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

BY

JANET WAMBUINJENGA

A MANAGEMENT RESEARCH PAPER SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER 2010

DECLARATION

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

Signed ....

Date .... 18 | 11 | 2010 ......

Janet W. Njenga

Reg. No. D61/8896/05

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

....

Date .... t ^ h ^ — " "

Mr James Kariuki

Lecturer, Department of Management Science

School of business,

University of Nairobi

DEDICATION

To God, my strength and my ever present help, I owe it all to you. Thank you for proving th

impossible is nothing with you.

ACKNOWLEDGEMENTS

Table of Contents

LIST OF ACCRONYMS

CCK   -   Communications Commission of Kenya

EAFIX-   East Africa Internet Exchange

ICO   -   Information Commissioner's Office

ISP   -   Internet Service Provider

ITU   -   International Telecommunication Union

KCB   -   Kenya Commercial Bank

KPTC -   Kenya Posts and Telecommunications Corporation

PEOU -   Perceived Ease of Use

PU   -   Perceived Usefulness

SI   Shopping Intentions

TAPL -   Technowledge Asia Pete Ltd

TAM   -   Technology Acceptance Model

TRA   -   Theory of Reasoned Action

UK   -   United Kingdom

US   -   United States of America

LIST OF TABLES

LIST OF FIGURES

V   1

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-adoption 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 tlie 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 el 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.
i

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).

According to Vrechopoulos et al (2001), Kaufman-Scarborough and Lindquist (2002), Swinyard and Smith (2003) and Choi and Park (2006) online shoppers tend to be frequent

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.

9

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.
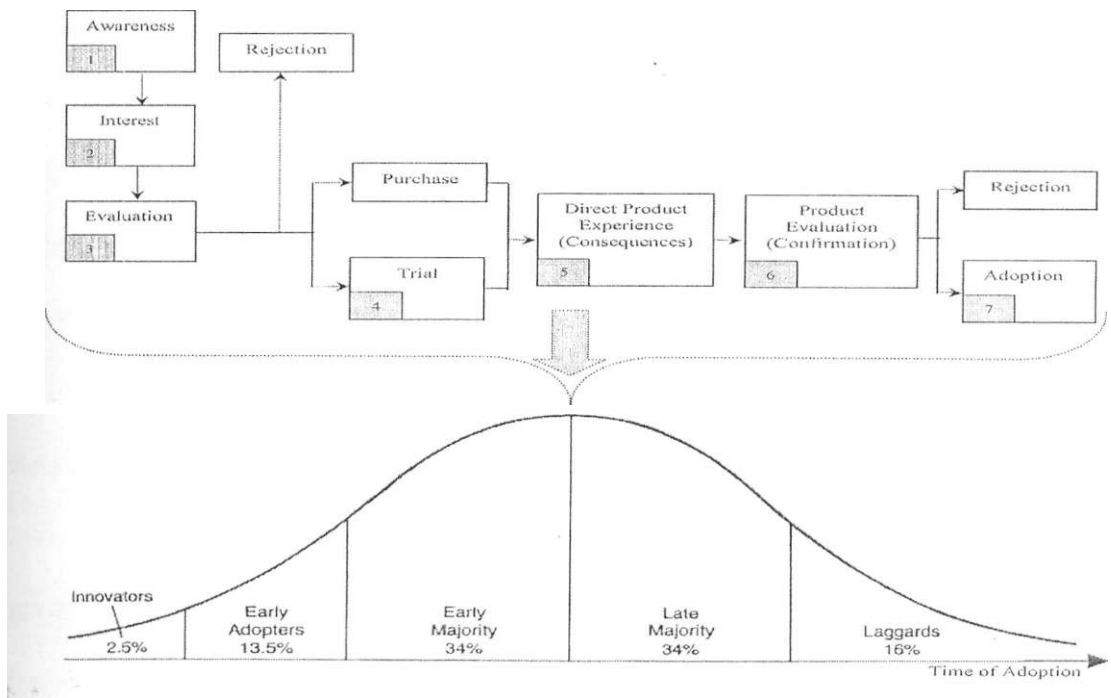
Figure 1: Diffusion Theory

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 at el (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

13

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.

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

Tabic 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).

W,   t

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.

15

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 lo 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.

*   i

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.

$$\text{Sample size} = \frac{N}{1 + N - 1 \over P}$$

$$\text{In which} \quad N = \frac{z^2 * p d - p)}{d^2}$$

$$N = \frac{1.96^2 * 0.5(1-0.5)}{0.06^2}$$

$$N = 266.7778$$

N= Required sample size

pHPercentage estimated population proportion (50%)

d2-Confidence interval/desired precision

Z = Area under normal curve corresponding to the desired confidence level.

1.960 with a confidence level of 95%

To take into consideration the population of 3,500 students, further calculation was done as follows:-

$$\text{Sample size} = N$$

$$1+N-1$$

$$P$$

$$\underline{266.7778}$$

$$1+ \underline{266.7778-1}$$

$$3500$$

$$\text{Sample size} = 248$$

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.

Categories	Population	Sample Size	Percentage (%)
Under graduates			
Male	1018	72	7.1
Female	895	64	7.1
Post Graduates			
Male	885	62	7.1
Female	702	50	7.1
Total	3,500	248	7.1

Table 2: Sample distribution

20

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.

