FACTORS INFLUENCING ONLINE BUYING BEHAVIOR AMONG UNIVERSITY STUDENTS: A CASE STUDY OF UNITED STATES INTERNATIONAL UNIVERSITY AFRICA

BY

KALA ABUODHA

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Research Project Report Submitted to the School of Business in Partial Fulfillment of the Requirement for the Degree Master of Science in Management and Organization Development (MOD)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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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 Africa for academic credit.

Signed ______________________    Date____________________

KALA ABUODHA (645244)

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

Signed________________________   Date__________________

Dr. Maureen Kangu

Signed________________________   Date__________________

Dean, Chandaria School of Business
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DEDICATION

This project is dedicated to my late parents and my sisters you are my life and my light and I appreciate the love and support.

I am dedicating this to my best friend and confidant John Mark Ndungo your support has allowed me to soar!
ABSTRACT

The general objective of this study was to determine the factors influencing online buying behavior among university students. The study was guided by three specific objectives, which included, to assess how perceived benefits of online shopping influences online buying behavior among university students, to examine how perceived risks of online shopping influences online buying behavior among university students and to assess how psychological factors, influence online buying behavior among university students. The study used a descriptive research design and the study population included 7005 undergraduate students at the United States International University-Africa. Stratified random sampling technique was used to select a total of 378 students who participated in the study. The study used questionnaires to collect data. Data was analyzed using SPSS. The data analysis included, descriptive and inferential statistics and findings were presented in graphs and tables.

Findings on the influence of perceived benefits on online buying behavior showed that, online shopping considered to be convenient. It was also shown that online shopping gives facilities for price comparison. However, it was not conclusive whether it is easy to cancel orders when shopping online. Lastly, it was revealed that student preferred shopping in high quality web pages. According to the regression analysis perceived benefits of online shopping had a significant association with online shopping behavior. Results in terms of the influence of perceived risks of online buying on online behaviors showed that when shopping online personal information may be compromised to third party. Again, when shopping online it’s hard to judge the quality of the merchandise over the internet. In addition, when shopping online the buyer might not receive the product ordered online as ordered. It was however not conclusive whether online purchasing process takes too long. According to the regression analysis perceived risk of online shopping had a significant relationship with online behavior.

In terms of psychological factors and online buying behavior, results showed that online shopping encourages impulse buying. According to findings, online shopping is linked to the buyer’s personality. However, it was not established whether online shopping is safe or not. It was also not established whether people shop online because of influencers. According to the regression analysis psychological factors had a significant association with online buying behavior.
Based on the findings, it is concluded that online buying behavior is affected by the benefits that consumers perceive in online shopping. Consumers in addition to other factors they consider, will look for the benefits of purchasing something online before making that buying decision. The risks involved in online shopping discourage people from purchasing online. People will examine the risk of them purchasing a commodity online before making that purchase decision. Most people will only decide to purchase online if they perceive the transaction to be less risk. The risk that customers are always looking for in online purchasing include, misuse of tier personal and credit information. Psychological factors play a significant role in consumers online buying behavior. People of different personality are oriented differently in online shopping. Consumers are also influenced by influencers in making purchase decision online. There is a positive association between the customer’s psychological insight and their will to shop online.

This study recommends that online retail shops should at all time portray the benefits of their online merchandise. This study recommends that online retailers should include a number of benefits in their sales services including home delivery, time saving more product information that would make consumers abandon the physical shopping they are used to. This study recommends that online retailer should organize thier online transaction in way that it minimizes exposing the clients to alot of risk. The online store should minimize in as much as possible the request for personal information that threatens to expose clients private life. This study recommends that online retailer should profile their target consumers according to their personality and learn their preferences when it comes to online shopping. The retailers should customize their product and services according to their customers’ preferences and demands to enhance sales. The online retails should carry out marketing/advertisement to improve their brand.
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LIST OF ABBREVIATIONS

COVID-19 – Corona Virus.

GDP - Gross Domestic Product.

ICT - Information and Communications Technology.

KEBS - Kenya Bureau of Standards.

NACOSTI - National Commission for Science, Technology and Innovation

SPSS - Statistical Package for Social Sciences.

USIU-A - United States International University – Africa.
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the study

Internet has evolved to be one of the most powerful communication tools impacting the global, social and economic sphere. The business environment is recognizing the internet’s potential as a hotbed for commercial and commerce activities, this is especially in the marketing and advertising sphere (Bujnowska-Fedak, 2015). Online shopping is defined as the ability to buy and sell things using the internet (Bujnowska-Fedak, 2015). It acts as a distribution channel and an interface for buyer and sellers to interact via the world wide web (Bujnowska-Fedak, 2015). Online distribution channels or digital distribution channels allow products to move from retailers to customers, this can also take a business to business approach through transferring goods from manufactures and wholesalers to retailers (Bujnowska-Fedak, 2015).

A new report by global measurement company Nielsen (2018), states that in the past three years’, global online grocery shopping has increased by fifteen percent (15%), this is estimated to generate US$70B worth of additional sales in online. Online shopping has been customized to meet customers’ needs and wants therefore, businesses have to adopt online selling and distribution stratagems to reach mass markets as well as specific customer segment (Chan, Cheung & Lee, 2017). The habit of students’ shopping has changed as a consequence of increasing internet usage for young generation customers (Chan, Cheung & Lee, 2017). Technology and communication have increased internet usage and enhanced knowledge of the young generation customers (Chan, Cheung & Lee, 2017).

As mentioned earlier, rapid global growth in electronic commerce has revolutionized the purchasing behavior of customers (Nielsen, 2018). The current information age has transformed: the way companies and suppliers interact with consumers, customers are more knowledgeable about product offerings and market competition more inherent (Nielsen, 2018). The customer todays have been left both empowered and confused in equal measures, leading to consumers who easily switch from one product to another or from one company to another without any major reason and with no allegiance to any company or product (Bujnowska-Fedak, 2015). Online shopping offers advantages to sellers such as the ability to reach a wide market and to display a wide variety of product categories (Nielsen, 2018). A merchant can also operate twenty-four (24) hours a day and
is able to save costs on renting premises and paying employees. Consumers also gain by an almost unlimited selection of products, the ability to easily compare products, brands, prices, customer reviews, and make a purchase anywhere, at any time (Sandefer *et al.*, 2015).

Nielsen (2018), states that studies on the determinants of online purchase intent have been done widely in a number of countries revealing the increasing need for online presence by companies so as to catch up with market trends, therefore, current technological advancements and access to information has transformed the way companies and suppliers interact with consumers and other stakeholders. The writer continues to say traditional marketing and communication strategies are dead and a new era of digital communication has taken over (Nielsen, 2018). As much as shopping online seems to be an easy one stop shop to generating business in this new age, it does face certain difficulties.

Sandefer, Westra, Khairat, Pieczkiewicz and Speedie (2015), carried out research on determinants of consumer’s information seeking behavior in the United States of America and established there are several other factors that influence consumer online behavior, they include: demographics, motivation, trust, perceived risk and customer attitude; product characteristics including the type of the product being sold and its offering price; intermediate characteristics like the brand of the products being sold and the brand of the online retailer, the quality of the service provided, control measures put in place for consumer privacy and security control (Sandefer *et al.*, 2015). The study also highlights that environmental influences like market uncertainty, exposure and competition and shopping characteristics such as ease of use and information quality affect customer’s online buying behavior (Sandefer *et al.*, 2015). This is because they offer either a perceived benefit or a perceived risk (Sandefer *et al.*, 2015).

A Chinese case by Yue, Wang, Jin, Li and Jiang (2016) states that two hundred and seventy-eight (278) million out of the four hundred and twenty (420) million internet users in China shop online. The writer states that the increase in online shopping adoption is a result of increased technological advances in the life of urban Chinese people. Technology offers convenience and buying options that the Chinese people perceive as a strong benefit (Yue *et al.*, 2016). The writer continues to argue that in rural China online shopping adoption is slow because of the cultural and psychological factors that show a
preference of face to face interaction among the Chinese people when shopping (Yue et.al., 2016). Shopping is seen as a social activity and outing of sorts and therefore the online shopping interferes with this cultural norm and attitude (Yue et.al., 2016).

For the United States of America - Nielsen Company (2019), conducted a study on the revolution in the fast-moving consumer goods, specifically studying the east coast and the west coast. The study revealed among all the consumers who shopped online, college students aged sixteen to twenty-nine are the internet’s biggest market and a prime source of future growth in online sales. In addition, the study concluded that, students are heavy users of the internet and have more access to this medium more than other population segments.

Wong (2015), further accelerated this school of thought when it uncovered that ninety-two percent (92%) of college students in the U.S. owned a computer and ninety-three percent (93%) accessed the Internet. Nielsen Company (2019) states that the online spending for U.S.A college students’ online purchases came to $2.4 billion in 2019 following a seventeen percent (17%) increase over the previous three years. According Wong (2015) study on factors influencing consumers’ online shopping in Malaysia, ninety-one percent 91% of internet users in Malaysia shop online regularly, over half (54%) of them confessed to shop at least once a month online, and the rest twenty-six percent (26%) shop once a week online.

The Nielsen Company (2019) revealed that Malaysia has spent RM2.8 billion shopping via Internet in 2017. In addition, PayPal has estimated that Malaysian online buyers will spend approximately RM 7billions of online retail sales in Malaysia’s E-Commerce market in 2019 (Nielsen Company, 2019). These statistics reveal that the size of E-Commerce market is growing, and internet has become a prominent transaction channel for companies. In contrast, the author reveals that some Malaysians are still reluctant to shop online because of perceived risk of online shopping, specifically they lacked trust in the seller reliability and process security (Nielsen Company, 2019). They hardly believed in online shopping, as they are unable to touch and feel the products before purchasing (Nielsen Company, 2019).

Salahuddin and Gow (2016) study on the effects of internet usage, financial development and trade openness on economic growth South Africa, uncovered that increased internet usage has a positive impact on online shopping but is not a guarantee of adoption of
online shopping or conversion into actual purchases. According to Nielsen (2019), more than nine hundred and twenty-seven (927) million people in the world have shopped online by 2019, moreover, the value of e-commerce market worldwide is approximately worth $228 billion in 2017, $258 billion in 2018 and $288 billion in 2019 and that by 2020 e-commerce will have accounted for $316 billion in sales, or 13 percent of overall retail sales globally.

In South Africa, online shopping has evolved significantly as a result of consumer’s increased confidence in the online buying ecosystem. The internet adoption rate is at fifty-four percent (54%) from January 2017 to January 2019 (Nielsen Company, 2019). This increase is attributed to societal acceptance and change of attitudes towards the internet and online selling (Nielsen Company, 2018). Other factors that have enhanced this growth include: entertainment and enjoy-ability of shopping online (Nielsen Company, 2018). Nielsen Company (2018), continues to argue that ninety-one percent (91%) of South African consumers who have access to the internet purchase online, of this youth aged between sixteen (16) and thirty (30) year contribute to 80% of this demographic. The writer continues to state that the reason other generation have a low internet adoption rate is because there don’t trust the online buying process (Nielsen Company, 2018). The believe the internet possess financial risk that could possibly lead to a loss in money.

The Global State of Digital report 2019 states that Nigeria has ninety-eight point three nine (98.39) million internet users (Udodiong, 2019). If you compare this with January 2018 there is a four million increase in the number of internet users. In spite of this growth in internet penetration overall internet penetration remains quite low, only fifty percent (50%) of the population is connected to the internet, in comparisons with the global average of fifty-seven percent (57%) (Udodiong, 2019). The low penetration is attributed to privacy, delivery and financial risk, these risks are a result of negative customer experience from other companies. They build a sense of mistrust that creates teething problems in the internet adoption rate.

