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# Factors influencing customers' choice of online shops in Kenya: a case of Jumia

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**FACTORS INFLUENCING CUSTOMERS' CHOICE OF ONLINE SHOPS IN  
KENYA: A CASE OF JUMIA**

**BY**

**SHAFFI SIMIYU BACHOO**

**MBA/99678/2017**



**A DISSERTATION SUBMITTED TO STRATHMORE BUSINESS SCHOOL IN THE  
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION**

**MAY, 2019**

## DECLARATION

I declare that this research is my original work and has not been previously submitted and approved by Strathmore University or any other Institution for the award of a degree. To the best of my knowledge and belief; this research is original and borrowed materials has been done with due reference.

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**Shaffi Simiyu Bachoo**

May 2019

### Approval

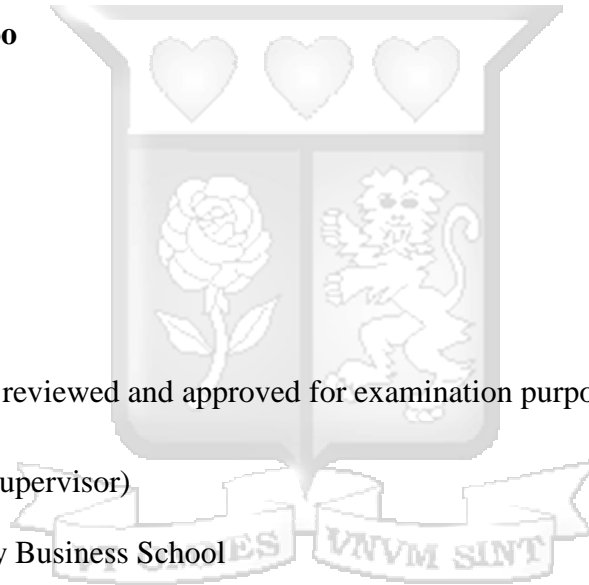
This project has been reviewed and approved for examination purposes by the following:

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Executive Dean, Strathmore University Business School



## ABSTRACT

Online shopping is considered to be a very convenient and helpful way of buying products and services through the internet. Consumer needs to make a decision when they want to purchase from the websites selling identical products. The main objective of the study was to establish factors influencing customer's choice of online shops in Kenya, with special focus on Jumia. Specific objectives were; to determine the influence of personal characteristics, consumer attitudes and convenience on choices of online shops in Nairobi County. This study adopted a descriptive research design. Study target population was 10,000 online customers with a sample size of 385 online customers. Convenience sampling was used in selecting the participants of the study. A questionnaire was used for data collection. The data was analyzed using the Statistical Package for Social Sciences (SPSS) version 23. Descriptive statistics including frequencies, means and standard deviation were applied to analyze numerical data gathered using closed ended questions. Regression analysis was used to determine the relationship between the study variables. The data was presented in form of tables, 2-D figures and pie charts. The study established that personal characteristics, consumer attitudes and convenience influence the choices of online merchants in Nairobi County. The study concludes that increasing personal characteristics, consumer attitudes, and convenience is positively related to choices of online merchants in Nairobi County.

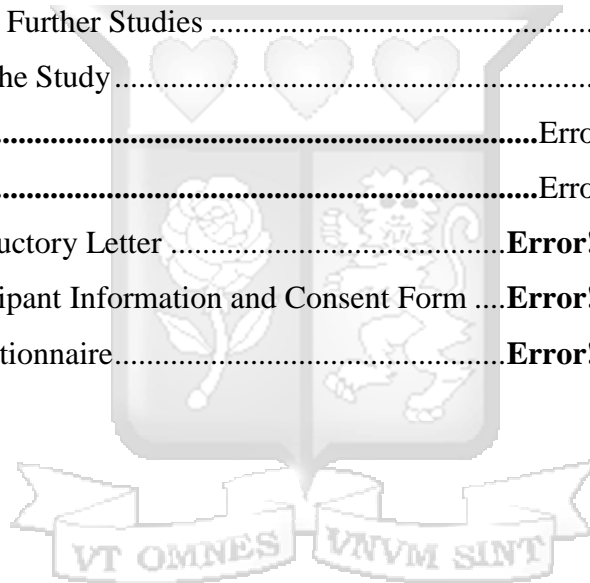


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## OPERATIONAL DEFINITION OF TERMS

- Consumer attitude:** It is the belief, feeling and behavioral intents of a customer towards some objects in complicated marketing which most of the time is brand or retail store.
- Consumer:** It is an individual who buys a certain product or good for their own use
- Convenience:** Fitness or suitability for performing an action or fulfilling a requirement.
- Customers' choice:** Refers to the decisions that consumers make with regard to products and services
- In-store:** It is something that takes place or exists in a large shop, or is present for clients to use or purchase inside a large shop
- Online merchant:** It is a company or an individual who sells services or goods exclusively over the Internet.
- Online shopping:** It's the act or activity of purchasing goods or services using the internet
- Personal characteristics:** These are the distinct qualities embodying an individual. It is the habitual behavior pattern, emotion and temperament.
- Store merchant:** It is someone who works in or owns a retail business and sells goods

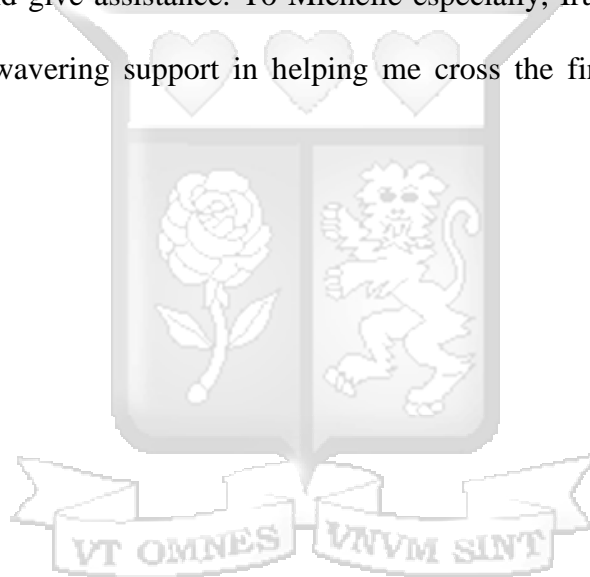
## ABBREVIATIONS /ACRONYMS

<b>CVM</b>	Contingent Valuation Method
<b>E-commerce</b>	Electronic commerce
<b>ICT</b>	Information and communication technologies
<b>PEoU</b>	Perceived Ease of Use
<b>PIIT</b>	Personal Innovativeness of Information Technology
<b>PU</b>	Perceived Usefulness
<b>RMB</b>	Renminbi
<b>SB</b>	Store Brand
<b>SPSS</b>	Statistical Package for Social Sciences
<b>TPB</b>	Theory of Planned Behaviour
<b>TS</b>	Transactional Security
<b>VSV</b>	Verband des Schweizerischen Versandhandels
<b>WTP</b>	Willingness to Pay



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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Over the past two and half decades, there has been a tremendous increase in the use of ICT, which has allowed for more flexible spatial and temporal fragment of activities and their recombination. According to Corno and Razzak (2012), in regard to shopping, through ICT, shifting from traditional channels to online shopping based at home has been made possible which has had potential substitute to travel. Because of the ever changing market environment, customers have learnt to adapt to it. Clients are learning ways of taking advantage and maximizing their own benefit in new segments of businesses and therefore shaping their behavior (Corno & Razzak, 2012).

The process whereby an individual buys goods using internet platform is referred to as online shopping. There are 5 steps involved in the process, and they are not distinct and relate with traditional shopping (Liang & Lai, 2012). In the case of online shopping, when a customer notices that there are goods or services that they need, they go to the internet and start searching for the information they need. Through this, they are able to evaluate alternatives and select one best suitable for their desires and will meet their needs. Lastly, they transact electronically and after sales services are provided (Li & Zhang, 2012). The consumer needs to make a decision when purchasing online. This study sought to establish factors influencing customers' choices of online shops.

The current information age has transformed the way companies and suppliers interact with consumers. The consumer has become more empowered due to the available information in the internet about products. Therefore, consumers can easily switch from one product to another due to their own personal reasons (Rahman, 2013). For majority of the customers it has become part of their lives to shop and buy goods and services online. With the increasing number of companies entering the market, clients have variety of sites where they can shop online. If a customer is interested in purchasing a particular product, they can find many

vendors online offering the same product. It is the customer to decide to buy from one of the vendors' selling similar product (Valvi & Fragkos, 2012).

### **1.1.1 Online Shopping**

Nambisan and Watt (2011) refer to online shopping as purchasing items from internet retailers as opposed to a shop or store. Handa and Gupta (2014) noted that due to rapid growth of technology, business organizations have switched over from the traditional method of selling goods to electronic method of selling goods. Business organizations use internet as a main vehicle to conduct commercial transactions. Customers have also highly adopted the e-commerce shopping methods.

