SOCIAL MEDIA FACTORS INFLUENCING CONSUMER BUYING INTENTION: A CASE STUDY OF UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA STUDENTS.

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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MARY WANJIRU WAWERU

A Research Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Master of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2017
DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ___________________________ Date: ___________________________

Mary Wanjiru Waweru (ID: 645423)

This project report has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________ Date: ___________________________

Dr. Kefah Njenga

Signed: ___________________________ Date: ___________________________

Dean, Chandaria School of Business
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ABSTRACT

The aim of this study was to investigate the social media factors affecting the consumer buying intention. The study was guided by the following research objectives; Finding out how perceived value influence consumer buying intention. To examine how perceived risk affects the consumer buying intention and to establish how trust influence the consumer buying intention among university students who are consumer of social media services in United States International University-Africa.

The study used a descriptive research design. The population for this study comprised of 6550 graduate and undergraduate students in United States International university- Africa. Stratified random sampling technique was used to acquire a required sample size. The sample size for the study was 377 students. Primary data collection through self -administered questionnaires was used. The study used quantitative tools such as measure of central tendency which includes mode, median, mean, Standard Deviation, frequencies and percentages. Correlation and regression were also used to describe the degree of relationship between variables used. To achieve these, the study used SPSS program. The findings were summarized and presented in form of tables and figures.

The first research objective sought to find out how perceived risk affects the consumer buying intention amongst United State International University students. The study confirmed that there is a low financial risk in buying products and services or acquiring information about products and services through social media platforms. It also confirmed that the probability of getting poor-quality products and services as well as the probability of wasting a lot of time on buying products and services through social media platforms is low. The study further indicated that leaking of privacy in purchasing products and services was not significant and customers would hardly get under social pressure in purchasing products and services. Finally the probability of harming physical and psychological health by purchasing products and services through social media platforms is low.

The second research objective sort to establish how trust influence consumer buying intention. The study confirmed that many of customers find it hard to trust information in the social media sites as well as the friends they interact with online. The study further indicated that the social media platform used were not trustworthy however the customers will share their good
experience with their friends about buying products or acquiring information on social media platforms.

The third research objective sought to find out how value influence consumer buying intention. The study indicated that when customers acquire information about products and services on social media platforms they get to know their quality and function better. It further indicated that customers can find products and services that are more suitable for their personal quality and styles as they also save a lot of time and energy acquiring information about products and services on social media networks.

The study concluded that customers do not perceive risk as a hindrance to the online buying. The financial risk, privacy disclosure, time invested and harm that may be incurred by the customers are not significant to their online buying of products and services. Further, trust based on the information, friends and social media platforms used are key aspects that affects the customer buying intention. Finally, customer perceives value on the products and services they get online, the quality that suits their style and the time they invest acquiring information about the products and services on social media networks.

The study recommends that those who are offering product online should not be worried about the issues of risk since it has no significant correlation with consumption. The study also recommends that the necessary policies to govern the social media activities should be implemented. It further recommends the firms to align their value proposition so as to achieve a sustainable competitive advantage. Lastly other sectors and variables be studies so as to have a more conclusive empirical evidence on the subject.
ACKNOWLEDGEMENT

I thank God for giving me the knowledge and strength to complete my studies. The success of this project depends largely on the encouragement and guidelines of many others. I would like to appreciate my supervisor Dr. Kefah Njenga for his guidance. I would also like to express my heartfelt thanks to my family for their prayers and blessings.
DEDICATION

To my dear husband Joseph Ngugi, son Lewin Rauh and daughter Lesley Nyambura.
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<table>
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<th>Description</th>
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<tbody>
<tr>
<td>AOL</td>
<td>American Online</td>
</tr>
<tr>
<td>ATB</td>
<td>Attitude Toward Behaviour</td>
</tr>
<tr>
<td>SN</td>
<td>Subjective Norms</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>T.V.</td>
<td>Television</td>
</tr>
<tr>
<td>TAM</td>
<td>Technology Acceptance Model</td>
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<tr>
<td>TPB</td>
<td>Theory of Planned Behaviour</td>
</tr>
<tr>
<td>TRA</td>
<td>Theory of Reason Action</td>
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<tr>
<td>U.S.</td>
<td>United State</td>
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<tr>
<td>UGC</td>
<td>User Generated Content</td>
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<tr>
<td>USIU</td>
<td>United State International University</td>
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<tr>
<td>VR</td>
<td>Virtual Reality</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Social media is defined as a group of internet-based applications that builds on the ideological and technological foundations of Web 2.0 allowing creation and exchange of information or content. Social media can be classified into blogs, virtual social world, social networking site, collaborative projects, communities and virtual game worlds (Kaplan & Haenlein, 2010). Social media describes the way in which content mostly news and opinions have become accessible to everyone by the Internet and the role people now play not only in consuming and conveying information to others, but also creating and sharing content with them (Cook, 2008). Social media has brought revolutionary new ways of interacting, participating, cooperating and collaborating and involves users generating content and connecting with people through many-to-many, rather than the traditional one-to-many communication approach.

Human beings are social and therefore, consumers are partaking in variety of activities, from consumption of content to sharing knowledge, experiences, opinions, and involvement in discussion with other consumers online (Heinonen, 2011). The online world has become a new kind of social communication, connecting people to variety of online communities and has immensely grown in the past decade. This has enhanced meeting for groups that may never meet physically but still they are able to affect behavior including purchasing decisions (Evans, Jamal & Foxall, 2009).

Currently there is a rapid global growth in e-commerce which has transformed the purchasing behaviour of customers. The current information era has transformed the way companies and suppliers interact with consumers, with the consumer becoming more empowered, and in an era of stiff competition. This leave the consumer both empowered and confused in equal measures, resulting to consumers easily switching from one product to another or from one company to another without a substantial reason and with no loyalty to any particular company or product (Siew, Khalil & Ameen, 2012). This way it’s an obligation of companies and suppliers of products and services to get more interactive and attractive strategies of reaching
out to the consumers so as to maintain a significant customer base and competitive advantage (Yu & Wu, 2007). The companies have adopted online social networks that provides facilities for consumers to interact with one another, readily available information, comments, reviews, and rates that can help them for purchasing decisions in different ways (Heinrichs, Lim & Lim, 2011).

E-tailing which is the selling of goods and services through the internet, has found its way into the online platform as companies intensify their reach out to as many clients as possible. However online space by the retail industry has been received with different reactions in different geographical regions, age groups and consumer segments. The acceptance has grown gradually in some areas and fast in others (Shadkam, Kavianpour, Honarbakhsh & Hooi, 2013). For instance a country like China, with over 420 million internet users, the adoption has been quite speedy which has made it the highest per country usage in the world (Gong, Stump, & Maddox, 2013).

Social media is easy to use thus firms finds it a reasonably quick and affordable method of linking with its customers (Fischer & Reuber, 2011). This is beneficial more to small and medium-sized enterprises that normally have financial constraints or lack technical expertise necessary for other traditional, technical solutions (Stockdale, 2012; Zeiller & Schauer, 2011; Kaplan & Haenlein, 2010; Dyerson, 2009) and need short term and tangible value in any new undertakings (Stockdale, 2012; Mehrtens, 2001). However, to make sure that social media is used optimally, businesses must have a clear plan elaborating how it will be used and for what it will be used.

Today internet has incredibly grown making McLuhan’s Global Village a reality. According to Internet World Statistics done in June 2016, shows that 3.611 million people which is 49.2 percent of the world population have access to internet. Mobile internet is forecast to reach 71% of the population and the usage per device is forecast to be more than triple (Internet Society Global Report, 2015). Another study conducted by Wong (2014) in Malaysia, 91% of the Internet users shopped online regularly with (54%) of them admitting to have shopped online at least once a month and the rest (26%) shopping online once a week. Hub spot, an inbound marketing firm reported that, 81% of customers conduct online research before making big purchases. 44% of people starts their searches for products directly from Amazon,
compared to 34% who prefer using search engines like Google, Bing, and Yahoo for products search (Marketing Land, 2015).

The growth of internet usage has been heightened by the availability and popularity of smartphones, personal computers and Wi-Fi, allowing customers to readily get information on social network sites. Furthermore, social media has had a number of different effects, which includes shifting the place where business activities happen (from the desktop to the Web), moving bargaining power (from the firm to the consumer) and empowering customers (Berthon, 2012). With the rise of product and service reviews on Web-based platforms, social media is playing an important role in how the consumers make their purchase decisions. This have transformed the way individuals and organizations do their business by adopting social media platforms as a marketing tool. Social media has attracted hundreds of millions of users worldwide who clearly understands the benefit of this new technology. This presence of millions of users on social media sites is exciting for businesses and has opened new channels for interacting with important stakeholders like the consumers, suppliers and employees. Integration of social media with the various aspects of business processes and operations has surprisingly been adopted by different kinds of organization across the world (Crowe, 2011).

Social media is a two way forms of communication, giving the consumers an opportunity to actively participate in information creation and sharing and not just a receivers like in traditional forms of communication like TV and newspaper. Because of the reciprocal nature of social media, it intensely influences not only customers’ decision-making processes but management and operations as well (Chan & Guillet, 2011; Kotler, 2010; Leung, 2013). Research has shown that online marketing provides revenue opportunities for enterprises (Lee, 2010). Research also found that customer loyalty can be enhanced by use of online marketing (Kwon, 2013).

In a knowledge economy like Kenya, universities are considered to be very key institutions of production of high skills and knowledge that leads to innovation based on the universities core business of production, application and dissemination of knowledge. The higher education has become a central area of governments’ knowledge policies in many countries. In Kenya there are 22 public universities, 14 chartered private universities and 13 universities with Letter of
Interim Authority (LIA). As of October 10, 2016 there were 540 institutions accredited by the Authority, making it one of the largest education system in Africa.

Entry to public universities is coordinated by the Kenya Universities and Colleges Placement Service, established in 2014 to replace the Joint Admissions Board. University entry is based on the Kenya Certificate of Secondary Education with a minimum average grade of C+ (the average of 8 subjects, including the compulsory English, Kiswahili and mathematics) traditionally set as the minimum threshold. Certain university departments sometimes require higher grades in certain subjects related to the field of study. In recent years, due to higher demand for university places, the minimum average threshold for guaranteed entry to a public university has been raised to a B, although the threshold is expressed as a combined 8-subject overall points score – where individual subject grades are converted to points – rather than an average grade. In 2014, the threshold for degree programs was set at 60 points (B) for men and 58 (B-) for women. The threshold for diploma programs was a minimum overall grade of C-.

1.2 Statement of the Problem

Internet usage in Kenya has grown rapidly and has become a common way for transaction in businesses. And as has been seen in other industries, we expect Kenya to advance in the retail sector, with shopping malls coming up more like showrooms and many retailers purchasing online (Ndiang’ui, 2016). Several researchers such as; Juusola (2010); Chang and Chen (2008); Davis, Eroglu, and Machleit (2001) have indicated that web 2.0 technologies has been credited with the ability to increase social contacts, hasten business operations and enhance performance of retail outlets due to its characteristics that is not limited by distance, low cost, order taking and customer feedback conveniences anytime and anywhere. The population of Internet users in Kenya have increased from 3,995,500 million in 2010 to 31,985,04 million people in 2016 (Internet world statistics). Thus, many businesses have transformed or expanded their performance from traditional brick and mortars stores to online stores (e.g. Jumia and OLX) to focus on transactions of products or services through electronic systems such as Internet and other computer networks (Gondwe, 2010).

According to the Communications Authority of Kenya, the internet users in the country grew to 29.6 million during the second quarter of 2015 due to rapid acceptance of new mobile data
services. According to the authority, Kenya’s e-commerce segment is worth Ksh 4.3 billion, while a June 2015 survey of Kenyan consumers, published by Consumer Insight, found that only 7% of people had shopped online, leaving a huge room for growth. However, PayPal Online and Mobile Shopping Insights Study (2011) reveal that some people are still hesitant to shop online because of their lack of trust; especially in terms of seller reliability and process security. They hardly trust the online shopping, since they are unable to touch and feel the products before purchasing (Wong, 2014). This research therefore, investigated the factors that influence online consumer buying intention of United State University- Africa students. The current university students are regarded as generally technological savvy and rely strongly on the Internet for various purposes including online shopping (Valentine & Powers, 2013). These university students have significant purchasing and reference group power in the Kenyan market.

1.3 General Objective
The general objective of this study was to analyze the social media factors influencing consumer buying intention among the United States International University students.

1.4 Specific Objectives
1.4.1 To examine how perceived risk affects the consumer buying intention.
1.4.2 To establish how trust influence the consumer buying intention.
1.4.3 To find out how perceived value influence consumer buying intention.

1.5 Justification of the Study
The findings of this research will be of great use to the following stakeholders;

1.5.1 Online Providers
The study is aimed at finding out the factors that influence the consumer buying intention, therefore the online providers will be able to understand what their consumers considers before they make a purchase.
1.5.2 Government
There has been no clear policies set to govern the social media business therefore the findings of this research will be of importance to the government by helping in coming up with the policies that protect both the consumers and the providers.

1.5.3 Researcher
Considering no much research has been done on this area, this research will contribute to extant literature of social media and consumer buying intention.

1.6 Scope of the Study
The total population of this study was USIU-Africa students who access the Internet and the Social Media regularly. The study involved the graduates and undergraduates students who are 6550 according to the registrars’ records, 2017. The study was conducted from April 2017 to August 2017.

