# A Study on factors influencing Nigerian online consumer purchase behavior



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# CERTIFICATION

I hereby certify that this project was written by me and is a record of my original research work. It has not been presented before in any previous application for a degree except fully acknowledge within this text. References made to published literature have been duly acknowledged.

Signatures:

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# DEDICATION

I would like to dedicate this research to the Almighty God for giving me the enablement and strength to undergo a tough task which has been successfully completed. I would like to also dedicate this work to my parent, the ones who have stood by me all through the years I have spent in school and have always advised me never to give up no matter the raging of the storms. Thank you.

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**ABSTRACT**

The purpose of this research is to explore the factors that influence Nigerian online consumer purchase behavior. After a detailed relevant literature and theoretical framework on factors influencing Nigerian online consumer purchase behavior, researcher framed a well-structured questionnaire for collecting required information from a sample of 300 Nigerian customers out of which 217 valid responses received. The collected data were summarized, coded, and controlled by using SPSS 21.0 along with Microsoft Excel software packages and analyzed by using statistical tools like observance of percentile and correlation. Out of 217 respondents, 52.1 percent of Nigerian consumers stated product quality as the most frequent factor that affects their online purchase behavior as against just 23.5 percent opted trust. Brand image came down as a second priority with 44.7 percent as a factor that affects online consumer purchase behavior. Astonishingly, price came down with just 38.7 percent as a third priority, 37.3 percent convenience as their fourth priority to online consumer purchase. Out of 217 respondents, 43.3 percent of Nigerian customers are highly satisfied with the services that are provided by online marketers. The research confined only two capital towns’ viz., Jimeta and Yola of the Adamawa state in Nigeria, and the researcher enquired only general online purchase behavior of Nigeria without any product specificity. The outcomes of the study are useful to online marketers in the country to review the present and design their marketing plans to influence the online purchase behavior of Nigerian consumers. This is an extensive pioneering work on the extent to which certain factors influence Nigerian online consumer purchase behavior which is beneficial to both online marketers and to the academia for their unique purposes.

Keywords: Online Purchase behavior, Product quality, brand image, trust, convenience and price.

## CHAPTER ONE: INTRODUCTION

### BACKGROUND OF THE STUDY

With the speedy development of technology and the increase in internet usage across the globe, people are no longer interested in word of mouth or physical interactions rather they prefer communicating and gathering of information through forum, chat rooms, blogs and new groups ( Fei 2011, 2011). Online business operations and e-commerce has inspired many businesses and companies to set up their business transactions over the internet. This singular act has made life easy for the common man. Recent data have shown that Nigeria has been ranked as number one in Africa and number eight in the world with the rate of sixty-three million internet users. Data for Facebook users alone rate up to sixteen million users in Nigeria. (Nigeria ranks No 1 in internet usage in Africa, 2016).

The internet is a platform for networking and also dissemination of information. One of the purposes of the internet is for purchasing of goods and services (Burrows, 2001). There are several websites that customers can access to purchase products that are for sale such sites are: Konga, Jumia, Asos and many more. Customers visit those websites, select the product, order the products, provide a location for delivery, and either make payment through credit cards or pay on delivery and those products gets delivered to the customer in the set location.

One of the cheapest ways entrepreneurs, marketers as well as companies could create an avenue in getting in contact with the huge customer base in a short span of time even in periods of world economic crisis is through online marketing (Insider, 2015)**.** Online shopping has been revealed to offer additional satisfaction to modern day consumers who are in search of speed and convenience (Yu, T.& Wu.G,, 2007)**.**

In most cases, customer purchase behavior can be regarded as the loyalty of the customer to that particular product or goods (H. Jr. Juhl, 2002.). This customer purchase behavior can be

based on different elements such as product quality, trust, brand image, convenience, and price of that product which can also influence the customers’ behavior (J. J. Joseph Cronin, 2000). Facts have shown that research has been performed on the same topic in western countries, but very little research has been applied in Nigeria. For businesses online, it is important to know what factors influences online consumers purchase behavior when purchasing goods over the internet.

### STATEMENT OF THE RESEARCH PROBLEM

Most potential consumers who purchase goods online are over a million plus and they are most times online anytime of the day regardless of where they are located. Since there are so many marketers who want their goods to be bought by potential consumers, it is very crucial that those marketers or companies understand what are their consumer needs and wants in regards to how competitive the business environment is. Since consumers are unable to have physical contact with their online marketers, it is important that online marketers examine and detect those certain factors that influence online consumers purchase behavior. Also, in order for online marketers to maintain an increase customer base level, it is important for them to know what extent certain factors that will be considered in this topic influence consumers purchase behavior. The problem of this research is: TO KNOW THE EXTENT TO WHICH CERTAIN FACTORS INFLUENCE NIGERIAN ONLINE CONSUMER PURCHASE BEHAVIOUR.

