in online platforms as a strategy for reaching out to new customers. This is largely because a high percentage of Kenyans are becoming more tech savvy. According to the communications Authority of Kenya (2018), the Internet/data market segment alone recorded an increase of 15.2% to over 25.7 million in the past financial year. The increased access to digital phones and the smart electronics have influenced the consumers to demand for top notch services from the business owners. They need simple, reliable, safe and user-friendly services. The consumers also demand quick responses from the customer care team as well as tools for accessing unlimited information about related products. Moreover, Kenyans who travel abroad frequently tend to relate the quality of the domestic online services with their experiences with the world’s best e-commerce providers such as Amazon and eBay (Communications Authority of Kenya, 2018).

As such, the retailers must constantly assess how well a commodity conforms to a client's expectations (De Saulles, 2017). In this case, various sub processes of online offered to the customers such as navigation, searching for information, interactions, payments and delivering of the products or service to the customer's premise should meet their personal demands.

1.1.2 Customer Satisfaction

Like other online consumers, Kenyans have high expectations on e-commerce platforms. They are always looking forward to interactive experiences, convenient, prompt and affordable service delivery (Nawi et al., 2015). In order to meet such needs, the online organizations must establish means of measuring their performance vis-à-vis the customers demand. In this case, customer satisfaction refers to pleasure or disappointment levels derived from consuming a commodity. The perceptions results whenever a customer compares the product's expected qualities against the real attributes. According to Kotler and Keller (2006), high satisfaction level occurs in cases where a product's perceived performance match the consumers' expectations. On the other hand, dissatisfaction results whenever the expectations exceed the service outcomes. Sorooshian et al. (2013) argue that the retailers intending to maintain competitive edge must provide better website designs than those of their rivals. The web tools provide the online business managers with a metric for measuring and improving their service qualities.

The e-retailers can employ various methods to track their customer satisfaction levels. The business can conduct three types of survey; in-App, post-service and long email surveys. The In-App Survey is a digital tool for integrating a subtle feedback inside a company's website. The application encourages the customers to rate the quality of service using a predetermined scale. Post service survey also enables the client to

comment on the strength and weaknesses of the online services immediately after delivering the commodity. The e-retailers can further send questionnaires to the clients' personal emails. The social media networks also present effective tools for monitoring customers' opinion about their experiences with a company. The customers always express their satisfaction or dissatisfaction levels via the service providers' social media pages or profiles. The happy clients will refer close friends to a firm's online platforms while dissatisfied customers are likely to post negative comments that may damage the company's reputation. Similarly, providing the customers with loyalty cards as well as having them create personal account in a company's website help in determining satisfaction level. The customer care is able to evaluate repeat purchases since the customers are given points and rewards based on the amount of money they spend in an online store. The personal accounts are also a reliable means of measuring intentions to repurchase which shows that the client was satisfied with the services delivered. That is, a satisfied customer will always log in into the service provider's website and respond to ongoing promotions.

1.1.3 Online Service and Customer Satisfaction

E-service quality impacts directly on the online shoppers' satisfaction that in turn affects the achievement of long term goals. That is, the higher online service's attributes the greater the customers' delight as indicated in figure 2 below. Bhatt et al. (2017) argue that every interaction with the product shapes a consumer's current satisfaction as well as future expectations. This means that enjoyable experiences in terms of convenience, time and cost savings definitely lead to high satisfaction levels and vice versa. However, the expectations are also influenced by interactions with external factors such as substitute commodities offered by the competitors as well as the latest trends in the online industry (Chase, 2016).

Studies have confirmed that offering high quality services goes hand in hand with adapting fast to the new market opportunities that in turn ensure sustainable relationships with a large customer base (Zeithaml et al., 2002; Kabuba, 2012; Wand et al., 2016). The clients of these exemplary performers are always happy with the services receive. For example, the seamless coordination of the service delivery means that the customers are sure of having the best services at their door steps at the most affordable prices (Feinleib, 2017). As a result, the businesses enjoy brand reputation, customer loyalty and strong financial position throughout the year.



Figure 2: The Correlation between Online Services' Quality and Shoppers' Satisfaction

1.2 Research Problem

Keeping pace with the changes in the consumer behaviour has become a prerequisite of excelling in any form of business venture. Currently, over 80% of Kenyans associate ecommerce platforms with world class shopping experiences as indicated in figure 1 above. Experiences by the fastest growing firms such as Jumia, Killimall and OLX confirm that the 21st century organizations must adapt the latest technology inventions to attract and maintain customers with high purchasing power. Multiple scholars have found positive correlation between the emerging B2C services like Omni-channel merchandizing and market share (Brynjolfsson, Hu, and Rahman, 2013; De Saulles, 2017, Turban et al., 2017). The studies associate the success of the multinational retail giants such as Amazon, Google, Apple, and Wal-Mart to their abilities to move with speed in incorporating the digital revolutions in their Customer Relationship Management (CRM) activities.

Brynjolfsson (2013) found that the top performers achieve high quality online shopping experiences through establishing user friendly interface, easily accessible and accurate real-time information, as well as secure shopping platforms. The industry leaders' online infrastructures further conform to eTAILQ scale. The scale comprise 14 items divided into four categories namely web site and app design, reliability, privacy and security, and customer service.

Studies of the world's best performing economies have also shown that high quality online services play leading roles towards sustaining the growth of such economic power houses. Wang, Wang, and Liu, (2016) assessed the Taiwanese online shoppers beliefs on e-service quality. The scholars found that aggressive application of the social media platforms contributed to Taiwan position as the seventh largest economy in Asia. Choi, Chow, Kwok, Liu and Shen's (2013) research also link Hong Kong's

high growth rates to the country's commitment to embrace the e-commerce inventions. At the same time, the United States remains as the wealthiest nations due to the innovative nature of its entrepreneurs. Martínez, Galván, and Alam (2017) argue that the online sales' returns will increase from \$ 322.17 billion in 2016 to \$ 485 billion. This is because popular online retailers like Amazon, Apple and Google are continuously inventing new means of delivering value to their worldwide customer base.

Since Kenya attracts one of the world's highest Internet traffic, many global retail chains are seeking for opportunities to invest in the country. The multinationals such as Carrefour, KFC, Choppies have been flocking the new shopping avenues such as Two Rivers Mall, Thika Road Mall, Garden City Mall among others (Cytonn Real Estate, 2017). However, few studies have explored the impacts of the rivalry from these foreign businesses on the upcoming online retailers. Most of the current studies focus on the general growth of e-commerce activities in Kenya. For example, Kabuba (2014) investigated the effects of e-commerce and performance of online businesses in Kenya. At the same time, many researches hardly prioritize the consequences of the emerging online retailing in increasing Kenyan firms' performance in the global market. Studies by Oanda (2015) focused at the service quality dimension and customer satisfaction in Barclays Bank. Omollo (2016) examined the relationship between service attributes and customer satisfaction in Kenya's aviation industry. This shows that despite the massive growth in the country's Internet penetration, the knowledge gap poses significant impediment to launching the industry's best online services thereby increasing the risk of losing a significant market share to the foreign players.

This project concentrated on the sway of online service quality especially on customer satisfaction. That is, the researcher determined the relationship between the satisfaction levels attained by the Kenyans by acquiring products or services from domestic players such as Jumia, OLX, Kilimall as compared to benefits acquiring to the clients of the world's best e-commerce service providers like Amazon, Ali Baba, and Walmart

1.3 Research Objectives

The objectives of this study are:

- i. To empirically relate the service quality of the Kenyan e-commerce providers and their customers satisfaction levels
- ii. To determine the service quality of the Kenyan leading e- retailers
- iii. To analyse the purchasing behaviour of online shoppers in the country.
- iv. To benchmark the levels of service of the Kenyan best e-retailers against the world's most developed economies.

1.4 The Study Significance

The research is expected to add great values to various stakeholders. It presents new information that would allow the Kenya's Communications Authority and other regulators to improve the growth of ecommerce trade in Kenya. Since the project explores the unique attributes of Kenyan online shoppers, the policymakers can quickly gain ideas for enhancing customers' satisfaction. For example, the authorities would gain better insights to strategies for curbing threats such as cybercrimes and fraud. However, the managers at the online service providers are the greatest beneficiary of the project. The holistic analysis of the revolutionary technologies associated with B2C activities mean that such business leaders would access multiple

pieces of information for transforming their firms' performance. They are able to leverage tools such as omni-channel platforms and Big Data analytics to increase their customers' loyalty levels as well as lifetime revenues. Moreover, the study findings could be used by other researchers in the future as a basis for further research in this area.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section critically analyzes the empirical literature on the interplay between service quality and online shoppers' satisfaction. It comprises three segments. It first concentrates on service quality and its measurement. Thereafter, the researcher examined the relationship between service quality and customer satisfaction and a conceptual framework of the study is developed from this.

