### **MAKERERE UNIVERSITY**

# CUSTOMER AWARENESS, TRUST, PERCEPTION AND READINESS TO ACCEPT E-SHOPPING

A CASE OF SELECTED SUPERMARKETS IN KAMPALA DISTRICT

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#### **NOVEMBER 2010**

#### **DECLARATION**

I Ahmad Walugembe, declare that this is my original work and has never been submitted for a degree or any other academic award to any University or institution of higher learning. Due acknowledgement has been done where it is indebted to the work of others.

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#### **APPROVAL**

This is to certify that this report has been submitted with our approval as University

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#### **DEDICATION**

To my parents, with gratitude for their childrearing processes.

I also wish to dedicate this work to my dear wife, Aisha Kyofa who untiringly supported me during the time of the study and my son Abdulhamiid Khaliil Kayondo who missed me during these moments.

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#### LIST OF ACRONYMS AND ABBREVIATIONS

IT	Information Technology
E-shopping.	.Electronic Shopping
E-Marketing	Electronic Marketing
www	World wide web
PEU	.Perceived ease of Use
PU	Perceived Usefulness
PR	Perceived Risk

#### **ABSTRACT**

The purpose of this study was to establish the relationship between customer awareness, perception, trust and readiness to accept e-shopping in Supermarkets. The study was guided by the following research objectives; To investigate the relationship between customer awareness and readiness to accept e-shopping in supermarkets, to study the relationship between customer awareness and perception in e-shopping acceptance, to examine the relationship between customer awareness and trust in e-shopping acceptance and to determine the relationship between trust and readiness to accept e-shopping.

Using evidence from a sample of 207 customers for supermarkets in Kampala District selected using simple random sampling, a cross sectional research design was adopted. Findings revealed that there was a positive significant relationship between all the study variables of customer awareness, perception, trust and readiness to accept e-shopping. Results from the regression analysis showed that among the predictors, Customer Perception was observed to be the most influential and significant predictor/ determinant of Readiness to accept e-shopping.

It is therefore recommended that supermarkets that are preparing to adopt e-shopping should change the perception of their clients/customers so that they can view e-shopping as easy to use, useful and with minimal risks. This could be done through making customers aware of the benefit of e-shopping, making them learn about e-shopping

operations, acquire the ability to operate e-shopping, appreciating the system and instilling the culture of trusting the e-shopping system.

#### **CHAPTER ONE**

#### 1.0 BACKGROUND

E-shopping is defined as searching for or buying consumer goods and services via the internet, (Mokhtarian, 2004). E-shopping is growing so fast in economies (Al Sabbagh and Molla, 2004; Ongkasuwan & Tantichattanon, 2000) creating desire for adoption by underdeveloped economies. In America, Singapore, United Kingdom and some Countries in Asia, internet shoppers have grown by 50% (Sing and Malhotra, 2004), because of high levels of awareness, high computer literacy levels that create positive perception and trust towards e-shopping (Booz, 1996). However, in Uganda, customers seem not to be ready to accept e-shopping.

The growing e-shopping technology is intended to replace traditional shopping which is characterized by physical decentralization, with branches scattered around populated areas that do not give customers easy geographical access (Booz, 1996). This traditional shopping system is slow, involves a high risk of moving with money and consuming a lot of time yet it is tiresome (Lockett and Littler, 1997). E-shopping involves interactive communication by e-mails using electronic devices like computers, phones and others which allows buyers to customize, design or make product choices online (Bennet, 2008; Fitzgerald, 2009). This is done through buyers inserting their visa cards into visa card reader computers which issues a payment transfer from the visa card account to the suppliers online merchant account (Wangui, 2008), and the products ordered for are then delivered by the supplier to a convenient destination of the customer in time (Molloh, 2004).

Acceptance of e-shopping is driven by customer awareness (Doney & Conion, 1997), which involves learning, appreciation and ability to operate the system (Holden, S. 1993),) that also requires customers to regularly, consistently and accurately identify suppliers to their transactions. Effective customer awareness can be done through interactive website development (Kiwanuka, 2010), promotional campaigns that could involve giving discount to those customers through e-shopping, as well as giving out e-loyalty cards to customers (Kakuru, 2010). Customer awareness is intended to create positive attitude among customers to accept e-shopping through perceived usefulness of the products, perceived ease of use and less perceived risk to generate positive perception about e-shopping among the customers (Yusniza, 2010).

In Uganda, Nakummatt, Shoprite and Uchumi supermarkets have put the necessary infrastructure with a window accepting visa and credit cards but very few people have shown interest in using the system (Kiwanuka, Ngulumi, & Peel, 2010), these and other supermarkets also accept the direct money transfer system, provide reward cards and run websites to ease e-shopping (Behter, 2010). Despite all these efforts by the Ugandan supermarket owners and operators, customers have shown little interest in adopting the e-shopping system (Kakuru, 2010). Customers have ended up physically going to supermarkets leading to stress caused by the difficulty in choosing products of their interest, lining up for long hours in paying cashiers and high traffic jam, coupled with the risk of moving with money. This could be attributed to lack of awareness and trust in the e-shopping system by customers that has affected customers' willingness to accept e-

shopping (Kacita, 2007), the consistency in perceiving e-shopping as risky (Ernest and Young, 2000), the perceived difficulty in the use of the system (Ahimbisibwe, 2005) and the perception that e-shopping is not yet useful (Ngulumi, 2010). This research is intended to investigate whether customer awareness, trust and perception have a significant relationship with readiness to accept e-shopping in Uganda focusing on supermarkets in Kampala District.

#### 1.1 STATEMENT OF THE PROBLEM

Whereas e-shopping has been accepted worldwide (De Kare-Silver, 2008) due to its capability and flexibility to ease the shopping process in terms of costs, time, risks and quickly identifying products of interest among others (Daily monitor, 17/02/2007), supermarkets in Kampala have failed to apply e-shopping (Kakuru, 2009). Supermarkets have showed readiness to operate the e-shopping system, through availing the required processes and infrastructure like internet, websites, visa cards, credit card readers among others, but customers have been reluctant to easily accept the new technology (Behter, 2010). This could be attributed to lack of awareness, negative perceptions and mistrust in the e-shopping system (Davis, 1989).

#### 1.2 PURPOSE OF THE STUDY

The purpose of the study was to establish the relationship between customer awareness, perception, trust and readiness to accept e-shopping by customers in the selected Supermarkets in Kampala.

#### 1.3 OBJECTIVES

- a) To determine the relationship between customer awareness and readiness to accept e-shopping in supermarkets
- b) To determine the relationship between customer awareness and perception in eshopping acceptance.
- c) To examine the relationship between customer awareness and trust in e-shopping acceptance.
- d) To determine the relationship between trust and readiness to accept e-shopping in supermarkets
- e) To establish the contribution of customers awareness, perception and trust to acceptance of e-shopping in supermarkets.

#### 1.4 RESEARCH QUESTIONS

- a) What is the effect of customer awareness on e-shopping acceptance in supermarkets?
- b) How does perception enhance e-shopping acceptance. What are the possible merits and demerits of e-shopping to customers?
- c) How does customer awareness and trust enhance e-shopping acceptance
- d) What are the possible merits and challenges of e-shopping to supermarkets in relation to its implementation?
- e) How does customer's awareness, perception and trust ease e-shopping acceptance in supermarkets.

#### 1.5 SCOPE OF THE STUDY

#### 1.5.1 THEORETICAL SCOPE

The study focused on customer awareness as (Independent variable) and e-shopping acceptance as (Dependent variable) putting emphasis on their relationships. The study was carried out in a marketing perspective borrowing the information and communication technology references were necessary.