The New Times Publications is a listed Rwandan private media company with rights to publishes in English states that Rwanda earned USD148 Million form e-commerce sales in 2019 ( The New Times, 2020). The publication predicts that online sales in Rwanda will grow from around ten (10%) per cent to (40%) per cent in 2027. Fifty (50%) percent of new online shopping joiners are aged eighteen (18) years to thirty (30) years ( The
New Times, 2020). This is attributed to the psychological benefits associated with online shopping as well as convenience that result from shopping at home (The New Times, 2020).

With a population standing at 47,564,296 million people, Kenya is not an exception to the trend (The East African, 2019). According to (Communications Authority of Kenya, 2019) there are 46,870,422 internet users as of June 2019, that is equivalent to 89.7% of the population. This is a great increase of internet users if you compared to 39.4 million internet users in 2016 and 26.6 million internet subscribers in 2015. The rate of internet use is impressive, continued adoption of online shopping among Kenyans is more likely to increase, between 2015 and 2019 the estimated growth on internet users in Kenya is approximately a fifty-six percent (56%) increase (Wanzala, 2017). Findings show a positive relationship between the number of internet users and online shoppers (Wanzala, 2017).

Baariu (2015), study examines factors influencing subscriber adoption of mobile payments: a case of Safaricom’s Lipa na Mpesa Service in Embu Town, states that Kenyans are not limited when it comes to having multiple payment mediums for their online purchases. Options include: use of credit or debit cards, Lipa na Mpesa, Airtel money, Telkcom money and Pesapal online. These are cheaper, simple but effective ways of automated payments which allows users to create web accounts where they can submit funds, these funds are then made available and can be used to buy products at the shops listed on their websites (Baariu, 2015). Although these platforms offer increased flexible financial transaction capabilities for online shopping, the writer mentions that there is still a poor adoption of online shopping in the Kenyan Market (Baariu, 2015).

Wanzala’s (2017), study on Kenyan internet user’s states that absence of enabling legislation to offer online buyer protection form online shopping risks reduces online buying adoption among Kenyans. The writer recommends that studies should be done to better understand factors that affect online buying behavior as well as the impact of online buying behavior on the Kenyan economy. In addition, he continues to recommend further studies on enabling legislation that will thump poor psychological and cultural misconceptions about online shopping.

It was previously mentioned that fifty (50%) percent of new online shopping joiners are aged eighteen (18) years to thirty (30) years, United States International University –
Africa (USIU-A) presents itself as an appropriate place to conduct the research. This is because its holds over 6,500 students who are highly likely to fall under this age demographic. In addition to this the research topic aims to determine the factors influencing online buying behavior among university students. USIU-A also presents itself as an appropriate case for the research.

A case study of United States International University-Africa, possessed to be the best scope upon which to carry out this study. Due to the fact that the internet is here to stay it is important to critically evaluate its impact on buying behavior. This is especially among the student-age demographic who are the most affected and impacted by technological disruptions. Furthermore, this study would accelerate knowledge in Kenyan literature and could also be used to predict how young people, especially college students, would react to the adoption of on how the youth behave towards technology-based services and products. United States International University (USIU)- Africa is located in Nairobi along Thika Superhighway. It has a population of over 6500 students with over seventy (70) nationalities are represented among the diverse student population. This give the study data from a wide geographic sphere.

1.2 Statement of the Problem

Over the years, the retail industry has struggled with low sales. This has made them to consider the emerging sales channels in an effort to utilize any potential opportunity to improve sales. As more and more customers embrace the internet, it appears a normal expectation and assumption that this new avenue may well be the redemption of the brick and mortar retail store. Some new technology also has been developed and used for web developing, through these, firms can promote and enhance images of product and services through online site. The detailed product information and improved online service seeks to attract more people and change their consumer behavior from the traditional mode to more rely on the internet shopping (Jukariya & Singhvi, 2018; Lester, Forman & Loyd, 2016).

Despite the convenience offered with online retail, online shopping is far from being the most preferred form of shopping (Jukariya & Singhvi 2018). It is noted that even though there are many people ready to convert towards online shopping, there are still many people who are not (Dost, Khyzer, Illyas & Abdul Rehman, 2015). In Africa online shopping trend is less frequent compared to the rest of the regions in the world according
to a survey by KPMG (2017). Precisely, approximately an African is likely to shop averagely eleven times per year online which is half the number of times an Asian shop online twenty-two times a year (KPMG, 2017). To this effect this study seeks to establish the factors that influence online buying behavior among university students, which retail firms can exploit to enhance online shopping.

Studies on the determinants of online purchase intent have been done widely. Pandey, Barik and Soni (2015), studied accelerated online shopping, and uncovered that understanding customer online buying process is complex and that organizations do not understand who their customers are and what they look for when shopping online. Bujnowska-Fedak (2015), conducted a study on trends in the use of the internet for health purposes in Poland, in his findings he established that, because customers have become more knowledgeable and competition more inherent, the consumer has been left both empowered and confused in equal measures. You (2016), conducted a study online buying behavior among students in Malaysia and uncover that online buying behavior is a contentious issue. However, this study were not none of the authors examined the factors influencing online buying behavior among university students. Therefore, there is a glaring need to carry out a study that seeks to determine the factors influencing online buying behavior among university students across different geographical and cultural spheres to ascertain accurate information of the different student demographics.

1.3 General Objective
The general objective of this study was to determine the factors influencing online buying behavior among university students.

1.4 Specific Objectives

1.4.1 To assess how perceived benefits of online shopping influences online buying behavior among university students.

1.4.2 To examine how perceived risks of online shopping influences online buying behavior among university students.

1.4.3 To assess how psychological factors, influence online buying behavior among university students.
1.5 Significance of the Study

1.5.1 Consumers and Retailers
Consumers use the internet for a variety of tasks thus creating opportunities for web inclined businesses to place relevant and targeted advertising messages (Baariu, 2015). With the dynamism of the marketplace, there is a need for online retailers to keep abreast with the ever-changing environment. Therefore, with a good understanding of consumers’ online purchase behavior specific insights can be used to inform marketing tactics directed at specific consumer groupings in line with the changes (Baariu, 2015).

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

1.5.2 Academicians and Researchers
This study is a source of reference when assessing factors affecting online buying behavior of students within the Kenyan Context. Within it, limitation of the study and areas of further research have been identified.

1.5.3 Consumers
It is hoped that through the findings of this study, online shoppers would learn the role that each factor has on their intention to purchase online hence guide their future online purchase decisions. The findings of this study are likely to influence more people to adopt or refrain from using online shopping services.

1.5.4 Government and Policy makers
The role of government is to make rules regulations and policies. There is a need to generate more laws that protect online users from scammers posing to be online retailers, defrauding customers of their hard-earned Money. Understanding the dynamics of online retailers is beneficial to Government because they need to develop adequate tax laws to ensure generation of income, for the country, through online commerce. Lastly, Governments need to understand the dynamics on online markets that they ensure good being sold are safe to use. Citizens need Government agencies such as KEBS to ensure
quality risks and fit for use measure are well taken so as to ensure no harmful products are taken.

1.6 Scope of the study
The aim of the study was to examine the factors influencing online buying behavior among university students, a case study of United States International University-Africa. The study targeted the USIU-Africa students both undergraduates and master’s level. The population of students in the institutions was estimated to be 7,005 students. Due to limitations of the study, USIU-Africa students were ideal for the study as the data required for the study was readily available. The study was conducted from August 2019 to June 2020. The limitations of the study were that the study could not be used to generalize the results of all the university students in other countries, as it is highly specific to the Kenyan Context.

1.7 Definitions of Terms
1.7.1 Online Buying Behavior
Online Shopping behavior is a kind of an individual's overall perception and evaluation for product or service during online shopping which could result in bad or good way (Jadhav & Khanna, 2016).

1.7.2 Psychological Factors
Psychological Factors are the factors that talk about the psychology of an individual that drive his actions to seek satisfaction (Dehler, Secombes & Martin, 2017).

1.7.3 Perception
This is how an individual’s use their five senses to make sense of their world (Dehler, Secombes & Martin, 2017).

1.7.4 Online Intention
Online intention commonly known as customer online purchase intention is defined as the measure that gives customer the motivation to shop online (Jadhav & Khanna, 2016).

1.7.5 Social Media
Social media is an interactive computer-mediated technology that facilitate the creation or sharing of information, ideas, career interests and other forms of expression via virtual communities and networks (Hassan, Gulah, Mushataq, Jamsid, & Bashir, 2018).
1.7.6 Perceived Risk
Perceived risk is defined as the hesitation a consumer has when purchasing goods and services (Hassan, Gulah, Mushataq, Jamsid, & Bashir, 2018).

1.7.7 Perceived Benefit
Perceived benefit is an individual’s motives of performing a behavior and adopting an intervention or treatment (IBEF, 2019).

1.7.8 Online Distribution
Online distribution channels or digital distribution channels allow products to move from retailers to customers, this can also take a business to business approach through transferring goods from manufacturers and wholesalers to retailers (Farsad, Yilmaz, Eckford, Chae & Guo, 2016).

1.8 Chapter Summary
This chapter discussed the background to the factors influencing online buying behavior among university students. The background information reveals that online buying behavior is affected by different factors including, perceived benefits and risks of online shopping as well as psychological factors of the buyers. The study has also presented the research objectives which are formulated from the factors affecting online buying behavior including, perceived benefits, perceived risks of online shopping and psychological factors of the buyers. Chapter two is the literature review; the Chapter reviews the literature related to the specific objectives of the study. Chapter three discusses the methodology that was used in conducting the study. Chapter four of the study presents the findings from field while chapter five gives a summary of the findings, conclusion and recommendations based on the results and findings.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The chapter explores literature on the factors influencing online buying behavior among university students. The literature review provides the reader with an explanation of the purpose of the study as well as the research questions. The chapter starts with the presentation of perceived benefits and online buying behavior, perceived risks of and online buying behavior, psychological factors and online buying behavior and lastly the chapter summary.

2.2 Perceived Benefits and Online Buying Behavior

2.2.1 Perceived Benefits and Online Buying Behavior

According to Forsythe, Liu, Shannon, and Gardner (2016), study on development of a scale to measure the perceived benefits and risks of online shopping established that the internet has revolutionized the international business markets, connecting the entire world into one dynamic market-place. The author defines perceived benefit is defined as a consumers’ credence about the extent to which they are better off from online shopping (Forsythe et.al, 2016). This benefit is subjective in nature and is determined by a customer’s reactions to the stimuli and actions of the online vendor or seller to (Tandon, Kiran and Sah, 2016).

Perceived benefits is therefore the sum of online shopping advantages that’s leads to customer satisfactions (Forsythe et.al., 2016). Organizations are able to assess customer satisfaction through creating a positive buying experience to customers (Tandon, Kiran and Sah, 2016). This results in intensifying and stifling market competition. It also increases online consumer listing, and the organizations online purchasing patronage (Forsythe et.al., 2016). With all this said, it is safe to say that internet acceptability, the dynamism of the market and the inclination of customers for online purchases have really increased immensely (Forsythe et.al., 2016).