1.7 Definition of Terms
1.7.1 Social Media
Social media is defined as a group of internet-based applications that builds on the ideological and technological foundations of Web 2.0 allowing information or content to be created as well as exchanged. (Kaplan & Haenlein, 2010)

1.7.2 Purchasing Intention
Buying intention is a kind of decision making that studies the reason to buy a particular brand by consumer (Shah et al., 2012).

1.7.3 Perceived Value
Customer perceived value is define as the difference between customer’s evaluation of all the benefits and all the costs of an offering and the perceived alternatives (Kotler & Keller, 2012).

1.7.4 Perceived Risk
Perceived risk is defined as the uncertainty faced by consumer before or during the purchase process of a product or service (Stone & Gronhung, 1993).
1.7.5 Trust
Trust refers to the consumer perception towards online retailer’s behaviour based on their ability, kindness and honesty (Wang & Wang, 2012).

1.8 Chapter Summary
This chapter offers the background information on consumer buying intention through the social media. The penetration of internet usage in the world has been covered as well as the knowledge gap, research questions and definitions of the major terminologies to be used in the study. Chapter two covers the literature review on the concept of consumer buying intentions, chapter three gives the methodology used for this study, chapter four presented the findings of the study and recommendations and finally chapter five presented summaries of the research findings, conclusions and recommendations based on the research objectives of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This section discusses social media history, traditional media, the consumer buying intention, investigating how perceived value influence consumer buying intention, how perceived risk affects the consumer buying intention and examine how trust influence the consumer buying intention. It finally give a summary of the chapter.

2.1.1 Traditional Media
In today’s fast and ever changing consumer markets and technology playing an increasingly vital role in driving the strategies and tactics in the markets, marketing executives need to strike a balance between the traditional and the social media. During the 20th century, print, radio, and television emerged as the most common tools for reaching consumers with marketing messages. However the incision of web in the mid-1990s changed the focus of marketers who began focusing on clicks, cookies, and other online behavior, the marketing scene started to shift. However the traditional media is not yet dead. In reality, in 2012 only 23 percent of all U.S. advertising revenues came from digital media, with a 3 percent increase over 2011. Although newspapers and print publications are struggling and TV viewership has declined today’s shows claim only about 40 percent to 50 percent of the viewers their counterparts did a couple of decades ago, while newspaper ad revenues have declined by about 50 percent since 2005 (Greengard, 2014).

Traditional media are the origins of advertising and the most common form used by businesses on a daily basis. Despite its effectiveness through the years the traditional media, is facing challenges as the businesses are adopting new media to reach its target audiences (Grant, 2014). However there are many situations where the traditional media is actually preferred than the social media and it continues to serve as an important part of an overall marketing strategy. Within any market, television and print ads remains very effective tools for creating brand awareness and promoting products. They address a larger audience who may be older, non-computer literates and even those not able to access social media and at the same time covers a broad demographic and psychographic profiles.
2.1.2 History of Social Media

Social media are computer-mediated technologies that enables the creation and sharing of information, ideas, career interests and other forms of expression through virtual communities and networks, it is a platform that supports information exchange between users, (Obar et al., 2015). The origins of social media networking can be traced back to the 1980s Bulletin Board Systems (BBS). These systems allowed users to log in to share software and data as well as send private messages and post to public message boards (Zarrella, 2010). In the mid-1990s the American online (AOL) came up and it’s a true antecedent to today’s social network sites. The members in AOL would create communities which had complete members searchable profiles. At this time Yahoo had just setup an outlet, Amazon had started selling books and every house hold was endeavoring to acquire a personal computer.

In 1997, sixdegrees.com which is associated to actor Kevin Bacon, was established with an idea that no person is separate from another by six degree. Users were able to create profiles, invite friends, organize groups, and surf other user profiles. However this site encountered the challenges of spamming. More sites like asianavenue.com, blackplanet.com, migente.com were established with some still existing today. In 2002 the social networking opened up with the launch of Friendster. Friendster uses a degree separation concept that cultured it into a routine dubbed the “Circle of Friends,” which enhanced the concept that a rich online community should be between people who truly have common ties. In 2003 LinkedIn was introduced which has over the years networked business people who wants to connect with other professionals. Today LinkedIn boast over 300 million members. In 2003 MySpace was launched creating an environment for young adults to access music, music video and hipped feature filled environment. Over the time Myspace usage declined, leaving it now as a social networking site targeted to bands and musicians.

Since the incision of Facebook by Mark Zuckerberg’s in 2004, the social networking sites have seen so much revolution. Facebook started as a Harvard-only exercise and remained so for two years before finally being opened to general public in 2006. It was considered a big business and by 2009, Silicon Valley Paypal co-founder and billionaire Peter Thiel invested tens of millions of dollars just to see it flourish. Currently there are over 1.94 billion Facebook active users with the platform promoting honesty and openness. With the increase use of technology
like smart phones, tablets etc. has changed social networking and how individuals and groups communicate with one another completely. What used to sit on our desks now suitably fits in the palm of our hands, allowing us to effortlessly use functionality that were once reserved for several devices wherever we go. Mobile-based platforms has provided specialize experiences that involves the sharing of public images (Instagram), the private sharing of images (Snapchat), amplified reality (Foursquare), and location-based matchmaking (Tinder). People use these various services in conjunction with other platforms to build a complete, digital identity. In March 2014, Facebook acquired Oculus VR, a company producing virtual-reality headsets. Zuckerberg acknowledged the communication potential for the platform, emphasizing its potential uses in academics, viewing live events, and consulting with doctors face-to-face. Medical experts have even begun using virtual reality to treat anxiety and other mental illnesses.

According to Kaplan and Haenlein, (2010), confusion arises among academic researchers and managers regarding what precisely should be included under social media and how it’s different from concepts of Web 2.0 and User Generated Content (UGC). They suggest that it should be made clear the difference between these two related concepts. Web 2.0 is considered as the platform that has changed social media and is the depiction of the ideological and technological foundation, where it is a new way of using the World Wide Web by software developers and end users. In this platforms the content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion (Kaplan & Haenlein, 2010). User Generated Content (UGC) is the sum of all ways in which people make use of social media.

2.1.3 Classifications of Social Media

Many researchers may differ as far as the social media classifications are concerned but mainly they are social networking sites, blogs, wikis, virtual communities, content communities, collaborative projects and virtual games (Kaplan & Haenlein, 2010). Social networking sites are online platforms used by people to create social networks or social relations with other individuals who share same personal, career interests, activities, backgrounds or real-life connections. The site applications allow the Internet users to create personal profiles, invite others to join the site, access the profiles of other users, share information (text, pictures,
videos, and other links from the other sites), and send emails as well as instant messages to each other. The site owner controls access to the site and the online group discussions. The most common sites are Facebook, Ning, LinkedIn, and MySpace (Obar et al., 2015).

Collaborative blogs or collaborative projects allow many participants to work together on the same project (e.g., a research analysis, writing a dictionary, or group work project). These project participants can all edit the content of the project at anytime and anywhere to make it complete. Wiki is the most common collaborative site (Wikipedia). Wikis record all the activities contributed by a participants in the site and all participants in one course can share and contribute ideas to the course being discussed. Blogs, Microblogs, and Internet Forums are personal web pages where individuals can communicate with one another through texts and other multimedia like videos, audios, and pictures. A blogger or owner posts messages to their blog or they can upload information to the blogs or forums while their followers can view, download, and give comment to the messages. The most commons blogs and forums are Wordpress.com, Blogger.com, and Yahoo! Groups.com.

Content communities shares media contents like videos, pictures, audio clips, and PowerPoint presentations between users. Internet users can create an account for each of the Content communities, upload media content to the sites, and share the media content with one another. Sending a link to other users would be the easiest way to share the media contents. By clicking on the link it directs the user to the content page. YouTube for videos, Flickr for photos, and Slide share for PowerPoint Presentations. Virtual Game Worlds are online platforms where users can almost participate in games via personalized avatars in virtual worlds. World of Warcraft is the famous virtual game world. Virtual Social Worlds like second life allows Internet users to choose personalized avatars, their behaviors, their lives, and their acts in their virtual lives that are similar to their real lives. The users can meet each other at a certain place in the virtual world to do certain things together as they do in real life.

2.1.4 Consumer Buying Intention
Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah et al., 2012). Purchase intention will occur when an individual intends to purchase a certain commodity or service in the future. In E-Commerce, online purchase
intention is a situation when a consumer wishes to buy a particular product or service over the website (Chen, Hsu & Lin, 2010). Intention therefore is a key stimulant that drives a consumer to buying products and services (Hawkins & Mothersbaugh, 2010). Purchasing intentions being a main concepts that is studied in the marketing literature, it has drawn a lot of interest to the marketers to get to understand its relation to buying behavior. Marketers’ aim is to understand about consumers’ actual behavior through studying their intentions, this way they are able to make decisions related to their product and services, market segmentation and promotional strategies. Purchasing intention is equally important to understand for companies and managers who want to increase the sale of specific product for the purpose to maximize their profit and also helps in forecast sales of existing and new products and services (Ghalandari & Norouzi, 2012).

Theory of Reasoned Action (TRA) is a behavioural theory and model that was developed by Fishbein and Ajzen (1975). It forms the backbone of studies related with attitude-behaviour relationships arguing that beliefs influence attitude and social norms which tend to shape a behavioural intention by guiding or even dictating an individual’s behaviour. It continues to state that consumer buying intention is a concept of consumer’s attitude, assessment and external factors which is a key factor to predict consumer buying intention. They used the relationship between cognition, intention and behavior as their foundation in the Theory of Reasoned Action (TRA), and they found that: intentions are jointly determined by the persons’ attitude and subjective norm concerning the behavior. Therefore intention to purchase is one of the components of consumer’s cognitive behavior on how an individual intends to buy a specific product or service.

TRA has two main determinants of intention: attitude toward behaviour (ATB) and subjective norm (SN) associated with that behaviour. The attitude toward the behaviour (ATB) is the earlier attitude of a person toward performing that behaviour. It suggests that people think about their decisions and the possible outcomes of their actions before they can make a decision to be or not to be involved in a given behaviour. This theory views the intention of an individual to perform a given behaviour or not as the immediate determinant of action, and attitude is determined by the person’s beliefs and evaluation of behavioural outcomes. Therefore an individual who has a strong believe that positive outcomes will result from performing a
particular behaviour, then they will have positive attitudes towards that behaviour. On the other hand, if a person strongly believes that a particular behaviour will have a negative outcome, then there will have negative attitudes towards that behaviour. Subjective norm (SN) is the social pressure that a person experience to perform the behaviour. SN refers to an individual’s perception about what other people think of his or her behaviors (Leach, Hennessy, & Fishbein, 1994). What other individuals thinks, agree or disagree about the decision of a person to perform a given behaviour and how important these other individuals are to the decision maker play a vital role in them performing the behaviour. This will lead to a decision maker consulting others before making any decisions.

Azjen (1991) also mention that intention is the reason that persuades consumers thus influencing their behavior so hard that consumers are willing to try and the put a lot of effort in performing a respective behavior. According to Azjen, the possibility of an individual performing a certain behavior mainly depends on the strength of their intentions thus the higher the intentions to perform a certain behavior the higher the likelihoods that the respective behavior will be performed. The Theory of Planned Behavior (TPB) is an extension of the Theory of Reasoned Action which focuses on the individuals intentions to perform a given behavior (Ajzen, 2001). Behavior can be deliberative and planned, thus this theory aim is to predict deliberate behavior. This theory added to the existing Theory of Reasoned Action by providing a new construct- perceived behavioral control. This was important so as to overcome the limitations of TRA in dealing with behaviors over which people have incomplete freewill control (Liñán & Chen, 2009). Basically if two people are at the same level of intention to engage in a specific behavior but one has more confidence in their abilities, then the more confident person will be more likely to succeed than the person who doubts their own abilities (Ajzen, 2001).

The Theory of planned behavior explains intentions by personal attitude, subjective norms and perceived behaviour control (Liñán, 2004). Personal attitude refers to the degree to which a person has a favorable or unfavorable evaluation of their behaviour. Subjective norms measures the perceived social pressures on whether to perform or not perform a specific behaviors (Liñán & Chen, 2009. Subjective norms assumes normative beliefs which are interplated as how the important other individuals would like the person to behave. Also the
outcome evaluation which is the positive or negative judgments about each belief. Perceived behavioral control is the degree to which an individual feels that performance or nonperformance of the behavior in question is under his or her freewill control. Therefore perceived behavioral control affects behavior both through intentions and directly. The direct effect emerges when perceptions of the control and the individual’s actual control over the behavior are in agreement.

Figure 2.1 Model of the Theory of planned behaviour

Source: Ajzen, (1991)

Technology Acceptance Model (TAM) was adopted by Davis in (1998) to predict information technology acceptance and usage on the job. TAM excludes the attitude construct in order to better explain intention economically unlike TRA. TAM determines intention by evaluating the person’s attitude toward the use of that technology and their perception concerning its usefulness. These attitudes are formed from the beliefs a person embraces about the use of the technology. The first belief perceived usefulness is the user’s subjective probability that using a specific application system will increase his or her job performance. Perceived ease of use is the degree to which the user expects the system to be useful without so much efforts.
2.2 Perceived Risk and Consumer Buying Intention

Perceived risk is inevitable as suggested by many of e-commerce researchers. Consumers perceive online shopping more risky than a brick and mortar shopping (Xu, Lin & Shao, 2010). A study conducted by Neilsons’ in Malaysia (2011), security is a subject that raise a lot of concern where seven out of ten shoppers showed willingness to spend more while shopping online only if the safety measures were assured. Bauer (1960) developed perceived risk theory in marketing literature and suggested that consumer buying intention should be examined as a risk handling activity. Perceived risk was introduced in the context of offline consumer buying intention by Cunningham (1967), Jacoby and Kaplan (1972). In its initial stages perceived risk was divided into five dimensions namely; social, psychological, physical, performance and financial risk and later on, Peter and Tarpey (1975) added time risk. As e-commerce emerged, privacy risk, security risk, and source risk or e-retailer’s risk were also added.