#### 1.5.2 GEOGRAPHICAL SCOPE

The study was carried out in supermarkets that are ready for e-shopping in Kampala District and for control purposes, other supermarkets were also covered.

#### 1.6 SIGNIFICANCE OF THE STUDY

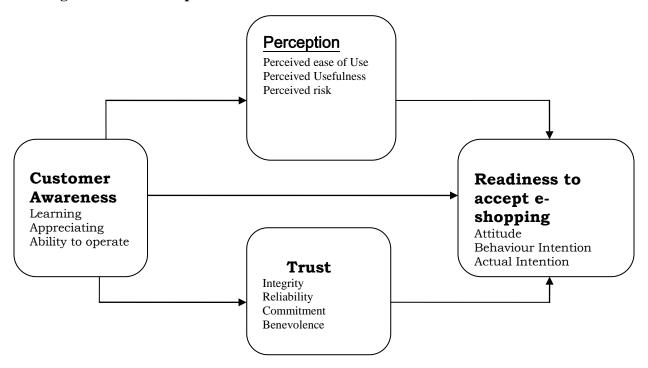
The study looked at customer readiness to accept e-shopping as the dependent variable and customer awareness as the independent variable. Perceived ease of use, Perceived usefulness, Perceived risk and Trust were explored to establish how they impact on e-shopping acceptance.

- a) The study will help academicians to us to explore the importance of e-shopping as a marketing tool for attracting and retaining customers, its challenges and prospects for supermarkets in Uganda. This will also add on the literature available for marketers in the area of adoption of e-shopping and e-marketing in general.
- b) It is expected that the results of this study will help managers to explore the reasons why customers accept e-shopping reluctantly and investigate whether customer awareness can ease e-shopping acceptance.

- c) The study will help to explore the importance of e-shopping as a marketing tool for attracting and retaining customers, its challenges and prospects for supermarkets in Uganda.
- d) The study will also form the basis future research in customers' adoption of e-shopping and e-marketing.

#### 1.7 CONCEPTUAL FRAMEWORK

Figure: 1.1 Conceptual framework



Adopted and modified from Davis (1989)'s model of Technology Acceptance.

The model examines the relationship of customer awareness (Hansen & Torban, 2009), and readiness to accept E-shopping (Bagozzi and Warsaw, 2006). Customer awareness involves learning, appreciation and ability to operate a system (Holden, 1993), Perception is based on (Davis, 1989) model of technology acceptance which involves perceived ease of use (Koufaris & Hampton Sosa, 2004), Perceived risk (Parasuraman, 2000) and perceived usefulness (Robles-de-la-toree, 2006). With Trust, Integrity (Wilson, 2005), Reliability (Genesar, 2004), Commitment, (Allen & Mayer, 1990) and Benevolence (Kim & Prabhakar, 2002). For readiness to accept e-shopping, Attitude (Milne & Gordon, 2006), Behavior intention (Furnell & Karweni, 1999) and actual benefits towards e-shopping (Girewalls et al, 2004).

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.0 INTRODUCTION

This section reviews the related literature on the study variables as put forward by researchers and scholars. It looks at the concept of Customer awareness (learning, appreciation and ability to operate) as the independent variable, trust (credibility, reliability, commitment and benevolence) and perception (Perceived ease of use, perceived usefulness and perceived risk) as the intervening variables and readiness to accept e-shopping as the dependent variable.

## 2.1 CUSTOMER AWARENESS AND CUSTOMER READINESS TO ACCEPT

#### **E-SHOPPING**

Several scholars have explored the concept of customer awareness and e-shopping (Shih & Fang, 2004) where customer awareness is taken to be the customer's ability to learn the new situation and operations of business in the environment in order to change attitude, beliefs and behaviors (Torban & Hansen, 2009), yet e-shopping has been explored as a mechanism that provides for customers to shop using communication technology (Mokhtarian, 2004).

Internet shopping is becoming an accepted way to purchase various types of goods and services in the world (Donthu, 1999). Evidence indicate that in 2001, online sales were \$48.3 billion, representing an annual growth rate of 45.9 percent, and online sales are expected to grow to \$950 billion by 2012 (Shim *et al.*, 2007). Through a computer-mediated shopping environment, online retailers have attracted consumers by offering a

reduction in search costs for products and product-related information (Janssen and Moraga, 2000; Shankar *et al.*, 1999).

Attendant with the explosion in Internet shopping is tremendously increasing interest in e-commerce research, particularly with respect to e-shopping attributes. For instance, previous researchers have examined supermarket characteristics as predictors of online consumers' intention (Shim *et al.*, 2001), satisfaction (Szymansky and Hise, 2000), and acceptance of new technology (Morrison and Roberts, 1998). In these studies, e-shopping characteristics were developed from either qualitative research (e.g. Morrison and Roberts, 1998; Szymansky and Hise, 2000; Yoo and Donthu, 2001) or a literature review (e.g. Shim *et al.*, 2001). However such literature, remains short of e-shopping acceptance which is required in less developed economies and its highly suspected that customer's awareness has a great impact on e-shopping acceptance which gap has not been fully addressed.

It is believed that customers who become aware of the mode of operation in their market can normally rush to accept its usage (Moye & Kincarde, 2003). While lack of awareness has been the most cited reason why customers are not ready for e-shopping. Boom and Bitner, (1981) observed that the failure to utilize the awareness tools like advertising, sales promotion, direct marketing and the internet is also a great challenge. An accepted e-shopping system involves interactive communication system (Wangui, 2008) which could be caused by awareness or other factors (Warsaw, 2004).

E-shopping acceptance is considered useful for its ability to relieve stressful conditions during the shopping activity and maintain high profile communication between the customer and the supplier (Jobber, 2004). The circulation of the idea of e-shopping and its fundamental benefits are considered an inspiration stage for customers to believe and change their altitude towards shopping using the internet since most people have been oriented in the process of retrieving their mails (Gillespie et al., 2000) and exchange communication which is equivalently similar to communicating to the product suppliers for delivery of products Gillespie et al., (2000).

It is believed that customers change behavior based on the environmental operations of the business and their ability to access information (Borgers et al, 1991) including the skills of handling business situations that amounts to awareness (Grioep, 2000). Beatly (2003), has provided the basis for customer attitude and perception control measures which among others is the business environment in addition to their ability to operate in the environment which sometimes is based on the culture (Dixon & Marston, 2002) and level of interest (Evers, 2002). But as Groep, (2000) observes, the major influential factor to induce acceptance of a new issues is the amount of expectations one perceives from the time of ideological inception. Hence if Groeps arguments is correct, then people can't accept some thing where they expect actions are negative or less enjoyable. Findings from Marston, (2002) indicate that customers who learn more about the business, and appreciates it will easily gain ability to operate and fit in the business environment. Findings from Dixon et al, (2005) indicate that the increasing communication technology in the world is forcing many people across the world to learn communications in which mobile telephone and other computers have been variously put to use. This was also supported by (Shim et al, 2001) who stated that the most influence aspect in preparing

people to accept a new technology is learning how to use the technology its self. In the Ugandan snario, Ngulumi, (2010) has it that despite other issues, internet connectivity is important in preparing customers for e-shopping.

To understand e-shopping, customers get oriented from their service providers (Lee & Jonson, 2002) pictures the cost benefit effects in order to generate morale to operationalise the process. It is only that many people who remain ignorant about computer and internet (Pastors, 2000), hence, the fundamentals of e-shopping acceptance predict more customer orientation into understanding the operationaliation of the intended activities in that specific sector (Jesenmailer & Jeng, 2000) and as Ghose, (2004) debates, its not easy for people to accept what they may not be capable of operating or that many simply bring had time to the operations of a business.

