

**FACTORS INFLUENCING ONLINE BETTING BEHAVIOR
IN NAIROBI**

BY

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**UNITED STATES INTERNATIONAL UNIVERSITY
AFRICA**

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Business in Partial Fulfillment of the Requirement for the Degree of
Masters in Business Administration (MBA)**

**UNITED STATES INTERNATIONAL UNIVERSITY
AFRICA**

SUMMER 2018

STUDENT'S 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: _____

Betty Maloba (ID.NO: 629385)

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

Signed: _____

Date: _____

Dr. Peter Kiriri

Signed: _____

Date: _____

Dean, Chandaria School of Business

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ABSTRACT

The general objective of the study was to determine factors that influence online betting behavior in Nairobi. The specific objectives were to determine the influence of socio-cultural factors on online betting behavior in Nairobi, to determine the influence of psychological factors on online betting behavior in Nairobi and to determine the influence of marketing mix factors on online betting behavior in Nairobi.

The study utilized a descriptive research design using quantitative research approach to achieve the objectives. In total, it was estimated that 2 million individuals engaged in online betting and this was the target population of the study thus a sample size of 384 was determined. Systematic random sampling was used to identify respondents and questionnaires were the main data collection tools. The data was analyzed by use of SPSS and Excel worksheets using descriptive and inferential statistics. The results were presented by use of tables.

The findings of the study indicated that there was a positive correlation between socio-cultural factors and betting behavior. This implies that online betting behavior is influenced by socio-cultural factors such as culture, family, reference groups and personal factors.

The findings of the study also indicated that there was a positive correlation between psychological factors and betting behavior. This implies online betting behavior is influenced by psychological factors such as learning and experience, motivation, attitude and beliefs, personality and perception.

Lastly, the findings of the study indicated that there was a positive correlation between marketing mix factors and betting behavior this implies that online betting behavior is influenced by marketing mix factors such as price, product, promotion and place.

The findings of the study concluded that online betting behavior is influenced by socio-cultural factors such as culture, family, reference groups, income, education, age and occupation. It also concluded that online betting behavior is influenced by psychological

factors such as learning and experience, motivation, attitude and beliefs, personality and perception. Lastly the study concluded that marketing mix factors such as price, product, promotion and place influences online betting behavior.

The study recommends that betting firms need to examine the various socio- cultural factors that influence betting behavior, such as culture, sub-culture, reference groups, income, education, age and occupation. Advertising should show more women betting so that society gets to accept the activity and as a result more women participation will increase, more numbers means more revenue for the betting companies. Further it recommended that betting companies should also engage in corporate social responsibility so as to give the potential and existing consumers a positive attitude towards betting that will influence participation. Finally, betting firms should create awareness by maximizing on integrated marketing mix to influence betting behavior. This will allow use of personal selling, sales promotion, advertising, public relations, Internet marketing, awareness about betting since promotional activity has been seen to influence betting behavior.

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Finally, I had amazing support from my family and friends. Thank you for the unconditional love.

DEDICATION

I dedicate this research project to my family. Thank you for your support and contribution to my academic excellence. Mum, Nypher Maloba, thank you for being my pillar, my siblings Shikky, Anash and Veline May God keep watching over you.

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LIST OF ABBREVIATIONS

BCLB	Betting Control and Licensing Board
APS	Australian Psychological Society
SPSS	Statistical Package for Social Sciences

CHAPTER ONE

1.0 INTRODUCTION

1.1. Background of the Study

Gambling promotion and the growth of sports betting is a fairly recent phenomenon. Betting on results, fixtures and sporting events is becoming increasingly prevalent in western countries. Online betting is surpassing all other forms of participation, although the literature is limited (Palmer, 2013). Gambling operators are taking advantage of this trend to move into new markets by using innovative marketing campaigns. Liberalization of online gambling will occur globally as there is increased recognition of the difficulties prohibiting Internet gambling. Customer loyalty and patronage become very important as Internet gambling sites face heavy competition from thousands of available options (Gainsbury, Parke & Suhonen, 2013).

The gambling industry saw a continuation of strong economic impact toward countries operating gambling facilities and the gross revenues has rapidly increased in this few decades (Wu & Wortman, 2009). There is an increase in Internet use worldwide due to the fact that there is technology that supports Internet, readily available and high speed Internet and low cost Internet access (Gainsbury et al., 2013). The introduction of smart phones and tablets has contributed to a big burst in IT industry during the last decade. There has been a change in how we are consuming it; expansion of the Internet to everyday life has resulted to digitalization of betting services (Wellman, 2011). Sports betting is now part of the experience of watching sports, it is also a more sophisticated form of gambling which young people can widely access (Gainsbury & Derevensky, 2013).

Betting becomes more of a social interaction as the modes of wagering become more interactive. Gambling has transformed to the work place and at home where it can be taken in isolation moving from the more traditional social set up such as pubs. Online gambling has moved the use of specific sites to being in a cyber space (Griffiths, 2003). Betting services in the early days needed to just exist online and they attracted customers, they had a pretty easy job with regards to positioning. Currently they need to retain

current customers, attract new customers and also appeal to existing customers. The market has really changed; the competitor is just one click away making the online betting market very competitive (Wellman, 2011).

Sport betting is no longer confined to local pubs, casinos and racecourses as a result of fast changes in betting products through Internet and mobile technology. As new forms of gambling are introduced, promoted and delivered online through the mobile phones and related devices, the gambling market is definitely changing. Consumers can now place bets anytime of day or night as long as they have access to Internet, meaning they can also access a sporting outcome or a sports event (Abbott, Romild & Volberg, 2013). Betting now includes betting in-the-run, in play betting and micro-betting where consumers can place a bet on a range of possible results the game has started, as they occur during a game for example who will be the leading goal scorer in a football match at half time, which team will score the first goal. Previously betting was in a restricted form which involved placing a wager on the outcome of a horse or greyhound race (Palmer, 2013).

The industry thus needs to understand consumer and how they make decisions. Consumer behavior concentrates on how groups, organizations, households or families and individual consumers make spending decisions to satisfy their wants and needs (Kotler & Keller, 2016). This is based on the resources (such as money, effort and time) that are available on items that are related for their consumption. Consumer behavior looks at what consumers purchase, when they make a purchase, why the purchase, how often they make the purchase, do they use the products they purchase and how often do they use it, after purchase evaluations and what effects do such evaluations have on purchases intended for future and lastly how they will dispose off the purchased items (Schiffman & Kanuk, 2010).

Betting has captured the imagination of Kenya's economy like no other industry has in the past three years. The yearly turn over of the sports betting industry in Kenya is worth \$20 million, and will reach \$50 million in 2020 as demand grows, according to a recent report by PricewaterhouseCoopers. An amount of \$28.3 million was paid in taxes by the

formal Kenyan betting industry in 2015 ranking Kenya the third after South Africa and Nigeria (The East African, 2017).

There has been rapid Internet gambling growth that has outpaced regulation of gambling activities laws. Currently there is a situation of inter-jurisdictional inconsistency with a mix of partial legalization and regulation, prohibition targeting sites, open markets with some or no restrictions and players or financial transactions (Gainsbury et al., 2013). In Kenya, the Betting, Lotteries and Gaming Act operates the gambling industry however stakeholders claim the body is outdated as it has not evolved to the changes in the industry, for example betting using online and mobile platforms. It is important to identify factors that influence consumer behavior of online betting and to see whether lack of government has a role to play in the proliferation of betting services (The East African, 2017).

Kenyan gamblers have an access to various online betting sites and thus have little trouble with decisions around placing bets. SportPesa was licensed to offer online betting in 2013, and were allowed to offer online betting services. The sector has been opened up to competition by the government since then allowing 10 companies to offer Internet bookmaking operations legally through the Betting Control and Licensing Board. Other sites that fall into this category include; Betway, Betin, Justbet, BetYetu and mCHEZA. Sports wagering is also offered by online foreign websites, the government tolerates the activity even though it is not expressly permitted under the law. The government has not taken interest in trying to regulate the activities of these sites by punishing either the players who place bets or operators or blocking the sites such that they are not operational in the country (Sports Betting Online, 2017).

1.2. Statement of the Problem

Consumers are often faced with different choices with increasing amount of information given by each gambling company. Indeed, Kenya's gambling industry is becoming saturated with competitors vying to attract the locals. Therefore, marketers can only be successful if they have a good understanding of consumers' decision-making processes. Studies on consumer behavior have been mostly conducted in Western countries or societies (Rickwood & White, 2009). The findings from these

studies might not be appropriate and cannot be apply to Kenyan scenario as people from different country have diverse characteristic and attitudes on gambling. With rapid economic development, changes of economic situation and globalization made consumer decision-making very essential for marketers to understand and to determine the target market (Schiffman & Kanuk, 2007).

Despite increasing attention from policy makers and scholars over the past decade research on gambling globally is still in its commencement. This is true when it comes to gambling marketing specifically (Moodie & Hastings, 2009). Recent research in Australia and elsewhere in the world has looked at gambling marketing as being highly prevalent and that consumers in particular are highly exposed and susceptible to gambling marketing (McMullan, Miller & Perrier, 2012). Studies have been done in other countries like Malaysia, Tudin and Yei (2012), and in China, Fong, Law and Lam (2014), that determined the factors influencing individuals' gambling behavior: a case study in Malaysia and an examination of factors driving Chinese gamblers' fallacy bias respectively but no study has been done to investigate factors that influence online betting behavior in Nairobi. It is this gap that this study will address.

1.3. General Objective

The general objective was to determine factors influencing online betting behavior in Nairobi.

1.4. Specific Objectives

- 1.4.1 To determine the influence of socio-cultural factors on online betting behavior in Nairobi
- 1.4.2 To determine the influence of psychological factors on online betting behavior in Nairobi
- 1.4.3 To determine the influence of marketing mix factors on online betting behavior in Nairobi

1.5. Importance of the Study

1.5.1 Marketers

Study provides information to marketers for developing effective targeting, segmentation and positioning. By that, the marketer able to develop the knowledge in order to segment

and repositioning the individual gamblers based on their internal or external factors. It would enable these marketers to identify the significant marketing strategies for grow up core capability and competition in gambling industry.

1.5.2 Government of Kenya

This study could help Kenyan government to understand the current trend of gambling industries and betting behaviors, alert about the development of the betting industry since the industry plays a crucial role in our economy and image.

1.5.3 Kenyan Public

The findings of this study will inform the Kenyan public on the real factors that influence online betting behaviors. Hence, it is important for Kenyan public to recognize the descriptive elements, and effective programs used to capitalize on the money gained from betting such as developing the country.

1.5.4 The Academia

This research can serve as a reference of future academic researchers in order to further explore other possible influences in Kenyan online betting industry or foreign online betting industries. Therefore, the study is able to increase the knowledge on consumer behaviors specifically in gambling industry.

1.6. Scope of the Study

The research was conducted in Nairobi and it analyzed data of respondents who participated in online betting, both heavy and light users of the various platforms. Nairobi is the most suitable research population to meet the research purpose and objectives since online bettors in Nairobi will have diverse background and views since the city is cosmopolitan and thus there will be no risk of homogeneity in the data. The study was conducted during the month of July 2018. One of the key limitations of the study was the unwillingness of the respondents to provide the required information. The study researcher and assistants assured the participants of confidentiality and anonymity to mitigate against non-willingness to participate.

1.7. Definition of Terms

1.7.1 Betting

Betting is the wagering of money or something of value (stakes) on an event with an uncertain outcome with the primary intent of winning money or material goods. Betting thus requires three elements be present, consideration, chance and prize (Gainsbury et al., 2013).

1.7.2 Online Betting

Online betting refers to the range of actions involved with the prediction of a sporting event and placing a wager on the outcome of that event in order to win money offered through Internet-enabled devices, including computers, mobiles and smart phones, tablets and digital television (Gainsbury, 2015).

1.7.3 Consumer Behavior

Consumer behavior is the study of how people, organizations and groups choose, purchase, utilize and do away with services, goods, ideas or experiences to fulfill their needs and wants (Jobber, 2010).

1.7.4 Socio- Cultural Factors

Culture is the fundamental determinant of a person's wants and behavior. Cultural factors consist of smaller sub cultures that provide more specific identification and socialization for members of a society. Sub cultures include nationality, religion and geographical regions (Kotler & Keller, 2016). Social factors include reference groups, family, social roles and status. A person's reference groups are all the groups that have a direct face-face or indirect influence on their attitudes or behavior (Perreault, Cannon, & McCarthy, 2010).

1.7.5 Psychological Factors

These are the factors that talk about the psychology of an individual that drive his actions to seek satisfaction. Some of the important psychological factors are attitudes and Beliefs, learning, perception, memory and motivation (Woods, 2013).

1.7.6 Marketing Mix Factors

Factors orchestrated by marketers that influence people's consumption choices. Marketing factors manipulates our 5 senses pushing and pulling us to certain products or brands (Kotler & Keller, 2016).

1.8. Chapter Summary

The chapter has given the study's background that has provides a discussion on the online betting industry in Kenya followed by the statement of the problem. The general objective as well as specific objectives, significance of the study, scope was provided. Finally definition of terms was also listed. Chapter two provides a literature review based on the specific objectives of the study. Chapter three discusses the research methodology used in the study; research design, population and sampling design, data collection methods, research procedures and data analysis. Chapter four provides the results and findings based on the objectives of the study. Chapter five provides discussion of the findings, conclusions as well as recommendations.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature based on the objectives of the study. It looks into the factors influencing online betting behavior. The chapter is divided into three sections, the first section reviews the influence of socio-cultural factors on online betting behavior the second section reviews the influence of psychological factors on online betting behavior and the last section reviews the influence of marketing mix factors on online betting behavior.