With the increasing number of emerging online stores, customers have many options to choose from when in need of a product. For the case of Europe, there are several mature online stores (Lin & Lekhawipat, 2013). Individuals have the option of also choosing among various tools for comparing prices. Despite the fact that majority of the individuals have the tendency of selecting sites that are popular, there are other individuals with shopping knowledge who have preference for small vendors because of their better deals. In China, which is a large emerging market, there are several B2C sites that emerged recently and they competes with dominating C2C platforms and other international marketers such as eBay and Amazon (Sako, 2012)

In the year 2015, sales by third-party vendors on the two biggest U.S. marketplaces Amazon.com and eBay was responsible for 27% of online retail sales in North America (Garcia, 2018). Marketplaces also offer increased consumer confidence (eMarketer, 2016). Many consumers feel more comfortable shopping at big-name online marketplaces such as eBay, Amazon, Alibaba, Etsy, etc., than they are by purchasing from an unfamiliar source that pops up in a search (eMarketer, 2016). Even if the retailer selling the product is completely unknown, the consumer is still reassured by familiarity with the marketplace. Brown (2016) noted that in a survey of consumers conducted by Internet Retailer in 2016, 92% of respondents said they had shopped on Amazon in the past year, and 72% had

shopped on eBay. Of these consumers, 65% said they felt comfortable purchasing from merchants they've never heard of on marketplaces (Robison, 2015)

Majority of emerging companies want a share of the market through provision of cheaper prices and fast delivery. This is good news to customers because they are provided with variety of options and have the ability of purchasing products cheaply and more conveniently. This however hardens the process of making decisions for clients becomes harder because they have to put into consideration many factors and options (Teece, 2010).

Online shops in Africa include; Konga, Slot, Parktel online, Kara.com and my store in Nigeria. Takealot in South Africa. Kaymu, Hellofood, Home DUUKA and TakewayUG in Uganda. For the South Africa's case, majority (58%) of its internet population shop online and  $\frac{3}{4}$  of this population have shopped within the past 3 months (Goldstuck, 2013). This is high compared to other African countries like Kenya whose internet users shopping online ranges between 18-24% (Cinman, 2013). A form of e-commerce allowing customers to make purchases from sellers using the internet can be defined as online shopping. Through online stores, customers are able to make use of features such as "search" in finding specific models, items and brands. Online shops in Kenya include Jumia.co.ke, kilimall.co.ke, olxKenya, shopit.co.ke, checki.co.ke, mammaikes.co.ke, mimi.coke, electro hub just to name a few.

### **1.1.2 Factors Influencing Choice of Online Shops**

In Malaysia, Wong (2014) noted that 91% of the people shop online regularly. The preference of online shop by consumer over physical retail store has forced companies and suppliers of products and services to seek for more interactive and attractive strategies of reaching out to these consumers so as to try and maintain a significant customer base and competitive advantage for as long as possible (Yu, Lu, & Liu, 2010). Further, apart from the widely used physical retail shops in Malaysia, retailing has found a way into online platform as companies try to reach as many customers as possible (Honarbakhsh, Hooi, Kavianpour & Shadkam, 2013). There are different reactions that are received from different age groups, geographical areas and customer segments in regard to retail industries claiming online space. There has been gradual adoption in some regions while in other it has been rapid. The

offline shopping experience is characterized by interaction between the consumer and the sellers (Yu, Lu, & Liu, 2010). This implies that one is able to see and feel the physical attributes of the product before purchase. However, online experience is the opposite in the sense that the buyer only gets to see the images of the product posted on the retailer's website (Gong, Stump, & Maddox, 2013).

For the case of Switzerland, the market share for mail orders and online orders in the year 2016 had reached the mark of 17% and the rate of growth is 10%, while the overall retail business revenue has had zero growth for the last half decade. The market share for online shopping was highly dependent on the product, indicating a shift away from traditional forms of shopping which most of the time are products that aren't consumable (Zott, Amit & Massa, 2011).

According to Armstrong, Kotler and Opresnik (2016) shopping is the process where information regarding a product is collected until making the final decision to buy. Attributes that are specific to situations such as service, travel and delivery and personal traits such as social and economic background are speculated to affect alternatives of shopping (Armstrong, Kotler & Opresnik, 2016), while attitude regarding alternatives of shopping such as feeling and perception are most of the time determined by characteristics of an individual. The key factors that affects shopping behavior is perception regarding alternatives and attitudes. Chen, Nugent and Okeyo (2014) provided a representation of a model for online shopping of media products, whereby attitude played the key role when explaining violation for the use of specific shopping channels.

Kung, Chaisit and Phuong (2015) argued that the frequency of online shopping was increased by having positive attitude, especially among the young, more so single men, with high level of education and income and residing in urban areas. Further, high heterogeneity specific to products affect the choice of online vendors and online shopping (Palmer, 2010). Walker, Keane and Burke (2010) stated that when shopping for grocers, it is important to consider convenience, while in electronics and other related appliances; the key factor is information on the product and service.

Rasch (2014) indicated that aside from convenience, intents to shop online is higher when searching for electronic appliances, media products or books than it is for experience goods such as perfumes, cars and fresh foods, since shopping online reduces substantially the search cost while dominant attributes of experience products can't be accessed online. Aside from the type of product and convenience, the main criteria of shopping online that is referred to most of the time is low price combined with facilities of comparing prices (Peppers & Rogers, 2016). Chocarro, Cortiñas and Villanueva (2013) argued that goods that are highly involving and their purchasing frequency is low increases consumer risks, and conditional to store distance, and therefore exhibit a high probability for in-store shopping. Klaus and Maklan (2013) indicated that if the travel time is higher it will positively affect online shopping.

Online shops globally include Deal Extreme, one of the first online retailers in China (Tong, 2010). Currently it serves more than one million regular customers, globally. The main focus of the site is technology but it has also included other few categories that don't deal with technology. Newegg, American company, is a name that has been well established globally in regard to shopping online for tech. This site provides many products that are top-of-the-line at low prices. For online store for video gamed is YesAsia offering console, multiple games and accessories. Dorothy Perkins is an online retailer based in the UK and deals specifically with clothing for women and has extensive line for children. For more than two decades eBay has been on the forefront in online retailing. There is free shipping offered for thousands of items but this depends with the seller; therefore it is important for one to first confirm before committing to make a purchase (Tong, 2010).

Internet of Things is the extension of internet connectivity into physical devices and everyday objects. Embedded with electronics, Internet connectivity, and other forms of hardware (such as sensors), these devices can communicate and interact with others over the internet, and they can be remotely monitored and controlled. In relation to consumers the connected devices aimed at promoting communication in the consumer market (Brown, 2016). The availability of connectivity influences the consumer choice of online shops.

Physical Internet is a global, open, interconnected network, using a set of collaborative protocols and standardized smart interfaces, in order to send and receive physical goods contained in standard modules instead of packets of information, as does the Internet (Hendricks, 2015). It allows sharing of information and develops interconnectivity in the logistics systems. Therefore, consumers are able to understand the available products in the supply chain.

Payment facility entails the available payment methods after buying a product or service. Consumer safety and privacy is very paramount on the payment facility available. Therefore, it is important to ensure that consumer security is taken care of. This influences the consumer choice of online shops (Wigmore, 2014).

Artificial intelligence (AI) is the simulation of human intelligence processes by machines, especially computer systems. These processes include learning (the acquisition of information and rules for using the information), reasoning (using rules to reach approximate or definite conclusions) and self-correction (Wood, 2015). This helps consumers to make their choice on online shops.

### **1.1.3 Jumia**

Jumia, which was initially referred to as Africa Internet Group (AIG) is an online commerce that was developed in the year 2012. The various lines of service are: Jumia market, Jumia Travel, Jumia Food, Jumia House, Jumia Jobs, Jumia Car, Jumia Deals and Jumia Services (Jumia, 2017). In the year 2017, in a total of 23 African nations, there were a total of 126 active websites, this is according to a report by Jumia, (2017) and it covered 90% of Africa's GDP having a customer based on 3 million. Jumia employs 3000 employees across Africa and has a network of 0.5 million sellers and therefore it is true to say that in Africa, Jumia leads in online market.

Jumia deal with various categories of goods which include, home accessories, electronics, apparels, shoes, etc. and they deliver the goods to customer's doorstep. They provide full brand choice, and convenience with 24/7 access to their site from ones convenience, and provide secure form of payment such as cash on delivery, mobile payment and online

banking. Their customer service is also exceptional and has over 1.5 million likes on Facebook (Jumia, 2017). This study sought to establish factors influencing customers' choices of online shops in Nairobi County, with special focus on Jumia.

## **1.2 Statement of the Problem**

Online shopping is a very convenient and useful method of purchasing goods and services using the internet (Cox, 2010). Customers are allowed a wide variety of products and items they can choose from and this is not just from a specific store but from diverse storage including all forms of items not limited to geographical location. Through online shopping, customers are also provided with platforms for good interactive online customer service (Cox, 2010). However, consumers face certain risks while making decisions to shop online. Most important is insecurity which results to negative perspective in web purchasing. Financial risk takes place after making an order from the online shops. Customers are reluctant to use their debit or credit information over the internet. There also exists product risk, which is the chance of failure of products to meet customer needs. This is one way why consumers may not shop online. Privacy policy and identity privacy also affects consumer decision to shop online. Further, there is also a loss of delivery of goods to wrong people at wrong place. Therefore, risk form an important part in the decision of online shopping.

