A STUDY OF ONLINE SHOPPING ADOPTION AMONG
UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS EVENING STUDENTS

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DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

Signed

Date 15/11/2010

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This research project has been submitted for examination with my approval as university supervisor.

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DEDICATION

To God, my strength and my ever present help, I owe it all to you. Thank you for proving that impossible is nothing with you.
ACKNOWLEDGEMENTS

George Njenga and Nancy Njenga, You are the most generous parents I know, I would never have done it without you, for your sacrifices, encouragements, prayers and support that have brought me this far, Thank you.

Irene, my wonderful sister, for sacrificing greatly for me when I was beginning this endeavor, for your kind words of encouragement and your prayers. Thank you.

Cate my other wonderful sister, for following up with me, helping me in the areas I didn't understand and sitting with me for long hours as you helped me with this work. Thank you.

Erick, God's wonderful gift to me, you reminded me to do it right, you've walked with me every step of this difficult journey, for your encouragement, your great support and for sacrificing your time to help me with this work. Thank you.

Shirley, Martha, Zippy, Amie, Kolci, Shive, Tats, Keshi, Joy, Netsai, for holding hands with me and agreed with me in prayer that I would see this project completed. See what the Lord has done! Thank you.

My wonderful brothers and the rest of my extended family, for being there for me, Thank you.

Mr James Kariuki, my supervisor for your invaluable inputs and dedication to this work, Thank you
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<th>Full Form</th>
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<tr>
<td>CCK</td>
<td>Communications Commission of Kenya</td>
</tr>
<tr>
<td>EAFIX</td>
<td>East Africa Internet Exchange</td>
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<tr>
<td>ICO</td>
<td>Information Commissioner's Office</td>
</tr>
<tr>
<td>ISP</td>
<td>Internet Service Provider</td>
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<tr>
<td>ITU</td>
<td>International Telecommunication Union</td>
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<tr>
<td>KCB</td>
<td>Kenya Commercial Bank</td>
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<tr>
<td>KPTC</td>
<td>Kenya Posts and Telecommunications Corporation</td>
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<tr>
<td>PEOU</td>
<td>Perceived Ease of Use</td>
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<td>PU</td>
<td>Perceived Usefulness</td>
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<tr>
<td>SI</td>
<td>Shopping Intentions</td>
</tr>
<tr>
<td>TAPL</td>
<td>Technowledge Asia Pete Ltd</td>
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<tr>
<td>TAM</td>
<td>Technology Acceptance Model</td>
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<tr>
<td>TRA</td>
<td>Theory of Reasoned Action</td>
</tr>
<tr>
<td>UK</td>
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ABSTRACT

Previous studies show a positive relationship between the number of Internet users and online shoppers. The use of internet in Kenya has grown tremendously over the years. The introduction of submarine fiber optic cables in 2009 has improved the speeds of internet resulting to lower telecommunications costs and new opportunities across many sectors. Online shopping in Kenya has however not taken off strongly even with the steady increase of internet users over the years. Studies done revealed that among those who shopped online in the United States, college students aged 18 to 22 were the biggest market and a prime source of future growth in online sales. There is therefore need to study the level of online shopping adoption among Kenyan students in order to determine the reasons for adoption or non adoption of the same. This study therefore sought to find out the characteristics of online shopping adopters among university students and went further to unearth the reasons behind non-adoptions and adoption of online shopping. The research was carried out through a survey of the University of Nairobi students and the selection of the sample participants was conducted based on stratified random sampling. The four strata that were used were male undergraduates, female undergraduate, male postgraduates and female postgraduates. The data was collected, by use of questionnaires distributed to a sample of 248 students.

The findings of the study revealed that there was a high level of awareness of online shopping but very low use of the same. Findings also showed that online shoppers were mostly male, most of them were aged 30 yrs and below and most earned higher incomes. Some of the reasons cited for non adoption of online shopping were concerns about financial security and discomfort in sharing of personal information online. Some of the reasons cited for adoption of
online shopping were the ease of buying products from anywhere in the world, and the ability to choose from a wide variety of products.

This study provides relevant business advantage in terms of providing insight on how to improve online shopping in Kenya. It also sets the foundation for future research directions in this area.
CHAPTER ONE
INTRODUCTION

1.1 Introduction

This section gives a background of the study, defines the statement of the problem and explains the importance of the study.

1.2 Background

The Internet has quickly evolved to be one of the most powerful communication tools worldwide and has penetrated into our social and economic life. Increasingly, businesses are recognizing the potential of the Internet and it has been noted that the Internet is becoming a hotbed for advertising and commercial activity (Verity, 1994).

The Internet was first introduced in Kenya in 1993 on a non-commercial basis. In 1998, the then telecommunication service provider, the Kenya Posts and Telecommunications Corporation (KPTC), launched the East Africa Internet Exchange (EAFIX) backbone and Jambonet, an access service for Internet Service Providers (ISPs) (Mutula, 2002). In July 1999, the government officially liberalized the telecommunication market in Kenya when the Communications Commission of Kenya (CCK) was formed to regulate the sector. The liberalization of the Internet sector in Kenya saw the number of ISPs grow to over 50 and over 15,000 dial-up Internet accounts by the year 2000 (Afullo, 2000). In 2002, the number of Internet users was estimated at between 30,000 and 50,000 with an estimated monthly growth of over 300 users. By April 2004, there were 73 registered
ISPs, approximately 1,030,000 users and over 1000 cyber cafes and telephone bureaus. In 2006, the estimated internet users in Kenya according to the International Telecommunication Union (ITU) was 1,054,900 people, corresponding to the penetration rate of 3.1%, and in 2008 there were 3,000,000 internet users with a penetration rate of 7.9%.

The introduction of submarine fiber optic cables in 2009 has improved the speeds of internet in Kenya. Southern and eastern Africa are now connected to international broadband networks resulting to lower telecommunications costs and new opportunities across many sectors (Wangui, 2007).

The Internet has made a tremendous impact on the retail industry (Chen and Chang, 2003; Dixon and Marston, 2005). One such impact is the growth of online shopping. Online shopping also known as Internet shopping is a form of electronic commerce and is the process of buying goods and services from merchants who sell on the Internet. Payments are commonly made using credit cards, but some websites may allow alternative payment methods such as debit cards and wire transfers. Payments are also mainly done in real time, for example letting the customer know when the funds in his or her account are insufficient before the customer logs out.

Online shopping offers advantages to sellers such as the ability to reach a wide market and to display a wide variety of product categories. A merchant can also operate 24 hours a day and is able to save costs on renting premises and paying employees (Chen and
Chang, 2003; Dennis et al, 2004). Consumers also gain by an almost unlimited selection of products, the ability to easily compare products, brands, prices, customer reviews, and make a purchase anywhere, at any time (Morganosky and Cude, 2000). According to ACNielsen (2007), more than 627 million people in the world had shopped online by 2007. Forrester (2006) research estimated that e-commerce market worldwide would be worth $22.8 billion in 2007, $258 billion in 2008 and $288 billion in 2009 and that by 2010 e-commerce will have accounted for $316 billion in sales, or 13 percent of overall retail sales.