In the e-commerce environment, performance, financial, privacy and time risk were found to be the main causes of concern Featherman and Pavlou (2003). Lim (2003) identified technology, vendor, consumer and product as the four main sources of perceived risk in regards to online shopping. Yen (2010) identified the types of perceived risk: namely channel related risk, product related risk and social related risk. Channel related risk perception is the risk related to the place where the product is obtained. In online buying, the channel related risk is experienced because of security and privacy issues, lack of touch, smell or direct access of the product which increase the perceived risk unlike in the traditional channels. Also there lack return and exchange policies and customer service of the e-retailers which increases the perceived risk on a purchase making the consumers to evaluate internet as risky and untrustworthy (Ruane & Wallace, 2013).

Naiya (2004) developed a model for measuring consumer’s perceived risk in online shopping with an aim to explore the consumer’s perception of risk in online shopping in China, he found that, purchasing process risk, time loss risk, delivery risk, financial risk, product performance risk, asymmetric information risk, privacy risk and e-retailer, source risk are the most common dimensions of risk. Cunningham et al. (2005) conducted a study on airline reservation services to find out whether internet application on reservation is more risky than the traditional
reservation methods in the five stages of consumer buying process. The results confirmed that perceived risk occurred in every stage of consumer buying process regardless of whether it’s online or traditional. Performance risk was the most significant issue in online airline reservation. This study also discovered that perceived risk is inversely related to usage of internet online reservation services.

Biswas and Burman (2009) studied how product digitalization influences consumers search intentions on the offline and online shopping interfaces and how the relationship may be facilitated by consumer’s perceived risk. The study also studied how perceived performance risk and transaction risk would separately influence search intentions across the offline and online shopping interfaces. Perceived performance risk for digitized products was found to be less than for non-digitalized products, however the effect was more in the online environment. Customers will search more on the internet if they perceive the performance risk is high and they will search less if the transaction risk is high.

Shopping cart abandonment is a common behavior in the e-commerce businesses. Rajamma et al. (2009) explored the causes leading to consumer’s tendency to abandon the shopping cart at the transaction completion stage. The study found perceived risk and transaction inconvenience to be the major reasons for shopping cart abandonment in the online shopping while waiting time risk was not related to the same. Transaction inconvenience is caused by complicated shopping processes, detailed registration forms and unrevealed charges thus contributing to the shopping cart abandonment. Revealing personal and financial details which increases perceived risk was also identified as a cause for shopping cart abandonment.

Martin and Camarero (2009) studied the firm and website characteristics used by consumers to understand the quality of the product and performance of the store thus affecting satisfaction and trust. The characteristics studied are reputation of the e-retailer and brick and mortar experience and the website characteristics studied are service quality, warranty, security and return policy and design and interactivity of the website. It was found that satisfaction from a previous purchase reduces perceive risk, followed by quality of service and security and privacy policies. It also found out that the company’s reputation and brick and mortar
experience also reduces the perceived risk. High perceived risk destroys both the purchase intention towards the website and also increases the possibility of customers switching to other websites (Yen, 2010). Research has proven that perceived risk can be reduced by increasing service quality which affects the customer’s satisfaction directly and positively (Bicen, 2015; Cho et al., 2014). There is a significant negative relationship between the brand image and perceived risk with consumers using a renowned brand name to reduce risk. (Lin et al., 2011; Wang, 2015), Perceived risk is significant in evaluation process of customers about a brand, in which a positive brand image may reduce the negative effects of perceived risk.

A study conducted by Suzanne and Paulo (2016) on finding out the travelers’ intention to purchase travel online: integrating trust and risk to the theory of planned behaviour found out that perceived risk has an influence on intentions to purchase travel online. Interesting it was noted even though trust and security in computer systems are increasing, perceived risk is still very vital to purchasing travel online. Therefore the online travel providers must provide secure and effective ways to reduce the perceived risk so as to encourage internet users to purchase the online travel. This research also outlined other risk reduction strategies to provide their customers with information on their consumer rights and personal data, having a security approval symbol, provide contact information, offer money back guarantees, and have high security standards that should be communicated to consumers, as well as clear privacy information protecting consumers’ personal information (Bigné et al., 2010).

A study conducted by D’Alessandro et al. (2012) investigating the impact of perceived risk and trust on online purchasing behaviour of expensive and high risk product such as gemstone, identified three antecedents of perceived risk privacy concern, security practices and type of internet marketing strategy used by the seller. They found out that the type of internet marketing strategy used by sellers, privacy concern and security policies influence buyers perceived risk to purchase gemstones online. The study also concluded that perceived risk reduces trust and online purchases. According to Ada, Cheung and Rob (2011), risk does not exist independently of the person who perceives the risk, then risk is a complex concept to manage and measure. Customer’s perceived risk possess a threat for companies as it lowers the customer’s satisfaction (An et al., 2010; Yoon & Lee, 2014), therefore a close and long-
term relationship between the customer and firms should be cultivated for it will reduce the risk perception in the customer’s purchasing behavior (Bataineh et al., 2015; Cheng & Lee, 2011).

The consumer may come up with risk-reducing behaviors to counter the high levels of perceived risk. This way the behaviors will either reduce the amount at stake or reduce the perceived uncertainty of the situation. (Meskaran et al., 2010) states that risk has a strong relationship with trust, thus a negative or positive effect of trust on risk and risk on trust. Zhang et al. (2012); Dai et al., (2014) identified eight dimensions of perceived risk which are social risk, economic risk, privacy risk, time risk, quality risk, delivery risk, health risk and after sales risk. The results of empirical testing proved that the five dimensions- health risk, quality risk, time risk, delivery risk and after sales risk significantly influenced online consumer’s purchasing behaviour. These five dimensions of perceived risk were found to have a negative influence on online consumer’s purchasing behaviour. The other three dimensions were found to be less relevant factors.

There is enough research proving that consumers’ perceived risks negatively affect trust and purchase intention, making it very important to clarify the concept of perceived risk (Eid, 2011; Kim et al., 2008; Kim, Han & Lee, 2013). Perceived risk is defined as a belief about possibility of negative uncertainty from an online commerce transaction (Kim et al., 2008). According to Kailani and Kumar (2011) consumers have uncertainties and perceive risks before purchasing a product or service. Perceived expected risk of loss in the consumer’s mind may cause consumers to change their mind on a purchase. The greater the perceived risk, the lower the buying intention to develop towards products or services. Cho (2010), states that there is low perceived risk if customers are buying from brick-and-mortar as compared to e-commerce. This is as a result of e-commerce not providing direct satisfaction on touch and feel of physical products even though the products are termed as high quality products (Wu et al., 2013).

Delivery risk is the possibility of loss, damage or products being sent to the wrong place after an online transaction has taken place (Zhang, Tan, Xu & Tan, 2012). Products could also be delayed or not received at all and at time there is the risk of damages if the product are not well packaged (Masoud, 2013). Therefore the firm should ensure the product isn’t damaged or
expired during the delivery thus assuring customers an effective and accurate delivery service. With accurate delivery service to customer, then the confidence level of placing the order and reduce the perceived risks of delivery is increased (Tsai & Yeh, 2010).

According to Yee and San (2011), quality directly affects the customer purchase decision. Therefore when a firm do not deliver the product in the right standard of quality then the firm will have failed to deliver the benefits (Zhang, Tan, Xu & Tan, 2012). When the perceived quality risk of the product is low, then the higher the probability of consumers purchasing online (Jaafar, Lalp, & Naba 2012). Privacy can be defined as the degree to which online shopping website is safe and protects the privacy of consumer information (Kyauk & Chaipoopirutana, 2014). Keith and Lowry (2013) in their study, information disclosure through the mobile devices showed that an increase in perceived privacy risk from the new mobile applications, will decrease an individual’s intention to reveal their information that will increase usage of the devices thus strengthening relationship marketing. Perceived benefits and risks should therefore push companies to enhance privacy setting which is a hindrance factor to mobile marketing activities (Chanh & Heo, 2014).

The mobile phone usage on a daily basis was found to negatively affect the privacy in regards to disclosure of information (Kim, 2013). Though sales are growing day by day using online platforms, concerns regarding privacy remain high among many online shoppers (Drennan et al. 2006; According to Noort et al. (2007) more than 69 percent of US Internet shoppers limit their online purchases because of the privacy and safety concerns of their personal information. However, Forsythe and Shi (2003) found that although privacy concern was cited as the key to online buying, it does not significantly impact the frequency of purchasing online and searching with intent to purchase. Product or performance risk occurs when a product does not meet the intended performance requirement. For this reason most probably people will not shop online. Product risk have noteworthy effect on the frequency of purchasing online (Forsytheand Shi, 2003). Therefore product risk is negatively associated with online shopping intentions.

Financial risk is defined as the probability of incurring money loss from a purchase (Sweeney et al., 1999). Online shoppers may lose their money online it is difficult them to easily discover
the online retail with the lowest price for a particular item, and for this reason they mostly will abandon the shopping carts (Egeln & Joseph, 2012). Also monetary losses may occur due to credit card fraud, which is a primary financial concern among online shoppers. In addition shoppers may be unwilling to purchase online due to other costs such as shipping. Hence it becomes a strong predictor of customers’ online purchasing intentions and behaviors such as abandoning online shopping carts, purchase frequency, online expenditures, and frequency of searching with intent to buy (Egeln & Joseph, 2012).

Financial risk is any possibility of losing money from a purchase (Sweeney et al., 1999). Online customers may lose their finances; first because they may not be able to identify e-retailers who offers products at lower prices. Secondly financial loss may occur due to credit card fraud, which is a key financial concern among online shoppers. This financial risk explains why online shoppers abandon shopping carts (Egeln & Joseph, 2012). According to Caterinicchia (2005) reports, online shoppers consider a financial loss if products purchased online do not perform as expected. Generally, financial risk negatively affects online shopping (Forsythe et al., 2006) and has been found to be a strong predictor of shoppers’ online shopping intentions (Bhatnager et al., 2004) and behaviors such as abandoning online shopping carts, purchase frequency, amount spent online, and frequency of searching with intent to buy (Egeln & Joseph, 2012; Forsythe & Shi, 2003).

2.3 Trust and Consumer Buying Intention

Trust is a very crucial aspect in exchange relations because it is the key element of social capital and it affects firm performance, satisfaction, competitive advantage and other economic outcomes like transaction costs and search cost reductions (Dwyer et al., 2007). Trust is of great importance because it provides many advantages for a company, especially in an era when consumers are becoming more skeptical about a company’s aim and conduct. It not only enforces a company’s positive reputation, but it also strengthens customer loyalty and the goodwill of regulators and the media (Keller, Parameswaran & Jacob, 2011). In e-commerce context, trust studies focuses on technological issues like privacy and security (Dwyer et al., 2007) and other key aspects of trust (Kim et al., 2008). Trust refers to the consumer perception towards online retailer’s behaviour based on their ability, kindness and honesty (Guo, Wang,
& Wang, 2012). It’s viewed as what interactional partners expects and also as acceptance and exposure to vulnerability (Beldad, De Jong & Steehouder, 2010).

Trust is very important for the success of online e-commerce (Azam, Qiang & Abdullah, 2012) and equally important factor in social interactions and in exchange relations (Azam et al., 2012) because of the higher levels of uncertainty about quality of products and trust amongst participants, increased fraud behaviors, lack of control and the transactions that are done online (Zhang, Liu & Zhu, 2005; Abdul-Ghani, Hyde & Marshall, 2011). Academic scholars have acknowledged that trust is a fundamental factor that enables e-commerce business to run successfully (Komiak & Benbasat, 2006; Gefen & Straub, 2010). This is because trust reduces uncertainty and therefore it is essential for commerce (Blau, 2008), and has been investigated to understand its impact on consumers’ fears of unreliability and cheating (Jones & Leonard, 2008). Due to limited direct interaction in an online transaction, perceived trust plays a vital role in E-commerce (Mohseni & Sreenivasan, 2014; Chai, Ndubisi, Uchenna, 2011). Thus, online consumers must trust the e-retailer and be sure that the website is not misused or contain illegal actions like insecurity and privacy issues or unfair prices thus trust play a major role in determining consumers’ intentions to purchase.

Trust in social networks plays an important role in attitudes towards shopping (Jiyoung, 2009). Research shows that social network participants can assure each other through their information exchange and experience, thus increasing trust which in return leads to willingness to purchase (Han & Windsor, 2011). When a customer trust an online transaction and the network, they will be influenced positively (McCole et al., 2010), and their intention to buy will be high (Lu et al., 2010; Shin, 2010). Trust plays a vital role in defining both a consumer’s behavioural intentions and actual behaviour (Shin, 2010). With the emergence of Web 2.0 and social customers are able to reduce their risk and increase social trust. This is because the applications on Web 2.0 and social media allows participation activities like customer ratings and reviews which are idea and good solution to overcome this barrier. The more trust a consumers has, the higher their intention to buy (Han & Windsor, 2011).