2.1.1 Service Quality

Researchers have proposed different definitions of service quality. Brady and Cronin (2001) defined service quality as a state of attitude by a customer representing evaluation of service over a period of time. Parasuraman, Zeithaml, and Berry, (1985) argued that the ability of an organization to meet or outdo the customers' expectation shows that it provides high quality service. The definition is in line with several modern's scholars views pertaining to high value online service attributes (Brynjolfsson et al., 2013; Saha et al., 2014; De Saulles, 2017; Martínez et al., 2017). The researchers concur that the latest discoveries on the e-commerce field has made it impossible to offer high quality services without utilizing the artificial intelligence, Big Data Analytics, social media apps, digital assistants and cross channel purchases to meet customers' expectations. Sorooshian et al. (2013) found that offering beneficial online service changes the mode of delivery from face-to-face to technology based encounters. Therefore, there is need to have efficient tools for measuring the key determinants of service quality.

A myriad of surveys have also demonstrated that service quality impacts purchase decisions and the top performers in their industries are aggressively using the latest e-

commerce trends to attract more customers (Orel and Kara, 2014). According to Sa, Rocha and Cota (2016) the most important aspects of an online shopping platforms cover not only the low prices strategy but also the difference between customer's needs and their expectations of the service prior to receiving the service. Parasuraman et al 1985 stated that in any case shoppers' expectations supersede the performance then the service quality is unsatisfactory which leads to dissatisfaction. Similarly, the customers perceive a service to be excellent if its performance exceeds his/her expectations of the customer. The expected service attributes depend on multi-dimensional factors. These dimensions include reliability, responsiveness, assurance, empathy and tangibles. This model is referred to as the SERVQUAL model (Parasuraman et al, 1988).

2.1.2 E - Service Quality

E-service qualities are the metrics used by the shoppers to evaluate the services ability to meet their needs. Several researchers such as Parasuman and Grewol (1988), Zeithmal et al. (2002), Madu and Madu (2002), Barnes and Vidgin (2002), Lee and Lin (2005), Raman et al. (2008), Gulc, (2017) and many others have developed models for evaluating such qualities. However, Parasuman and Grewol (1988) are accredited for establishing SERVQUAL that is currently the most used framework in a myriad of contexts and cultural settings. SERVQUAL's popularity attracted multiple scholars' attention especially in its applicability on the ever changing business environments such as the e-commerce transactions. The model emphasizes seven factors that include efficiency, reliability, privacy, fulfilment, compensation, responsiveness and contact. These factors were further categorized into two; a centre service scale for determining the shoppers' perceptions such as fulfilment, reliability

and privacy; and a recovery service scale for evaluating the retailers' promptness when problems arise such as compensation, responsiveness and contact.

2.1.3 Measurement of E-Service quality

Maintaining high service quality requires the provider to have a comprehensive means of accessing its performance vis-à-vis the industry's standards. Tools such as questionnaires, after sale surveys, compliments/complaint boxes often serve as the common parameters for obtaining such feedbacks (Mwangi et al., 2009). The scholars have varying opinions on the most effective means for gauging performance in regards to service quality. For instance, recent studies oppose the notion of measuring service quality by examining the customers' expectations or perceptions towards a service. Scholars who believe in this school of thought argue that measuring only the perception of the customer is some time unrealistic as many targeted customers often have contradicting opinion. For instance, Babakus, and Inhofe, (2015), assert that there must be a zone of tolerance for approach to be true. This is due to the fact that customers often do not have fixed expectations of a service but rather are always willing to accept a variation as long as the outcome is satisfactory. Babakus, and Inhofe (2015), further divide the zone of tolerance into desired and adequate levels. In this case, the desired level is the greatest value that consumer intend to achieve from associating with a given brand while an adequate level is the minimum benefit they are that willing to accept. Parasuraman et al.'s (2005) 2 scale model summarized such expectations into E S QUAL and E RecS QUAL models.

2.1.3.1 E S QUAL Model

This is an extension of the SERVQUAL model intended to rate the quality of online shopping platforms. According to Kats (2013), ESQUAL was the first detailed framework to explore quality of electronic services. Its main dimensions are efficiency, system availability, fulfilment and privacy as illustrated in table 2 below.

Table 1 : ESQUAL Scale

ESQUAL Scale	
Dimension	Description
Efficiency	Refers to the speed and ease of accessing a platform
Fulfillment	Is the ability of a firm to keep its promises by delivering goods that perfectly match those displayed in the virtual stores
System Availability	According to this parameter, the e-commerce infrastructures must be readily available at all times for it to deliver high quality services. The operators must also provide regular maintenance to avoid interruptions during business hours.
Privacy	This dimension emphasizes that customer will only have the confidence to engage in e-commerce transactions whenever they trust a business to keep their sensitive information safe from fraudsters and any other unauthorized parties.

(Kats, 2013)

2.1.3.2 E Recs Qual

Unlike ESQUAL, E Recs Qual targets consumers engaging in non-routine encounters with an entity. The framework posits that elements such as responsiveness, compensation, and contact are the most essential characteristics of high quality e-service.

Table 2 : E Recs Qual Scale

Dimension	Description
Responsiveness	Refers to how effective problems are handled
Compensation	Is the degree to which the organization compensates customers for problems
Contact	Refers to the availability of online or telephone representatives to assist customers who encounter problems

2.1.4 Customer Satisfaction.

Customer satisfaction has been a subject of great interest to businesses and scholars. In Hill, Roche, and Allen's (2007) perspectives, customer satisfaction is an evaluative reaction by an individual having compared how particular product against his/her desired end result. Consequently, sellers can utilize the cumulative interactions with their customers' satisfaction to predict the subsequent behaviour and the future economic performance of the entity (Woodruff and Gardial 1996).

Given that customers have different tastes and preferences it often requires special tools such as Big Data Analytics among other information obtained through monitoring targeted clients' digital footprints in order to sustain their interest (Chase, 2016; Bhatt, Dey, and Ashour, 2017 ; Kranz, 2017). The long lasting relationship with the customer in turn attracts repeated business and high customer lifetime revenues. However, Kenyan online retailers must be creative in overcoming the obstacles to achieving these desired CRM goals. For example, the personal touch that comes with

purchasing a product at a brick and mortar store gives the traditional businesses a significant advantage over the online service providers.

Other challenges include enticement to accept an order even when a product is out of stock so as not to lose a customer to a competitor. Nevertheless, such uncalculated decisions increase the risks of not meeting the customer's desires. Kranz (2017) argue that this may lead to delays in delivery or supply of substandard products. As a result, the customer may express his/her dissatisfaction by launching complaints via the company's social media profiles that are accessible to millions of other potential consumers.

It is therefore vital for the growing online Kenyan retailers to be proactive in managing their relationships with any individual who visits their online stores. The project will evaluate how ESQUAL, E Recs Qual presents powerful tool for understanding their customer base and moving with speed in sealing the loop holes that may influence their customers to shift to the rival foreign entities. Saha, Hasan and Udin (2014) cite that customers will always be kings and hence profits and growth depends on their loyalty.

On the other hand, with the popularity of Internet of Things and social media apps a review by a disappointed client can reach millions of Kenyans within seconds like was the case of Olive Restaurant where a mother was condemned for breastfeeding her child in public. The demonstrations that followed are signs that Kenyan online entrepreneurs must develop the capabilities to avoid or counteract the incidences in ways that uphold their corporate image. In contrast, Choi et al., (2013) found that satisfied customers are powerful motivators who indirectly help to lower the cost of acquiring new customers. As such, the researcher is interested in determining whether

the Kenyan firms are well equipped to turn the difficult customers into their brand ambassadors by supplying consistent high quality online retail services.

2.1.5 Quality Service, Customer Satisfaction and Business Strategic Goals

Research has shown that quality service is a vital component of profit maximization incentives. King and Burgess (2008) found that high satisfaction level leads to customer loyalty that in turn yields good recommendation and repeat purchases. Study by Jahanshahi et al. (2008), Choi et al. (2013) and Orel and Kara (2014) led to a similar conclusion that customer satisfaction provides business owners with a metric for improving their businesses. This is because having knowledge of elements of a service that are below a customer's expectation creates room for producing the best commodities in every industry.