A number of studies on effects of customers' choices of online shops have been done widely in a number of countries revealing the increasing need for online presence by companies so as to catch up with market trends (Laohapensang, 2010). Afrashteh, Azad and Hanzayy (2014) studied the effects of online shopping on the customer loyalty in Iran. Kukreti (2018) studied the effects of online shopping on consumer buying behavior. Vasić, Kilibarda and Kaurin (2018) reviewed the influence of online shopping determinants on customer satisfaction in the Serbian Market. Aineah (2016) reviewed the factors influencing online purchasing intention among college students in Nairobi city. Though the studies focused on online shopping they covered different concepts and were conducted in different contexts. The current study sought to fill the gap by establishing the factors influencing customers' choices of online shops in Kenya.

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of the study was to establish the factors influencing customer's choice of online shops in Kenya, with special focus on of Jumia.

#### **1.3.2 Specific Objective**

The study was guided by the following specific objectives

- i. To determine the influence of personal characteristics on choices of online merchants in Nairobi County
- ii. To establish the influence of consumer attitudes on choices of online merchants in Nairobi County
- iii. To determine the influence of convenience on choices of online merchants in Nairobi County

#### **1.4 Research Questions**

The study sought to answer the following research Questions

- i. To what extent do personal characteristics influence the choices of online merchants in Nairobi County?
- ii. To what extent does consumer attitude influence choices of online merchants in Nairobi County?
- iii. To what extent does convenience influence the choices of online merchants in Nairobi County?

#### **1.5 Significance of the Study**

Through the findings of this study, online shoppers learnt the role that each factor has on their choice of online shops hence guide their future purchase decisions. The findings of this study would inform marketers of factors influencing customers' choices of online shops hence inform their marketing policy and programs so as to realize full potential of their

marketing efforts. The findings of this study also informed them of the key factors influencing customers' choices of online shops.

The findings of this study would inform the Government of Kenya agencies especially the Ministry of Information on factors influencing customers' choices of online shops among Kenyans so as to ensure appropriate policies are put in place to promote safe online shopping in Kenya. To academicians and researchers, the findings would contribute new knowledge in the area of online shopping adoption among Kenyans. The study would also act as a source of reference for future scholars besides suggesting areas for further research.

The study provided more knowledge on customer choices on online shopping. The acquired knowledge can be used by theorists to advance the theory of planned behavior. This may provide more knowledge on how customers behave while making decisions to shop on online platforms.

### **1.6 Scope of the Study**

The study sought to determine the factors influencing customer's choice of online shops in Kenya. The study mainly targeted Jumia. This is because Jumia is one of the largest online shopping platforms in Kenya and it has a wide range of customers. The study was limited to Nairobi County. Nairobi County was considered because is the capital city and a lot of online shopping activities are available. The specific objectives were; to determine the influence of personal characteristics on choices of online merchants, to establish the influence of consumer attitudes on choices of online merchants and to determine the influence of convenience on choices of online merchants. The study focused on the three objectives because they have minimal coverage in relation to the available literature. Questionnaires were the main instruments of data collection because they are cheap and also big data can be obtained.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviewed the existing literature on factors influencing customers' choices of online merchants. In specific the chapter reviewed the theoretical review, empirical review and conceptual framework.

#### **2.2 Theoretical Framework**

This study was guided by theory of planned behaviour.

##### **2.2.1 Theory of Planned Behaviour**

The theory was developed by (Ajzen, 1991). Theory of Planned Behaviour provides an explanation of the involuntary behaviour of individuals. It is possible to predict with high accuracy the intents to perform behaviour of varying kinds using the attitude one has towards the behaviour, subjective norms, perceived control of behaviour; and together, the intentions with perception of change in behavior accounts for a great variation in the actual behaviour (Fishbein & Ajzen, 1975).

Attitude towards behaviour and subjective norms regarding engagement in behaviour are supposed to affect intentions. The feeling of an individual is depicted by attitude and so is inclination of declination in behaviour performance. The general attitude of prospective user of technology towards the use of a particular system based on technology or procedure are the key determinants of whether he/she will actually use the system. Through subjective norms it is established that the perception of an individual is affected by their significant others. The opinion of others regarding online shopping as well as online reviews will affect online shopping behaviour of an individual. In addition, TPB includes perceived control of behaviour as a result taking part in behaviors, suggesting that behavioral decisions made by individuals is influenced by the ability of performing a behaviour (Ajzen, 1991).

Personal characteristics have an influence on an individual behavior for instance individuals with different age and education levels behave differently. The planned behaviour theory

explains how an individual personal characteristic affects his or her attitudes. This implies that characteristics of individuals affect the choices they make. Therefore TPB explains how consumer's personal characteristics and attitudes affect their choices of online merchants. Intentions to perform behaviors are also influenced by convenience, how easily one is being able to proceed with something without difficulty affects the choices made. Therefore the ease of use of merchants affects consumer's choice of online shops (Ajzen, 1991). Consumers focus on saving time and energy. Therefore, they derive efficiency by using internet in order to save time and energy during shopping. For a large number of consumers, saving time is as important as saving money. Online shopping has come as a big relief to these set of time starved customers and they attach highest importance to it (Beauchamp & Ponder, 2010). Customer convenience/inconvenience has been playing decisive role in building or aborting relationships.

This theory incorporates different aspects of the consumers for instance how consumer characteristic's affect their attitude and the choices they make. Since the study objectives are the influence of personal characteristics, consumer attitudes and convenience on choices of online shops in Nairobi County. The theory provides more clarification and understanding on the consumer factors that influence the choices they make. Hence the suitability of TPB in establishing factors influencing customers' choices of online merchants in Nairobi County,

### **2.3 Empirical Review**

This section reviewed the studies that have been done by other researchers about factors influencing customers' choices of online shops.

#### **2.3.1 Personal Characteristics and Choices of Online Shops**

Dobre and Milovan-Ciuta (2015) did a study on how personality affects the behavior of customers' on online; study in Romania. The study found that personality of the customer is an endogenous variable significantly affecting purchasing behaviour online. Online customers are distinct based on their personality characteristics when assessing satisfaction of aftersales and visiting process. The findings shows how consumer traits affect their purchasing behaviour, this helps in understanding consumers behaviour more so as to design

products to suit their needs. In this study the researcher established the effects of personal characteristics on choices of online merchants.

Baltas and Papastathopoulou (2003) did a study on online merchant characteristics, product and store choice criteria: a survey in the Greek grocery sector. The study revealed asymmetric choice evaluation criteria and more clear and interesting patterns in regard to the two choice processes. Additionally, the study identified that there existed a number of association between brand and preference of a store and this related to the demographics of the customer. The current work was the first of its kind to try and address the problem in the grocery market in Greek and did not exhaust all creating room for further researches. In this study the researcher established the effects of personal characteristics on choices of online merchants in Kenya.

Wen-Chin and Hung-Ru (2010) explored effects of personality trait in behaviour of online shopping in Taiwan. It was established that; openness to experience, extraversion, and neuroticism (3 of big five traits) had positive influence on motivation to hedonic purchase; there is a tendency of the customers to be utility motivated to shop online if they are highly open to experience, high degrees of neuroticism, and agreeableness; key factors invoking customers to have intentions to search are utilitarian purchase motivation but hedonic motivations do not. This study used the big five traits to determine consumers online shopping behavior. Therefore the big five traits had effects on consumer online shopping. This study contributes in the current study on consumer characteristics. The current study established effects of personal characteristics on choices of online merchants.

Keisidou, Sarigiannidis and Maditinos (2011) studied character traits of online merchant and how they affect acceptance of online shopping, in reference to various types of products for internet users in Greek. Personal Innovativeness of Information Technology (PIIT), Product involvement, Self-efficacy, Privacy, and Perceived security, were tested and the way they affect the attitude of the consumer regarding shopping online investigated. It was established that PIIT, product involvement and perceived security had positive effect on attitude toward shopping online. The results help in understanding consumer attitudes towards online shops.

The findings were important in this study because they provided an understanding on consumer attitude which is one of the study objectives.

Nyasio (2016) reviewed customer and product features and the choice of e-commerce platforms in Kenya. The research design used was cross-sectional survey. Targeted individuals were those who access internet and are computer literate. Study information was collected using questionnaires. Analysis was by use of descriptive and inferential statistics. A positive association was found between consumer characteristics and consumers' choice of e-commerce. This study contributes in the current study on consumer characteristics. The current study established effects of personal characteristics on choices of online merchants.

