

**FACTORS INFLUENCING CONSUMER ONLINE BUYING
BEHAVIOUR IN A PROJECT BASED COMPANY. A CASE OF
GEOHERMAL DEVELOPMENT COMPANY.**

BY

LEBOO LEYIARO

**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ARTS
IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI**

2015

DECLARATION

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

Signed Date

ALEX LEYIARO LEBOO

Reg No.: L50/73474/2014

This research project report has been submitted for examination with my approval as the University Supervisor.

Signed.....Date.....

MUMO MUEKE

LECTURER,

DEPARTMENT OF EXTRA-MURAL STUDIES,

UNIVERSITY OF NAIROBI.

DEDICATION

This project is dedicated to my father Dr. Joseph Nakurro. Thank you for guidance, support and believing in me over the years.

ACKNOWLEDGEMENTS

I sincerely appreciate all people who have made this research project possible. I am grateful and truly appreciate their kindness in giving thoughtful guidance, suggestions and encouragement to assist me complete my research project.

Specifically, I wish to acknowledge the support I received in the cause of writing this project report to my supervisor Mr Mueke for his guidance. Special thanks go to my lecturers and my fellow classmates for their unfailing support throughout my study in the Nakuru Extra Mural Centre.

Furthermore, I also appreciate all the respondents who spend their precious time to complete the survey questionnaires. It would have been impossible to complete the research project without their honest contribution and help.

Table of Contents

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENTS	iv
LIST OF FIGURES	ix
LIST OF TABLES	x
ABBREVIATIONS AND ACRONYMS.....	xi
ABSTRACT.....	xii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem	2
1.3. Purpose of the Study	3
1.4 Objectives of the Study	3
1.5 Research Questions	4
1.6 Significance of the Study	4
1.7 Delimitations of the study	5
1.8 Limitations of the study.....	5
1.9 Assumptions of the Study	5
1.10 Definitions of Significant Terms used in the study.....	6
1.11 Organization of the study	6
CHAPTER TWO: LITERATURE REVIEW.....	8
2.1 Introduction.....	8
2.2 Synopsis of online buying.....	8

2.3 Perceived advantages	8
2.4 Perceived risks.....	9
2.5 Psychological factors.....	10
2.6 Website design	11
2.7 Online buying behaviour.....	11
2.8 Theoretical framework	12
2.8.1 Technological Acceptance Model.....	12
2.8.2 Theory of Planned Behaviour	13
2.9 Conceptual framework	14
2.10 Summary of literature review and research gaps	15
CHAPTER THREE: RESEARCH METHODOLOGY	17
3.1 Introduction	17
3.2 Research design.....	17
3.3 Target population	17
3.4 Sample size and sampling procedure	18
3.4.1 Sample size	18
3.4.2 Sampling procedure	18
3.5 Research instruments.....	18
3.6 Validity and reliability of the instrument	19
3.6.1 Validity	19
3.6.2 Reliability.....	20
3.7 Methods of data analysis	20
3.8 Ethical considerations	21
3.9 Operation definition of variables.....	21

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION	24
4.1 Introduction	24
4.2 Questionnaire return rate	24
4.3 Demographic characteristics of the respondents	24
4.3.1 Gender of the respondents	24
4.3.2 Age of the respondents.....	25
4.4 Respondents with online purchasing experience	25
4.5 Results from respondents with online purchasing experience	26
4.5.1 Perceived benefits	26
4.5.2 Perceived risks	27
4.5.3 Psychological factors	29
4.5.4 Website design.....	30
4.6 Results from respondents without online purchasing experience	31
4.6.1 Perceived benefits	32
4.6.2 Perceived risks	32
4.6.3 Psychological factors	33
4.6.4 Website design.....	34
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	36
5.1 Introduction	36
5.2 Summary of the findings	36
5.2.1 Perceived benefits	36
5.2.2 Perceived risks	37

5.2.3 Psychological factors	37
5.2.4 Website design	38
5.2.5 Product preference	38
5.3 Conclusion.....	38
5.4 Recommendations	39
5.5 Recommendation for further study	40
REFERENCES.....	41
APPENDICES.....	44
Appendix 1: Letter of Transmittal.....	44
Appendix 2: Questionnaire.....	45
Appendix 3: Cronbach’s Coefficient Alpha values.....	53
Appendix 4: Letter of Authorization from the University of Nairobi.....	55
Appendix 5: Letter of Authorization from National Council for Science and Technology.....	56
Appendix 6: Research Clearance Permit.....	57

LIST OF FIGURES

Figure 1: Conceptual framework model	14
--------------------------------------------	----

LIST OF TABLES

Table 3. 1 Operational definitions of variables.....	21
Table 4. 1 Classification of respondents by gender.....	24
Table 4. 2 Classification of respondents by Age	25
Table 4. 3 Classification of respondents by their online purchasing experience.....	26
Table 4. 4 Correlation between perceived benefits and online buying behaviour.....	27
Table 4. 5 Correlation between perceived risks and online buying behaviour.....	28
Table 4. 6 Correlation between psychological factors and online buying behaviour.....	29
Table 4. 7 Correlation between website design and online buying behaviour	30
Table 4. 8 Product preference	31
Table 4. 9 Correlation between perceived benefits and online buying behaviour.....	32
Table 4. 10 Correlation between perceived risks and online buying behaviour.....	33
Table 4. 11 Correlation between psychological factors and online buying behaviour.....	34
Table 4. 12 Correlation between website design and online buying behaviour	35

ABBREVIATIONS AND ACRONYMS

B2C:	Business to Consumer
GDC:	Geothermal Development Company
ICT:	Information Communication Technology
PEOU:	Perceived Ease of Use
PU:	Perceived Usefulness
SPSS	Statistical Package for Social Scientists
TAM:	Technology Acceptance Model
TPB:	Theory of Planned Behaviour

ABSTRACT

The growth and spread of internet with an extraordinary pace over the last few decades has resulted in emergence of online purchasing of products and services. This study investigated factors influencing online buying behaviour of Geothermal Development Company (GDC) employees in Nakuru town, Kenya. GDC is a project based company with a mission of providing steam to power generation of 810MW by 2016. The study proposed four objectives which were to assess how perceived benefits, perceived risks, psychological factors and website design influence online buying behaviour of Geothermal Development Company employees. Theoretical framework that guided the study were Technological Acceptance Model (TAM) and Theory of Planned Behaviour (TPB) which are relevant to this study and were operationalized through a conceptual framework. The research design applied in this research was descriptive survey. The target population for the study were employees of Geothermal Development Company based in Nakuru town who were 732 in number. Systematic sampling was used to take a sample of 110 employees. A closed ended survey questionnaire was administered to collect primary data. Statistical Package for Social Sciences (SPSS) and Microsoft excel package was used for data analysis and findings were presented in tables. The findings indicated that perceived risk shared 39.94% of the variability of online buying behaviour of GDC employees. Similar statistically significant correlation result was arrived at for psychological factors which shared a variability of 28.73% with online buying behaviour. A medium positive relationship between perceived benefits of online shopping and consumer online buying behavior was established with a shared variability of 12.04%. Website design had a Pearson correlation coefficient of $r = 0.251$ p (one-tailed) > 0.05 hence it was concluded that there was no statistically significant relationship between website design and consumer online buying behaviour. The study recommends that various risk-reducing strategies should be developed by online retailers in addition to putting mechanisms in place to guarantee the quality of their merchandise and create avenues of settling disputes. Another recommendation is that online vendors should not give less priority to website design since consumers rarely focus on visual design, site content, ordering and transaction procedure in making purchase decision via the internet.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Employees of corporations stay in a dynamic environment with rapid technology changes. Case in point is the many channels through which they can interact with businesses (Magnusson & Berggren, 2011). E-commerce is one of the options available to them. Global trends indicate shift towards online shopping due to convenience, cost saving, time saving and quick delivery as compared to traditional shopping. Employees of Geothermal Development Company (GDC) operate in this contemporary environment. GDC is project based company and a parastatal under the ministry of energy formed to fast track the development of geothermal resources in Kenya. The vision of the company is to be the world leader in development of geothermal resources. It is in a bid to achieve generation of 810 Megawatts by 2016 through implementing development of 460 Megawatts in the Menengai Crater, 200 MW in the North Rift region and 150 MW for South Rift region (GDC, 2012).

The benefits associated with the use of modern technology in service delivery have given ICT prominence in the eyes of the public and decision makers. With the use of modern technology, communication has become more reliable, faster and affordable. The Government has also undertaken various measures aimed at developing the ICT sector.

There has been tremendous growth in Kenya as far as internet usage is concerned. The rise in internet usage and penetration in Kenya has been quite sharp, making the country the 4th in Africa behind Nigeria, Egypt and South Africa and position 33 in the world. Estimates as at July 2014 put the percentage of world population with internet access at 40.4%. In 1995, it was less than 1%. The number of internet users has increased tenfold from 1999 to 2013. The first billion was reached in 2005. The second billion in 2010. The third billion in 2014. Kenya has had a 16% growth of internet users over the past year with a percentage penetration of 36.7% (ITU, 2014).

This means that consumer internet access and usage rates will be phenomenal as goods and services are sought, and that advertisers and marketers will look to the internet as a key medium to engage consumers. This therefore would explain the enormous worldwide investment in e-commerce given these trends in penetration and usage creating a huge internet market.

E-commerce can be defined as an activity of buying goods or services on the internet (Close & Kukar-Kinney, 2010). The arrival of the internet has transformed the way businesses are conducted all over the world. E-commerce sales worldwide will reach \$1.471 trillion in 2014, according to new figures from eMarketer, increasing nearly 20% over 2013.

There is still significant room for growth, though, in developing markets where many internet users are still not buying online. In a study of online shopping in emerging countries conducted by market research firm Jana, Kenya posted the lowest percentage of mobile phone users sometimes buying online, at a still considerable 56% compared with the other four countries surveyed—India, South Africa, the Philippines and Nigeria—the study found that South Africa had the greatest percentage of mobile phone users (67%) who at least sometimes bought products online (EMarketer, 2013a).