Studies also confirm that the industry leaders' success are attributable to the high quality services the customers gain from the Omni-channel merchandizing opportunities (Kabuba 2013, Sorooshian et al., 2017 ; De Saulles, 2017, Turban et al., 2017). The clients have the option of comparing the specifics of the various commodities they intend to buy, prices offered by various retailers via their Internet enabled devices. The seamless coordination of the service delivery means that the customers are sure of having the best services at their door steps without having to waste time in traffic jams (Feinleib, 2017). They can interact one on one via video calls with the customer care team just as the clients who visit the brick and mortar stores. The high quality services are viewed as a means of securing relationships with the loyal customers. Ngugi and Kariuki (2018) also raised concern over the aggressiveness of the multinationals in attracting local consumers. For example, Carrefour offers as high as Kshs. 24,000 gift vouchers to potential customers to attract them to the store. On the other hand, the Kenyan brands hardly penetrate into the

markets beyond East Africa. Kimani Rugendo, the Chairman of Kenya's Suppliers Association, observed that many small and medium enterprises are struggling to stay in trade due to the high rent costs. Offering quality online service presents viable options for not only minimizing the expenses but also securing their customer base.

2.2 Summary and Key Knowledge Gaps

The literature review demonstrates the vital need of establishing top notch online service portfolio and delivery systems. The researchers concur that quality of such e-commerce platforms are not only dependent on the individual customers' needs but also the latest trends in the industry. As a result, tools such as SERVEQUAL and E S QUAL were developed to allow the e-retailers to track their abilities to conform to clients' expectations or purchase behaviours. The firms that effectively utilize the metrics to offer efficient, convenient, affordable, prompt and secure e-commerce services have the upper hand in establishing sustainable relationships with large customer bases. In other words, high

However, a number of vital components of establishing high quality online services are recent discoveries such as artificial intelligence, Big Data Analytics and Omni-channel infrastructures that many Kenyan firms are yet to embrace. Therefore, there is need to conduct further researches to enable the domestic players to move at par with their multinational rivals.

2.3 Conceptual Framework

The project will apply the online service quality dimensions identified by different researches to determine the correlation between online service quality dimensions and shoppers' satisfaction. The literature review suggests that the relative importance of the service quality dimension is dependent on the industry trends as well as the

changes in the customers purchase behaviours. It also highlights the impacts of exceptional performance on the online retailer to prosper in the highly competitive retail industry as illustrated in figure 3 below. The framework helped to analyse various aspects of the studied firms' online service portfolios. The technology aspect examined the quality of the infrastructures used by the studied firms to deliver the services to the customers. The tangibles such as the products delivered, computer equipment, and customer relationship management software belong to this category.

Similarly, the organizational characteristic refers to the policies and other inputs employed by the firms to establish responsive, customized and technologically effective retail experience to their stakeholders. People's characteristics refer to the online communities' attitudes and behaviours towards online retailing such as the beliefs that Kenyan businesses would always lag behind their rivals from developed nations. In other words, the industry, organization technological and people's characteristics influences the quality attributes that are measured by factors such as efficiency, reliability, privacy, fulfilment, compensation, responsiveness, assurance, empathy and tangibles. The framework is based on the fact that integrating such factors into online service delivery service translates into high satisfaction level that in turn creates targeted returns inform of increase in customer base, high customer lifetime value and sustainable competitive advantage.

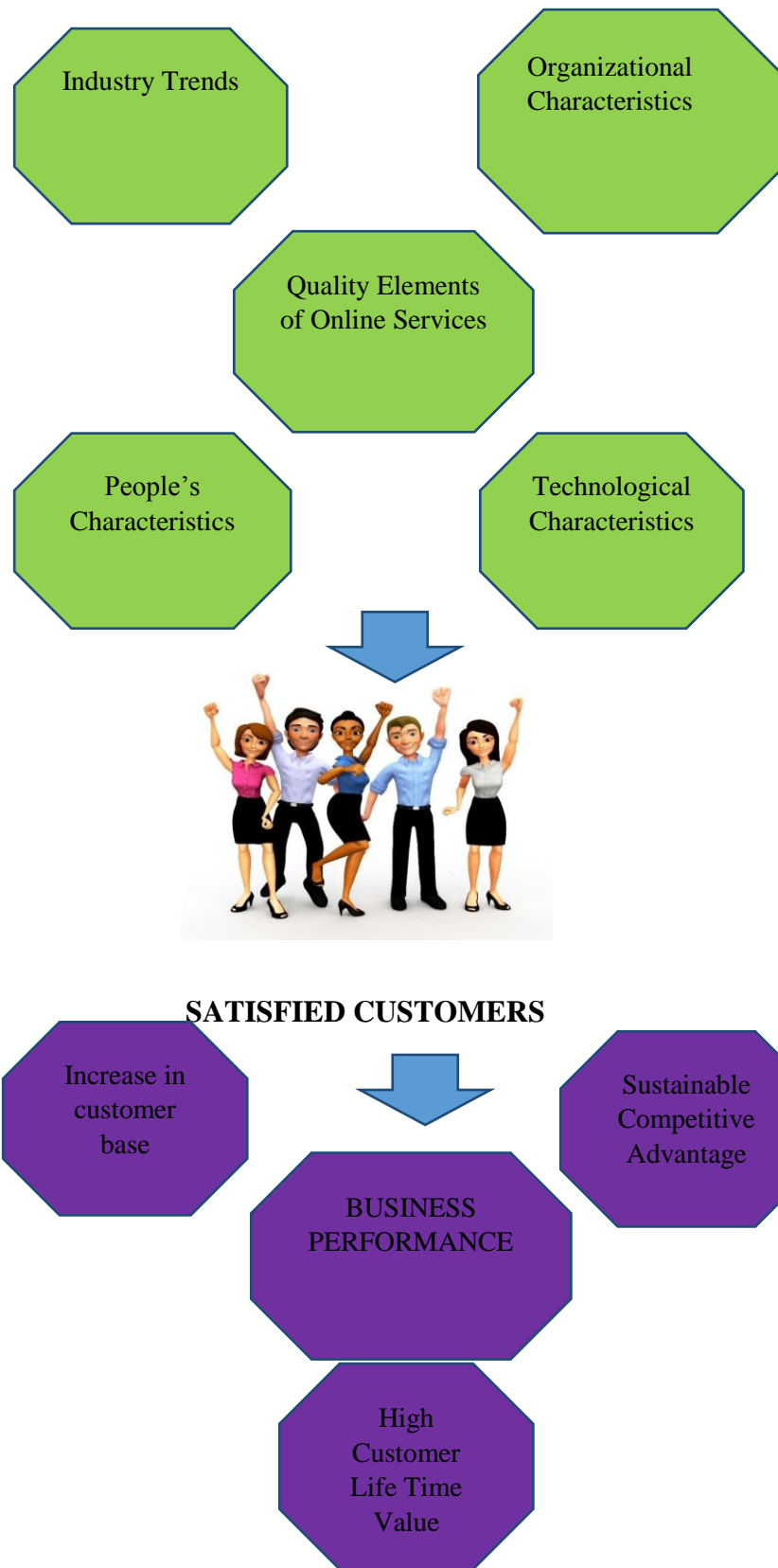


Figure 3 : Conceptual Framework

(Source of Photograph: Clipart Library, 2018)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

Research design refers to the strategies for conducting a study in ways that ensure validity of the findings. Exploratory research technique enabled the researcher to perform a systematic inquiry into the correlation between the quality of the e-retail services offered by the leading firms and excellence in clients' satisfaction levels and associated CRM benefits. As Walliman (2011) explains, exploratory method is ideal for a problem that is yet to be studied in detail. Like in this case, there is a need for the managers of the online firms to make informed decisions so as not to lose their customers to foreign firms.

3.2 Study Population and Sample Design

The study focused on all Kenyan consumers who have purchased commodities online. According to Wainaina (2017) more than 17% of the 40 million Internet subscribers shop online. The Study population therefore comprised more than six million individuals. Snowball sampling technique was employed since all the targeted participants were difficult to find (Black, 2010).

The formula generated by Glen (2009) was used to determine the sample size as follows;

$$\text{Sample size, } n = N / (1 + N(e)^2)$$

$$N = 17000000 / (1 + 17000000(0.05)^2)$$

$$n = 311$$

The researcher first sent the questionnaires to all the people in his phone book, and social media profile. The contacts then helped to recruit other individuals especially

those that shop frequently from the top ten largest online retailers in Kenya which included Jumia, Rupu, OLX, Pigiame, mimi, Kilimall, Kaymu Market, Tusksys, Naivas and Cheki). As a result, the researcher enjoyed the advantages of the snowballing sampling techniques such as time and cost savings in collecting the needed information (Black, 2010).

3.3 Data Collection Instruments

Interviews, online questionnaire and systematic analysis of the peer review journals, Rich Site Summary (RSS feeds) was instrumental in exploring the specific efforts employed by the studied online service providers to deliver commodities that meet their customers' expectation. In this case, RSS feeds are web based tools that allow the user to keep track of the content shared via Internet platforms (Cold, 2006). The technique came in handy in monitoring data shared by the studied firms through their website and social media pages. The interview questions attached in appendix I below guided the process. Questions 1 – 6 focused on customer purchase behaviours while various service quality elements was covered by questions 6 to 21. The findings were supplemented by interviewing managers and market analysts.