A study by Silverman (2002) however revealed that among those who shopped online in the United States of America, college students aged 18 to 22 were the Internet's biggest market and a prime source of future growth in online sales. These students were heavy users of the Internet and had more access to this medium than most of the other population segments (U.S. Department of State, 2002). According to Harris Interactive (2002), 92% of college students in the U.S. owned a computer and 93% accessed the Internet. Their online spending exceeded that of any other demographic group in the U.S. (O'Donnell et al, 2004). Roemer (2003) noted that U.S. college students' online purchases came to $1.4 billion in 2002 following a 17% increase over the previous three years.

Despite the fact that previous studies (TAPL, 1999; Siu and Cheng, 2000; Sorce et al, 2005) show a positive relationship between the number of Internet users and online shoppers, online shopping among Kenyan students has not taken off strongly even with the steady increase of internet users over the years (Wangui, 2007). This is due to among
other things, the absence of enabling legislation and the lack of financial transaction capabilities instituted by banks (Wangui, 2007). Most banks in Kenya for example only issue credit or debit cards that require a signature or PIN at the point of sale which limits an actual online payment. Online buyers and sellers in Kenya therefore conduct most of their local transactions using payment methods such as cheques, postal orders, bank transfers or Mpesa. However there are new online payment options such as Mony a Mickel and Pesapal that have been introduced into the Kenyan market (Mickel, 2009). These are cheaper, simple but effective ways of automated payments which allows users to create web accounts where they can submit funds either through Safaricom paybill, Mpesa or Zain. The funds are then made available and can be used to buy products at the shops listed on their websites (Mickel, 2009).

In the international market some of the commonly used payment systems are PayPal, Checkout and Paymate. These systems allow for payments to be made directly to the sellers account from almost anywhere in the world through the internet. Some of the successful online business that are based Kenya such as MamaMike.com, online kiosk, Biashara.biz and Uzanunua, are selling their products to foreigners and Kenyans both locally and in the diaspora using these international payment services (Wangui, 2007). However one requires an international debit or a credit card such as a Visa card or Master Card to perform these transactions.
1.3 Statement of the problem

Given the fact that the numbers of internet users in Kenya have grown over the years and yet no similar growth has occurred in the use of online shopping (Wangui, 2007), there is need to study the reason behind the low use of the same. Studies carried out in other parts of the world (TAPL, 1999; Siu and Cheng, 2000; Sorce et al, 2005) cannot be fully adopted as the exact position of online shopping in Kenya. This is because these countries economical, technological and social status differ from that of Kenya. The findings of these studies may also differ from findings of current studies as the internet technology has grown at a high speed over the years. These studies have also not been conducted specifically on the University of Nairobi students.

A key task for studying electronic commerce usage is to find out who the actual and potential customers are (Turban et al., 1999). Several theories have previously been used to examine the penetration of online shopping. The most common are, Theory of Reasoned Action (TRA) by Fishbein et al(1975) and Ajzen et al (1980), Davis' (1989) Technology Acceptance Model (TAM), and Rogers'(1995) Diffusion of innovation theory. Historically, all three models have been widely adopted in online shopping research (Bobbitt and Dabholkar, 2001, McKechnie et al, 2006), and the focus of these studies commonly includes capturing the characteristics of online shopping adopters or identifying consumers by capturing online shopping intentions (SI).

internet users between the ages of 18 and 48 yrs, are well-educated and have higher income. The studies have also found that while younger people aged 17yrs and below, tend to search more on the Internet, they buy less when compared to older online users aged 18yrs and above. This is because people of this age group are still dependent on their parents and guardians and therefore have low purchasing power (Donthu and Garcia, 1999; Sorce et al, 2005; Allred et al, 2006).

This study therefore focuses on the University of Nairobi evening students and in particular those in the School of Business. According to Couper el al (1998), a business student refers to a person who has obtained or is working to obtain a university degree in Business administration. Graduates obtaining degrees in business administration major in general management, accounting, finance, marketing or strategy. Students graduating with such degrees usually start careers in the business world. Some of the students especially those in the post graduate program already have jobs and careers in the business world and hence prefer to attend the evening classes. These students also likely to be more business minded and therefore more exposed to new business ventures.

The study seeks to find out the characteristics of online shopping adopters among university students.
1.4 Research Objectives

i. To determine the level of awareness and the extend of use of online shopping among university students

ii. To identify the reasons for adoption or non-adoption of online shopping among the university students.

iii. To establish the profile of the users of online shopping.

1.5 Importance of the study

The findings of this study will provide insight on the extent in which online shopping has been adopted among the University's students as well as the rate at which this adoption is taking place. This information will assist future researchers in carrying out further studies on online shopping in Kenya. The findings of the study will also assist online retailers in Kenya to understand customer's attitude towards this technology as well as challenges they face. The findings will therefore provide them with insight on how to improve the service accordingly.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section discusses the theoretical framework as well as online shopping attitudinal and behavioral studies done by other researchers. The section also presents the conceptual framework.

2.2 Background

Online shopping is the process of purchasing and selling products or services over the Internet. The process of online shopping consists of consumers logging onto a website, where retailers usually provide customers with pictures and descriptions of their products. Consumers can browse through various products and place their selection into a virtual shopping cart. Just like shopping in an actual store, an item can be viewed, changed or removed as the customer desires.

When the customer has finished with their purchases, they move on to the checkout process. This entails submitting personal information, such as name, billing and shipping address, and e-mail address. The customer then chooses their means of payment, as well as their preferred method of delivery. Using a credit card, customers must enter their information into the computer. This information is then sent to the involved financial institution for validation, and the transaction is completed depending on the availability of funds.
Low penetration of electronic means of payment, and cumbersome delivery systems are primary obstacles to the growth of Internet shopping in developing countries.

2.3 Theoretical Framework

When a new product or an innovative technology is introduced in the market, consumers learn about it, decide whether to buy it and whether to repeat purchasing it in the future. In other words, they decide whether to adopt it or not. Adoption implies that consumers have accepted the (product or technology) innovation and use it on a regular basis. Innovations are diffused in the market as individual consumers make their decisions to adopt them, at different time intervals. As a result of this aggregation, a normal distribution develops which represents the diffusion process as seen in Figure 1. Based on the time of adoption, typically five categories of consumers can be distinguished: Innovators, early adopters, early majority, late majority and laggards (Gatignon and Robertson, 1991; Ram and Jung, 1994; Kyungae and Dyer, 1995; Schiffman and Kanuk, 2000). Consumers belonging to the same category have some common characteristics. Therefore, marketers develop specific strategies to target each consumer category separately (Brown, 1992; Rogers, 1983).