This study was born out of the author's concern to examine factors that influence consumer online shopping behaviour. Despite the abundance of literature on buying behaviour of online consumers, very little of it focuses on project based companies and thus more reason to investigate factors that affect its adoption in such an environment.

1.2 Statement of the Problem

Internet usage in Kenya has been growing fast. An enhanced ICT infrastructure, high penetration rate, faster speeds along with a drop in prices for internet service has raised the volume of internet users.

In order to shop online, one must have access to an internet enabled computer or mobile device and a suitable mode of payment. These prerequisites are available to most employees of project based companies and are thus expected to be ideal users of online shopping platforms. Despite the availability of internet access, in addition to high uptake of mobile payment services, these

employees are seen to take a slow pace in making online purchases. The Geothermal Development Company employees in Nakuru are not an exception and thus the justification for the study. According to a report by the Communication Authority of Kenya, the value of e-commerce in Kenya is at Sh4.3 billion compared to South Africa's Sh54 billion while in Egypt and Morocco it is about Sh17 billion and Sh9.6 billion respectively (Mark, 2014).

E-commerce has great potential to expand markets, productivity and competitiveness. Thus, employees of project based companies have fewer choices of products and services, spend more time and money shopping and miss out on other many advantages afforded by online shopping.

This research study will seek to explore factors influencing online buying behaviour of Geothermal Development Company (GDC) employees. Similar studies have been conducted in other contexts throughout the world (Adnan, 2014; Nazir, Tayyab, Sajid, Rashid, & Javed, 2012; Ngugi, 2014). These factors are perceived benefits and risks of online shopping, website design and consumer psychological factors. It will enrich our understanding of consumer behaviour and enable taking advantage of available ICT infrastructure, human capital and technological skills to make the most of online shopping in Kenya.

1.3. Purpose of the Study

The purpose of this study was to investigate factors influencing online buying behaviour of Geothermal Development Company employees in Nakuru town, Kenya.

1.4 Objectives of the Study

This study was guided by the following objectives:

- i. To assess how perceived benefits of online shopping influences online buying behaviour of GDC employees.
- ii. To examine how perceived risks of online shopping influences online buying behaviour of GDC employees.
- iii. To assess how psychological factors influences online buying behaviour of GDC employees.

- iv. To investigate influence of website design on online buying behaviour of GDC employees.

1.5 Research Questions

The study sought to answer the following research questions:

- i. What is the influence of perceived benefits of online shopping on online buying behaviour of GDC employees?
- ii. To what extent do perceived risks of online shopping influence online buying behaviour of GDC employees?
- iii. How do psychological factors influence online buying behaviour of GDC employees?
- iv. To what extent does website design influence online buying behaviour of GDC employees?

1.6 Significance of the Study

The market place has become very dynamic with consumers today being more informed and sophisticated than before. Background knowledge therefore about consumer needs, characteristics, perceptions, preferences and behaviours will enable marketers develop effective strategies to promote products and services through taking advantage of the underpinning drivers explored in this study thereby increasing consumer satisfaction.

Besides, the internet potentially offers customers a number of benefits that may enhance the value purchase. There is also an important opportunity to understand how online buying behaviour in this new medium can best serve the needs of both marketers and consumers.

Consumers use the internet for a variety of tasks thus creating opportunities for web inclined businesses to place relevant and targeted advertising messages. With the dynamism of the market place, there is need for online retailers to keep abreast with the ever changing environment. Therefore with a good understanding of consumers' online purchase behaviour specific insights can be used to inform marketing tactics directed at specific consumer groupings in line with the changes.

Results of this research therefore will help online retailers develop targeted and effective strategies thus drawing in more business. With indications showing increased usage and accessibility levels among consumers in Kenya, more businesses are expected to take advantage and ensure a digital presence in order to reach consumers since unlike the traditional marketing, the internet will ensure that information about products is accessible throughout besides providing the leverage of being able to reach a wider clientele in the shortest time possible.

Businesses, policy makers, regulators therefore can utilize findings of this research to promote online businesses by coming up with appropriate strategies regarding online businesses since the internet is likely to continue to play a major role in individuals' lives in the foreseeable future.

1.7 Delimitations of the study

Delimitation is the process of reducing the study population and area to a manageable size. This research will be delimited in terms of the scope that it will cover. Participation of this study will be delimited to Geothermal Development Company in Nakuru. The study will also be delimited to the factors influencing consumer online buying behaviour namely: perceived benefits, perceived risks, psychological factors and website design.

1.8 Limitations of the study

The respondents in the study were employees of Geothermal Development Company in Nakuru town. Thus the study cannot be used to generalize the results of the county as it may not be representative. In addition, the accuracy of the results depended on the willingness of the respondents to fill the questionnaire honestly and return them however, they might have been biased in order not to anything they perceived negative about them.

1.9 Assumptions of the Study

This study involved assessing factors that influence consumer online buying behaviour and therefore an assumption will be that the customers will be available to answer the questions that will guide this study.

It was also assumed that the sample size selected was representative and credible enough to allow for generalization of the findings and that the respondents gave correct and truthful information that the questionnaire sought to achieve.

1.10 Definitions of Significant Terms used in the study.

Internet: It is a global system of interconnected computer networks and computers that provides and allows users to share information, e-mail and other resources. It is a network of networks that connects millions of private, public, academic, business and government networks.

Project: Is any activity with a defined set of resources, goals, and time limit.

Project based company: Company whose primary unit for production, innovation and completion is a project.

Perceived advantages: Perception of positive consequences as a result of buying goods and services online.

Perceived risk: Refers to the nature and amount of risk perceived by a consumer in contemplating a particular online purchase decision.

Psychological factors: Mental factors that help or prevent consumers from being in the right frame of mind to make an online purchase.

Website design: This refers to the process of creating websites and includes webpage layout, content production and graphic design.

Online buying behaviour: Is the sum total of a consumer's attitude, decisions, intentions and preferences regarding the consumer's behaviour in the online marketplace when purchasing a product or service

1.11 Organization of the study

This study is organized into five chapters. Chapter one contains the background of the study, statement of the problem, purpose, objectives, research questions, significance, delimitation, limitation, assumptions, and significant terms of the study. It starts with discussion on

background of online buying and its relevance and proceeds to give the objective of the study. The research questions are based on the research objectives. Chapter two presents the literature review of online purchasing and factors influencing it under the study. The findings by other researchers were discussed and summary gaps captured. Chapter three explains the research design, population of the study, the sample size and sample selection. It discusses the research instruments including their administration, validity and reliability. The chapter ends with a discussion of data analysis methods and operational definition of variables. The fourth chapter covers data analysis, presentations and discussions of the research findings. All the data collected from fields is presented, analyzed, interpreted and discussed according to the research objectives. Chapter five contains a summary of findings, discussions, conclusions, recommendations and recommendations for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter of the study looks at available literature on the factors that influence consumer online buying behaviour namely; perceived advantages, perceived risks, psychological factors and website design. This has been done with the aim of providing an understanding of the factors influencing online buying behaviour of Geothermal Development Company employees in Nakuru town.

Reviews of theoretical frameworks of that are closely related to this study have been made. A brief explanation of the relationships between the variables identified for study in the statement of the problem, objectives and research questions has also been represented diagrammatically showing the relationships between the independent and dependent variables in the conceptual framework.

2.2 Synopsis of online buying

Electronic commerce is one of the important field that is emerging in the internet era. Over the past few years, the Internet has developed into a vast market place for goods and services. E-commerce has become an irreplaceable marketing channel in business transactions. Worldwide business-to-consumer (B2C) e-commerce sales were expected to increase by 20.1% in 2014 to reach \$1.500 trillion. Growth primarily will come from the rapidly expanding online and mobile user bases in emerging markets, increases in m-commerce sales, advancing shipping and payment options, and the push into new international markets by major brands (EMarketer, 2013). Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget at home or in anywhere. Online consumers don't have limits to online shopping (Bashir, 2013).

2.3 Perceived advantages

Previous research have shown that convenience and time saving are the main reasons that motivate consumers to shop online (Chen, Hsu, & Lin, 2010). Convenience means shopping

practices using the internet that can reduce time and effort of the consumers in the buying process.

E-commerce has enabled finding merchants easier by cutting down on effort and time (Schaupp & Belanger, 2005). Research also demonstrated that online shopping is better than conventional shopping due to convenience and ease of use (Nazir et al., 2012).

In a previous study done on adoption and usage of online shopping, it was established that attitude towards online shopping depends upon the view of the consumers regarding the activities carried out on the internet as opposed to conventional shopping environments (Sopramanien & Robertson, 2007) . Thus, a consumer who perceives online shopping as beneficial is more inclined to make online purchases.

Adnan (2014) established that perceived advantages and psychological factors had a positive impact on consumer attitudes and buying behaviour in Pakistan. In Kenya, a previous study conducted in Nairobi County revealed that some of the reasons for adoption of online shopping include time saving, easy comparison of alternative products, fairer prices of online goods, expert/user review of products and access to a market without borders (Ngugi, 2014).

2.4 Perceived risks

Perceived risk refers to the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision (Sinha & Kim, 2012). It is the degree to which a person expresses uncertainty about a service or good and particularly, the consequence of purchasing online.

Before purchasing a product, a consumer typically considers the various risks associated with the purchase. Credit card security, inability of physical product examination, difficulty in returning the item, shipping charges and privacy of personal information has been the main concerns of online shoppers. Past research has found that a major inhibitor of online shopping is perceived risk associated with online purchasing (Suki, 2012; Egelin, Joseph, & Johnson, 2012).

Online shopping experience is negatively related to perceptions of product and financial risks associated with online shopping regardless of product category (Dai, Forsythe, & Kwon, 2014).