The issue of understanding the consumer behavior has become vital when designing and maintaining relationships with target market (Tandon, Kiran and Sah, 2016). While businesses strive to acquire and retain customers in today's cluttered and highly competitive markets, two primary constructs, namely perceived risk and perceived value, play important roles in consumer decision-making (Forsythe et.al., 2016). These factors
aid in maintaining superior market performance through customer-based growth (Tandon, Kiran and Sah, 2016).

Nayak and Debashish (2017), conducted a study on young consumers’ online shopping decision influencers: a study on university students of Odisha, and discovered that the factors influencing the consumers’ decision of online shopping are: convenience, security & privacy on website, time and cost efficiency, online product information availability and website interface. Jadhav and Khanna (2016), identified that the main influencing factors for online as: availability, low price, promotions, comparison, perceived ease of use, attitude, time consciousness, trust, variety seeking, and customer service. Chakraborty (2016) stated that the reasonable cost of the product at the doorstep is the most important factor affecting consumer purchase decision at the time of online shopping. According to Nayak and Debashish (2017), other most important factors such as products are available 24/7, saves time, and ease in cancellation or return are also influencing the consumers’ intentions to shop online.

Katta and Patro (2017), research on influence of web attributes on consumer purchase intentions, revealed that internet shoppers respond positively towards the motivational and attitude aspects of online shopping compared to the non-internet shoppers. The internet shoppers seek more convenience than non-internet shoppers, followed by innovativeness, impulsiveness, variety seeking, attitude towards online shopping, and attitude towards online advertising. The other factors which had a moderate influence on consumers’ attitudes are security, sale service, and discounted deals (Katta & Patro, 2017).

Saeidi, Sofian, Saeidi, Saeidi and Saeidi (2015) suggest that the factors that led to perceived benefits of online behavior are: delivery conveniences, performance, time saving, website functional properties, internet familiarity, and price have relative importance in online service encounters for customer satisfaction. Chen, Zhang and Zhao (2017) state that trust is the most significantly influencing variable for the consumers’ intention to repurchase online. The other influencing factors are privacy, functionality, firms’ reputation, perceived usefulness, perceived value, reliability and lastly perceived ease of use (Chen, Zhang and Zhao, 2017). The outcome quality is the most important predictor of overall quality, whereas environment quality is the least important predictor of overall quality, particularly when self-efficacy is high (Chen, Zhang and Zhao, 2017). Privacy and design dimensions emerged as the second and third best predictors, whereas
information content is a basic necessity of any website and key factor that differentiates competing ones (Chen, Zhang and Zhao, 2017).

According to Jadhav and Khanna (2016), online shopping benefits and customers’ attitudes and decisions toward online shopping have a strong relationship. Those shoppers who place a higher level of importance on the aesthetics aspects of websites and the specific benefits of e-shopping would likely purchase more frequently than infrequent shoppers (Jadhav and Khanna, 2016). Forsythe, Liu, Shannon and Gardner (2016) suggests that customers use the Internet for their shopping due to the benefits they get, due to the concept that internet shopping is more convenient and offers competitive prices. Therefore, convenience is considered as one of the most important factors that motivate customers to shop online in addition to the other benefits (Forsythe et.al., 2016).

Saravanan and Devi (2015) shepherded a study on online buying behavior with special reference to Coimbatore City, the study revealed that, Amazon is the most preferred online shopping website whereas Alibaba and Ebay has got the second and third rank consecutively (Saravanan & Devi, 2015). The study also revealed that electronic products are the most preferred products bought online followed by cosmetics, jewelry and food items (Saravanan & Devi, 2015). Katta and Patro (2017) found that convenience is the most influencing factor followed by the factors such as price advantage, delivery, reliability, website design and responsiveness and are significantly influencing the consumer’s perception on e-shopping.

Through my critical analysis of empirical literature written by myriad of authors seeking to understand factors affecting perceived value of online shopping, I decided to evaluate the common factors mentioned by the authors quoted above. These factors include: customer convenience, website quality, access to information and perceived ease of use.

2.2.2 Access to Information

Bilgihan (2016), analysis on the report Gen Y customer loyalty in online shopping: An integrated model of trust, user experience and branding, suggests that consumers’ perceived quality of information of products and services provided on the website is one of the most crucial factors influencing their purchase intentions (Bilgihan, 2016). The benefits associated with complete and relevant information results in purchasing better quality products or services. This improves satisfaction and increase repeat purchasing
intention by reducing the risks of dissatisfaction and anxiety in further purchase (Nayak and Debashish, 2017).

Nayak and Debashish (2017), study on learning on young consumers’ online shopping decision influencers: a study on university students of Odisha, states that the prominent factors affecting the buying decisions are impulse buying, information availability and customer review.

It also identified that the more information a website offers; the more they are able to provide a strong basis of trust, that translates into more website visit and more sales. In contrast Katta and Patro (2017), examination on the influence of web attributes on consumer purchase intentions states that those who have ever purchased online mainly depend on assurance, empathy, appropriate pricing, and website information quality, while those who have never purchased online consider empathy, assurance, responsibility and reliability while shopping online.

2.2.3 Website Quality
San Lim, Heng, Ng, and Cheah (2016) thesis on customers’ online website satisfaction in online apparel purchase: a study of generation Y in Malaysia recommends that that a well-designed website provides useful information and extra benefits to customers and in turn enhances sales volume as well as the reputation of the company. The author continues to argue that website design, website reliability or fulfillment, website customer service and website privacy are the four dominant factors which influence consumer perceptions of online purchasing (San et al., 2016).

Pandey, Barik and Soni (2015), research findings form their study online shopping catching up fast with the trend—Chhattisgarh context, states that recommendations from family and friends influence customers purchasing intention. Website quality help gain social acceptability of online purchase or aesthetics of the social media page helps gain social acceptability of online purchase (Pandey, Barik and Soni, 2015). Once social acceptability is assumed from external spheres of influence an individual will be a regular when shopping online (Pandey, Barik and Soni, 2015).

2.2.4 Shopping Convenience
Meixian (2015), critically examines shopping convenience as the most prominent perceived benefit on online shopping in her study: convenience and online consumer shopping behavior: A business anthropological case study based on the contingent
valuation method. The author states that online shopping, allowed customers to browse and shop at any time convenient to them without having to worry about the shop service time, time zone and even a traffic jam (Meixian, 2015).

Customers can shop at any time as well without hustle and little interruption of other activities. They can access and purchase goods wherever and whenever they want as the service is always available, 24-hour availability of online shopping (Meixian, 2015). Every step in online shopping contributes to the convenience of shopping. For instance, while browsing the products that we want is easy to find and search, it contributes to search convenience (Meixian, 2015). Then, when the product is easy to obtain, it is possession convenience. While shopping can be done in quick time and the product can be delivered without delay, it is considered as time convenience (Meixian, 2015).

2.2.5 Ease of Shopping

According to Kim, Hwang and Cho (2015), ease of shopping relates to how easy or difficult its customers want to shop. Customers nowadays want to find everything that can make their life easier and more efficient. Ease of shopping refers to a condition where consumers avoid going to the store to shop (Chae, 2017). Customers can buy anything through an internet gateway by just type-in what they want. Most of the online shopping sites, categorize their products into categories, subcategories and even sub-subcategories to help buyers in browsing products (Chae, 2017).

According to Shanthi and Desti (2015), ease or comfort of shopping has a direct influence on online purchase intention. Ease of shopping is defined as customer awareness that using the technology make them free from effort and difficulty (Shanthi & Desti, 2015). This can be considered as a benefit that is provided in the online shopping environment where it gives consumer shopping opportunity without physical and time controls. As the perceived ease of shopping is increased, attitude toward online shopping will become further positive (Shanthi & Desti, 2015).

2.3 Perceived Risks of and Online Buying Behavior

Organizations need to understand the perceived risks and limitations customers have when shopping online so that they can fashion risk mitigation strategies to give them a competitive edge and better market positioning (Pandey, Barik and Soni, 2015). Moreover, organizations have to understand the psychological factors that can lead customers to their online kiosks versus competitors. This information should be fed into
how organizations can best inform, remind, message and persuade customers about their online offerings, as customers go through the buying decision-making process (Pandey, Barik and Soni, 2015).

Tanadi, Samadi and Gharleghi (2015), study on the impact of perceived risks and perceived benefits to improve an online intention among generation-y in Malaysia defines perceived risk as the degree to which a person expresses uncertainty about a service or good. In an online shopping environment, as compared to existing physical one, greater risk and less trust are expected because of the fact that there is a huge difficulty in evaluating a product. This is because the products are neither visual nor tangible (Tanadi, Samadi and Gharleghi, 2015). In addition, it is difficult to ascertain the quality of the product. There is limited face-to-face interaction with sales personnel and the purchases have a high probability of being affected by security and privacy issue (Tanadi, Samadi and Gharleghi, 2015).

According to Shanthi and Desti (2015) purchase intention is influenced by groups of factors including perceived benefits and perception risks. Cognitive benefits positively influence online shopping decisions while perception risk negatively impacts customer’s purchase-decisions (Tanadi, Samadi and Gharleghi, 2015). Customer’s perception of losses can be understood as perception risks. Perception risk is therefore a measured of dissatisfaction (Pappas, 2016). Consumers face the variations perception risk when transaction online (Pappas, 2016). There are customers tend to think the perception of risk rather than maximizing cognitive benefits in the process purchase. Risk factor determining consumer’ behavior is a major factor affecting the buyer. Vasvári (2015), review of literature titled: Risk, risk perception, risk management–refers the perception risk as customers perceived about risks which were customers feel uncertainty during shopping, the ambiguity or risk perception can create anxiety affects consumers decision-making process. Forsythe et al., (2016) further defines risk perceptions as subjective evaluations by customers for shopping consequences.

Rehder (2016), study on perspectives of consumer behavior states that perception risk of quality also called implementation risks. This is based on the belief about product or service which offered by the provider. It aims to assess whether the product meets the quality expectations of products being sold (Rehder, 2016). Online financial risks are identified as the risk when the procurement cost of the product is higher or extremely
significant to the actual cost of the product being purchased (Rehder, 2016). It reduces the value of the product. (Rehder, 2016).

Through my critical analysis of empirical literature written by myriad of authors seeking to understand the effect of perceived risk of online shopping, I decided to evaluate the common factors mentioned by the authors quoted above. These factors include: delivery risk, quality risk, privacy risk and finally time risk.

2.3.2 Delivery Risk
Martini et al. (2015) defines delivery risk is the potential loss of delivery. It also may include the risk of getting the product with a delay or not even receiving the product at all (Martini, et al., 2015). The other delivery risk components that make people frightened to do online shopping is because first consumers worry that the firm will deliver the product late or not on time and it will take a long time because of several circumstances (Martini, et al., 2015).

A secondary approach to defining delivery risk is when consumers fear that during transporting, the goods will be damaged because of no proper packaging (Martini, et al., 2015). As an online retailer, it is important to guarantee an effective and accurate delivery service (Martini, et al., 2015). If the merchant can provide accurate delivery service to its customer, it leads to increase the confidence level of placing the order and reduce the perceived risks of delivery (Martini, et al., 2015).