Innovators are those consumers who first adopt the new product or the innovation. They are few in number and are eager to try new ideas and products, are well-educated and can afford any financial risk involved in adoption. They are very well informed about new products by other innovators as well as by impersonal and scientific sources of information.
Early adopters are more socially integrated in their local communities than innovators, and are more likely to be opinion leaders. They are typically younger, more educated, belong to a higher social class, and read much more specialized magazines about new products and innovations than the average consumer. They frequently get in contact with salespeople of new products and play a crucial role as opinion leaders who influence other consumers.

Early majority consumers adopt the innovation right before the average consumer in the market does. These consumers think a lot before they decide to adopt an innovation. Their characteristics include: older people, higher educational level, and higher socio-economic status than the average member of society. They rely heavily on opinion leaders (i.e. early adopters).

Late majority consumers delay adoption of the innovation mainly because they are distrustful about new ideas. They decide to adopt after they feel a strong social pressure. They mostly rely on opinions expressed informally by people they know well. They watch electronic media less frequently than others.

When laggards decide the adoption of a "new" product, or an innovation in general, the product is most likely close to its withdrawal from the market. Laggards are especially distrustful about innovations and are socially isolated. They are older consumers of lower socio-economic levels. Laggards constitute a consumer category of no interest to marketers.
As consumers in a market adopt the same innovation at different times, this concept can be used to determine the extent of adoption of online shopping by finding out the various characteristics of those who have currently adopted it. The attitude of those who have adopted is also important to note as the next stage of adoption is highly determined by advice given by the earlier adopters.

A study of the characteristics of online shopping adopters will therefore determine the extent to which online shopping adoption has reached among Kenyan students.

2.4 Previous Studies done

There are various studies that have been conducted over the years to find out the attitudes of online users towards the adoptions and use of online shopping. One such study was
done by Adam et al (2001) and was aimed at developing profiles of consumers who had already conducted shopping through the internet and of those who were interested in adopting Internet shopping as an innovation. Amongst other things, the study measured demographic and behavioral characteristics, as well as perceptions and preferences of Greek customers towards distance shopping in general. Some of the findings were that customers who had already used the internet for shopping were mainly young males who were highly educated. In addition, half of them were single and earned more than the average family income. It was also discovered that most of them were employees in the private sector, scientists or freelancers. The results of the study also disclosed that those interested in adopting internet shopping in the future, were married, held university degrees, half of the people sampled were male, and about 40% of them were employees in the private sector and earned average incomes.

Na Li et al (2001) from Syracuse University also conducted a study with the aim of synthesizing the representative existing literature on consumer online shopping attitudes and behavior based on an analytical literature review. The study attempted to provide a comprehensive picture of the status of online shopping. Some of their findings were that there was a positive relationship between consumer trust in Internet stores and the store's perceived reputation and size. According to a study by Jarvenpaa et al (2000), higher consumer trust also reduces perceived risks associated with Internet shopping and generated more favorable attitudes towards shopping at a particular store, which in turn increases willingness to purchase from that store.
The office of fair trading (2007) in the UK also did a study that was aimed at finding out why people and businesses use, or do not use the internet to buy and sell products as well as their experiences. Their findings were that awareness of online shoppers was low, for example the researchers found out that 56% of the internet shoppers they surveyed did not know about their right to cancel an order and 29% did not know where to turn to get advice on their rights. Secondly the research found out that there were unclear laws protecting online shoppers and there were areas where the European law needed to be revised in order to take into account how internet shopping was evolving. An example was lack of provision of names and addresses by online retailers which is a requirement by the European regulations. They also did not have liability for unlawful activity such as sale of illegal goods unless they was actual knowledge of illegality. The researchers also found out that 79% of internet users they surveyed were very concern about the risks and security of their payment details from online shopping. They estimated that 3.4 million people were prepared to use the internet but were not willing to shop online because of trust or fears about personal security. People they interviewed sited that their fears stemmed from stories they had heard in the media or by word of mouth, their receipts of spam and phishing email as well as advisory campaigns and advertising.

A more recent study is one done by Niki et al (2009) on Online shopping adoption within Hong Kong. The study was seeking to expand previous studies done on online shopping by comparing consumer attitudes to Internet shopping and examining the relationships between Internet use, demographics, online shopping attitudes, intention to purchase and actual behaviors across a range of products and services. The findings of the study were that age and gender were significant indicators of the attitudes towards the Internet as
well as intention to shop online. People of the age group of between 25 and 34 years were found to have the highest number of people who shopped or intended to shop online. This research also supported that education and income were partially associated with online shopping participation, that is, online shoppers had higher education and income levels.
Vijayasarathy (2002) found that consumer attitudes and beliefs towards online shopping tended to be more positive where intangible products were involved, for example, computer software and music. He also found out that lower cost services were more likely to be the focus of online shopping intentions.
Table 1 is a summary of Key findings of Online Shopping attitudinal and behavioral Studies.

<table>
<thead>
<tr>
<th>REFERENCE</th>
<th>COUNTRY</th>
<th>KEY FINDINGS</th>
</tr>
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<tbody>
<tr>
<td>Tan, 1999</td>
<td>Singapore</td>
<td>• Most preferred risk reliever is reference group appeal, followed by retailer's reputation, brand image and warranty.</td>
</tr>
<tr>
<td>Vijayasarathy and Jones, 2000</td>
<td>USA</td>
<td>• &quot;Product value, pre-order information, post-selection information, shopping experience, and consumer risk&quot; significantly influence online shopping attitudes and intentions</td>
</tr>
<tr>
<td>Salisbury et al, 2001</td>
<td>USA</td>
<td>• Usefulness, ease of navigation and security are salient beliefs that can affect online shopping attitudes and intentions.</td>
</tr>
<tr>
<td>Park and Jun, 2003</td>
<td>Korea</td>
<td>• Internet usage time and online shopping experience are not significantly related. Users tend to spend more time on online communications than online shopping.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Perceived risk of online shopping is high. People tend to trust online malls operated by reputable companies.</td>
</tr>
<tr>
<td>Park and Stoel, 2005</td>
<td>USA</td>
<td>• Brand familiarity and prior online shopping experience can reduce perceived risks and increase purchase intentions.</td>
</tr>
<tr>
<td>Sorce et al, 2005</td>
<td>USA</td>
<td>• Positive convenience and information attitudes towards online shopping enhance searching and purchase intentions.</td>
</tr>
<tr>
<td>Allred et al, 2006</td>
<td>USA</td>
<td>• Security fears and technological incompetence inhibit online users from online shopping.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Socialisation, convenience and value drive online shopping.</td>
</tr>
</tbody>
</table>

Table 1: Key findings of online shopping attitudinal and behavioral studies.
2.5 Variables that affect the attitude towards online shopping.