Scholars have argued that trust is a prerequisite for the success of e-commerce (Jayawardhena, Kuckertz, Karjaluoto, & Kautonen, 2009), reason being that consumers hesitates to make a
purchase unless they trust the seller or the brand. Trust is important in any relationship exchange because both parties depends on the other party to fulfill their promise. Trust in relationship marketing therefore serves as motivations in transactions that take place between the buyers and sellers. Chen, Yan, and Gordon (2015) found that when the consumer has great trust and commitment it influenced their purchasing decision therefore increasing the company’s’ revenue. It also reduces the uncertainty especially when the customer has no enough information about the company or its products. Trust also has a major influence on customer’s loyalty and satisfaction which are important factors for business success.

Kim, Ferrin, and Rao (2009) conducted a study on a trust based consumer decision-making model in electronic commerce, and revealed that a consumer’s trust can directly and indirectly affects a consumer purchase intention. The researchers found that a consumer’s trust has a positive effect on purchasing intention and also a negative effect on a consumer’s perceived risk. This explains that consumers are sensitive to their feelings and beliefs and therefore company’s offerings should be in line with this beliefs. The emergence and fast changes in technology has increased the competition in the market as well as stressed the importance of trust on service consumption by the consumers (Jha, Punia, & Rao, 2014). As e-marketing that reduces physical interaction continue to grow, business organizations should critically look into trust because it paramount to the growth. Chen, Yan, Fan, and Gordon (2015) found that trust regulate the relationship between perceived risk and overall satisfaction of the customer. When a target market is satisfaction with a company’s offerings, it assures a firm stability and also encourage additional references through word-of-mouth by the loyal customers.

Anthony, Henderson, and Kotz (2007), in their study argued that people prefer to reveal their identity while they are at home than when they are away from home. Such should encourage the business managers and owners to protect their customers’ information as way to increase purchase intentions. The swift growth in e-commerce technologies have raised high hope for marketing, but consumers’ lack of trust is a major hindrance its quick acceptance (Jurbert & Van Belle, 2013). Consumers’ trust, therefore, becomes very important factor in e-marketing mainly when consumers have little information about a company and its offerings.
In the E-Commerce environment, most consumers assume that large companies are more reliable and are able to influence their trust feeling and buying intention via online (Koufaris & Sosa, 2004). Consumers’ online buying intention may increase when consumers think that their privacy information are protected and insured (Chui, Lin, & Tang, 2005; Kim & Shim, 2002). As the online transaction is perceived to be more risky, the sense of trust can reduce the fear of uncertainty in online purchase, thus eliminate the psychological concern of customers about the e-retailers’ behavior (Mohseni & Sreenivasan, 2014). The online merchants should focus on having long-term relationship with their customers by delivering trust and transparency value. In other words, consumers would tend to engage in online purchase behavior if they perceive the online merchant is trustworthy and confident towards the process of online transaction.

Laroche (2009) suggests that variables such as customers’ trust in buying a particular brand can be used to measure the intention to purchase of consumer. The trust factor can include the customers’ interest as part of the overall decision making process in determining the intention of buyers. Trust in something before purchasing a brand and continuing to purchase a brand helps the scope of consumers’ intentions to purchase (Porter, 2009), while Schoen (2004) found out that there are loyal buyers whose purchasing decision is insensible to pricing, and buyers investing money in the brand that satisfy their needs which they extremely trust. There are several determinants considered as predictors of trust in online shopping; which are company reputation, perceived security, ease of use, privacy, perceived size and website quality. In this era company reputation is the major impact that can influence customers’ online trust and buying intention. Chen and Barnes (2007) stated that a high degree of online vendors have established online trust to boost online buying intention among consumers. According to Hess (2008) company reputation is heavily related to customers’ perceptions on company’s credibility and how much it takes care of consumers’ welfare.

Koufaris and Hampton-Sosa (2004) also mentioned that most of the internet shoppers assume that large companies normally have a high reputation, sustainable and longer exist in today’s competitive environment for online retailing industry. Although building a positive reputation of online vendor is very difficult and requires lot of resources such as time, money and human resources to support but it has become an essential criterion for consumers in online shopping.
especially for first-time consumers. In this respect, consumers may reduce their effort in searching for online vendors’ online reviews and feedback; hence more confidence and trust are present in those good reputation online vendors. Therefore, it is important to maintain good reputation of company since reputation can change over the period (Casalo et al., 2007).

Consumers assumes the larger size of the online vendor, the higher the level of consumers’ confidence and trust that the company is able to fulfill its promises, safe and high quality of products, friendly services and prompt delivery (Dolatabadi & Ebrahimi, 2010). Consumers form their first impressions on the trustworthiness of online vendor website based on its company size (Koufaris & Hampton-Sosa, 2004). According to Friedman et al., (2000) perceived security can be defined as consumers’ perception on how well the online vendor fulfill the basis security requirement such as integrity, authentication, encryption and non-repudiation in order to protect their personal information from threats, hackers or third parties. Additionally (Kim & Shim, 2002) perceived security as which consumers has a high level of trust that the online vendors is trustworthy and secure for them to disclose their sensitive information such as credit card information to the online transaction. Chen and Barnes (2007), concluded that perceived security of the website is positively related to consumers’ online trust as well as their online buying intention. This implies that consumers have a strong personal awareness of the security of the online vendor before participating in any online transaction in order to minimize the perceived environmental risks. According to Dolatabadi and Ebrahimi (2010), consumers have a strong prior belief about perceived security of the website, as they expect that their personal information such as private information or monetary information will not be viewed, stored, used or manipulated by third parties during the online transaction. (Chang & Cheng, 2009) also indicated that perceived security is one of the most important factors in building consumers’ trust, confidence and reduce their uncomfortable feeling to transmitting their sensitive information through Internet to online vendor.

Consumers are more likely to purchase products or services in the secure websites which have a high quality of security system and security policy to protect their privacy information from third parties. Studies had shown that the problem of privacy regarding to the website security system in the protection of personal information is always the top priority for online consumers during online transaction. According to Roman (2007) customers’ personal information such
as private information and monetary information have been collected by online vendors for decades, thus there is no doubt that consumers is concern about consumers’ privacy issues of the website. Hence, it has been argued that consumers’ online trust has a strong influence in the consumers’ perception of security and privacy when engaging online purchase transaction (Barnes, 2007).

The consumers’ perception on the ease-of-use of a particular system plays an important role in influencing consumers’ trust in online purchasing activities (Lee et al., 2006). Simple, easy to use and useful online websites will increase consumers’ trust, reduce asymmetric information process and it also positively influences consumers’ online buying intention (Kuo et al., 2009). Chiu et al. (2010) states the high level of trust and online buying intention is positively related to the perceived ease of use of the website. Hence, the more easier of a website to use by consumer, the higher the level of consumers’ buying intention as well as the higher level of consumers’ trust for future repeat purchase (Chau et al., 2007).

According to Kim, Xu, and Koh (2004) website quality plays an important role in determining consumer trust in online shopping. The quality of the web site affects the users’ view of the site because it is the portal through which transactions are conducted (Ahn et al., 2007). Besides that, in terms of a high quality website, multi-item scales has been developed to measure the entire online buying experience that includes the pre-purchase and post-purchase experiences of the customer (Wolfinbarger & Gilly, 2003). The more ease to use of the website and good website quality are more likely to build a high level of consumers’ trust and consumers’ buying intention in online shopping (Wang & Benbasat, 2007).

2.4 Perceived Value and Consumer Buying Intention.

Perceived value as a subjects have gained a lot of attention with many researchers of consumer buying intention increasing their investigation day after day (Piyathasanan et al. 2015). Value is very important in sustainability of any business (Gallarza et al., 2011). Customer perceived value is define as the difference between customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives (Kotler & Keller, 2012). According to Chen and Hu (2010), perceived value is defined as the consumer's overall valuation of a product in regards to what is received and what is given. This definition reflects four different meanings of value: value is low price, value is whatever the consumer wants in a product, value is the
quality gained for the price paid and value is what the consumer gets in exchange to what they gives. Therefore perceived value involves a trade-off between what the customers receives that is quality, benefits, utilities and what they give up in terms of prices, sacrifices, time to purchase and consume a product (Mayr & Zins, 2012).

Perceived value results such as customer loyalty and satisfaction make it very important concept in marketing (Gallarza, Gil Saura & Holbrook, 2011). With all important marketing activity being directed on value creation (Babin & James, 2010), marketers must understand their consumer buying intentions by learning their intention (Ghalandari & Norouzi, 2012). Marketing activities of any firm should match with consumers’ perceived positive values, this way it will have a positive effect both on the type of the customers’ positive perception of products and services and increase the sales performance of the companies (Chen & Chang, 2012). Since companies describe themselves in the context of their supply chain, it’s important for them to link and align their supply chain practices with expectations of their customer (Maleki & Cruz-Machado, 2013). Companies can have positive results by putting into consideration the customers’ desired values, exceeding their basic needs, ensuring they properly perceive and respond to consumers’ social, personal, and functional values (Chattalas & Shukla, 2015).

Several research shows that perceived value affects customers’ purchase intention because customers will consider the values they get from a product when judging their preferences (Chen & Chang, 2012; Weng & Run, 2013; Ponte, Carvajal-Trujillo, & Escobar-Rodriguez, 2015). Considering customers have expectations when purchasing and consuming products, when their expectations are fulfilled then the more valuable a product or service becomes to them (Bao & Sheng, 2011). Consumers with a positive and desirable perceived value and also have purchase intention will most likely purchase a particular brand (Aghazadeh, Gholipor & Bakhshizadeh, 2014). Considering that the concept of perceived value is related to product benefits, then it is important to understand how customers view it and the type of value dimension category that can be created by the company. In this regard, a number of authors have identified various value dimensions categories.
2.4.1 Product-Related Value

Product-related value is the customer perception that product is the source of value they are looking for, thus interplating the product as a bundle of benefits rather than as a bundle of attributes (Peter & Olson, 1990). The product being the main focus in purchase activities, where the customers spend their money, then they expect back some value from it. These value can be perceived from two important perspectives of customer needs which are the need for product function and the need for the pleasure of using the product. The need for product function is viewed by the customer as the tool that solves their problem or make their task easier. Meaning the product is exclusively valued based on its ability to perform its function which is the very basic need that every product should meet before the customer evaluate anything else about the product (Thompson, 1998).

The need for the pleasure of using the product is also considered by the customer as part of their basic need in that they want to have a good experience such as enjoying the use of the product which will eventually influence the customer perception of product value. Jordan (1998) defines this product pleasure as the emotional and hedonic benefits associated with product use. Several authors cited that emotional value has greater effect than the functional value (Sweeney & Soutar, 2001), however it’s worth noting that both functional and emotional benefits of the product are important aspect in customer perceived value, and have positive affect on satisfaction and loyalty (Lim et al., 2006).
2.4.2 Social-Related Value

In this perspective the customer view the society as the source of value. The customers view society as the place where they can acquire some value through their interaction with other people and they obtain much of their value when they feel that they are connected to others (Sheth et al., 1991). These benefits are interplated into two as needs for acceptance and the need for compliment. When a customer is accepted in the society it forms part of their basic need that affects customer satisfaction and loyalty (Gallarza & Gil, 2006)). Maslow (1943) argues that, being accepted in the society is part of basic need in which the failure of the product to fulfil this need will cause uncomfortable feeling which leads to unfavorable attitude and unfavorable behavior towards particular product. Different societies are governed by different norms and values which people must follow in order to be accepted in that specific society. The involvement of the norms in the society will influences the customer perception of value since the customer is viewed as individual who is portraying the cultural characteristic which depends on social shared values and norms (Yang & Jolly, 2009). Scholars have indicates that the need for acceptance in the society is strongly related to the common perception or behavior held by the majority of the people who live in that particular society (Pavlou & Chai, 2002; Yang & Jolly, 2009). Therefore a customer tend to behave as others so as to be accepted.
The need for compliment perspective, the customer sees the society as the place where they can be appreciated by other people they interact with. Every person naturally has a need for compliment which make them feel esteemed and feel great about themselves. For customers to be respected in the society, they will pursue those product that will help them to increase their social self–identity (Sweeney & Soutar, 2001). This enhancement of self-identity in society is part of the customer basic need in which the failure of the product to fulfil this need will lead to the uncomfortable feeling which leads to the less satisfaction. This need underlies the customer perception of value (Park et al., 1986). Maslow also describes the need for being appreciated as the higher level of customer basic need in which the failure to fulfil this need will make the individual feel anxious and tense. He also cited that customers endeavors to have self-esteem and self-respect which greatly leads to the desire for product that can help them look good and make a good impression on others. Several studies have indicated that having a good impression in the society can help to increase customer’s self-confidence thus enhance the self-esteem, in which it affects their perception of value towards a product that reflects value dimensions such as social value (Sweeney & Soutar, 2001) status value (Holbrook, 1999) esteem value (Holbrook, 1999) or reputation value (Petrick, 2002).