2.3.3 Privacy Risk
Privacy risk is concerned with the possibility of loss of control over the client personal information. A lot of people who are not authorize to use the information use it without prior agreement and result in misuse of information (Yue, Wang, Jin, Li and Jiang, 2016). The growth of e-commerce has resulted in many issues more so in privacy. According to Yue, Wang, Jin, Li and Jiang (2016), privacy risk may affect customer’s intentions to purchase on online stores. Once customers get through unfavorable experience, they become hesitant to buy online. According to a study by Adam (2015) done in Ghana 8% of internet users decides to abandon online activities due to privacy concern, while 54% of think that internet is dangerous and therefore, they have never gone online. Online consumers are concerned about online payment security, reliability, and privacy policy due to the fact that in the process of paying, they have to offer their personal and credit card data (Yue, Wang, Jin, Li and Jiang, 2016).
Therefore, privacy risk refers to the extent that a customer could lose their personal data when carrying out online transactions (Yue, Wang, Jin, Li and Jiang, 2016). Moreover, another author perceived privacy as the extent that online retail websites is secure and protective of shoppers’ data (Moshal, 2019). Customers’ online shopping intentions could be enhanced if the consumer thinks that the online store can safeguard their personal data. Therefore, online retailers that appropriately communicate to clients on their private and transaction data will be secured are most likely to gain from more customer satisfaction (Yue, Wang, Jin, Li and Jiang, 2016).

### 2.3.4 Quality Risk

When shopping online, shoppers rely on the limited information and pictorials (Moshal, 2019). This limits them from accessing information through touch and sight. Instead they have to depend on what the vendor says about the product, this exposes them to quality risk. Quality risk is defined as exposure customers have to eminence of a product. This is in the form of defaults and defects, damage and miss-representation of the aesthetic value of the product Yeom, Giacomelli, Fredrikson & Jha, 2018). Quality risk talks about the actual quality of the product which doesn’t match with the product description, therefore, quality risk occurs when the products don’t perform as what shoppers expected and shoppers fail to evaluate the quality of the product (Moshal, 2019).

Moshal (2019), conducted a study on perceived risk on online shopping: a case of University of California Berkley and discovered that perceived quality risk is the most important element in making decision on whether or not to purchase online. In his finding the author also mentions that perceived quality will influence the online shopping site and it makes consumers comparing the quality of the product with the alternatives with regard to price among the same category (Moshal, 2019). In fact, the lower the perceived quality risk of the product, the high possibility of consumers wants to purchase online (Moshal, 2019). Quality has a direct impact on customer purchase decision. So once a firm is unable to deliver the product according to the standard of quality then it means the firm has failed in delivering the value (Moshal, 2019).

### 2.3.4 Time Risk

According to Moshal (2019), time risk refers to the time needed by consumers to buy the product and time to obtain it. Time risk relate to the potential loss of time, accessibility or effort associated with making a bad purchasing decision and when a product purchased
needs to be fixed (Moshal, 2019). While online shopping consumers waste their time in researching product information. This can also cause perceived time risk (Moshal, 2019). Time risks may also include the inconvenience customers face while making online transactions, navigating and submitting orders and delays in getting the products (Forsythe et al., 2016). Thus, the time spent in waiting for the transaction to complete consider as time risk also.

Rehder (2016) argues that time risks occurs because of the time and effort wastes in the online buying decision-making process. Time risk can also be defined as the condition where consumers lose their time when making a bad purchasing decision by wasting their time to research and make the purchase, then learn how to use the product again. Yeom, Giacomelli, Fredrikson & Jha, 2018 stated that time risk is the potential loss of time related by making bad decisions by wasting time researching, shopping and replacing the unexpected goods (Moshal, 2019).

2.4 Psychological Factors and Online Buying Behavior
Successful business know how to leverage on the various factors which affect customers buying behavior to successfully market their goods and optimize their sales. Psychological factors that affect one’s decision to make purchase are more grouped into individual’s motivations, views, learning and beliefs and attitudes (Chan, Cheung and Lee, 2017). Popović, Jakšić, Matić, Bjelica and Maksimović (2015) study application suggests that successful companies should know how to leverage customer’s purchasing behavior and use this information to milk sales and increase profits. Studies suggest that there are usually four major factors that play a role in the purchasing decisions of the customer (Popović, Jakšić, Matić, Bjelica & Maksimović, 2015). Such factors include economic, financial, medical, and psychological factors. The psychological factors influencing the decision of a person to make a purchase are further classified into the motives, expectations, training and attitudes of the consumer (Popović, Jakšić, Matić, Bjelica & Maksimović, 2015).

Kim and Lee (2018) researched the effects of customer perception and participation in sustainable supply chain management using a case study of the smartphone industry, states that purchase decision includes motivation (Maslow’s hierarchy of needs), perception, learning, beliefs and attitudes (Kim and Lee, 2018). External noises influence consumer’s purchase decision. The marketer need to know how these voices affect
customer buying behavior. This enables them to fashion marketing strategies aimed at customers (Kim and Lee, 2018). These noises take form in: other customer’s options (through reviews), advertisement, competitors’ antics among other factors. All these factors influence consumer behavior and a customer’s psychology. They therefore upsetting customer’s: motivation, perception, learning as well as beliefs and attitudes about online shopping (Kim and Lee, 2018).

Perception refers to the energy which makes us aware of the world around us and attaches a meaning to it after a sensing process (Jadha, & Khanna, 2016). Each human being in the world sees his/her surroundings differently (Jadha, & Khanna, 2016). Several people have the same ideas about a specific event. No one can see or feel the 100% of all things. It is all about perception (Kim and Lee, 2018). Perception is how consumers understand the world around them based on information received through their senses (Kim and Lee, 2018). In response to stimuli, consumers subconsciously evaluate their needs, values and expectations, and then they use that evaluation to interpreter, select, evaluate and confirm purchasing decisions (Lee & Kim, 2018).

According to Bilgihan, Barreda, Okumus and Nusair, 2016), the marketplace’s perception of a brand or industry is extremely important, which is why big brands work so hard to ensure that the general perception surrounding them and their industry is as positive as possible. As a result, companies like Gillette, will pay David Beckham to ‘model’ their products. By aligning the way people feel about Beckham, with the Gillette brand, Gillette can improve the perception of their brand or reinforce what’s already positive about it (Bilgihan, Barreda, Okumus and Nusair (2016).

A study conducted by Thakur and Srivastava (2015) on the impact of consumer risk perception and innovativeness on online shopping in India revealed that brand love is a result of satisfaction. For brands and advertisers successfully capture and retain the attention of consumers is increasingly difficult (Thakur and Srivastava, 2015). For example, many users no longer pay any attention, unconsciously, to banner ads on the internet (Thakur and Srivastava, 2015). This kind of process is called Banner Blindness. The attention level also varies depending on the activity of the individual and the number of other stimuli in the environment (Thakur and Srivastava, 2015). For example, an individual who is bored during a subway trip will be much more attentive to a new ad displayed in the subway tube (Thakur & Srivastava, 2015).
Ali and Raza (2017) did a research to examine the service quality perception and customer satisfaction among Pakistani Islamic banks. Their findings showed that the multidimensional service quality scale has a positive significant relationship with the unidimensional scale of consumer satisfaction (Ali and Raza, 2017). In many situations, two people are not going to interpret information or a stimulus in the same way. Each individual has a different perception based on his experience, state of mind, beliefs and attitudes. Selective distortion leads people to interpret situations in order to make them consistent with their beliefs and values (Ali and Raza, 2017).

Saqib, Farooq and Zafar (2016) on their study on customer perception regarding Shariah compliance of Islamic banking sector of Pakistan revealed that there were significant moderating effects of Shariah compliance perception on the relation between service quality and customer satisfaction (Saqib, Farooq & Zafar, 2016). Customers are believed not to retain all the information and stimuli they have been exposed to, selective retention means what the individual will store and retain from a given situation or a particular stimulus (Saqib, Farooq & Zafar, 2016). As for selective distortion, individuals tend to memorize information that will fit with their existing beliefs and perceptions (Saqib, Farooq & Zafar, 2016). For example, consumers will remember especially the benefits of shopping online and will forget the drawbacks (Medina, 2017).

2.4.2 Learning
Taylor (2017) analysis on the transformative learning theory, defines learning as changes in an individual’s behavior arising from experience. The author argues that in every circumstance our perception is conditioned by our prior experience, for it is this which constitutes our preparatory set or expectations and the framework into which we seek to place and organize new stimuli (Taylor, 2017). He further expands on this by mentioning that, we have learned from our earlier experience and seek to maintain balance or consistency by relating to and interpreting new stimuli in terms of past or learned stimuli (Taylor, 2017). The practical significance of learning theory of marketers is that they can build demand for a product by associating it with strong drives, using motivating cues, and to the same drives as competitors and providing similar cues because buyers are more likely to transfer loyalty to similar brands then to dissimilar ones (Taylor, 2017).

2.4.3 Beliefs and Attitudes
Popović, Jakšić, Matić, Bjelica and Maksimović (2015) examines beliefs and attitudes toward online shopping in Serbian consumers in his empirical study. The authors defines
a belief as “descriptive thought that a person holds about something” and attitude as “a person’s enduring favorable or unfavorable cognitive evaluations, emotional feelings, and action tendencies toward some object or idea”. Individuals can have specific beliefs and attitudes about specific products and services and this impacts their actions towards these goods and services (Oh & Jeong, 2015). Marketers are interested in the beliefs that people formulate about specific products and services because these beliefs make up product and brand images that affect buying behavior (Oh & Jeong, 2015). If some of the beliefs are wrong and prevent purchase, the marketer has to launch a campaign to correct them, the beliefs may be based on knowledge, faith, or hearsay (Oh & Jeong, 2015).

2.4.4 Personality

Personality of a consumer drives an individual’s behavior to accomplish their goals in different situations (Lu et.al., 2015). Analysts are able to look at personality as a variable to help predict the effects of individual traits on purchase and consumer behavior (Lu et.al., 2015). These differences enable marketers to provide a clear understanding of the characteristic’s consumers possess that are more determinant of behavior (Lu et.al., 2015). It is a difficult task to achieve as every individual is so different, so in order for marketers to be effective they must create advertisements that have a strong appeal to consumers and allow them to think, “What product fits in well with my values, personality and lifestyle” (Lu et.al., 2015).

Vainikka (2015), literature on psychological factors influencing consumer behavior, describes personality as “consistent responses to environmental stimuli”, in other words, it is a person’s characteristic response tendencies that are repeated in similar situations. The manner in which a consumer responds to environmental stimuli is subject to an individual’s psychological makeup (Vainikka, 2015). Therefore, no two consumers are the same, they may have equal tension reduction but their levels in extroversion can be different which can lead them to engage in dissimilar behaviors.

Vainikka (2015) continues to scrutinize researches done on the impact of perceived effectiveness of celebrity endorsement on perceived brand personality. Findings showed a positive relationship between perceived celebrity endorsement effectiveness and perceived brand (Vainikka, 2015). Accordingly, the attractiveness and trustworthiness of celebrity endorsement has been noted to have a prominent impact on perceived product personality as indicating substantial coefficient values and likelihood rates in both cases (Vainikka, 2015).
You (2016) investigated on the effects of consumer personality types on the attitudes and usage of self-checkout technology in the retail sector among 18-22 years old. The results show a connection between types of personality and attitudes towards and use of self-checkout machines (You, 2016). It is also found that a variety of situational factors have a significant effect on the decision of customers to use self-checkout machines, of which speed and quantity of products had a greater influence on emotions and use than type of personality (You, 2016).

Consumers that are considered more emotional than others are affected by an increased amount of affect intensity (Fels, 2016). This refers to having stronger emotions that sway a consumer to be influenced by a marketing appeal (Fels, 2016). There are common elements involved in emotional experiences; these include emotions that are triggered by the environment, psychological changes such as pupil dilation and cognitive thought which is the ability to think rationally (Pozharliev, Verbeke, Van Strien and Bagozzi, 2015).