2.5.1 Demographics

Past adoption studies suggest that adopters of new communication technologies are more upscale, better educated, and younger than non-adopters (Atkin, 1993; Atkin et al, 1994; Dutton et al., 1987; Garramone et al., 1986; James, et al., 1995; Rogers, 1995; Leung & Wei, 1998, 1999; Li & Yang, 2000; Lin, 1998). This is because firstly, higher education enables people to be more aware of technology's benefits, secondly, higher income allows people to afford new technologies, and thirdly young people are adventuresome in trying new innovations (Atkin, et al., 1998; Rogers, 1995).

However, Jeffres and Atkin (1996) found that income and education had an inversely weak relation with interest in adopting specific Internet utilities such as sending or receiving messages and ordering goods, even when the Internet was still in the early stages of diffusion. They argued that those applications may be less expensive substitutes for functions performed by traditional media, and that communication needs were more explanatory than social categories.

According to Rogers' (1995) predictions, demographics tend to be less important when the innovations have reached critical mass on their diffusion curves (Atkin, 1993; Atkin 1995; Atkin & LaRose, 1994; Lin, 1994). For example, Atkin's (1993) study found that when cable TV had penetrated more than 60% of US households, demographics had less predicting power than other variables in predicting subscription to cable TV.
2.5.2 Ease of use

Behavioral online shopping intention (SI) as conceptualized within the Technology Acceptance Model is influenced by the perceived ease of use (PEOU) and perceived usefulness (PU) (Davis, 1989). PEOU refers to the degree to which one perceives a technology is free of effort, and PU refers to the degree to which one perceives the technology to be improving their performance or fulfilling their needs (Doll et al, 1998).

Enforcers consider that one of the main implications of internet shopping for consumers is that it required not only skills to make a purchase, but also a new level of understanding of technology and self protection. Some people have adapted to these requirements more easily than others, leaving others feeling more uneasy (Ward, 2000). Lack of confidence in online shopping would be self-correcting, as the pool of experienced shoppers grows. Businesses have often suggested that in the long term, young people who have grown up with the internet will be more confident to shop online and will become the main consumers (Niki et al, 2009).

2.5.3 Convenience

Convenience has been one of the most cited attractions for internet shopping. The ability to shop online without leaving the house or office and to have the ordered products delivered to the door is of great interest to many consumers. According to Hellier (2003), the internet has introduced some significant changes to the selection and buying process, which include a far greater ability to search for and buy products from anywhere in the world at any time of day. The internet also provides consumers with plenty of information from price information, to specialist forums where people can discuss
products, suppliers and deals. Search engines and price comparison sites are potentially valuable facilitators of information which, if used effectively, can enable people to compare many products and prices and select the best deal, possibly at lower prices than they can otherwise find (Ranganthan et al, 2002).

2.5.4 Risks Involved

Online shoppers may be at risk of not getting their orders delivered to them, getting the wrong products delivered or getting the products delivered later than expected. They also risk their personal information being shared through the internet to unscrupulous recipients.

A study done by Office of Fair Trading (2007) found that remote shopping generates buyer uncertainty about product quality, delivery, financial risk, and communication in the event of problems. The findings of the study indicated that twenty-three per cent of on-line shoppers in the UK were concerned about late delivery, lack of information about how long delivery would take or non-delivery of their purchases, while 16 per cent cited concerns about product quality. These types of concerns are relatively similar for all distance selling channels. But a study by Passachon (2003) also suggests that the internet has amplified shoppers' perceptions of the risks of potential financial loss as well as the loss of confidentiality from the sharing of personal information. Research by the Information Commissioner's Office (ICO) in the UK has found that 87 per cent of people equated the loss of personal information with threats to their safety and health and that only thirty per cent of people were confident that internet sites treated their personal information properly; others were concerned that their details may be shared.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section discusses the research design, target population, sample and sampling procedure, research instruments, data collection and data analysis procedure.

3.2 Research design

The research was carried out through a survey. Cooper and Emory (1998) observe that a survey entails questioning people and recording their responses for analysis. A survey is desirable where respondents are qualified to provide the desired information. Mugenda and Mugenda (2003) notes that a survey research attempts to collect data from members of a population by asking individuals about their perceptions, attitudes, behaviours or values in order to describe an existing phenomenon. Moreover, it explores the existing status of two or more variables at a given point in time.

3.3 Target Population and sample

According to University of Nairobi administration office, there were a total of 3,500 registered evening students in the school of business by January 2010, being a combination of both under graduates and post graduates. The selection of the sample participants was conducted based on stratified random sampling. Four strata were used for this study being male and female undergraduate students and male and female
postgraduate students. Judgmental sampling was then used to select participants from each stratum making sure the same proportion is selected from each.

To determine the sample size the following formula was used.

\[
\text{Sample size} = \frac{N}{1 + N - 1} \cdot \frac{1}{p}
\]

In which

\[
N = \frac{z^2 \cdot p(1-p)}{d^2}
\]

\[
N = \frac{1.96^2 \cdot 0.5(1-0.5)}{0.06^2}
\]

\[
N = 266.7778
\]

\[N= \text{Required sample size}\]

\[p = \text{Percentage estimated population proportion (50\%)}\]

\[d = \text{Confidence interval/desired precision}\]

\[Z = \text{Area under normal curve corresponding to the desired confidence level.}\]

\[1.960 \text{ with a confidence level of } 95\%\]
To take into consideration the population of 3,500 students, further calculation was done as follows:

\[
\text{Sample size} = N \left(1 + \frac{1}{N - 1}\right) \frac{P}{1 + \frac{P}{266.7778} - 1} \approx \frac{3500}{1 + \frac{P}{266.7778} - 1} \\
\]

Sample size = 248

Where P = Population

As there was no estimate available of the proportion in the target population assumed to have the characteristics of interest, 50% was used as recommended by Mugenda et al (2003).

The sample of the survey was therefore comprised of 248 students giving every student a 7.1% chance of being selected. This is presented Table 2.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Population</th>
<th>Sample Size</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under graduates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>1018</td>
<td>72</td>
<td>7.1</td>
</tr>
<tr>
<td>Female</td>
<td>895</td>
<td>64</td>
<td>7.1</td>
</tr>
<tr>
<td>Post Graduates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>885</td>
<td>62</td>
<td>7.1</td>
</tr>
<tr>
<td>Female</td>
<td>702</td>
<td>50</td>
<td>7.1</td>
</tr>
<tr>
<td>Total</td>
<td>3,500</td>
<td>248</td>
<td>7.1</td>
</tr>
</tbody>
</table>

Table 2: Sample distribution
3.4 Data Collection Methods

The primary data was collected by use of a questionnaire which consisted of closed-ended questions. The questionnaire had four sections, each section dealing with a specific objective. A pre-test study was conducted by administering 10 questionnaires to some selected students. The researcher then analysed filled questionnaires to detect those that needed editing and those with ambiguities. The final questionnaires were then printed and administered to students before classes began in the evening with the help of research assistants.

3.5 Data Analysis

According to Gay (1992), data analysis involves organising, accounting for and explaining data. It therefore involves making sense of the data in terms of respondent's definition of the situation, noting patterns, themes, categories and regularities.