However, Lindquist (1974) has underlined that the importance of supermarket image predicts consumers' supermarket choice and makes customers ready to accept e-shopping. A person's behavior is not only a function of knowledge and information but also is predicated on the consumer's image of a product or supermarket. From a marketer's viewpoint, supermarket image is characterized by a supermarket's "tangible or functional qualities" (e.g. merchandise selection, price ranges, credit policies, supermarket layout); and "intangible or psychological attributes" (e.g. a sense of belonging, the feeling of warmth or friendliness, a feeling of excitement or interest) these supports readiness to accept e-shopping than any other factor.

It is also important to consider attributes in the process of creating awareness for e-shopping because they represent the combined concept of functional and psychological factors that exist in a supermarket (Shim et al., 2001). When making a supermarket choice decision, consumers evaluate supermarket alternatives on a number of supermarket attributes (Lindquist, 1974). Patrons and non-patrons have different perceptions of a supermarket's image. As such, retailers need to ensure that dimensions that their loyal customers view as being important are designed to be attractive to them (Shim et al, 2001).

Similarly, e-shopping image is likely to have a major influence on online customers when they determine from which e-tailer to buy as an enabler to appreciate the system (Dellaert & Kahn, 1999; Weinberg, 2000). E-shopping image, though, will likely be defined differently from bricks-and-mortar supermarket image but all the same supports appreciation and better understanding of the system. After all, the way in which consumers shop in e-tail venues is different from how they shop in a physical supermarket. This is because of the absence of a physical supermarket milieu. Conceivably, then, consumers seemingly will likely assess some unique supermarket attributes in online shopping vis-à-vis those utilized in physical supermarket shopping (Dellaert & Kahn, 1999; Weinberg, 2000).

Infact, e-shoppings do share some common features with a physical supermarket in terms of merchandise, service, and promotion that enables customers to learn and adopt e-shopping easily (Lohse & Spiller, 1998). There is also some similarity between traditional modes of in-home shopping, such as TV and catalog shopping, and online

shopping. Owing to the nature of computer-mediated communication (Lohse & Spiller, 1998), however, online retail supermarkets have unique features that do not exist in either the physical supermarket or in-home shopping. Prior to developing e-shoppings' unique attributes, those of the physical supermarket and in-home shopping (TV and catalogs) are discussed. Features of each shopping alternative are identified through a review of literature pertaining to supermarket image and consumer supermarket choice (Lohse & Spiller, 1998).

#### 2.2 CUSTOMER AWARENESS AND PERCEPTION

Customer awareness of e-shopping requires orientation (Torban et al, 2009) to generate positive perception towards e-shopping (Grewall et al, 2004). This helps to asses and gain confidence in the system (Nilsson & Host 1987). According to Koufaris and Hampton Sosa (2004), the level of awareness caused by the Supermarket will create perceived ease of use among the customers that will lead to perceived usefulness and reduced perceived risk. However according to Webster and wind, (1972), customer awareness and perception are closely related in internet related activities but their relationship towards making customers ready to accept e-shopping is still not covered. Perception is about changing the way people see things, shifting altitudes and creating recognition, (Roblesde-la-toree, 2006). In e-shopping, perception is commonly seen in perceived ease of use, perceived usefulness and perceived risk (Davis, 1989). Perceived risk could come from insecurity, (Parasuraman, 2000) privacy concerns, ordering, delivering and distrust, (Furnell and Karweni, 1999), Liang and Huang, 1998, Hine and Eve, 1998). Several studies of (Raab and Bennet, 1998, funel and Karweni, 1999, Baker, 1999, Keeney, 1999) found that transaction security including personal information and credit card information is the most important concern for e-shopping, which Ngulumi, 2010 subjects to more research in the Ugandan case.

Although many customers enjoy offline shopping than online shopping (Deniss, et, al 2002) due to the anxiety to make fun in the shopping mall (Babin et al 1986), Ugandan supermarket goers could attribute this to lack of awareness and negative perception about e-shopping (Kiwanuka, 2010) and may be fear ford risks (Girewalls et al, 2004). Customer awareness also creates a positive perception in terms of ease of use, usefulness and reduction in risk (Miyazaki & Fernandez, 2001) but this brings in a question whether this qualifies the system to be accepted by Ugandans.

Shoppers often feel apprehension or risk when considering a purchase with half baked information (Miyazaki & Fernandez, 2001) this calls for more investigations into awareness, perceived risk and readiness to accept e-shopping. Perceived risk in this case is a function of the uncertainty when making a purchase via the internet that may have unpleasant outcomes (Forsythee & Shi, 2003) there is need to identify perceived risk as a significant barrier to e-shopping in Uganda (Gvu, 1998, Salaam et all 1998).

The need for awareness among customers before e-shopping implementation is to clear the economic risk; which is the probability of making poor purchase decisions (Vijayasarathy & jones, 2000), the social risk, which is the possibility of incurring societal disapproval for engaging in shopping using the internet (Davis, 1989, Davis, Bagozzi & Warsaw, 1986) Performance risk, the ability to change the products / services bought through e-shopping performances than expected, the Personal risk, the potential

for theft and abuse of credit card information and the Privacy risk which is the danger of compromising personal information (Vijaya Sarathy & Jones, 2000)

Therefore, Ugandans will need to know whether the desired customer awareness leads to positive perception inform of desired usefulness, desired ease of use and reduction of the perceived risk to ease e-shopping acceptance in Uganda.

Eastlick, (1989) & Lindquist, (1974) expanded the element of perception with the concept of merchandise, Merchandise was explained as either goods or services offered by a retail supermarket. Because of the unique nature of the Internet-mediated shopping environment, consumers' evaluation criteria for e-tailer merchandise might be somewhat different from those for traditional retailers and therefore creating a different perception about the supermarket. For instance, unlike a physical supermarket, e-tailers can provide customers with as much variety as they want without physical space restrictions. Also, consumers can compare product prices more easily than ever before which creates the feeling that it is simple to use. E-tailer dimensions traditionally ascribed to merchandise-related aspects include product information, brand selection, and price (Eastlick, 1989 & Lindquist, 1974).

As in catalog shopping, accurate reproduction of descriptive and experiential product information is a critical factor influencing consumers' choice in electronic shopping because consumers cannot touch or see products (Alba *et al.*, 1997; Lohse & Spiller, 1998; Lynch & Ariely, 2000; Ward & Lee, 2000). Interestingly, despite the advantage of the lower cost in delivering text and images through the Internet versus paper catalogs, more than 50 percent of e-tailer sites provide fewer than three lines of text describing

each product (Lohse & Spiller, 1998). This therefore explains that the awareness tool designed must have the details regarding merchandise, products and the supermarket image.

Previous studies indicate that easing merchandise selection has an influence on consumers' supermarket choice and if promoted well can easily influence acceptance of e-shopping (Berry, 1969; Lindquist, 1974; McDaniel & Burnett, 1990; Tigert, 1983). The vast number of product alternatives is a key benefit for online retailers. However, Alba *et al.* (1997) argue that consumers might become tired and stressed by examining information on hundreds of products. Lohse & Spiller (1998) dispute the importance of merchandise variety in e-tailing and supports the idea of creating awareness that will enable customers learn, appreciate and have the ability to operate the system. In particular, their work showed that the number of products increases e-shopping traffic, but it does not affect sales.