### **2.3.2 Consumer Attitudes and Choices of Online Shops**

Kacen, Hess, and Chiang (2013) did a review on the attitude of customer on traditional and online Italia's stores. The study found that, in general, all categories of products in online stores were less accepted compared to those in traditional stores. It was perceived that online stores lacked competitive advantage in regard to shipping and handling cost, policies for returns, provision of interesting social and family experience, help from salespersons, aftersales services, and uncertainty regarding whether the product received will be right. The findings have outlined the perception of customers regarding performance of online sellers, this affects consumer's attitude on online stores. This study assisted in understandings consumers attitude, this was important to the current study since it aimed at establishing influence of consumer attitude on choice of online stores.

Fong (2013) studied attitude of customers regarding online shopping for famous fruit pickles in Penang. The findings showed that consumer's attitude was related to the decision on purchasing online. The study concluded that attitude is directly affected by several factors which include the lifestyle of the customer and their prior experience, benefits of online shopping, and perception regarding trustworthiness of the merchant. The study further established that demographics, frequency of shopping online and duration of using the internet daily didn't affect attitude in any way.

Sultan and Uddin (2011) did a study on consumers' attitude towards online shopping on Gotland. The study found that Website Design/Features, convenience and time saving influenced the choice of online shops in Gotland. Security was also a great concern for the customers. It was also established that less price, discount, feedback from previous customers and quality of product influenced online shopping. From the correlation results the elderly were less interested in shopping online. The findings were helpful in the current study as they assisted the researcher in determining the effects of consumer characteristics on choice of online merchants.

### **2.3.3 Convenience and Choices of Online Shops**

Jianga, Jiangb and Liuc (2011) did a study on the perception of consumer regarding the convenience of e-service. The study was exploratory where in-depth focus group interviews with online customers were used. Measures of service dimensions that were considered in this study were; access, evaluation, search, possession, transaction, and after-purchase convenience and major sub-dimensions that relate to it in the context of online retailing. The findings outlined consumer convenience factors related to online shopping; hence they can be adopted in this study to determine convenience factors and choice of online merchants.

Salehi, Abdollahbeigi, Langroudi and Salehic (2012) did a study on the impact of website information convenience on e-commerce success of companies. There exist three crucial factors affecting convenience of website information: type and a variety of information existing in the website, design of the website and its attractiveness and website personalization. The mentioned factors make the information present in the website convenient to customers. Convenience of information presented in a website leads a company to be successful in e-commerce through creation of loyal customers who will make purchases in the future and also by valuing customers through the provision of opportunities of saving time by searching in the right direction. A company can have a successful e-commerce through the two factors mentioned. From the findings, website information convenience influences online shopping. This assisted the current study in expounding in effects of convenience factors on choice of online merchants.

Meixian (2015) did a study on convenience and shopping behaviour of online customers: case study of business anthropology on contingent valuation technique. The study purposed to access premium and start identifying factors affecting it. With the use of Contingent Valuation Method (CVM) combined with Spike Model it was established the premium indicated by medium will to pay (WTP), is 2.957 for online products whose price is 50 Renminbi (RMB). This suggests that online vendors might raise the prices of products by 5.9% especially for those goods that can be bought with high convenience online than offline. Examination of the two factors; gender and frequency of online shopping were found to have a significant effect on WTP.

#### **2.3.4 Factors Influencing Customers' Choices of Online Shops**

Acara and Çizmecib (2015) did a study on factors that influence the choice of technology retailers by customers: an application in Kayseri (Turkey). The study investigated the factors that influence the choice of technology retailers and if there is difference in customer perception regarding these factors. Six factors (customers' age, customers' educational level, customers' income status, customers' gender, customers' professions and customers' marital status) were found to effectively affect the choice of technology retailers. It was also established that there was distinction between customers in their perception based on their age, level of education and income status. The current study examined the impact of personal characteristics on choices of online merchants.

Diallo, Chandon, Cliquet and Philippe, (2013) did a study on factors that influence the behaviour of consumers towards the brand of a store: evidence from the French market. The main aim of the study was investigating the way consumers and image factors and familiarity of the store affected the purchase behaviour of a store brand (SB). The findings showed that the perception on image of the store, price image of the SB, value consciousness and SB attitude significantly and positively affected SB purchasing behaviour. Familiarity to the store had positive influence to choice of SB but not on the intentions of buying the SB. All the socio demographic variables that were considered in the study didn't affect choice of SB.

The demographic factors had no effect on choice of brands; the current study examined factors influencing customers' choices of online merchants.

Aineah (2016) studied factors that influence online purchasing intentions among college learners in the County of Nairobi. The study aimed at determining factors influencing online purchase intentions among students in colleges. From the findings it was established that Perceived Ease of Use (PEoU), Perceived Usefulness (PU) and Transactional Security (TS) are the factors that determine the intention of students to buy online. From analysis of regression model, it was established that purchasing intentions and PEoU, PU, and TS were positively relate and they explained 68% change in intentions to shop online. The variable that was fund to be most important was PEoU and the least was TS. This implies that there were other factors influencing intentions to shop online.

Leyiaro (2015) studied the factors that impact customer's online buying behaviour in geothermal development company (GDC) in Kenya. Descriptive survey method was used. Stuey population was 732employees in GDC in Nakuru. A sample of 110 respondents was selected using systematic sampling. Questionnaires were used for data collection. It was established 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%. This implies that there were other factors influencing intentions to shop online.

## **2.4 Research Gap**

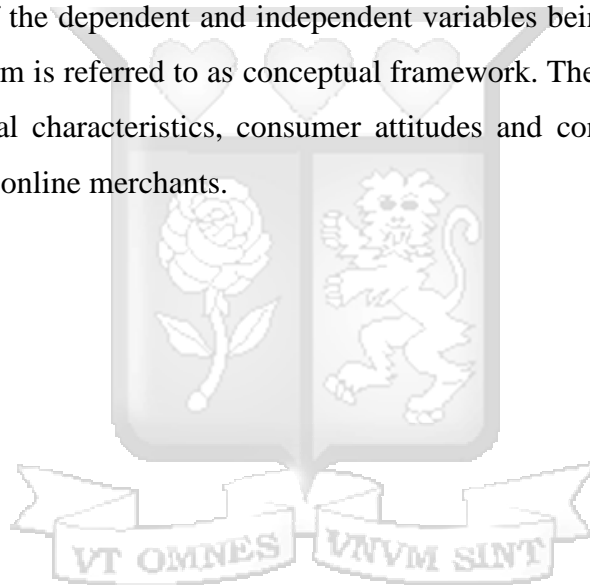
Chenghuan (2014) did a study on factors influencing customers' choices of online merchants. The study aimed to define and assess importance of factors influencing online customers choice of merchants. Acara and Çizmecib (2015) did a study on factors that influence the choice of technology retailers by customers: an application in Kayseri (Turkey). The study investigated the factors that influence the choice of technology retailers and if there is difference in customer perception regarding these factors. Diallo, Chandon, Cliquet and

Philippe, (2013) did a study on factors that influence the behaviour of consumers towards the brand of a store: evidence from the French market. The main aim of the study was investigating the way consumers and image factors and familiarity of the store affected the purchase behaviour of SB.

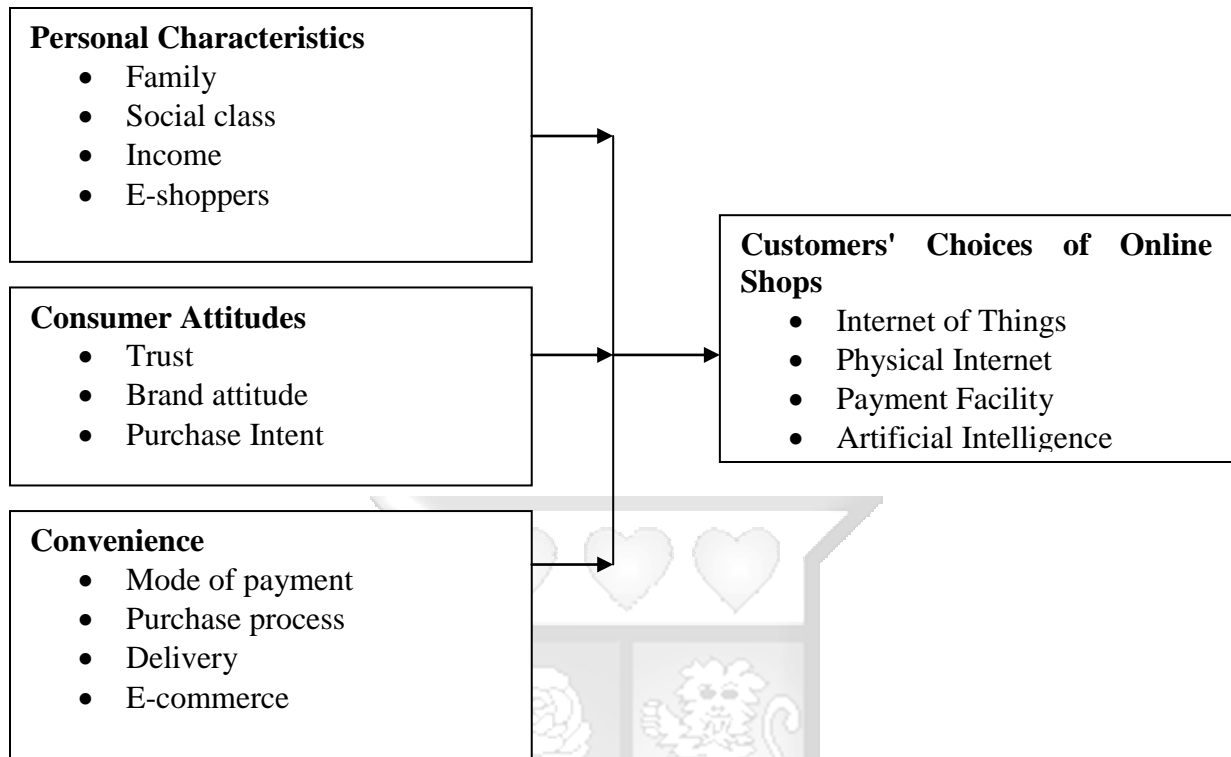
The empirical studies were limited in terms of context; they were conducted in countries such as Turkey and Europe. Therefore the findings cannot be generalized to a Kenyan situation. The current study aimed to fill the research gap by establishing factors influencing customers' choices of online shops in Nairobi County, with special focus on of Jumia.