After the field work, the questionnaires were checked for completeness before analysis. This was undertaken through scrutiny so as to minimize the variations caused by missing responses, multiple entries and blank questionnaires.

Descriptive statistics such as measures of central tendency, frequency distribution and measures of variability were used to summarize the data. Distribution tables and quantiles (percentiles) were used for comparison and graphical analysis was done to improve the presentation of the analysed results.
CHAPTER FOUR
DATA ANALYSIS AND FINDINGS

4.1 Introduction

The objective of the study was to determine the level of awareness and use of online shopping among students, to find out the reasons for adoption or non adoption of online shopping as well as to establish the profile of users of online shopping. The study was carried out among the University of Nairobi School of business evening students. The data was collected by use of questionnaires. A total of 248 questionnaires were distributed out of which 204 were returned having being correctly filled. The rate of responses was therefore 82%. Table 3 gives more details on this.

<table>
<thead>
<tr>
<th>Respondent Categories</th>
<th>Distributed No.</th>
<th>Spoilt/Blank No.</th>
<th>Questionnaires Analyzed No.</th>
<th>Percentage of Questionnaires Analyzed %</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDHRGKADUA IMS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>72</td>
<td>18</td>
<td>54</td>
<td>75.0%</td>
</tr>
<tr>
<td>Female</td>
<td>64</td>
<td>13</td>
<td>51</td>
<td>79.7%</td>
</tr>
<tr>
<td>PGROMMTE S</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>62</td>
<td>7</td>
<td>55</td>
<td>88.7%</td>
</tr>
<tr>
<td>Female</td>
<td>50</td>
<td>6</td>
<td>44</td>
<td>88.0%</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>44</td>
<td>204</td>
<td>82%</td>
</tr>
</tbody>
</table>

Table 3: Distribution of questionnaires administered and analyzed

4.2 Level of awareness of online shopping

The study first sought to determine the level of awareness of online shopping among the university students. The findings relieved that out of the participants in the study 97%
were aware of the service while only 3% were not. Out of the students who were not aware of the service 66% where undergraduates while 34 % where postgraduates students. Table 4 and Figure 2 show a summary of the level of online shopping awareness.

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>FREQUENCY</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL NUMBER OF STUDENTS WHO PARTICPATED IN THE STUDY</td>
<td>204</td>
<td>100</td>
</tr>
<tr>
<td>STUDENTS WHO HAVE HEARD ABOUT ONLINE SHOPPING</td>
<td>198</td>
<td>97</td>
</tr>
<tr>
<td>STUDENTS WHO HAVE NOT HEARD ABOUT ONLINE SHOPPING</td>
<td>6</td>
<td>9</td>
</tr>
</tbody>
</table>

Table 4: Level of awareness of online shopping.

![Pie Chart]

**Figure 2: level of awareness of online shopping**

This showed that there was a high level of awareness of online shopping among the students.
4.3 Extent of use of online shopping

The study also sought to determine who among the 97% was using or had used online shopping. The results showed that only 28% of students had shopped online. These results are represented in Table 5 and Figure 3.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Post graduates</th>
<th>Undergraduates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
</tr>
<tr>
<td>Male</td>
<td>21</td>
<td>41.2</td>
</tr>
<tr>
<td>Female</td>
<td>&gt;8</td>
<td>2:1</td>
</tr>
<tr>
<td>Totals</td>
<td>29</td>
<td>32.6</td>
</tr>
</tbody>
</table>

Table 5: Distribution of students who have shopped/not shopped online

Figure 3: Percentage representative of students who have shopped/not shopped online.
Figure 3 shows that undergraduates who had not shopped online were 38% while postgraduates where 29%. Postgraduates who had shopped online where 21% while undergraduates who had shopped online where 12%.

4.4 Characteristics of online shopping users

The study went further to find out the characteristic of students who shopped online. The findings showed that 36% of all the male students shopped online and only 19% of all female students shopped online. The findings also revealed that 28% of those who shopped online where 30 yrs and below 27% where between 30 and 45 years of age while only 20% where 45 and above. Table 6 shows a tabulation of the students profile in relation to their online shopping behaviours.

<table>
<thead>
<tr>
<th></th>
<th>Online Shoppers</th>
<th>Non-Online shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage (%)</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>34</td>
<td>36.2</td>
</tr>
<tr>
<td>Female</td>
<td>21</td>
<td>19.3</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;30</td>
<td>37</td>
<td>28.2</td>
</tr>
<tr>
<td>30-45</td>
<td>17</td>
<td>27.4</td>
</tr>
<tr>
<td>45+</td>
<td>1</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Employment Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>40</td>
<td>27.2</td>
</tr>
<tr>
<td>Unemployed</td>
<td>8</td>
<td>22.2</td>
</tr>
<tr>
<td>Self employed</td>
<td>7</td>
<td>46.7</td>
</tr>
<tr>
<td><strong>Monthly income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;Ksh 25,000</td>
<td>1</td>
<td>3.8</td>
</tr>
<tr>
<td>Ksh 26,000-30,000</td>
<td>10</td>
<td>41.7</td>
</tr>
<tr>
<td>Ksh 36,000-40,000</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Ksh 41,000-45,000</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Ksh 46,000+</td>
<td>41</td>
<td>39.8</td>
</tr>
</tbody>
</table>
Online Shoppers | Non-Online Shoppers
--- | ---
Frequency | Percentage (%) | Frequency | Percentage (%)
--- | --- | --- | ---
Education Status : | | | 
Undergraduate | 23 | 24.0 | 73 | 76.0
Postgraduate | 32 | 31.4 | 70 | 68.6

Table 6: Profile of students in relation on their online shopping behaviors

To further analyze the relationship between the various students' characteristics and their online shopping behaviors, various hypotheses based on different characteristics were formed. These were then tested using the Chi-test square test to determine their viability as shown below.

The Chi-square test formula used was

$$\chi^2 = \frac{(O - E)^2}{E}$$

Yates Correction:

$$\chi^2 = \frac{(|O - E| - 0.5)^2}{E}$$

Degree of freedom = (number of rows - 1)(number of columns - 1)
Hypothesis 1: Gender

Ho: There is no relationship between gender and online shopping behavior in students

Hi: There is a relationship between gender and online shopping behavior in students

The null hypothesis implies that the variable gender of the respondent and their online shopping behavior are independent of each other. The researcher wanted to find out whether there was any notable relationship between the respondents' gender and their online shopping behavior. The frequency table shows the distribution of genders between online shoppers and non-online shoppers.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Online shoppers</th>
<th>Non-Online shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
</tr>
<tr>
<td>Male</td>
<td>34</td>
<td>36</td>
</tr>
<tr>
<td>Female</td>
<td>21</td>
<td>19</td>
</tr>
</tbody>
</table>

Table 7: Respondents Gender and Online Shopping Practices

The contingency Table 7 shows that 34 out of 94 male students shopped online and 21 out of 109 female students shopped online.