### RESEARCH OBJECTIVES

The general objective of this study is to determine online purchase behavior of Nigerian consumers.

Specifically:

* + 1. To identify those factors that influence online consumer purchase behavior
    2. To determine which online purchase factors are most frequent
    3. To determine the extent to which the most frequent factors affect online consumer purchase behavior.
    4. To determine the overall satisfaction levels of online customers.

### RESEARCH QUESTIONS

Listed below are some research questions that this study will be examining.

Specifically:

1. Which online purchase factors are most frequent?
2. To what extent do the most frequent factors affect online consumer purchase behavior?
3. What are the overall satisfaction levels of online customers?

### RESEARCH HYPOTHESIS

In this section, several hypotheses would be considered. Specifically:

H1: Product quality is the most frequent factor that affects online consumer purchase behavior H2: Brand image is the most frequent factor that affects online consumer purchase behavior H3: Convenience is the most frequent factor that affects online consumer purchase behavior H4: Trust is the most frequent factor that affects online consumer purchase behavior.

H5: Price is the most frequent factor that affects online consumer purchase behavior. H6: Nigerian customers are dissatisfied with the services provided by online marketers.

### SIGNIFICANCE OF STUDY

In Nigeria, online shopping or purchasing of goods by customers is on the increase due to the high rate of internet users and its population. The significance of this study is to enable marketers increase sales by first understanding the buying behavior of consumers who purchase goods online and also improve their marketing approach or strategy accordingly. This study will

also benefit online marketers, customers that purchase online and those that do not purchase as well. Another significance of this study is to know what factors influences consumers purchasing behavior when purchasing goods online.

### SCOPE OF THE STUDY

The research will be centered on Nigeria online consumers specifically in Adamawa State in determining those factors that influence their purchasing behavior. The scope of the research will include places such as banks, shopping complex areas, restaurants and the university campus in both Yola and Jimeta towns in Adamawa state. This research would be performed and completed during the span of two to three months in order to gather, evaluate and produce result

### LIMITATIONS OF THE STUDY

There are problems and limitations that do arise in every research. These limitations could reduce the parse and efficiency of the study. One of those limitations was limited access to literature articles due to the limited time allotted for the completion of the study. Another limitation was the scope of the research. Five factors were selected amongst other online purchasing factors and only the two towns of Adamawa state ( Yola and Jimeta), which is too inconsequential to correctly access consumer online purchase behavior of Nigerian consumers. The unwillingness of Nigerian consumers to consent in answering the questions was another limitation that occurred in the cause of this research.

## CHAPTER TWO: LITERATURE REVIEW

### INTRODUCTION

This chapter attempts to examine and focus on studies and related literature that supports the background of online purchase of consumer behavior via the internet. Examining related literature is significant in gaining more exposure to several perspectives about the topic. Online purchase is still developing in Nigeria, which makes it important to spot out those factors that influence consumers purchase behavior while transacting online. The daily use of internet by customers in ordering products has being on the increase which has prompted several companies in using the internet as a yardstick of bringing and retaining their customers.

### ONLINE PURCHASE BEHAVIOR.

A method through which consumers buy or purchase goods and services over the internet is called online purchase behavior. Consumer behavior is the examining of individuals and the procedures that are used in selecting, securing and giving away of goods and services and the thoughts of how marketers will satisfy the needs of their consumers and the effects those procedures have on the society as well as consumers (Kuester, 2012)**.** An online website should be able to comprehend the behaviors of consumers while they purchase goods online in order to develop and sustain the already existing relationship with their consumers (Kim, E, & Hong, T., 2010)**.** The increase in technological advancement has made the usual way (traditional) of shopping to be inadequate for consumers.

According to Pavlou, the state of willingness to purchase or make transactions over the internet by a customer is known as online purchase behavior (Pavlou, p. 2003)**.** The decisions that are made by customers in purchasing goods via the internet have a significant relationship with their buying behavior. In order for online companies or retailers to ascertain the behaviors of customers in purchasing of products online, there are several factors such as product quality,

brand name, and price, convenience and trust that would be explored in this study. In addition, for online marketers to be able to understand the behavior of those who engage in online shopping, it is important that they know those factors that influence Nigerian consumers purchase behavior and to what extent they do which would be explored and taken into consideration.