Perceived risks associated with online shopping negatively influence online purchase intention and behaviour (Dai et al., 2014)

The greater the perceived risk, the more a consumer may choose traditional retailer for the purchase of the product. On the other hand, the lower the perceived risk, the greater the likelihood of online shopping. The level of uncertainty surrounding the online purchasing process influences consumers' perceptions regarding the perceived risks. Most consumers have shown concern on how to order and return faulty merchandise in addition to fear that ordered items will not be delivered.

2.5 Psychological factors

Online transaction involves a temporal separation of payment and product delivery. A consumer must provide financial information (e.g., credit card details) and personal information (e.g., name, address and phone number) for delivery in order to complete the purchasing process.

In a study done by Adnan (2014) on factors determining online purchasing patterns of Pakistani consumers, psychological factors had the highest correlation with online shopping behaviour, hence. He concluded that trust towards online vendors and security issues are the most important in determining online purchasing pattern.

Psychological factors such as trust, privacy concerns and security issues might affect the buying behaviour of online shoppers. Privacy risk is related to the concern of loss of privacy since consumers have to disclose their personal information while shopping online (Lee & Huddleston, 2010). Similar findings were made by Nazir et al. (2012) whose findings revealed that social, psychological, emotional and privacy factors had a significant effect on the behaviour of online shoppers. According to the study, consumers preferred not to shop online because they doubted the credibility of the transaction and payment procedure. Chen et al. (2010) therefore advise that privacy controls are needed to eradicate privacy concerns of online shoppers.

The internet is relatively new and challenging way of shopping and therefore perceived by the consumer as risky. In addition, a salesperson in the brick and mortar stores is a silent source of trust for the consumer. But since the salesperson is absent in online shopping trust diminishes.

Further the consumer is not able to monitor the safety of the security when revealing personal data (Monsuwé, Dellaert, & Ruyter, 2004).

2.6 Website design

Website design is one of the important things that can influence consumers to purchase a product online. Customers can be influenced by the image of the web site when they decide what website they should buy from (Katawetawaraks & Wang, 2011). Online stores can change a shopper into a buyer if the stores provide variety and useful information of product, good customer service, and easy-to-access website (Laudon & Traver, 2009)

Businesses should create secured website which are attractive and useful. The websites should have enough information but should not be too overwhelming. Putting unstructured or useless information in the website can reduce internet usefulness and ease of use (Bigné-Alcañiz, Ruiz-Mafé, Aldás-Manzano, & Sanz-Blas, 2008). The willingness to purchase online will be low if the online store lacks of ease in searching and comparing shopping, and product updates. Also, companies and sellers should double-check any single words in their website to reduce mistakes and customers' misunderstanding. Information quality and visual design is important effect on repurchasing (Koo, Kim, & Lee, 2008)

Making web designs and portals novel and sophisticated and web atmospherics friendly is a key to attract visitors. Moreover, if online stores want to convert visitor into buyer, they should improve their website by offering customer a comfortable, logical, interesting and hassle-free process and easy language by creating fast website with functional design as smooth as possible (Broekhuizen & Huizingh, 2009). In conclusion, if online stores want to increase the customer, they should take care of their website design to be more user-friendly.

2.7 Online buying behaviour

Online buying behaviour (also called online shopping behaviour and Internet shopping/buying behaviour) refers to the process of purchasing products or services via the Internet (Li & Zhang, 2002). Consumer demands and preferences are changing to the extent that online retailing is becoming the more suitable option for many consumers (Burns, 2005; Maven, 2007; Leggatt, 2009).

The consequence of these changing preferences is that retailers are now able to gain a competitive advantage by meeting these consumer demands when perhaps they could not do so in a bricks and mortar environment by incorporating the internet into their multichannel strategy and devote considerable resources to building the online channel. Meanwhile, an increasing number of consumers consider the internet to be an important shopping venue. In 2009, U.S. online retail sales grew 11%, while all retail sales only grew 2.5% and about 154 million people or 67% of the online population shopped online, contributing to online retail sales of \$155 billion, or 6% of total retail sales (Chu, Arce-Urriza, Cebollada-Calvo, & Chintagunta, 2010).

2.8 Theoretical framework

The following were the theoretical frameworks used to guide the Study.

2.8.1 Technological Acceptance Model

Technological Acceptance Model (TAM) was introduced by Fred Davis in 1986 and specifically tailored for modelling user acceptance of information systems. TAM is an adaptation of the Theory of Reasoned Action (TRA) by Davis in 1989 (Davis, Bagozzi, & Warshaw, 1989). It is one of the most successful measurements for computer usage effectively among practitioners and academics. TAM attempts not only to predict but also provide an explanation to help researchers and practitioners identify why a particular system may be unacceptable and pursue appropriate steps.

An important factor in TAM is to trace the impact of external factors on internal beliefs, attitudes and intentions whose purpose is to assess the user acceptance of emerging information technology. Two particular beliefs are addressed through TAM i.e. Perceived usefulness (PU) and Perceived ease of use (PEOU). Perceived usefulness (PU) is the prospective user's subjective probability that using a specific application system will increase his or her job performance within an organizational context. Perceived ease of use (PEOU) is the degree to which the prospective user expects the target system to be free of effort.

The above beliefs influence the behavioural intentions of accepting and adopting a technology system. Between these two, perceived ease of use has a direct effect on both perceived

usefulness and technology usage. Davis (1989) also found that there is a relationship between the beliefs that users have about a technology's usefulness, the attitude and the intention to use the technology.

New technologies such as personal computers are complex and an element of uncertainty exists in the minds of decision makers with respect to the successful adoption of them, people form attitudes and intentions toward trying to learn to use the new technology prior to initiating efforts directed at using. Attitudes towards usage and intentions to use may be ill-formed or lacking in conviction or else may occur only after preliminary strivings to learn to use the technology evolve (Davis et al., 1989). Thus, actual usage may not be a direct or immediate consequence of such attitudes and intentions. This study aims to test the applicability of TAM in predicting online buying behaviour of GDC employees in Nakuru town.

2.8.2 Theory of Planned Behaviour

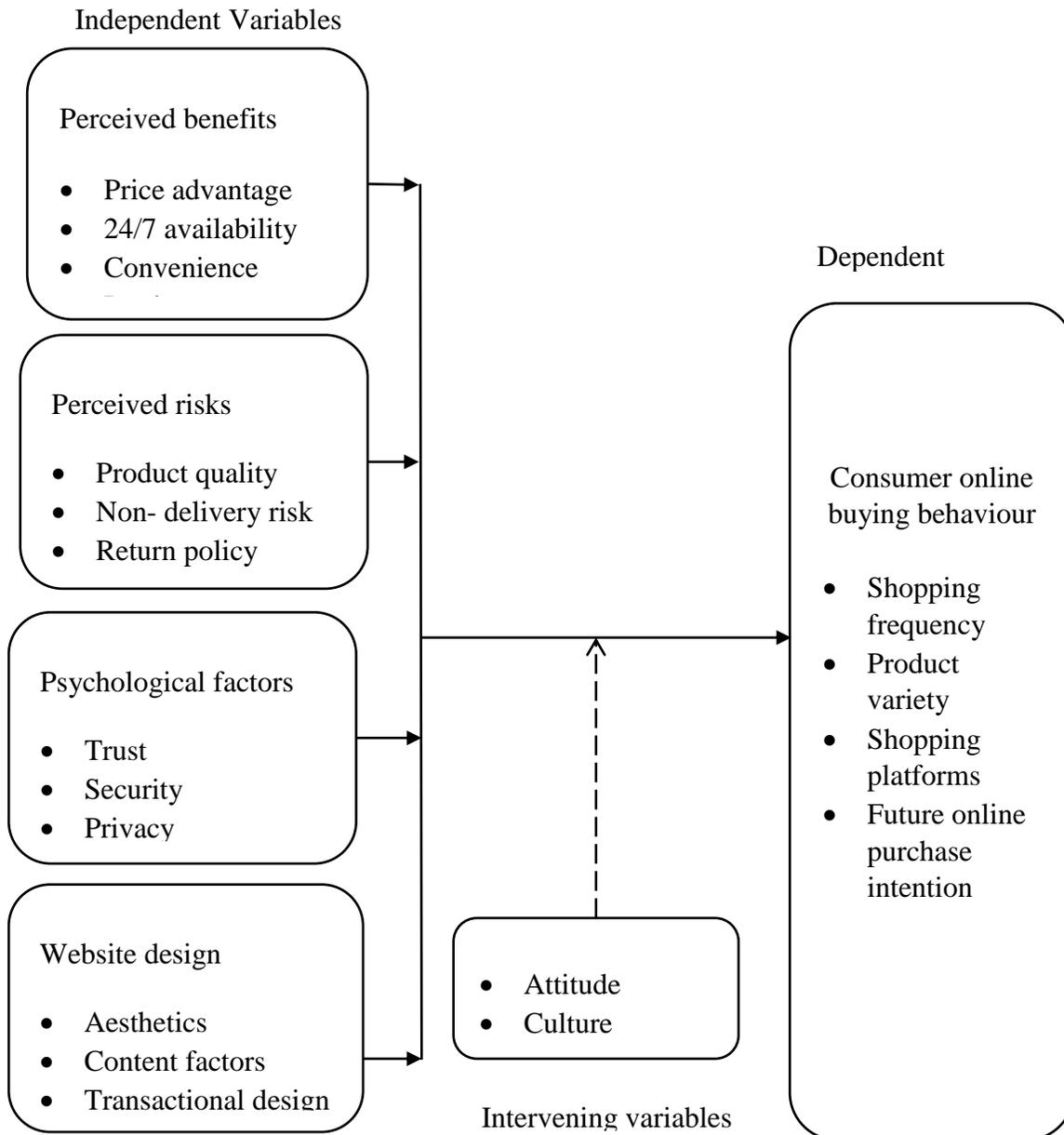
Theory of Planned Behaviour (TPB) explains behaviors over which individuals have incomplete voluntary control (Ajzen, 1991). Intentions to perform behaviors of different kinds can be predicted with high accuracy from attitudes toward the behaviour, subjective norms, and perceived behavioral control; and these intentions, together with perceptions of behavioral control, account for considerable variance in actual behaviour (Fishbein & Ajzen, 1975).