Figure 2.3 Customer needs in Social-related value
2.4.3 Personal-Related Value

Personal-related value is the consumption benefits that are strongly related to the values that a customer hold as a person - enduring beliefs that guide the way the people behave in daily life activities (Kahle, 1989). Every customer has values which influences their perception of value towards a product (Huber et al., 2001). This implies that consumption value can be attained when the customer feels that the product is in line with their beliefs, characteristic, goal, philosophy, principles, or anything that is important for their life (Khalifa, 2004). Personal-related value is strongly related to the self-identity held by the customer and this will make the customer to seek the products that enables them to enhance their self – esteem. It’s worth to note that the self-identity in personal-related value is a higher level than the self-identity in social-related value, in that the customer does not concern on getting respect from other people, but more importantly is how they respect their self as a person. Maslow explained this as the higher version of self-esteem whereby the customers need to be their self, not because they want to be respected by others, but because they want self-respect (Burns, 1979). Customers with personal-related value do not solely agree with the values that are commonly shared by the society, they have a different perception of what is good and bad (Leung et al., 2005).

There are two types of customer needs that need to be considered when evaluating personal-related value which are the need for being their selves and the need for doing good thing in life. In the need for being their selves the customers who as an individual is unique by nature, value the product based on how fits it is with their characteristic and rejects that which is in contrary (Holbrook, 1996). The need for doing good is measured by the customers through the goodness that a product offer to be shared with other individuals. This value is strongly related to the customer goal in life as the customer tend to think beyond their selves.
A study conducted on Iran’s luxury goods market so as to investigate the relationships of brand attitude, perceived value, and its dimensions with consumers’ buying intention, found out that the social, personal, and functional activities of the perceived value have a direct impact on purchase intention (Reza & Pool, 2016). Therefore management must be very keen on creating and maintaining value considering the importance of these variables. Companies will conduct various activities so as to influence their consumers’ perception with an expectation that the consumers perceive the values of the company’s products positively. However, it should be noted that the processes of evaluating consumers are subjective, complex, and uncertain processes and require comprehensive and continuous evaluation (Wang, Yeh & Liao, 2013). Therefore, companies should be cautious in choosing the social, personal, and functional strategic objectives, in which case they can absorb consumers’ positive attitude and increase their perceived value and intention to buy products.

Another study conducted by Jae (2015) on perceived value of game items and purchase intention in China found out that, the higher gamers perceive the value of items, the higher the possibility of making a purchase of the specific items. This also improves understanding of the users’ psychological factors of buying products. The perceived value on items by gamers was found to be significant as much as actual value. An investigation on the effect of purchasing items on the intention of playing game was also done and found out that, it has a positive impact on playing the games more. Therefore increasing the value of game items can increase...
the purchase of the items and grow the loyalty to game playing. Psychological value is therefore very vital for game companies as they design and produce game items because it increases also on their revenue generation.

Consumer Values Theory plays a very key role in understanding consumers’ behaviour in the online environment. It’s explained by the hedonistic and utilitarian values which are mainly the components that predicts the consumers shopping intentions (Blázquez, 2014). Hedonic consumption was introduced by Hirschman and Holbrook (1982). It’s defined as those aspects of consumer buying intention that relate to the multi-sensory, fantasy and emotive aspects of one’s experience with products. Hedonic comprises of leisure shopping, pleasurable shopping, recreational shopping and shopping enjoyment (Backstrom, 2011). Leisure shopping can be presented as – shopping as hunting, shopping as scouting, shopping as socializing. Shopping as hunting occurs when a customer get satisfaction, enjoyment while purchasing desirable objects, products for self-identity and self-formulation. Shopping as hunting targets consumers who are highly object-focused in searching for objects that perfectly fits their notions of the right style, brand or status. Shopping as scouting targets the consumers who delight a process of shopping by being in the marketplace, interacting with people as they purchase items of that interest them. Shopping as socializing is achieved when customers interactions with friends and family, consultancy and shared actions (Backstrom, 2011).

Utilitarian values are rational and task-oriented implying that product is purchased due to the need rather than pleasure, fun or enjoyment (Scarpi, 2011). Utilitarian shopping applies where the customer is convenience-seeking, variety seeking, searching for quality of merchandise, and reasonable price rate (Sarkar, 2011). According to Childers et al., (2001); both hedonic and utilitarian values are equally important in forming consumers’ attitudes towards online shopping. However several researches (Overby & Lee, 2006; Liao & Linn, 2007; Bridges & Florsheim, 2008; Sarkar, 2011; Blázquez, 2014) argues that consumer utilitarian value has a stronger impact on online buying intention. (Scarpi, 2012; Sarkar, 2011) concluded about strong relations between consumers hedonic values and retailers profit, underlining how differently internet impacts different types of consumers. Internet provides more values for hedonic customers as it allows personalization and customization, ability to enjoy videos,
music, and wide variety of products (Scarpi, 2012). With regards to the utilitarian consumers, who shops for convenience and want to shop within the shortest time possible, online shopping is ideal for them (Scarpi, 2012). However, research by Sarkar (2011) outlined that hedonic shoppers have fewer benefits shopping online than utilitarian shoppers because of the inability to taste, smell and touch the product. On the other hand utilitarian shoppers benefits from the convenience, ease of shopping, and product selection highly (Sarkar, 2011).

2.5 Chapter Summary

This chapter is a conceptual review of the research problem based on previous literature published which addresses the research objectives. It analyzes the social media factors affecting consumer buying intention, how perceived value influence consumer buying intention, examines how perceived risk affects the consumer buying intention and establishes how trust influence the consumer buying intention. The next chapter gives the methodology used for this study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this study was to analyse the social media factors that influence the customer purchasing intention amongst the United State International University-Africa students. This chapter presents the research design, target population, sampling design, data collection methods, research procedures and data analysis methods that were used in this study.

3.2 Research Design

Research design is the comprehensive plan, structure or strategy of collecting data with an aim of finding answers to various research questions (Cooper & Schindler, 2014). It comprises of what the study is about, why conduct the study, the location of the study, the data type required, the data course, the duration of the study, the sample design, data collection techniques, data analysis methods. Saunders also define research design as the general outline of how the researcher is going to answer the research questions explaining that the research design is a time based activity that revolves around the research questions (Saunders et al., 2016). This study used a descriptive research design to analyse the social media factors that influence the customer purchasing intention amongst the United State International University-Africa students. Descriptive research design describe characteristics and association between several variables in the same population (Leedy & Ormond, 2015). The design is also concerned with the descriptions of characteristics such as who, what, when, where of a subject population (Kumar, 2011).

3.3 Population and Sampling Design

3.3.1 Population

Population is defined as the full set of cases from which the sample is selected and which the researcher wants to generalize findings from (Saunders et al., 2016) and consists of all individuals, elements that have common characteristics and from which the researcher wants to study and generalize the findings (Cooper & Schindler, 2014). According to United State
International University registrar’s office, the total population of undergraduates and graduate students was 6550 by year, 2017.

Table 3.1 Population Distribution

<table>
<thead>
<tr>
<th>Population</th>
<th>Numbers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduates</td>
<td>5108</td>
<td>77.98</td>
</tr>
<tr>
<td>Graduates</td>
<td>1442</td>
<td>22.02</td>
</tr>
<tr>
<td>Total</td>
<td>6550</td>
<td>100</td>
</tr>
</tbody>
</table>


3.3.2 Sampling Design

Sampling design is a technique used to find a sample from the population under study. They can be stated as the procedures that a researcher uses to choose the elements required for the sample to be studied (Cooper & Schindler, 2014). Sampling is highly considered as it allows: lower cost, accurate results, quick data collection, and availability of population elements. The study used a stratified sampling technique to acquire a required sample size from among the graduates and the undergraduate students. The sampling design consists of the sampling frame, sampling technique and sample size as discussed below.

3.3.2.1 Sample Frame

Sampling frame is defined as the list of all elements in the population from which the sample is drawn and to which the findings of the study are generalized (Saunders et al., 2016). This study concentrated on the United State International University-Africa graduate and undergraduates students. The sample frame was gotten by randomly selecting both the graduate and undergraduate students within the campus.

3.3.2.2 Sampling Technique

According to Saunders et al., (2016), sampling technique is a process of selecting elements that will represent the whole population and to which the findings will be generalized. Sampling techniques can either be probability sampling or non-probability sampling (Creswell, 2014). Probability sampling is a sampling technique in which every element of the
population has an equal chance of being selected. On the other hand non-probability sampling technique, elements are selected based on personal convenience or judgment (Zikmund et al., 2013).

This study used both stratified simple random and convenience sampling technique. Stratified simple random sampling is a technique in which the population is divided into homogenous strata and a random sample is then selected from each stratum (Saunders et al., 2016). The sample for this study was stratified according to the degree levels-undergraduate and graduate-in United State International University-Africa. Then from the two strata the research used convinience sampling technique to get a sample of 100 students from each level. This was based on the conveniently available students to participate in study and the fact that a factor of 10 of the total variables is adequate for modeling.

3.3.2.3 Sample Size
The sample size is a subset of the population that constitute a sample (Creswell, 2013). Researchers must ensure the right sample size is selected so as to avoid biasness in the selection of the sample (Kumar, 2011). Scientific method should be used when selecting a sample size to avoid very small sample size that may give results that do not give the desired objective or very large sample size that would waste resources (Zikmund et al., 2013). However, when a large sample size is used, the lower the probability of error is in generalization of the population (Saunders et al., 2016). Yamane (1974) formula which is scientific was adopted for this study since the population is finite and is known. Yamane (1974) formula is specified as:

\[ n = \frac{N}{1 + N \varepsilon^2} \]

Where:

- \( n \) denotes the sample size
- \( N \) is the target population
- \( \varepsilon \) is the precision error.

This study used a precision error of 0.05 for it’s accepted in social sciences studies (Cooper & Schindler, 2014).

\[ n = \frac{6550}{1+6550(0.05^2)} = 376.978 \]

The sample size for the study was 377 students.
3.4 Data Collection Methods
This study used primary data collected through administering questionnaire. Data was collected from the graduates and the undergraduate students of United State International University. According to Christensen, Johnson, and Turner (2014), questionnaires are the most commonly used method of data collection for they enable a researcher to save time and is possible to collect a large amount of information in case of large population. However, to reduce the non-response rate they must be kept short. The questionnaire was divided into two sections, the first section captures general information about the respondents. The second section was subdivided into four sections that sought information about perceived risk, perceived value, trust and consumer buying intention. The questionnaires were self-administered to the respective respondents who were requested to show their response on a five-level Likert scale ranging from 1 to 5 where 1 reflected Strongly Disagree, 2 reflected Disagree, 3 reflected Neutral, 4 reflected Agree, and 5 reflected Strongly Agree.

3.5 Research Procedures
Reliability testing of an instrument in research is very important so as to determine its consistence and stability (Creswell, 2013). Validity of research instrument was determined by the researcher by seeking the views of experts in the field of study. In this study, views were sought from the lectures in the Chandaria School of Business that provided the necessary modification of the research instrument. To improve the response rate, a cover letter explaining the reason why the research was being conducted, why research was very important, why the recipient was selected and a guarantee of the respondent confidentiality were provided. The questionnaire were administered to students which took 10 to 15 minutes to complete. The questionnaires were administered to respondents by the researcher during class sessions. The researcher waited as the respondents filled in the questionnaires.

3.6 Data Analysis Methods
Data analysis is a research technique for the objective, systematic and qualitative description of the evident content of a communication (Cooper & Schneider, 2008). This study used quantitative data analysis to enhance quality of the research. According to Denscombe (2006) descriptive statistics involves a process of transforming a mass of raw data into tables, charts,
with frequency distribution and percentages, which are an important in giving sense of the data. Statistical Package for Social Sciences (SPSS) program was used for analysis and data presented in tables to bring out a clear picture of the research findings. The study used quantitative tools such as measure of central tendency which includes mode, median, mean, Standard Deviation, frequencies and percentages. These tools of analysis were used to determine views of commonality and deviations from commonality. Correlation and regression were also used to describe the degree of relationship between variables used.

3.7 Chapter Summary
This chapter has described the methodology and procedures that was used to carry out the study. It begun with an introduction underlining the general methodology and structure of the chapter. The chapter also highlighted the method that was used to conduct the research and its use justified. The population was defined and the sampling technique, technique, and sample size described. Finally, the data collection techniques and research procedures to be used have been discussed. The next chapter to follow is chapter four which discusses the results and findings of the study.
CHAPTER FOUR

4.0 DATA ANALYSIS AND RESULTS

4.1 Introduction
This chapter represents the data analysis results, presentation and interpretation. The presentation proceeds with an analysis of the descriptive statistics on the variables under consideration.

4.2 Response Rate
Table 4.1 indicates the response rate. Out of 200 questionnaires hand delivered to the respective respondents, 158 questionnaires were returned adequate for use in analysis bringing the response rate to 79%. This rate was above the expected response rate of 75% and thus was sufficient to perform data analysis.

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate Responses</td>
<td>158</td>
<td>79%</td>
</tr>
<tr>
<td>Inadequate Responses</td>
<td>42</td>
<td>21%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

4.3 Demographic Characteristics

4.3.1 Age of the Respondents
Respondents were asked to indicate their gender and the response was represented in Figure 4.1 below. Majority of the respondents (51%) were in the age bracket of 18-24 years, 44% were in the age bracket of 25-34 and 6% were in the age bracket of 35-46 years.
4.3.2 Gender of the Respondents

Respondents were asked to indicate their gender and the response was represented in Figure 4.2 below. 58% of the respondents who constituted the majority were male and 42% were female. This indicates that more male took part in the study than the females.