### PRODUCT QUALITY

One of the factors that influence the purchasing power of customers and how they derive satisfaction from products and services sold by retailers is the quality of such goods and services. The ability of a product to satisfy several needs of the customers depends on its quality. When a customer evaluates a particular product and it meets his/her expectation, the products are perceived by the customer to be a quality product. One of the ways of increasing and sustaining one’s competitive advantage over others is through product quality. Several factors are being considered or measured in terms of product quality such as: its features, capability to meet the needs of its customer and the benefit that will be derived after purchase. Product quality has been discovered to be one of the vital determinants of online purchase intentions of customers.

### BRAND IMAGE

Another significant factor to be considered in determining the online purchase intentions of customers is the brand image of a particular website or company. The ways customers or people view a particular company in terms of their products and services is known as brand image. According to Liljander (2009) the psychological perception of customers based on its associations towards a particular brand is termed as brand image (Liljander, p. 2009). Companies thrive hard to gain and retain their customers by having a strong brand image through their products or services offered.

In addition, companies always want their product or services to be perceived as the best and have a specific image, so they will thrive harder to maintain a strong brand image that will be stored in the heart of their customers. Several factors determines a brand image such as: the type of product that are being released, how they are released, the marketing strategy (publicity) that has being carried out to market such a product, and the customers they intend to serve and satisfy.

Several factors influence the perception of a customer when considering brand image which are: the country where such a product is being produced as well as its manufacturers. When a company exhibits a positive brand image, it surpasses the expectation of the customer. There is a proportional increase of goodwill and brand value when a company is perceived to have a positive brand image.

### CONVENIENCE

Research has shown that one of the major influences on consumers’ eagerness to purchase goods online is convenience (Wang, 2005)**.** Consumers could gain access to shopping online anytime they want in comparison to traditional stores because online stores are opened 24hrs a day and 7 days a week (Hofacker, 2001)**.** Consumers are not only focused on purchasing products, but they want to be comfortable with the services they receive online. Several online companies provide 24/7 customer services where customers can ask questions on how their product could be delivered to them as quick as possible , and also request for assistance which creates consumers convenience (Hermes, 2000)**.** One of the prominent factors that consumers consider as a major reason for purchasing product via the internet is the level of convenience they receive, because they could order product from the comfort of their homes. Considering convenience, there are several benefits that consumers who purchase online derives, such as flexibility, very little effort required, and also the time it consumes is very minimal etc (Darian,

1987)**.** Convenience has being ascertained to be one of the vital benefits for purchasing goods online by researchers. According to Webcheck’s, convenience is one of the major advantages to online purchasing. Online purchasing gives consumers that platform to be able to conveniently compare prices that are online to traditional stores (Webcheck, 1999)**.**

### TRUST

Trust is a major determinant in purchasing products online. When a website or a company is trusted due to the services they offer, their consumers would be loyal to such company. Trust is an important element in the buyer-seller relationship as well as the intention of purchasing products via the internet (Jarvenpaa, p. 1998)**.** That believes that a consumer has while purchasing products via the internet is known as trust.

There are vital buying decisions that consumer make due to the level of trust they have built on a particular product in past years while purchasing products online (Kim D. F., p. 2008). A type of behavioral intention of consumers to purchase products online is known as trust (Gefen, p. 2003). When a consumer loses its trust on a particular company or website, the willingness to purchase products online would be terminated. Research has shown that 63% of online users no longer purchase products via the internet due to lack of trust(NECTEC, p. 2006).

Trust plays a vital role in the behavior of consumers while purchasing products online. Trust is one of the determinants of online purchase intentions of consumers (Van der Heijden, p. 2003). Trust is defined as the expectation that people or online retailers will not act opportunistically or take advantage of others or their customers or consumers (Gefen, p. 2003). When trust is being built by sellers to their buyers, online shopping will be perceived useful and beneficial to such buyers. Trust is formed on the basis of exchange relationship. Online trust needs to be there when personal financial information and personal data is shared while making a purchase online. In terms of varying perceived price with perceived trust, perceived trust seems

to be more significant to customers than perceived price when they purchase items online (Kim & Xu, 2012) . Trust is a factor that gives consumers that eagerness to purchase goods online, to give out their personal information and payment that has to do with their credit cards (Whysall, 2000).