Apparently, whether or not an e-tailer has a specific product a customer is looking for is more important than simply having a large variety of items (Lohse & Spiller, 1998). Therefore, brand availability might well be more likely to affect customers' acceptance decisions and subsequent e-shopping patronage than merchandise variety (Degeratu *et al.*, 2000). Indeed, brand names also appear to affect consumers' buying decisions, especially when they are unfamiliar with an e-tailer (Ernst & Young, 1998). Further, when consumers have difficulty in searching for products on the Internet, they tend to rely on brand names (Ward & Lee, 2000).

Price is a key attribute for customers when forming perceptions of retailers (Berry, 1969; Eastlick, 1989; Lindquist, 1974; McDonald, 1993; Tigert, 1983). Online shopping enables consumers to reduce search costs and compare product information and prices simultaneously this makes them to perceive e-shopping to be cheaper than other means. This benefit, concomitantly, has accelerated retailers' competition and made e-tailers especially concerned about consumers' increasing price sensitivity (Shankar *et al.*, 1999; Ward & Lee, 2000). However, previous studies have found that price sensitivity can be reduced by increasing the usability and perceived depth of online information (Lynch and Ariely, 2000; Shankar *et al.*, 1999) preparing customers to accept e-shopping.

# 2.3 CUSTOMER AWARENESS AND TRUST IN E-SHOPPING ACCEPTANCE

Building and maintaining an effective e-shopping system is still a challenge to many supermarkets. (Reichfeld, 1996) This challenge can be administered through customer awareness campaigns (Ajzan, 1975) that enables people to learn, appreciate and get the ability to operate e-shopping systems. This if done effectively develops a positive perception in the system (McKnight & chevrons, 2002). However, there is no clear evidence to support the argument that when customers perceive the new e-shopping technology, it will be trusted and automatically adopted, (Robles 2006).

Customer awareness greatly influences consumer buying behavior and customer royalty (Doney & Conion, 1997) because it increases understanding and familiarity of the organization goods and services through learning and appreciation and results into trust (Bhattacherjee, 2002). Many scholars have accepted the concept of trust, although gaps still exist to link it to readiness to accept e-shopping. Trust is a critical variable

determined by confidence and relational exchange (Wilson, 1995); trust in e-shopping ensures partner reciprocity and non opportunistic behavior (Genesar, 1994). According to Deny and canon, 1997, trust is a perceived credibility and benevolence in addition to the ability of ensuring new ideas, processes and new actions (Allen & Mayer, 1990). Trust now in a new social psychological sense, is the belief that other people will react in predictable ways (Pavlou, 2003) which could not be the case with Uganda unless after further investigations.

Customers who have trust in the way e-shopping systems operates will have the window shopping intention and belief that will result in the intention to purchase (Gefen, 2002). Straud, (2000) states that, Trust of e-shopping system can also come from social pressures and not necessarily awareness which brings in the need to further investigate customer's awareness, trust and e-shopping acceptance.

The propensity to trust and structural assurance are results of customer's awareness that is caused through word of mouth referrals, outdoor marketing services, advertising and perfect use of an integrated marketing communication strategy (Kim & prabhakar, 2002). Some studies have however indicated that trust plays a less significant role in making customers ready to accept e-shopping. Empirical research has also shown that most customers who buy online trust the systems but they were silent about how customer awareness and trust prepares customers to accept e-shopping. In e-shopping, trust includes the positive perception by online consumers and expectations of the benefited related characteristics of the online supermarket (McKnight and chevrons, 2002). Acceptance of new technology is moving so fast in terms of mailing in the internet and

the user cards used which considered as an object of trust (Shankar et, 2002) Therefore online shopping is considered an object of trust, for its easy acceptance customers must trust the system and the organizations that is pioneering it (Matheson, 1991)

Customer awareness increases understanding and familiarity of the organization goods and services that result into perceptions and attitudes that may breed positivity and cause trust (Bhattacherjee, 2002). Bhattacherjee further explores that trust is a construct which generates performance of individuals including the ability to adopt to new systems. Customers who have trust if the system has less risks in addition to trust set by the initial experiment of the execution (Gefen, 2002). It is further stated that, Trust of e-shopping system can also come from social pressures which come as a result of increased use and environmental demands (Geffen & Straud, 2000)

Most studies have indicated that trust plays a significant role in determining customer's actions regarding e-shopping. Empirical research has shown evidence relating to the fact that trust increases customer intention to adopt new ideas and practices (Jarvenpaa et al, 2000), as well as commitment to anynew system (Doney & Cannon, 1997). This makes it clear that customer awareness influences the level of trust in the potential e-shopping supermarket, this creates a positive altitude towards e-shopping and hence its acceptance.

#### 2.4 PERCEPTION AND READINESS TO ACCEPT E-SHOPPING

According to Koufaris (2002), a positive perception towards e-shopping creates enjoyment and perceived control among the customers. Customer's perceived ease of use, perceived usefulness is directly generated from the perceived control (Hampton,

2002) but customer's positive perception about ease of use and usefulness remains a challenge to discover whether it creates willingness to accept e-shopping among the customers. (Jarvenpaa et al, 1999-2000).

Cirewell et al, (2004), explained Perception as the way people change, see things, shifting altitudes and creating recognition (Robles-de-la-toree, 2006), this in its self explains the concept of readiness to accept e-shopping. When customers perceive the new e-shopping technology to be easy, useful and with less risk, they will also automatically accept and adopt the system since they have not seen any burden in implementing the system.

According to Webster and wind, (1972), decision making process of buyers is determined by the levels of awareness and how they perceive the knowledge gained through the process, this has a link with the teachings in e-shopping, where perception is commonly seen in perceived ease of use, perceived usefulness and perceived risk (Davis, 1989) which characterized by psychological preparation of the customers mind to prepare for new technological adoption (Robles-de-la-toree, 2006). As Devis explained, Perceived risk could come from insecurity, (Parasuraman, 2000) privacy concerns, ordering, delivering and distrust which are all associated with risk (Furnell & Karweni 1999).

According to Liang and Huang, (1998), its better for customers to perceived a new technology as less risky which helps them to evaluate the system and hence its acceptance. In e-shopping, customers have a fear that since there is no direct contact with

the suppliers there could be missing gaps in communication or even delay in the delivery of goods and services (Hine & Eve, 1998)

Several studies of (Raab & Bennet, 1998, funel & Karweni, 1999, Baker, 1999, Keeney, 1999) found that transaction security including personal information and credit card information is the most important concern for e-shopping, however Fishbein & Ajzen, (1975) indicated that customers perceiving e-shopping as risky is acceptable especially when it comes to the modes of payment, he therefore concluded that payment modes are the most important concern of security in e-shopping.

Based on the theory of reasoned actions (TRA) (Fishbein & Ajzen, 1975) as the beginning point for the development of the Technology Acceptance model of (TAM), Fishbein and Ajzein put great emphasis on perceived ease of use as a key determinant of readiness to accept e-shopping. Perceived ease of use is the degree to which a person believes that using an e-shopping system would enhance the purchasing process (Fishbein & Ajzen, 1975). This according them is the central point of appreciating the system and therefore preparations to adopt it usually come from the perception that they can ably use the new system.

Rodgers, (1995) explained that perception is based on the types of products that the customer will intend to purchase during the process of using e-shopping. Products that are very expensive and luxuries were given higher levels of risk compared to products that are relatively cheap. This also happened to products that are required for immediate use compared to those required for later consumption. In a cross cultural study of

Hirschman & Halbrook (1982), it was concluded that perception of the customer regarding e-shopping depends on peoples culture and traditional beliefs and therefore, most western countries in the United Kingdom and United States of America are more prone to accepting new technologies (Halbrook, 1982) and more African countries are less attractive to new technologies (Hirschman, 1982), However the findings of Hirschman & Halbrook didn't give us the factors that can induce customers to adopt e-shopping. It can however be stated based on the findings of (Tavenpaa & Tractinaley 1999) that acceptance of new technologies like e-shopping varies among countries and regions.