## **2.4 Conceptual Framework**

The representation of the dependent and independent variables being investigated in a study in a diagrammatic form is referred to as conceptual framework. The independent variables of the study are personal characteristics, consumer attitudes and convenience, the dependent variable is choices of online merchants.



**Figure 2.1: Conceptual Framework**



**Independent Variable**

**Dependent Variable**

Source: (Researcher, 2019)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section involved the identification of the research design that was adopted in the study, the target population of the study, sampling techniques, sample size, data collection instruments, data collection methods, pilot tests, data analysis and presentation.

#### **3.2 Research Design**

Descriptive research design was adopted. Creswell (2013) indicated that descriptive research is applied in describing situations, behaviors, phenomenon, subjects and situations. It's applied in answering who, when, what, where, and how relating to the question that is being researched. It attempts to gather quantifiable data which can be applied in statistically analyzing targeted audience or subjects. Descriptive research design is also applied in observing and describing a research problem without manipulating it in any way. This research design was therefore suitable in this study because it helped in answering the research questions by describing, explaining and validating research findings.

#### **3.3 Study Population**

The target population of this study was online customers shopping at Jumia online shop. According to a report by Kenya Buzz (2015) Jumia is the leading online shop in term of customers in Nairobi, hence the choice of Jumia shop for the study. According to a report by Jumia (2018) there are more than 10,000 customers who shop in Jumia online platform in Nairobi County. This was more than any other county in Kenya therefore the study target population chosen was 10,000 online customers in Nairobi County.

#### **3.4 Sampling Technique and Sample Size**

The sample size of this study was drawn from 10,000 online customers. The sample size of this study was drawn from 385 online customers. The Yamane's formula was used in calculating the sample size

The formula is  $n = N / [1 + N (e)^2]$

Where  $n$  = sample size,

$N$  = population size

$e$  = error term (0.05)

Hence,  $n = 10,000 / [1 + 10,000 (.05)^2] = 385$

The study sample size was 385 online customers.

The study sample size was 385 online customers. Convenience sampling was applied in selecting study's respondents. In convenience sampling, the sample accessible by the researcher is selected; the subjects are selected just because recruiting them is easy.

### **3.5 Data Collection Methods**

A questionnaire was used for data collection. The questionnaire mainly collected primary data. The questionnaire had both structured and unstructured questions, this enabled the collection of quantitative data. The questionnaire was divided into three parts; the first part covered the demographic information, the second part had questions on the independent variables and the third part covered the dependent variable. Using questionnaire in data collection is advantageous mainly because it can access a large group of people and it's economical.

The researcher physically administered the questionnaires to the respondents. The researcher maintained a register of the questionnaires to ensure that the dispatched questionnaires are received after data collection. The researcher was available during data collection to clarify any issues to the respondents. The researcher visited Jumia stores located in Nairobi to identify the respondents since most of the customers pick their items from the stores.

### **3.6 Research Quality**

In order to establish validity and reliability of research tool the study performed a pilot test. It involved conducting pre-test of instruments used in data collection and processes of spotting and eradicating errors. Cooper and Schindler (2008) indicated that it is not necessary to statistically select respondents to be used in a pilot test. The study selected questionnaire as

data collection tool and it was tested to selected respondents. The respondents' used in the pilot test were excluded from the actual study. The respondents who participated in pilot test were randomly selected from the targeted population. The results of the piloted questionnaires were compared; if they are consistent then the study proceeded to data collection. However if the results of the pilot were inconsistent then some adjustments were made in the questionnaire before data collection.

### **3.6.1 Validity of the Instrument**

Content validity was adopted to determine the validity of the instrument. Content validity is the notion that the sample need to sample range of behaviour representing the theoretical concepts that are being investigated. To ascertain validity of the questionnaire, the study used opinion of experts in this field of research and the supervisors. In order to ascertain how appropriate and adequate the instruments were, the experts went through the questionnaire and the research questions carefully. This helped in detecting questions that needed editing and those with ambiguities. The researcher made corrections in the questionnaire ready for data collection.

### **3.6.2 Reliability of the Instrument**

In order to establish the reliability of the research instruments the researcher used Cronbach's alpha; which is a correlation coefficient between two data sets. Reliability of the questionnaire was determined using the results obtained. According to Cooper and Schindler (2008) the scores that are obtained from the test is referred to as reliability coefficient. The reliability coefficient ranges between 0 and 1. If the value of reliability coefficient is zero it implies that the test score is not reliable. If the value is higher it suggests that the test scores are more reliable. In this study, threshold value of 0.7 and above was acceptable reliability coefficient.

Reliability of each objective was determined using Cronbach's alpha. From the findings shown in Table 3.1 Personal Characteristics as an alpha of 0.793, Consumer Attitudes as an alpha of 0.764, Convenience as an alpha of 0.759 and Choices of Online Merchants has an

alpha of 0.783. This shows that all the variables are reliable since they exceeded the threshold value of 0.7.

**Table 3.1: Reliability Analysis**

Scale	Cronbach's Alpha	Number of Items
Personal Characteristics	0.793	6
Consumer Attitudes	0.764	6
Convenience	0.759	6
Choices of Online Merchants	0.783	6

**Source: (Researcher, 2019)**

### **3.7 Data Analysis and Presentation**

SPSS version 23 was applied in analyzing the data collected. Referencing of the received questionnaire was done and coding of the items done to facilitate entry of data. The study generated quantitative data. Descriptive statistics data analysis methods such as frequencies, and means were applied in analyzing collected data using closed ended questions. Presentation of data was done in form of tables, 2-D figures and pie charts.

### **3.8 Ethical Considerations**

Ethical clearance was obtained from Strathmore University's Institutional Board before commencement of data collection. A letter to permit data collection was also obtained from NACOSTI. The respondents were not coerced to provide information; they were allowed to provide information voluntarily. The respondents were assured of confidentiality and privacy of the information they provide; this ensure that they gave honest and consistent information. In order to ensure anonymity, the respondents were not required to indicate their identity/names in data collection instrument.

## CHAPTER FOUR

### DATA ANALYSIS, RESEARCH FINDINGS AND INTERPRETATION

#### 4.1 Introduction

Data analysis, findings and discussion of findings obtained from data collection are discussed in this chapter. This chapter also presents background information of the respondents and findings of the analysis based on study objectives. To discuss the study findings descriptive statistics was applied. Correlational analysis was conducted to determine the strength of relationship between the study variables. Regression analysis was also conducted so as determine the relationships between independent variables and the dependent variable, and to explore the forms of these relationships. The model summary reports the strength of the relationship between the model and the dependent variable. Analysis of variance determines the significance relationship between the study variables. Beta coefficients compare the strength of the effect of each individual independent variable to the dependent variable. This analysis assisted in understanding the relationship between the study variables. The findings on the relationships may be important to online shop operators, since it provides a more understanding on factors influencing choice of online shops by consumers.

#### 4.2 Response Rate

The respondents that were used in the study were 385 and all of them were issued with questionnaires, out of which 271 dully filled and returned their questionnaires which translated to a response rate of 70.4%. The rate of response was considered excellent and suitable to make inference on the study population because according to Mugenda and Mugenda (1999), a rate of response of 50% is considered to be adequate to make analysis and make a report, while a rate of 60% is considered to be good and that of 70% and above is considered to be excellent. In this study our response rate was above 70% and was therefore considered to be excellent.