2.2 Influence of Socio-cultural Factors on Online Betting Behavior

Culture is the fundamental determinant of a person's wants and behavior. Cultural factors consist of smaller sub cultures that provide more specific identification and socialization for members of a society. Sub cultures include nationality, religion and geographical regions (Kotler & Keller, 2016). Social factors include reference groups, family, social roles and status. A person's reference groups are all the groups that have a direct face-face or indirect influence on their attitudes or behavior (Perreault et al., 2010). Socio-cultural factors also take into account personal factors. Personal factors are the individual factors to the consumers that strongly influence their buying behaviors. They include Lifestyle, occupation, age and income (Solomon, 2009).

2.2.1 Cultural Factors

Cultural factors consist of culture, which is the fundamental determinant of a person's wants and behavior, and smaller sub cultures that provide more specific identification and socialization for their members. Sub cultures include nationality, religion and geographical regions (Kotler & Keller, 2016).

2.2.1.1 Culture

Human behavior is largely the result of a learning process and as such individuals grow up learning a set of values, perceptions, preferences and behavior patterns as the result of socialization both within the family and a series of other key institutions. From this we

develop a set of values, which determine and drive behavioral patterns to a very large extent. Culture comprises of set of values, beliefs, ideologies, language, tradition and laws of a particular community or group of individuals (Kotler & Keller, 2016).

Culturally determined characteristics include: the language spoken at home; religious observances; customs (including marriage customs that often accompany religious and other beliefs); acceptable gender roles and occupations; dietary practices; intellectual, artistic, and leisure-time pursuits; and other aspects of behavior (Jobber, 2010). Marketers have to explore the cultural forces and have to frame marketing strategies for each category of culture separately to push up the sales of their products or services. But culture is not permanent and changes gradually and such changes are progressively assimilated within society.

Advertisers may seek to develop upon cultural symbols, context and behavior with the aim fixing their product within this behavior as demonstrated by marketing research. Companies aim to create new identities and subcultures associated with the product to make it the preferred choice within the market. This process has been documented in relation to sports betting advertising by researchers. Researchers have looked at the extent to which marketing in the gambling industry will find a way to align sports betting with the various aspects that culture values of being a sports fan. Aspects include fan loyalty, support for your team, winning, power and thrill (Deans, Thomas, Derevensky & Daube, 2017).

Culture has an important role when it comes to influencing gambling. Cultural beliefs and values can influence help seeking attitudes and gambling behaviors. For cultures that have beliefs and values that favor gambling for example the Chinese then there is a more likelihood that the people will gamble compared to cultures that do not encourage gambling through their values for example Muslims. In Muslim culture gambling is condemned historically, the exposure to gambling has been limited and, thus, its cultural values dictate a disapproval towards gambling (Raylu & Oei, 2004). The characterization of female gamblers in Hong Kong is as a reflection of Chinese female stereotypes. There is a negative depiction of female gamblers, good women are seen as those who do not

gamble and the society expects women to play significant roles as care givers who will look after their families (Ohtsuka & Chan, 2014).

Cultural values and beliefs can influence gambling patterns in a number of ways. They can encourage or discourage involvement in gambling. Different cultures have distinct attitudes about gambling and taking risk. Previous research has reported that positive attitudes toward gambling are related to the tendency to take risks. Patterns of gambling in the general population show that every society has its own ethics in relation to gambling (Ohtsuka & Chan, 2014). This varies from total abstinence as in some Muslim groups to qualified endorsement as in American and European societies to a relatively high level of participation as occurs among the Chinese. The values and beliefs (moral principles and accepted standards of a person or group), therefore, can have an impact on their decision-making and evaluation of unpredictable and uncertain outcomes of life situations. The notions of luck, fate, control, and destiny in the traditions and belief systems of the Chinese culture lead to a stronger illusion of control and further prompts them to gamble (Raylu & Oei, 2004).

2.2.1.2 Sub- Culture

A group of individuals who identify with the same customs, traditions and values form a sub-culture. A sub culture gives their members a more specific socialization and identification. People sharing the same life style, geographic location, religion, nations, and racial groups all form sub- cultures (Kotler & Keller, 2016). Many marketers see teens as a distinct global subculture. Consumers in this age group have much common regardless the geography, including a shared interest in pop music and fashion. Television, social media such as YouTube and the popularity of the mobile electronic device have only intensified the commonalities of this sub culture, which has an immense collective spending power. Estimated at more the 7 billion Pounds in UK alone (Woods, 2013). Teens are seen as a distinct subculture globally according to many marketers. This age group of consumers has common characteristics for example shared interest in fashion and pop music regardless of their geography. The popularity of electronic devices, social medias channels such as YouTube and Facebook and television have intensified the similarities of this subculture (Woods, 2013).

2.2.2 Social Factors

There are a number of social determinants that may have implications for understanding sports betting among the youth. Gambling can be understood in terms of how an individuals are socialized economically for example how children learn about money, saving and risk. Addiction Research Study revealed that gambling was associated with peer gambling, parental and pro gambling attitudes (Delfabbro & Thrupp, 2003).

2.2.2.1 Family

Adolescents are less likely to show interest in future gambling if their parents teach them about saving money, keeping a budget, and maintaining their finances (Delfabbro & Thrupp, 2003). Approximately two thirds to three quarters of children will have participated in some form of gambling in their pre teen and teenage years, despite the fact that there is a legal age for regulate forms of gambling. Research shows that while children engage in soft forms of gambling such as scratch cards or lotteries, the more pervasive forms in facilitating children's gambling behavior of online gambling are as a result of social influences such as peers and family members (Pitt, Thomas, Bestman, Daube & Derevensky, 2017).

A school survey of 505 adolescents between ages 15 and 17 indicated that over 60% of adolescents participated in gambling annually (Fisher, 1999). A family member can be influenced to start participating in gambling by traditional family configurations for example strong family authority or the patriarchal system. Processes such as identification often operate in a patriarchal system. For instance, children have increased to parental approval of gambling in the Chinese culture. There is a significant increase in the likely that members of the family especially children will gamble if the head of the family participates in regular gambling. Family characteristics such as lack of parental warmth and support, lack of involvement in children's activities, lack of closeness can all be influenced by culture. Initiation of substance abuse and gambling can be triggered by these characteristics. Researchers have also demonstrated that children's first formal contacts with gambling are often via parents or family members Children who believe that their parents gamble are more likely to want to try gambling themselves, and have higher rates of gambling (Raylu & Oei, 2004).

Furthermore, researchers have suggested that the emergence of gambling via digital media platforms may make gambling socially acceptable for children since it can be accessed from their comfort of their homes. Researchers have investigated how gambling environments, and the promotion of gambling within the environments that may contribute to the normalization of gambling in children. For example researchers argue that gambling may be normalized for children who attend gambling venues that are also promoted as family friendly and that the alignment between gambling marketing and sport may have a significant influence on normalizing gambling for young people (Raylu & Oei, 2004).

2.2.2.2 Reference Groups

Reference groups have a great potential of influencing consumer behavior but its impact varies across products and brands. The term reference group is used to indicate a group of people that influence an individual's attitude or behavior. This group consists of family members or work colleagues. Some reference groups may be formal, e.g. members of a club or society, while others may be informal, friends with similar interests, (Perreault et al., 2010). Parke and Griffiths (2001) speculated that one positive aspect relating to Internet gambling might be to reduce risk because it reduces the social facilitation effect. Gambling with friends and other spectators tends to increase the level of risk-taking in making bets and increases the length and frequency of visits to gambling environments.

Rockloff and Dyer (2007) carried out an experimental study suggesting that players' may increasingly engage in risky gambling as a way of impressing other players. The study's findings indicated that players bet more and lost more money when receiving information about other players' winning compared to those players in similar experimental trials but receiving much less information. Haroon and Derevensky (2001) conducted a study on children gambling in groups. They found that girls had increased mean wagers when they gambled in groups. No increases in mean wagers were found among the boys. Their results also indicated that children were more susceptible to peer influences than adults. Other factors, such as the medium of playing, may affect social facilitation. Griffiths and Parke (2017) have speculated that the one positive aspect of Internet gambling is that it may reduce the social facilitation risk. They also support the idea that gambling with

friends may facilitate higher risk betting behavior, although no empirical support was provided for such an assertion.

2.2.3 Personal Factors

The Personal factors are the individual factors to the consumers that strongly influence their buying behaviors. They include lifestyle, occupation, age and income (Solomon, 2009). Age and life cycle influences what the consumer will buy and the reasons of making purchases also changes over time (Jobber, 2010). In their study of sports bettors in Canada, Spain and the United Kingdom, Humphreys and Perez (2012) found that relative to the general population, sports bettors were young males with relatively high incomes, employed full time, better educated and with regular access to the Internet and to mobile devices. Gainsbury, et al., (2013) national study of gambling patterns in Australia also found that interactive sports gamblers appeared to be younger males, with higher levels of education and employment, and with access to the Internet.

People who have different social classes and also those who stem from different professions will have different living styles. The opinions, interests and activities of various individuals can be confirmed by their lifestyle and this affects their purchase patterns (Kotler & Keller, 2016). According to the British Gambling Prevalence Survey 2010, those from the highest income households in the United Kingdom had the highest prevalence for online gambling, while those from the lowest income households were less likely to take part in online gambling activities (Wardle et al., 2011).

The rate of Internet gambling is higher among people who earn above average incomes. According to Vong (2009), there was a difference in gaming impact perceptions among Macau residents with increased income and without increased income within the last five years. A survey by azonlinecasinos.com claimed that rising income levels in the middle class is a driving factor for the casino and gaming industry in the Asia-Pacific region. The rate of Internet gambling is higher among people who earn above average incomes (Woolley, 2003).

Age can play an important role in adopting and using information technologies. With respect to online gambling, McBride and Derevensky (2009) found that participation

decreased significantly as age increased. A 2011 study conducted by Gambling Research Australia also found that males aged 10 to 24 were almost twice as likely as women of the same age to participate in sports betting (Purdie et al., 2011).

Research suggests that irrespective of the methodology or the country in which the research is undertaken, young men (i.e. between 20 and 30 years of age) tend to gamble more frequently and more problematically than young women and are more interested in sports betting than females (Purdie et al., 2011). A discussion paper by the Responsible Gambling Advocacy Centre (2011), argues that while there has been an explosion in recent years in Australia of on-line sports betting, where its advertising has primarily been aimed at men, women tend to catch-up to male behaviors over time. The report argues, however, that other forms of on-line gaming, such as social games rather sports betting, may be of greater interest to women.

2.3 Influence of Psychological Factors on Online Betting Behavior

Psychological Factors are the factors that talk about the psychology of an individual that drive his actions to seek satisfaction. Some of the important Psychological Factors are attitudes and Beliefs, learning and experience, perception, motivation and personality (Woods, 2013.)

2.3.1 Learning and Experience

The research of goods and services before a consumer decides to buy the products is referred to as learning while knowledge from previous use of goods and services is referred to as experience. Nowadays the Internet facilitates for online learning, self and group education. Learning and experience both influence buying decision and thus influences consumer behavior (Jobber, 2010).

An individual may learn from various way though observation, behavior and practice. Generally, social learning refers to any machinery through which individuals learn from others. It includes observational learning, where individual behavior is based on their observation of the behavior of others because of the information they get (Cai, Chen, & Fang, 2007). For example, many gamblers will pay attention to crucial details in the gambling activity before they make the decision to bet. The gamblers identify with the

strategy used by the other gamblers, evaluate the model's task behavior and define the self-reflection (Janssen & Rijlaarsdam, 2006).

In a survey conducted with a sample of 161 on-line sports bettors in the United States, d'Astous and Gaspero (2013) note that the reasons for initially becoming involved in sports betting were largely to do with the bettor's perceived level of knowledge and their experience of the sport involved. That is, the more the bettors felt they were experts on the sport, the more likely they were to bet, and to bet a large amount. Continuing with sports betting as a recreational practice shared similarities with other forms of gambling, such as a receiving a big win early on in their gambling history.

Some researchers have argued that past behaviors posted the greatest influence on an individual's continuing activities under stable conditions. According to Mizerski, Miller, Mizerski, and Lam (2004), players' early experience is an important factor to continued gambling behavior. Lambos, Delfabro and Puggies (2007) also reported that early experience of winning encourages further gambling. In non-changing scenarios, the processing that initiates and controls performance becomes automatic due to the fact that there will always be a repeat of well-practiced behaviors. As a result habit strength is then indicated from past behavior and this will influence future behavior. On the other hand in changing scenarios habit is not learnt and we make a decision based on what happened or what gave a good result previous time thus past behavior influences purchase decisions (Ouellette & Wood, 1998). Wiebe, Single, and Falkowski (2001) found a positive relationship between the likelihood that a gambler could remember his or her first big win and the level of current gambling involvement.

2.3.2 Motivation

Motivation is the activation of consumers needs and wants. Motivation influences a consumer to desire particular goals that can be equated to needs. Consumer needs can be categorized as basic needs; food shelter and clothing or security needs, esteem needs, psychological needs or social needs (Woods, 2013). Early wins may result in the belief that gambling is an easy source of income, or, in response to losses, motivate the individual to persist in gambling with the expectation of recouping such losses or chasing losses. Wins serve to reinforce illusions of control and belief in luck/fate, with superstitious beliefs and rituals emerging in response to chance associations between

external variables being misinterpreted as causally linked (APS Gambling Working Group, 2010).

There are many reasons why people gamble recreationally. These may be broadly classified under two non-mutually exclusive types of motivation: the desire for positively reinforcing subjective excitement and arousal; and escape from stress or negative emotional situation. Both social and monetary reward expectancies facilitate gambling due the learnt association with, and capacity to enhance or regulate, positive affect (APS Gambling Working Group, 2010).

Some researchers have advocated that the major reason for gambling was to become wealthy. Blaszczynski and Nower (2002) agreed that financial gain is a crucial factor impacting all gambling activities. Gambling represents an opportunity to win money, and subject to the potential size of the prize, to change one's lifestyle. The prospect of winning large prizes (expectancies of reward) generates excitement by allowing participants to dream and fantasize about the impact that such a windfall would have on their work, finances, leisure, and capacity to support immediate family members. Smaller wins are also exciting since these provide a gain to the player and enable further gambling in pursuit of larger wins.