Attitude towards a behaviour and subjective norm about engaging in a behaviour are supposed to influence intention. Attitude depicts an individual's feelings, inclination or disinclination towards performing a behaviour. A prospective technology user's overall attitudes toward using a given technology based system (i.e., Internet) or procedure represents major determinants as to whether or not he/she will ultimately use the system. Subjective norms reveal the individual's perceptions of the influence of significant others (e.g., family, friends, peers, etc.). Others' opinions about online shopping as well as online reviews will influence online shopping behaviour. TPB additionally includes perceived behaviour control over engaging in behaviours, suggesting that human behavioural decision-making is affected by the consumer's ability to perform the behaviour (Ajzen, 1991).

2.9 Conceptual framework

This part of the study explains the relationships between the variables under focus in the study. The

Figure 1 Conceptual framework model



The study's conceptual framework explores four independent variables and one dependent variable. The independent variables are perceived advantages, perceived risks, psychological

factors and website design while the dependent variable is consumer online buying behaviour. Their expected relationship is as follows:

Perceived advantages are expected to influence adoption of online buying. Price advantage, 24/7 availability, convenience and product information accuracy are indicators of perceived advantages. It is expected that consumers would make online purchases if they consider doing so advantageous.

Demand for credible online content is expected to play a significant role in the use of online buying sites. The less the risks involved the greater the expected adoption of online platforms in making online purchases.

It is expected that psychological factors specifically trust, security and privacy will positively affect online purchase decision of consumers. Such is the case with websites that have been well designed.

Finally, it is expected that website design which relates to aesthetics of the website, site content, and ordering and transaction procedure positively affects online purchase decision of consumers.

There is an expected linear relationship between the independent variables and the dependent variables. This means that changes in the independent variables cause changes in the dependent variables

2.10 Summary of literature review and research gaps

This chapter reviewed literature on factors influencing customer online buying behaviour. The concept of online buying was defined.. This was then followed by discussion of the variables of the study; perceived benefits, perceived risks, psychological factors and website design. A theoretical framework was given followed by a conceptual framework which gave a brief explanation of the relationships between the variables in the study.

Online buying has been growing at a fast rate especially in the developed world. However, the trend has not picked up in the developing nations, including Kenya. There is not much research that has been conducted in this field in the local context. It is on the basis of this gap that this

study set out to investigate the factors that influence online buying behaviour of GDC employees in Nakuru. This will shed some light in the understanding of motivations of Kenyan consumers to shop online.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design to used, target population for the study and the sample size that was used. It also explains the data collection procedure, analysis and research instruments the study adopted. It has also focused on validity and reliability of instruments and ethical issues.

3.2 Research design

The research design is the blueprint for fulfilling objectives and answering questions. It summarizes the essentials of research design as an activity and time based plan. It provides a framework for specifying the relationship among the study variables.(Cooper & Schindler, 2010)

The study adopted descriptive survey research design. The major purpose of descriptive research is description of the state of affairs as it exists. The design was adopted as it would be helpful in indicating trends in attitudes and behaviours and enable generalization of the findings of the research study to be done. This design was considered appropriate for this study because it saves time, expenses and the amount of quality information yielded is valid, while interviewer bias is reduced because participants complete identically worded self-reported measures (Laberge, 2011).

The variables under consideration in this study were those that the researcher did not have the capacity to change or alter at will. It is therefore necessary to describe them as they are. It was this intention to describe “events as they were” that made the descriptive survey the ideal design for the study.

3.3 Target population

A population is defined as a complete set of individuals, cases or objects with some common observable characteristics (Mugenda & Mugenda, 2003). The target population for the study

were employees of Geothermal Development Company based in Nakuru town. Their number was 732. GDC is a parastatal under the ministry of energy formed to fast track the development of geothermal resources in Kenya. The company's mission is to develop 5000MW by year 2030.

The use of this target population was justified as it provided an ideal sample of consumers in Nakuru who have access to internet and who would be expected to find online shopping ideal.

3.4 Sample size and sampling procedure

Sampling the process of selecting some elements from a population to represent that population (Cooper & Schindler, 2010). The purpose of sampling is to secure a representative group, which enabled the researcher to gain information about an entire population when faced with limitations of time, funds and energy (Mugenda & Mugenda, 2003).

3.4.1 Sample size

Sample size refers to the number of items to be selected from the universe to constitute a sample (Kothari, 2004). A sample size of 10% of the total population is considered adequate for descriptive study Mugenda and Mugenda (2003). A sample size 110 was used which represented 15% of the population.

3.4.2 Sampling procedure

Systematic sampling technique was used to take the sample. Systematic sampling is a probability sampling method where a sample is drawn by applying a calculated skip interval to a sample frame. Population (N) is divided by the desired sample (n) to obtain a skip interval (k). Using a random start between 1 and k , each k^{th} element is chosen from the sample frame. The major advantage of systematic sampling is its simplicity and flexibility (Cooper & Schindler, 2010).

3.5 Research instruments

A closed ended survey questionnaire was administered to collect primary data. The use of questionnaire was justified since it was an effective way of collecting information from large

samples in a short period of time and at a reduced cost. In addition, a questionnaire facilitates easier coding and analysis of data collected since they were standardized.

All variables were measured on a 5-point Likert scale. The questionnaire ranged from 5 = strongly agree, 4 = agree, 3 = undecided, 2 = disagree to 1 = strongly disagree. A nominal scale was used for the collection of demographical data of respondents.

The questionnaire was divided into three sections parts. The first part of the questionnaire was an introduction and it explained the purpose of the questionnaire stating clearly that data obtained will be for pure academic purpose. Section 1 required the respondent to provide personal details and directed the respondent on which section to answer. Section 2 of the questionnaire was for respondents who had made online purchases while section 3 for those who had no previous online purchase experience.

3.6 Validity and reliability of the instrument

Last (2001), postulates that while planning a research or interpreting findings from someone's work the impact of the results is dependent or determined by validity and reliability. Validity entails the question, does your measurement process, assessment, or project actually measure what you intend it to measure? While reliability addresses whether repeated measurements or assessments provide a consistent result given the same initial circumstances.

3.6.1 Validity

There is always a concern whether the findings are true. Validity is the extent to which a test measures what we actually wish to. There are two major types; internal and external validity. Internal validity entails determining whether the conclusions drawn about a demonstrated experimental relationship truly imply cause. External validity refers to whether an observed causal relationship generalize across persons, settings, and times (Cooper & Schindler, 2010).

It is recommended that the researcher conducts a pilot test of the questionnaires and other instruments before using them in the actual research. In constructing the instrument, simple English language was used. Effort was made to ensure that the statements in the questionnaire were clear and precise. Validity was ensured by going through the questionnaire with the

supervisor. Appropriate adjustments and revisions were made before administering the questionnaires to the target respondents.

3.6.2 Reliability

Reliability gives the accuracy and precision of a measurement procedure (Cooper & Schindler, 2010). This ensures that there is transparency in how sense was made from the primary data. Cronbach's (1951) alpha coefficient was used as a quality indicator of the scale items. Alpha coefficients value of 0.6 demonstrates weak, 0.6-0.8 shows fairly strong, and 0.8-1.0 portrays very strong reliability (Malhotra, 1999) This statistic has widely been used in research as a quality test indicator (Sijtsma, 2009).

To test the reliability of the questionnaire, a pilot study was carried out using ten selected respondents. The overall reliability of the research instrument on the items on the questionnaire was found to be 0.77 for respondents with online buying experience and 0.81 for respondents without online purchasing experience. The reliability of each research statement is shown in appendix 3.

3.7 Methods of data analysis

Data analysis usually involves reducing accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques. Scaled responses on questionnaires often require the analyst to derive various functions, as well as to explore relationships among variables (Cooper & Schindler, 2010). Further, researchers must interpret these findings in light of the research question or determine if the results are consistent with their objectives.

For the purpose of data analysis, Statistical Package for Social Sciences (SPSS) version 20 was used. Statistical tests were applied to check the reliability and normality of the data and correlation analysis was conducted in order to see the impact of independent variables over the dependent variable. The correlation coefficient is a commonly used measure of the size of an effect: values of ± 0.1 represent a small effect, ± 0.3 is a medium effect and ± 0.5 is a large effect. Data presentation was done with the help of tables.

For all the objectives, data analysis was both descriptive and interpretive where there was description of key findings-conditions, state, and circumstances uncovered from the data. Interpretive analysis on the other hand provided meaning, explanation and casual relationship from the findings.

3.8 Ethical considerations

Ethical measures are principles which the researcher should bind himself with in conducting his/her research. In this study, the requisite approvals for conducting the research were sought and an initial approval was obtained from the University of Nairobi.

The study ensured that respect, courtesy and privacy was adhered to ensure that the research process was conducted in an ethical manner. Participants' confidentialities were adhered to, as they were not asked to provide their names during data collection.

3.9 Operation definition of variables

Operationalization refers to the translation of concepts into tangible indicators of their existence (Saunders, Lewis, & Thornhill, 2009).

Table 3. 1 Operational definitions of variables

Variable	Variable type	Indicator(S)	Measurement	Measure Scale	Data Collection tool	Type of analysis
Perceived advantages	Independent	Price advantage	Level of pproduct Prices	Ordinal	Questionnaire	Correlation coefficient and Coefficient of determination
		24/7 availability	Level of availability			
		Product information	Level of information			

		Convenience	Level of convenience			
Perceived risks	Independent	Product quality	Level of product quality	Ordinal	Questionnaire	Correlation coefficient and Coefficient of determination
		Non-delivery risk	Level of non delivery risk			
		Customer disputes	Level difficulty settling disputes			
Psychological factors	Independent	Trust	Level of trust	Ordinal	Questionnaire	Correlation coefficient and Coefficient of determination
		Security	Level of security			
		Privacy	Level of privacy			
Website design	Independent	Aesthetics	Level of aesthetics	Ordinal	Questionnaire	Correlation coefficient and Coefficient of determination
		Content factors	Level of content			
		Transactional design	Level of Transactional design			
Consumer online buying behaviour	Dependent	Online shopping frequency	Level of shopping frequency	Ordinal	Questionnaire	Correlation coefficient and Coefficient of determination
		Online shopping expenditure amount	Level of expenditure			

		Online shopping platforms	Level of variety of shopping platforms			
		Product variety bought online	Level of variation of products			
		Intention for future online purchasing	Level of intention to purchase online			

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter presents findings obtained from the questionnaires that were processed by use of SPSS and Microsoft excel package. Tables were mainly used for presentation of findings and an interpretation of each result was explained. Correlation of variables was done and conclusions drawn from the results obtained to shed light on how perceived benefits, perceived risks, psychological factors and website design influence online buying behaviour of GDC employees in Nakuru town.