Scholars contend that the implication of e-shopping differ among shopping locations and therefore perception of e-shopping and readiness to accept it is based neither on products the supermarket is dealing in nor on cultural issues but on the location being either urban or rural. (Weltevreden, 2007). It was further discovered that shoppers in urban areas usually have internet facilities and have some knowledge about e-shopping that put them in a better position to accept e-shopping (Rietbargen, 2007) while those from rural areas always perceive e-shopping as difficult to use and therefore not ease to accept it (Rietbargen, 2007).

Dixon & Morton (2002) interviewed 450 shoppers in southern England and found out that there were more interested in e-shopping compared to the normal shopping of going to the retailing shop because of the perception that it is easy to use. Despite the growing number of empirical studies concerning the implications of e-shopping for in store

shopping, there are few that take into account the concept of shopping centre and therefore creation of a positive perception remain a key contributor to readiness to accept e-shopping (Lohse & Spiller, 1998)

Scholars added convenience as a key motive behind in-home shopping (Eastlick & Feinberg, 1994). Convenience is measured by effort savings (e.g. ease of a locating a product in a supermarket) and locational convenience (e.g. ease of locating a supermarket and finding a parking space) (Lindquist, 1974). In online shopping, convenience includes timely delivery, ease of ordering, and product display (Lohse & Spiller, 1998).

Lohse & Spiller, (1998) discerned that several factors can be subsumed under the convenience attribute of online shopping: number of links into the site, number and type of different shopping modes, average number of items per product menu listing, number of lists that require scrolling, presence of price information in product listings, and type of product lists. Among these attributes, they found that product display has a significant impact on site visits and sales, therefore contributes to perceived ease of use which prepares customers to accept e-shopping (Ghose & Dou, 1998). Specifically, displaying product lists using both click buttons and pictures leads to more positive reactions from consumers than simply displaying a product list using only a button or pictures in online catalogs which generates a new debate where by customers to have a positive perception about e-shopping, websites designs and display will be of great help (Ghose & Dou, 1998).

Ease of ordering appears to influence home-shoppers' buying decisions (Eastlick, 1989; McDonald, 1993). Therefore, order processing on Web sites should be easy for customers

to do, Moreover, receiving order confirmations via e-mail, including information about shipping, returns, and order tracking numbers, facilitates order-processing behavior. If order processing is time consuming and complicated, customers will likely become frustrated and give up purchasing from the e-tailer (Lohse & Spiller, 1998).

With in-home shopping, physical supermarket dimensions of convenience, such as geographical location and parking, do not exist (Lohse & Spiller, 1998). Instead, in-home shoppers seek convenience through use of mail or phone shopping and through timely delivery (to home). A Price Waterhouse Coopers study revealed that "the biggest sources of dissatisfaction among e-shoppers had to do with gifts not arriving on time for the [Christmas] holidays" (eMarketer, 2001d) and times of delivery will affect customers readiness to accept e-shopping.

There is a gap in accumulating evidence in the Ugandan context indicating that when customers are willing to use the system, there is continues reduction in perceived risk among customers and increased usefulness of the system, reputation and image (Ngulumi, 2003) which brings in the need to examine customers awareness, trust, perception and readiness to accept e-shopping in the Ugandan context.

# 2.5 TRUST AND CUSTOMER READINESS TO ACCEPT E-SHOPPING

Trust is a critical variable determined by confidence and relational exchange (Wilson, 1995) which ensures partner reciprocity and non opportunistic behavior (Ganesan, 1994). According to Doney & Canon (1997), trust is perceived credibility and benevolence coupled with the ability of ensuring acceptance of new ideas. Processes and influencing

new actions (Allen & Mayer 1990). Literature has it that changes of consumer buying behaviors and implementing new ideas is a function of influence generated from trust (Morgan & Hunt, 1994), integrity of the supplier and ability to inspire customers (Weltevreden, 2008). E-shopping practices and implications differ among shopping locations (Stec & Groep 2000) where city centers would altruist customer interest to use e-shopping than the rural settings (Fore sight 2000 & Kolpron consultantants, 2001) hence Weltevreden, (2007) contends that since the potential that e-shopping holds for various products differs, it is also important to investigate which retail categories at which locations are most likely to be effected by e-shopping.

While preparing for e-shopping, Company reliability is an important criterion consumers utilize when making a supermarket choice decision (Lindquist, 1974) that makes customers ready fro e-shopping. Consumers might wish to protect themselves from unreliable e-tailers by paying close attention to company information. According to GVU's WWW user surveys (Graphics, Visualization, and Utilization Center, 1998), reliability of online companies is the third most important attribute consumers consider. In addition, security and privacy are gaining increased concern among online users (Bellman *et al.*, 1999) and thus merit research attention.

In home-based shopping, a retailer's reputation has a significant influence on consumers' purchase decisions (McDonald, 1993). The provision of service information (including company history) can help a customer feel more comfortable about dealing with a given firm and about sending credit card information through the Internet (Lohse & Spiller,

1998). So, in-depth company information might abate consumers' uncertainty and perceived risk in dealing with e-retailers.

Transactions in online shopping tend to be made with a credit card. However, consumers have been warned not to release their credit card information online but to make a phone order for online purchasing (Furger, 1996). Nearly two out of three Americans do not trust e-tailers, and consumers are worried about the security of credit card information (Jeffrey, 1999). By informing customers about the security of online transactions, e-tailers can help reduce online risk perceived by customers and therefore create dependable trust that can induce acceptance (Ernst & Young, 1998).

Company Web sites collect a vast amount of customer information through the Internet, which is a fundamental asset for companies. Consumers, in contrast, may feel uncomfortable releasing their personal information (such as credit card and social security numbers) via the Web (Ernst & Young, 1998). The top privacy concern of US consumers appears to be whether or not a Web site asks permission to share personal information with other companies (eMarketer, 2001c). A recent report reveals that almost 65 percent of respondents gave up online purchasing because of privacy concerns (eMarketer, 2001c). Consumers are discomfitted when they receive e-mail from a company with which they are unfamiliar and therefore become less committed about the use of the system (Sheehan, 1999).

# 2.6 CUSTOMER READINESS TO ACCEPT E-SHOPPING

Customers who are ready to accept e-shopping have a positive attitude about e-shopping. Attitude is "a psychological tendency that is expressed by evaluating a particular entity with some degree of favor or disfavor" (Eagly & Chaiken, 1993, p. 1). Attitude has a strong influence on consumers' buying intention (e.g. Ryan, 1982), the immediate precursor of actual behavior (Fishbein & Ajzen, 1975). Previous studies have observed a positive association between attitude, behavioral intention and readiness to accept the new technology (e.g. Chang *et al.*, 1996; Chiou, 2000; Ryan, 1982; Shimp & Kavas, 1984; Taylor and Todd, 1995), including in an online shopping context (Shim *et al.*, 2001). Applied to the present study, attitude toward online purchasing is considered to be a function of the consumer's beliefs about an e-shopping's characteristics and the degree of subjective importance a consumer attaches to those attributes (Fishbein & Ajzen, 1975). Based on the foregoing prior work, then, an e-tailer's failure to foster a favorable attitude toward its Web site will likely lead consumers to eschew online purchases with that particular e-tailer.