In a recent large scale survey of 10,865 online gamblers from 96 countries respondents asked to list their reasons and motivations for gambling online, cited entertainment, excitement, or relieving boredom more than making money. This finding is also in line with Zuckerman's prediction that the relationship between sensation seeking and gambling is about excitement, not profit (Park, 2007).

Raylu and Oei (2002) also revealed that there was a link between gambling and psychological needs such as relieving anxiety and escaping from stress. Winning money (chasing losses) and relieving tension, stress and emotional distress are implicated in promoting continued gambling. Winning money generates excitement leading to continued play being rewarded. Similarly, the experience of dissociation enabling the temporary emotional escapes from aversive negative affective state represents a negative reinforcer that also motivates continued play. Winning also acts as a second order

reinforcer, in that the repeated association of gambling-related paraphernalia and environmental cues (conditional cues) with gambling-induced excitement and arousal (unconditional cues) results in the experience of excitement and arousal following subsequent exposure to unconditioned cues.

2.3.3 Attitude and Beliefs

Attitude is the positive or negative emotional state or feelings of consumers while beliefs are assumptions and convictions that are held to be true, by consumers regarding how a product or brand performs. The attitude and beliefs of consumer will influence their purchase behavior (Solomon et al., 2013). Within the cognitive model, family and social interactions coupled with pre-existing beliefs and attitudes determine the likelihood that an individual will decide to participate following exposure to gambling opportunities. An Internet site's ability to create trust has long-term consequences on customer loyalty and retention. Customer satisfaction is associated with business performance indicators including profitability, word-of-mouth, and return intentions (APS Gambling Working Group, 2010).

Understanding public attitudes towards gambling is essential to understand why consumers would choose a betting site over another (Gainsbury et al., 2013). There are two main routes to attitude change: the central route, where recipients diligently consider message arguments; and the peripheral route, where attitude change is based upon negative or positive cues associated with the message (Bettman, 2016).

When looking at the online aspect of retention and loyalty it is much easier for the customers to find some alternatives, which are just a click away, and that challenges the aspect of a long relationship. The Internet creates an environment where it is easy to compare prices and performance of the products and services, where customers have the ability to easily change to competitors. That leads to a greater expectation from online customers to receive a great level of customer service. Online customers tend to perceive higher customer value that leads to customer loyalty and customer satisfaction as a result of recognizing great level of service (Wang, 2011).

An aspect of perceived value and loyalty was also discussed by Anderson and Srinivasan (2003) where they researched customers need to investigate competitors. As the perceived value is low the loyalty aspect decreases and customers start looking for alternatives, where they will be able to increase their perceived value. It is also important to pinpoint that even satisfied customers are unlikely to patronize an e-business, if they feel that they are not getting the best value for their money.

2.3.4 Personality

Personality is the inner psychological characteristics of individuals that lead to consistent responses to their environment. A person may tend to be warm or cold, dominant or subservient, introvert or extrovert, sociable or loner, adaptable or inflexible, competitive or cooperative (Jobber, 2010). Individuals have different personalities and purchase decisions will differ based on the various personalities (Schiffman & Kanuk, 2010). Personality traits represent characteristic ways of thinking, feeling, and behaving, and are robust predictors of health-risk behaviors such as unsafe sex and dangerous driving habits important life outcomes like educational attainment, divorce, and longevity and mental disorders (Krueger, Caspi & Moffitt, 2000). Individual differences in personality are likely to play an important role in explaining the propensity to gamble (Savage, Slutske & Martin, 2014).

More specifically, personality traits such as sensation seeking, impulsivity, and sensitivity to rewards and punishments are correlated with betting. These personality traits are believed to modulate arousal to wins and losses that, in turn, influences betting patterns (Mardaga & Hansenne, 2012). Mc Daniel and Zuckerman (2003) conducted a research to look for a relationship between sensation seeking and gambling behavior in normal populations. Based on a study of 790 adults, they reported that there was a significant relationship between sensation seeking, impulsivity and regular gambling behavior.

Sensation seeking is a personality trait that involves the seeking of varied, novel, complex and intense sensations and experiences. Extensive research to understand the psychobiological model underlying sensation seeking suggests that this personality trait is related to biological differences (Park, 2007). Individual differences in personality are likely to play an important role in explaining the propensity to gamble (Savage et al.,

2014). According to Mardaga and Hansenne (2012) high sensation-seeking and novelty-seeking individuals tend to experience lower anticipatory somatic markers before making a choice in betting. These individuals also experience lower levels of arousal after large losses, causing the disadvantageous decks to be perceived as less risky.

Another personality trait that has received more consistent findings is that of locus of control. This personality trait refers to a person's perception of how their own efforts affect events. For instance internal individuals attribute their experiences to their own actions whereas 'external' individuals attribute their experiences to chance. Research has shown that 'internal' individuals gamble more persistently when chasing losses because they believe all that is required is an increase in concentration and an overall improved effort in order to win (Griffiths, 2013). Zuckerman and Breen (1999) further affirm that chasing is all about frequent betting, increased persistence and increased monetary risk in an effort to recoup money that has been lost.

2.3.5 Perception

Perception is the way consumers look at the world based on their senses and applying how they view the world when it comes to purchasing decisions (Schiffman & Kanuk, 2010). According to a research done by Wong and So (2013) many online gamblers perceive Internet gambling as trendy, safe and healthy entertainment, which provides the opportunity to win money and thus influences betting behavior.

The process of changing perceptions, called framing, has an impact on whether or not people think the industry is socially acceptable. Framing can occur merely by changing a word. Consumers are more likely to participate in online betting if it's referred to as gaming rather than gambling, according to a study by Humphreys and Latour (2013). Changing an industry label from gambling to gaming affects what consumers, especially non-users, think of betting online. A label like gaming prompts all sorts of implicit associations like entertainment and fun, while a label like gambling can prompt seedier implicit associations like crime. These largely unconscious associations affect what people think of the industry and even their intention to participate (Humphreys & Latour 2013).

Chinese have a perception that gambling is away of life for them since a large number of the population participate in gambling (Raylu & Oei, 2004). Wood and Williams (2007) add that some people may gravitate toward Internet gambling due to their perceptions that online venues offer better payout rates. Similarly, an Australian study found that online gambling sites were most likely to be selected because of reputation, payout rates, customer protection, game fairness, and finance security. This suggests customers seek well-known sites (Gainsbury, Wood, Russell, Hing, & Blaszczynski 2012).

2.4 Influence of Marketing Mix Factors on Online Betting Behavior

Marketing mix factors are the factors orchestrated by marketers that influence people's consumption choices. Marketing factors manipulates our 5 senses pushing and pulling us to certain products or brands. The factors include price, product, promotion and place. When a product is introduced to the market the 4p's are considered. The product you intend to market, the place it will be sold, how to implement the promotion and finally what is the price the product will be sold at (Kotler & Keller, 2016).

2.4.1 Price

Price is the amount of money charged for a good or service, but more broadly it is the sum of the values consumers exchange for the benefits of having or using the product or service (Kotler & Keller, 2016). Betting options vary in terms of how odds are calculated, type of wagering operator, types of bets available and betting channels. The number of times a player can multiply his or her original bet in Craps when placing an odds bet is another form of pricing. The minimum bet is another pricing technique (Swiss Casino, 2008).

Within sports betting markets, a bookmaker sets the price. This price is either in the form of a point spread or odds. In leagues where odds betting is common, the bettor places a bet on the outcome of the match. Conversely, a bettor wagering on a match using point spreads will wager on the expected margin of victory, not the actual outcome. Betting odds are offered as either fixed odds or based on a parimutuel system. Fixed odds betting means that the payout for a bet is agreed at the time the bet is sold. Fixed odds betting include the popular options of win bet, each-way bet and place bet. In contrast, parimutuel betting is where customer bets are placed in a pool, with payout odds

calculated after the event with wins then distributed from this pool, minus the operator's fee (Gainsbury, 2012).

Some betting sites charge low prices for these products to lure the player in; typically these sites are trying to attract price-sensitive local and regional markets (Swiss Casino, 2008). Bettors can place wagers as low as 10 shillings (\$0.10) and use the web to research and place their wagers (Kuo, 2017). Many online sites proffer free bets, which are promoted as educational for inexperienced players, to assist them in acquiring confidence (Monaghan & Derevensky, 2008). Different betting sites have different amounts of minimum deposits that you can make. Betting sites like Elitebet allow you to stake with as little as Ksh.5, and Betpawa goes even lower and it allows you to bet with Sh.1 while other sites like Mcheza require a minimum of ksh.100 for you to place a wager. It is, therefore, important to have this in mind, depending on the amount you expect to spend on each bet (Betmoran, 2018).

Sportsesa is the biggest betting company that is currently operating in Kenya. Their betting website is simple to use and their jackpot system is easy to use as well and you can end up winning 100 million, their minimum stake is, 49 shillings. On Betin platform, for the stake of 99 shillings, you can potentially win 20 million; Betyetu - the stakes for jackpot is 95 shillings but they also offer a free bet of 25 shillings for newcomers (Futaa.com, 2018). Price variations exist as a consequence of consumers splitting into two groups, the informed and uninformed. An informed group is a group of customers that know price setting of the products and choose the cheapest one, where the uninformed group lacks recognition of the prices and their choices are mostly randomized, which leads to price variations (Boniecki, 2016).

The goal of price is to increase sales. Some studies connect price and consumer perspective with the perceived quality. Price can be a powerful positioning tool. By itself, however, price does not truly differentiate market segments, especially within the same general product class. On the other hand, price can play a large role in differentiating between different product classes. The Internet changed the perception of information and lowered the cost of information (Grewal, Iyer, Krishnan, & Sharma, 2003). The decline of that cost forced companies into price competition. Consumers have access to infinite

amount of information about purchasing selection. The Internet pushed prices down as consumers searched for best deals. Consumers' satisfaction was enhanced and marketers became forced to concentrate on a price-value- loyalty chain, where especially loyalty needed to be increased (Grewal et al., 2003).

2.4.2 Product

Products can be categorized as tangible and Intangible (Services) and are generally what firms are offering to the market to satisfy consumer needs (Kotler & Keller, 2016). The emergence of corporate bookmakers and betting exchanges has transformed the gambling industry, giving bettors more options than ever before in relation to the sports on which they can place bets and the means by which bets can be made (Productivity Commission, 2010). With the fast evolution of the smart phone, anything that can load in a computer can almost load in one. This incredible translation has also improved online betting in a big way (Productivity Commission, 2010).

Betting sites are taking advantage of this evolution. For example, information needed to make betting decisions, like news updates on teams, players and sports are surprisingly new built-in features seen in this betting sites. Statistics, live streaming of games, analyses, insights and tips are also adopted to increase the client-betting site affinity. The availability of tips shared via chatting groups like WhatsApp and Facebook have made it easier to access information about betting (Kenyan Bets, 2016).

Wagerers have a large choice of types of bets that can relate to the final outcome of the event or to contingencies during the event. Bets may also be placed before or after an event commences. Betting after commencement of an event is known as in-play betting which involves betting on real time propositions about outcomes within the game, such as which team will score next or whether a golfer will sink the next putt (Gainsbury, 2012). Indeed, the sports wagering market has expanded significantly, with betting on racing increasing by 69 per cent in the period 2001 - 2011, while betting on other sports increased by 278 per cent in the same period (Australian Racing Board, 2011).

In their study of betting patterns on team sports and horse racing over a one year period, Gainsbury and Russell (2013) noted that, after horse race wagering, which was the

predominant activity of the on-line betting operator examined, bettors appear to be most likely to place bets on popular sporting events, such as football and cricket matches, suggesting that sports betting is an adjunct to watching sports and races, becoming increasingly a part of a fan's experience of the game. Betting is no longer restricted simply to placing a wager on the outcome of a horse or greyhound race, but now includes micro-betting, in play betting and betting in-the-run, where consumers can place a bet on a range of possible outcomes after the game has commenced and, as they occur during a game (such as who will be the leading goal scorer in a football match at three quarter time).

The Northern Territory Government licenses most corporate bookmakers in Australia and this jurisdiction accounts for the vast majority of growth in the sector. The rapid increase in market share enjoyed by corporate bookmakers has also been spurred by lower cost structures associated with telephone and Internet modes of operation, enabling them to offer cheap and innovative wagering products 24 hours a day (Productivity Commission, 2010).

There are 12 betting firms licensed to operate in Kenya by the betting, licensing and control board of Kenya. They include Sportpesa, Betin, Betika, Betyetu, mCheza, Eazibet, BetPawa, Justbet, EliteBet, Lucky2U, Betway and Kenya Sports Bet (Kenyan Bets, 2016). The rise of online betting has also been made much swifter by the abundance of mobile money service providers such as MPesa in Kenya. No banks are required in either online or offline transactions, and transfer is therefore instant. Anyone who has a mobile device that can connect to the Internet is able to bet online using MPesa and other local mobile money service providers (Standard Media Kenya, 2018).

The use of digital forms of money, for example credit cards, electronic bank transfers and e-wallets, appears to lead to increased gambling and losses, as people feel that they are not spending real money (Woods, Williams & Lawton, 2007). Some betting companies have the option of using credit cards to place bets, participants thus highlighted that using credit cards to gamble online was too easy. They could access large amounts of credit that facilitated continued betting and topping up this credit happened so quickly that it enabled

continuous gambling with little break in play, which might otherwise have given them pause to reconsider their gambling decisions (Hing et al., 2015).

Other commonly stated reasons why individuals preferred Internet gambling include greater value for money, including payout rates and bonuses, the speed and ease of online gambling, greater number of betting products and options (Gainsbury, 2015). Surveys indicate that 19–28 % of online gamblers report it is easier to spend more money online (Griffiths & Parke, 2002). Another reason why consumers preferred online betting is that it has the ability to engage in several games simultaneously (Gainsbury, 2012).

2.4.3 Promotion

Promotion refers to all the activities undertaken to make the product or service known to the user and trade. This can include advertising, word of mouth, press reports, incentives, commissions and awards to the trade. It can also include consumer schemes, direct marketing, contests and prizes (Kotler & Keller, 2016).