RESPONDENT CATEGORIES	DISTRIBUTED No.	SPOILT /BLANK No.	QUESTIONNAIRS ANALYSED No.	PERCENTAGE OF QUESTIONNAIRS ANALYSED %
UNDHRGKADUA IMS				
MALE	72	18	54	75.0%
FEMALE	64	13	51	79.7%
P ^ G R M M T E S				
MALE	62	7	55	88.7%
FEMALE •	50	6	44	88.0%
TOTAL	248	44	204	82%

Table 3: Distribution of questionnaires administerec 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.

CATEGORIES	FREQUENCY	PERCENTAGE (%)
TOTAL NUMBER OF STUDENTS WHO PARTICPATED IN THE STUDY	204	100
STUDENTS WHO HAVE HEARD ABOUT ONLINE SHOPPING	198	97
STUDENTS WHO HAVE NOT HEARD ABOUT ONLINE SHOPPING	6	*9*

Table 4: Level of awareness of online shopping.

STUDENTS WHO HAVE NOTHEARD ABOUT ONLINE SHOPPING, 3%

STUDENTS WHO HAVE HEARD ABOUT ONLINE SHOPPING, 97%
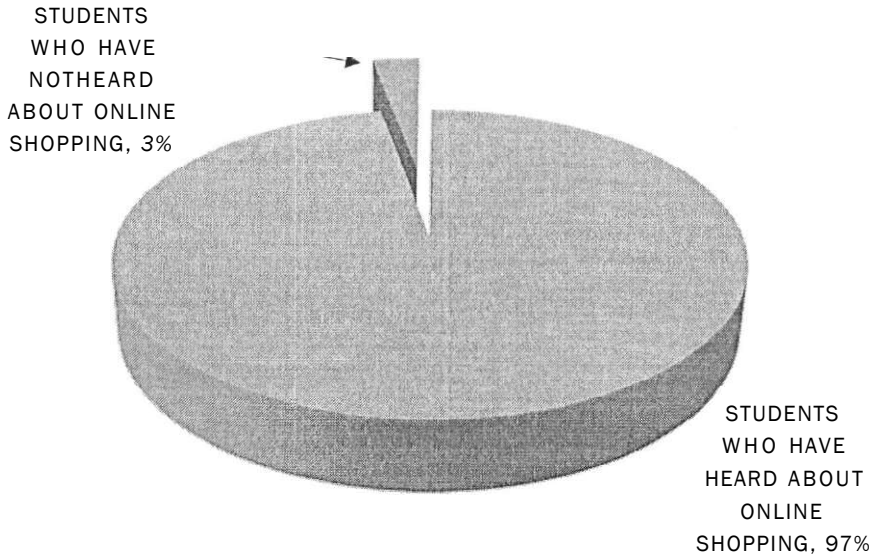
Figure 2: level of awareness of online shopping

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

23

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

Gender	Post graduates				Undergraduates			
	Yes		No		Yes		No	
	No.	%	No.	%	No.	%	No.	%
Male	21	41.2	30	58.8	13	24.1	41	75 9
female	> 8	2:1.1	1 3 1 !	78.9	43	/ 23.6	42	76.1
Totals	29 .	32.6	60	67.4	26	23.9	83	76.1

Table 5: Distribution of students who have shopped/not shopped online
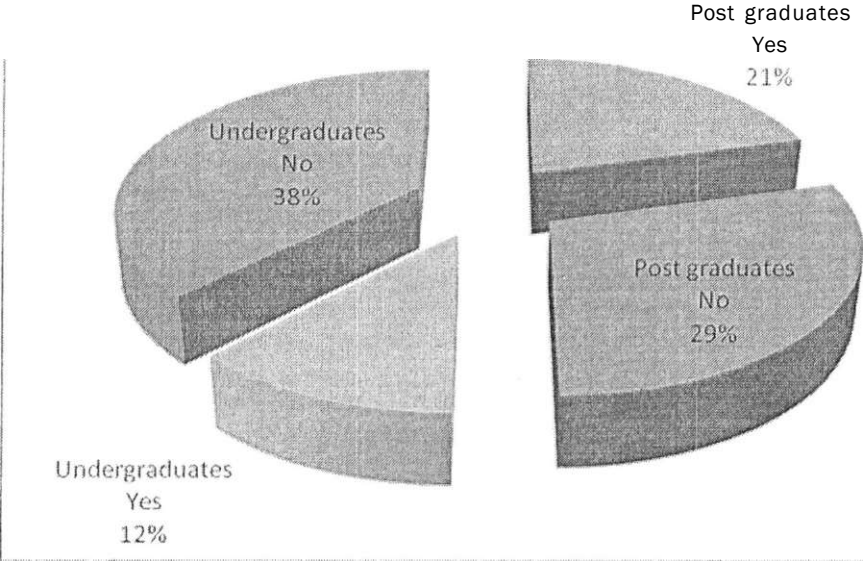
Figure 3: Percentage representative of students who have shopped/not shopped online.

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 stud)' 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 reveled that 28% of those who shopped online where 30yrs 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 there online shopping behaviours.