<table>
<thead>
<tr>
<th>Calulated Chi-Square</th>
<th>DF</th>
<th>$X^2$ at 5% level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>7.3</td>
<td>1.</td>
</tr>
</tbody>
</table>

Table 8: Respondents Gender and Online Shopping Practices Chi-Square Test
The calculated Pearson Chi-Square value was 7.3. As this value is greater than 3.841, the null hypothesis was rejected and a conclusion was drawn that there was a relationship between gender and the students' online shopping behaviors.

**Hypothesis 2: Age Brackets**

**H₀**: There is no relationship between the respondents' age bracket and their online shopping behaviors.

**H₁**: There is a relationship between the respondents' age bracket and their online shopping behaviors.

The null hypothesis implies that the variable - age brackets of the respondent and the students' online shopping behaviour are independent of each other. The researcher wanted to find out whether there was any notable relationship between the respondent's age bracket and their online shopping behaviours. The frequency table below shows how the respondents with different age brackets responded to whether or not they shopped online.

<table>
<thead>
<tr>
<th>Age bracket</th>
<th>Online shoppers</th>
<th>Non-online shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30</td>
<td>37</td>
<td>94</td>
</tr>
<tr>
<td>30-45</td>
<td>17</td>
<td>45</td>
</tr>
<tr>
<td>45&gt;</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

**Table 9: Respondents Age Bracket and Online Shopping Practices**

The contingency table, Table 9 shows that 37 out of 131 respondents whose age brackets were below 30 years were engaging online shopping. Other students who engaged in
online shopping where 17 out of 62 students at an age bracket of 30 - 45 years and 1 out of 5 students aged over 45 years.

<table>
<thead>
<tr>
<th>Calculated Chi-Square</th>
<th>DF</th>
<th>X² at 5% level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>6.09</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 10: Respondents Age Bracket and Online Shopping Practices Chi-Square Test

The calculated Pearson Chi-Square value was 6.09. This value is greater than 5.99. This indicated that there was evidence to reject the null hypotheses. A conclusion was drawn from the study that there was a relationship between the students' age bracket and their online shopping behaviors'

**Hypothesis 3: Employment Status**

H₀: There is no relationship between the employment status and online shopping behavior of students

H₁: There is a relationship between the employment status and online shopping behavior of students

The null hypotheses indicates that both variables - the nature of employment and the adoption of online as a method of doing shopping among students are independent of each other.

The frequency table, Table 11 shows that 40 out of 147 employed students were online shoppers. 8 out of 36 unemployed students and 7-out of 15 students' self-employed
students were also online shoppers. These results were tabulated in the contingency table below.

<table>
<thead>
<tr>
<th>Employment status</th>
<th>Online Shoppers</th>
<th>Non-online Shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
</tr>
<tr>
<td>Employed</td>
<td>40</td>
<td>27</td>
</tr>
<tr>
<td>Unemployed</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Self employed</td>
<td>7</td>
<td>47</td>
</tr>
</tbody>
</table>

**Table 11: Respondents Employment status and Online Shopping Practices Chi-Square Test**

<table>
<thead>
<tr>
<th></th>
<th>Calculated Chi-Square</th>
<th>DF</th>
<th>(X^2) at 5% level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.2</td>
<td>2</td>
<td>5.99</td>
</tr>
</tbody>
</table>

**Table 12 : Chi-Square Tests for the Employment Status and influence on Online shopping**

The Pearson Chi-square Value was 3.2. As this value is less than 5.99, there was evidence to support the null hypotheses and it therefore could not be rejected. A conclusion was therefore drawn that there was no relationship between employment and the online shopping behavior of students.

**Hypothesis 4: Monthly Income**

**Ho:** There is no relationship between students' monthly income and their online shopping behavior

**Hi:** There is a relationship between students' monthly income and their online shopping behavior
The null hypotheses indicates that both variables - the level of monthly income and the adoption of online shopping as a method of doing shopping among students are independent of each other.

The frequency table -Table 13 shows that 1 out of 25 students earning less than Kshs. 25,000 shoped online. 10 out of 24 students who earned Ksh 26,000-30,000 , and 41 out of 103 students who earned Ksh 46,000 and above also shopped online. These results are tabulated in contingency Table 13.

<table>
<thead>
<tr>
<th>Level of monthly income</th>
<th>Online Shoppers</th>
<th>Non-online Shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
</tr>
<tr>
<td>&lt; Ksh 25,000</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Ksh 26,000-30,000</td>
<td>10</td>
<td>42</td>
</tr>
<tr>
<td>Ksh 36,000-40,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ksh 41,000-45,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ksh 46,000+</td>
<td>41</td>
<td>40</td>
</tr>
</tbody>
</table>

Table 13: Level of Income and influence on online shopping

<table>
<thead>
<tr>
<th>Calculated Chi-Square</th>
<th>DF</th>
<th>X² at 5% level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.07</td>
<td>4</td>
<td>9.4877</td>
</tr>
</tbody>
</table>

Table 14: Chi-Square Tests for the Level of Income and influence on Online shopping

The Pearson Chi-square Value was 22.07. As this value is greater than 9.4877, the null hypothesis was rejected. A conclusion was drawn that there was a relationship between students' monthly income and their online shopping behaviors'.
Hypothesis 5: Education Status

Ho: There is no relationship between students' education status and their online shopping behaviors

H1: There is a relationship between students' education status and their online shopping behaviors

The null hypotheses imply that both variables- education status of the students and the students' behaviour of online shopping of are independent of each other. The researcher wanted to find out whether there was any notable relationship between the students education their online shopping behaviours. The frequency table below shows how the respondents with different education status against their shopping behaviours.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Online Shoppers</th>
<th>Non-online Shoppers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>%</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>32</td>
<td>31</td>
</tr>
</tbody>
</table>

Table 15: Respondents Level of Education and Online Shopping Practices

Contingency table 15 shows that 23 out of 96 undergraduate students shopped online while 32 out of 102 postgraduate students shopped online.

<table>
<thead>
<tr>
<th>Calculated Chi-Square</th>
<th>DF</th>
<th>( X^2 ) at 5% level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.35</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 16: Chi-square Test for Respondents Level of Education and Online Shopping Practices
The calculated Pearson Chi-Square value was 1.35. This value is less than 3.841. This indicated that there was evidence supporting the null hypotheses and it could therefore not be rejected. A conclusion was drawn from the study that there was no relationship between the students' education status and their online shopping behaviors.

4.5 Reasons behind non-adoption of online shopping

The study also sought to find out the reasons behind non-adoption of online shopping among the students. 54% of the students who participated in the study sighted that they were not comfortable sharing their personal information online, while 55% sighted that they were concerned about their financial security due to internet theft. Other common concerns that were raised were the discomfort of buying products they could not physically see, and the importance of interacting face to face with the person they were buying from.