Promotion is an important ingredient of marketing mix as it refers to a process of informing, persuading and influencing a consumer to make choice of the product to be bought. Promotion is done through means of personal selling, advertising, publicity and sales promotion. It is done mainly with a view to provide information to prospective consumers about the availability, characteristics and uses of a product. It arouses potential consumer's interest in the product, compare it with competitors' product and make his choice (Perreault et al., 2010).

The growing presence of betting-related promotions during live broadcasts of sporting matches is perhaps the most visible aspect of sports betting. It is also among the most contentious. Casting a casual eye over the visual merchandise at sporting events, particularly large scale contests that attract international media attention, shows sports betting advertising to be fully embedded within the match and its promotional materials Gainsbury (2012). Advertising on players' jumpers, pop up logos underneath match statistics on scoreboards, signage in pre- match locker room shots and the blurring of expert commentary on the game with updates on odds and dividends means that it is now very difficult for a sports fan to avoid betting related promotions and advertising both at the game and through television coverage. According to Deans et al., (2017) marketing

tactics, which are so closely aligned with such a valued cultural activity in sports, may have an influential impact on individual and peer group identities associated with gambling on sports.

Promotions for gambling appear in stadiums and during broadcasts of matches on fixed and revolving electronic banners; in commercials before and after matches, and during breaks in play; and as team sponsorship on uniforms, in locker rooms and on team banners. Gambling advertisements are also often integrated into mobile applications that many fans use to follow the games on tablets and phones. This means that in certain games it may be almost impossible for young viewers to avoid seeing gambling promotions. Some researchers have expressed concerns that ‘fan support and team loyalty are used to market sports betting products’, sporting role models are used to endorse these products, and gambling advertisements are being viewed ‘in environments which are promoted as being safe, secure, and family friendly (Thomas, Lewis & Westburg, 2012).

According to research by Thomas et al., 2012 three themes emerged with regards to sports betting marketing showing ways in which a diverse range of marketing strategies were used to embed sports betting within the game; align sports betting with fans’ overall experiences of the game and encourage individuals to bet live during the game. These three themes were found to be present within a range of advertising platforms including: wagering venues, billboards and signage, scoreboard advertising, television and big screen commercials, shirt and team sponsorship, and integrated advertising.

A limited body of research has considered the impacts of gambling promotion and advertising on children and young people. Monaghan, Derevensky and Sklar (2008) have examined some of the marketing techniques used to promote gambling and how these may affect young people. Based on research in gambling and other public health domains, including tobacco, alcohol, and junk food advertising, they suggest that currently guidelines for responsible marketing of gambling products are largely voluntary; in many jurisdictions there exists no arms-length safety net between government regulatory and revenue boards. To ensure that gambling advertisements do not adversely affect youth, it is essential that regulations for gambling advertisements be made mandatory and enforced

by an independent body that is not involved in the revenue generated by gambling (Thomas et al., 2012).

Australia arguably has one of the most liberalized and intensive gambling environments in the world, with sports betting via online bookmakers a rapidly expanding segment of the Australian gambling market. There has been an increase in sports betting expenditure in Australia and increasing profit margins for some online bookmakers. There has also been a significant increase in the amount of marketing for sports betting products in Australia including significant increases in advertising spend by online bookmakers. Marketing strategies for sports betting extend beyond advertisements on free to air television and also include more contemporary social media platforms such as Twitter and Facebook (which often transcend advertising regulations), as well as commercial sponsorship agreements with sporting codes, stadiums, broadcasters, and individual clubs (Deans et al., 2017).

Research suggests that young men are the target market for sports betting companies, with a range of marketing and promotional strategies used to both appeal to and reach this key audience segment. Further, some young men have reported they feel targeted and bombarded by sports betting advertising (Deans et al., 2017). Researchers argue that sports betting has become closely aligned with young men's sports fan rituals with some researchers highlighting the role that marketing strategies may play in stimulating the risky consumption of sports betting products. For example, researchers have found that sports betting advertising used during sporting matches stimulates a range of positive, negative, and neutral affects in sports betters. Researchers have also demonstrated that specific forms of marketing promotions such as inducements may be particularly influential in stimulating problematic betting behaviors (Deans et al., 2017).

In recent years, the connection between mass media and gambling has become stronger with the saturation of programming with gambling television shows, Internet gambling websites, and advertising for these websites. Many casino gambling related shows such as reruns of the World Series of Poker (ESPN), the World Poker Tour (Travel Channel), Celebrity Poker Showdown (Bravo), Las Vegas (NBC), and others are aired on a regular

basis across various channel genres, including sports, entertainment, and travel (Benston 2004).

2.4.4 Place

Place refers to the point of sale, the logistics of where and how a firm actually delivers goods or services to the consumers. In every industry goods and services must be made available to the consumers at a place where they can conveniently make purchase (Perreault et al., 2010). The increasing take up and use of mobile devices are transforming most industries including gambling. Currently almost a third of betting and gaming consumers have used their smartphone and 16 per cent have used a tablet to gamble online. As betting and gaming has become a culturally more accepted leisure activity, the mobile channel has provided the industry with opportunities to widen their customer base (Deloitte, 2014).

The boom in online sports betting started around 2012, some few years after the emergence of mobile technology. Bettors were not necessarily using their mobile devices at that time but rather they used to bet online in the betting houses as they had computers connected to the Internet. With time, some began to switch to playing at internet cafes which were mushrooming in the country while the few who could afford to buy a personal computer ended up betting on their PCs (Standard Media Kenya, 2018).

Consumers who traditionally might not have gone to a betting shop or bingo hall can now bet and play in a way that fits their lifestyle and preferences. A UK study by Griffiths (2003) provides an overview of changes to gambling environments due to online technologies, noting that as modes of wagering become more interactive, the activity becomes more asocial. A key observation is that gambling has moved out of more traditional social environments (such as the pub) and into the home and workplace where it can be undertaken in isolation. In the case of Internet gambling, the shift is from a very specific site to being in cyberspace. Sports betting is no longer confined to casinos, local pubs and racecourses (Griffiths, 2003).

Consumers enjoy having product choice and mobile devices offer them the ability to have an overview of the market. Online betting platforms provide on the go access to odds

comparison sites and consumers can easily download numerous betting and gaming apps (Deloitte, 2014). Easy accessibility and 24-hour availability of Internet gambling were perceived as overly facilitating gambling participation (Hing et al., 2015). Internet gambling offers constant availability, easy access and ability to bet for uninterrupted periods in private, facilitated by the interactive and immersive Internet environment (Monaghan, 2009). According to McBride and Derevensky (2009), two of the most endorsed reasons for gambling online were privacy and anonymity. Gainsbury (2012) further affirms that gamblers prefer online betting because it has enhanced privacy; it is anonymous and solitary in nature.

Unlike land-based gambling where other gamblers and employees could scrutinize their gambling and ATM visits, lack of scrutiny was considered a contributing factor to longer gambling sessions and higher gambling expenditure. Participants discussed feeling anonymous online and lack of a human element with no one looking out for them or advising when they were gambling too much (Hing et al., 2015). According to McCormack and Griffiths (2012), Internet gambling use is likely to continue to grow as online platforms become increasingly used to engage in entertainment and recreational activities, including through phones and other wireless devices. Research suggests that the most commonly reported motivators and advantages of Internet gambling are the convenience and accessibility of this mode.

2.5 Chapter Summary

This chapter has provided a literature review based on the specific objectives discussed. The first section reviewed the influence of socio-cultural factors on online betting behavior the second section reviewed the influence of psychological factors on online betting behavior and the last section reviewed the influence of marketing mix factors on online betting behavior. Chapter three discusses the research methodology used in the study.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology used to achieve the objectives of the study. It described the research design, population and sampling design, data collection methods, research procedures and data analysis of the study.

3.2 Research Design

A research design is the overall plan and strategy that informs the key decisions that are adopted in research (Bryman & Bell, 2015). It involves, for example, the specifications of the population to be studied, how to go about answering the research questions. It contains clear objectives, derived from the research questions, specific sources for data collection. It also highlights the constraints that will be faced, for example, access to data, time, location and money, as well as ethical issues (Saunders, Lewis, & Thornhill, 2016). A researcher can choose from an exploratory, descriptive explanatory, case study, cross sectional studies, longitudinal or time series research designs. This is informed by the overall objective of the study or research.

The study used a descriptive study design with a quantitative approach to facilitate easy data analysis. A descriptive research design involves the gathering of data with the purpose of describing trends, a phenomenon or case (Bryman & Bell, 2015). The goal of a descriptive study is to have a clear picture of the phenomena of interest on which you wish to collect data prior to the collection of the data (Saunders et al., 2016). A descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation (Sekaran & Bougie, 2013).

The main objective of this study was to determine the factors influencing online behavior of online betting behavior in Nairobi. The specific objectives were to determine the influence of socio-cultural factors on online betting behavior in Nairobi, to determine psychological factors on online betting behavior in Nairobi and lastly to determine the influence of marketing mix factors on online betting behavior in Nairobi. Diverse

experiences and characteristics of the different participants with different perceptions were put together to best give a whole picture.

A survey strategy, which is usually associated with the deductive approach was used since it is most frequently used to answer who, what, where, how much and how many questions. Surveys often allow for the collection of a large amount of data from a sizeable population in a highly economical way. Often obtained by using a questionnaire administered to a sample, these data are standardized, allowing easy comparison. The survey strategy allows you to collect quantitative data, which one can analyze quantitatively using descriptive and inferential statistics. Using a survey strategy gives more control over the research process and, when sampling is used, it is possible to generate findings that are representative of the whole population at a lower cost than collecting the data for the whole population (Saunders et al., 2016).

3.3 Population and Sampling Design

3.3.1 Population

The research population is the entire set of individuals that meets the sample criteria of the study (Walliman, 2011). The study's key characteristics were individuals who participated in online betting using various gadgets available in the market; smart phones, tablets, I pads and computers. The research looked at online bettors in Nairobi as the most suitable research population to meet the research purpose and objectives. There was no risk of homogeneity of data since the city is cosmopolitan thus the respondents had diverse backgrounds and views. According to a BLCB official there are approximately 2 million individuals engaged in sports betting in Kenya (Standard Media, 2016). These 2 million individuals formed the population for this study. The BCLB is the authority board managing the betting establishments in Kenya hence why this study used these numbers.

3.3.2 Sampling Design

A sample is a representative group of the entire population. Sampling is the process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it possible

for us to generalize such properties or characteristics to the population elements (Sekaran & Bougie, 2013)

3.3.2.1 Sampling Frame

A sampling frame is a master list used to define a researcher's population of interest. It gives a complete list of all the members of the population to be studied (Saunders et al., 2016). Over 2 million individuals are engaged in online betting according to an official at the Betting Licensing and Controls Board (Standard Media, 2016). The two million individuals engaged in online betting formed the sampling frame of this study. The research focused on Nairobi residents who took part in online betting. Further, Saunders et al., (2016) found that the sampling frame must be as complete, accurate and up to date as possible.

3.3.2.2 Sampling Technique

Sampling technique refers to the systems and processes used to select the sample size. There exist two broad classes of sampling techniques: probability and non-probability sampling techniques. Probability sampling techniques use scientific justification of possibility of choosing a sample size and there is a known possibility of sample subjects being selected (Sekaran & Bougie, 2013). Non-probability sampling techniques utilize researcher's judgment thus the elements do not have a known or predetermined chance of being selected as subjects (Bryman & Bell, 2015).

This study used systematic sampling, a probability was appropriate since the design involves drawing every n th element in the population starting from a random point in the population frame; randomly chosen element between 1 and n (Sekaran & Bougie, 2013). Most participants who bet watch live sports at the stadiums, the study focused on betting participants who went watch live rugby at the stadiums. Every 5th person who was sitting at the terraces at the rugby grounds was given the questionnaire.

3.3.2.3 Sampling Size

A sample size is a representative group drawn from the entire population and a researcher makes inferences on the whole population by use of the sample (Saunders et al., 2016). The sample was therefore selected in a way that increases reliability and validity. This

study utilized Krejcie & Morgan (1970) sample size table to come up with an adequate sample size. The sample size table allows the researcher to determine the sample size for a given population with 95% certainty. For a population size of more than one million, a sample size of 384 is adequate as indicated in Table 3.1 (Krejcie & Morgan, 1970). A sample of 384 respondents was used for this study based on the population of 2 million online bettors.

Table 3. 1 Table for Determining Sample Size for a Known Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
25	24	130	97	320	175	950	274	4000	351
35	32	150	108	360	186	1100	285	5000	357
45	40	170	118	400	196	1300	297	7000	364
55	48	190	127	440	205	1500	306	9000	368
65	56	210	136	480	214	1700	313	15000	375
75	63	230	144	550	226	1900	320	30000	379
85	70	250	152	650	242	2200	327	50000	381
95	76	270	159	750	254	2600	335	1000000	384

Note: N is population size and S is sample size. Adopted from “Determining Sample Size for Research Activities”, by R. V. Krejcie and D. W. Morgan, 1970, *Educational and Psychological Measurement*, 30, p. 607-610.

3.4 Data Collection Methods

Data collection is the precise and systematic collection of information that is relevant to the purpose, objectives, questions or hypotheses of the study. Collection of data can be from primary or secondary sources. Primary data collection involves going to the field and getting specific information with regards to the objectives of the study. Secondary data collection involves getting information from already existing sources (Sekaran & Bougie, 2013).

Primary data collection was best suited to achieve the objectives of the study and structured questionnaire was the primary data collection tool. A questionnaire was

justified for use in this study as it enhanced collection of quantitative data. Furthermore, a questionnaire allowed for collection of data in a cost effective, easy and without the researchers influence on the findings.

The first part of the questionnaire sought general data about the respondent's experiences with regards to online betting behavior. The second part of the questionnaire had questions to reflect the three research objectives and it used a Likert scale. Respondents recorded the factors that influence them most by indicating their agreement with each statement on a 1-5 Likert scale from the strongly disagree (1) to the strongly agree (5). The Likert scale is chosen because it will allow the researcher to perform statistical operations on the data collected from the respondents (Sekaran & Bougie, 2010).