3.3.1 Objective One

The evidence gathered from interactions with the respondents helped to estimate the change in quality of an online product against customer satisfaction. The researcher determine whether any investment in quality incentives lead to positive, proportionate or negative returns in terms of loyalty, new referrals and repeat purchases.

3.3.2 Objective Two (Service Quality)

The responses from the questions 7 to 13 indicated whether the online service quality by the studied firms correspond to the customers' expectations as per the objective two of the project. The researcher analyzed the feedbacks from the respondent's points of view and ranked the quality levels of each of the online retailer out of 100%. For example, if 35 out of the 50 respondents strongly agree that Jumia's platforms are efficient or secure then it implies that the quality of the retailer's online service is above the standards of more than 70% of the consumers.

3.3.3 Objective Three (Consumer Behaviours)

The third objective was achieved by critically analysing the data collected via questions 14 to 22. The respondents' input was examined in line with the known facts about the customers' behaviours. As a result, the researcher identified the unique attributes of the Kenyan online shoppers. For instance, studies show that most people always acquire all products from their favourite suppliers. However, the gathered data showed the number of participants who purchase the goods from various retailers and whether they rely on the top online firms for the luxury products or necessities.

3.3.4 Objective Four

The study further used the answers to questions 23 to 28 vis-à-vis ES QUAL scale to compare and contrast the strengths and weaknesses of the online services offered by the Kenyan e-retailers against the world based retailers.

The study integrated the data gathered through interviews (see appendix 2) with the theories on service quality discussed in chapter two. According to Hancock and Algozzine (2016), exploratory case study involves the formulation of appropriate objectives, designing of the best data collection tools, processing and analysing the

gathered information to derive a comprehensive conclusion or actionable resolutions. The research design is preferable over other study methodology because it not only provided opportunity for extensive analysis of specific factors affecting a given phenomenon but also favoured collecting information in particular contexts and settings rather than banking on derived data. This enhanced the study's accuracy as it eliminates errors such as generalization. For example, since the study concentrated on Kenyan consumers, the information gathered gives real accounts of the unique experiences or issues affecting the access of fast, efficient, reliable and secure e-services in given market segments.

3.4 Data Analysis

Multiple data sources and analysis techniques were applied to deliver quality, accurate, and reliable findings. The data triangulation occurred at three levels (Csikszentmihalyi and Larson, 2014). Data source triangulation involved combining the primary data collected via questionnaires, and observations with the secondary sources. Methodology triangulation entailed cross verification of these pieces of information by collecting facts from different people and different times. Theory triangulation further ensured that the findings are interpreted from various perspectives. For example, besides demonstrating clarity, the paper borrowed other scholars' input. The experts advised on interview reports and all the critical aspects of the project. The study also targeted e-commerce experts with vast experience in the industry, customer care staff of the leading online retailers and 10 people with interest in e-retail but use the platforms once in a while. Targeting respondents with different knowledge and needs provided the researcher with a holistic insight on the relationship between the e-services and the satisfaction levels (Walliman, 2011).

3.5 Ethical Issues

The researchers sought authorization from all the relevant stakeholders. The

Respondents were also informed about the aims of the study as well as risks and benefits (Walliman, 2011).

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

This chapter presents the results obtained from data analysis and discussion of the findings. The study results are analysed and interpreted in line with the four objectives which were to relate empirically service quality and customer satisfaction, to determine the service quality of the e retailers, to analyse the purchasing behaviour of online shoppers and to benchmark the levels of service quality in online shopping in Kenya against the world's best e retailers.

113 respondents submitted the questionnaires. This represents a 36% response rate. Majority of the participants preferred Jumia over the other leading e-retailers as shown in table 3 and figure 4 below. According to the feedbacks, Tusksys, Naivas, and Kilimal had the second, third and fourth highest number of customers respectively. The consumers either had either not engaged in transactions with Pigiame and Kaymu or did not like the experience as none of the respondents chose the two online service providers as their favourites shopping spots. In contrast, although Masoko was not listed in the questionnaire, three respondents prefers it over its' rivals. However, such customers were grouped together with their three other counterparts who loved shopping at the e-commerce platforms not provided in the questionnaire as depicted in table 3 and figure 4.

Table 3: Respondents' Favourite E-Retailers

E-Retailer	No. of Respondents	Percentage
Jumia	68	60.17%
OLX	7	6.19%
Kilimal	8	7.07%
Cheki.co.ke	1	0.88%
Rupu	2	1.77%
Pigiame	0	0%
Kaymu Market	0	0%
Tuskys	10	8.85%
Naivas	9	7.96%
Mimi.co.ke	2	1.77%
Others	6	5.31%
Total	113	100%

First mover advantages as well as aggressive marketing campaigns allow Jumia to controls the highest market share. Jumia and OLX are some of the first companies to launch large scale online services in Kenya (Standard Digital Reporter, 2014). That is, OLX and Jumia started operating in Kenya in 2012 and 2013 respectively. However, while OLX focused on second hand goods, Jumia ventured into a wide variety of world class products. As Gitonga (2018) explain, OLX bad business model is contributing to its slow growth. In contrast, Jumia created a strong brand reputation before the rivals with almost the same quality of products such as Tuskys, Kilimall and Naivas engaged in the e-commerce activities after 2014. Jumia further moved with speed in building strong relationships with the customers through aggressive

sales promotion activities such as Black Friday and advertisements via omnichannel platforms including Facebook, e-mails, Television, Radios, magazines and bill boards.

4.1 Respondents’ Demographic Information

4.1.1 Gender

33.62% of the study participants are male, 65.49% were females and one person was not comfortable revealing his/her gender. The trend suggests that more Kenyan women shop online than men as depicted in table 4. This is because women spent more time online than the males. Several studies have revealed that the females spend at least two more hours in online networking activities than their male colleagues (Kooti et al., 2016; Oberst et al., 2016; Djafarova, and Rushworth, 2017).

Table 4: Respondents’ Gender

Gender	No. of Respondents	Percentage
Males	38	33.62%
Females	74	65.49%
Others	1	0.88%
Total	113	100%

4.1.2 Age

30.97% of the respondents were aged between 18 and 30 years, the 30 – 39 year olds were the majority at 59.29% while only one elderly person answered the questionnaire as summarized in table 5.

Table 5: The Ages of Study Participants

Age	No. of Respondents	Percentage
18 – 29 Years	35	30.97%
30 – 39 Years	67	59.29%
40 – 49 Years	10	8.85%
Over 50 Years	1	0.88%
Total	113	100%

Although the millennials use the digital platforms at higher rates than any other age groups, they have lower purchasing power than the middle aged counter parts. Majority of the 18 – 29 year olds are either in school or are yet to secure well-paying jobs (Oberst et al., 2016). In contrast, more 30 -39 year olds are not only financially stable but are also influenced by their peers’ social media profiles to try out new digital products. Recommendations by friends encourage the young adults to visit the e-retail platforms on a regular basis (Gitonga, 2018).

4.1.3 Level of Education

All the respondents are educated with the majority holding a bachelors’ degree (58.40%).

Table 6: Respondents’ Level of Education

Level of Education	No. of Respondents	Percentage
High School	1	0.88%
Certificate or Diploma	20	17.7%
Bachelors Degree	66	58.40%
Masters Degree	25	22.12%
Doctorate	1	0.88%
Total	113	100%

Since snowballing technique was used trend can be explained by the fact that the researcher had networks with people with the same or slightly higher/lower level of education. Therefore, there is high likely hood that as much as computer literacy influence the decision to order goods online, quality of e-retail platforms can be designed to reach out to clients that were not privileged to continue with their studies beyond class 8.

4.1.4 Level of Monthly Income

Earnings improve the ability of the consumers to purchase smartphones and laptops for making online purchases. The high purchasing power is observable in the large number of individuals' earning Kshs. 30,000 and above as shown in table 7 below.

Table 7: Monthly Income Levels of the Study Participants

Monthly Income	No. of Respondents	Percentage
Less than Ksh. 29,000	21	0.88%
Ksh. 30,000 – 100,000	55	48.67%
Kshs. above 100,000	37	32.74%
Total	113	100%

Most of the respondents are young people who are yet to establish stable businesses or rise to top positions in their workplaces. However, a significant number have monthly earnings of more than Kshs. 30,000 thereby enabling them to engage in e-commerce transactions. According to Agudo-Peregrina et al. (2016), the middle income earners are always moving to new houses and experiencing increase in living standard thereby creating demand for luxurious products such as technologically advanced home appliances. The e-retailers enjoy more competitive advantages in attracting such individuals than the offline sellers because of their busy work schedules.