![Figure 4.2 Gender of Respondents](image)

4.3.3 Level of Education of the Respondents

The respondents were asked to indicate their education level and the findings presented in figure 4.3. From the figure above, 59% of the respondents were undergraduates and 41% were graduates.
4.3.4 History of Self-employment or Owner of Small-medium-sized Enterprises

The respondents were asked to indicate whether their parents are self-employed or owners of small-medium enterprises. The results were presented in figure 4.4. Majority of the respondents (79%) indicated that their parents were self-employed and owners of small-medium enterprises and 21% were not.

4.3.5 Length of Service

The respondents were asked to indicate the number of years their parents have been self-employed or owned and the years of experience
Table 4.2 Length of service

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years in self employment</td>
<td>114</td>
<td>1</td>
<td>50</td>
<td>14.47</td>
<td>10.685</td>
</tr>
<tr>
<td>Years of work experiences</td>
<td>144</td>
<td>0</td>
<td>28</td>
<td>3.87</td>
<td>4.588</td>
</tr>
</tbody>
</table>

4.3.6 Level of Management

The respondents were asked to indicate their level of management. The results are presented in figure 4.4. From the findings, 26% were line managers, 37% were middle managers, 10% were top managers, and 27% were from other managerial category.

![Figure 4.5 Level of Management](image)

4.3.7 Family Business Exposure

The respondents were asked to indicate whether they have ever been exposed to family business. The results are presented in figure 4.5. 64% of the respondents indicated that they have been exposed to family business and 36% had not been exposed to family business.
4.3.8 Family Background Economically

The respondents were asked to classify their family background economically, the results are presented in figure 4.6. 86% of the respondents stated that their family background was in the middle class, 7% in low class and 7% high class.

4.4 Descriptive Statistics of Variables

4.4.1 Perceived Risk

The study sought to find out the respondents opinion in reference to the variable perceived risk on consumer buying intention. The findings are as indicated in table 4.3. The findings indicate that 34% of the respondents agreed that there is a low financial risk in buying products and services or acquiring information about products and services through social media platforms, 26% agreed that the probability of getting poor-quality products and services through social media platforms is low, 36% agreed that the probability of wasting a lot of time on buying
products and services through social media platforms is low, 34% agreed that the probability of leaking my privacy in purchasing products and services through social media platforms is low, 48% agreed that the probability of getting me under social pressure in purchasing products and services through social media platforms is low. (Friends’ approval of my behaviour) and 40% agreed that the probability of harming my physical and psychological health by purchasing products and services through social media platforms is low (long time exposure to computer screen, anxiety of waiting goods arrival).

Table 4.3 Perceived Risk

<table>
<thead>
<tr>
<th>Perceived risk</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think there is a low financial risk in buying products and services or acquiring information about products and services through social media platforms</td>
<td>11</td>
<td>23</td>
<td>31</td>
<td>21</td>
<td>13</td>
</tr>
<tr>
<td>I think the probability of getting poor-quality products and services through social media platforms is low</td>
<td>18</td>
<td>29</td>
<td>27</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>I think the probability of wasting a lot of time on buying products and services through social media platforms is low</td>
<td>17</td>
<td>22</td>
<td>24</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>I think the probability of leaking my privacy in purchasing products and services through social media platforms is low</td>
<td>23</td>
<td>25</td>
<td>17</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>I think the probability of getting me under social pressure in purchasing products and services through social media platforms is low. (Friends’ approval of my behavior)</td>
<td>18</td>
<td>21</td>
<td>23</td>
<td>24</td>
<td>14</td>
</tr>
<tr>
<td>I think the probability of harming my physical and psychological health by purchasing products and services through social media platforms is low. (long time exposure to computer screen, anxiety of waiting goods arrival, etc)</td>
<td>16</td>
<td>20</td>
<td>23</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree
4.4.2 Trust

The study sought to find out the respondents opinion in reference to the variable trust on consumer buying intention, the findings are as shown in table 4.4. The findings indicate that 14% of the respondents agreed that information on social media is trustworthy, 25% agreed that friends on social media are trustworthy, 34% agreed that the social media they use is trustworthy and 64% agreed that they will share their good experience with their friends about buying products or acquiring information on social media platforms.

Table 4.4 Trust

<table>
<thead>
<tr>
<th>Trust</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think information on social media is trustworthy</td>
<td>20</td>
<td>27</td>
<td>39</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>I think friends on social media are trustworthy</td>
<td>22</td>
<td>28</td>
<td>25</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>I think the social media I use is trustworthy</td>
<td>12</td>
<td>18</td>
<td>36</td>
<td>28</td>
<td>6</td>
</tr>
<tr>
<td>I will share my good experience with my friends about buying products or acquiring information on social media platforms</td>
<td>10</td>
<td>7</td>
<td>18</td>
<td>29</td>
<td>35</td>
</tr>
</tbody>
</table>

KEY: SA - Strongly Agree, A - Agree, N - Neutral, D - Disagree, SD - Strongly disagree

4.4.3 Perceived Value

The study sought to find out the respondents opinion in reference to the variable perceived value on consumer buying intention, the findings are as presented in table 4.5. From the findings, 42% agreed that they acquire information about products and services on social media platforms, and they know their quality and function better, 61% agreed that they can find products and services that are more suitable for their personal quality and styles on social media platforms and 73% agreed that they can save a lot of time and energy acquiring information about products and services on social media networks.
Table 4.5  Perceived Value

<table>
<thead>
<tr>
<th>Perceived Value</th>
<th>SD  (%)</th>
<th>D  (%)</th>
<th>N  (%)</th>
<th>A  (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>After I acquire information about products and services on social media platforms, I know their quality and function better</td>
<td>10</td>
<td>22</td>
<td>27</td>
<td>27</td>
<td>15</td>
</tr>
<tr>
<td>I can find products and services that are more suitable for my personal quality and styles on social media platforms</td>
<td>2</td>
<td>11</td>
<td>25</td>
<td>35</td>
<td>26</td>
</tr>
<tr>
<td>Can save a lot of time and energy acquiring information about products and services on social media networks</td>
<td>5</td>
<td>8</td>
<td>14</td>
<td>34</td>
<td>39</td>
</tr>
</tbody>
</table>

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.4.4 Consumer Buying Intention

The study sought to find out the respondents opinion on consumer buying intention using social media platforms, the findings are as shown in table 4.6. The findings indicate that 63% agreed that using social media platforms help them make decisions better before purchasing goods and services, 67% agreed that using social media platforms increases their interest in buying products and services, 51% agreed that if they find out that the utility of the products or services is larger than personal devotions in terms of money, time and energy, they will consider buying this products or services and 56% agreed that they are very likely to buy products or services recommended by friends on social media platforms.
Table 4.6 Consumer Buying Intention

<table>
<thead>
<tr>
<th>Consumer buying intention</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using social media platforms help me make decisions better before purchasing goods and services</td>
<td>5</td>
<td>11</td>
<td>21</td>
<td>35</td>
<td>28</td>
</tr>
<tr>
<td>Using social media platforms increases my interest in buying products and services.</td>
<td>4</td>
<td>10</td>
<td>20</td>
<td>43</td>
<td>24</td>
</tr>
<tr>
<td>If I find out that the utility of the products or services is larger than personal devotions in terms of money, time and energy, I will consider buying this products or services</td>
<td>8</td>
<td>8</td>
<td>33</td>
<td>27</td>
<td>24</td>
</tr>
<tr>
<td>I am very likely to buy products or services recommended by my friends on social media platforms</td>
<td>6</td>
<td>11</td>
<td>27</td>
<td>32</td>
<td>24</td>
</tr>
</tbody>
</table>

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.5 Normality Test

The normality of data distribution was assessed by examining its skewness and kurtosis (Kline, 2005). A variable with an absolute skew-index value greater than 3.0 is extremely skewed while a kurtosis index greater than 8.0 is an extreme kurtosis (Kline, 2005). Cunningham (2008) stated that an index smaller than an absolute value of 2.0 for skewness and an absolute value of 7.0 is the least violation of the assumption of normality. The results of the normality test of the study variables indicated skewness and kurtosis in the range of -2 and +2 as shown in table 4.7. This implies that the assumption of normality was satisfied.
### Table 4.7 Assessment of Normality

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Skewness Statistic</th>
<th>Skewness Std. Error</th>
<th>Kurtosis Statistic</th>
<th>Kurtosis Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR1</td>
<td>158</td>
<td>.043</td>
<td>.193</td>
<td>-.844</td>
<td>.384</td>
</tr>
<tr>
<td>PR2</td>
<td>158</td>
<td>.319</td>
<td>.193</td>
<td>-.805</td>
<td>.384</td>
</tr>
<tr>
<td>PR3</td>
<td>158</td>
<td>.043</td>
<td>.193</td>
<td>-1.158</td>
<td>.384</td>
</tr>
<tr>
<td>PR4</td>
<td>158</td>
<td>.223</td>
<td>.193</td>
<td>-1.222</td>
<td>.384</td>
</tr>
<tr>
<td>PR5</td>
<td>158</td>
<td>-.009</td>
<td>.193</td>
<td>-1.116</td>
<td>.384</td>
</tr>
<tr>
<td>PR6</td>
<td>158</td>
<td>-.055</td>
<td>.193</td>
<td>-1.187</td>
<td>.384</td>
</tr>
<tr>
<td>T1</td>
<td>158</td>
<td>.159</td>
<td>.193</td>
<td>-.455</td>
<td>.384</td>
</tr>
<tr>
<td>T2</td>
<td>158</td>
<td>.194</td>
<td>.193</td>
<td>-.962</td>
<td>.384</td>
</tr>
<tr>
<td>T3</td>
<td>158</td>
<td>-.230</td>
<td>.193</td>
<td>-.579</td>
<td>.384</td>
</tr>
<tr>
<td>T4</td>
<td>158</td>
<td>-.831</td>
<td>.193</td>
<td>-.337</td>
<td>.384</td>
</tr>
<tr>
<td>PV1</td>
<td>158</td>
<td>-.122</td>
<td>.193</td>
<td>-.905</td>
<td>.384</td>
</tr>
<tr>
<td>PV2</td>
<td>158</td>
<td>-.470</td>
<td>.193</td>
<td>-.488</td>
<td>.384</td>
</tr>
<tr>
<td>PV3</td>
<td>158</td>
<td>-1.053</td>
<td>.193</td>
<td>.373</td>
<td>.384</td>
</tr>
<tr>
<td>CB1</td>
<td>158</td>
<td>-.683</td>
<td>.193</td>
<td>-.277</td>
<td>.384</td>
</tr>
<tr>
<td>CB2</td>
<td>158</td>
<td>-.750</td>
<td>.193</td>
<td>.061</td>
<td>.384</td>
</tr>
<tr>
<td>CB3</td>
<td>158</td>
<td>-.497</td>
<td>.193</td>
<td>-.371</td>
<td>.384</td>
</tr>
<tr>
<td>CB4</td>
<td>158</td>
<td>-.540</td>
<td>.193</td>
<td>-.388</td>
<td>.384</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>158</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 4.6 Exploratory Factor Analysis

Exploratory factor analysis was used to refine the constructs. The data was first run tests to assess its factorability using these indicators (Kaiser Meyer-Olin Measure of Sampling Adequacy, Bartlett’s Test of Sphericity and communalities). KMO Measures of Sampling Adequacy of manifest variables was above the threshold of 0.6 (Kaiser, 1974), and p-values for Bartlett’s test of Sphericity was significant (below 0.05) as indicated in table 4.8.
Table 4.8 KMO and Bartlett's Test

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>.710</td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>353.976</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td>Df</td>
<td>66</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

4.6.1 Total Variance Explained

Based on these Kaiser’s criterion, four factors, out of a total 12 factors, were imputed. Amongst themselves, they were able to explain 59.539% of the total variance in the data. Table 4.9 indicated that the four factors in the initial solution have eigenvalues greater than 1.5, with the threshold being eigenvalue greater or equal to 1.0 (Hair, Black & Babin, 2010).
### Table 4.9: Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component</td>
<td>Total Variance</td>
<td>% of Cumulative</td>
<td>Total Variance</td>
</tr>
<tr>
<td>1</td>
<td>2.988</td>
<td>24.897</td>
<td>2.988</td>
</tr>
<tr>
<td>2</td>
<td>1.656</td>
<td>13.798</td>
<td>1.656</td>
</tr>
<tr>
<td>3</td>
<td>1.348</td>
<td>11.231</td>
<td>1.348</td>
</tr>
<tr>
<td>5</td>
<td>.910</td>
<td>7.583</td>
<td>.910</td>
</tr>
<tr>
<td>6</td>
<td>.786</td>
<td>6.548</td>
<td>.786</td>
</tr>
<tr>
<td>7</td>
<td>.735</td>
<td>6.128</td>
<td>.735</td>
</tr>
<tr>
<td>9</td>
<td>.552</td>
<td>4.603</td>
<td>.552</td>
</tr>
<tr>
<td>12</td>
<td>.345</td>
<td>2.876</td>
<td>.345</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

<sup>a</sup> When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

Communality values to measure the variability of each observed variable that could be explained by the extracted factors were checked (Field, 2009). A low value for communality, for instance, less than 0.3, could indicate that the variable does not fit well with other variables in its component, and it is undesirable (Pallant, 2010). Communalities were above 0.5 signifying satisfactory factorability for all items as indicated in table 4.10. A simplified factor loading matrix or a pattern matrix, shown in table 4.9, is a matrix containing the coefficients or "loadings" used to express the item in terms of the factors, that is, interpretation of factors.
(Rummel, 1970). In this study, the pattern matrix coefficients ranged from 0.600 to 0.866 thus showing variables are almost perfectly related to a factor pattern.