### PRICE

The amount that customers pay in exchange for the benefits they derive of having or using a product or service is called price (Bearden, 2004). Price is one of the major determinants customers identify while they shop or purchase items via the internet. Customers who purchase products and get services online presume that the prices of items over the internet are ought to be lesser than the prices that traditional or local shops charge their customers (Kang Lo S, 2013).

It is also assumed or expected by customers that there should be a similarity in the prices of goods in all online shops. According to Lo, one crucial fact that customers consider when shopping online is price and in his findings, he discovered that online retailers overhead costs are lesser compared to the overhead costs of store-based retailers (Lo Sh, 2014). It was also discovered that sellers or marketers with low status cannot increase their prices while those with high status can do such because customers will still patronize them no matter the price. Price is the key generator of income among the four Ps (price, product, promotion and place) and it is also an additional value to a product.

### HYPOTHESES FOR THE STUDY

The review of literature has aided us in structuring the following hypotheses for the study of the determinants of online purchase intentions of Nigerian customers.

H1: Product quality is the most frequent factor that affects online consumer purchase behavior H2: Brand image is the most frequent factor that affects online consumer purchase behavior H3: Convenience is the most frequent factor that affects online consumer purchase behavior

H4: Trust is the most frequent factor that affects online consumer purchase behavior. H5: Price is the most frequent factor that affects online consumer purchase behavior. H6: Nigerian customers are dissatisfied with the services provided by online marketers.

### CONCEPTUAL FRAME-WORK

The conceptual framework below illustrates the relationship between the independent variables, dependent variables, and the facilitating variables. As shown in the framework, when online marketers or companies improve on the areas of the independent variables, the dependent variables will be achieved with the help of the facilitating variables. The dependent variable depends on the independent variables to function effectively. The independent variables are those factors that are set in place by online marketers in order to satisfy their customers and increase profitability.

**FACILITATING VARIABLES**

\*Technology

\*Educational level.

**DEPENDENT VARIABLES**

**\*** Purchase behavior

**INDEPENDENT VARIABLES**

\* Product quality

\* Brand image

* Convenience
* Trust

\*Price

## CHAPTER THREE: RESEARCH METHODOLOGY

### INTRODUCTION

This chapter illustrates how the research was carried out, and the different methods used in data collection for the study. It also explains the procedures that were inculcated while gathering of information and how they were analyzed in regards to the problem of the research. This aspect of the research methodology includes introduction, Survey instrument, Objectives of the study, Research design, study population, Procedures, data collection and analysis, scope and limitations.

### SURVEY INSTRUMENT

The survey instrument was developed through the review of several literatures. One of the constructs were weighed by using a 5-point Likert scale ranging from 1 to 5, wherein 1 indicated ‘Very important’ and 5 indicated ‘Not at all important’. The survey instrument had two parts. In the first part which was their demographic profile where they were asked to fill information related to their age, gender, educational background. The second part, the respondents were asked to choose which factors (Product quality, brand image, trust, convenience and price) affects them the most, in order to measure which online purchase factors are most frequent. Also, the respondents were asked to rank each item in reference to its importance to them by measuring the extent to which the most frequent factors affect their online consumer purchase behavior. The last part of Part B, the respondents were asked to identify the extent to which they are highly satisfied or highly dissatisfied with the level of satisfaction they derive from purchasing online.

### OBJECTIVES OF THE STUDY

The general objective of this study is to determine online purchase behavior of Nigerian consumers.

Specifically:

* + 1. To identify those factors that influence online consumer purchase behavior
    2. To determine which online purchase factors are most frequent
    3. To determine the extent to which the most frequent factors affect online consumer purchase behavior.
    4. To determine the overall satisfaction levels of online customers.

### RESEARCH DESIGN

The approach that a researcher chooses in order to appropriately analyze a research study is known as a research design. This approach will assist in comprehending the several components of the research. This is also the basis for data collection, measuring and description for the study. The data collected is used to describe the population using the several established variables for the study. This approach will also illustrate who the central focus for this research is and why the research was conducted.

### STUDY POPULATION

For a clear understanding on factors influencing Nigerian online consumer purchase behavior, a sample of 217 valid responses was received to garner information in a well self structured questionnaire. The populations for the research are various internet users in Adamawa state (Yola and Jimeta towns). Stratified random sampling method was used in order to acquire a more efficient result as both male and female were selected for the study. The population age range for the study were adults Nigerian consumers (18 years and above) in Adamawa state as this research plans to examine those factors influencing Nigerian online consumer purchase behavior. In summary, the characteristics of the populations include: banks, shopping complex areas, restaurants, residents of Adamawa state, male/female gender adequately represented, University campuses in both Yola and Jimeta towns in Adamawa state.