4.1.5 Frequency of Online Purchases

Online purchase is ideal for products that the study participants do not use on daily basis as shown in table 8.

Table 8: Frequency of Online Purchases

Frequency of Online Purchases	No. of Respondents	Percentage
Daily	2	1.77%
Weekly	8	7.07%
Monthly	10	8.85%
Whenever needs arises	93	82.30%
Total	113	100%

The purchase trend is due to the high shipping costs as well as the nature of the commodities. For example, the e-retailers charge between Kshs 100 and 400 to deliver a product within Nairobi. Therefore, it is more cost effective to buy the perishable goods such as milk and vegetables from the brick and mortar stores or the neighbourhood vendors commonly known as ‘Mama Mbogas’. The most ordered products via the e-retail platforms are those that the individuals do not use frequently. Muli’s (2017) report indicates that mobile phones and electronics are the most popular products Kenyans purchase online. As a result, 82.30% use the e-commerce platforms whenever need arises as shown in table 8 below. A significant number of the respondents who transact via the websites daily or monthly are traders who rely on OLX and the other markets to engage in deals with their clients.

4.2 The Study’s Participants Perception of the Specific Attributes of the Online Services

The first objective of the project was to monitor the empirical relationship between the service quality and the customer satisfaction trends. The Likert scale helped to determine the levels of customer satisfaction with the various aspect of the e-retail platforms with the maximum ranking of 5 (strongly agree) and minimum of 1 (strongly disagree)

4.2.1 Objective 1: Correlation between the E-Service Aspects and customer Satisfaction Levels

Mean and standard deviation were employed to explore the statistical relationship between the respondents’ feedback as depicted in the table below. One respondent did not answer questions 2 to 5. A standard deviation of less than 1 indicates that there was no significant variation between the respondents’ views.

Table 9: Customers Satisfaction Levels with Services offered by the Top Kenyan E-retailers

Quality Attributes	N	Mean	Std. Deviation
Affordability (respondents satisfaction levels with the prices of the online products)	112	3.16	0.3
Efficiency/ (How best the delivery options satisfy the respondents’ needs)	112	3.57	0.26
System availability (Respondents’ dissatisfaction level with the online payment options)	112	2.88	0.31
Efficiency (Easy of navigation and satisfaction level)	113	3.67	0.26
Fulfilment (Impacts on after sale services on the respondents satisfaction level)	113	2.82	0.33
Average		3.22	0.77

The data in table 9 and figure 5 reveals that most of the online buyers believe that the e-retailers charge fair prices. The mean level of satisfaction is 3.16 meaning that the

prices are neither high nor low to most of the participants as shown in the graph below. 5% of the respondents are highly satisfied with the prices, 36% agree that the prices are justified while 23% would be happier if the companies lowered their prices.

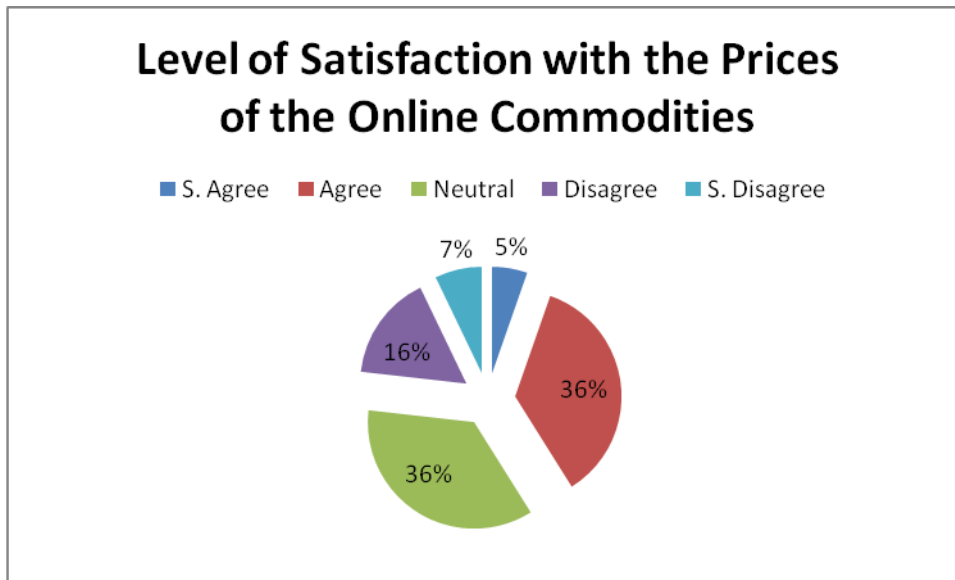


Figure 4 : The Respondents' Level of Satisfaction with Prices

Figure 5 shows that respondents are price conscious. They compare prices charged by various sellers before choosing commodities that provides high value for their money. So far, the pricing incentives strongly satisfy the needs of only 5% of the participants. The findings are in line with Valassis Shopper Marketing report which concluded that 8 out of 10 consumers are always looking for deals that enables them to save money (Anderson, 2014). Especially the young Kenyans that form the bulk of online shoppers are interested in affordable products.

Delivery options offered by the e-retailers scored the highest points. 70 respondents agreed that the firms delivered the products in ways that met their needs. However, 61 of such clients believe that adjustments are needed to achieve excellence as far as ensuring that they receive their orders in good time. In contrast, 11 individuals are dissatisfied with the delivery options as indicated in graph below.



Figure 5 : Respondent’s views towards the Delivery Options provided by the e-retailers

Figure 6 depicts that the payment options provided by the online sellers do not satisfy the needs of 26% of the participants while 45% of the individuals are comfortable with the services. A mean of 2.8 indicates that the e-retailers payment technologies are satisfactory.

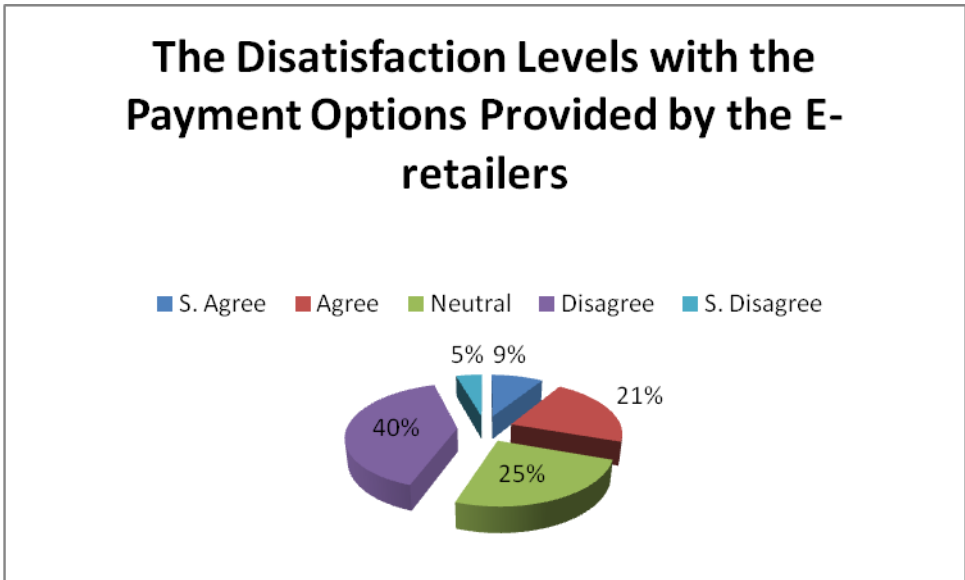


Figure 6 : Respondents’ Dissatisfaction with Payment Options

According to the data, user friendliness is one of the online retailers’ strongest points. The ease of navigating the websites not only scored a mean of 3.6 but also meet the

expectation of 68% of the respondents or 76 individuals as depicted in figure 8 below. However, the e-retailers should move with speed in addressing the concerns of the 14% who are not satisfied with the layout of their platforms.