	Online Shoppers		Non- Online shoppers	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Gender				
Male	34	36.2	60	63.8
Female	21	19.3	88	80.7
Age				
<30	37	28.2	94	71.8
30-45	17	27.4	45	72.6
45>	1	20.0	4	80.0
Employment Status				
Employed	40	27.2	107	72.8
Unemployed	8	22.2	28	77.8
Self employed	7	46.7	8	53.3
Monthly income				
<Ksh 25,000	1	3.8	25	96.2
Ksh 26,000-30,000	10	41.7	14	58.3
Ksh 36,000-40,000	0	0.0	23	100.0
Ksh 41,000-45,000	0	0.0	4	100.0
Ksh46,000 >	41	39.8	62	60.2

25

	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

$$\chi^2 = \Sigma \frac{(\text{Observed frequency} - \text{Expected frequency})^2}{\text{Expected frequency}}$$

Yates Correction:-

$$\frac{(|\text{ Observed frequency} - \text{Expected frequency}|-0.5)^2}{\text{Expected frequency}}$$

Degree of freedom = (number of rows-1)(number of columns-1)

26

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.

Gender	Online shoppers		Non-Online shoppers	
	Frequency	%	Frequency	%
Male	34	36	60	64
Female	21	19	88	81

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.

	Calculated Chi-Square	DF	X^2 at 5% level of significance
Value	7.3	1.	3.841

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

H$_0$: There is no relationship between the respondents' age bracket and their online shopping behaviors.

Hi: 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.

Age bracket	Online	shoppers	Non-onIine	Shoppers
	Frequency	%	Frequency	%
<30	37	28	94	72
30-45	17	27	45	73
45>	1	20	4	80

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 on online shopping. Other students who engaged in

28

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.

	Calculated Chi-Square	DF	X^2 at 5% level of significance
Value	6.09	2	5.99

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

H_0: There is no relationship between the employment status and online shopping behavior of students

Hi: 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

29

students were also online shoppers. These results were tabulated in the contingency table below.

Employment status I? v .']••;;.'.•.;	Online	Shoppers	Non-online	shoppers
	Frequency	%	Frequency	%
Employed	40	27	107	73
Unemployed	8	22	28	78
Self employed	7	47	8	53

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

	Calculated Chi-Square	DF	X^2 at 5% level of significance
Value	3.2	2	5.99

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.

Level of monthly income	Online Shoppers		Non-online Shoppers	
: b < • v ' . r	Frequency	%	Frequency	%
< Ksh 25,000	1	4	25	96
Ksli'26,000-30,000	10	42	14	58
Ksh 36,000-40,000	0	0	23	100
Ksh 41,000-45,000	0	0	4	100
Ksh46,000 >	41	40	62	60

Table 13: Level of Income and influence on online shopping

	Calculated Chi-Square	DF	X^2 at 5% level of significance
Value	22.07	4	9.4877

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'.

31

Hypothesis 5: Education Status

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

H|i 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.

Variables	Online Shoppers		Non-online Shoppers	
"ÿ::f / •1 S°	Frequency	%	Frequency	%
Undergraduate	23	24	73	76
Postgraduate	32	31	70	69

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.

	Calculated Chi-Square	DF	X^2 at 5% level of significance
Value	1.35	**1**	3.841

Table 16: Chi-square Test for Respondents Level of Education and Online Shopping Practices

32

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 concern 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.

	Variables	Strongly Disagree		Disagree		Total Disagree		Neutral		Agree		Strongly agree		Total Agree	
		No.	%	No	%	No.	%;	No.	%	No.	%	No.	%	No.	%
1	I am not aware of the policies set in place by the government to protect me	20	14	10	7	30	21	41	29	25	17	47	33	72.	50
2	I do not have the necessary financial tools to complete the transaction eg(credit card, debit card, smart card etc)	42	29	30	21	72	50	25	17	26	18	20	14	; 46	;'32.
3	My bank does not provide credit/debit card facilities	59	41	28	20	/ 87	61	34	24	6	4	16	11	22	15..
4	I am not comfortable with sharing my personal information on the internet	24	17	15	10	*m*	27	27	19	32	22	45	31	*111*	54
5	I am concern about my financial security due to Internet theft	21	15	15	10	36	26 -	26	18	31	22	46	32	77	55
6	I am not conversant with the technology required to shop through the internet	32	22	25	17	• 57	40	36	25	25	17	25	17	50	35
7	I had doubts that the products would be delivered	21	15	23	16	' 4 4	31	37	26	34	24	28	20	62	43
8	I had doubts that the products delivered would be up to standard	25	17	19	13	44	It	38	27	32	22	29	20	61	13
9	1 had doubts that my mode of payment would be efficient and safe	24	17	19	13	ill	if	32	22	34	24	34	24	68.	48
10	I had concerns about the period of time the delivery would take	22	15	20	14	42	29	42	29	31	22	28	20	59	41
11	I do not have reliable access to the internet	50	35	20	14	70	49	35	24	22	15	16	11	38	27
12	The concern retailer declined my order due to delivery logistics	38	27	19	13	;fl;	40	36	25	23	16	27	19	SO.	35
13	I am not comfortable with buying a product that I cannot physically see	21	15	17	12	38	27	28	20	32	22	45	31	. 77:_	54
14	It is important for me to interact face to face with the person from whom I am buying products from	18	13	16	11	34	24	36	25	22	15	51	36	*m*	51

Table 17: Distribution of reasons for non-adoption of online shopping.