Another component that is connected to emotion is behavior (Fels, 2016). Behaviors vary across individuals immensely, nonetheless their particular behaviors that are associated with different emotions (Fels, 2016). These include: avoidance responses, fear triggers, anger triggers, and grief triggers (Vainikka, 2015). The final component of emotion is subjective feelings, which is the labels we attach to generic emotions such as happiness, sadness, anger and so forth. A specific emotion is seen to be an identifiable feeling and is seen to be the aspect of satisfaction or dissatisfaction (Fels, 2016).

2.5 Chapter Summary

This chapter presents a review of literature on factors affecting online buying behavior including, perceived benefits, perceived risk of online shopping and the psychological factors. The perceived benefits of online shopping that enhance online buying include, access to information, website quality and ease of shopping. The perceived risks of online shopping that discourages online buying include, delivery, privacy, quality and time risks. A product may not be delivered or it might be delivered but of poor quality than order. There is also the risk of the delivery being late. With respect to privacy, buyer’s information including, credit card number and other financial data may be misused by the seller and exposed for fraudulent use. Psychological factors that influence an individual’s decision to make a purchase are further categorized into the individual’s motivations,
perceptions, learning and his beliefs and attitudes. Chapter three next presents the research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter provides a discussion of the research methodology that was used. The purpose of a research methodology is to convey the plan for the collection and analysis of data. It aims at informing readers of research works to help them understand not only the products of scientific enquiry but the process itself. The sections in this chapter include; the research design, population and sampling design, data collection methods, research procedures and data analysis methods.

3.2 Research Design
According to Lewis (2015), research design involves measuring a set of variables as they exist naturally. It provides an exact course for actions in a study (Creswell & Creswell, 2017). A research design is necessary for prior planning for the techniques to be used for gathering appropriate data and methods to employed in the data analysis keeping in mind the research objectives and limitation of the research including, time and financial resources (Akhtar, 2016). This study used a descriptive research design which entailed evaluating the characteristics of a particular phenomenon and how it’s influenced by its environment or the influence it exerts on its environment (Sandelowski et al., 2013). The appropriateness of descriptive research in studying a phenomenon is that it permits a research to get a clear representation of the subject of study through the creation of knowledge on the interaction of the subject and its environment (Ingham-Broomfield, 2015).

3.3 Population and Sampling Design

3.3.1 Population
A study population is the set of elements about which we wish to make some inferences (Perneger, Courvoisier, Hudelson & Gayet-Ageron, 2015). According to Tang, Hallouch, Chernyak, Kamaya and Sirlin (2018), target population refers to a group of people that are the focus of study. The population in this study included all be the undergraduate and graduate students in United States International University-Africa. Data obtained from the university’s registrar office showed that the university had a total student population of 7,005. Table 3.1 below shows the population distribution of the students.
### Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Students</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduates</td>
<td>5055</td>
<td>72%</td>
</tr>
<tr>
<td>Graduates</td>
<td>1950</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7005</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

(USIU-A Registrar office, 2019).

#### 3.3.2 Sampling Design

Sampling design is a working plan which specifies the population frame, sample size and selection, and estimation method in detail (Perneger, *et al.*, 2015). The objective of the sampling design is to know the characteristic of the population (Perneger, *et al.*, 2015).

##### 3.3.2.1 Sampling Frame

A sample frame is the source or device in which a sample group is derived from (Perneger *et al.*, 2015). This study’s sample frame was drawn from all undergraduate and postgraduate students enrolled USIU from January 2020 to April 2020. The sample from was obtained from the USIU registrar office.

##### 3.3.2.2 Sampling Technique

A sample is picked from a sampling frame (Vanderstoep & Johnson, 2014). According to Tang *et al.*, (2018), sampling refers to the process by which a few elements are selected from the entire group to become the basis for estimating the occurrence of an unknown piece of information or situation regarding the entire group. Sampling is significant because collecting data from the whole population is usually very costly. This study used stratified random sampling technique. According to Kratochwill (2015), stratified sampling is a probability sampling technique where the researcher splits the whole population into diverse subgroups called strata. After which simple randomly sampling is used to selects each member from the strata into the final sampling list. According to Stewart (2015) the basic requirement of simple random sampling is that each respondent has an equal chance of being selected into the study.
3.3.2.3 Sample size

Kratochwill (2015) defines sample size as a section of a part that represents the larger whole. The sample for this study is 378 students form United States International University. The sample size was calculated using Yamane’s formula given as;

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

where: \(n\)=Sample size
\(N\)=Study Population
\(e=0.05\) (95% confidence interval)

\[ n = \frac{7005}{1 + 7005 \times 0.05^2} \]

=378.

3.5 Data collection Methods

This study collected data through online questionnaires. Kratochwill (2015), define a questionnaire as the general term including all data collection techniques in which each person is asked to answer the same set of questions in a predetermined order. According to Perneger, Courvoisier, Hudelson and Gayet-Ageron (2015), questionnaires are at their most productive when used in large numbers, when relatively brief and uncontroversial. The use of questionnaires is because it presents respondents with a relatively easy task of picking one or more answers which are spelt, thus, the data collected is unlikely affected by variations in the wording as variables are clearly spelt out.

The researcher constructed questions using a 5 Point Likert’s Scale structure based on the study objectives. Kratochwill (2015), explains that Likert Scales consist of a series of items that show agreement or disagreement with the issue to be measured, each with a set of responses on which the respondents express their opinions. Each item is a stand-alone statement that expresses an opinion about a subject. This presents ease of analysis and prevents respondents from giving inappropriate answers.
3.6 Research Procedures

The researcher sought the necessary authorization from the National Commission for Science, Technology and Innovation (NACOSTI) and the USIU university to enable the researcher to collect data. Upon receipt of permission, the researcher developed an online survey in Google Forms that allowed the respondents to fill an online questionnaire. The online survey was necessary following the countrywide curfew and the partial lockdown of 4 counties including Nairobi where the study was done. This was as a result of the outbreak of COVID-19 that infected people through contact. The government also banned social gathering of any kind and advised people to work from home. The researcher was thus constrained in collecting data physically and therefore, an online questionnaire was deemed appropriate. Google form was used as it provided a free platform for online data collection. The online survey was sent to respondents’ email explaining the purpose of the study and respondents’ role in the research. The researcher did a follow up through phone calls to remind respondents to fill the questionnaire and find out if respondents was finding any difficulty in responding to the online questionnaire.

Prior to the data collection the researcher first carried out a pilot study that involved 10 respondents and these were not involved in the actual study. According to Mihas (2019), a pilot study entails trying out a questionnaire on a small group of respondents to get an idea of how they react to the instrument before the final version is created. The pilot study helped ascertain the validity and reliability of the questionnaire tool. The pilot study also enabled the researcher to test whether the research objectives could be achieved by checking the clarity and relevance of the questions in the instrument. The researcher also reviewed the questionnaire in relation to the challenges of the pilot study.

Reliability is a measure of how consistent the results from a test are (Kooiman, Dontje, Sprenger, Krijnen, van der Schans & de Groot, 2015). It measures the stability of the research instruments across two or more attempts. Mihas (2019), defines reliability as a measure of the degree to which research instruments yield consistent results or data after repeated trials. To test reliability, the data values collected were operationalized and the numerical scores were split into two using odd numbers versus even number items process to get two sets of values (Mihas, 2019). The data collection tools was constructed
in close consultation with the supervisors and later piloted to ensure validity. The researcher tested the questionnaire reliability by pre-testing the questionnaire to ensure it is adequate. Findings from the pre-test were incorporated in the final questionnaires to ensure the efficacy of each tool to collect reliable data prior to the actual study.

3.7 Data Analysis Methods
Data analysis is the act of organizing and summarizing a mass of raw data into meaningful form (Mihas, 2019). Data will first be coded before analysis. Coding entails the attribution of a number to a piece of data, or group of data, with the express aim of allowing such data to be analyzed in quantitative terms. The Statistical Package for Social Sciences (SPSS version 22) computer software will be used for analyzing the data. Quantitative techniques was adopted for data analysis. Quantitative approaches generate data that are numerical by transforming what is observed, reported or recorded into quantifiable units. Descriptive statistical technique were used to analyze data. Descriptive statistics allow researchers to summarize large quantities of data using measures that are easily understood by an observer (Mihas, 2019). Inferential statistics was also used including, correlation analysis and regression analysis. The findings were presented in tables and graphs. The study used the following regression model in assessing the relationship is:

\[ y = a + b_1X_1 + e \]

y = dependent variable
a = constant
b = slope of the regression line
X_1 = independent variable
e = error term

3.8 Chapter Summary
This chapter has presented the research methodology that was used in this study. The study used a descriptive research design. The target population included students in United States International University-Africa, totaling to 7005 students. The study adopted the use of stratified random sampling to pick the students in the study participation. The sample for this study was 378 students. The data was collected with the use of questionnaire. Quantitative techniques was adopted for data analysis including
descriptive and inferential statistics. The next chapter presents the study results and the findings. **How about other chapters??**
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the results and findings following the data analysis. The findings are presented according to the study objectives that include, to assess how perceived benefits of online shopping influences online buying behavior among university students, to examine how perceived risks of online shopping influences online buying behavior among university students and to assess how psychological factors, influence online buying behavior among university students. First the chapter presents the general information.

4.2 General Information
This section contains findings on the respondent background data and the response rate attained in data collection.

4.2.1 Response Rate
This study sample included 378 students from United States International University - Africa (USIU-A). Questionnaire were distributed to all these respondents and 250 respondents gave back their filled questionnaire. This translated to a response rate of 66% which was appropriate for analysis, as noted by Fincham (2008) who stated that response rates of about 60% is ideal for most research.

4.2.2 Background Information
4.2.2.1 Respondents’ Age
According to results, 54.8% of the respondents were 26 – 35 years old, 22.6% were 36 – 45 years old, 21% were 18-25 years old and 1.6% were above 45 years old. These results are illustrated in Figure 4.1.
4.2.2.2 Online Shopping Experience

The students were asked how long they had been shopping online, results showed that 51.6% had been shopping online for 1 – 4 years, 29% had been shopping inline for 5 years or more while only 19.4% had been shopping online for less than a year. These results are displayed in Figure 4.2.

4.2.2.3 Online Buying Medium
The students were asked which was the recent online buying medium they had used, findings showed that 62.9% of the respondents had used online retail stores such as Jumia and Alibaba, 32.3% had shop directly from the company website, 1.6% had used Snapchat in online shopping, 8.1% had used Google+, 4.8% had used Twitter, 30.6% had used WhatsApp, 45.2% had used Instagram and 24.2 had used Facebook. These is as demonstrated in Figure 4.3.

Figure 4.3: Online Buying Medium

4.2.2.4 Online Shopping Payment Options

The students were asked how they pay for online shopping, according to findings 46.8% of the respondents indicated that they through Mpesa, 27.4% said that they pay through credit/debit card, 17.7% said that they pay cash on delivery and only 8.1% paid through paypal. This is as displayed in Figure 4.4.
4.2.2.5 Expenditure Items

The students were asked what mainly constitute their expenditure in online shopping. It was shown that clothing, shoes and accessories constitute 40.3%, electronic gadgets constitute 22.6%, food and drink also constitute 22.6%, travel constitute 6.5%, books constitute 3.2% and stationery, car and software, and décor and event supplies each constitute 1.6%. This is illustrated in Figure 4.5.