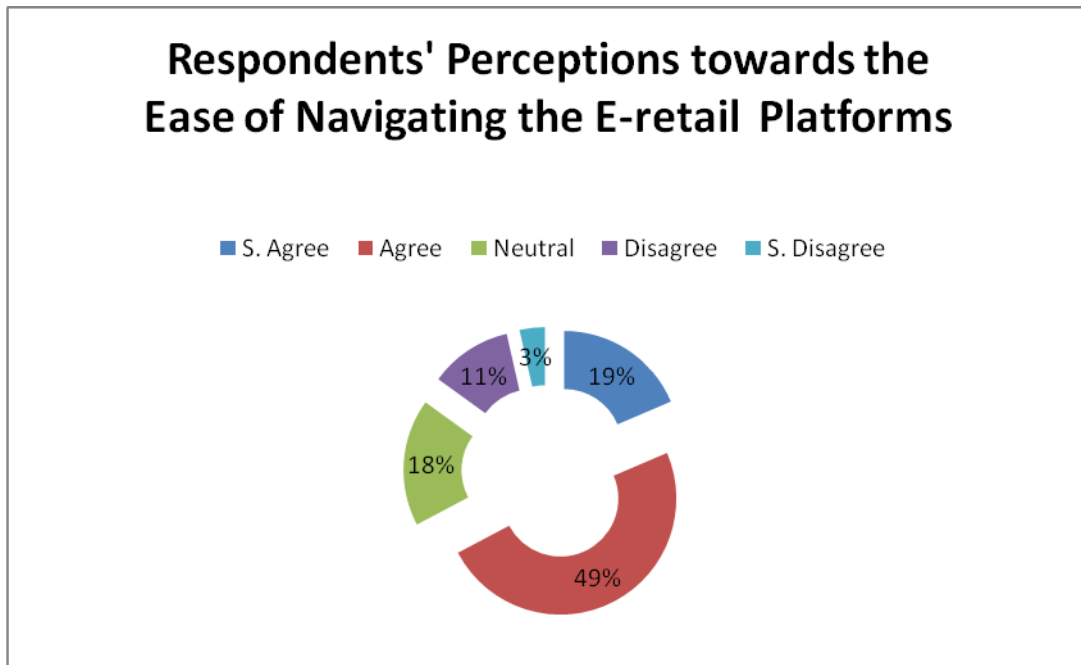


Figure 7: Study's Participants' Perceptions towards the Ease of Navigating the E-Platforms

The Kenyan e-retailers are lagging behind their rivals in providing after sale services to the clients. The practices do not meet the expectations of 47 individuals as illustrated in the bar graph in figure 8. A mean score of 2.82 implies that the e-retailers are at risk of losing a significant number of their clients to competitors that gear their services towards surpassing the customers' needs (Salmon, 2017).

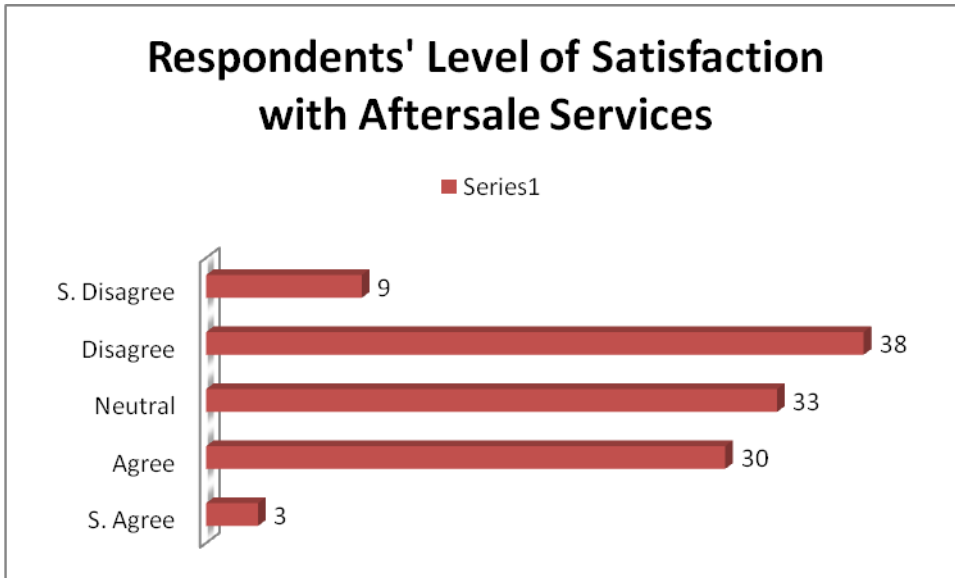


Figure 8: Study's Participants' level of Satisfaction with after sale Services

Overall, the respondents believe that the e-commerce providers should make significant changes on their service portfolios. An average mean of 3.22 shows that most of the players in the industry are yet to meet the consumers' expectations.

4.2.2 Objective 2: Service Qualities of the E-retailers

Analysis of variance test (ANOVA) was employed to determine whether the ESQUAL dimensions played a critical role in the respondents' attachment to their favourite e-retailers. The paper assumes 95% confidence level that there is a relationship between the means of the participants' ratings of the platforms as per questions 7 to 11. Therefore, one way test was conducted at $\alpha = 0.05$ level of significance. The tests involved three steps.

Step 1: Setting up Hypotheses

The null hypothesis was as follows:-

$$H_0: \mu_{\text{Jumia}} = \mu_{\text{Tuskys}} = \mu_{\text{Naivas}} = \mu_{\text{kilimal}} = \mu_{\text{OLX}} = \mu_{\text{mimi.co.ke}} = \mu_{\text{rupu}} = \mu_{\text{masoko}} = \mu_{\text{checki.co.ke}}$$

That is, Jumia consumers' satisfaction levels are the same as their counterparts that are loyal to the other leading e-retailers. The average mean for the answers to Q7 to Q13 helped to examine the relationship. As such alternative hypothesis was $H_1 = \mu_{\text{Jumia}} > \mu_{\text{Tuskys}} > \mu_{\text{Naivas}} > \mu_{\text{kilimal}} > \mu_{\text{OLX}} > \mu_{\text{mimi.co.ke}} > \mu_{\text{rupu}} > \mu_{\text{masoko}} > \mu_{\text{checki.co.ke}}$. In other words, the higher the market share the greater the scores. The paper considered that there was likelihood of committing type I error α that can occur if the null hypothesis is rejected when it is true.

Step 2: Determining Critical Value

SPSS was used to calculate the critical value as depicted in table 11 below.

Table 10 : Critical Value Determination

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	23.637	7	3.377	7.036	.000 ^b
Residual	46.554	97	.480		
Total	70.190	104			

Critical F-value: 2.09470098

Step 3: Conclusion

The paper rejects null hypothesis and accepts H_1 because $7.036 > 2.09$. Consequently, there is statistically significant evidence that establishing the highest standard of E S QUAL increases the customer base. Jumia, Tuskys, Naivas and Kilimall lead the Kenya online market because most of its services surpass the consumers' expectation. The customers were more impressed by the quality of their services as compared to the other studied firms.

4.2.3 Objective 3: Purchasing Behaviours of Kenyan Online Shoppers

Jumia enjoys competitive edge because it has established a service portfolio that best meets its consumers' behaviours. The rivals are also not badly off in incorporating the most critical elements of satisfying their clients' needs. The e-retailers attract clients through interesting themes and thereafter win their trusts through providing quality products and after sale services. The respondents believed that the top performers had the most attractive platforms with interesting themes. That is, the 15 participants who chose Jumia and Tuskys as their favourites strongly believed that attractive colour combination encouraged them to spend more time on the platform. The top performers' attractiveness significantly exceeded their competitors as summarized in table 11.

Table 11 : Respondents' views on importance of Online Platform's Attractiveness

	S. Agree	Weight	Agree	W	Neutral	W	Disagree	w	S. Disagree	W	Mean Score
Entire Industry	16	5	59	4	28	3	8	2	1	1	3.7
Jumia	13	5	27	4	12	3	13	2	0	1	3.5
Tuskys	2	5	4	4	2	3	1	2	0	1	3.5

The number of Jumia lovers that admire attractive themes increased to 50 while over 6% of the Tuskys clients shared the same sentiments as shown in figure 11. This accounted for more than 90% of the consumers who value the appearance of the e-retail platform. The trend implies that the website layout played a significant role in the two players' dominance.