34

	Variables	Frequency	Mean	Standard Deviation
1	I am not aware of the policies set in place by the government to protect me	498	3.5	1.38
2	I am concern about my financial security due to Internet theft	483	3.5	1.43
3	It is important for me to interact face to face with the person from whom I am buying products from	501	3.5	1.39
4	1 am not comfortable with buying a product that I cannot physically see	492	3.4	1.42
5	I am not comfortable with sharing my personal information on the internet	488	3.4	1.45
6	1 had doubts that my mode of payment would be efficient and safe	464	3.2	1.40
7	I had doubts that the products would be delivered	454	3.2	1.32
8	I had concerns about the period of time the delivery would take	452	3.2	1.32
9	I had doubts that the products delivered would be up to standard	450	3.1	1.36
10	1 am not conversant with the technology required to shop through the internet	415	2.9	1.40
11	The concern retailer declined my order due to delivery logistics	411	2.9	1.45
12	I do not have the necessary financial tools to complete the transaction eg(credit card, debit card, smart card etc)	381	2.7	1.42
13	I do not have reliable access to the internet	J03	2.5	1.38
14	My bank does not provide credit/debit card facilities	321	2.2	1.33

Table 18: Descriptive statistics of reasons for non-adoption of online shopping
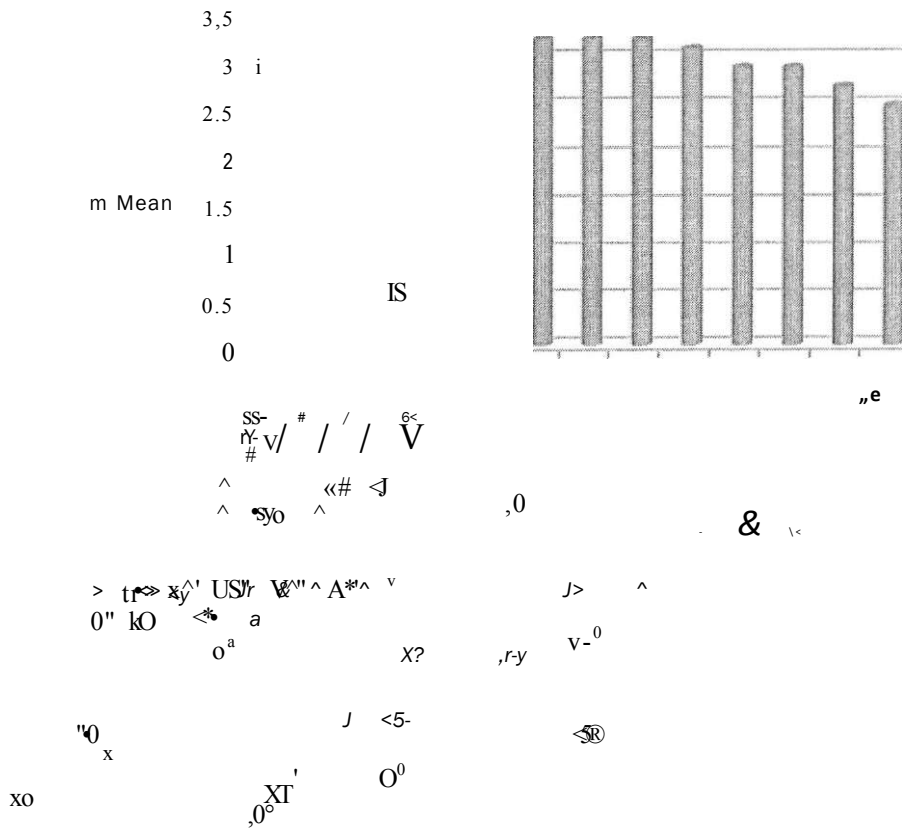
Figure 4: Reasons for non adoption of online shopping

Table 18 and fiqure 4 show drat the most common reasons for not shopping online was 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	Strongly Disagree		Disagree		Total Disagree		Neutral		Agree		Strongly agree		N; o.	%
		No.	%	No.	%			No.	%	No.	%	No.	%		
1	I Use online shopping because it is convenient.	10	18.2	9	16.4	19	34.5	8	14.5	16	29.1	12	22	28	50.9
2	I use online shopping because it is easy to use.	10	18.2	7	12.7	17	•30.9	10	18.2	21	38.2	7	13	28	50,9.
3	1 use online shopping because it is cheaper.	14	25.5	8	14.5	22	10.0	14	25.5	13	23.6	6	11	19	34.5
4	1 use internet shopping because I believe it's the latest technology in the retail world.	14	25.5	8	14.5	22	40.0	10	18.2	15	27.3	8	15	23:	41.8
5	1 use internet shopping because it has up to date information on new products.	9	16.4	6	10.9	15	27.3	9	16.4	17	30.9	14	26	31	56.4
6	I use Internet shopping because I can access a lot of information on the products I want to buy.	11	20	5	9.1	16	29.1	9	16.4	12	21.8	18	ʃʃo	30	54,5

No.	Variables	Strongly Disagree		Disagree		Total Disagree		Neutral		Agree		Strongly agree		Total agree	
		No.	%	No.	%			No.	%	No.	%	No.	%	N0.	%
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 (he world.	10	18.2	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.