Table 4.10 Pattern Matrix and Commonality.

<table>
<thead>
<tr>
<th>Items</th>
<th>Component</th>
<th>Consumer buying intention</th>
<th>Perceived Value</th>
<th>Perceived risk</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR4</td>
<td>Trust</td>
<td>0.749</td>
<td>0.592</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR5</td>
<td></td>
<td>0.646</td>
<td>0.531</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PR6</td>
<td></td>
<td>0.600</td>
<td>0.527</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T1</td>
<td></td>
<td>0.731</td>
<td></td>
<td>0.600</td>
<td></td>
</tr>
<tr>
<td>T2</td>
<td></td>
<td>0.866</td>
<td></td>
<td>0.737</td>
<td></td>
</tr>
<tr>
<td>T3</td>
<td></td>
<td>0.802</td>
<td></td>
<td>0.675</td>
<td></td>
</tr>
<tr>
<td>PV1</td>
<td></td>
<td></td>
<td>0.835</td>
<td>0.701</td>
<td></td>
</tr>
<tr>
<td>PV2</td>
<td></td>
<td></td>
<td>0.617</td>
<td>0.554</td>
<td></td>
</tr>
<tr>
<td>PV3</td>
<td></td>
<td></td>
<td>0.757</td>
<td>0.606</td>
<td></td>
</tr>
<tr>
<td>CB1</td>
<td></td>
<td></td>
<td>0.607</td>
<td>0.571</td>
<td></td>
</tr>
<tr>
<td>CB2</td>
<td></td>
<td></td>
<td>0.769</td>
<td>0.673</td>
<td></td>
</tr>
<tr>
<td>CB3</td>
<td></td>
<td></td>
<td>0.833</td>
<td>0.677</td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

4.6.2 Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) was then performed using AMOS 21.0 software to assess the reliability and validity of the measures before using them in the research model (Anderson & Gerbing, 1988).
Figure 4.8. Confirmatory Factor Analysis for Study Variables.

The CFA fit statistics of the overall measurement model for study variables was then extracted as shown in Table 4.11. The CFA model fit the data adequately since the fit indices were within an acceptable range (Gold et al., 2001).
Table 4.11 Measurement Model Fits

<table>
<thead>
<tr>
<th>Measure</th>
<th>Estimate</th>
<th>Threshold</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN</td>
<td>75.207</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>DF</td>
<td>59</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>1.275</td>
<td>Between 1 and 3</td>
<td>Excellent</td>
</tr>
<tr>
<td>CFI</td>
<td>0.951</td>
<td>&gt;0.95</td>
<td>Excellent</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.069</td>
<td>&lt;0.08</td>
<td>Excellent</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.042</td>
<td>&lt;0.06</td>
<td>Excellent</td>
</tr>
<tr>
<td>PClose</td>
<td>0.668</td>
<td>&gt;0.05</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Construct reliability was assessed by computing the composite reliability and the cronbach alpha of the constructs. The Cronbach alphas were all above the 0.6 threshold as specified for PLS analysis (Hair et al., 2006). Composite reliability of reflective items were all above the acceptable 0.7 threshold which means all the variables in the study exhibited construct reliability as indicated in table 4.12.

Table 4.12 Reliability of Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of items</th>
<th>Composite Reliability &gt; 0.7</th>
<th>Cronbach's Alpha &gt; 0.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Risk</td>
<td>3</td>
<td>0.732</td>
<td>0.713</td>
</tr>
<tr>
<td>Trust</td>
<td>3</td>
<td>0.816</td>
<td>0.749</td>
</tr>
<tr>
<td>Perceived value</td>
<td>3</td>
<td>0.745</td>
<td>0.705</td>
</tr>
<tr>
<td>Consumer buying intention</td>
<td>3</td>
<td>0.734</td>
<td>0.724</td>
</tr>
</tbody>
</table>
4.6.3 Convergent Validity.

Convergent validity was assessed using average variance extracted (AVE). Table 4.13 indicates that AVE of all constructs were above the 0.5 threshold indicating that the latent constructs account for at least fifty percent of the variance in the items. This indicates that the measurement scales exhibited adequate measurement validity (Hair et al., 2006).

4.6.4 Discriminant Validity.

In correlation matrix table 4.13, the diagonal elements in bold are the square root of the average variance extracted (AVE) of all the latent constructs. The discriminant validity is assumed if the diagonal elements are higher than other off-diagonal elements in their rows and columns (Compeau, Higgins & Huff, 1999). Discriminant validity was confirmed for the measurement model.

Table 4.13 Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Perceived Value</th>
<th>Trust</th>
<th>Perceived Risk</th>
<th>Consumer buying intention</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Value</td>
<td>0.733</td>
<td></td>
<td></td>
<td></td>
<td>0.538</td>
</tr>
<tr>
<td>Trust</td>
<td>0.345</td>
<td>0.709</td>
<td></td>
<td></td>
<td>0.502</td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>-0.050</td>
<td>0.042</td>
<td>0.765</td>
<td></td>
<td>0.585</td>
</tr>
<tr>
<td>Consumer buying intention</td>
<td>0.648</td>
<td>0.298</td>
<td>-0.105</td>
<td>0.816</td>
<td>0.667</td>
</tr>
</tbody>
</table>
The structural model fit statistics of the overall structural model for study variables was then extracted as shown in Table 4.14. The structural model fit the data adequately since the fit indices were within an acceptable range (Gold et al., 2001).

**Table 4.14 Model Fits for Structural Model**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Estimate</th>
<th>Threshold</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN</td>
<td>71.078</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>DF</td>
<td>51</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>1.394</td>
<td>Between 1 and 3</td>
<td>Excellent</td>
</tr>
<tr>
<td>CFI</td>
<td>0.933</td>
<td>&gt;0.95</td>
<td>Acceptable</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.091</td>
<td>&lt;0.08</td>
<td>Acceptable</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.050</td>
<td>&lt;0.06</td>
<td>Excellent</td>
</tr>
<tr>
<td>PClose</td>
<td>0.474</td>
<td>&gt;0.05</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Figure 4.9: Structural Model for Study Variables.
### Table 4.15 Path Coefficients

<table>
<thead>
<tr>
<th>Path</th>
<th>Unstandardised estimate.</th>
<th>Standard Error</th>
<th>Standardized estimate</th>
<th>T value</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB &lt;-- Perceived Risk</td>
<td>-0.052</td>
<td>0.083</td>
<td>-0.099</td>
<td>-0.63</td>
<td>0.529</td>
</tr>
<tr>
<td>CB &lt;-- Trust</td>
<td>0.21</td>
<td>0.091</td>
<td>0.193</td>
<td>2.308</td>
<td>0.022</td>
</tr>
<tr>
<td>CB &lt;-- Perceived Value</td>
<td>0.658</td>
<td>0.18</td>
<td>0.597</td>
<td>3.659</td>
<td>***</td>
</tr>
</tbody>
</table>

Perceived risk was found to have a non-statistically significant relationship with Consumer buying intention. Trust was found to have a positive and statistically significant relationship with Consumer buying intention. The path coefficient was positive and significant at the 0.05 level ($\beta=0.210$, $T$-value =2.308 $p<0.05$) as indicated in table 4.15 and figure 4.9. The positive relationship means if, Trust increases by 1, Consumer buying intention of the respondents will increase by 0.210. Perceived value was found to have a positive and statistically significant relationship with Consumer buying intention. The path coefficient was positive and significant at the 0.05 level ($\beta=0.658$, $T$-value =3.659 $p<0.05$) as indicated in table 4.15 and figure 4.9. The positive relationship means if, Perceived value increases by 1, Consumer buying intention of the respondents will increase by 0.658

#### 4.7 Overall Predictive Model

The quality of the structural model can be assessed by $R^2$ which shows the variance in the endogenous variable that is explained by the exogenous variables. Based on the results reported in figure 4.9, the $R^2$ was found to be 0.404 indicating that perceived risk, trust and perceived value taking can account for 40.4% of the variance in the consumer buying intention.

#### 4.8 Chapter Summary

The chapter presented the results of the study. It indicated that perceived risk does not affects the consumer buying intention. The chapter has also shown that information, friends and social medial networks level of trustworthiness affect the consumer buying behaviour. However customer are willing to share their good experiences on the social media platforms with their
friends. It finally showed that perceived value has a great impact on consumer buying intention as customer will evaluate the value proposition before they make any purchase. Chapter five gives the summary, discussions, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter gives the summary of the study, discussions and recommendations from the study. The data is presented in a way that answers the research objectives that were raised in chapter fourth of this study.

5.2 Summary of the Study
The purpose of the study was to investigate the social media factors affecting the consumer buying intention amongst the United State International University students. The study was seeking to investigate the following research objectives; To examine how perceived risk affects the consumer buying intention, to establish how trust influence the consumer buying intention and finding out how perceived value influence consumer buying intention.

The scope of the study was the entire population of students at USIU-Africa who actively uses the Internet and the Social Media. Descriptive research design was used with the target population of about 6550 students of USIU-Africa both graduate and undergraduates. The sampling frame from this study was gotten from a list of students who gave information on the social media factors affecting consumer buying intention. Stratified sampling technique was used and the sample size of 377 students was determined using Yamane (1974) formula. Primary data collection method was used through self- administered questionnaires. Quantitative data analysis method was used. The respondent demographics were the first to be analyzed with descriptive analysis (frequencies and percentages) and then the correlations to determine the relationships between the variables was done. Tables and figures were used summarize the findings.

The first objective sought to examine how perceived risk affects consumer buying intention. Perceived risk was found to have a non-statistically significant relationship with Consumer buying intention. The study indicated that 34% of the respondents perceives a low financial risk in buying products and services or acquiring information about products and services through social media platforms. The probability of getting poor-quality products and services
through social media platforms was low at 26% and 36% of the respondents agreed that the probability of wasting a lot of time on buying products and services through social media platforms was low. Leaking of privacy in purchasing products and services through social media platforms was 34%. 48% agreed that the probability of getting under social pressure in purchasing products and services through social media platforms was low and finally 40% agreed that the probability of harming their physical and psychological health by purchasing products and services through social media platforms was low.

The second research objective sought to establish how trust influence the consumer buying intention. Trust was found to have a positive and statistically significant relationship with Consumer buying intention. The path coefficient was positive and significant at the 0.05 level ($\beta=0.210$, $T$-value =2.308 $p<0.05$). This positive relationship means that, if trust increases by 1, then consumer buying intention of the respondents will increase by 0.210. The findings indicate that 14% of the respondents agreed that information on social media is trustworthy, 25% agreed that friends on social media are trustworthy, 34% agreed that the social media they use is trustworthy and 64% agreed that they will share their good experience with their friends about buying products or acquiring information on social media platforms.

The third objective sought to finding out how perceived value influence consumer buying intention. Perceived value was found to have a positive and statistically significant relationship with Consumer buying intention. The path coefficient was positive and significant at the 0.05 level ($\beta=0.658$, $T$-value =3.659 $p<0.05$). The positive relationship means if, perceived value increases by 1, then consumer buying intention of the respondents will increase by 0.658. From the findings, 42% approved that they acquire information about products and services on social media platforms, and they know their quality and function better. 61% agreed that they can find products and services that are more suitable for their personal quality and styles on social media platforms and a lot of time and energy acquiring information about products and services on social media networks can be saved at 73% of the respondents.
5.3 Discussion

5.3.1 Effects of Perceived Risk on Consumer Buying Intention

The findings from this study showed that risk has no significant relationship with the consumer buying behaviour. 34% of the respondent perceive that there is low financial risk in buying products and services or acquiring information about the products and services through social media platforms. This is contrary to a study conducted by Neilsons’ in Malaysia (2011), which cited that seven out of ten shoppers were willing to spend their finances only if safety measures were assured. Rajamma et al. (2009) also conducted a research to explore what makes the consumer to abandon the shopping cart at the transaction completion stage. The study found perceived risk and transaction inconvenience to be the major reasons for shopping cart abandonment in the online shopping. The customers preferred abandoning the shopping carts instead of revealing of their personal and financial details in the online platforms.

Customers will evaluate the quality of a product before doing any purchase, 26% of the respondent in this study agreed that the probability of getting poor-quality products and services through social media platforms is low. However according to Yee and San (2011), quality directly affects the customer purchase decision, therefore a firm should deliver the product in the right standard of quality so as to fulfil the expected benefits of the product. This study also goes against the findings of Wu et al, (2013), which indicated that customers will be satisfied with a product’s quality when they touch and feel the physical product and thus prefers buying from brick-and-mortar as compared to e-commerce. A study by Yen (2010) on channel related risk identified that, lack of security and privacy, lack of touch, smell or direct access of the product increases the perceived risk unlike in the traditional channels. Also there lack return and exchange policies and customer service of the e-retailers which increases the perceived risk on a purchase, this makes the consumers to evaluate internet as risky and untrustworthy.