However, other scholars bring in the element of interactivity. Interactivity on the Internet refers to the degree to which customers and retailers can communicate directly with one another anywhere, any time (Blattberg & Deighton, 1991). For e-tailers, the degree of interactivity influences the perceived quality of the Web site (Ghose & Dou, 1998). Ghose & Dou, (1998) surveyed 101 Web sites to identify key interactivity factors that influence Web site appeal by usage frequency of each factor. They found that customer support was the interactivity aspect most frequently used by customers. In addition to

customer support, several additional dimensions can be classified as "interactivity" characteristics – personal-choice helper, surfer postings, and promotion.

E-tailers provide several types of online service that can increase interactivity with customers, such as software downloading, e-form inquiry, order status tracking, customer comment, and feedback. In a physical supermarket, customers interact with sales personnel; their friendliness and knowledge can affect consumers' purchasing decision (Berry, 1969; Lindquist, 1974; McDaniel and Burnett, 1990; Tigert, 1983). On the Internet, e-tailers offer consumers with sales clerk service in different forms, such as a toll-free phone number, e-mail addresses, FAQs, and customer feedback. Research has found that having FAQ sections and feedback increases e-shopping visits and sales (Lohse & Spiller, 1998). Empirical work about the usage frequency of customer support functions (e.g. e-inquiry, comments, and feedback) reveals that customers prefer two-way communication with e-tailers rather than merely being passive recipients of information (Ghose & Dou, 1998).

Online outlets provide various forms of search functions for customers to locate items for which they are searching. Ghose and Dou (1998, p. 32) define a personal-choice helper as "a function that can make relatively sophisticated recommendations on consumers' choices based on their input of preferences and decision criteria". This function (such as a keyword search) gives customers more refined alternatives. For example, multi-layered information assists customers to narrow down target items based on their decision criteria (www.apartmentsplus.com; Shankar *et al.*, 1999).

Web sites provide customers with interactivity not only with e-tailers but also with online communities. Ghose and Dou (1998) found that online customers frequently use surfer postings, which are customers' reports of their feelings and experiences with products and e-tailers. E-tailers often provide a page of customer reviews (e.g. www.amazon.com), which gives customers indirect experience with the products and service.

Consumer behavior tends to be influenced by external environments, such as *promotion*. The behaviorist approach in consumer research posits that "the reinforcement of a series of behaviors will gradually bring the consumer to the desired final behavior" (Wilkie, 1994, p. 271). For instance, a "clearance sale" sign on a supermarket window can stimulate consumer supermarket traffic. In physical supermarkets, the purpose of promotional activities for particular products is to encourage consumers to buy either a particular product or some other products. Spiller and Lohse (1998) have drawn analogies among retail supermarket, paper catalogs, and online catalogs and have characterized eshopping promotion activities as being special offers, online games and lotteries, links to other sites of interest, and appetizers. Subsequently, they have also discerned that hours of promotion on the e-shopping entrance appears to increase consumers' buying decisions (Lohse & Spiller, 1998).

## **CHAPTER THREE**

## **METHODOLOGY**

#### 3.0 INTRODUCTION

This section presents the procedure and methods used to carryout the research. It discusses the research design, study population, data sources, data collection instruments, measurement of validity and reliability of research instruments, how data was processed analyzed and the problems encountered during the process of carrying out this research.

# 3.1 RESEARCH DESIGN

A cross sectional survey design was used in this study to provide an in-depth investigation of the relationship between the variables (Sekaran, 2000). The study was carried out in supermarkets that seem ready for e-shopping in Kampala District. In order to achieve the objectives, a correlation design was adopted to determine relationships between different variables and the questionnaires were formed on this basis. Quantitative data was used in data collection and analysis.

## 3.2 SAMPLING DESIGN

## 3.2.1 Study population

The study population included supermarkets and their customers in the geographical area covering Kampala District. To gain diverse perspective in data to be generated, a diverse group of customers and supermarket administrators was selected. Preliminary studies indicate that (4) Supermarkets are ready for e-shopping and more are preparing for it. Our focus was on customers who own shopping cards and are dully registered in the four supermarkets i.e. Capital shoppers, Nakkumat, Shoprite and Uchumi with 26651, 16678, 31980 and 29400 registered customers respectively as at February 2010.

# 3.2.2 Sample selection and size

The researcher used a simple random sampling to select supermarket customers in Kampala. The sample size was determined using the Krejcie & Morgan sample selection table (1970), yielding a sample size of 393. Out of these, 207 responded giving a response rate of 53%.

**Table:3.1** Sample Size and Selection

Category	Uchumi	Shoprite	Capital	Nakummat	Total	Sample
			Shoppers			
Administrators	10	11	6	10	37	36
Customers	1336	1578	1234	1340	5378	357
Total population	1				5415	393

Source: Primary data

## 3.2.4 DATA COLLECTION INSTRUMENTS

In the process of collecting data, both primary and secondary data was collected. A self administered questionnaire` was the major instrument with the measurement scales of all variables using a five point likert scale ranging from strongly agree to strongly disagree and was pre-tested and standardized focusing on issues related to the dependent and independent variables. Questionnaires were administered to supermarket administrators and their esteemed customers because they are convenient and efficient in the collection of quantitative data and qualitative data. Secondary data was collected from review of related literature from journals, published reports, newspapers and in-house documents for supermarkets whose customers were selected.

## 3.3 MEASUREMENT OF VARIABLES

This study adapted a five point likert scale to measure the study variables. The study utilized established measurement items by earlier researchers to operationalise and measure the variables under study.

**Awareness** was measured by learning, appreciation and ability to operate using the modification of scales developed by Lawrence erbium, Ference Marton, Mahwah, (1997) and Holden, (1993).

**Perception** was measured by perceived ease of use, perceived usefulness and perceived risk as used in the technology acceptance model (Davis, 1989).

**Trust** was measured using the Doney & Canon (1997) instrument basing on customers perception of the firms credibility, honesty, integrity, reliability, commitment and benevolence. This was further supported by Pavlou, 2003, McKnight & Chervary, 2002, Bhattacharjjee, 2002 and Sharnkar et al, 2002).

**Readiness to accept e-shopping** was measured by attitude, behavioral intention, and actual benefits toward using were adopted from Davis (1989), Suh & Han (2003), Chau & Hu (2002).

# 3.4 VALIDITY AND RELIABILITY.

Validity was ensured by calculating the content validity index following evaluations from the subject experts. Reliability was assessed using Cronbach's Coefficient alpha.

Table: 3.2 Reliability

All values were above 0.6 indicating that the research instrument was both valid and reliable.

		Cronbach	
<b>Variable</b>	Anchor	Alpha Value	
Customer Awareness	5 Point	0.719	
Trust	5 Point	0.816	
Perception	5 Point	0.783	
Readiness To Accept E-Shopping	5 Point	0.711	

**Table: 3.3 Validity**All values were above 0.5 indicating that the research instrument was valid.

Variable	Anchor	CVI
Customer Awareness	5 Point	0.682
Trust	5 Point	0.778
Perception	5 Point	0.842
Readiness To Accept E-Shopping	5 Point	0.833

# 3.5 PROCEDURE OF DATA COLLECTION

The researcher, through the University Administration was introduced to the different managers of supermarkets who in addition to answering the questionnaires, assisted in identifying their relevant customers on this subject matter. Questionnaires were distributed, with vigorous follow ups that helped the researcher to get them back in a few days.

## 3.6 DATA ANALYSIS

The captured data was scrutinized for any missing or inadequate information and was analyzed using both descriptive and correlation analysis. Quantitative data was be sorted, coded, edited and classified into categories using the SPSS (Statistical Package for Social Scientist). Cross tabulation was used to give a general description of categorical data such as age and gender. Correlation and regression were used to establish the strength and direction of relationship between the variables and qualitative assessments were turned into quantitative numbers through scaling techniques.