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

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

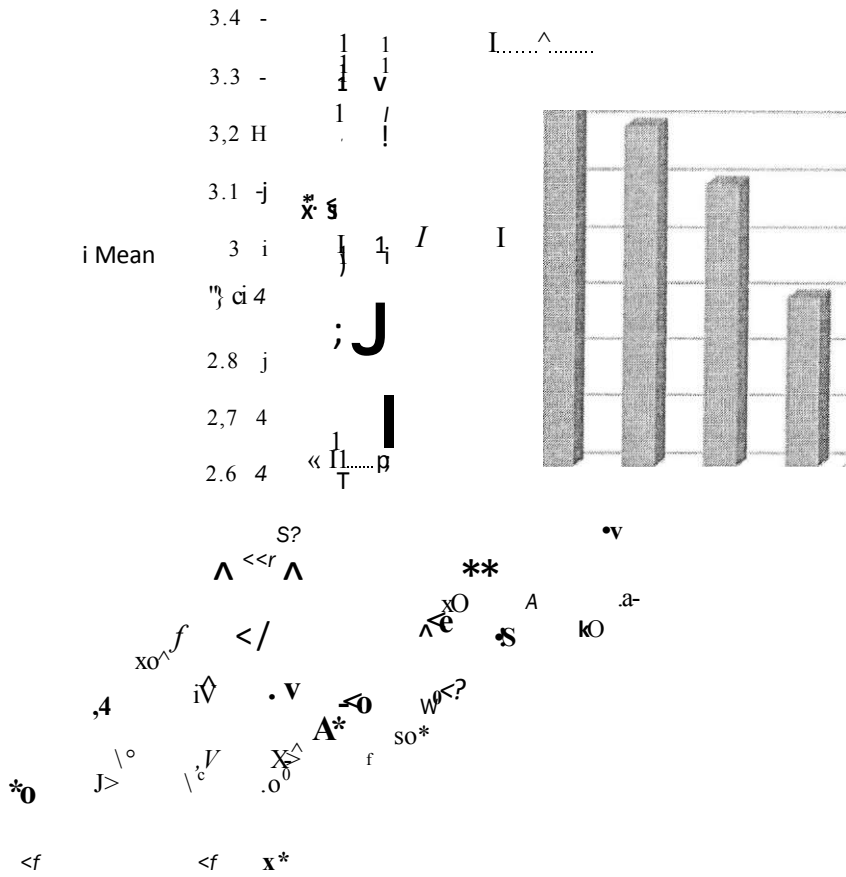# Reasons for adoption of online shopping

Figure 5: Resons 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

AcNielsen, B.P. (2007), **"Seek and You Shall Buy. Entertainment and Travel"**, [online] Available at: http://www2.acnielsen.com/news/20051019.shtm [Accessed 18 January 2007]

Ajzen, 1., and Fishbein , M. (1980) /**'Understanding Attitudes and Predicting Social Behaviour,**"User Acceptance of Computer Technology: A Comparison of two Theoretical Models, Management Science, Vol 35 No 8, pp 982-1003.

Allied, C.R., Smith, S.M. and Swinyard, W.R. (2006) **,"E-shopping Lovers and Fearful Conservatives, A Market Segmentation Analysis",** International Journal of Retail & Distribution Management, Vol 34 No 4/5, pp 308-333.

Atkin, **D.** (1993), **"Adoption of cable amidst a multimedia environment",** Telematics and Informatics, 10, pp. 51-58.

Atkin, D., & Larose, R. (1994),**"Profiling call-in poll users",** Journal of Broadcasting & Electronic Media, 38, pp. 217-227.

Bobbitt, L.M. and Dabholkar, P.A. (2001), **"Integrating Attitudinal Theories to Understand and Predict Use of Technology-based Self-service the Internet as an Illustration",** International Journal of Service Industry Management, Vol 12 No 5, pp 423-450.

Brown, R. (1992), **"Managing the 'S' curves of innovation",** Journal of Consumer Marketing, Vol. 9 No.l, pp.61-72.

Chen **,S.J.** and Chang, T.Z. (2003), **"A Descriptive Model of Online Shopping Process: Some Empirical Results",** International Journal of Service Industry Management, Vol 14 No 5, pp 556-569.

Choi, J. and Park, J. (2006), **"Multichannel Retailing in Korea: Effects of Shopping Orientations and Information Seeking Patterns on Channel Choice Behavior",** International Journal of Retail & Distribution Management, Vol 34 No 8, pp 577-596.

Couper, D.R. and Emory, C.W. (1998), **"Business Research Methods",** Boston Irwin, 6th Edition, McGraw Hill, Inc

Davis, F.I). (1989),**"Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology",** MIS Quarterly, Vol 13 No 3, **pp** 319-340.
Dennis, C., Fenech , T. and Merrilees , B. (2004) **,"E-Retailing",** Routledge, Oxon.