**Table 4.1: Response rate**

Category	Frequency	Percent
Response	271	70.4

Non-Response	114	29.6
<b>Total</b>	<b>385</b>	<b>100.0</b>

**Source: (Researcher, 2019)**

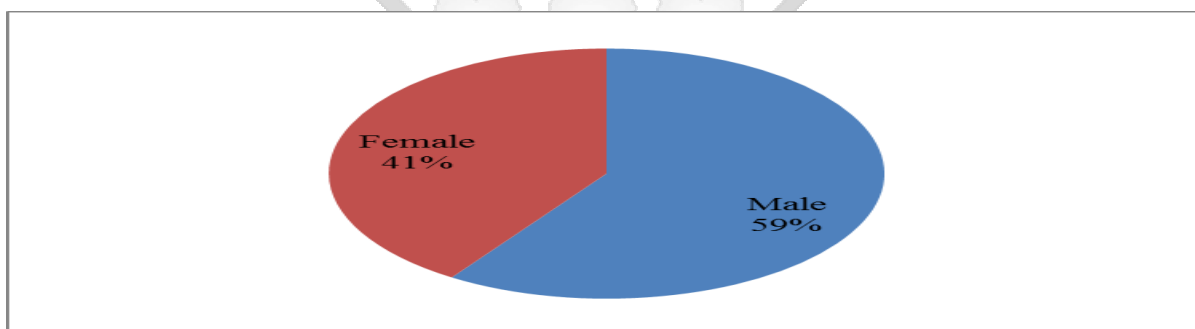
### 4.3 Demographic Information

This section sought to determine the demographic information of the study respondents.

#### 4.3.1 Gender of the Respondents

The study sought to establish the gender of the respondents. The results were as presented in Figure 4.1.

**Figure 4.1: Gender of the Respondents**



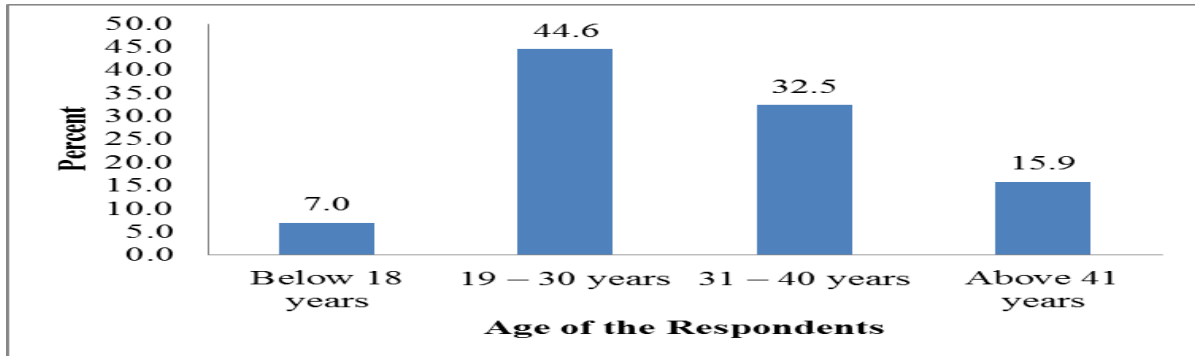
**Source: (Researcher, 2019)**

From the findings, 59% of the respondents were male while 41% were female. This is an indication that the study was not gender biased since both genders were fairly represented. Majority (59%) of the respondents were male which shows that majority of customers who shop in Jumia online platform is male. This implies that gender does affect choice of online shops. Monsuwe (2004) found that men are more interested in using various types of technology in the shopping process. Hence, men are found to be more positive about adopting online shopping. On the contrary, female shoppers prefer using catalogs to shop at home. However, once female showed preference in online shopping, they will shop more frequently online than their male counterparts.

### 4.3.2 Age of the Respondents

The respondents were asked to indicate the age bracket in which they belonged to. The results were as presented in Figure 4.2.

**Figure 4.2: Age of the Respondents**



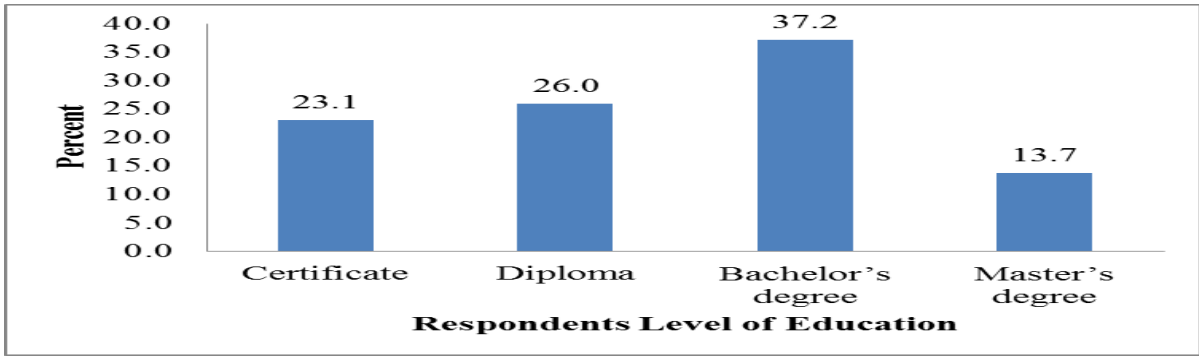
**Source: (Researcher, 2019)**

From the findings, 44.6% of the respondents were aged 19-30 years, 32.5% were aged 31-40 years, 15.9% were aged over 41 years, and 7% were aged below 18 years. This showed that the study used respondents of varied ages with most (44.6%) being aged 19 to 30 years. It also showed that most of customers who shop in Jumia online platform are young people (the youth). This implies that personal characteristics (age) affects online shopping. Sorce and Perotti (2015) noted that, while older online shoppers search for significantly fewer products than their younger counterparts, they actually purchase as much as younger consumers.

### 4.3.3 Respondents Level of Education

Respondents were asked to indicate their level of education. The results were as presented in Figure 4.3.

**Figure 4.3: Respondents Level of Education**



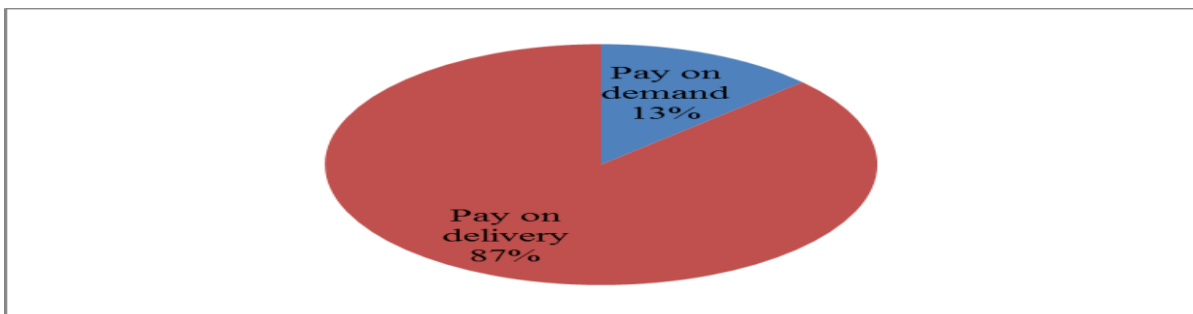
**Source: (Researcher, 2019)**

From the findings in figure 4.3, 37.2% of the respondents indicated that their level of education was bachelor's degree, 26% indicated diploma, 23.1% indicated certificate, and 13.7% indicated master's degree. This is an indication that the study used respondents with different level of education. Most (37.2%) of customers who shop in Jumia online platform had bachelor's degree as their level of education. This implies that consumer attributes (level of education) affects online shopping. Chua (2016) concluded that university graduates in Malaysia are the highest users of online shops. Swinyard and Smith (2013) found that more highly educated and higher income groups are more likely to buy online than the less well educated and lower income groups.

#### **4.3.4 Respondents Payment Preference**

The respondents were asked to indicate the form of payment they prefer under convenience. The results were as presented in Figure 4.4.

**Figure 4.4: Respondents Payment Preference**



**Source: (Researcher, 2019)**

From the findings in figure 4.6, 87% of the respondents indicated that they preferred paying on delivery while 13% indicated they preferred paying on demand. This showed that majority (87%) of customers who shop in Jumia online platform prefers paying on delivery. This implies that convenience affects consumer's payment preference. Kim & Park (2012) argued that customers' willingness to buy from online store is greatly affected by consumer's trust in giving their personal particulars and security for paying through credit card online. An easy way, an online seller can reduce the concerns customers have regarding risk is to carry brand name products as well as having a secure website host for their websites.

#### 4.4 Descriptive Statistics

Respondents were asked to indicate the level to which they agreed with some statements on the variables that were under study. They used a 5-point Likert scale where 1- Strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, and 5- Strongly agree. The results are presented in subsections hereunder.

##### 4.4.1 Personal Characteristics

Respondents were asked to indicate the level to which they agree with statements about the influence of personal characteristics on choices of online merchants over store merchants in Nairobi County. They used the 5-point Likert scale; the results were as shown in Table 4.2.