Table 17 shows the complete analysis of these findings, while Table 18 shows a summary of the findings ranking them from the most common to the least common reasons.
<table>
<thead>
<tr>
<th>Variables</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Total Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am not aware of the policies set in place by the government to protect me</td>
<td>20 14</td>
<td>10 7</td>
<td>30 21</td>
<td>41 29</td>
<td>25 17</td>
<td>47 33</td>
<td>72 50</td>
</tr>
<tr>
<td>I do not have the necessary financial tools to complete the transaction eg(credit card, debit card, smart card etc)</td>
<td>42 29</td>
<td>30 21</td>
<td>72 50</td>
<td>25 17</td>
<td>26 18</td>
<td>20 14</td>
<td>46 32</td>
</tr>
<tr>
<td>My bank does not provide credit/debit card facilities</td>
<td>59 41</td>
<td>28 20</td>
<td>87 61</td>
<td>34 24</td>
<td>6 4</td>
<td>16 11</td>
<td>22 15</td>
</tr>
<tr>
<td>I am not comfortable with sharing my personal information on the internet</td>
<td>24 17</td>
<td>15 10</td>
<td>36 26</td>
<td>26 18</td>
<td>31 22</td>
<td>46 32</td>
<td>77 55</td>
</tr>
<tr>
<td>I am concern about my financial security due to Internet theft</td>
<td>21 15</td>
<td>15 10</td>
<td>36 26</td>
<td>26 18</td>
<td>31 22</td>
<td>46 32</td>
<td>77 55</td>
</tr>
<tr>
<td>I am not conversant with the technology required to shop through the internet</td>
<td>32 22</td>
<td>25 17</td>
<td>57 40</td>
<td>36 25</td>
<td>25 17</td>
<td>25 17</td>
<td>50 35</td>
</tr>
<tr>
<td>I had doubts that the products would be delivered</td>
<td>21 15</td>
<td>23 16</td>
<td>44 31</td>
<td>34 24</td>
<td>28 20</td>
<td>62 43</td>
<td></td>
</tr>
<tr>
<td>I had doubts that the products delivered would be up to standard</td>
<td>25 17</td>
<td>19 13</td>
<td>44 31</td>
<td>38 27</td>
<td>32 22</td>
<td>29 20</td>
<td>61 13</td>
</tr>
<tr>
<td>I had doubts that my mode of payment would be efficient and safe</td>
<td>24 17</td>
<td>19 13</td>
<td>32 22</td>
<td>34 24</td>
<td>34 24</td>
<td>68 48</td>
<td></td>
</tr>
<tr>
<td>I had concerns about the period of time the delivery would take</td>
<td>22 15</td>
<td>20 14</td>
<td>42 29</td>
<td>42 29</td>
<td>31 22</td>
<td>28 20</td>
<td>59 41</td>
</tr>
<tr>
<td>I do not have reliable access to the internet</td>
<td>50 35</td>
<td>20 14</td>
<td>70 49</td>
<td>35 24</td>
<td>22 15</td>
<td>16 11</td>
<td>38 27</td>
</tr>
<tr>
<td>The concern retailer declined my order due to delivery logistics</td>
<td>38 27</td>
<td>19 13</td>
<td>40 36</td>
<td>25 16</td>
<td>23 16</td>
<td>19 13</td>
<td>50 35</td>
</tr>
<tr>
<td>I am not comfortable with buying a product that I cannot physically see</td>
<td>21 15</td>
<td>17 12</td>
<td>38 27</td>
<td>28 20</td>
<td>32 22</td>
<td>45 31</td>
<td></td>
</tr>
<tr>
<td>It is important for me to interact face to face with the person from whom I am buying products from</td>
<td>18 13</td>
<td>16 11</td>
<td>34 24</td>
<td>36 25</td>
<td>22 15</td>
<td>51 36</td>
<td></td>
</tr>
</tbody>
</table>

Table 17: Distribution of reasons for non-adoption of online shopping.
<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  I am not aware of the policies set in place by the government to protect me</td>
<td>498</td>
<td>3.5</td>
<td>1.38</td>
</tr>
<tr>
<td>2  I am concern about my financial security due to Internet theft</td>
<td>483</td>
<td>3.5</td>
<td>1.43</td>
</tr>
<tr>
<td>3  It is important for me to interact face to face with the person from whom I am buying products from</td>
<td>501</td>
<td>3.5</td>
<td>1.39</td>
</tr>
<tr>
<td>4  I am not comfortable with buying a product that I cannot physically see</td>
<td>492</td>
<td>3.4</td>
<td>1.42</td>
</tr>
<tr>
<td>5  I am not comfortable with sharing my personal information on the internet</td>
<td>488</td>
<td>3.4</td>
<td>1.45</td>
</tr>
<tr>
<td>6  I had doubts that my mode of payment would be efficient and safe</td>
<td>464</td>
<td>3.2</td>
<td>1.40</td>
</tr>
<tr>
<td>7  I had doubts that the products would be delivered</td>
<td>454</td>
<td>3.2</td>
<td>1.32</td>
</tr>
<tr>
<td>8  I had concerns about the period of time the delivery would take</td>
<td>452</td>
<td>3.2</td>
<td>1.32</td>
</tr>
<tr>
<td>9  I had doubts that the products delivered would be up to standard</td>
<td>450</td>
<td>3.1</td>
<td>1.36</td>
</tr>
<tr>
<td>10 I am not conversant with the technology required to shop through the internet</td>
<td>415</td>
<td>2.9</td>
<td>1.40</td>
</tr>
<tr>
<td>11 The concern retailer declined my order due to delivery logistics</td>
<td>411</td>
<td>2.9</td>
<td>1.45</td>
</tr>
<tr>
<td>12 I do not have the necessary financial tools to complete the transaction eg(credit card, debit card, smart card etc)</td>
<td>381</td>
<td>2.7</td>
<td>1.42</td>
</tr>
<tr>
<td>13 I do not have reliable access to the internet</td>
<td>303</td>
<td>2.5</td>
<td>1.38</td>
</tr>
<tr>
<td>14 My bank does not provide credit/debit card facilities</td>
<td>321</td>
<td>2.2</td>
<td>1.33</td>
</tr>
</tbody>
</table>

Table 18: Descriptive statistics of reasons for non-adoption of online shopping
Table 18 and figure 4 show that the most common reasons for not shopping online were concerns about financial security while the least common concern was lack of provision of debit and credit card facilities by banks.
4.6 Reasons for adoption on online shopping

The study also went further to find out the reasons for adoption of online shopping. 56% of the students sighted that their reasons for shopping online was the possibility of buying products from around the world. 54% of the participants said that they shopped online because it was easy to access a lot of information on products; while 56% sighted that it was easy to access a wide variety of products.