### PROCEDURES

This study plans on answering the problem statement using the results that were gotten from the distributed questionnaires. The results that were gotten from the questionnaires were also used to test the hypotheses as well as the research questions and objectives of the research. For this research, both the primary and secondary sources of data were used. Well structured questionnaire were administered to garner primary data, while published and non-published articles that relates to the factors influencing Nigerian online consumer purchase behavior were used as the secondary source of data collection. SPSS was a facilitating tool used to analyze the data that were collected.

### 3.8 METHODS OF DATA COLLECTION

There are several ways that data was collected in carrying out this research which are:

1. A well structured questionnaire
2. Related literature, books and articles published by authors
3. Internet

## CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

The perusal of this chapter four highlights the presentation and analysis of the entire data collected. In the first part of this chapter, the researcher presented the demographic profile of the subjects and then follows the determinants of online purchase intentions of Nigerian customers and testing of hypotheses.

* 1. **SECTION A: DEMOGRAPHIC INFORMATION**

## Table 1: Demographic profile of the respondents (In percentage)

|  |  |  |  |
| --- | --- | --- | --- |
| **Demographic Antecedents** | | **Frequency** | **Percentage of respondents**  **(%)** |
| Gender | Male | 136 | 62.7 |
|  | Female | 81 | 37.3 |
| Age | 18-30 | 168 | 77.4 |
|  | 30-40 | 34 | 15.7 |
|  | 40-50 | 10 | 4.6 |
|  | 50 above | 5 | 2.3 |
| Educational | Diploma | 39 | 18.0 |
| background | Bachelors | 159 | 73.3 |
|  | Masters | 17 | 7.8 |
|  | Doctorate | 2 | .9 |

The table above shows that majority of those that responded to the questionnaire are from the age group of 18-30 years with 77.4%. On the other hand, those that were in the age bracket of 30-40 had 15.7%, those that were from 40-50 accounted for 4.6% and those that were from 50 above

had the lowest percentage which was 2.3%. Taking a close look at the gender breakdown of both the males and female respondents that were used for this research, out of 217 respondents, 62.7% were male while 37.3% were female. From the table, males appear to be more than females with a difference of 25.4%. The table above also shows the number of respondents based on their educational background. Those with bachelors’ degree had the highest percentage which accounted for 73.3% of the total respondents, those with diploma degree accounted for 18.0%, masters as well accounted for 7.8% and Doctorate had the least percentage which was 0.9%.

### : TO WHAT EXTENT DO THE MOST FREQUENT FACTORS AFFECT ONLINE CONSUMER PURCHASE BEHAVIOUR?

From the table below shows the correlation of factors that affect online consumer purchase behavior with the overall satisfaction level of the consumer. There is a statistically significant relationship with the trust that consumers have on the brand image of a product as well as the price of the product. The product brand image is statistically significant relationship with the product trust at 99% (.001) and with product price at 100% (.000) level and which can be related to consumer online purchase behavior, but in regards to the overall satisfaction level of the consumer it’s not true. Product trust has a statistically significant relationship with the brand image of a product. Trusting a product has something to do with the brand image of that product as well as the price a consumer is paying for it, but whether that consumer is overall satisfied is not true, in order words consumers prefer to buy name and pay much for the name but whether they are satisfied is still yet to be proven. Those are the only statistical significant relationship that is illustrated in the table below; the others do not have a statistically significant relationship such as product quality, convenience.