**Table 4.2: Influence of Personal Characteristics on Choices of Online Merchants**

Statements	Mean	Std. Dev.
I get the products I want online for my family	3.937	1.266
It is easy to find products needed for the family in the online shops	3.852	1.260
I can afford the products sold online	3.926	1.407
The online products meets my economic status	3.749	1.343
It is easy to purchase products in online shops	3.760	1.342
The online products are sold at a fair price	3.904	1.196

**Source: (Researcher, 2019)**

From the findings, the respondents agreed that they purchase products needed for their family online as shown by a mean of 3.937, they can afford the products sold online as shown by a mean of 3.926, the online products are sold at a fair price as shown by a mean of 3.904, it is easy to find products needed for the family in the online shops as shown by a mean of 3.852, it is easy to purchase products in online shops as shown by a mean of 3.760 and the online products meets my economic status as shown by a mean of 3.749. The findings concur with Keisidou, Sarigiannidis and Maditinos (2011) who reviewed how online merchant affect acceptance of online shopping and established that PIIT, product involvement and perceived security had positive effect on attitude toward shopping online. This implies individual's features influence the choice of online merchants.

#### 4.4.2 Consumer Attitudes

Respondents were asked to indicate their level of agreement on statements about the influence of consumer attitude on choices of online merchants over store merchants in Nairobi County, using the 5-point Likert scale. The results were as presented in Table 4.3.

**Table 4.3: Influence of Consumer Attitude on Choices of Online Merchants**

Statements	Mean	Std. Dev.
I trust the online media I use while shopping	3.815	1.337
I can get any product I want	3.941	1.195
I am able to compare different products in the online shops	3.900	1.337
I use online merchants because they deliver products	3.959	1.477
Online merchants provide an easy way of paying for the product	3.830	1.487
I buy from online stores only when I understand the information provided	4.011	1.407

**Source: (Researcher, 2019)**

From the findings, the respondents agreed that they buy from online stores only when they understand the information provided as shown by a mean of 4.011, they use online merchants because they deliver products as shown by a mean of 3.959, they can get any product they

want as shown by a mean of 3.941, they are able to compare different products in the online shops as shown by a mean of 3.900, online merchants provide an easy way of paying for the product as shown by a mean of 3.830, and they trust the online media they use while shopping as shown by a mean of 3.815. The findings are in agreement with Fong (2013) who studied attitude of customers regarding online shopping for famous fruit pickles in Penang and found that consumer's attitude was related to the decision on purchasing online. This shows that consumer attitudes influence the choice of online shops.

#### 4.4.3 Convenience

Respondents were asked to indicate their level of agreement on the following statements about the influence of convenience on choices of online merchants over store merchants in Nairobi County, using the 5-point Likert scale. The results were presented in Table 4.4.

**Table 4.4: Influence of Convenience on Choices of Online Merchants**

Statements	Mean	Std. Dev.
I can use online shop in any location	3.923	1.482
It is very fast to buy goods online	3.863	1.413
I like the 24 hours services provided by online merchants	3.937	1.266
I can select as many products as I want	3.797	1.417
Information on new products is usually provided	3.959	1.477
The purchasing procedure is easy	4.015	1.632

**Source: (Researcher, 2019)**

From the findings, the respondents were in agreement that the purchasing procedure is easy as shown by a mean of 4.015, information on new products is usually provided as shown by a mean of 3.959, they like the 24 hours services provided by online merchants as shown by a mean of 3.937, they can use online shop in any location as shown by a mean of 3.923, it is very fast to buy goods online as shown by a mean of 3.863, and they can select as many products as they want as shown by a mean of 3.797. The findings concur with Salehi, Abdollahbeigi, Langroudi and Salehic (2012) study on the impact of website information

convenience on e-commerce success of companies which found that convenience of information presented in a website leads a company to be successful in e-commerce through creation of loyal customers who will make purchases in the future and also by valuing customers through the provision of opportunities of saving time by searching in the right direction. From the findings, website information convenience influences online shopping. This shows that convenience influences the choice of online merchants.

#### 4.4.4 Choices of Online Merchants

Respondents were asked to indicate their level of agreement on the following statements about on choices of online merchants over store merchants in Nairobi County using the 5-point Likert scale. The results were as shown in Table 4.5.

**Table 4.5: Choices of Online Merchants**

Statements	Mean	Std. Dev.
Am able to select the products I want by myself	3.970	1.209
I can access online shops all the time	3.904	1.196
Online shops offer a variety of product brands	3.937	1.266
There are many online markets where one can get the products they want	3.753	1.196
Website adverts have influenced me to buy goods online	4.007	1.154
Purchasing goods/services online fits very well with my lifestyle	3.904	1.196

**Source: (Researcher, 2019)**

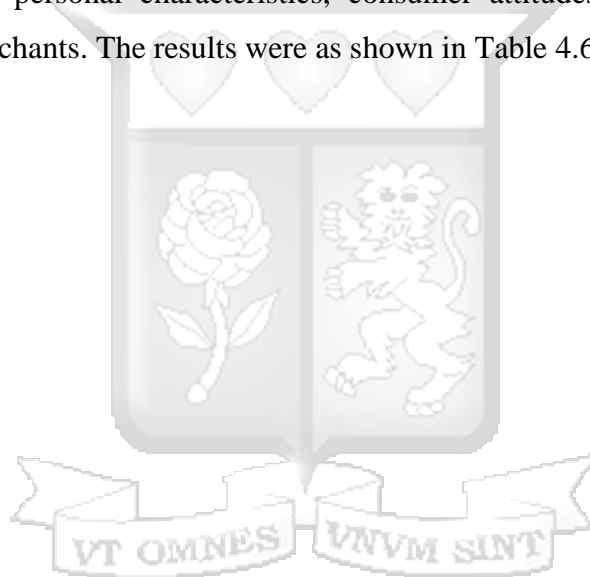
From the findings in Table 4.6, the respondents agreed that website adverts have influenced them to buy goods online as shown by a mean of 4.007, they can select the products they want by themselves as shown by a mean of 3.970, online shops offer a variety of product brands as shown by a mean of 3.937, they can access online shops all the time as shown by a mean of 3.904, purchasing goods/services online fits very well with my lifestyle as shown by a mean of 3.904, there are many online markets where one can get the products they want as shown by a mean of 3.753. Diallo, Chandon, Cliquet and Philippe, (2013) did a study on

factors that influence the behaviour of consumers towards the brand of a store: evidence from the French market. The findings showed that the perception on image of the store, price image of the SB, value consciousness and SB attitude significantly and positively affected SB purchasing behaviour. Familiarity to the store had positive influence to choice of SB but not on the intentions of buying the SB.

## **4.5 Inferential Statistics**

### **4.5.1 Correlation Analysis**

The relationship that existed between the response and the predictor variables was analyzed using correlation analysis. This study used Pearson Moment Correlation in determining the relationship between personal characteristics, consumer attitudes, and convenience with choices of online merchants. The results were as shown in Table 4.6.



**Table 4.6: Correlations Coefficient**

		Choices of online merchants	Personal characteristics	Consumer attitudes	Convenience
<b>Choices of online merchants</b>	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	271			
<b>Personal characteristics</b>	Pearson Correlation	.779**	1		
	Sig. (2-tailed)	.003			
	N	271	271		
<b>Consumer attitudes</b>	Pearson Correlation	.784**	.371	1	
	Sig. (2-tailed)	.001	.000		
	N	271	271	271	
<b>Convenience</b>	Pearson Correlation	.718**	.312	.309	1
	Sig. (2-tailed)	.004	.000	.000	
	N	271	271	271	271

**Source: (Researcher, 2019)**

The results established personal characteristics and choices of online merchants in Nairobi County were positively correlated as shown by  $r = 0.779$ , statistically significant  $p = 0.003 < 0.01$ ; consumer attitudes and choices of online merchants in Nairobi County were strongly and positively correlated as shown by  $r = 0.784$ , statistically significant  $p = 0.001$ ; convenience and choices of online merchants in Nairobi County were strongly and positively correlated as shown by  $r = 0.718$ , statistically significant  $p = 0.004$ . This suggests that personal characteristics, consumer attitudes, and convenience have effect on choices of online merchants in Nairobi County.

## 4.5.2 Regression Analysis

Regressions analysis was presented in table 4.8, 4.9 and 4.10. This covered the model summary, analysis of variance and coefficients.

### 4.5.2.1 Model Summary

Changes in response variable as a result of changes in predictor variables were determined using the model summary. Variations of choices of online merchants in Nairobi County due to the changes of personal characteristics, consumer attitudes, and convenience was analysed in this study.

**Table 4.7: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 <sup>a</sup>	0.794	.782	0.4468

**Source: (Researcher, 2019)**

Adjusted  $R^2$  was 0.782 which suggests that there existed 78.2% variation of choices of online merchants in Nairobi County due to the changes in personal characteristics, consumer attitudes, and convenience. The remaining 21.8% suggest that there exist other factors that affected choices of online merchants in Nairobi County that were not covered in this study. Correlation coefficient which is R shows the association that exists between the variables that are being studied. The findings reveal that the variables being studied were strongly and positively related as shown by a correlation coefficient value of 0.891.