4.3 Influences of Perceived Benefits on Online Buying Behavior

This study sought to establish the influence of perceived benefits of online shopping on online buying behavior. This was examined through a number of constructs that were measured in Likert scale nature of 1-5, where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree. The items score were computed in mean and standard deviation that was used to draw inference to the data.

According to the findings, the construct ‘online shopping is convenient’ had the highest mean of 4.2 and a standard deviation of 0.9. The construct ‘Online shopping gives facilities for price comparison’ had also a high mean of 3.9 and a standard deviation of 0.9. In addition, the construct ‘It is easy to cancel orders when shop online’ had a mean of
3.2 and a standard deviation of 0.9. Lastly, the construct ‘I only shop in high quality web pages’ had a mean of 3.5 and a standard deviation of 1.2.
4.3.1 Online Buying Behavior

This study sought to establish the online buying behavior among the university students. This was examined through a number of constructs that were measured in Likert scale nature of 1-5, where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree. The items score were computed in mean and standard deviation that was used to draw inference to the data.

According to findings a number of constructs had a high score of 4 and above that will be highlighted. The construct ‘I intend to use online shopping within the near future’ had the highest mean of 4.2 and a standard deviation of 0.6. Similarly, the construct ‘I already shop online’ scored a mean of 4.2 and a standard deviation of 0.7. The construct ‘Shopping online is a very good idea’ had a mean of 4.1 and a standard deviation of 0.7. In addition, the construct ‘I shop online because it is easy’ had a mean score of 4.0 and a standard deviation of 0.8. Table 4.2 illustrates the mean score and standard deviation of construct under online buying behavior.

<table>
<thead>
<tr>
<th>Table 4.1: Perceived Benefits of Online Shopping</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online shopping is convenient</td>
<td>4.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Online shopping gives facilities for price comparison</td>
<td>3.9</td>
<td>0.9</td>
</tr>
<tr>
<td>It is easy to cancel orders when shop online</td>
<td>3.2</td>
<td>0.9</td>
</tr>
<tr>
<td>I only shop in high quality web pages</td>
<td>3.5</td>
<td>1.2</td>
</tr>
</tbody>
</table>
Table 4.2: Online Buying Behavior

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I shop online because I don’t have to leave home for shopping</td>
<td>3.6</td>
<td>1.1</td>
</tr>
<tr>
<td>I shop online because product information is available online</td>
<td>3.6</td>
<td>1.0</td>
</tr>
<tr>
<td>I shop online because it is easy</td>
<td>4.0</td>
<td>0.8</td>
</tr>
<tr>
<td>I only shop on verified social media pages</td>
<td>3.4</td>
<td>1.2</td>
</tr>
<tr>
<td>I feel that there is difficulty in settling disputes when I shop online</td>
<td>3.8</td>
<td>1.1</td>
</tr>
<tr>
<td>I hesitate to shop online because I might not receive the product ordered online</td>
<td>3.4</td>
<td>1.0</td>
</tr>
<tr>
<td>I feel that my personal information given to the retailer may be compromised to third party</td>
<td>3.9</td>
<td>0.9</td>
</tr>
<tr>
<td>I do not shop online because my good will take too long to arrive</td>
<td>2.6</td>
<td>1.1</td>
</tr>
<tr>
<td>I shop online because I believe it is safe</td>
<td>3.2</td>
<td>1.0</td>
</tr>
<tr>
<td>I shop online because it suits my personality</td>
<td>3.1</td>
<td>1.0</td>
</tr>
<tr>
<td>I shop online because my friends and family encourage me too</td>
<td>2.5</td>
<td>1.0</td>
</tr>
<tr>
<td>I consider my financial condition during online shopping</td>
<td>3.9</td>
<td>0.9</td>
</tr>
<tr>
<td>I intend to use online shopping within the near future</td>
<td>4.2</td>
<td>0.6</td>
</tr>
<tr>
<td>I already shop online</td>
<td>4.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Shopping online is a very good idea</td>
<td>4.1</td>
<td>0.7</td>
</tr>
</tbody>
</table>

4.3.2 Regression on Perceived Benefits and Online Buying Behavior

The model summary showed that R squared value = .099, which shows that the model predicts 9.9% of the dependent variable. Hence the perceived benefits of online shopping account for 9.9% of online buying behavior among the university students. The remain
part of online buying behavior is accounted for by other factors outside this model. The findings are shown in table 4.3.

Table 4.3: Model Summary on Perceived Benefits and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.315</td>
<td>.099</td>
<td>.084</td>
<td>.63340</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Perceived_Benefits

The ANOVA illustrates how well the regression model fits the data, as revealed in the table 4.4, the regression model predicts the dependent variable significantly well, $F=6.286$, $p<0.015$.

Table 4.4: ANOVA on Perceived Benefits and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>2.522</td>
<td>1</td>
<td>2.522</td>
<td>6.286</td>
<td>.015b</td>
</tr>
<tr>
<td>Residual</td>
<td>22.868</td>
<td>57</td>
<td>.401</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>25.390</td>
<td>58</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Online_Buying_Behavior
b. Predictors: (Constant), Perceived_Benefits

The regression coefficient for perceived benefits of online buying is .232, this indicates that with 1-unit increase in perceived benefits of online buying there is an increase in online buying behavior by 0.232 units. This was statistically significant as shown with $t=2.507$, $p<.015$

The regression equation derived from this analysis is:

$Y = 3.131 + .232x_1 + .092$

$Y=$ online buying behavior

$x_1=$ perceived benefits of online buying
Table 4.5: Coefficients on Perceived Benefits and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3.131</td>
<td>.396</td>
</tr>
<tr>
<td>Perceived_Benefits</td>
<td>.232</td>
<td>.092</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Online_Buying_Behavior

4.4 Influence of Perceived Risks on Online Buying Behavior

This study sought to establish the influence of perceived risks of online shopping on online buying behavior. This was examined through a number of constructs that were measured in Likert scale nature of 1-5, where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree. The item scores were computed in mean and standard deviation that was used to draw inference to the data.

According to results, the construct ‘When shopping online personal information may be compromised to third party’ had the highest mean of 4.1 with a small standard deviation of 0.7. Similarly, the construct ‘When shopping online it’s hard to judge the quality of the merchandise over the internet’ had a mean of 4.1 and a standard deviation of 0.9. The construct ‘when shop online the buyer might not receive the product ordered online’ had a mean of 3.7 and a standard deviation of 0.9. Lastly, the construct ‘the online purchasing process takes too long (has to many steps)’ had the lowest mean of 2.8 and a standard deviation of 0.8. These findings are shown in Table 4.6.
Table 4.6: Perceived Risks

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>When shopping online it’s hard to judge the quality of the merchandise over the internet</td>
<td>4.1</td>
<td>0.9</td>
</tr>
<tr>
<td>When shop online the buyer might not receive the product ordered online</td>
<td>3.7</td>
<td>0.9</td>
</tr>
<tr>
<td>When shopping online personal information may be compromised to third party</td>
<td>4.1</td>
<td>0.7</td>
</tr>
<tr>
<td>The online purchasing process takes too long (has to many steps)</td>
<td>2.8</td>
<td>0.8</td>
</tr>
</tbody>
</table>

4.4.1 Regression on Perceived Risks and Online Buying Behavior

The model summary showed that R squared value = .097, which shows that the model predicts 9.7% of the dependent variable. Hence the perceived risks of online shopping account for 9.7% of online buying behavior among the university students. The remain part of online buying behavior is accounted for by other factors outside this model. The findings are shown in Table 4.7.

Table 4.7: Model Summary on Perceived Risks and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.311a</td>
<td>.097</td>
<td>.081</td>
<td>.55223</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Perceived_risks

The ANOVA illustrates how well the regression model fits the data, as revealed in the table 4.8, the regression model predicts the dependent variable significantly well, F=6.309 p< 0.015.
Table 4.8: ANOVA on Perceived Risks and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
</table>
| 1       | Regression     | 1.924 | 1 | 1.924 | 6.309 | .015  
|         | Residual       | 17.992 | 59 | .305  |       |
|         | Total          | 19.916 | 60 |       |       |

a. Dependent Variable: Online_Buying_Behavior

b. Predictors: (Constant), Perceived_risks

The regression coefficient for perceived risks of online buying is -.219, this indicates that with 1-unit increase in perceived risk of online buying there is a reduction in online buying behavior by 0.219 units. This was statistically significant as shown with a t=-2.512, p<.015.

The regression equation derived from this analysis is:

\[ Y = 4.779 - .219 x_1 + .087 \]

Y= online buying behavior

\[ x_1 = \text{perceived risk of online buying} \]

Table 4.9: Coefficients on Perceived Risks and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td></td>
<td></td>
<td>4.779</td>
<td>.253</td>
<td></td>
<td>18.909</td>
<td>.000</td>
</tr>
<tr>
<td>Perceived_risks</td>
<td></td>
<td></td>
<td>-.219</td>
<td>.087</td>
<td>-.311</td>
<td>-2.512</td>
<td>.015</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Online_Buying_Behavior
4.5 Influence of Psychological Factors on Online Buying Behavior

This study sought to establish the influence of psychological factors on online buying behavior. This was examined through a number of constructs that were measured in Likert scale nature of 1-5, where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5-strongly agree.

Results showed that, the construct ‘online shopping encourages impulse buying’ had the highest mean of 3.7 and a standard deviation of 1.0. The construct ‘online shopping is linked to the buyer’s personality’ had the second highest mean of 3.5 and a standard deviation of 0.9. Additionally, the construct ‘online shopping is safe’ had a mean of 3.3 and a standard deviation of 0.7. Lastly, the construct ‘people shop online because of influencers’ had a mean of 3.3 and a standard deviation of 1.1. These results are illustrated in Table 4.10.

Table 4.10: Psychological Factors

<table>
<thead>
<tr>
<th>Psychological Factors</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online shopping is safe</td>
<td>3.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Online shopping is linked to the buyer’s personality</td>
<td>3.5</td>
<td>0.9</td>
</tr>
<tr>
<td>People shop online because of influencers</td>
<td>3.3</td>
<td>1.1</td>
</tr>
<tr>
<td>Online shopping encourages impulse buying</td>
<td>3.7</td>
<td>1.0</td>
</tr>
</tbody>
</table>

4.5.1 Regression on Psychological Factors and Online Buying Behavior

The model summary showed that R squared value = .069, which shows that the model predicts 6.9% of the dependent variable. Hence the psychological factors account for 6.9% of online buying behavior among the university students. The remain part of online buying behavior is accounted for by other factors outside this model. The findings are shown in Table 4.11.
Table 4.11: Model Summary on Psychological Factors and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.263a</td>
<td>.069</td>
<td>.053</td>
<td>.53772</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Psychological_Factors

The ANOVA illustrates how well the regression model fits the data, as revealed in the table 4.12, the regression model predicts the dependent variable significantly well, F=4.379 p< .041.

Table 4.12: ANOVA on Psychological Factors and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>1.266</td>
<td>1</td>
<td>1.266</td>
<td>4.379</td>
<td>.041b</td>
</tr>
<tr>
<td>Residual</td>
<td>17.060</td>
<td>59</td>
<td>.289</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18.326</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Online_Buying_Behavior

b. Predictors: (Constant), Psychological_Factors

The regression coefficient for psychological factors is .14, this indicates that with 1 unit increase in psychological factors there is an increase in online buying behavior by 0.14 units. This was statistically significant as shown with a t=2.093, p<.015.