The participants may be unwilling to share information and the questions may not evoke desired responses. To deal with limitations the researcher applied informed consent, confidentiality, anonymity and courtesy to get select participants who were willing to participate in the study (Walliman, 2011). Before each questionnaire was administered the researcher explained to the respondents the significance of the research study and the importance of the respondents' data.

3.5 Research Procedures

A pilot study was conducted on 20 respondents by the researcher. A pilot study is a pre-test of the questionnaire on a small number of people conducted to refine methodology before it is used in earnest. The purpose of the pilot study is to validate the questionnaire by identifying problems with the research design and give the researcher experience with participants, methodology and data collection. The pretest questionnaire was sent to the respondent sample in the same setting and the same data collection and analysis techniques were used in the final study. During the pilot, the researcher dealt with questions that required clarification, rewording some questions (Walliman, 2011).

The questionnaires were administered with the help of graduate research assistants. The use of graduate assistants was appropriate since they are trained on various aspects of doing research, from collection of data, ethical issues in conducting research, to the entry of data for analysis. In order to ensure good response rate the design of the questionnaire

was such that the respondents gave informed consent. The questionnaire did not contain identification information to give the respondents anonymity and confidentiality. Anonymity exists when the subject cannot be linked to the data collected. Confidentiality on the other hand is the management of the data shared by the subject (Saunders et al., 2016). No names or personal details of the participants appeared on the questionnaire.

The instrument used in the study was tested and found to be valid and reliable by the use of the Cronbach's Alpha reliability analysis. Cronbach's alpha is most commonly used when you have multiple Likert questions in a questionnaire that form a scale and you wish to determine if the scale is reliable intended to measure attitudes and other affective constructs (Taber, 2017). Validity is concerned with the extent to which an instrument measures what it is intended to measure. Reliability is concerned with the ability of an instrument to measure consistently (Tavakol & Dennick 2011).

Taber (2017) outlines that Cronbach's Alpha of less than 0.7 indicates unreliable variables and thus cannot be used to deduce findings while Cronbach's Alpha of 0.7 and more dictates reliability. The value of Cronbach's Alpha for all the constructs was greater than 0.7, as indicated in Table 3.2, and adequate for this study.

Table 3. 2 Reliability Test Results

Reliability Statistics	
Cronbach's Alpha	0.798
Item-Total Statistics	
	Cronbach's Alpha
Demographics	0.868
Socio_cultural factors	0.769
Psychological factors	0.687
Marketing Mix factors	0.687
Betting Behavior factors	0.695

3.6 Data Analysis Methods

Data analysis is a process of bringing order, structure and meaning to the collected data. Data was evaluated for usefulness, centrality and to test emergent understandings (Sekaran & Bougie, 2013). After data was obtained through questionnaires they were edited, the questionnaire was pre coded thus it made it easy for data entry. The data was cleaned and was fit for analysis using the software program SPSS and exported to Excel for ease of use in data findings presentation. Quantitative techniques were used for the data analysis.

The findings of the study were analyzed using descriptive statistical techniques such as the mean, standard deviation and frequency distribution tables. This served the purpose of the study to describe the variables under investigation in the study. Descriptive statistics therefore enables us to present the data in a more meaningful way, which allows simpler interpretation of the data since it enables description of specific characteristics or attributes (variables) among the elements or units of a sample (Bryman & Bell, 2015).

Inferential statistics was used to allow the researcher to use the data collected to make generalizations about the populations from which the samples were drawn (Saunders et al., 2016). The study used correlation and regression analysis as the inferential analysis methods. The analyzed data was then presented by use of tables.

3.7 Chapter Summary

The study used a descriptive study design with a quantitative approach to facilitate easy data analysis. Respondents from Nairobi were selected as the target population and the sample was selected by use of systematic sampling method. The research used 384 participants according to a sample size table. A pilot study was conducted prior to the research study. Questionnaires were administered to obtain data from participants. Participants were asked for their consent to take part in the. Informed consent was obtained from the respondents to participate in the study. A computer program SPSS and excel were used to assist with the data analysis, and finally the data was presented using tables. Chapter four provides the results and findings based on the objectives of the study.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter reports the findings of the study based on the study's specific objectives. First section analyzed the socio-cultural factors that influence online betting behavior in Nairobi, second section the psychological factors that influence online betting behavior in Nairobi and the third section the marketing mix factors that influence online betting behavior in Nairobi.

There were 384 questionnaires printed based on the sample size table and distributed at Rugby tournaments using systematic sampling. A total of 360 were returned, 349 usable. Due to incomplete information, 13 sets of questionnaire were not analyzed. The data was collected in July 2018. The study thus achieved a 93.8% response rate and 88.5% of the respondents had placed a bet, this is the sample that was used for analysis to ensure achievement of the study's objectives. This information is indicated in Table 4.1. Babbie (2014) advises that a response rate of at least 50 percent is adequate for analysis and reporting and this study achieved this.

Table 4. 1 Betting Practices

	Frequency	Percent
Yes	309	88.5
No	40	11.5
Total	349	100

4.2 General Demographics

This section sought to find out the gender, age, betting frequency, occupation, marital status and highest level of education.

4.2.1 Gender of Respondents

There were 71.5 % of male participants and 28.5% females. This implies that online betting is a male dominated activity. The information is shown on Table 4.2.

Table 4. 2 Gender of Respondents

Gender	Frequency	Percent
Male	221	71.5
Female	88	28.5
Total	309	100

4.2.2 Age of Respondents

According to the findings 68.6% of the respondents are in the 20-35yrs age group, 18.1% are in the under 20yrs age group, 9.1% are in the 36-50yrs age group, 3.6% are in the 51-65yrs age group and lastly 0.6% are in the over 65yrs age group. This implies that young people dominate online betting.

Table 4. 3 Age of Respondents

Age Groups	Frequency	Percent
Under 20	56	18.1
20-35	212	68.6
36-50	28	9.1
51-65	11	3.6
Over 65	2	0.6
Total	309	100

4.2.3 Betting Frequency

The findings indicated that 30.7 % rarely bet, 23% bet a few times a week and 20.7% bet almost always, 11.7% a few times in the day, 7.1 once a week and 6.8% once a day. The findings show those who rarely bet are the majority, followed by those who bet a few times in a week.

Table 4. 4 Betting Frequency

	Frequency	Percent
Almost always	64	20.7
A few times a day	36	11.7
Once a day	21	6.8
A few times a week	71	23
Once a week	22	7.1
Rarely	95	30.7
Total	309	100

4.2.4 Occupation

The findings indicated 48.5% of the respondents were students, 24.9% employed full time and 7.4% were unemployed. The findings show that students are the highest participants of online betting.

Table 4. 5 Occupation

	Frequency	Percent
Student	150	48.5
Employed full time	77	24.9
Employed part time	25	8.1
Entrepreneur/ Business	34	11
Unemployed	23	7.4
Total	309	100

4.2.5 Marital Status

The findings indicated that 73.8% of the respondents were single, 20.1% married, 4.2% divorced or separated and 1.9% widowed. This implies that majority of those who participate in online betting are single.

Table 4. 6 Marital Status

	Frequency	Percent
Single	228	73.8
Married	62	20.1
Divorced or separated	13	4.2
Widowed	6	1.9
Total	309	100

4.2.6 Highest level of education.

The findings indicated that 44% of the respondents had degrees as their highest level of education, 16.2% advanced diplomas, 11.7% diplomas. The findings imply that those who participate in online betting are highly educated.

Table 4. 7 Highest Level of Education

	Frequency	Percent
Primary school	7	2.3
Secondary school	41	13.3
Certificate	15	4.9
Diploma	36	11.7
Advanced diploma	50	16.2
Degree	138	44.7
Masters degree	16	5.2
PhD	6	1.9
Total	309	100

4.3 Influence of Socio-cultural Factors on Online Betting Behavior Nairobi

The first objective of the study was to establish the influence of socio- cultural factors on online betting behavior in Nairobi; the analysis was based on cultural factors, social factors and personal factors.

4.3.1 Cultural Factors

4.3.1.1 Culture

The findings of the study indicated that members of various age groups bet with a mean of 1.77 and the lowest mean within culture elements. Members of the age groups thus form a subculture. The findings of the study also indicated that society supports betting with a mean of 2.11. Moreover, the findings indicated that being sports fans influences betting with a mean of 2.11. Society's support for betting and betting because of being a sports fan had the second and third influence respectively based on the means. The findings also indicated that religion did not allow respondents to bet with a mean of 3.12. This implies that religion has limited influence on betting behavior since it does not allow respondents to bet yet they still participate in the activity. The findings also indicated that our society does not allow females to bet with a mean of 3.95 and the least important within the cultural elements. This implies that female participation in betting is frowned upon there is lack of support from society. Overall, the findings imply culture influences betting behavior. The information on cultural factors is shown on Table 4.8.

Table 4. 8 Cultural Factors

	Mean	SD
My society supports betting	2.11	1.27
I bet because I am a sports fan	2.11	1.27
My religion allows me to bet	3.12	1.62
Females are allowed to bet in my society	3.95	1.48
Members of my age group bet	1.77	1.26

4.3.2 Social Factors

The findings indicated that betting strategies are discussed with friends before placing bets with a mean of 1.93 and has the lowest mean among social factors. Friends introduced other respondents to betting with a mean of 2.04 and had the second mean among social factors. The findings also show that members of clubs bet together with a mean of 2.28. Lastly, other player's winnings influences respondents to bet with a mean of 2.18. The findings indicated that members of family were the least important among

social factors influence, with a mean of 3.23. The findings imply that social factors influence betting behavior. The information on social factors is shown on Table 4.9.

Table 4. 9 Social Factors

	Mean	SD
Members of my family influence me to bet	3.23	1.57
We bet together with members of my club	2.28	1.39
My friends introduced me to betting	2.04	1.30
We discuss betting strategies with friends before placing a bet	1.93	1.19
I bet more whenever I hear of other players winnings	2.18	1.38

4.3.3 Personal Factors

The findings indicated that young people with no families bet more compared to the old generation with a mean of 2.43 and the lowest mean among personal factors. This indicates age and life cycle influence betting behavior. The findings also indicated that people with higher income bet more with a mean of 2.90 and the second mean among personal factors. This implies higher income influences betting. Lastly, the findings indicated that income gave respondents an opportunity to bet with a mean of 2.91 and had the least importance among personal factors. The findings imply that personal factors influence betting. The information on personal factors is shown on Table 4.10.

Table 4. 10 Personal Factors

	Mean	SD
My income gives me an opportunity to bet	2.91	1.51
Young people with no families bet more compared to the older generation	2.43	1.43
People with higher income bet more	2.90	1.43

4.4 Influence of Psychological Factors on Consumer Behavior of Online betting in Nairobi

The second objective of the study was to determine the influence of socio- cultural factors on online betting behavior in Nairobi; the analysis was based on learning and experience, motivation, attitudes and beliefs, personality and perception.

4.4.1 Learning and Experience

The findings indicated that early winnings encouraged respondents to bet with a mean of 2.02 and the lowest mean among learning and experience factors based on the mean. This implies that learning influences betting behavior. The findings also indicated that knowledge of a sport influences betting with a mean of 2.07 and the second mean among learning and experience factors. This implies learning influences betting behavior. Lastly, the findings indicated that respondents learn betting tips from other players with a mean of 2.13 and has the least importance among learning and experience factors. This also implies that learning influences betting behavior. The information on learning and experience is shown on Table 4.11.

Table 4. 11 Learning and Experience

	Mean	SD
Knowledge of a sport influences me to bet	2.07	1.23
I learn betting tips from other players	2.13	1.23
My early winning encourages me to bet	2.02	1.31

4.4.2 Motivation

The findings indicated that the prospect of large winnings influenced betting with a mean of 2.15 and the lowest mean among motivation factors. The findings also indicated that the money from betting influenced individuals to bet. Lastly, the findings indicated that online betting doesn't make respondents relieve tension and stress with a mean of 3.18 and had the least importance among the motivating factors. The findings imply that motivation influences betting behavior. The information on motivation is shown on Table 4.12.

Table 4. 12 Motivation

	Mean	SD
The money I win from betting helps fulfill my financial obligations	2.51	1.41
The prospect of large winnings influences me to bet	2.15	1.25
Online betting makes me relieve tension and stress	3.18	1.48

4.4.3 Attitude and Beliefs

The findings indicated that respondents trust betting sites they use, with a mean of 1.97 and the lowest mean among attitude and beliefs indicators. The findings also indicated that respondents were satisfied with the services they got on the betting platforms with a mean of 2.17 and the second mean among attitude and beliefs indicators. The findings also indicated that online betting platforms provide quality service and that is why respondents bet on the platform with a mean of 2.54. Lastly, the findings indicated that respondents are loyal to a betting site because it offers more value than the competitor, with a mean of 2.59 and the least important among the attitude and beliefs indicators. The findings imply that attitude and beliefs influences betting behavior. The information on attitude and beliefs is shown on Table 4.13.

Table 4. 13 Attitude and Beliefs

	Mean	SD
Online betting platforms provide quality service and that is why I bet on the platform	2.54	1.43
I am loyal to a betting site because it offers more value than the competitor	2.59	1.42
I trust the betting platforms I use	1.97	1.28
I am satisfied with the services I get on the betting platforms I use	2.17	1.22

4.4.4 Personality

Findings indicated that respondents betting experience is based on the possibility of winning with a mean of 1.88 and the lowest mean on personality traits. The findings also indicated that respondents bet more when chasing loses since it improved their overall effort to win with a mean of 2.83. This implies that internal individuals personalities are prone to betting since they tend attribute their experiences to their own actions and to the possibilities of winning. Moreover, the findings indicated that betting gave respondents an opportunity to do something without giving it much thought, with a mean of 2.57 and the least important on personality traits. This implies that respondents have sensation seeking and impulsive personalities. The findings show that personality influences betting behavior. The information on personality is shown on Table 4.14.