Doll, W.J., Ilendrickson, A. and Deng, X. (1998), **"Using Davis' Perceived Usefulness and Easeof-use Instruments for Decision Making: A Confirmatory and Multigroup Invariance Analysis",** Decision Sciences, Fall, Vol 29 No 4, pp 839-869.

Donthu, N., Garcia, A. (1999), **"The Internet shopper",** Journal of Advertising Research, Vol. 6 No.3, pp.52-8.

Dutton, W. H., Rogers, E. M, & Jim, S.H. (1987), **"Diffusion and social impacts of personal computers",** Communication Research, 14(2), pp. 219-250.

Fishbein ,M. and Ajzen, 1. (1975), **"Belief, Attitude, Intention and Behaviour: An Introduction to Theory and Research",** Addison-Wesley, Reading, MA cited in Davis, F.D., Bagozzi, R.P. and Warshaw, P.R. (1989), **"User acceptance of Computer Technology: A Comparison of two Theoretical Models",** Management Science, August, Vol 35 No 8, pp 982-1003.

Forrester, P. (2006) **'Online Retail: Strong, Broad Growth',** [online] Available at: <http://www.forrester.eom/Researcli/Document/Excerpt/0,7211,39915,00.htm   [Accessed 1-2 February 2009]

Garramone, G., Harris, A., & Anderson, R. (1986), **"Uses of political bulletin boards. Journal of Broadcasting & Electronic Media",** *30,* pp. 325-339.

Gatignon, H., Robertson, T.S. (1991), **"Innovative decision processes",** in Robertson, T.S., Kassarjian, H.H. (Eds),Handbook of Consumer Behavior, Prentice-Hall, Englewood Cliffs, NJ, pp.316-48.

Gay,L.R. (1992), **Education Research: Competence for analysis and application,** 4th edition, New York, Macmillan Publishes.

Gefen, D. (2002)," **Reflections on the Dimensions of Trust and Trustworthiness among Online Consumers",** The DATA BASE for Advances in information Systems, **333, pp.38-53.**

George, J.F. (2002), **"Influences on the intent to make Internet purchase",** Internet Research: Electronic Networking Applications and Policy, Vol. 12, No. 2, pp. 165-180.

George, J.F. (2004),**"The theory of planned behavior and Internet purchasing",** Internet Research Vol. 14, No. 3, pp. 198-212.

Glreach , M. (2004),**"Global Internet Statistics",** [online] Available at: www.glreach.com/globstats [Accessed 12 February 2010]

Ha, Y. and Stoel, L. (2004), **"Internet Apparel Shopping Behaviours: The Influence of General Innovativeness",** International Journal of Retail & Distribution Management, Vol 32 No 8, pp 377-385.

Harris Interactive (2002), **"College students spend $200 billion per year",** [online] Available at: http://harrisinteractive.com [Accessed 31 January 2006]

Hellier, P.K, Geursen, G.M., Carr, R.A., and Rickard, J.A. (2003), **"Customer repurchase intention: A general structural equation model",** European Journal of Marketing, Vol. 37, No. 11/12, pp. 1762-1800.

Hoffman, D.L., Novak, T.P. and Peralta, M. (1999),**"Building consumer trust online",** Communications of the ACM, Vol. 42, No. 4, pp. 80-85.

Hynes, N. and Suewin, P. (2009), **"Online shopping adoption within Ilong Kong-An Empirical Study",**Singapore Mangement Review, Volume 2,No2

Internet world Stats (2006),**"Kenya Internet Stats and Telecommunication Market Report",**IntdrnationalTelecommunicationUnion(ITU), [online] Available at: www.internetworldstats.com/af/ke.htm [Accessed 12th February 2010]

James, M. L., Wotring, C. E., & Forest, E. J. (1995)," **An exploratory study of the perceived benefits of electronic bulletin board use and their impact on other communication activities",** Journal of Broadcasting & Electronic Media, 39, pp. 30-50.

Jarvenpaa., S.L, Todd, P.A. (1997) **/'Consumer reactions to electronic shopping on the World Wide Web",** International Journal of Electronic Commerce, Vol. 1, No. 2, pp. 59-88.

Jarvenpaa, S.L., Tractinsky, N. and Vitale, M. (2000) **/'Consumer Trust in and Internet store",** Information Technology Management, Vol. 112, pp.45-71.

Kaufman, S.C .and Lindquist, J.D. (2002), **"E-shopping in a Multiple Channel Environment",** Journal of Consumer Marketing, Vol 19 No 4, pp 333-350.

Kyungae, P., Dyer, C.L. (1995), **"Consumer use innovative behavior: an approach toward its causes",** in Kardes, F.R., Sujan, M. (Eds),Advances in Consumer Research, Association for Consumer Research, Provo, UT, Vol. 22 pp.566-72.

Leung, L., & Wei, R. (1998),**"Exploring factors of interactive TV adoption in Hong Kong: Implications for advertising",** Asian Journal of Communication, *8(2)* , pp. 124-147.

Lin, C. A. (1998)," **Exploring personal computer adoption dynamics",** Journal of Broadcasting and Electronic Media, 42, **pp.** 95-112.