The regression equation derived from this analysis is:

\[ Y = 3.596 + .14 \times X_1 + .067 \]

Y= online buying behavior

\( X_1 \)= psychological factors
### Table 4.13: Coefficients on Psychological Factors and Online Buying Behavior

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>3.596</td>
</tr>
<tr>
<td></td>
<td>Psychological_Factors</td>
<td>.140</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Online_Buying_Behavior

### 4.6 Chapter Summary

This chapter has provided the results following the data analysis. The findings show that study attained a response rate of 66%. Most of the students who participated in this study were 26 – 35 years old. Most them had 1 – 4 years online shopping experience. When it comes to online shopping the most widely used medium were online retail stores such as Jumia and Alibaba. M-pesa was the leading payment option for online shopping. The items that were widely shopped online included, clothing, shoes and accessories. Perceived benefits of online shopping and psychological factors had a positive association with online shopping behavior. However, perceived risks of online shopping had a negative association with online shopping behavior. The next chapter will discuss the findings presented here and provided conclusions and recommendation as informed by the findings.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 Introduction
This chapter discusses the results presented in chapter four, it also draws conclusion to the results and recommendation. The discussion, conclusion and recommendation are done in line with the research objectives. First the chapter presents the summary of the whole study.

5.2 Summary
The general objective of this study was to determine the factors influencing online buying behavior among university students. The study was guided by three specific objectives, which included, to assess how perceived benefits of online shopping influences online buying behavior among university students, to examine how perceived risks of online shopping influences online buying behavior among university students and to assess how psychological factors, influence online buying behavior among university students. The study used a descriptive research design and the study population included undergraduate students in United States International University-Africa. Stratified random sampling technique was to select a total of 378 students who participated in the study. The study used questionnaires to collect data. Data was analyzed through descriptive and inferential statistics and presented in graphs and tables.

Findings on the influence of perceived benefits on online buying behavior showed that, online shopping considered to be convenient. It was also shown that online shopping gives facilities for price comparison. However, it was not conclusive whether it is easy to cancel orders when shopping online. Lastly, it was revealed that student preferred shopping in high quality web pages. According to the regression analysis perceived benefits of online shopping had a significant association with online shopping behavior. Perceived benefits of online shopping accounts for 9.9% of online shopping behavior. One-unit increase in perceived benefits of online buying leads to 0.232 units increase in online buying behavior.

Findings on the influence of perceived risks of online buying on online behaviors showed that when shopping online personal information may be compromised to third party. Again, when shopping online it’s hard to judge the quality of the merchandise over the internet. In addition, when shopping online the buyer might not receive the product
ordered online as ordered. It was however not conclusive whether online purchasing process takes too long (has to many steps). According to the regression analysis perceived risk of online shopping had a significant relationship with online behavior. Perceived risk of online shopping accounted for 9.7% of online shopping behavior. One-unit increase in perceived risks of online shopping causes a decline in online buying behavior by 0.219 units.

Findings on the influence of psychological factors on online buying behavior, showed that online shopping encourages impulse buying. According to findings, online shopping is linked to the buyer’s personality. However, it was not established whether online shopping is safe or not. It was also not established whether people shop online because of influencers. According to the regression analysis psychological factors had a significant association with online buying behavior. The psychological factors account for 6.9% of online buying behavior among the university students. A one-unit increase in psychological factors improves online buying behavior by 0.14 units.

5.3 Discussion

5.3.1 Influences of Perceived Benefits on Online Buying Behavior
Findings on the influence of perceived benefits on online buying behavior showed that, online shopping is considered to be convenient. This result collaborates the argument of Forsythe et. al., (2016) that convenience is one of the most important factors that motivate customers to shop online in addition to the other benefits. The result here also agreed with sentiments of Forsythe, Liu, Shannon and Gardner (2016) who suggested that customers use the Internet for their shopping due to the benefits they get, due to the concept that internet shopping is more convenient and offers competitive prices. Further, Meixian (2015) argued that online shopping, allowed customers to browse and shop at any time convenient to them without having to worry about the shop service time, time zone and even a traffic jam.

Online shopping convenience allows customers to shop anywhere and when they are in need of a service since the services are available always (Tanadi, Samadi & Gharleghi, 2015). The convenience of online shopping is demonstrated on every step-in online shopping, including product search through browsing, while browsing the products that we want is easy to find and search, it contributes to search convenience. Then, when the product is easy to obtain, it is possession convenience. While shopping can be done in
quick time and the product can be delivered without delay, it is considered as time convenience (Meixian, 2015).

It was also found out that online shopping gives facilities for price comparison. According to Jadhav and Khanna (2016) comparison is one of the main influencing factors for online shopping. Similarly, Sandefer et. al., (2015) presented that in online shopping has the enables customers to easily compare prices which was a positive thing to customers. In another study Moshal (2019) also demonstrated that online shopping site enables consumers to compare the quality of products with the alternatives with regard to price among the same category.

Findings results agree with Tanadi, Samadi and Gharleghi (2015) sentiments that, product selection influence online shopping behavior. Customers are able to compare and contrast a variety of products and later choose what meets their needs and wants. To choose a preferred product, customers have to take ample time by comparing the pros and cons from a variety of products. Since the internet has no physical space limit, consumers are able to learn that there is more variety of products they were not aware of. A wide variety of products tends to increase the intention and frequency of online shopping (Tanadi, Samadi & Gharleghi, 2015).

Ease of shopping benefits influence online shopping behavior. According to Tanadi, Samadi and Gharleghi (2015), online shopping eases the hustle of shopping since nowadays clients want a life that is comfortable and efficient. Through the internet getaways, customers are able to search what they are looking for. In the online shopping sites, retailers are able to make categories and sub-categories thus, creating convenience for the customers as they browse on the products (Forsythe et al., 2006).

However, it was not conclusive whether it is easy to cancel orders when shopping online. This result fail to confirm or deny the observation of Nayak and Debashish (2017) who determined that ease in cancellation or return was among the most important factors that influence consumers’ intentions to shop online. Lastly, it was revealed that student preferred shopping in high quality web pages. In line with this result, Pandey, Barik and Soni (2015) also argued that website quality help gain social acceptability of online purchase or aesthetics of the social media page helps gain social acceptability of online purchase. Once social acceptability is assumed from external spheres of influence an
individual will be a regular when shopping online. San Lim, Heng, Ng, and Cheah (2016) while arguing how website quality enhances online buying behavior noted that a well-designed website provides useful information and extra benefits to customers and in turn enhances sales volume as well as the reputation of the company.

According to the regression analysis perceived benefits of online shopping had a significant association with online shopping behavior. Perceived benefits of online shopping accounts for 9.9% of online shopping behavior. One unit increase in perceived benefits of online buying leads to 0.232 units increase in online buying behavior. This finding is in agreement with Jadhav and Khanna (2016) who also found out that online shopping benefits and customers’ attitudes and decisions toward online shopping have a strong relationship. Jadhav and Khanna (2016) argued that those shoppers who place a higher level of importance on the specific benefits of e-shopping would likely purchase more frequently than infrequent shoppers. Similarly, Forsythe, Liu, Shannon and Gardner (2016) suggested that customers use the Internet for their shopping due to the benefits they get.

5.3.2 Influence of Perceived Risks on Online Buying Behavior

This study sought to find out the influence of perceived risks on online buying behavior. Organizations need to understand the perceived risks and limitations customers have when shopping online so that they can fashion risk mitigation strategies to give them a competitive edge and better market positioning (Pandey, Barik and Soni, 2015). According to this study finding, when shopping online personal information may be compromised to third party. This affirms the views of Yue, Wang, Jin, Li and Jiang (2016) that online consumers are concerned about online payment security, reliability, and privacy policy due to the fact that in the process of paying, they have to offer their personal and credit card data.

Similarly, Huseynov and Yıldırım (2014) identified a number of factors that hinder online sales including privacy of personal information and safety of fiscal transactions through the Internet. This information should be fed into how organizations can best inform, remind, message and persuade customers about their online offerings, as customers go through the buying decision-making process (Pandey, Barik & Soni, 2015).
Findings from the study show that, customers have trust issues during online shopping. According to Fortes and Rita (2016), lack of trust during online shopping poses various challenges and has specificities that should not be disregarded. Due to online shopping characteristics such as customer inability to feel or see the product directly and lack of face to face communication with the retailer makes the customer uncertain and at risk when making purchasing decisions. Customers are hesitant to share personal information such as where they live especially if the retailer offers delivery services (Fortes and Rita, 2016). Perceived vendor risk is caused by lack of trust by customers since they believe they may suffer losses caused by failure of retailers to deliver the products and unauthorized use of client’s personal information (Fortes and Rita, 2016).

Customers may be discouraged to purchase products online due to performance risk or product risk. According to Aminu, Olawore and Odesanya (2019), customers fear that a product might malfunction or fail to function as expected and non-performance of websites. Performance risk deters shoppers from online purchasing since they feel that the quality of the product may be compromised. Therefore, customer’s inability to feel and see a product upsurges performance risk (Aminu, Olawore and Odesanya, 2019).

Again, when shopping online it’s hard to judge the quality of the merchandise over the internet. This can be explained by the fact that when shopping online, shoppers rely on the limited information and pictorials. This limits them from accessing information through touch and sight, instead they have to depend on what the vendor says about the product and this exposes them to quality risk (Moshal, 2019). In addition, when shopping online the buyer might not receive the product ordered online as ordered. In line with this observation Katawetawaraks and Wang (2011) noted that in online shopping consumers may get unwanted product or even poor-quality products or the product delivered fail to match what was described or anticipated. The product delivered could also be delicate, mistaken, or broken.

It was however not conclusive whether online purchasing process takes too long (has to many steps). This fails to confirm the observation of Moshal (2019) that online shoppers waste their time in online shopping while searching and researching product information. According to Forsythe et.al., (2016) time risks may also include the inconvenience customers face while making online transactions, navigating and submitting orders and delays in getting the products. Thus, the time spent in waiting for the transaction to
complete consider as time risk also. While Moshal (2019) Forsythe et al., (2016) was of the opinion that online shopping waste customers time, Rahman et al., (2018) were of the contrary opinion, they argued that online shopping saves vital time for the modern man since he gets so busy that he is unable to or is unwilling to spend much time shopping.

According to the regression analysis perceived risk of online shopping had a significant relationship with online behavior. Perceived risk of online shopping accounted for 9.7% of online shopping behavior. One-unit increase in perceived risks of online shopping causes a decline in online buying behavior by 0.219 units. This result correlates with the findings of a study of Malaysia’s E-Commerce market, that revealed that Malaysians are still reluctant to shop online because of perceived risk of online shopping (Nielsen Company, 2019). Similarly, Tanadi, Samadi and Gharleghi (2015) presented that perceived risk negatively impacts customer’s purchase-decisions online. While explaining the negative impact of perceived risk of online shopping on online buying behavior, Yue, Wang, Jin, Li and Jiang (2016) argued that once customers get through unfavorable experience, they become hesitant to buy online. They noted that online consumers are concerned about online payment security, reliability, and privacy policy due to the fact that in the process of paying, they have to offer their personal and credit card data.