Table 4. 14 Personality

	Mean	SD
Betting gives me an opportunity to do something without giving it much thought	2.57	1.38
Betting gives me a different and new experience	2.44	1.31
I bet more when chasing loses since it improves my overall effort to win	2.83	1.36
My betting experience is based on possibility of winning	1.88	1.06

4.4.5 Perception

The findings indicated that online betting is a modern trend, with a mean of 1.88 and the lowest mean on perception followed by the findings that indicated respondents use online betting sites that are well known, with a mean of 2.01. The findings also indicated that online betting provides an opportunity to win money, with a mean of 2.13. Moreover, the findings indicated that online betting is a safe activity, with a mean of 2.45. Lastly, the findings indicated that online betting provides healthy entertainment, with a mean of 2.83 and the least importance on perception. The findings imply that perception influences betting behavior. The information on perception is shown on Table 4.15.

Table 4. 15 Perception

	Mean	SD
Online betting is a modern trend	1.88	1.11
Online betting is a safe activity	2.45	1.42
Online betting provides healthy entertainment	2.83	1.43
Online betting provides an opportunity to win money	2.13	1.24
Online betting sites offer better payout rates	2.24	1.25
I use online betting sites that are well known	2.01	1.25

4.5 Influence of Marketing Mix Factors on Online Betting Behavior in Nairobi

The third objective of the study was to determine the influence of marketing mix factors on online betting behavior in Nairobi; the analysis was based on price, product, promotion and place.

4.5.1 Price

The findings indicated that betting odds influenced whether individuals would bet or not, with a mean of 2.16 and the lowest mean among price factors. The findings also indicated that higher jackpots influence betting with a mean of 2.29. Moreover, the findings indicated that low prices charged for each minimum bet influence betting, with a mean of 2.44. Furthermore, the findings indicated that higher prices mean better quality of the betting sites, with a mean of 2.60 and low prices help respondents learn the basic skills and acquire confidence in betting, with a mean of 2.65. Lastly, the findings indicated that respondents' online betting choices consider price and are not randomized, with a mean of 2.84 and the least important. The findings imply that price influences betting behavior. The information on price is shown on Table 4.16.

Table 4. 16 Price

	Mean	SD
Betting odds influences whether I will bet or not	2.16	1.28
Low prices charged for each minimum bet influence me to bet	2.44	1.28
Higher jackpots encourages me to bet	2.29	1.33
Higher prices means better quality of the betting sites	2.60	1.36
Low prices help me learn the basis skills and acquire confidence in betting	2.65	1.29
My online betting choices considers price and are not randomized	2.84	1.44

4.5.2 Product

The findings indicated use of digital forms of money and instant transfer by mobile money influence betting, with a mean of 1.95. This has the lowest mean among all the product factors. The findings also indicated that betting tips are shared on social media sites, with a mean of 1.98. More over, the findings indicated that online betting allows engaging in several games simultaneously, with a mean of 2.11 and bettors have a large choice of types of bets that can place with a mean of 2.13. Lastly, the findings indicated that information needed to make betting decisions is available on betting sites, with a mean of 2.14 and the least important among the product factors. The findings imply that product influences betting behavior. The information on product is shown on Table 4.17.

Table 4. 17 Product

	Mean	SD
Bettors have a large choice of types of bets that can place	2.13	1.15
Information needed to make betting decisions are available on betting sites	2.14	1.27
Betting tips are shared on social media sites	1.98	1.11
The use of digital forms of money and instant transfer by mobile money providers such as M-pesa make betting easier	1.95	1.21
Online betting allows engaging in several games simultaneously	2.11	1.18

4.5.3 Promotion

The findings indicated respondents have seen promotions for betting sites they use appear in stadiums with a mean of 2.26. This is the lowest mean among the promotions factors. The findings also indicated respondents have seen promotions for the betting sites they use as team sponsorship on uniforms, with a mean of 2.26. Further, the findings indicated that the choice of betting sites is based on what respondents see on TV, billboards, or listen on radio, with a mean of 2.66. Lastly, the findings indicated that betting-related promotions during live broadcasts of sporting matches affects how respondents bet, with a mean of 2.71 and the least important of all promotion factors. The findings imply that promotion influences betting behavior. The information on promotion is shown on Table 4.18.

Table 4. 18 Promotion

	Mean	SD
Betting-related promotions during live broadcasts of sporting matches affects how I bet	2.71	1.38
My choice of betting sites is based on what I see on TV/ billboards, or listen on radio	2.66	1.43
I have seen promotions for betting sites I use appear in stadiums (banners/ posters etc.)	2.26	1.31
I have seen promotions for the betting sites I use as team sponsorship on uniforms	2.26	1.32

4.5.4 Place

The findings indicated that respondents use a smart phone and other wireless devices to bet, with a mean of 2.02. This is the lowest mean among the place factors. The findings also indicated that online betting offers easy accessibility and convenience with a mean of 2.12 and access to Internet encourages respondents to bet, with a mean of 2.21. Further, the findings indicated that online betting enables respondents to bet for uninterrupted periods, with a mean of 2.24. Lastly, the findings indicated that online betting gives

respondents privacy and anonymity, with a mean of 2.27 and the least important among place factors. The information on place is shown on Table 4.19.

Table 4. 19 Place

	Mean	SD
Access to internet encourages me to bet	2.21	1.35
I use a smart phone and other wireless devices to bet	2.02	1.21
Online betting gives me privacy and anonymity	2.27	1.28
Online betting offers easy accessibility and convenience	2.12	1.29
Online betting enables me to bet for uninterrupted periods	2.24	1.36

4.6 Betting Behavior and Socio- Cultural Factors, Psychological Factors and Marketing Mix Factors

4.6.1 Correlation Analysis

There was a positive correlation between socio- cultural factors and betting behavior $r(308) = .529$, $p < .001$, psychological factors and betting behavior $r(308) = .770$, $p < .001$ and marketing mix factors and betting behavior $r(308) = .804$, $p < .001$ thus the data was statistically significant. The information on correlation analysis is shown on Table 4.20.

Table 4. 20 Correlation Analysis

		Betting Behavior	Socio-cultural factors	Psychological factors	Marketing mix factors
Betting Behavior	Pearson Correlation	1	.529**	.770**	.804**
	Sig. (2-tailed)		0.000	0.000	0.000
	N	309	309	309	309
Socio-cultural factors	Pearson Correlation	.529**	1	.628**	.382**
	Sig. (2-tailed)	0.000		0.000	0.000
	N	309	309	309	309
Psychological factors	Pearson Correlation	.770**	.628**	1	.671**
	Sig. (2-tailed)	0.000	0.000		0.000
	N	309	309	309	309
Marketing mix factors	Pearson Correlation	.804**	.382**	.671**	1
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	309	309	309	309

** Correlation is significant at the 0.01 level (2-tailed).

4.6.2 Regression Analysis

Regression analysis was used to fit the data into the conceptualized model in the conceptual framework. The R square (coefficient of determination) was used as a measure of the explanatory power, to illustrate how the independent variables explain the dependent variable. The F statistics (ANOVA) was used as a measure of goodness of fit of the model. Finally the regression coefficient summary was used to explain the nature of the relationship between the independent and the dependent variables.

The R square value of the model was .751 indicating that 75.1% of online betting behavior was influenced by socio- cultural factors, psychological factors and marketing

mix factors. The remaining percentage can be explained by other factors that are excluded from the model. R of 0.866 shows that there is positive correlation between socio-cultural factors, psychological factors, marketing mix factors and online betting behavior in Nairobi.

Table 4. 21 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.866 ^a	0.751	0.748	0.29392

a Predictors: (Constant), Marketing mix, Socio-cultural, Psychological

Table 4. 22 ANOVAa

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	79.34	3	26.447	306.127	.000b
	Residual	26.349	305	0.086		
	Total	105.69	308			

a Dependent Variable: Online Betting Behavior

b Predictors: (Constant), Marketing mix factors, Socio-cultural factors, Psychological factors

The findings on the ANOVA for regression coefficient (as indicated in Table 4.22) reveals that there was a significant relationship between, socio-cultural factors, psychological factors and marketing mix factors with the F value of 306.127.

The study's specific objectives were to determine whether there was a significant influence of socio-cultural factors, psychological factors, and marketing mix factors on online betting behavior in Nairobi. The various coefficients are shown on Table 4.23. An intercept of 0.003 on the constant variable indicates that that if all the three predictors, socio-cultural factors, psychological factors and marketing mix factors, were equated to zero, then online betting behavior will be 0.003.

The socio-cultural factors beta coefficient was 0.109 implying that if the socio-cultural factors were to be increased by 1 unit then corresponding online betting behavior will

increase by 10.9%. Similarly, an increase in one unit of psychological factors will equate to 34.6% increases to online betting behavior. Likewise, if one unit increase of marketing mix were to be employed then online betting would be increased by 53%.

Table 4. 23 Coefficients_a

Model		Unstandardized Coefficients	Std. Error	Standardized Coefficients	T	Sig.
1	(Constant)	0.003	0.072		0.044	0.965
	Socio- Cultural factors	0.095	0.032	0.109	2.964	0.003
	Psychological factors	0.267	0.035	0.346	7.547	0.000
	Marketing Mix	0.429	0.031	0.530	13.727	0.000

The resulting multivariate linear regression model is as follows:

$$\text{Online betting behavior} = 0.003 + 0.109\text{socio-cultural factors} + 0.346\text{psychological factors} + 0.530\text{marketing mix factors}$$

The findings indicate that marketing mix factors have the greatest influence on online betting behavior. Psychological factors have the second influence on online betting behavior and socio- cultural factors have the least influence.

4.7 Chapter Summary

This chapter has presented the findings of this study based on the objectives of the study. First section analyzed the socio-cultural factors that influence online betting behavior in Nairobi, second section the psychological factors that influence online betting behavior in Nairobi and the third section the marketing mix factors that influence online betting behavior in Nairobi. Chapter five presents the discussion of findings, summary of findings, conclusions and recommendations for the study.

CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents discussion, conclusions and recommendations of the study. It gives a summary of the study, which includes the objectives, methodology and findings. It also discusses the major findings of the study looking at the specific objectives and comparing findings of other studies and scholars. In addition, the chapter presents the conclusions of the study based on the objectives and recommendations for the study and further studies.

5.2 Summary

The general objective of the study was to determine factors that influence online betting behavior in Nairobi. The specific objectives were to determine the influence of socio-cultural factors on online betting behavior in Nairobi, to determine the influence of psychological factors on online betting behavior in Nairobi and to determine the influence of marketing mix factors on online betting behavior in Nairobi.

To achieve these objectives the study utilized a descriptive research design using quantitative research approach. The population of the study was drawn from individuals engaging in online betting within Nairobi County. In total, it was estimated that 2 million individuals were engaged in online betting. Systematic random sampling was used and questionnaires were used as data collection tools. The data was analyzed by use of using SPSS and Excel worksheets using descriptive statistics and inferential statistics. The results were presented by use of tables.

The findings of the study indicated that there was a positive correlation between socio-cultural factors and betting behavior $r(308) = .529, p < .001$. The findings illustrate online betting behavior is influenced by socio-cultural factors such as culture, family, reference groups and personal factors.

The findings of the study also indicated that there was a positive correlation between psychological factors and betting behavior $r(308) = .770, p < .001$. The findings illustrate

that online betting behavior is influenced by psychological factors such as learning and experience, motivation, attitude and beliefs, personality and perception.

The findings of the study also indicated that there was a positive correlation between marketing mix factors and betting behavior $r(308) = .804, p < .001$. The findings illustrate that online betting behavior is influenced by marketing mix factors such as price, product, promotion and place.

5.3 Discussion

5.3.1 Influence of Socio-Cultural Factors on Online Betting Behavior in Nairobi

The findings of the study indicated that there was a positive correlation between socio-cultural factors and betting behavior $r(308) = .529, p < .001$. The findings illustrate online betting behavior is influenced by socio-cultural factors such as culture, family, reference groups and personal factors. In this study it was established that the cultural values of people in Nairobi supports online betting. Culture has an important role when it comes to influencing gambling since cultural beliefs and values can influence gambling behaviors. This is in line with the findings of Raylu and Oei, (2004) who found out that if cultures that have beliefs and values that favor gambling then there is a likelihood that the individuals will gamble like the Chinese.

Deans, Thomas, Derevensky and Daube (2017) looked at the various cultural values that align with online betting like being a sports fan. The study's findings is in line with their research as it also found that being a sports fan is a factor that leads them to betting. Most bets are placed within the sporting fraternity be it soccer, basketball, rugby, volley ball etc. Being a sports fan means you know the past performance of the team as well as the players and by seeing the lineup of the players against the opponent then one could predict which team will win. This is important in betting since predicting wins equates to money.

The findings of the study indicated 45.9% of the respondents indicated their religion does not support betting. It can be concluded that those who indicated their religion does not support betting could have a Muslim background since the religion does not support betting as it is considered 'haram.' The study is in line with findings of Raylu and Oei

(2004) who revealed that historically gambling is condemned in Muslim culture and thus the exposure to gambling has been limited and its cultural values dictate disapproval towards gambling. Nairobi as a cosmopolitan city has a mix of people from various religious backgrounds and as they interact some of the values are watered down, this could be the reason why even Muslims engage in betting.

The study also indicated that our society does not allow females to bet and their low participation could be attributed to this. According to Ohtsuka and Chan (2014), there is a negative depiction of female gambles and women will tend to steer away from gambling because society expects to be good caregivers who will look after their families. Based on the findings of the study, members of the same age group in Nairobi engage in betting because they share similar interests. Online betting is a global activity and people of Nairobi also share this culture. This is in line with the study of Woods (2013); consumers of the same age group have much common characteristics regardless of their geography, including a shared interest in pop music and fashion.