Number of Respondents attracted to e-retail Platform due to interesting Themes

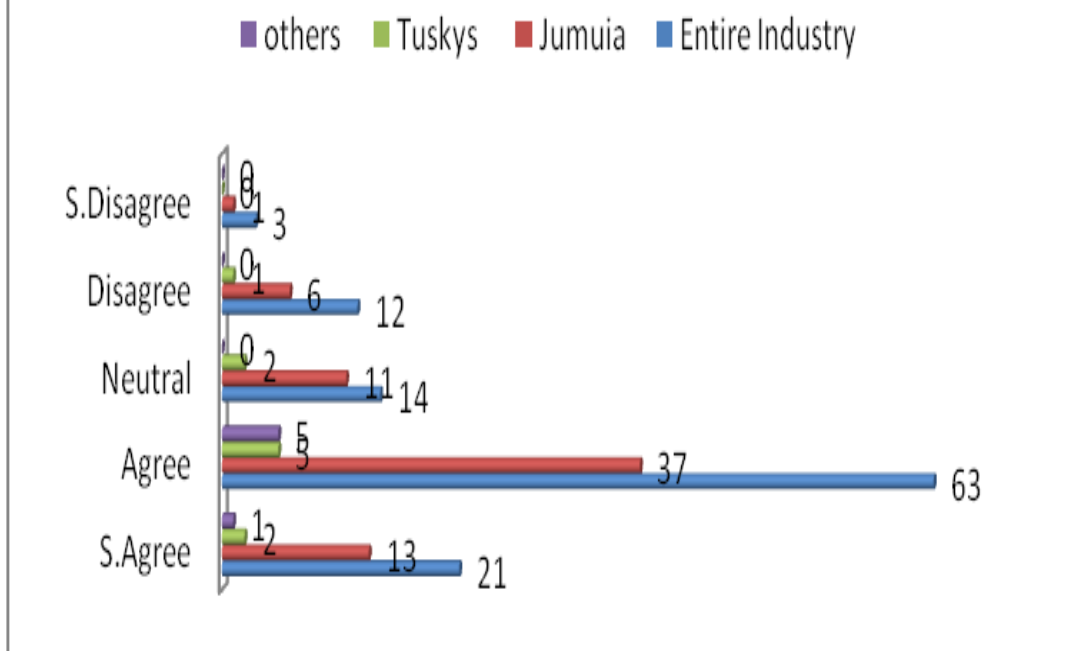


Figure 9: Number of Participants that are attracted by Interesting Themes

Jumia further have greater opportunities to fulfil its obligations to their loyal customers than the other online service providers. Its' clients accounted for the 61% of the respondents that are always looking for the e-retailers with multiple platforms for engaging the customers in conversation. However, all the competitors' consumers have similar interest. In fact, having more than one communication means did not matter to only one respondent as summarized in table 12. This means reluctance by Jumia in providing such service means it may lose a remarkable percentage of its current customers to the rivals.

Table 12 : My loyalty to a particular e-retailer is influenced by its’ ability to prioritize my personal needs such as product categories and delivery methods

	S. Agree	Agree	Neutral	Disagree	S. Disagree	TOTAL
Entire Industry	22	63	18	10	0	3.87
Jumia	12	41	12	3	0	3.92
Tuskys	2	4	2	1	0	3.60
others	1	4	1	0	0	4.16

From the data, respondents who are interested in product categories and delivery methods that suit their lifestyles also compare the prices and attributes of the services offered by the other firms. Consequently, Jumia must always strive to achieve excellence in all areas in order to remain at the top of the industry. Like other rational consumers, Jumia’s customers would shift immediately to a new e-retailer if the online firm faces any data security threat. Figure 8 indicates that Jumia will lose 61 or 89.7% of the respondents if it fails to protect their confidential information. The threat is exacerbated by the fact that online shoppers are conscientious consumers that always conduct due diligence before settling on the supplier. As Trentman (2013) explains, the enlightened consumers regularly investigates the corporate citizenship of the brands they are interested in buying. The buyers also use their Facebook, Instagram and Twitter pages to raise awareness against businesses that adversely affect the environment or the physical and mental wellbeing of their communities.

From the respondents' views, they enjoy the freedom of choosing the best services from a number of e-retailers.

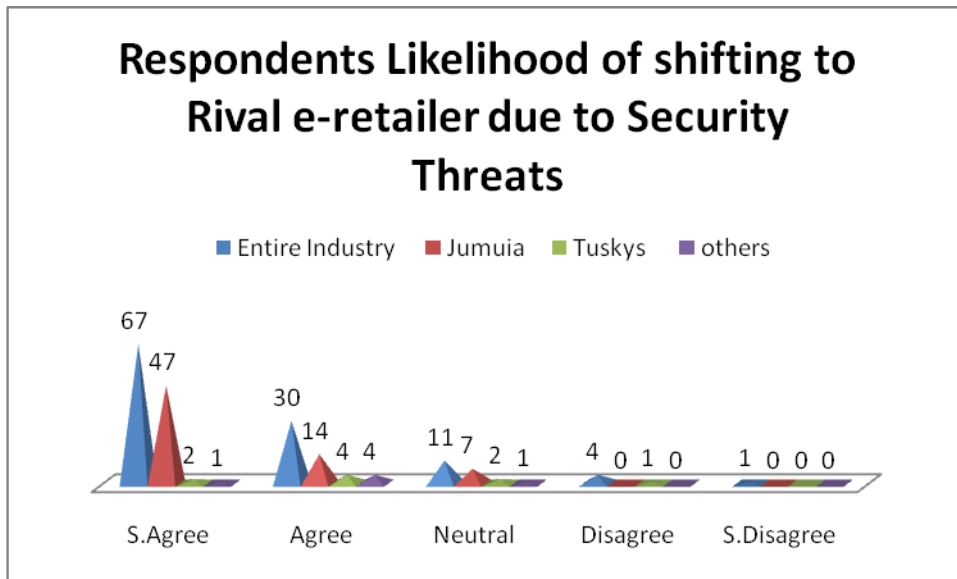


Figure 10: Respondents Likelihood of Shifting to New e-Retailer

More consumers buy luxurious commodities than necessities online as shown in table 14. Therefore, the consumers mostly order for products via the platforms whenever it is more convenient than the brick and mortar stores.

Table 13 : Responses to “I always purchase necessities like food stuffs online”

	S .Agree	Agree	Neutral	Disagree	S. Disagree	Mean Score
Entire Industry	4	19	22	48	20	2.29
Jumia	3	11	17	30	7	2.51
Tuskys	2	4	2	1	0	3.50
others	1	4	1	0	0	4.16

Table 14 : I only purchase Luxury Goods, mobile phones and laptops.

	S. Agree	Agree	Neutral	Disagree	S. Disagree	Mean Score
Entire Industry	9	35	35	30	4	3.42
Jumia	9	21	20	16	2	4.13
Tuskys	1	3	3	4	1	2.90
others	1	2	1	2	0	2.83

4.2.4 Objective IV: Kenyan e-retailers' Performance as compared to the Global Leaders

Although Jumia and Tusky's should make significant changes to match the quality standards of the multinationals, they scored higher scores than the industry average. The other firms' customers are more pessimistic that Kenyan e-retailers can compete favourably with the world's best online suppliers such as Amazon, Wal-Mart and Alibaba as indicated in table 16 to 17. However, the belief might be because of the mentality that the managers from the Western countries are always superior to their African counterparts.

Table 15 : Mean Score for the Kenyan Retailers as Compared to the World Best Retailers

Question	S. Agree	Agree	Neutral	Disagree	S. Disagree	Mean Score
Q22	9	35	35	30	4	3.106
Q23	21	36	23	21	12	3.195
Q24	9	39	38	21	6	3.168
Q25	13	38	46	14	2	3.398
Q26	6	44	35	26	2	3.221
Average						3.21

Table 16: Mean Score for Jumia compared to Global Industry Leaders

Question	S. Agree	Agree	Neutral	Disagree	S. Disagree	Mean Score
Q23	9	21	21	15	2	3.279
Q24	13	18	21	10	6	3.250
Q25	4	32	23	7	2	3.411
Q26	5	22	30	10	1	3.294
Q27	5	28	24	9	2	3.352
Average						3.31

Table 17: Tuskys' Mean Score compared to Global Industry Leaders

Question	S. Agree	Agree	Neutral	Disagree	S. Disagree	Mean Score
Q23	2	3	2	0	3	2.900
Q24	1	1	2	3	2	2.444
Q25	2	4	2	1	0	3.889
Q26	1	3	1	3	1	3.000
Q27	1	0	1	5	2	3.900
Average						3.227

The figures confirm that Jumia and Tuskys have greater chances than industry in providing world class services. The 56 respondents who believe that the Kenyan web stores are equally efficient and reliable indicate that the Kenyan e-retail industry is on the right track. 11% of the participants strongly agree that the efforts by Jumia,

Tuskys, Rupu, Masoko, Naivas, Mimmi.co.ke and others are adequate in keeping pace with the changes in the industry.

Overall, it is evident quality attributes directly impacts on the performance of the top Kenyan e-retailers. Jumia, Tuskys, Naivas, OLX are combining the various elements of ESQUAL to deliver products that always meet the customers' needs. The industry experts agree that incorporating the factors such as efficiency, fulfilment, responsiveness, assurance, security and recovery in the customer relationship management allows the e-retailers to expand their customer bases. The tangibles such as attractive themes and colour combination are supplemented with creative means for capturing the customers' trust. For example, Jumia frequently runs aggressive market campaigns. In June 2018, the firm launched a campaign dubbed "*Try Jumia for Free*" that targeted to eliminate the misinformation that prevented many Kenyans from engaging in e-commerce. It involved enticing 10,000 new clients to buy a packet of maize flour at ksh. 1 and have the package delivered to their doorstep. The customers are further enticed through discounts and gifts. The incentives contribute significantly in Jumia earning a mean score of more than 3.5 in most of the cases.