**Correlations**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | PQI | PBI | PT | PC | PP | Overall satisfaction level while purchasing  online |
|  | Pearson Correlation | 1 | .094 | -.085 | -.121 | -.045 | .035 |
|  | Sig. (2-tailed) |  | .167 | .212 | .076 | .509 | .609 |
| PQI | Sum of Squares and Cross-  products | 189.124 | 17.539 | -13.631 | -19.373 | -7.641 | 6.055 |
|  | Covariance | .876 | .081 | -.063 | -.090 | -.035 | .028 |
|  | N | 217 | 217 | 217 | 217 | 217 | 217 |
|  | Pearson Correlation | .094 | 1 | -.222\*\* | -.004 | -.326\*\* | .025 |
|  | Sig. (2-tailed) | .167 |  | .001 | .954 | .000 | .716 |
| PBI | Sum of Squares and Cross-  products | 17.539 | 183.336 | -35.069 | -.618 | -54.442 | 4.240 |
|  | Covariance | .081 | .849 | -.162 | -.003 | -.252 | .020 |
|  | N | 217 | 217 | 217 | 217 | 217 | 217 |
|  | Pearson Correlation | -.085 | -.222\*\* | 1 | .036 | .153\* | -.023 |
|  | Sig. (2-tailed) | .212 | .001 |  | .598 | .024 | .735 |
| PT | Sum of Squares and Cross-  products | -13.631 | -35.069 | 136.055 | 4.894 | 21.954 | -3.392 |
|  | Covariance | -.063 | -.162 | .630 | .023 | .102 | -.016 |
|  | N | 217 | 217 | 217 | 217 | 217 | 217 |
|  | Pearson Correlation | -.121 | -.004 | .036 | 1 | .069 | .019 |
|  | Sig. (2-tailed) | .076 | .954 | .598 |  | .311 | .778 |
| PC | Sum of Squares and Cross-  products | -19.373 | -.618 | 4.894 | 136.120 | 9.922 | 2.834 |
|  | Covariance | -.090 | -.003 | .023 | .630 | .046 | .013 |
|  | N | 217 | 217 | 217 | 217 | 217 | 217 |
|  | Pearson Correlation | -.045 | -.326\*\* | .153\* | .069 | 1 | -.048 |
|  | Sig. (2-tailed) | .509 | .000 | .024 | .311 |  | .478 |
| PP | Sum of Squares and Cross-  products | -7.641 | -54.442 | 21.954 | 9.922 | 151.705 | -7.507 |
|  | Covariance | -.035 | -.252 | .102 | .046 | .702 | -.035 |
|  | N | 217 | 217 | 217 | 217 | 217 | 217 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Pearson Correlation | .035 | .025 | -.023 | .019 | -.048 | 1 |
|  | Sig. (2-tailed) | .609 | .716 | .735 | .778 | .478 |  |
| Overall satisfaction  level while purchasing online | Sum of Squares and Cross- products | 6.055 | 4.240 | -3.392 | 2.834 | -7.507 | 158.691 |
|  | Covariance | .028 | .020 | -.016 | .013 | -.035 | .735 |
|  | N | 217 | 217 | 217 | 217 | 217 | 217 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). | | | | | | | |
| \*. Correlation is significant at the 0.05 level (2-tailed). | | | | | | | |

### HYPOTHESIS TESTING

The five hypotheses statements that were selected for this research were tested with the use of SPSS (Frequency & Percentage). Percentages were used to ascertain which of the factors are the most frequent when consumers purchase online with regards to their behavior.

### Testing of H1: Product quality is the most frequent factor that affects online consumer purchase behavior

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Frequency | Percent |
|  | Not frequent | 104 | 47.9 |
| Valid | Product quality (frequent) | 113 | 52.1 |
|  | Total | 217 | 100.0 |

From the above table, 47.9% of the total respondent saw product quality as not the most frequent factor that affects their online purchase behavior, while 52.1% out of the total respondents viewed product quality as the most frequent factor that affects their online purchase behavior.

This proves that the hypothesis is **Valid** because majority of Nigerian consumers perceived that product quality is a major factor that affects their online purchase behavior and this is a fact that online marketers need to consider and improve on for more consumer patronage and profitability.

### Testing of H2: Brand image is the most frequent factor that affects online consumer purchase behavior

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Frequency | Percent |
|  | Not frequent | 120 | 55.3 |
| Valid | brand image (frequent) | 97 | 44.7 |
|  | Total | 217 | 100.0 |

The hypotheses had stated that brand image is the most frequent factor that affects online consumer purchase behavior, but this was contradicted by the analysis in the above table, 55.3% out of the total respondents gave a negative response that brand image is not the most frequent factor while 44.7% gave a positive response that brand image is the most frequent factor that affects online consumer purchase behavior, which automatically made the hypothesis to be **Invalid.**

### Testing of H3: Convenience is the most frequent factor that affects online consumer purchase behavior

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Frequency | Percent |
|  | Not frequent | 136 | 62.7 |
| Valid | Convenience (Frequent) | 81 | 37.3 |
|  | Total | 217 | 100.0 |

This third hypothesis indicates that Convenience is the most frequent factor that affects online consumer purchase behavior but it was proven to be **Invalid** because the above table states that 62.7% of the total responses gathered viewed convenience as not the most frequent factor that affects their online consumer purchase behavior while 37.3% saw it as the most frequent factor.