4.2 Questionnaire return rate

Out of the 110 administered questionnaires, the duly filled and returned questionnaires were 99 which represent a response rate of 90%. This response rate was excellent to make conclusions for the study. A response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent (Mugenda & Mugenda, 1999).

4.3 Demographic characteristics of the respondents

This section presents the findings related to the demographic characteristics of the respondents.

4.3.1 Gender of the respondents

Table 4.1 represents the classification of respondents by gender.

Table 4. 1 Classification of respondents by gender

		Frequency	Percentage
Gender	Male	41	41%
	Female	58	59%
Total		99	100%

The study found that majority of the respondents were male (58%) compared to female (41%) respondents. This was a fair representation given that the target population constituted of 446 men and 286 women which represents 61% and 39% respectively. This closely matched the distribution of respondents.

4.3.2 Age of the respondents

Table 4.2 represents the classification of respondents by age.

Table 4. 2 Classification of respondents by Age

		Frequency	Percentage
Age	18-25 years	8	8%
	26-30 years	27	27%
	31-35 years	35	35%
	36-40 years	19	19%
	41-45 years	6	6%
	46-50 years	3	3%
	Over 50 years	1	1%
Total		99	100%

Majority age of the respondents was between 31 and 35 years representing 35% of the sample. There were 8 respondents with ages ranging between 18 and 40 translating to 8% of the sample. 27% were aged between 26 and 30 years, 19% aged between 36 and 40 years, 6% aged between 41-45 years. In addition there were 3% respondents with their ages falling between 46 and 50 years which represented 27% of the total sample. There was only 1 respondent who was above 50 years old. This implied that most of GDC staff were relatively young.

4.4 Respondents with online purchasing experience

Table 4.3 represents classification of respondents by their familiarity with online shopping.

Table 4. 3 Classification of respondents by their online purchasing experience

Age	Frequency	With online purchasing experience	Percentage
18-25 years	8	3	38%
26-30 years	27	15	56%
31-35 years	35	17	49%
36-40 years	19	7	37%
41-45 years	6	1	17%
46-50 years	3	0	0%
Over 50 years	1	0	0%
Total	99	43	

The number of respondents who had made online purchases was 43% whereas 57% of the respondents had never made an online purchase. This indicated that online purchasing was not embraced by majority of the respondents. Those between the ages 26 and 30 years had the highest percentage (56%) of online shoppers. The findings were congruent with data from Nielsen's Global e-commerce survey reveals that those aged between 21 and 34 years were leading the way when it came to online shopping. In fact, they were found to make up more than half of all respondents who planned to make an online purchase in the next six months across every product category measured (Nielsen, 2014).

4.5 Results from respondents with online purchasing experience

This section presents the findings related to the respondents with online purchasing experience.

4.5.1 Perceived benefits

Table 4.4 summarizes the correlation findings between perceived benefits and online buying behaviour.

Table 4. 4 Correlation between perceived benefits and online buying behaviour

		Online Buying Behaviour
	Pearson Correlation	.347*
Perceived Benefits	Coefficient of determination	12.04%
	Sig. (1-tailed)	.011
	N	43

*. Correlation is significant at the 0.05 level (1-tailed).

The findings indicate a positive relationship between perceived benefits of online shopping and consumer online buying behavior of GDC employees. However, the Pearson correlation of 0.347 with a significance value of less than 0.05 showed a medium positive correlation between the two variables. It was thus established that perceived benefits can account for 12.04% of the variation of consumer online buying behaviour. This finding was consistent with Delafrooz, Paim, & Khatibi (2010) who conducted a study on online shopping behaviour of postgraduate students from a public university in Malaysia and concluded convenience, price and wider selection had a positive impact on attitude towards online shopping. Similar findings were made by Findings by Forsythe et al. (2002).

4.5.2 Perceived risks

Table 4.5 summarizes the correlation findings between perceived risks and online buying behaviour.

Table 4. 5 Correlation between perceived risks and online buying behaviour

	Online Buying Behaviour
Pearson Correlation	-.632**
Coefficient of determination	39.94%
Perceived Risks	
Sig. (1-tailed)	.000
N	43

** . Correlation is significant at the 0.01 level (1-tailed).

Perceived risks were found to be negatively related to online buying behaviour with a Pearson correlation coefficient of $r = -0.632$ and the significance value is less than .001 as indicated by the double asterisk after the coefficient in table 4.5. This implied that perceived risks shares 39.94% of the variability in consumer online buying behaviour. The probability of getting a correlation coefficient this big in a sample of 43 people if there was no relationship between the variables is very low. Hence, it was concluded that there was a genuine significant negative relationship between perceived risks and online buying behaviour.

This finding was also made in a study on impact of online shopping experience on risk perceptions and online purchase intentions in a study done by Dai et al., (2014) which concluded that online shopping experience is negatively related to perceptions of product and financial risks associated with online shopping regardless of product category. Similar findings were also made by Drennan et al. (2006), Kuhlmeier & Knight (2005) and Slyke, Belanger, & Comunale (2004). It can therefore be confirmed from the findings that GDC staff consider uncertainty as to the product quality, risk of receiving malfunctioning merchandise and other delivery risks a key concern in making decision to shop online. Thus its prudent to mitigate against these risks in order to get consumers to turn to online shopping.

4.5.3 Psychological factors

Table 4.6 summarizes the correlation findings between psychological factors and online buying behaviour.

Table 4. 6 Correlation between psychological factors and online buying behaviour

	Online Buying Behaviour
Pearson Correlation	-.536**
Coefficient of determination	28.73%
Psychological Factors	
Sig. (1-tailed)	.000
N	43

** . Correlation is significant at the 0.01 level (1-tailed).

Psychological factors were found to be negatively related to online buying behaviour with a Pearson correlation coefficient of $r = -0.536$ and the significance value is less than .001 as indicated by the double asterisk after the coefficient in table 4.6. This implied that psychological factors account for 28.73% of the variation in consumer online buying behaviour. Hence, it was concluded that there is a genuine negative relationship between psychological factors and online buying behaviour.

Researchers who have made similar findings include Adnan (2014), Forsythe & Shi (2003) and Nazir et al. (2012). These studies showed that consumers hesitate to shop online because of financial risk and psychological factors like trust and security issues. However, this finding contradicted Hasslinger, Hodzic, & Opazo, (2007), who made an observation that shoppers generally had a more positive attitude toward feeling secure when purchasing online in a study of consumer behaviour in online shopping in Sweden. This may be because the study was done in a market that is more developed and has consumers who are accustomed to online shopping relative Kenyan consumers.

4.5.4 Website design

Table 4.7 summarizes the correlation findings between website design and online buying behaviour.

Table 4. 7 Correlation between website design and online buying behaviour

	Online Buying Behaviour
Pearson Correlation	.251
Coefficient of determination	6.3%
Website Design	
Sig. (1-tailed)	.052
N	43

Website design was not related to consumer online buying behaviour with a Pearson correlation coefficient of $r = 0.251$ and the significance value is more than the benchmark of 0.05 as indicated in table 4.7. This significance value implied that the probability of getting a relationship between the variables is very low because only 6.3% of variation in consumer online buying behaviour can be explained by website design. Hence, it was concluded that there is no statistically significant positive correlation between website design and online buying behaviour. This finding was consistent with findings of Delafrooz et al. (2010) in a study of undergraduates' online shopping decisions which conclude that there was an insignificant association between website homepage design and attitude toward online shopping. A similar case was proven by Bauer, Reichardt, Barnes, & Neumann, (2005) who observed that website design does not have a significant relationship with online purchasing decision.

4.5.5 Product preference

The study sought to determine the most commonly purchased items on the internet. The findings are summarized in table 4.8

Table 4. 8 Product preference

	Frequency	Percentage
Electronic products (Mobile phones, tablets, cameras, etc.)	19	44%
Clothes/shoes	24	56%
Jewelry/watches	15	35%
Home and living (Beddings, home appliances, kitchen, dining, bathroom, etc.)	11	26%
Books and magazine	7	16%
Wines and spirits	0	0%
Tickets (Movie, concerts, plays, etc.)	12	28%
Software	0	0%
Travel (Airline and hotel bookings)	8	19%
Hair and beauty (Fragrances, hair and skin care products, etc)	13	30%
Other	6	14%

The findings show that 56% of respondents who had made online purchases bought clothes/shoes making it the most popular product category. It was followed by Electronic products at 44%. No respondents indicated purchase of software, wines and spirit. Other products indicated by respondents not included in the questionnaire were motor vehicles and music.

4.6 Results from respondents without online purchasing experience

This section presents the findings related to the respondents without online purchasing experience.

4.6.1 Perceived benefits

Table 4.9 summarizes the correlation findings between perceived benefits and online buying behaviour of respondents without online purchasing experience.