### **CHAPTER FOUR**

## PRESENTATION AND INTERPRETATION OF RESULTS

## 4.0 Introduction

This section presents and interprets the results from the data analysis. These results include the demographic profile of the respondents presented in a frequency table and cross tabulations, the descriptive statistics and inferential findings. The data combined in the different tables in this section were generated from questionnaires filled and collected from 207 shoppers of supermarkets around Kampala district during March to April, 2010. The analysis was guided by the research objectives and these were;

- a) To investigate the relationship between customer awareness and readiness to accept e-shopping in supermarkets,
- To determine the relationship between customer awareness and perception in eshopping acceptance,
- c) To examine the relationship between customer awareness and trust in e-shopping acceptance,
- d) To determine the relationship between trust and readiness to accept e-shopping in supermarkets.
- e) To establish the contribution of customers awareness, perception and trust to acceptance of e-shopping in supermarkets.

# 4.1 Demographic profile of respondents

To describe the sample, a simple frequency table was used to present data related to age, gender, marital status, Education level, favorite supermarkets, period of dealing with the supermarket, ownership of a shopping card, frequency in using the shopping card and intention to get one for those who don't have it. This data is indicated in the frequency table 4.1 below:

Table 4.1: Frequency table showing demographic profile of supermarket customers

	Freq	%	Mean	Std.Dev
Gender				
Male	112	54.1	1.46	0.50
Female	95	45.9		
Marital Status				
Single	119	57.5		
Married	81	39.1	1.47	0.61
Divorced	4	1.9		
Widow	3	1.4		
Age Group				
Below 20 years	6	2.9		
20-29 yrs	142	68.6	2.32	0.64
30-39 yrs	45	21.7		
40-49 yrs	14	6.8		
Academic Level				
below O level	2	1.0		
O level	9	4.3	4.62	0.86
A level	13	6.3		
Tertiary	18	8.7		
University	165	79.7		
Supermarket to which you go				
for shopping				
Capital Shoppers	75	36.2		
Nakumatt	25	12.1	3.02	1.97
Shoprite	32	15.5	5.02	1.,,,
Standard	11	5.3		
UCHUMI	23	11.1		
Others	41	19.8		
Period of dealing		17.0		
with the Supermarket				
Less than a year	44	21.3		
1-2 years	84	40.6	2.28	0.92
3-4 years	56	27.1	2.20	0.72
5 years and above	23	11.1		
Do you have a shopping card?				
Yes	85	41.1	1.59	0.49
No	122	58.9	1.07	0.17
If you have a shopping card	122	20.7		
how				
often do you use it				
01-05 Times	56	27.1	1.80	0.55
06-10 Times	136	65.7		
Over 10 Times	15	7.2		
If you don't have a shopping				
card, do you intent to get one?		_		_
Yes	176	85.0	1.15	0.36
No	31	15.0		

The results in the frequency table 4.1 above show that the sample respondents were dominantly male (54.1%) while females on the other hand, comprised 45.9%. Of these customers, 57.5% were single, 39.1% married and those who were divorced and widow were 1.9% and 1.4% respectively. It should also be noted that most customers interviewed were in the 20-29 year age bracket (68.6%). Customers below 20 years of age, were 2.9% of the sample while those in the 30-39 and 40-49 year age brackets, were 21.7% and 6.8% respectively. It was also noted that the average respondent was between (20-29) years (Mean = 2.32) with a minimal standard deviation of (0.64). This indicates that the majority of supermarket customers in Uganda are the young and single.

As regards to the education level, majority of the customers interviewed (79.7%) were at University level 79.7% compared to 8.7% at Tertiary level, 6.3% A Level, 4.3% O level and 1.0% below O level. It was observed that the average respondent was at the University level (Mean=4.62) with a minimal deviation from the mean of (SD=0.86). This also indicates that shopping in Uganda is more for the educated group than the uneducated.

It was further indicated that 36.2% of the respondents shopped from Capital shoppers' supermarket, 12.1% shopped from Nakkumat, 15.5% shopped Shoprite, 11.1% shopped from UCHUMI, 5.3% from Standard supermarket and 19.8% from other supermarket in Kampala District which indicates that majority of the respondents were shopping from Capital shoppers.

It is noted from the analysis that 21.3% of the respondents had shopped from their respective supermarket for less than a year compared to 40.6% who had shopped for 1-2 years, 27.1 had shopped for 3-4 years and only 11.1 had shopped for above 5 years from their respective supermarkets. It was further noted that the average respondent had spent (1-2 years) (Mean=2.28) dealing with his/her respective supermarket, with a standard deviation of 0.92. This is an indication that the practice of shopping from supermarkets is probably new in Uganda.

In addition to this, out of the 207 respondents, 41.1% had shopping cards and 58.9% had no shopping cards. It was further noted that majority of the respondents who had shopping cards were using them (6-10 times) a month compared to 27.1% and 7.2% who use the cards (1-5 times) and (over 10 times) respectively. Out of the respondents who didn't have a shopping card, 85% had the intention to get one while 15% had no intention of getting a shopping card. This indicates a higher level of acceptance of e-shopping in Uganda.

4.2.4 Respondents' Education level and Possession of a Shopping card Cross tabulation

Table 4: Educa	ssession of a	•	Do you have a shopping card				
			Yes	No			
	Below O level	Count	2		2		
	Below O level	%	100.0		100.0		
	Olovol	Count	2	7	9		
Respondent's Education level	O level	%	22.2	77.8	100.0		
	A lovel	Count	6	7	13		
	A level	%	46.2	53.8	100.0		
	T4:	Count	10	8	18		
	Tertiary	%	55.6	44.4	100.0		
	Umirongitr	Count	65	100	165		
	University	%	39.4	60.6	100.0		
Total		Count	85	122	207		
Total		%	41.1	58.9	100.0		
			$X^2 = 6.082$	df=4	Sig.= .193		

**Source: Primary Data** 

**Table: 4.2** 

Of the customers with University Education, the majority (60.6%) didn't have shopping cards while only (39.4) had a shopping card. Respondents who had shopping cards and were at the tertiary level, were 55.6%, while those at tertiary level without shopping cards were 44.4%. Further more 53.8% of the respondents at A Level had no shopping cards while 46.2% had shopping cards at the same level. At O level, 22.2% of the respondents had no shopping cards while 77.8% of the respondents at the same level had shopping cards. The chi-square test results showed no association between education level and possession of a shopping card ( $X^2 = 6.082$ ; Sig.= .193)

Table: 4.3

Distribution of Respondent's Education level and readiness to get a shoppers card

			Intention to get Sh	opping Csrd	T-4-1
			Yes	No	Total
	O level	Count	5	2	7
		<b>%</b>	71.4	28.6	100.0
	A level	Count	5	2	7
Respondent's		<b>%</b>	71.4	28.6	100.0
Education level	Tertiary	Count	5	3	8
	J	%	62.5	37.5	100.0
	University	Count	76	24	100
	•	%	76.0	24.0	100.0
Total		Count	91	31	122
		%	74.6	25.4	100.0
			$X^2 = .796$	df = 3	Sig.= .850

According to results from the cross tabulation table 4.3 above, it was observed that 76% of the respondents at University level who had no shopping cards were willing to get one compared to 24% who had no intention of getting a shopping card at the same level. It was further observed that majority of the respondents at Tertiary (62.5%), Alevel (71.4%) and O Level (71.4%) who had no shopping cards were willing to get them compared to 37.5%, 28.6% and 28.6% who had no shopping cards and not willing to get them respectively. In comparison to results in table 4, were it was observed generally that most of the customers had no shopping cards, the cross tabulation in table 4.3 indicates that majority of these customers are willing to get shopping cards across all levels of education. The Chi-square tests showed no association between ones level of education Shopping card  $(X^2 = 0.796;$ intention acquire Sig. and to .850)

# 4.2 Relationships between the Variables

The Pearson (r) correlation coefficient was used in testing for the relationships among the study variables.