This shows that convenience not be seen as a key factor that affects consumer purchase behavior.

### Testing of H4: Trust is the most frequent factor that affects online consumer purchase behavior.

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Frequency | Percent |
|  | Not frequent | 166 | 76.5 |
| Valid | Trust (frequent) | 51 | 23.5 |
|  | Total | 217 | 100.0 |

From the above table, 76.5% of the total respondent viewed trust as not the most frequent factor that affects their online purchase behavior, while 23.5% out of the total respondents viewed trust as the most frequent factor that affects their online purchase behavior. This proves that the hypothesis is **Invalid** because majority of Nigerian consumers perceived that trust is a major factor that affects their online purchase behavior and this is a factor that online marketers need to consider and improve on for online purchasing to be more attractive to consumers and those who are yet to be involved in online purchase.

### Testing of H5: Price is the most frequent factor that affects online consumer purchase behavior.

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Frequency | Percent |
|  | Not frequent | 133 | 61.3 |
| Valid | Price (frequent) | 84 | 38.7 |
|  | Total | 217 | 100.0 |

The hypothesis states that price is the most frequent factor that affects online consumer purchase behavior, but that’s not true because 61.3% of the total responses gathered stated that price is not the most frequent factor that affects their consumer purchase behavior while 38.7% stated positively that price is the most frequent factor which made this hypothesis to be **Invalid** because the higher percentage was from respondents who viewed price as not the most frequent factor that affects their purchase behavior via the internet.

### Testing of H6: Nigerian consumers are highly dissatisfied with the services provided by online marketers

|  |  |  |  |
| --- | --- | --- | --- |
|  | | Frequency | Percent |
|  | Highly satisfied | 94 | 43.3 |
|  | Partially satisfied | 73 | 33.6 |
| Valid | Neutral | 43 | 19.8 |
|  | Dissatisfied | 7 | 3.2 |
|  | Total | 217 | 100.0 |

From the table above, the hypothesis stated that Nigerian customers are highly dissatisfied with the services provided by online marketers, but from the result gotten, 43.3% out of the total respondents stated that they were highly satisfied with the services offered, 33.6% were partially satisfied, 19.8% out of the total respondents were neutral, 3.2% respondents were dissatisfied while none (0) where highly dissatisfied this made the hypothesis to be **Invalid** and it also shows that Nigerian consumers are satisfied with the services they are receiving from online marketers.

### CONSOLIDATED TABLE FOR TESTING OF HYPOTHESES

The table below shows a comprehensive list of all five hypotheses that was tested for this study. Form the table, only product quality out of all the hypotheses that was developed for this research was seen to be valid others were invalid.

|  |  |  |  |
| --- | --- | --- | --- |
| **S.**  **No** | **Hypotheses** | **Statistical Tools Applied**  **SPSS (Percentages)** | **Result** |
| H1 | Product quality is the most frequent factor that affects online consumer  purchase behaviour | **Product quality**  Not frequent= 47.9%  Frequent= 52.1% | **valid** |
| H2 | Brand image is the most frequent  factor that affects online consumer purchase behaviour | **Brand image**  Not frequent= 55.3%  Frequent= 44.7% | **Invalid** |
| H3 | Convenience is the most frequent  factor that affects online consumer purchase behaviour | **Convenience**  Not frequent= 62.7%  Frequent= 37.3% | **Invalid** |
| H4 | Trust is the most frequent factor that affects online consumer purchase  behaviour | **Trust**  Not frequent= 76.5%  Frequent= 23.5% | **Invalid** |
| H5 | Price is the most frequent factor that  affects online consumer purchase behaviour | **Price**  Not frequent= 61.3%  Frequent= 38.7% | **Invalid** |
| H6 | Nigerian customers are highly dissatisfied with the services provided by online marketers | Highly Satisfied= 43.3%  Partially Satisfied= 33.6%  Neutral= 19.8%  Dissatisfied= 3.2%  **Highly Dissatisfied=0%** | **Invalid** |

### DISCUSSION OF FINDINGS

### Discussion of Findings According to the Research Questions and Hypotheses

Having to analyze the results gotten from the questionnaires that were administered, in relation to the research questions, those factors that influences a consumer purchase behavior are product quality, brand image, convenience, trust and price. From all the factors selected, product quality is the most frequent factor that affects online consumer purchase behavior, while other factors were less significant because they got a lower ranking by respondents in terms of percentages.