Similarly, Tuskys attracts customers through innovative payment options such as "Lipia pole pole". The clients enjoy the flexibility in paying for products such as furniture at their own pace (Mbogo, 2018). The incentive allows the customers to acquire home appliances, and electronics that they would otherwise struggled to purchase. Kili Mall's platform also allows merchants to display their products and the commodities within two days. Jumia, Tuskys and Naivas also take two days to deliver their products. The buyers also have the option of picking the ordered products at their stores that are strategically placed to reach out to their customers throughout the country. As a result, 70 respondents or about 62% of the customers are contented with

the convenience and cost savings associated with the delivery services as shown in figure 6.

Once the e-retailers have a customer's e-mail address, phone number, and social media user names, they keep them updated on the exciting events such as black Friday where they get as high discounts as 25%. The market leaders also use cookies to monitor the potential buyers' online activities and suggest commodities that suit their lifestyle. In the expert's views such efficient communication channels provides opportunities for the e-retailers to prove their commitment to create value for their customers. For example, the customers use their mobile phones and laptops to view the products, make orders and only pay after confirming that the delivered goods match their expectations. About 60% of the respondents are satisfied with the payment options provided by the e-retailers.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The quality attributes are essential for building and maintaining relationships with the consumers. The data proves that the clients' interests move beyond the prices and conveniences associated with online purchases but the ability to be consistent in providing quality services. Jumia enjoys high market share because it has won the consumers' trust as far as meeting their diverse needs are concerned. However, just like other players in the industry the e-retailer decline in any of the quality attribute poses high risk of losing more than 50% of its customer bases to the competitors. The Kenyan e-retailers should also think of means of employing the revolutionary digital technologies to win the trust of consumers who still believe that the domestic firms are inferior to the multinational. The study confirms that Jumia, Tusksys, Naivas, Masoko, Rupu and the domestic firms are not badly off as some consumers perceive. Given the intense rivalry from the multinational players, the companies are always looking for creative techniques for surpassing their customers' expectation. Therefore, Kenyan e-retail market will record unprecedented growth in the foreseeable future.

5.2 Recommendations and Conclusion

All the studied e-retailers are on the right track towards fulfilling their customers' needs. However, exceptional performance requires the firms to move ahead of their competitors in enhancing their customers' experiences. The managers should invest in developing disruptive technologies for predicting the customers' preferences. The domestic firms are yet to introduce the revolutionary concepts such as the virtual assistants that are enabling companies such as Amazon to penetrate into new markets

across the globe. Amazon Alexa acts as personal advisors to the buyers (Salmon, 2017). Instead of spending several minutes looking for products to buy, Alexa collects such information within seconds thereby enabling the buyer to make informed choices. The Kenyan online firms should capitalize on the revolutions to build a cult-following. The companies should aim at employing the Big Data analytics to create a sense of shared consciousness with their partners. Every product sold in their website should impact positively on the consumers' lives. The products should be affordable, eco-friendly and of the highest quality. Moreover, the e-retailers should have their buyers as co-creators of their value creation chains (Veselinova and Samonikov, 2018). That is, engage their buyers in identifying market gaps and providing solutions to various challenges they experience in accessing the online activities. In this way, most social media posting by the companies would always go viral. The firms' loyal consumers will also be empowered to invite their friends to the e-platforms and stand firm with the e-retailers whenever they encounter challenges in delivering their promises to the buyers.

5.3 Study Limitation

The snow ball technique meant the primary data reflects on purchase behaviours of consumers with similar attributes. For example, the researcher's network comprises college mates, work colleagues and friends. The primary data might not reflect on the interest of consumers outside Nairobi, and other major cities. However, data triangulation enabled the researcher to account for the main needs of all the Kenyan online consumers.

5.4 Further Research

The study reveals that more knowledge is needed to understand the unique characteristics of Kenyan e-retail especially the main barriers to sustainable growth of the domestic firms. With more multinational players targeting the Kenyan consumers, further research is needed to explore the effects of stereotypes, beliefs and cultures that promotes obsession with products from the developed nations on the performance of the country's best e-commerce providers.

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APPENDIXES

Appendix 1: Questionnaire

Instructions: Kindly tick the option that best describes you

1. Which one of the following is your favourite e-retailer?

Jumia OLX Kilimall Cheki.co.ke
Rupu

Pigiame Kaymu Market Tuskys
Naivas

mimi.co.ke Others

Instruction: Kindly tick the option that best describes your experience with your favourite online retailer as per the statements below where:

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

	1	2	3	4	5
OBJECTIVE I: CUSTOMER SATISFACTION					
2. I'm satisfied with the prices charged by the Kenyan e-retailers					
3. The delivery options provided by the retailers are satisfactory					
4. I'm often dissatisfied with the Kenyan online platforms are since they don't provides adequate payment options					
5. I'm satisfied with the e-services because I find it easy to navigate through the web store					
6. The after sale services provided by the e-retailers always meet my expectations					
OBJECTIVE II (THE LEVEL OF E-RETAILERS SERVICE QUALITY)					
7. Purchasing a commodity from my favourite e-retail platform is more convenient than visiting brick and mortar stores					

8. I prefer online shopping to traditional transactions since it is time saving					
9. The online services provided by the e-retailer is always available whenever I need it					
10. My private information is safe with the e retailer					
11. The online platform has implemented adequate incentives to notify the customers about the ongoing promotions and upcoming business events					
12. The quality of the services delivered by the company always matches or exceed those displayed in the physical stores					
13. The website always provide extra incentives to prevent the disruptions in the prompt delivery of the commodities					
OBJECTIVE III (THE PURCHASING BEHAVIOR OF ONLINE SHOPPERS)					
14. The use of attractive colour combination has a significant impact on the decision to spend more time in a particular web store					
15. Having interesting themes attracts me to a particular shopping platform					
16. I prefer shopping at a web store that provide many options for making contacts with the customer care team such as hotlines, emails, chat rooms, and social media links					
17. My loyalty to a particular e-retailer is influenced by its' ability to prioritize my personal needs such as product categories and delivery methods					
18. I always compare the content of the virtual stores to determine the online supplier with commodities that suits my lifestyle in terms of price, convenience, fashion, and health.					
19. I will quickly shift to a new supplier if my favourite e-retailer faces any significant security threat such as unauthorized access to my personal information					
20. I always use different e retailers for different purchases					
21. I always purchase necessities like food stuffs online					

22. I only purchase luxury goods, electronics and mobile phones online					
OBJECTIVE IV(BENCHMARKING THE KENYAN E-RETAILER'S SERVICE QUALITY AGAINST THE WORLD BEST PERFORMERS)					
23. The quality of the Kenyan e-retail platforms is unlikely to exceed those of the world leading brands such as Amazon, Walmart, Amazon					
24. The Kenyan e-retail platforms are equally efficient, reliable and secure as the top performers in their respective industry					
25. My favourite web store's ability to employ the latest digital and associated technologies is below that of the global industry leaders					
26. Kenyan e-retailers are making adequate efforts to exceed the quality standards set by the world's best e-commerce providers					
27. The quality of the Kenyan e-retailers' services are similar to those of global industry leaders such as to E Bay, Amazon, Alibaba					

Demographic Information

28. Gender

A. Female

B. Male

29. Age

A. 18 – 25 years

B. 25 – 30 years

C. 30 – 40 years

D. 40 – 50 years

E. Over 50 years

30. Highest Level of Education

A. High School

B. Diploma

C. Bachelor's Degree

D. Masters' Degree

E. Doctorate

31. How frequently do you shop online?

- A. Daily B. Weekly C. Monthly D. Need
Arises

32. Level of income

- A. Less than Kshs. 30,000
B. Between Kshs 30,000 and 100,000
C. Above Kshs 100,000

Appendix 2: Customer Care Personnel and other Industry's professional Interview Questions

- 1) Which incentives has the Kenyan online retailers been employing to drive traffic to their web stores?
- 2) How does the firms utilize the vital tools such as ESQUAL AND e Recs Qual to achieve customer satisfaction and associated benefits such as customer loyalty and high customer lifetime value?
- 3) How does Kenyan organizations compare with the global industry leader as far as online service quality is concerned?
- 4) What are the challenges and opportunities presented by the latest inventions regarding e-commerce activities such as Internet of Things and omni-channel merchandizing to e-retailers like Jumia, OLX, and Cheki.co.ke? How has the firms been utilizing such revolutionary technologies to increase their customer base and minimize threats from the foreign competitors?
- 5) From your vast experiences, what changes would you advise the e-retailers to implement in order to reap maximum benefits from the correlation between the quality of the online services and customers' satisfaction?