Table 4. 9 Correlation between perceived benefits and online buying behaviour

	Online Buying Behaviour
Pearson Correlation	-.110
Coefficient of determination	1.21%
Perceived Benefits	
Sig. (1-tailed)	.209
N	56

Perceived benefits were found not to be related to online buying behaviour with a Pearson correlation coefficient of $r = -0.11$ and the significance value is more than the benchmark of 0.05 and only 1.21% of variability was shared by perceived benefits and consumer online buying behaviour as indicated in table 4.9. This significance value implied that the probability of getting a relationship between the variables is very low. Hence, it was concluded that there is no statistically significant correlation between perceived benefits and online buying intention of respondents without online purchasing experience. This finding was inconsistent with Delafrooz, Paim, & Khatibi (2010) who conducted a study on online shopping behaviour of postgraduate students from a public university in Malaysia and concluded convenience, price and wider selection had a positive impact on attitude towards online shopping. Similar findings were made by Findings by Forsythe et al. (2002).

4.6.2 Perceived risks

Table 4.10 summarizes the correlation findings between perceived risks and online buying behaviour of respondents without online purchasing experience.

Table 4. 10 Correlation between perceived risks and online buying behaviour

	Online Buying Behaviour
Pearson Correlation	-.567**
Coefficient of determination	32.15%
Perceived Risks	
Sig. (1-tailed)	.000
N	56

** . Correlation is significant at the 0.01 level (1-tailed).

Perceived risks were found to be negatively related to online buying behaviour with a Pearson correlation coefficient of $r = -0.567$ and a shared variability of 32.15% with a significance value of less than 0.001 as indicated by the double asterisk after the coefficient in table 4.10. This significance value tells us that the probability of getting a correlation coefficient this big in a sample of 56 people if there was no relationship between the variables is very low. Hence, it was concluded that there was a genuine large negative relationship between perceived risks and consumer online buying intention of respondents without online purchasing experience.

A similar finding was made in a study on impact of online shopping experience on risk perceptions and online purchase intentions in a study done by Dai et al., (2014) which concluded that online shopping experience is negatively related to perceptions of product and financial risks associated with online shopping regardless of product category. Similar findings were also made by Drennan et al. (2006), Kuhlmeier & Knight (2005) and Slyke, Belanger, & Comunale (2004).

4.6.3 Psychological factors

Table 4.11 summarizes the correlation findings between psychological factors and online buying behaviour of respondents without online purchasing experience.

Table 4. 11 Correlation between psychological factors and online buying behaviour

	Online Buying Behaviour
Pearson Correlation	-.453**
Coefficient of determination	20.52%
Psychological Factors	
Sig. (1-tailed)	.000
N	56

** . Correlation is significant at the 0.01 level (1-tailed).

Psychological factors were found to be negatively related to consumer online buying behaviour with a Pearson correlation coefficient of $r = -0.453$ and the significance value is less than .001 as indicated by the double asterisk after the coefficient in table 4.11. It was established that psychological factors accounted for 20.52% of the variation in consumer online buying behaviour. Hence, it was concluded that there is a moderate relationship between psychological factors and online buying intention of respondents without online purchasing experience.

Other researchers who have made similar findings include Adnan (2014), Forsythe & Shi (2003) and Nazir et al. (2012). These studies showed that consumers hesitate to shop online because of financial risk and psychological factors like trust and security issues. However, this finding contradicted Hasslinger, Hodzic, & Opazo, (2007), who made an observation that shoppers generally had a more positive attitude toward feeling secure when purchasing online in a study of consumer behaviour in online shopping in Sweden. This may be because the study was done in a market that is more developed and has consumers who are accustomed to online shopping relative Kenyan consumers.

4.6.4 Website design

Table 4.12 summarizes the correlation findings between website design and online buying behaviour of respondents without online purchasing experience.

Table 4. 12 Correlation between website design and online buying behaviour

	Online Buying Behaviour
Pearson Correlation	-.269*
Coefficient of determination	7.24%
Website Design	
Sig. (1-tailed)	.023
N	56

*. Correlation is significant at the 0.05 level (1-tailed).

Website design was found not to be related to online buying behaviour with a Pearson correlation coefficient of $r = -0.269$ and shared variation of 7.24% with a significance value more than the benchmark of 0.05 as indicated in table 4.12. This significance implied that the probability of getting a relationship between the variables is very low. Hence, it was concluded that there is a small statistically significant relationship between website design and online buying intention of respondents without online purchasing experience.

This finding was consistent with Li & Zhang (2002) who made a conclusion that website quality had demonstrated to significantly influence consumers online shopping attitudes and behavior. Thus, better website quality can guide the consumers to complete transactions smoothly and attract them to revisit shopping websites. However, the findings were incongruent with conclusions made by Delafrooz et al. (2010) in a study of undergraduates' online shopping decisions which indicated that there was an insignificant association between website homepage design and attitude toward online shopping. A similar case was proven by Bauer, Reichardt, Barnes, & Neumann, (2005) who observed that website design does not have a significant relationship with online purchasing decision.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter contains the summary of the findings, discussion, conclusion, recommendations and suggestion for further studies. This section of the study concludes the research findings as carried out.

5.2 Summary of the findings

The study focused on staff of GDC based in Nakuru town. The targeted population was 732 while the sample size was 110. 99 duly filled questionnaires were returned and this was deemed acceptable for the purpose of this study.

The demographic characteristics of the respondents was comprised of 59% (58) Males and 41% (41) females.) Majority age of the respondents was between 31 and 35 years representing 35% of the sample followed by those aged between 26 and 30 years representing 27% of the sampled population.

The number of respondents who had made online purchases was 43% whereas 57% of the respondents had never made an online purchase. This indicates that online purchasing was not embraced by majority of the respondents.

The findings of the factors influencing consumer online buying behaviour are summarized as follows:

5.2.1 Perceived benefits

For respondents who had online purchasing experience, the findings indicated a positive relationship between perceived benefits of online shopping and online buying behavior. However, the Pearson correlation of $r = 0.347$, p (one-tailed) < 0.05 which implied that perceived benefits can account for 12.04% of the variation of consumer online buying behaviour, shows a medium positive correlation between the two variables.

For respondents without online purchasing experience, it was established that perceived benefits did not provide an indication of correlation with consumer online buying behaviour with a Pearson correlation coefficient of $r = - 0.11$ and the significance value is more than the benchmark of 0.05. Only 1.21% of variability was shared by perceived benefits and consumer online buying behaviour. These findings implied that the probability of getting a relationship between the variables is very low.

5.2.2 Perceived risks

Perceived risks were found to be negatively related to online buying behaviour with a Pearson correlation coefficient of $r = - 0.632$, p (one-tailed) < 0.001 for respondents with online purchasing experience. This meant that perceived risks shares 39.94% of the variability in consumer online buying behaviour. These results implied that the probability of getting a correlation coefficient this big in a sample of 43 people if there was no relationship between the variables is very low. Hence, we can gain confidence that there is a genuine significant negative relationship between perceived risks and consumer online buying behaviour.

For respondents without online purchasing experience, perceived risks were found to be negatively related to online buying behaviour with a Pearson correlation coefficient of $r = - 0.567$, p (one-tailed) < 0.001 and a shared variability of 32.15%. This significance value tells us that there is a genuine significant negative relationship between perceived risks and online buying intention of respondents without online purchasing experience.

5.2.3 Psychological factors

For respondents who had online purchasing experience, psychological factors were found to be negatively related to online buying behaviour with a Pearson correlation coefficient of $r = - 0.536$, p (one-tailed) < 0.001 . This implied that psychological factors account for 28.73% of the variation in consumer online buying behaviour. Hence, we can gain confidence that there is statistically significant correlation between psychological factors and online buying behaviour.

Psychological factors were found to be negatively related to online buying behaviour with a Pearson correlation coefficient of $r = - 0.453$, p (one-tailed) < 0.001 . This meant that

psychological factors accounted for 20.52% of the variation in consumer online buying behaviour. These findings implied there was a medium relationship between psychological factors and online buying intention of respondents without online purchasing experience.

5.2.4 Website design

Findings indicated that website design was not related to online buying behaviour for respondents without online purchasing behaviour with a Pearson correlation coefficient of $r = 0.251$ p (one-tailed) < 0.05 . Hence, it was concluded that there is no statistically significant correlation between website design and consumer online buying behaviour because only 6.3% of variation in consumer online buying behaviour was explained by website design.

However, for respondents without online shopping experience website design was found to be related to online buying behaviour with a Pearson correlation coefficient of $r = -0.269$ p (one-tailed) < 0.05 and shared variation of 7.24%.

5.2.5 Product preference

The findings show that 56% of respondents who had made online purchases bought clothes/shoes making it the most popular product category. It was followed by Electronic products at 44%. Other findings were; jewelry/watches at 35%, home and living at 26%, books and magazine at 16%, tickets at 28%, travel at 19%, hair and beauty at 30%. No respondents indicated purchase of software, wines and spirit. Other products indicated by respondents not included in the questionnaire were motor vehicles and music.

5.3 Conclusion

The ever-increasing use of the internet in Kenya provides a developing prospect for online businesses and consumers. Awareness of the factors affecting Kenyan buyers' likelihood to make online purchase can further develop marketing strategies in converting potential customers into active ones. Individuals who purchase online perceived significantly greater benefit in terms of convenience, price and a wider selection than those who did not have online purchasing experience.

Perceived risk associated with online purchasing negatively influenced online purchasing behaviour. The respondents confirmed that uncertainty as to the product quality, risk of receiving malfunctioning merchandise, difficulty in settling disputes and delivery risk a key concern in making decisions to shop online. A similar negative correlation was established for psychological factors. This implied that GDC staff are looking for more safety and trust online.

On the other hand, there was no significant relationship between online buying behaviour and website design. The study also established that GDC staff had already taken to online purchasing as indicated by 43% of respondents who had online purchasing experience.

5.4 Recommendations

The study recommends that various risk-reducing strategies should be developed by online retailers. Campaigns should also be done to educate consumers on online shopping to lure in more shoppers. This is because consumers are more likely to make online purchases if they feel their security and privacy provided by online vendors are adequate.

In addition, online retailers should put mechanisms in place to guarantee the quality of their merchandise and create avenues of settling disputes while making exchanges of products. Also, safe and reliable courier services should be used to ensure that products ordered online are received by the customers.