According to Raylu and Oei (2004), a child might get into gambling if the head of the family participates in gambling. The child will have a positive attitude towards betting if members of the family are into betting, consequently they will also try. Children's first formal contacts with gambling are often via parents or family members Children who believe that their parents gamble are more likely to want to try gambling themselves, and have higher rates of gambling. The findings of the study however found out family did not influence most respondents to bet. This could be attributed to the fact that online betting platforms are accessed on wireless devices and smart phones and their older generation have a challenge in using these devices so they do not participate in online betting.

According to Delfabbro and Thrupp (2003), adolescents are less likely to show interest in future gambling if their parents teach them about saving money, keeping a budget, and maintaining their finances these could also be the underlying factors why family did not influence respondents to bet in the study's findings.

The findings of the study indicated that reference groups influence betting behavior. Respondents indicated that they bet together with members of their clubs and their friends introduced them to betting. The finding is in line with the study of Parke and Griffiths (2001). According to their study, gambling with friends and other spectators tends to increase the level of risk-taking in making bets and increases the length and frequency of visits to gambling environments. This was further backed by research by Haroon and Derevensky (2001) who conducted a study on children gambling in groups and their results also indicated that children were more susceptible to peer influences than adults. This affirms that friends influence betting behavior.

The findings of the study also indicated that respondents bet more whenever they heard of other players' winnings. This is similar to the findings of Rockloff and Dyer (2007) who indicated that players bet more and lost more money when receiving information about other players' winning compared to those players in similar experimental trials but receiving much less information. Their experimental study suggested that players' might increasingly engage in risky gambling as a way of impressing other players.

The study found that the gambling population had male dominance. This is similar to Humphreys and Perez (2012) findings that indicated online sports bettors were males. Their research also indicated that people who bet tend to be young and this is in line with the findings of the study as 68.6% were in the 20-35 years age bracket and 18.1% under 20 years. McBride & Derevensky (2009) also found that participation of online betting among individuals decreased significantly as age increased. This is in line with the study's findings as there was decreased participation with the age groups. This is an indication that age plays an important role in adopting and using information technologies and online betting embraces technology.

Gainsbury, et al., (2013) national study of gambling patterns in Australia also found that interactive sports gamblers had higher levels of education. Majority of the respondents were students with degrees as their highest level of education. The findings of the research according to the demographics show that most of those who participate in online betting are highly educated.

The findings of the study indicate that income influenced betting. The findings are similar to the study of Wardle et al., (2011). In their study, those who came from the highest income households in the United Kingdom had the highest prevalence for online gambling, while those from the lowest income households were less likely to take part in online gambling activities. Further, research by Vong (2009) indicated that online gambling is higher among people who earn above average incomes, this is in line with the findings of the study that indicated people with higher income bet more. Most likely if the individuals did not have an income then they would not have money set aside for betting. Those from low-income households prioritize basic needs and won't have extra money for any other activity.

5.3.2 Influence of Psychological Factors on Online Betting Behavior in Nairobi

The findings of the study also indicated that there was a positive correlation between psychological factors and betting behavior $r(308) = .770, p < .001$. The findings illustrate that online betting behavior is influenced by psychological factors such as learning and experience, motivation, attitude and beliefs, personality and perception. According to the study, bettors will learn betting tips from other players, this helps them to learn how to master the activity and also avoid the loss of the money used for the bet. This implies that learning and knowledge influences betting behavior. The findings are in line with Janssen and Rijlaarsdam (2006) who indicated that online bettors identify with the strategy used by the other online bettors since it assures them of future wins and thus keep gambling.

From the findings of the study, it is clear that part of learning is the ability to keep doing something and improving over time and betting behavior is influenced by past experience and early winnings. Similar to this findings is the study by Lambos et al., (2007) who ascertained that players' early experiences is an important factor to continued gambling behavior since it guides future responses. The findings of the study also indicated knowledge of a sport influences betting behavior. The bettors will bet in the sports due to their knowledgeable of the sport involved and their betting experience. This is similar to the findings of d'Astous and Gaspero (2013) who found out that the reasons for initially becoming involved in sports betting were largely to do with the bettor's perceived level of knowledge and their experience of the sport involved.

According to the study's findings, respondents are encouraged to bet by their early winnings. This could be as a result of the desire to win every other time and thus early wins influence betting behavior. The findings are supported by the research done by Wiebe, Single, and Falkowski (2001). They found that there was a positive relationship between the level of current betting involvement and the possibility that a gambler could remember his or her first big win.

The study's findings indicated that money from betting helps fulfill financial obligations. This implies that the money motivates the participants and this influences betting behavior. This is similar to the findings of APS Gambling Working Group (2010) that indicated expectation of monetary rewards is a factor that influences people to bet due to the learnt association with betting and wins result in the belief that gambling is an easy source of income.

The study revealed that the prospects of large winnings influences betting behavior. Betting provides one with an opportunity to win money and to fantasize about what they could do with this money together with their family and friends. It provides an opportunity to buy luxury items that in an ordinary life are beyond reach. The finding is similar to the findings of Blaszczynski and Nower (2002) who identified becoming wealthy as a major reason why people gambled. Gambling represents an opportunity to win money and depending on the amount won, the potential to change one's lifestyle. The idea of large winnings excites participants and allows them to fantasize about the impact that such a windfall would have on their family members, work, finances and leisure.

It can be deduced from the findings that relieving of stress and tension does not influence betting behavior in Nairobi. This indicates that the betting experience is purely about winning money. This is not in line with the findings of Raylu and Oei (2002) that indicated continued gambling is promoted by the link of relieving stress, emotional distress and tension with betting activities. According to their research, betting provides the opportunity of temporary escape from negative realities. The adrenaline that comes along when one is betting helps individuals get away from their realities that are burdening and get consumed with the betting experience.

The findings of the study also indicated that online betting platforms provide quality service and customers are satisfied with the betting platforms. This implies that positive attitude on betting influences betting behavior. If the attitude is negative because of terrible quality of the betting sites and customers are dissatisfied then individuals will keep of the activity. The quality of betting platforms influences betting behavior by giving customers positive attitudes towards the platforms. The finding is similar to the findings of Wang (2011) that indicated that customer satisfaction and loyalty is as a result of great level of service recognized by online customers. The finding is further backed by the findings of Gainsbury et al., (2013) that indicated understanding public attitudes towards gambling is essential to understand why consumers would choose a betting site over another. Moreover, according to Gainsbury et al., (2013), understanding public attitudes towards gambling is essential to understand why consumers would choose a betting site over another.

The study found that individuals were loyal to a betting site because it offered more value than the competitor. This is an indication that betting behavior is influenced by the attitude and beliefs adopted by the individuals with regards to the value offered. If the competitor offers better value than more people will shift to the site and new ones are easily swayed to join the platform too. The finding is similar to research by Wang (2011) that indicated it is much easier for customers to find some alternatives if the betting sites do not offer value and that challenges the aspect of loyalty. Further, the findings of Anderson and Srinivasan (2003) indicated that as the perceived value is low the loyalty aspect decreases and customers start looking for alternatives, where they will be able to increase their perceived value. Even satisfied customers are unlikely to patronize an online platform, if they feel that they are not getting the best value for their money.

The findings of the study further indicated that respondents trusted the betting platforms they used; this implies the respondents had a positive attitude towards the betting platforms and betting generally. Similarly, APS Gambling Working Group (2010). Internet site's ability to create trust has an impact on customer loyalty and retention. An Internet site's ability to create trust will influence customer loyalty and retention, which in return influences online betting behavior. Their research deduced that social

interactions coupled with pre-existing beliefs and attitudes determine the likelihood that an individual will decide to participate in gambling activities.

It can be deduced from the findings that betting gave the respondents an opportunity to be spontaneous. This implies that the respondents have impulsive personalities that influence betting behavior. This is similar to the findings of Mardaga and Hansenne (2012) that indicated personality traits such as impulsivity, sensation seeking and sensitivity to rewards and punishments are correlated with betting. These personality traits are believed to modulate arousal to wins and losses, which in turn, influences betting behavior.

The findings also indicated that betting gave respondents a different and new experience. This implies the respondents have sensation seeking personalities that also influence betting behavior. The findings are similar to the findings of Mc Daniel and Zuckerman (2003) who conducted a research to look for a relationship between sensation seeking, impulsivity and gambling behavior in normal populations. Based on a study of 790 adults, they reported that there was a significant relationship between sensation seeking, impulsivity and regular gambling behavior.

The study revealed that individuals bet more when chasing loses since it improves overall effort to win. This implies that the individuals have internal attributes which influences betting behavior. Internal individuals attribute their experiences to their own actions. This is backed by the findings of Griffiths (2013), the study indicated that internal individuals gamble more persistently when chasing losses because they believe all that is required is an increase in concentration and an overall improved effort in order to win. Zuckerman and Breen (1999) study further affirms that chasing is all about frequent betting, increased persistence and increased monetary risk in an effort to recoup money that has been lost. Thus chasing loses influences betting behavior.

According to Griffiths (2013) external individuals attribute their experiences to chance, they have no control of the outcomes. The findings of the study also revealed that betting experience was based on possibility of winning implying that betting experience is left to chance and this influences betting behavior. The findings of the study further revealed that online betting is a modern activity, a safe activity, provides healthy entertainment and

opportunity to win money. This implies that the good perception on betting influences betting behavior. The findings of the study are similar to the research by Wong and So (2013) that indicated many online gamblers perceive Internet gambling as trendy, safe and healthy entertainment, which provides the opportunity to win money and thus influences betting behavior.

It can be deduced from the findings that online betting sites offer better payout rates, this perception influences betting behavior. The finding is similar to the findings of study by Wood and Williams (2007). They indicated that some people might gravitate toward Internet gambling due to their perceptions that online venues offer better payout rates.

The study indicated that individuals use betting sites that are well known; this also implies that perception influences betting behavior. The study is in line with the findings of an Australian study by Gainsbury et al., (2012) that suggested customers seek well known sites that have good reputation, better payout rates, customer protection, game fairness, and finance security and are more likely to choose gambling sites that offer these.

5.3.3 Influence of Marketing Mix Factors on Online Betting Behavior in Nairobi

The findings of the study also indicated that there was a positive correlation between marketing mix factors and betting behavior $r(308) = .804, p < .001$. The findings illustrate that marketing mix factors such as price, product, promotion and place influences online betting behavior. The findings of the study revealed that betting odds influences whether individuals bet. This implies betting odds influences betting behavior. This is similar to research by Gainsbury et al., (2012), price is either in the form of odds or point spreads. Betting odds allow for bettors to place bets on the outcome of the match. Fixed odds betting means that the payout for a bet is agreed at the time the bet is sold and pari-mutuel betting is where customer bets are placed in a pool, with payout odds calculated after the event with wins then distributed from this pool, minus the operator's fee.

The findings of the study also revealed that low prices charged for minimum bets influence betting. This suggests price influences betting behavior. According to Kuo,

(2017) bettors can place wagers for as low as \$0.10 and use the web to research and place their wagers. The low prices charged for these products are used to lure the players in. Further the Swiss Casino (2008) affirmed that low prices for betting products are used to lure in price sensitive individuals. The findings of the study indicated that higher jackpots encourage betting. This is backed by data on the sports website Futaa.com SportsPesa is the biggest betting company that is currently operating in Kenya. It has the highest number of users since their betting website is simple to use as well as their jackpot system. On the website users have opportunities to win 100 million shillings and more.

Further the study revealed that higher prices mean better quality of the betting site this also influences betting behavior. Grewal et al., (2003) conducted a similar study that connected price and consumer perspective to perceived quality. Price is a powerful positioning tool that plays a large role in differentiating between different product classes. This implies the higher the price the better the quality of the website. The study also revealed that low prices help individuals learn the basic skills and acquire confidence in betting thus price influences betting behavior. The finding is similar to the research by Monaghan & Derevensky (2008) that indicated online sites proffer free bets, which is promoted as educational for inexperienced players, to assist them in acquiring the confidence to encourage betting.

The findings of the research indicated that online betting choices are not randomized and consider prices. This implies that price influences betting behavior as some individuals would compare options and go for the cheapest one. The study is similar to research by Boniecki (2016) that indicated customers belong to two groups, informed and uninformed. The informed group of customers know price setting of the products and choose the cheapest one while the uninformed group lacks recognition of the prices and their choices are mostly randomized and as a result we have price variation of betting products.

It can be deduced from the findings that bettors have a large choice of types of bets that they can place. This implies that product influences betting behavior since a variety of products mean everyone is able to get what is appropriate for their preferences. The finding is similar to the study by Productivity Commission (2010) that indicated corporate

bookmakers and betting exchanges have transformed the gambling industry by giving bettors more options than before. The options are in the sports on which they can place bets and also the means in which the bets can be made. The findings of Gainsbury (2012) further affirms that bettors have a large choice of bets that can relate to the final outcome of the event or to contingencies during the event. Bets may also be placed before or after an event commences. In- play betting for example allows for real time propositions about outcomes within the game, such as which team will score next or whether a golfer will sink the next goal.

The findings of the study also revealed that Information needed to make betting decisions are available on betting sites and betting tips are shares on social media sites. This implies the availability of betting information influences betting. This is in line with the report by Kenyan Bets (2016) that indicated information needed to make betting decisions, like news updates on teams, players and sports are new built-in features seen in betting sites. The availability of tips shared via chatting groups like WhatsApp and Facebook have also made it easier to access information about betting.

The findings of the study indicated that the use of digital forms of money and instant transfer by mobile money providers such as Mpesa make betting easier, this implies the various products that facilitate betting influence betting behavior. The finding is similar to a report by Standard Media Kenya (2018) that indicated that the rise of online betting has also been made much swifter by the abundance of mobile money service providers such as MPesa in Kenya. No banks are required in either online or offline transactions, and transfer is therefore instant. Anyone who has a mobile device that can connect to the Internet is able to bet online using MPesa and other local mobile money service providers and such products influence betting behavior.