5.3.3 Influence of Psychological Factors on Online Buying Behavior

This study sought to examine the influence of psychological factors on online buying behavior. Psychological factors are those playing a crucial role in helping online customers unfamiliar with the vendor or unfamiliar with the online transactions to overcome fears of doubt frauds as to the trustworthiness of the online vendor (Cetină, Munthiu & Rădulescu, 2012). Psychological factors that affect one’s decision to make purchase are more grouped into individual’s motivations, views, learning and beliefs and attitudes (Chan, Cheung and Lee, 2017). According to findings here online shopping encourages impulse buying. This finding affirm the argument of Sahai, Goel, Garg and Vinaik (2019) that modern retail setups like e-commerce and online retailing has attracted a lot of customers which are more probable to make impulse buying. They further argued that there are a lot of impulse buyers since the birth of ecommerce.

From the study findings, customer’s attitude directly influences online shopping behavior. Attitude predicts a customer’s intention to make online purchases. According to Ariff et al. (2014), customer’s attitude on online shopping influences their optimistic and
pessimistic feelings when making emotion decisions. Individuals with a positive attitude concerning online buying are driven to make purchases. Customer’s attitude and emotions are related thus influencing purchasing intention. The relationship between customer’s intention to purchase a product and their behavior is usually based on assumptions that customers make rational decisions based on available information they have. Thus, the behavioral intention to purchase a product determines the customer’s actual behavior (Ariff et al., 2014). Bhatti, Saad and Gbadebo (2018) posits that, perceived risk, convenience risk, and product risk negatively influence a customer behavior to make an online purchase. A client with high dissatisfaction (perceived risk) has lower chances of repurchasing products online.

The study findings show that, website aesthetics or atmospherics as traditionally referred in marketing can influence online buying behavior. According to Cetina, Minthiu and Radulescu (2012), website aesthetics such as website design presentation, elements and quality and website style either attracts or put off a customer with purchasing intentions. A website atmosphere/style is essential since it attracts customers by strongly and positively motivating them to stop by, search and network with the site (Cetina, Minthiu and Radulescu, 2012).

According to findings, online shopping is linked to the buyer’s personality. Similarly, in a study to explore personality traits and purchase intentions Han-Mei (2017) found out that customer with diverse personality traits have diverse effects on purchase intention. In addition, Lu et.al., (2015) also argued that personality of a consumer drives an individual’s behavior to accomplish their goals in different situations.

However, it was not established whether online shopping is safe or not. This fails to confirm or deny the argument of Katawetawaraks and Wang (2011) who held that security if a big concern for online shopping. They argued that security concerns stop consumers from shopping online, because customers are worried that the online retail will cheat them or misuse their personal data, more so credit card. Findings here also do not agree not disagree with Nayak and Debashish (2017) who carried out a study on young consumers’ online shopping decision influencers and found out that the factors influencing the consumers’ decision of online shopping are among others safety and privacy on website.
It was also not established whether people shop online because of influencers. This finding also fail to confirm or refute the findings of Lisichkova and Othman (2017) there was a positive connection between influencers and online buying behavior. They explained that the authenticity, trustworthiness, credibility, legitimacy and their expertise are the leading characteristics of the influencers that have an influence on the customers online purchase intent. In addition, Vainikka (2015) showed that there is a positive relationship between perceived celebrity endorsement effectiveness and perceived brand (Vainikka, 2015). Accordingly, the attractiveness and trustworthiness of celebrity endorsement has been noted to have a prominent impact on perceived product personality as indicating substantial coefficient values and likelihood rates in both cases (Vainikka, 2015).

According to the regression analysis psychological factors had a significant association with online buying behavior. The psychological factors account for 6.9% of online buying behavior among the university students. A one unit increase in psychological factors improves online buying behavior by 0.14 units. This result corresponds to the findings of Sahai, Goel, Garg and Vinaik (2019) that showed that there is a positive association between the customer’s psychological insight and their will to shop online. In addition, Popović, Jakšić, Matić, Bjelica and Maksimović (2015) indicated that the psychological factors influencing the decision of a person to make a purchase are further classified into the motives, expectations, training and attitudes of the consumer.

5.4 Conclusion

5.4.1 Influences of Perceived Benefits on Online Buying Behavior
Findings here led to the conclusion that online buying behavior is affected by the benefits that consumers perceive in online shopping. Consumers in addition to other factors they consider, will look for the benefits of purchasing something online before making that buying decision. This is to say that online retail shops that fail to demonstrate any benefits of their goods to customers would reduce the likelihood of consumers purchasing their products. However, online retailers that are able to demonstrates benefits of their online good to customers would increase the likelihood of their consumers purchasing online.

5.4.2 Influence of Perceived Risks on Online Buying Behavior
The risks involved in online shopping discourage people from purchasing online. People will examine the risk of them purchasing a commodity online before making that
purchase decision. Most people will only decide to purchase online if they perceive the transaction to be less risk. The risk that customers are always looking for in online purchasing include, misuse of tier personal and credit information. The risk of getting a good that was not order or the good being damage at delivery and the delivery of an inferior comodity are some of the other risk that clients look to avoid. The high the risk perceived in online shoping the lower the intention of a consumer doing online shoping.

5.4.3 Influence of Psychological Factors on Online Buying Behavior
Psychological factors play a significant role in consumers online buying behavior. People of different personality are oriented differently in online shopping. Consumers are also influenced by influencers in making purchase decision online. There is a positive association between the customer’s psychological insight and their will to shop online. The personality of a consumer drives their behavior to accomplish their goals in different situations.

5.5 Recommendation
5.5.1 Recommendation for Improvement
5.5.1.1 Influences of Perceived Benefits on Online Buying Behavior
The study recommends that online retail shops should at all time portray the benefits of their online merchandise. This study recommends that online retailers should include a number of benefits in their sales services including home delivery, time saving more product information that would make consumers abandon the physical shopping they are used to. The online retailers should also present benefits to online shoppers in terms of tangible benefits like, discount and/or free gifts. They should also introduce rewards points that would benefit loyal customers.

5.5.1.2 Influence of Perceived Risks on Online Buying Behavior
It is recommended that online retailer should organize their online transaction in way that it minimizes exposing the clients to alot of risk. The online store should minimize in as much as possoble the request for personal information that threatens to expose clients private life. The online retailers should build a good trust relationship with their customers through ensuring that transaction remain confidential. The online retailers should not force clients to share their personal information especially their financial information such as credit card number and other personal data.
5.5.1.3 Influence of Psychological Factors on Online Buying Behavior

It terms of psychological factors and online buying behavior, it is recommended that online retailer should profile their target consumers according to their personality and learn their preferences when it comes to online shopping. The retailers should customize their product and services according to their customers’ preferences and demands to enhance sales. The online retails should carry out marketing/advertisement to improve their brand. The online retailers should also use influential people in the society to market their products and services.

5.5.2 Recommendation for Further Research

This study examined three factors that affect online shopping among university students, including, perceived benefits, perceived risks and psychological factors. Further research can consider other factors that affect online shopping behavior such as price of commodity, nature of goods and consumer location.
REFERENCES


APPENDICES

Appendix I: Research Permit

This is to certify that Ms. Kahi Aja Abunna of United States International University Africa, has been licensed to conduct research in Nairobi on the topic: FACTORS AFFECTING ONLINE BUYING BEHAVIOUR A CASE OF USIU, for the period ending: 27th April 2021.

License No: NACOSTI/P/20/4843

Ref No: 889945

Date of Issue: 27th April 2020

Applicant Identification Number

NOTE: This is a computer generated License. To verify the authenticity of this document, scan the QR Code using QR scanner application.
Appendix II: Introductory Letter

Dear Respondent,

**RE: RESEARCH QUESTIONNAIRE**

Dear respondent my names is KALA ABUODHA I am a postgraduate student at United States University-Africa, pursing a Masters in Management and Organizational as partial of my degree requirement, I am conducting a research on:

**FACTORS INFLUENCING ONLINE BUYING BEHAVIOR AMONG UNIVERSITY STUDENTS. A CASE STUDY OF UNITED STATES INTERNATIONAL UNIVERSITY AFRICA**

Please note that this study is strictly for academic purpose and any confidential information will be extremely observed. Your personal details will not be included in the study or used for any other than purposes.

Your assistance will be highly appreciated!

Yours faithfully,

Kala Abuodha.
Appendix III: Questionnaire

Have you ever made an online purchase before?

Yes ( ) If yes please proceed No ( ) If no, thank you for taking time to fill out this questionnaire.

SECTION A BACKGROUND INFORMATION

Please TICK (√) the appropriate answer to reflect the extent you agree or disagree with each of the following statements.

1. Indicate your age?

Under 18 years ( ) 18-25 years ( ) 26-35 years ( ) 36-45 years ( ) Above 46 years ( )

2. How long have you been shopping online?

( ) Less than a year ( ) 1-5 years ( ) 5 years or more

3. What online buying medium do you use on a regular basis?

Social Media ( ) (state which one/s)

Company Website ( ) Online Retailer e.g. Jumia/Alibaba ( )

Other ( ) kindly elaborate

4. How do you usually pay for online shopping?

Credit/Debit Card ( ) Mpesa ( ) Paypal ( ) Cash on delivery ( )

Other ( ) kindly elaborate

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

**The extent is rated as: Strongly Disagree-1 Disagree-2 Undecided-3 Agree-4 Strongly Agree-5**

### SECTION B: PERCEIVED BENEFITS OF ONLINE SHOPPING

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<td>Online shopping is convenient</td>
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<td>Online shopping gives facilities for price comparison</td>
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<td>It is easy to cancel orders when shop online</td>
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<td>I only shop in high quality web pages</td>
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This section is about your thoughts regarding online shopping. Please TICK (√) the appropriate answer to reflect the extent you agree or disagree with each of the following statements.

**The extent is rated as: Strongly Disagree-1 Disagree-2 Undecided-3 Agree-4 Strongly Agree-5**

### SECTION C: PERCEIVED RISKS OF ONLINE SHOPPING

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<td>When shop online because it’s hard to judge the quality of the merchandise over the internet</td>
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<td>When shop online the buyer might not receive the product ordered online</td>
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<td>When shopping online personal information may be compromised</td>
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to third party

The online purchasing process takes too long (has to many steps)

**SECTION D: PSYCHOLOGICAL FACTORS OF ONLINE SHOPPING**

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

The extent is rated as: Strongly Disagree-1 Disagree-2 Undecided-3 Agree-4 Strongly Agree-5

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<tr>
<td>Online shopping is safe</td>
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<td>Online shopping is linked to the buyers personality</td>
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<td>People shop online because of influencers</td>
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<td>Online shopping encourages impulse buying</td>
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**SECTION E: ONLINE BUYING BEHAVIOR BY UNIVERSITY STUDENTS.**

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

The extent is rated as: Strongly Disagree-1 Disagree-2 Undecided-3 Agree-4 Strongly Agree-5

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<tr>
<td>I shop online because I don’t have to leave home for shopping</td>
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<td>I shop online because product information is available online</td>
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<td>I shop online because it is easy</td>
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<td>I only shop on verified social media pages</td>
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<td>Statement</td>
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<td>I feel that there is difficulty in settling disputes when I shop online</td>
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<td>I hesitate to shop online because I might not receive the product</td>
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<td>ordered online</td>
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<td>I feel that my personal information given to the retailer may be</td>
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<td>compromised to third party</td>
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<td>I do not shop online because my good will take too long to arrive</td>
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<td>I shop online because I believe it is safe</td>
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<td>I shop online because it suits my personality</td>
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<td>I shop online because my friends and family encourage me too</td>
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<td>I consider my financial condition during online shopping</td>
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<td>I intend to use online shopping within the near future</td>
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<td>I already shop online</td>
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<td>Shopping online is a very good idea</td>
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THANK YOU FOR YOUR TIME!