Li, S.C., & Yang, S.C. (2000), **"Internet shopping and its adopters: Examining the factors affecting the adoption of Internet shopping",** Paper presented at the 35th Anniversary International Conference of "Communication Frontiers in the New Millennium", The Chinese University of Flong Kong, Hong Kong.

Lohse, G.L., Spiller, **P.** (1998), **"Electronic shopping",** Communications of the ACM, Vol.41 No.7, pp.81-8.

McKechnie ,S., Winklhofer, I **f.** and Ennew, C. (2006) **"Applying the Technology Acceptance Model to the Online Retailing of Financial Services",** International Journal of Retail & Distribution Management, Vol 34 No 4/5, pp 388-410.

Mickey, M. (2009), **"Ecommeree in Kenya",** [online] Available at: http://www.kenyawebhosting. com/index. pbp?option=com_content&view=article&id=45: update&catid=17:ecommerce&Itemid=43   [Accessed 7th April 2010]

Moore, G.C. and Benbasat, 1. (1991), **'Development of an instrument to measure the perceptions of adopting an information technology innovation',** Information Systems, yol. 2, No. 3, pp. 192-222.

Morganosky, M.A. and Cude, B.J. (2000), **"Consumer Response to Online Grocery Shopping",** International Journal of Retail & Distribution Management, Vol 28 No 1, pp 17-26.

Mugenda, M.O. and Mugenda, G.A. (2003), **"Research Methods: Quantitative and Qualitative Approaches",** Act Press, African center of technology studies (ACTS), Nairobi, Kenya

0'Donell& Associates (2004), **"College student spending behavior",**[online] Available at: http://www.odassoc.com/ resources/docs [Accessed 25 May 2005]

Office of fair trading (2007), **"Internet Shopping",**[online] Available at: www.oft.gov.uk/shared oft/reports/consumer.../ [Accessed 18th October 2009]

Park, C. and Jun, **J.**K. (2003), **"A Cross-cultural Comparison of Internet Buying Behavior. Effects of Internet Usage, Perceived Risks, and Innovativeness",** International Marketing Review, Vol 20 No 5, pp 534-553.

Park, J. and Stoel, L. (2005) /**'Effect of Brand Familiarity, Experience and Information on Online Apparel Purchase",** International Journal of Retail & Distribution Management, Vol 33 No 2, pp 148-160.

Passachon, L. and Speece, M. W. (2003), **"The Effect of Perceived Characteristics of Innovation on E-Commerce Adoption by SMEs in Thailand",** The Seventh

International Conference on Global Business and Economic Development. January, 8-11, 2003, Thailand. Pp. 1573-1585.

Ram, S., Jung, H.S. (1994), **"Innovativeness in product usage: a comparison of early adopters and early majority",** Psychology and Marketing, Vol. 11 **pp.**57-67.

Ranganthan, C. and Ganapathy, S. (2002), **"Key dimensions of business-to-consumer Web sites",** Information and Management, Vol. 39, pp. 457-465.

Resnick, R. (1995), **"Business is good, not",** Internet World, June, pp.71-3.
Rogers, E.M .(1995), **"Diffusion of Innovations",** Free Press, New York cited in So, WCM, Wong, 4th ed

Roemer, K. (2003), **"Online shopping big for students this year.2004",** Indiana Daily Student, [online] Available at: http://www.idsnews.com/news/index.php [Accessed 6 February 2006]

Salisbury , W.D., Pearson, R.A., Pearson, A.W. and Miller, D.W. (2001), **"Perceived Security and World Wide Web Purchase intention",** Industrial Management & Data Systems, Vol 101 No 4, pp 165-176.

Schiffman, L., Kanuk, L.L. (2000), **"Consumer Behavior",** 7th ed., Prentice-Hall, Englewood Cliffs, NJ.

Shaw, M., Blanning, R., Strader, T., and Whinston, A. (2000),**"Handbook of Electronic Commerce",** Springer-Verlag Berlin, Heidelberg, 106-217.

Shergil, G.S., and Chen, Z. (2005), **"Web-based shopping: consumers' attitudes towards online shopping in New Zealand",** Journal of Electronic Commerce Research, Vol. 6, No. 2, **pp.** 79-94.

Silverman, D. (2000), **"Teeny boppers, big shoppers",** Survey pegs burgeoning young market as future of Internet shopping, DNR, 12.

Sorce, P., Perotti, V. and Widrick, S. (2005), **"Attitude and age differences in online buying",** International Journal of Retail & Distribution Management, Vol. 33, No. 2, pp. 122-132

 Mutula, S.M., (2002), **"The Electronic Library",** Journal of Retailing and Consumer Services, Volume 20, Issue 6, pp. 146-150

Swinyard, W.R. and Smith, S.M. (2003) **,"Why People (don't) Shop Online: A Lifestyle Study of the Internet Consumer",** Psychology & Marketing. Hoboken, Vol 20 No 7, pp 567-597.

Tan, S.J. (1999), **"Strategies for Reducing Consumers",** Risk Aversion in Internet Shopping", Journal of Consumer Marketing, Vol 16 No 2, pp 163-180.