Woods et al., (2007) further affirm the findings and indicates that the use of digital forms of money such as credit cards, electronic bank transfers and e-wallets appears to lead to increased gambling as people feel that they are not spending real money. The findings of the study also revealed that online betting allows engaging in several games simultaneously. This is similar to the findings of Gainsbury (2012) that indicated the reason why consumers preferred online betting is that it has the ability to engage in

several games simultaneously. This means one can place bets on a soccer game, cricket game, basketball and rugby all at the same time.

It can be deduced from the findings that betting-related promotions during live broadcasts of sporting matches affects betting, this implies promotions influence betting behavior. This is similar to the findings of Deans et al., (2017) that indicated sports betting advertising to be fully embedded within the match and its promotional materials. Advertising on players' jumpers, pop up logos underneath match statistics on scoreboards, signage in pre-match locker room shots and the blurring of expert commentary on the game with updates on odds and dividends means that it is very difficult for a sports fan to avoid betting related promotions and advertising both at the game and through television coverage.

The study also revealed that the choice of betting sites is based on what respondents see on TV/ billboards, or listen on radio. This implies advertising implies betting behavior. This is similar to the findings of Deans et al., (2017) that suggested the connection between mass media and gambling has become stronger with the saturation of programming with gambling television shows, Internet gambling websites, and advertising for these websites. Young men are the target market for sports betting companies, with a range of marketing and promotional strategies used to both appeal to and reach this key audience segment.

The findings of the study also indicated that promotions for betting sites used by respondents appear in stadiums on banners, posters and as sponsorship on uniforms. This implies that promotional activities influences betting behavior. This is similar to the findings of Thomas et al., (2012) that indicated promotions for gambling appear in stadiums and during broadcasts of matches on fixed and revolving electronic banners; in commercials before and after matches, and during breaks in play; and as team sponsorship on uniforms, in locker rooms and on team banners. This makes it almost impossible to avoid seeing gambling promotions during games.

The findings of the study deduced that access to Internet encourages betting. This implies accessibility of online betting platforms influence betting behavior. This is similar to the

findings of Griffiths (2003) that indicated sports betting is no longer confined to casinos, local pubs and racecourses and Internet gambling facilitates a shift to the cyber space. In the case of Internet gambling, the shift is from a very specific site to being in cyberspace. Sports betting is no longer confined to casinos, local pubs and racecourses. This is further backed by a report by Standard Media Kenya (2018) that indicated the boom in online sports betting started some few years after the emergence of mobile technology and bettors used to bet online in the betting houses that had computers connected to the Internet. Later on individuals shifted to playing at Internet cafes while those who own personal computer ended up betting on their computers.

The findings of the study also indicated that the use of smart phones and other wireless devices facilitated betting. This implies having a smart phone influences betting behavior. The finding is in line with the research by Deloitte (2014) that indicated the increasing take up and use of mobile devices transformed the gambling industry and almost a third of betting and gaming consumers have used their smartphone and 16 per cent have used a tablet to gamble online. Moreover, the findings of the study revealed that online betting gives privacy and anonymity. This implies private nature of online betting influences betting behavior. This is similar to the findings of Gainsbury (2012) that indicated gamblers prefer online betting because it has enhanced privacy, it is immersive, anonymous and solitary nature. Research by Hing et al. (2015) also indicated that lack of scrutiny was considered a contributing factor to longer gambling sessions and higher gambling expenditure. Participants felt anonymous online and no one bothering them with claims of gambling too much.

The findings of the study affirm that online betting offers easy accessibility and convenience. This implies accessibility and convenience influence betting behavior. This is similar to the findings of Hing et al. (2015) that indicate easy accessibility and 24-hour availability of Internet gambling were perceived as overly facilitating gambling participation. Individuals can access betting platforms from the comfort of their homes. Consumers who traditionally might not have gone to a betting shop or bingo hall can now bet and play in a way that fits their lifestyle and preferences. Research by McCormack and Griffiths (2012) further supports the findings by indicating that the most commonly reported motivators and advantages of Internet gambling are convenience and

accessibility of the mode. According to a research by Griffiths (2003) gambling has moved out of more traditional social environments (such as the pub) and into the home and workplace where it can be undertaken in isolation.

Lastly the findings indicated that online betting enables betting for uninterrupted periods and this influences online betting behavior. This is in line with the findings of Monaghan (2009) that indicated Internet gambling offers constant availability, easy access and ability to bet for uninterrupted periods in private, facilitated by the interactive and immersive Internet environment.

5.4 Conclusions

5.4.1 Influence of Socio-Cultural Factors on Online Betting Behavior in Nairobi

The findings of the study conclude that social-cultural factors such as culture, sub-culture, reference groups, income, education, age and occupation positively influence betting behavior. The study also concludes that that religion has limited influence on betting behavior. Female participation in betting is frowned upon and the lack of support from society contributes to the low percentage of female participation. Lastly, members of the family do not influence majority of consumers to bet and instead friends are the biggest influence on online betting.

5.4.2 Influence of Psychological Factors on Online Betting Behavior in Nairobi

This study concludes that psychological factors such as learning and experience, motivation, attitude and beliefs, personality and perception positively influences online betting behavior. Betting provides one with an opportunity to win money and to fantasize about what they could do with this money together with their family and friends. Understanding public attitudes towards gambling is essential to understand why consumers would choose a betting site over another. Personality traits such as impulsivity, sensation seeking and sensitivity to rewards and punishments are influence with betting.

5.4.3 Influence of Marketing Mix Factors on Online Betting Behavior in Nairobi

This study concludes that marketing mix factors such as price, product, promotion and place positively influences individual online betting behavior. More consumers will be attracted to online betting sites with increased marketing activities. The more marketing activities are developed by online betting firms, the more consumers are attracted to the various sites. Creating awareness is important since consumers cannot purchase what is unknown. Higher prices on the other hand mean better quality of the betting site. Bettors have a large choice of bets that can relate to the final outcome of the event and in online betting platforms, consumers can engage in several games simultaneously. The use of digital forms of money such as credit cards, electronic bank transfers and M-pesa appears to lead to increased online betting due to the convenience and privacy involved.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Influence of Socio- Cultural Factors on Online Betting Behavior in Nairobi

The study recommends that betting firms need to examine the various socio- cultural factors that influence betting behavior, such as culture, sub-culture, reference groups, income, education, age and occupation. Advertising should show more women betting so that society gets to accept the activity and as a result more women participation will increase, more numbers means more revenue for the betting companies. Betting companies should encourage older people to bet as a way of social facilitation so as to increase the participation of this age group.

5.5.1.2 Influence of Psychological Factors on Online Betting Behavior in Nairobi

Individuals bet because they are motivated to get money, the betting company should expand betting rewards to not only be monetary but rewards of trips and holidays to expand the scope, this will also increase the number of betting participants. Betting companies should also engage in corporate social responsibility so as to give the potential and existing consumers a positive attitude towards betting that will influence participation.

5.5.1.3 Influence of Marketing Mix Factors on Online Betting Behavior in Nairobi

Betting firms should create awareness by maximizing on integrated marketing mix to influence betting behavior. This will allow use of personal selling, sales promotion, advertising, public relations, Internet marketing, awareness about betting since promotional activity has been seen to influence betting behavior. More over online betting is highly accessible to any individual that has access to the Internet thus betting companies should increase accessibility of online betting services so that more individuals have the choice of participation. Betting sites should also improve the quality of their sites to attract more users. A site should be user friendly with ease of navigation.

5.5.2 Recommendations For Further Studies

There should be further research on the extent online betting has on the economy, the revenue collected from betting firms could be used by the government to develop various projects that improve people's livelihoods.

This study only looked at the betting population of individuals in Nairobi, further research could be conducted in the rural areas to determine the factors that determine their betting behavior.

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APPENDICES

Appendix I: Letter of Introduction

Maloba Betty Nyona

Mobile No: 0712070620

Email: malobagivens@gmail.com

22nd July 2018

Dear Respondent,

RE: REQUEST FOR APPROVAL OF DATA COLLECTION

I am a student at United States International University Africa (USIU-A) pursuing a Masters of Business Administration program. In partial fulfillment of my course work, I would like to conduct a research project to determine factors influencing consumer behavior of online betting in Nairobi.

Therefore kindly complete the attached questionnaire with as accurate information as possible. This research will be used entirely for academic purposes and you are assured of confidentiality and anonymity, your name will not appear anywhere.

Your assistance is highly appreciated. Thank you in advance.

Yours faithfully,

Betty Maloba

Appendix II: Questionnaire

FACTORS INFLUENCING ONLINE BETTING BEHAVIOR IN NAIROBI.

PART 1: DEMOGRAPHICS

Kindly fill all the questions by ticking in the spaces provided

1. Participant [1] Male [] [2] Female []
2. Age [1] Under 20 [] [2] 20–35 [] [3] 36–50 [] [4] 51–65 [] [5] Over 65 []
3. Have you ever placed a bet of any kind? [1] Yes [] [2] No []
4. How often do you bet? [1] Almost always [] [2] A few times a day [] [3] Once a day [] [4] A few times a week [] [5] Once a week [] [6] Rarely []
5. Occupation? [1] Student [] [2] Employed Full time [] [3] Employed Part time [] [4] Entrepreneur/ business [] [5] Unemployed []
6. Marital status? [1] Single [] [2] Married [] [3] Divorced or Separated [] [4] Widowed []
7. Highest level of education? [1] Primary school [] [2] Secondary school [] [3] Certificate [] [4] Diploma [] [5] Advanced Diploma [] [6] Degree [] [7] Master's degree [] [8] PhD []

PART 2

Please respond to the following statements by circling/ ticking one (1-Strongly agree, 2 – Agree, 3- Neutral, 4- Disagree, 5- Strongly disagree)

8	Culture influences betting behavior	1	2	3	4	5
9	My society supports betting	1	2	3	4	5
10	I bet because I am a sports fan	1	2	3	4	5
11	My religion allows me to bet	1	2	3	4	5
12	Females are allowed to bet in my society	1	2	3	4	5
13	Members of my age group bet	1	2	3	4	5
14	Members of my family influence me to bet	1	2	3	4	5
15	We bet together with members of my club	1	2	3	4	5
16	My friends introduced me to betting	1	2	3	4	5
17	We discuss betting strategies with friends before placing a bet	1	2	3	4	5
18	I bet more whenever I hear of other players winnings	1	2	3	4	5
19	Family and friends influence betting behavior	1	2	3	4	5
20	My income gives me an opportunity to bet	1	2	3	4	5
21	Most people who bet are educated	1	2	3	4	5
22	Young people with no families bet more compared to the older generation	1	2	3	4	5
23	People with higher income bet more	1	2	3	4	5
24	Income, education, age and occupation influence betting behavior	1	2	3	4	5
25	Learning and knowledge influences betting behavior	1	2	3	4	5
26	Knowledge of a sport influences me to bet	1	2	3	4	5
27	I learn betting tips from other players	1	2	3	4	5

28	My early winning encourages me to bet	1	2	3	4	5
29	Motivation influences betting behavior	1	2	3	4	5
30	The money from betting I win helps fulfill my financial obligations	1	2	3	4	5
31	The prospect of large winnings influences me to bet	1	2	3	4	5
32	Online betting makes me relieve tension and stress	1	2	3	4	5
33	Attitude and beliefs influence betting	1	2	3	4	5
34	Online betting platforms provide quality service and that is why I bet on the platform	1	2	3	4	5
35	I am loyal to a betting site because it offers more value than the competitor	1	2	3	4	5
36	I trust the betting platforms I use	1	2	3	4	5
37	I am satisfied with the services I get on the betting platforms I use	1	2	3	4	5
38	Personality influences betting behavior	1	2	3	4	5
39	Betting gives me an opportunity to do something without giving it much thought	1	2	3	4	5
40	Betting gives me a different and new experience	1	2	3	4	5
41	I bet more when chasing loses since it improves my overall effort to win	1	2	3	4	5
42	My betting experience is based on possibility of winning	1	2	3	4	5
43	Perception influences betting behavior	1	2	3	4	5
44	Online betting is a modern trend	1	2	3	4	5
45	Online betting is a safe activity	1	2	3	4	5
46	Online betting provides healthy entertainment	1	2	3	4	5
47	Online betting provides an opportunity to win money	1	2	3	4	5
48	Online betting sites offer better payout rates	1	2	3	4	5
49	I use online betting sites that are well known	1	2	3	4	5
50	Price influences betting behavior	1	2	3	4	5
51	Betting odds influences whether I will bet or not	1	2	3	4	5
52	Low prices charged for each minimum bet influence me to bet	1	2	3	4	5
53	Higher jackpots encourages me to bet	1	2	3	4	5
54	Higher prices means better quality of the betting sites	1	2	3	4	5
55	Low prices help me learn the basis skills and acquire confidence in betting	1	2	3	4	5
56	My online betting choices considers price and are not randomized	1	2	3	4	5
57	Betting products influences betting behavior	1	2	3	4	5
58	Bettors have a large choice of types of bets that can place	1	2	3	4	5
59	Information needed to make betting decisions are available on betting sites	1	2	3	4	5
60	Betting tips are shared on social media sites	1	2	3	4	5
61	The use of digital forms of money and instant transfer by mobile money providers such as M-pesa make betting easier	1	2	3	4	5

62	Online betting allows engaging in several games simultaneously	1	2	3	4	5
63	Promotional activities influences betting behavior	1	2	3	4	5
64	Betting-related promotions during live broadcasts of sporting matches affects how I bet	1	2	3	4	5
65	My choice of betting sites is based on what I see on TV/ billboards, or listen on radio	1	2	3	4	5
66	I have seen promotions for betting sites I use appear in stadiums (banners/ posters etc.)	1	2	3	4	5
67	I have seen promotions for the betting sites I use as team sponsorship on uniforms	1	2	3	4	5
68	My favourite team is sponsored by a betting site, and so I bet on the site.	1	2	3	4	5
69	Access to betting services influences betting behavior	1	2	3	4	5
70	Access to internet encourages me to bet	1	2	3	4	5
71	I use a smart phone and other wireless devices to bet	1	2	3	4	5
72	Online betting gives me privacy and anonymity	1	2	3	4	5