Another recommendation is that online vendors should not only focus on offering low prices, broader selection of products, convenience and other advantages associated with online purchasing. This is because other concerns negate these advantages, particularly risks, security and privacy concerns of online shopping. This is particularly important for consumers who have not made online purchases who showed no correlation of perceived benefits with intention to purchase online.

Finally the study recommends that online vendors should give little priority to website design since consumers rarely focus on visual design, site content and ordering and transaction procedure in making purchase decision via the internet.

5.5 Recommendation for further study

Further research could examine variant groups of online consumers in other contexts, for example employees of and students of various institutions in other counties. Further research can also incorporate additional factors beyond those mentioned in this study specifically computer skills, gender and attitude towards online shopping.

REFERENCES

- Adnan, H. (2014). An Analysis of the Factors Affecting Online Purchasing Behavior of Pakistani Consumers. *International Journal of Marketing Studies*, 6(5), 133–148. <http://doi.org/10.5539/ijms.v6n5p133>
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*. [http://doi.org/10.1016/0749-5978\(91\)90020-T](http://doi.org/10.1016/0749-5978(91)90020-T)
- Bashir, A. (2013). Consumer Behavior towards online shopping of electronics in, 1–60.
- Bigné-Alcañiz, E., Ruiz-Mafé, C., Aldás-Manzano, J., & Sanz-Blas, S. (2008). Influence of online shopping information dependency and innovativeness on internet shopping adoption. *Online Information Review*. <http://doi.org/10.1108/14684520810914025>
- Broekhuizen, T., & Huizingh, E. K. R. E. (2009). Online purchase determinants: Is their effect moderated by direct experience? *Management Research News*. <http://doi.org/10.1108/01409170910952949>
- Chen, Y. H., Hsu, I. C., & Lin, C. C. (2010). Website attributes that increase consumer purchase intention: A conjoint analysis. *Journal of Business Research*, 63(9-10), 1007–1014. <http://doi.org/10.1016/j.jbusres.2009.01.023>
- Chu, J., Arce-Urriza, M., Cebollada-Calvo, J. J., & Chintagunta, P. K. (2010). An Empirical Analysis of Shopping Behavior Across Online and Offline Channels for Grocery Products: The Moderating Effects of Household and Product Characteristics. *Journal of Interactive Marketing*, 24(4), 251–268. <http://doi.org/10.1016/j.intmar.2010.07.004>
- Close, A. G., & Kukar-Kinney, M. (2010). Beyond buying: Motivations behind consumers' online shopping cart use. *Journal of Business Research*, 63(9-10), 986–992. <http://doi.org/10.1016/j.jbusres.2009.01.022>
- Cooper, D. R., & Schindler, P. S. (2010). *Business Research Methods. Social Research*.
- Dai, B., Forsythe, S., & Kwon, W. S. (2014). Impact of online shopping experience on risk perceptions and online purchase intentions: does product category matter? *Journal of Electronic Commerce Research*, 15(1), 13–24. Retrieved from <http://www.csulb.edu/web/journals/jecr/issues/20141/Paper2.pdf>
- Davis, F. D., Bagozzi, R. P., & Warshaw, P. R. (1989). User Acceptance of Computer Technology: A Comparison of Two Theoretical Models. *Management Science*, 35(8), 982–1003. <http://doi.org/10.1287/mnsc.35.8.982>
- Egeln, L. S., Joseph, J. a, & Johnson, L. S. (2012). Shopping Cart Abandonment in Online Shopping. *Atlantic Marketing Journal*, 1(1), 1–14.

- EMarketer. (2013a). B2C Ecommerce Climbs Worldwide, as Emerging Markets Drive Sales Higher - eMarketer. Retrieved May 12, 2015, from <http://www.emarketer.com/Article/B2C-Ecommerce-Climbs-Worldwide-Emerging-Markets-Drive-Sales-Higher/1010004>
- EMarketer. (2013b). Factors Affecting Consumer Attitudes User-Generated Product Content On Youtube Imran Anwar Mir Kashif Ur Rehman, 8(4), 637–654.
- Fishbein, M., & Ajzen, I. (1975). *Belief, Attitude, Intention and Behaviour: An Introduction to Theory and Research*. Reading MA AddisonWesley. Retrieved from <http://people.umass.edu/aizen/f&a1975.html>
- GDC. (2012). *Strategic plan 2012-2017*.
- Katawetawaraks, C., & Wang, C. L. (2011). Online Shopper Behavior : Influences of Online Shopping Decision, 1(2), 66–74.
- Koo, D.-M., Kim, J.-J., & Lee, S.-H. (2008). Personal values as underlying motives of shopping online. *Asia Pacific Journal of Marketing and Logistics*. <http://doi.org/10.1108/13555850810864533>
- Kothari, C. (2004). *Research methodology: methods and techniques*. New Age International. <http://doi.org/http://196.29.172.66:8080/jspui/bitstream/123456789/2574/1/Research%20Methodology.pdf>
- Laberge, Y. (2011). Advising on Research Methods: A Consultant’s Companion. *Journal of Applied Statistics*. <http://doi.org/10.1080/02664763.2011.559375>
- Last, J. M. (1986). A dictionary of epidemiology. *International Journal of Epidemiology*. <http://doi.org/10.1093/ije/15.2.277>
- Laudon, K. C., & Traver, C. G. (2009). *E-Commerce Business. Technology. Society* (5th editio). New Jersey: Prentice Hall.
- Lee, H. J., & Huddleston, P. T. (2010). An investigation of the relationships among domain-specific innovativeness, overall perceived risk and online purchase behaviour. *International Journal of Electronic Marketing and Retailing*. <http://doi.org/10.1504/IJEMR.2010.030504>
- Li, N., & Zhang, P. (2002). Consumer Online Shopping Attitudes and Behavior : An Assessment of Research. *Information Systems Journal*, 85(2-5), 508–517. Retrieved from http://surface.syr.edu/ischool_other/57/
- Magnusson, T., & Berggren, C. (2011). Entering an era of ferment – radical vs incrementalist strategies in automotive power train development. *Technology Analysis & Strategic Management*. <http://doi.org/10.1080/09537325.2011.550398>

- Malhotra, N. K. (1999). *Marketing Research: An Applied Orientation. The Handbook of Marketing Research Uses Misuses and Future Advances* (Vol. 10).
- Mark, O. (2014, July 2). Report says Kenya lags behind peers in e-commerce. *Business Daily Africa*. Retrieved from <http://www.businessdailyafrica.com/Report-says-Kenya-lags-behind-peers-in-e-commerce/-/1248928/2369806/-/item/0/-/14dsq5fz/-/index.html>
- Monsuwé, T. P. y, Dellaert, B. G. C., & Ruyter, K. de. (2004). What drives consumers to shop online? A literature review. *International Journal of Service Industry Management*. <http://doi.org/10.1108/09564230410523358>
- Nazir, S., Tayyab, A., Sajid, A., Rashid, H., & Javed, I. (2012). “ How Online Shopping Is Affecting Consumers Buying Behavior in Pakistan ?” Abstract : Introduction : Research Objectives : Literature Review : *International Journal of Computer Science*, 9(3), 486–495.
- Ngugi, K. (2014). *Factors Influencing Online Shopping Adoption In Kenya : A Case Of Westlands District , Nairobi A Research Project Report Submitted In Partial Fulfillment Of The Requirements For The Award Of The Degree Of Master Of Arts In Project Planning And Management*. University of Nairobi.
- Nielsen. (2014). E-commerce: Evolution or revolution in the fast-moving consumer goods world?, (August), 1–21.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research Methods for Business Students. Research methods for business students*.
- Schaupp, L. C., & Belanger, F. (2005). A Conjoint Analysis Of Online Consumer Satisfaction 1. *Journal of Electronic Commerce Research*, 6(2), 95–111.
- Sijtsma, K. (2009). On the use, the misuse, and the very limited usefulness of cronbach’s alpha. *Psychometrika*, 74, 107–120. <http://doi.org/10.1007/s11336-008-9101-0>
- Sinha, J., & Kim, J. (2012). Factors affecting Indian consumers ’ online buying behavior. *Innovative Marketing*, 8(2).
- Soopramanien, D. G. R., & Robertson, A. (2007). Adoption and usage of online shopping: An empirical analysis of the characteristics of “buyers” “browsers” and “non-internet shoppers.” *Journal of Retailing and Consumer Services*, 14(1), 73–82. <http://doi.org/10.1016/j.jretconser.2006.04.002>
- Suki, N. M. (2012). Examining factors influencing customer satisfaction and trust towards vendors on the mobile internet. *Journal of Internet Banking and Commerce*, 17(1).

APPENDICES

Appendix 1: Letter of Transmittal

Leboo Leyiaro,
P.O. Box 3412,
00100 GPO,
NAIROBI-Kenya

19th May 2014,

Dear Respondent,

RE: RESEARCH STUDY

The researcher is approaching you as a student of the University of Nairobi, pursuing a Masters of Arts in Project Planning and Management currently undertaking a research project on factors influencing consumer online buying behaviour in Nakuru county. A case of Geothermal Development Company.

Please complete the attached questionnaire. Be assured that your answers will only be used for scientific purposes in the framework of this survey. In the description of results of this survey, no identification of individual persons will be possible. Your information will be treated in strict confidence.

Please return the completed questionnaire as soon as possible to the undersigned. Thank you very much for your kind support.

Yours faithfully,

Leboo Leyiaro
Researcher

Appendix 2: Questionnaire

This questionnaire is designed to obtain information for a study to investigate factors influencing online buying behaviour of Geothermal Development Company employees. Your participation in this survey is voluntary. Data obtained will be for pure academic purposes.

Your opinion as expressed in this questionnaire is important and useful for this study. Utmost care will be taken to safeguard it and remain confidential.

Kindly fill the questionnaire as freely and honestly as possible.