Secondly, a correlation test was ran to know the extent to which the most frequent factors affect online consumer purchase behavior and the result showed that there is a statistically significant relationship between trust, brand image and price. This means that trusting a product has something to do with the brand image of that product as well as the price a consumer is paying for it which could be related to the way the consumer behaves but whether that consumer is overall satisfied is not true. In order words, consumers prefer to buy name and pay much for the name but whether they are satisfied is still yet to be proven. Lastly, in relation to research questions, from the result gotten from analysis, the overall satisfaction level of online customers shows that they were highly satisfied with the services gotten from online marketers.

From the results obtained from testing hypotheses, hypotheses one was valid because product quality received a higher percentage from respondents to be the most frequent factor that affects their online consumer purchase behavior compared to other factors. Hypotheses two was invalid because the percentage of respondents for frequent was low which indicates that brand image is a less important factor that affects Nigerian online consumer purchase behavior. From the result derived after testing hypotheses three, it is evident that convenience is not the most frequent factor that affects Nigerian online consumers purchase behavior which made the hypothesis to be invalid. After the testing of hypotheses four, it is plainly stated that trust is a factor but it is less significant to Nigerian online consumer purchase behavior which made the hypothesis to be invalid. Hypothesis five was also invalid because price received a lower percentage from respondents to be less significant. Finally, from the results obtained after testing hypotheses five, it has shown that Nigerian online customers are highly satisfied with the overall services that they get while purchasing online which has made the hypotheses to be invalid.

### : Bar Chart illustrating the Overall Satisfaction level of Nigerian Consumers while purchasing online



From the above bar chart, it is evident that 43% out of the total respondents were highly satisfied with the services they were getting from purchasing goods online, 34% were partially satisfied, 20 were neutral while 3% were dissatisfied. This result made the 5th hypothesis that was selected to be invalid.

## CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

### Conclusion and Recommendation

Online purchasing is the willingness of consumers or customers to purchase products and service via the internet. Due to the increase in the use of internet and how online purchasing of products has been on the increase, it is important to identify those factors that influence Nigerian online consumer purchase behavior. It was discovered that among all the factors identified, product quality was viewed by respondents or consumers as being more important while purchase and transact online, other factors such as brand image, convenience, trust and price were seen as less important.

After the identification of the factor that influences Nigerian online consumer purchase behavior the most, it is important that online marketers pay a close attention to the factor identified for more customer patronage as well as profit maximization. It is also important that those factors that are identified to be less important to online consumer purchase behavior are being intensified and taken advantage of by online marketers to help attract other consumers who do not purchase online to start purchasing online. Online marketers could as well use these factors to restructure as well as redesign their websites, improve on their product quality, price and also improve on the services they render to their customers by making sure that they are satisfied.

### Suggestions for Further Research

There is need for further research in this topic, in areas of identifying the reasons why other factors such as brand image, trust, convenience and price are having a low ranking by Nigerian consumers and what to do to improve those factors. Other research could be undertaken to convert those Nigerian consumers who do not purchase online to start purchasing online by identifying those factors that prevents them from purchasing goods online.

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SAMPLE QUESTIONNAIRE

## APPENDIX

Dear participant,

This questionnaire was developed by Ms. Odeta Avwoghokoghene Abigail a senior student of the School of Business & Entrepreneurship of the American University of Nigeria in completion of her research project (QBA 412). The purpose of this questionnaire is to garner information about the extent to which certain factors influence Nigerian online consumer purchase behaviour

#### Part A: Demographic Profile of subjects (Make Tick Mark in concerned areas)

a) Age: 18-30 30-40 40-50 50 above

1. Gender Male Female
2. Education Background Diploma Bachelors Masters Doctorate

#### Part B: (Make Tick Mark in concerned areas)

1. Are you an internet user Yes No
2. Have you ever involved in online purchase Yes No
3. How frequently do you purchase online?

Daily several times/week once/week several times/month once/month less often

1. What online website have you chosen

Konga Jumia Kaymu Alibaba.com Walmart Asos eBay Amazon

1. Choose which ones affect you the most

Product quality Product design & features

Brand image Price

Trust & Loyalty

1. Rank each item in reference to its importance to you. 1= Very important, 2= Moderately important, 3= Neutral, 4= Low importance, 5= Not at all important

Product quality 1 2 3 4 5 Product design & features 1 2 3 4 5

Brand image 1 2 3 4 5 Price 1 2 3 4 5

Trust & Loyalty 1 2 3 4 5

1. What is your overall satisfaction level while purchasing online?

Highly satisfied partially satisfied Neutral dissatisfied Highly dissatisfied