### 4.5.2.2 Analysis of Variance

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The findings from ANOVA analysis showed that the population parameters had a p-value of 0.001. This suggests that the data was suitable for making conclusion on the population under investigation because the p-value was less than 0.05.

**Table 4.8: Analysis of variance**

	<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>Sig.</b>	<b>F</b>
1	Regression	37.237	3	12.412	98.102	.001 <sup>b</sup>
	Residual	33.782	267	0.127		
	<b>Total</b>	<b>71.019</b>	<b>270</b>			

The F critical was less than F calculated (2.638<98.102). This shows that data used in the study was significant.

#### 4.5.3.3 Beta Coefficients of the study Variables

The regression equation was

$$Y = 0.987 + 0.231X_1 + 0.213X_2 + 0.209X_3 + \varepsilon$$

The equation above revealed that holding personal characteristics, consumer attitudes, and convenience variables to a constant zero, will significantly influence choices of online merchants in Nairobi County as shown by constant =0.987 as shown in Table 4.9 below.

**Table 4.9: Regression Coefficients**

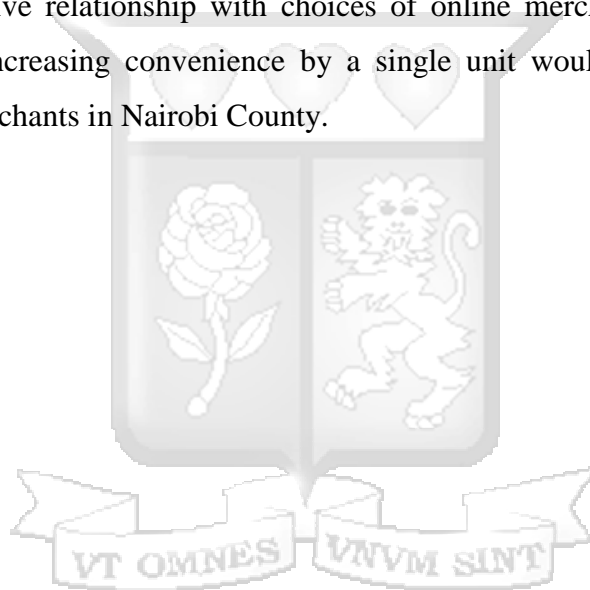
<b>Model</b>		<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
		<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
<b>1</b>	<b>(Constant)</b>	<b>0.987</b>	<b>0.098</b>		<b>10.071</b>	<b>0.000</b>
	Personal characteristics	0.231	0.111	0.227	2.081	0.006
	Consumer attitudes	0.213	0.153	0.209	1.392	0.005
	Convenience	0.209	0.187	0.204	1.118	0.005

The study sought to establish factors influencing customers' choices of online merchants in Nairobi County, with special focus on of Jumia. From the findings in Table 4.10, personal characteristics is statistically significant to choices of online merchants in Nairobi County as shown by ( $\beta = 0.231$ ,  $P = 0.006$ ). This suggests that at 95% confidence level, personal characteristics had significant positive relationship with choices of online merchants in

Nairobi County. This suggests that increasing personal characteristics by a single unit would lead to an increase in choices of online merchants in Nairobi County.

Consumer attitudes is statistically significant to choices of online merchants in Nairobi County as shown by ( $\beta = 0.213$ ,  $P = 0.005$ ). This suggests that at 95% confidence level, consumer attitudes had significant positive relationship with choices of online merchants in Nairobi County. This suggests that increasing consumer attitudes by a single unit would lead to an increase in choices of online merchants in Nairobi County.

Convenience is statistically significant to choices of online merchants in Nairobi County as shown by ( $\beta = 0.209$ ,  $P = 0.005$ ). This suggests that at 95% confidence level, convenience had significant positive relationship with choices of online merchants in Nairobi County. This suggests that increasing convenience by a single unit would lead to an increase in choices of online merchants in Nairobi County.



## **CHAPTER FIVE**

### **DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

Summary of the findings, conclusions and recommendations are presented in this chapter. The objectives of the study were addressed by the conclusions and recommendations made.

#### **5.2 Discussion of Findings**

This section covers the discussion of findings on personal characteristics, consumer attitudes and convenience.

##### **5.2.1 Personal Characteristics**

The study found that customers purchase products needed for their family online, the online products are affordable, the online products are sold at a fair price, it is easy to find products needed for the family in the online shops, it is easy to purchase products in online shops and the online products meets my economic status. These findings were in line with Keisidou, Sarigiannidis and Maditinos (2011) who studied character traits of online merchant and how they affect acceptance of online shopping and established that PIIT, product involvement and perceived security had positive effect on attitude toward shopping online. The theory of planned behaviour supports the study in that individual personal characteristics will influence their behaviour on online shopping.

##### **5.2.2 Consumer Attitudes**

The study established that customers buy from online stores only when they understand the information provided, customers use online merchants because they deliver products, customers can get any product they want, customers are able to compare different products in the online shops, online merchants provide an easy way of paying for the product and customers have their own account for using online shops hence its secure. The findings concur with Fong (2013) who studied attitude of customers regarding online shopping for famous fruit pickles in Penang and found that consumer's attitude was related to the decision

on purchasing online. The theory of planned behavior supports the study in those consumers' attitudes influence their behaviour on online shopping.

### **5.2.3 Convenience**

The study revealed that the purchasing procedure is easy, information on new products is usually provided, customers like the 24 hours services provided by online merchants, customers can use online shop in any location, it is very fast to buy goods online, and customers can select as many products as they want. The findings agree with the findings of Salehi, Abdollahbeigi, Langroudi and Salehic (2012) on a study on the impact of website information convenience on e-commerce success of companies and found that convenience of information presented in a website leads a company to be successful in e-commerce through creation of loyal customers who will make purchases in the future and also by valuing customers through the provision of opportunities of saving time by searching in the right direction. From the findings, website information convenience influences online shopping. The theory of planned behavior supports the study in that the convenience perceived by the consumers will influence their choice of online shops.

### **5.2.4 Choices of Online Merchants**

The study established that website adverts have influenced customers to buy goods online, online shops are easy to use, online shops offer a variety of product brands, customers can access online shops all the time, purchasing goods/services online fits very well with customers lifestyle, there are many online markets where one can get the products they want. The findings are in agreement with Diallo, Chandon, Cliquet and Philippe, (2013) who did a study on factors that influence the behaviour of consumers towards the brand of a store: evidence from the French market. The findings showed that the perception on image of the store, price image of the SB, value consciousness and SB attitude significantly and positively affected SB purchasing behaviour. Familiarity to the store had positive influence to choice of SB but not on the intentions of buying the SB.

### **5.3 Conclusion**

The study sought to determine the influence of personal characteristics on choices of online merchants in Nairobi County. The study found that customers choose to shop online because they can purchase products needed for their families, the products are sold at fair prices and it is easy to buy products online. The study concludes that personal characteristics influence the choices of online merchants.

The study assessed the influence of consumer attitudes on choices of online merchants in Nairobi County. The study found that customers prefer to purchase merchants online when the information provided is clear to them, they get access to whatever products they need and it's delivered to them. They are able to compare different products and there is an easy way of paying for the products. The study therefore concludes that consumer attitudes influence the choices of online merchants in Nairobi County.

The study sought to assess the influence of convenience on choices of online merchants in Nairobi County. The study found that customers are provided with information regarding new arrivals, and the procedure of making purchase is easy, so is the payment process, also, the stores can be accessed anytime and anywhere and there is no restriction of the quantity of purchase. The study therefore concludes that convenience influence the choices of online merchants in Nairobi County

### **5.4 Recommendations**

The study found that personal characteristics affect the choices of online merchants in Nairobi County. The study therefore recommends that the online store should consider the customers personal characteristics and incorporate them in their shopping platform in order to cater for all the needs of different customers and therefore increase their satisfaction and in return increase their loyalty which in return increases the shops sales volume and in return increasing their profitability.

The study found that customers shopped online when they knew that it was secure. The study therefore recommends that the online shops/retailers should develop various risk-reducing

strategies and also conduct campaigns to educate customers on online shopping this will increase their customer base.

Online shops 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.

The study found that ordering and transaction procedures that are safe and easy to use is what motivates customers to make online purchase. The study therefore recommends that the online stores should focus on make the processes much easier, secure and efficient to lure more customers.

### **5.5 Suggestions for Further Studies**

This study sought to establish factors influencing customers' choices of online merchants in Nairobi County, with special focus on of Jumia. The study recommends replication of the research study in other online shops like Kilimall. Another study can also be conducted using a sample selected in different counties other than Nairobi to facilitate generalization of the research findings.

### **5.6 Limitations of the Study**

The study was limited to Jumia online shop. The study used consumer characteristics, attitude and convenience as factors influencing the choice of online shops. The study also used questionnaires as the only instrument of data collection. The customers who shop at the Jumia platforms were targeted. Further, the study adopted a descriptive research design.