Table 19 show a tabulation of these findings while Table 20 ranks the reasons from most common to least common.
| No. | Variables                                                                 | 1     No. | %     | 2     No. | %     | 3     No. | %     | 4     No. | %     | 5     No. | %     | 6     No. | %     | 7     No. | %     | 8     No. | %     | Total agree |
|-----|---------------------------------------------------------------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|-----------|-------|
| 7   | I use Online shopping because I can access a wide range of variety.       | 9       | 16.4  | 8       | 14.5  | 17      | 30.9  | 7       | 12.7  | 14      | 25.5  | 17      | 31    | 31      | 56.4  |
| 8   | I use online shopping because I can buy products from anywhere in the world. | 10      | 18.3  | 9       | 16.4  | 19      | 34.5  | 5       | 9.1   | 11      | 20    | 20      | 36    | 31      | 56.4  |

Table 19: Analysis of reasons for online shopping adoption.

<table>
<thead>
<tr>
<th>Nd.</th>
<th>Variables</th>
<th>Number</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I use internet shopping because it has up to date information on new products.</td>
<td>186</td>
<td>3.4</td>
<td>1.43</td>
</tr>
<tr>
<td>2</td>
<td>I use Internet shopping because I can access a lot of information on the products I want to buy.</td>
<td>186</td>
<td>3.4</td>
<td>1.5</td>
</tr>
<tr>
<td>3</td>
<td>I use Online shopping because I can access a wide range of variety.</td>
<td>187</td>
<td>3.4</td>
<td>1.7</td>
</tr>
<tr>
<td>4</td>
<td>I use online shopping because I can buy products from anywhere in the world.</td>
<td>187</td>
<td>3.4</td>
<td>1.55</td>
</tr>
<tr>
<td>5</td>
<td>I use online shopping because it is convenient.</td>
<td>176</td>
<td>3.2</td>
<td>1.40</td>
</tr>
<tr>
<td>6</td>
<td>I use online shopping because it is easy to use.</td>
<td>173</td>
<td>3.1</td>
<td>1.3</td>
</tr>
<tr>
<td>7</td>
<td>I use internet shopping because I believe it's the latest technology in the retail world.</td>
<td>160</td>
<td>2.9</td>
<td>1.43</td>
</tr>
<tr>
<td>8</td>
<td>I use online shopping because it is cheaper.</td>
<td>154</td>
<td>2.8</td>
<td>1.37</td>
</tr>
</tbody>
</table>

Table 20: Descriptive analysis of reasons for online shopping adoption.
Reasons for adoption of online shopping

This shows that the most common reason sighted by the students for choosing to shop online was that they could get up to date information on new products. The least common reason was that it was the latest technology in the retail world.
CHAPTER FIVE
CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter gives a summary of the findings. It also bears the recommendations, conclusions and areas for further research.

5.2 Summary of findings
The findings of the study showed that most of the students had heard, or come across the online shopping service but the usage of the same was very low. Factors that influenced online shopping among students were their gender, age bracket and their monthly income. Students who shopped online were mostly male, mostly aged 30 yrs and below and most had a monthly income of Ksh.45,000 and above. The low use of online shopping showed that this service was in its early stages of adoption.

The findings also revealed that the lack of adoption of online shopping was not because of the lack of debit or credit card facilities. Non-adoption of this service was mainly caused by concerns about financial security, fear of sharing personal information online as well as the need to interact face to face with the person selling the products.

Findings on the reasons for online shopping adoption revealed that most students who shopped online did so not because it was cheaper than conventional shopping, but
because they could buy products from anywhere in the world, could choose from a wide
variety of products and because they could access a lot of information on the products
they wanted to buy.

5.3 Limitations of the study

A limitation of this study was that it was conducted only on the University of Nairobi
School of business evening students and did not take into consideration students from
other faculties in the university. The study also did not go further to find out which
products were being bought by the students who shopped online.

* t

5.4 Suggestions for further research

This study suggests a number of opportunities for further study. Further study should be
done on the online adoption levels of students in different departments of the university.
Studies should also be done to find which products are purchased online. Empirical
studies on the attitudes and perception that people have towards online shopping should
also be conducted. These studies would assist in finding out how fast this service will be
adopted in the future.
REFERENCES


TAPL (1999), "Tracking Online Retailing in Hong Kong: A BizNet Intelligence Report", Technoledge Asia Pete Ltd. (TAPL), Hong Kong Trade Development Council, Hong Kong.


Please take your time to answer the following simple questions.

This questionnaire should take no more than 10 minutes to complete.

Part 1:

General Details

1. Please tick on the level of education you are currently undertaking.

D Undergraduate Q] Post-graduate

2. Please tick on your gender.

D Male • Female

3. Please tick on range of age you belong to.

] Under 30 • 30-45 • Over 45

4. Please tick on your current employment status

• Employed [^Unemployed • ^Self-employed

5. Please tick on your range of monthly income

1 [KSH25,000 and below • KSh26,000 to 30,000 [l]KSH36,000 to 40,000

[QKSH41,000 to 45,000 • KSH46,000 and above

Please tick on the most appropriate answer.

I I usually receive first-hand information on new products/technologies/innovations.

D True O False Q] Neutral

I I am often among the first in the market to use new innovations.
8. I am willing to take any financial risk involved in adopting a new innovation.
   • True  • False  • Neutral

Please give an overview of your internet/online shopping exposure

Have you ever heard about internet/online shopping?
   • Yes  • No

If yes, have you ever bought a product online?
   • Yes  • No

Part 2:

Please fill the below section only if you have never shopped online.

<table>
<thead>
<tr>
<th>1-Strongly Disagree</th>
<th>2-Disagree</th>
<th>3-Neutral</th>
<th>4-Agree</th>
<th>5-Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

I am not aware of the policies set in place by the government to protect me.

I do not have the necessary financial tools to complete the transaction e.g. (credit card, debit card, smart card etc).

My bank does not provide credit/debit card facilities.

I am not comfortable with sharing my personal information on the internet.

I am concerned about my financial security due to Internet theft.

I am not conversant with the technology required to shop through the internet.

I had doubts that the products would be delivered.

I had doubts that the products delivered would be up to standard.

I had doubts that my mode of payment would be efficient and safe.
1. I had concerns about the period of time the delivery would take.

1. I do not have reliable access to the internet.

1. The concern retailer declined my order due to delivery logistics.

1. I am not comfortable with buying a product that I cannot physically see.

1. It is important for me to interact face to face with the person from whom I am buying products from.

Please fill this section if you have shopped online.

<table>
<thead>
<tr>
<th>1-Strongly Disagree</th>
<th>2-Disagree</th>
<th>3-Neutral</th>
<th>4-Agree</th>
<th>5-Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

5. I like online shopping because it is convenient.

5. I use online shopping because it is easy to use.

5. I use online shopping because it is cheaper.

5. I use internet shopping because I believe it's the latest technology in the retail world.

5. I use internet shopping because it has up to date information on new products.

5. I use internet shopping because I can access a lot of information on the products I want to buy.

5. I use online shopping because I can access a wide range of variety.

5. I use online shopping because I can buy products from anywhere in the world.