SECTION ONE:

Please **TICK** (✓) the most appropriate box

1. What is your gender?

Male Female

2. What is your age group

18-25 years 26-30 years 31-35 years
 36-40 years 41-45 years 46-50 years
 Over 50 years

3. Have you ever made an online purchase before?

Yes No

If you answered YES in question 3 above, please go to SECTION TWO.

If you answered NO, please go to SECTION THREE.

SECTION TWO:

ANSWER THIS SECTION IF YOU HAVE MADE AN ONLINE PURCHASE BEFORE.

This section is about your thoughts regarding online shopping. Please TICK (√) the appropriate answer to reflect the extent you agree or disagree with each of the following statements.

The extent is rated as;

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

		5	4	3	2	1
PART II: PERCEIVED BENEFITS						
1.	I shop online because I get better deals than in traditional retailing stores.					
2.	I shop online because I get a broader selection of products.					
3.	I shop online as I can shop whenever I want to - (24/7 availability)					
4.	I use online shopping for buying products which are otherwise not easily available in the nearby market.					
5.	It takes little time and effort to make an online purchase.					
6.	I shop online as I get detailed product					

	information online.					
PART III:PERCEIVED RISKS						
7.	It is hard to judge the quality of the merchandise over the internet.					
8.	I hesitate to shop online as there is a high risk of receiving malfunctioning merchandise.					
9.	I feel that there will be difficulty in settling disputes when I shop online. (e.g. while exchanging products)					
10.	I might not receive the product ordered online.					
PART IV: PSYCHOLOGICAL FACTORS						
11.	Shopping online is risky because of a lack of strict cyber laws in place to punish frauds and hackers.					
12.	I feel that my credit card details may be compromised and misused if I shop online.					
13.	I might get overcharged if I shop online as the retailer has my credit card information.					
14.	I feel that my personal information given to the retailer may be compromised to third party.					

PART V: WEBSITE DESIGN						
15	I buy from online stores only if their websites are visually appealing and have a well-organized appearance.					
16	I buy from online stores only if the site content is easy for me to understand.					
17	I buy from online stores only if the information provided is relevant.					
18	I buy from online stores only if they have an easy and error free ordering and transaction procedure.					
PART VI: CONSUMER ONLINE BUYING BEHAVIOUR						
19	I often buy goods and services online.					
20	I spend a lot of money shopping online.					
21	I buy goods and services from many online market platforms					
22	I buy a wide variety of products and services online.					
PART VII: PRODUCT PREFERENCE						

23	Please tick the types of products you purchased through the Internet. (can be more than one item)		
<input type="checkbox"/>	Electronic products (Mobile phones, tablets, cameras, etc.)	<input type="checkbox"/>	Clothes/Shoes
<input type="checkbox"/>	Home and living (Beddings, home appliances, kitchen, dining, bathroom etc.)	<input type="checkbox"/>	Books and Magazines
<input type="checkbox"/>	Tickets (Movie, concerts, plays, etc.)	<input type="checkbox"/>	Software
<input type="checkbox"/>	Hair and Beauty (Fragrances, hair care products, skin care products etc.)	<input type="checkbox"/>	Jewelry/Watches
		<input type="checkbox"/>	Wines and Spirits
		<input type="checkbox"/>	Travel (Airline, hotel bookings)
		<input type="checkbox"/>	Other Indicate-----

SECTION 3:

ANSWER THIS SECTION IF YOU HAVE NEVER MADE AN ONLINE PURCHASE.

This section is about your thoughts regarding online shopping. Please TICK (✓) the appropriate answer to reflect the extent you agree or disagree with each of the following statements.

The extent is rated as;

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

		5	4	3	2	1
PART II: PERCEIVED BENEFITS						
1.	I don't shop online because I won't get better deals than in traditional retailing stores.					
2.	I don't shop online because I won't get a broader selection of products than in traditional retailing stores					
3.	I don't consider 24/7 availability of online markets important.					
4.	I won't find products which are otherwise not available in the nearby market online.					
5.	It takes a lot of time and effort to make an online purchase.					
6.	I don't shop online as I won't get detailed product information.					
PART III:PERCEIVED RISKS						
7.	It is hard to judge the quality of the merchandise over the internet.					
8.	I hesitate to shop online as there is a high risk of receiving malfunctioning					

	merchandise.					
9.	I feel that there will be difficulty in settling disputes when I shop online. (e.g. while exchanging products)					
10.	I might not receive the product ordered online.					
PART IV: PSYCHOLOGICAL FACTORS						
11.	Shopping online is risky because of a lack of strict cyber laws in place to punish frauds and hackers.					
12.	I feel that my credit card details may be compromised and misused if I shop online.					
13.	I might get overcharged if I shop online as the retailer has my credit card information.					
14.	I feel that my personal information given to the retailer may be compromised to third party.					
PART V: WEBSITE DESIGN						
15.	I don't buy from online stores because their websites are not visually appealing and don't have a well-organized appearance.					
16.	I don't buy from online stores because the site content is not easy for me to					

	understand.					
17	I don't buy from online stores because the information provided is not relevant.					
18	I don't buy from online stores because they don't have an easy and error free ordering and transaction procedure.					
PART VI: CONSUMER ONLINE BUYING BEHAVIOUR						
19	I will shop online in future					

Appendix 3: Cronbach's Coefficient Alpha values

Cronbach's Coefficient Alpha values for respondents with online purchasing experience

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q1	73.88	102.200	.352	.780
Q2	73.58	115.678	-.487	.810
Q3	74.05	91.807	.826	.754
Q4	73.81	117.393	-.516	.815
Q5	73.98	110.309	-.127	.801
Q6	74.88	118.248	-.435	.822
Q7	73.79	93.836	.662	.762
Q8	74.63	90.477	.601	.761
Q9	74.37	85.715	.708	.750
Q10	74.81	91.298	.646	.759
Q11	74.02	85.976	.909	.741
Q12	74.47	96.683	.439	.774
Q13	74.28	96.587	.649	.766
Q14	73.91	86.563	.821	.745
Q15	73.56	102.157	.246	.785
Q16	72.86	106.599	.217	.787
Q17	72.86	106.599	.217	.787
Q18	73.93	125.876	-.643	.840
Q19	74.33	104.891	.080	.798
Q20	75.14	89.504	.850	.749
Q21	74.42	87.297	.791	.748
Q22	74.14	96.599	.563	.768

Cronbach's Coefficient Alpha values for respondents without online purchasing experience

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q1	56.88	94.802	.450	.752
Q2	56.13	89.966	.442	.747
Q3	56.75	90.300	.518	.743
Q4	56.13	106.257	-.211	.795
Q5	55.75	102.264	-.080	.796
Q6	55.13	101.420	-.042	.788
Q7	55.25	80.373	.793	.714
Q8	55.13	83.093	.832	.718
Q9	55.13	87.675	.456	.745
Q10	55.38	81.439	.873	.713
Q11	54.75	105.064	-.233	.780
Q12	56.25	90.555	.403	.750
Q13	55.63	81.693	.785	.717
Q14	55.25	80.882	.918	.710
Q15	56.88	99.893	.083	.770
Q16	56.88	96.075	.293	.758
Q17	56.38	88.566	.529	.741
Q18	56.63	94.675	.293	.758
Q19	55.75	112.700	-.496	.806

Appendix 4: Letter of Authorization from the University of Nairobi



UNIVERSITY OF NAIROBI
COLLEGE OF EDUCATION AND EXTERNAL STUDIES
SCHOOL OF CONTINUING AND DISTANCE EDUCATION
DEPARTMENT OF EXTRA - MURAL STUDIES

Tel 051 - 2210863

P. O Box 1120, Nakuru
15th May 2015

Our Ref: UoN/CEES/NKUEMC/1/12

To whom it may concern:

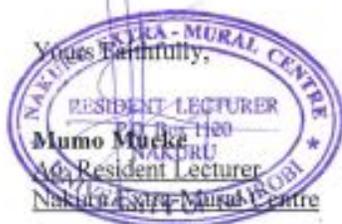
RE: ALEX LEBOO LEYIARO- L50/73474/2014

The above named is a student of the University of Nairobi at Nakuru Extra-Mural Centre Pursuing a Masters degree in Project Planning and Management.

Part of the course requirement is that students must undertake a research project during their course of study. He has now been released to undertake the same and has identified your institution for the purpose of data collection on "Factors Influencing Consumer Online Buying behavior in Nakuru County, A case of Geothermal Development Company.

The information obtained will strictly be used for the purpose of the study.

I am for that reason writing to request that you please assist him.



Appendix 5: Letter of Authorization from National Council for Science and Technology



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Uruli House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref No:

Date:

10th July, 2015

NACOSTI/P/15/0594/6687

Alex Leyiara Leboo
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Factors influencing consumer online buying behaviour in Nakuru County. A case of Geothermal Development Company,*" I am pleased to inform you that you have been authorized to undertake research in **Nakuru County** for a period ending **6th November, 2015.**

You are advised to report to **the Managing Director, Geothermal Development Company, the County Commissioner and the County Director of Education, Nakuru County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.


DR. S. K. LANGAT, OGW
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The Managing Director
Geothermal Development Company.

The County Commissioner
Nakuru County.

Appendix 6: Research Clearance Permit

THIS IS TO CERTIFY THAT:
MR. ALEX LEYIARO LEBOO
of UNIVERSITY OF NAIROBI, 3412-100
nairobi, has been permitted to conduct
research in Nakuru County

on the topic: **FACTORS INFLUENCING
CONSUMER ONLINE BUYING BEHAVIOUR
IN NAKURU COUNTY. A CASE OF
GEOTHERMAL DEVELOPMENT COMPANY.**

for the period ending:
6th November, 2015

.....
**Applicant's
Signature**

Permit No : NACOSTI/P/15/0594/6687
Date Of Issue : 10th July, 2015
Fee Received :Ksh 1,000



.....
**Director General
National Commission for Science,
Technology & Innovation**

CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.



REPUBLIC OF KENYA



National Commission for Science,
Technology and Innovation

**RESEARCH CLEARANCE
PERMIT**

Serial No. A **5748**

CONDITIONS: see back page