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

Than, C.R., and Grandon, E. (2002), **"An exploratory examination of factors affecting online sales",** Journal of Computer Information Systems, Vol. 42, No. 3, pp. 87-93. The Malaysian Communications and Multimedia Commission (MCMC) (2006), **"Overview of ecommerce in Malaysia,** [online] Available at: http://globaltechforum.eiu.com/index.asp?layout=printer_friendly&doc_id=8706. [Accessed 18th January 2009]

TND and Sculli, D. (2005), **"Factors Affecting Intentions to Purchase via the Internet",**
Industrial Management & Data Systems, Vol 105 No 9, pp 1225-1244.

Turban, E., Lee, J., King, D. and Chung, H.M. (2002), **"Electronic Commerce: A Managerial Perspective",** Prentice-Hall, Inc.

Turban, E., Mclean, E., Wetherbe, J. (1999), **"Information Technology for Management - Making Connections for Strategic Advantage",** 2nd ed., John Wiley & Sons, New York, NY.

U.S. Department of State (2002), **"College students outpace general U.S. population in Internet use",** [online] Available at: http://usinfo.state.gov [Accessed 21 January 2006] Verity, J.W. (1994), **"Ready or not, the electronic mall is coming",** Business Week, pp.12-13.

Vijayasarathy, L. and Jones, J.M. (2000), **"Print and Internet catalog shopping: assessing attitudes and intentions",** Internet Research: Electronic Networking Applications and Policy, Vol. 10, No. 3, pp. 191-202.

Vrechopoulos, A.P., Siomkos, G.J. and Doukidis, G.I. (2001), **"Internet shopping adoption** Iby **Greek consumers,"** European Journal of Innovation Management, Vol. 4, 2001, pp. 142-153.

Vijayasarathy, L.R. and Jones, J.M. (2000), **"Print and Internet Catalog Shopping: Assessing Attitudes and Intentions",** Internet Research: Electronic Networking Applications and Policy, Vol 10 No 3, pp 191-202.

Vijayasarathy, L.R. (2002),**"Product Characteristics and Internet Shopping Intentions",** Internet Research: Electronic Networking Applications and Policy, Vol 12 No 5, pp 441-426.

Vrechopoulos, A.P., Pramataris, K.C., Doukidis, G.I. (1999), **"Utilizing information technology for enhancing value: towards a model for supporting business and consumers within an Internet retailing environment",** in Klein S., Gricar J., Pucihar, A. (Eds),Global Networked Organizations, pp.424-38.

Vrechopoulos, A.P. Siomkos, G.f and Doukindis, G.I. (2001),**"Internet shopping adoption by Greek consumers",** European Journal of Innovation Management, Vol. 4, No. 3, pp. 142-152.

Wangui, P. (2007), **"E-sliopping: Is Kenya ready for business"** [online] Available at : http://www.itnewsafrica.com/?,p=l 16   [Accessed 25 October 2009]

Ward, M.R., and Lee, M.J. (2000), **"Internet Shopping, consumers search and product branding",** The Journal of Product & Brand Management, Vol. 9, No. 1, pp. 6-20.

World Intellectual Property Organization (WIPO) (2007),**"World Online Population",**[online]Available at : http://www.wipo.int/copyright/ecommerce/en/ip_survey/chapl.html [Accessed 12 Jul 2009]

UNIVERSITY OF NAIROBI

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

By Janet Njenga Regno.D61/8896/05

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   [I]KSH36,000 to 40,000

I 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   Iam often among the first in the market to use new innovations.

D   True   CU   False   O   Neutral

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.

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

	1	2	3	4
Iam not aware of the policies set in place by the government to protect me.	●	●	●	●
Ido not have the necessary financial tools to complete the transaction e.g.(credit card, debit card, smart card etc)	●	●	●	●
IMybank does not provide credit/debit card facilities.	●	●	●	●
•Iam not comfortable with sharing my personal information on the internet.	●	●	●	●
Iam concern about my financial security due to Internet theft.	●	●	●	●
Iam not conversant with the technology required to shop through the internet.	●	●	●	●
1 had doubts that the products would be delivered.	●	●	●	●
Ihad doubts that the products delivered would be up to standard.	●	●	●	●
Ihad doubts that my mode of payment would be efficient and safe.	●	●	●	●

50

0. 1 had concerns about the period of time the delivery would take. ● ● ● ●

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

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

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

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

● ● ● ●

Please fill this section if you have shopped online.

1-Strongly Disagree   **2-Disagree**   **3-Neutral**   **4-Agree**   **5-Strongly Agree**

| 1 | 2 | | 3 | 4 |

5. Illseonline shopping because it is convenient. ● ● ● ●

5.1 use online shopping because it is easy to use. ● ● ● ●

1 I use online shopping because it is cheaper. ● ● ● ●

1 use internet shopping because 1 believe it's the latest technology in the retail world.

● ● ● ●

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

● ● ● ●

lluse Internet shopping because 1 can access a lot of information on the products 1 want to buy.

● ● ● ●

1 use Online shopping because 1 can access a wide range of variety. ● ● ● ●

alluse online shopping because 1 can buy products from anywhere in the world.

● ● ● ●