Further it showed that the probability of wasting a lot of time on buying products and services and leaking of privacy in purchasing products and services through social media platforms is low. This is against the outcomes of a study by Keith and Lowry (2013), which showed that information disclosure through the mobile devices had increased privacy risk from the new
mobile applications. The mobile phone usage on a daily basis was found to negatively affect the privacy in regards to disclosure of information. It further cited that this decreased individual’s intention to reveal their information which would be crucial in strengthening relationship marketing. It also disagrees with the research according to Noort et al. (2007), where more than 69 percent of US Internet shoppers limit their online purchases because of the privacy and safety concerns of their personal information. Lastly probability of getting under social pressure, harming physical and psychological health by purchasing products and services through social media platforms has little effect on consumer buying intention. This is contrary to a study by Dai et al. (2014) on the dimensions of perceived risk which indicated that are amongst the eight dimensions, health risk significantly influenced online consumer’s purchasing behaviour.

5.3.2 Trust Effect on Consumer Buying Intention
The study shows that trust is a very crucial facet in exchange relations for it’s the basis of social capital and firm performance. In this study 14% of the respondents agreed that information on social media is trustworthy, meaning many customers can hardly trust social media information. Jurbert and Van Belle, (2013) in their research acknowledged that the swift growth in e-commerce technologies have raised high hope for marketing, but consumers’ lack of trust is a major hindrance to its quick acceptance. This limits the customers trust on e-marketing and especially when they have little information about a company and its offerings. Supported also by a study conducted by Chen, Yan and Gordon (2015) which found that purchasing decision is highly dependent on trust and commitment of the customer. They cited that trust reduces uncertainty especially when the customer has no adequate information about the company or its products.

This study also showed that customers do not trust many of their social media friend however this will not affect the sharing their good buying experience with their friends. This is in line with research by Han and Windsor (2011), which shows that social network participants can assure each other through their information exchange and experience, thus increasing trust which in return leads to willingness to purchase. This has been encouraged with the emergence of Web 2.0 and social customers are able to reduce their risk and increase social trust. This is
because the applications on Web 2.0 and social media allows participation activities like customer ratings and reviews which are idea and good solution to overcome this barrier. Chen, Yan, Fan, and Gordon (2015) also found that trust regulate the relationship between perceived risk and overall satisfaction of the customer. When a target market is satisfaction with a company’s offerings, it assures a firm stability and also encourage additional references through word-of-mouth by the loyal customers.

To support the 34% of the respondent who were of the opinion that social media they use is trustworthy, a study done by Azam (2012), indicated that trust is very important for successful online e-commerce as it facilitates healthy social interactions and exchange relations. Abdul-Ghani, Hyde and Marshall (2011) study also depicts the importance of trust due to the high levels of uncertainty about quality of products and trust amongst participants, increased fraud behaviors, lack of control and the transactions that are done online. Furthermore a study by Mohseni and Sreenivasan, (2014) also insisted on the vital role that trust plays on e-commerce considering there is no direct interaction in an online transaction, thus e-retailer must ensure that the website is not misused or contain illegal actions like insecurity and privacy issues or unfair prices that would lead to reduced consumers’ intentions to purchase. The online merchants should focus on having long-term relationship with their customers by delivering trust and transparency value. In other words, consumers would tend to engage in online purchase behavior if they perceive the online merchant is trustworthy and confident towards the process of online transaction. And as Shin (2010) indicates in his study, customer trust on online transaction and the network will be influenced positively and their intention to buy will be high.

5.3.3 Perceived Value Effect on Consumer Buying Intention

To support that value of products and services is vital to the consumer buying intention, the study indicated that perceived value have a positive and statistically significant relationship with consumer buying intention. 42% of the respondents agreed that they acquire information about products and services on social media platforms, which gives them a better understanding of their quality and functionality. This resonate with the findings of a study done by Reza and Pool (2016) on the Iran’s Luxury goods, which found out that functional activity
of a product has a direct impact on the purchasing intention. Functionality of a product is viewed by a customer as the tool to solve their problem and make their work easier thus a product is valued based on its ability to perform its function. It equally supports a study by Chattalas and Shukla (2015) that consideration to customers’ desired quality that exceeds their basic needs and ensuring consumers’ social, personal, and functional values are well responded to increases the buying intention and in return benefits both the customer and the company.

To acknowledge the availability of valuable products and services online, 61% agreed that they can find products and services that are more suitable for their personal quality and styles on social media platforms. This augments the study by several researchers that shows that perceived value affects customers’ purchase intention because customers will consider the values they get from a product when judging their preferences (Chen & Chang, 2012; Weng & Run, 2013; Ponte, Carvajal-Trujillo & Escobar-Rodriguez, 2015). Bao and Sheng (2011) further noted that customers have expectations when purchasing and consuming products and so when their expectations are fulfilled then the more valuable a product or service becomes to them.

This findings also concurs with Khalifa, (2004) study on Personal –Related value theory that implies that value can be attained when the customer feels that the product is in line with their beliefs, characteristic, goal, philosophy, principles, or anything that is important for their life. Backstrom, (2011) in his study on Hedonic Value Theory equally agrees to this finding in that customers have a high objectivity in searching for products and services that fits their notion of the right style, brand and status. Jae (2015) study in China on perceived value on games items is also in line with this research, it found out that, the higher gamers perceive the value of items, the higher the possibility of making a purchase of the specific items. The investigation further showed that the more the players purchased the items based on the quality, the more it had a positive impact on playing the games. Therefore increasing the quality of game items increased the purchase of the items and grow the loyalty to game playing. This shows that quality of a product or service increases the customer buying intention.
Time and energy invested in accomplishing any task is very important, 73% agreed that they can save a lot of time and energy acquiring information about products and services on social media networks. This corroborates the argument of Scarpi, (2012) that customers shops for convenience and want to invest the least time possible. The customer benefits from convenience, ease of shopping and a wide range of products to select from.

5.4 Conclusions

This section presents the conclusion of the study based on the research objectives.

5.4.1 Effects of Perceived Risk on Consumer Buying Intention.

The study found out that perceived risk was negatively, low significant to consumer buying intention. This results implies that the customer’s perception on financial loss is low and that they can find quality products online. The study also concluded that time invested on the social media searching for products and services was low with customers citing that they are not under pressure from friends to purchase products online. The leaking of privacy was also not seen as a major concern to the customers and customers equally perceived that they do not harm their physical and psychological health while conducting their online transaction.

5.4.2 Establishing Trust Influence on the Consumer Buying Intention.

The study found that trust was positively, low and significantly correlated to consumer buying intention. This results implies that the customers will not always trust the information they get through the social media platforms neither would they trust all the friends they interact with online. It further concluded that they don’t trust the social media they use, however, customers will readily share their good experiences online with their friends. E-retailers should then put into consideration the trust issues as it affects how customers make their decisions when buying products through the social media platforms.

5.4.3 Effects of Perceived Value on Consumer Buying Intention.

Effect of perceived value on consumer buying intention. The study found that perceived value was positively, moderately and significantly correlated to consumer buying intention. Based on this result, the study conclude that the role of perception among the consumer when
consuming product from the social media should be taken into consideration by the business people since it contribute to their decision in terms of consuming behavior.

5.5 Recommendation

Based on the major findings of the study and conclusions of the study, solutions by the all the stakeholders should be sought so as to overcome various challenges affecting the consumer buying intention in the social media platforms.

5.5.1 Recommendations of Improvement

Recommendations for improvement aim at improving the social media platforms so as to enhance online business.

5.5.1.1 Effects of Perceived Risk on Consumer Buying Intention

The study recommends that those who are offering product online should not be worried about the issues of risk since it has no significant correlation with consumption. Online customer must have managed to overcome the perception of risk in transacting online. This have been caused by the general acceptance of online as platform for conducting business. The consumer therefore, are more confident as they transact since online provider have also developed safety measures and it has become a norm in business today.

5.5.1.2 Establishing Trust Influence on the Consumer Buying Intention

The study recommends that adequate information about product be available online, this increases customers affirmation both on the products and the social media platforms they access. The platforms should create open environment that ensures the customers can trust the other participants they interact with online. The Government and the online providers should come up with policies that governs the social media activities.

5.5.1.3 Effects of Perceived Value on Consumer Buying Intention.

The objective of any firm is to attain a sustainable competitive advantage, therefore companies should enhance their value proposition that is clearly aligned with their specific objectives. This positions the firm above its peers in terms of quality products and service delivery and customer experience.
5.5.2 Recommendations for Further Research

The study was concentrated to the USIU-Africa students. Therefore, further study should be done considering other online shoppers and use other variables that affects the use of social media.
REFERENCES


Suzanne Amaro & Paulo Duarte (2016) Travelers’ intention to purchase travel online: integrating trust and risk to the theory of planned behaviour, Anatolia, 27 (3), 389-400.


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APPENDICES

APPENDIX A: COVER LETTER

Dear Respondent,

RE: RESEARCH QUESTIONNAIRE

I am a graduate student at United States International University pursuing Master of Business Administration (MBA). I am conducting a research on the social media factors affecting consumer buying intention amongst USIU- Africa students in partial fulfillment of the program.

The findings will provide the stakeholders with information on the how perceived risk, trust and perceived value affects online transactions. This will facilitate the decision making process as to how to efficiently social media can be utilized by businesses to attain competitive advantage.

This is purely an academic research and confidentiality will strictly be adhered to. Your name will not appear anywhere in the report. Kindly spare 15 minutes to complete the questionnaire attached.

Yours faithfully,

Mary Wanjiru.

CELL: 0720711452
EMAIL: wmary125@gmail.com

P.O. Box 650 -00156
NAIROBI, KENYA
DATE: 24. 7.2017
APPENDIX B: QUESTIONNAIRE

The purpose of this study is purely academic and your participation is entirely voluntary and you retain the right to withdraw at any time. All individual responses will be held in strictest confidence and only group data will be reported. Thank you for agreeing to participate in this questionnaire. In case you may need a preview of the report of this work, you can give your email…………………………..

Instructions: please answer each question to the best of your ability. Remember, all responses are completely confidential and only group data will be reported.

SECTION ONE: PERSONAL DATA

1. Age:  18 – 24  [ ]  25 – 34  [ ]  35 - 46  [ ]

2. Gender: Male  Female

3. Place of birth:…………………………. Place of residence: …………………………

4. Degree level undertaking: Undergraduate ( ) Graduate ( ) others…………………………

5. Area of Concentration/Major………………………………………………

6. Have your parents ever been self-employed or the owner of a small or medium-sized enterprise (SME)? Yes ( ) No ( ).

7. If yes how long (number of years)..........................

8. How many years of work experience do you have? ............................................

9. Level of management: Line manager ( ) Middle manager ( ) Top manager ( ) Others ( )

10. Have you been exposed to family business in your family? Yes ( ) No ( )

11. How can you classify your family background economically?

   Low class (…..) Middle Class (…..) High Class (…..)
SECTION TWO

1. Please rate the following questions on a scale 1-5 (*where 1 represents Strongly Disagree; 2=Disagree; 3=neutral; 4=Agree- 5 Strongly Agree*). Please select the answer that best describes you view.

<table>
<thead>
<tr>
<th>PERCEIVED RISK</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>PR1 I think there is a low financial risk in buying products and services or acquiring information about products and services through social media platforms</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PR2 I think the probability of getting poor-quality products and services through social media platforms is low</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PR3 I think the probability of wasting a lot of time on buying products and services through social media platforms is low</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PR4 I think the probability of leaking my privacy in purchasing products and services through social media platforms is low</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PR5 I think the probability of getting me under social pressure in purchasing products and services through social media platforms is low. (Friends’ approval of my behavior)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PR6 I think the probability of harming my physical and psychological health by purchasing products and services through social media platforms is low. (long time exposure to computer screen, anxiety of waiting goods arrival, etc)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

2. Please rate the following questions on a scale 1-5 (*where 1 represents Strongly Disagree; 2=Disagree; 3=neutral; 4=Agree- 5 Strongly Agree*). Please select the answer that best describes you view.
### TRUST

| T1 | I think information on social media is trustworthy | 1 | 2 | 3 | 4 | 5 |
| T2 | I think friends on social media are trustworthy | 1 | 2 | 3 | 4 | 5 |
| T3 | I think the social media I use is trustworthy | 1 | 2 | 3 | 4 | 5 |
| T4 | I will share my good experience with my friends about buying products or acquiring information on social media platforms | 1 | 2 | 3 | 4 | 5 |

3. Please rate the following questions on a scale 1-5 (**where 1 represents Strongly Disagree; 2=Disagree; 3=neutral; 4=Agree- 5 Strongly Agree**). Please select the answer that best describes you view.

### PERCEIVED VALUE

| PV | 1 | After I acquire information about products and services on social media platforms, I know their quality and function better | 1 | 2 | 3 | 4 | 5 |
| PV | 2 | I can find products and services that are more suitable for my personal quality and styles on social media platforms | 1 | 2 | 3 | 4 | 5 |
| PV | 3 | can save a lot of time and energy acquiring information about products and services on social media networks | 1 | 2 | 3 | 4 | 5 |

4. Please rate the following questions on a scale 1-5 (**where 1 represents Strongly Disagree; 2=Disagree; 3=neutral; 4=Agree- 5 Strongly Agree**). Please select the answer that best describes you view.
<table>
<thead>
<tr>
<th>CONSUMER BUYING INTENTION</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBI1 Using social media platforms help me make decisions better before purchasing goods and services</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CBI2 Using social media platforms increases my interest in buying products and services.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CBI3 If I find out that the utility of the products or services is larger than personal devotions in terms of money, time and energy, I will consider buying this products or services</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CBI4 I am very likely to buy products or services recommended by my friends on social media platforms</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>