**Table: 4.4** Pearson (r) correlation coefficient

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	Min	Max	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Learning-1	1	5	3.58	0.58	1.000													
Appreciation-2	2	5	3.42	0.63	.473**	1.000												
Ability To Operate-3	2	5	3.44	0.50	.360**	.226**	1.000											
<b>Customer Awareness-4</b>	2	5	3.49	0.44	.892**	.730**	.607**	1.000										
Integrity-5	1	5	3.52	0.78	.252**	.262**	.052	.270**	1.000									
Reliability-6	1	5	3.26	0.81	.281**	.228**	.168*	.307**	.387**	1.000								
Commitment-7	1	5	3.76	0.71	.155*	.175*	.054	.183**	.344**	.244**	1.000							
Benevolence-8	1	5	4.05	0.71	.327**	.268**	.156*	.344**	.160*	.215**	.384**	1.000						
Trust-9	2	5	3.62	0.52	.373**	.341**	.153*	.405**	.741**	.729**	.667**	.577**	1.000					
Perceived Ease of Use-10	2	5	3.77	0.65	.372**	.357**	.225**	.427**	.222**	.258**	.292**	.471**	.432**	1.000				
Perceived Usefulness-11	1	5	3.94	0.90	.333**	.217**	.111	.319**	.170*	.198**	.259**	.417**	.363**	.467**	1.000			
Perceived Risk-12	1	5	3.24	0.65	.123	.171*	.125	.177*	.196**	.179*	.111	.036	.205**	.237**	.115	1.000		
Perception-13	2	5	3.70	0.66	.343**	.253**	.141*	.348**	.218**	.238**	.272**	.390**	.396**	.502**	.946**	.430**	1.000	
Readiness To Accept EShopping-14	2	5	3.56	0.46	.388**	.415**	.143*	.432**	.314**	.249**	.360**	.409**	.471**	.532**	.503**	.339**	.564**	1.000

<sup>\*\*</sup> Correlation is significant at the 0.01 level (2-tailed.)

<sup>\*</sup> Correlation is significant at the 0.05 level (2-tailed.)

# 4.2.1 Relationship between Customer awareness and readiness to accept eshopping.

The results in the table above showed a significant positive relationship between customer awareness and readiness to accept e-shopping (r=.432\*\*, p<.01). All the elements of customer awareness were noted to be positively related to the dependent variable (readiness to accept e-shopping) with the following statistics; Learning (r = .388\*\*,p<.05), Appreciation (r=.415\*\*, p<.05) and Ability To Operate (r=.143\*, p<.05). These findings imply that the higher the learning, appreciation and ability to operate the system by the customers, the higher the likelihood of e-shopping acceptance by the customers. Among the constructs of customer awareness, learning had the highest mean score (3.58) followed by Appreciation (Mean = 3.42) and Ability to operate (Mean = 3.44) on a scale of 1-5, with all the constructs yielding a minimal deviation (SDs of 0.58, 0.68 and 0.5 respectively).

# **4.2.2.** Relationship between Customer awareness and Perception in e-shopping acceptance.

There was a positive significant relationship between customer awareness and perception (r=.346\*\*, p<.01) which implies that the more awareness created for an eshopping system, the greater the possibility of having e-shopping accepted. Among the constructs of perception, perceived usefulness had the highest mean score of (3.94) followed by Perceived usefulness (3.77) and perceived risk (3.24) on a scale of 1-5, with all constructs yielding a minimal deviation from the mean (SDs of 0.90, 0.65 and 0.65 respectively.

A positive significant relationship between learning and perceived ease of use was observed (r=.372\*\*, p<.01), implying that the more customers get informed and learn about the system, the higher the likelihood of perceiving the system as easy to use .

A positive significant relationship between learning and perceived usefulness was observed (r=.333\*\*, p<.01), implying that the more customers learn about the system, the higher the possibility of perceiving the system to be useful to them.

A positive significant relationship between appreciation and perceived ease of use was registered (r=.357\*\*, p<.01), meaning that the more customers appreciate the system the likely hood of perceiving the system to be easy for them to use.

A positive significant relationship between appreciation and perceived usefulness was observed (r=.217\*\*, p<.01), implying that the more the customers appreciates eshopping the higher the likelihood of perceiving it as being useful. A positive significant relationship between ability to operate and perceived ease of use was registered (r=.225\*\*, p<.01), implying that the more the customers get to know how to operate the system, the higher the possibility of perceiving the system to be easy to use.

A relationship between ability to operate and perceived usefulness was observed (r=.111, p<.01), implying that as customers get to know how to operate the system, they will perceive it to be probably useful.

# **4.2.3** Relationship between Customer awareness and Trust in e-shopping acceptance.

A positive significant relationship between customer awareness and trust (r=.405\*\*, p<.01), signifying that high levels of customer awareness are more likely to increase trust among customers.

A positive significant relationship between learning and integrity (r=.252\*\*, p<.01), implying that the more customers learn about e-shopping, the higher the possibility of trusting it.

A positive significant relationship between appreciation and integrity (r=.262\*\*, p<.01), implying that appreciation increases integrity. This suggests that appreciating an e-shopping system would significantly influence integrity that could prepare customers to accept e-shopping.

A relationship was observed between ability to operate the e-shopping system and integrity (r=.0.52, p<.01), implying that when customers have the ability to operate the e-shopping system the more the likelihood of honoring the system.

There was a positive significant relationship between learning and reliability (r=.281\*\*, p<.01), this presents an implication that the more customers learn about eshopping, the more they will trust e-shopping. This reveals a possibility of learning to significantly influence reliability that could prepare customers to accept e-shopping.

A positive significant relationship between learning and commitment (r=.155\*, p<.05), which could imply that learning about e-shopping increases commitment about e-shopping. This will probably also mean that customers have the commitment to adopt e-shopping when they have learnt about it.

A positive significant relationship between learning and benevolence (r=.327\*\*, p<.01), meaning that learning increases benevolence. This signifies that the more customers learn about the operations of the business, the higher the levels of benevolence.

Pearson correlation results also indicated a positive significant relationship between appreciation and reliability (r=.228\*\*, p<.01), implying that appreciation increase reliability. It also indicates that appreciation could have an effect on reliability. The results also indicated a positive significant relationship between appreciation and commitment (r=.175\*, p<.05), showing that appreciation could affect commitment. This reveals that appreciating a shopping system would significantly influence commitment that makes customers ready to accept e-shopping.

Pearson correlation results also indicated a positive significant relationship between appreciation and benevolence (r=.268\*\*, p<.01), which means that when customers appreciate the e-shopping system, the level of benevolence will also be high .

A positive significant relationship between ability to operate and reliability (r=.168\*, p<.05) was revealed, this would mean that customers ability to operate e-shopping would affect reliability and trust accordingly.

A positive significant relationship between ability to operate and benevolence (r=.156\*, p<.05), which means that customers ability to operate e-shopping affects benevolence. This reveals that ability to operate e-shopping significantly influences benevolence and trust.

Among the constructs of trust, benevolence had the higher mean score of 4.07 followed by commitment, integrity and reliability with mean scores of 3.76,3.52 and 3.26 respectively on a scale of 1-5, with all constructs yielding a minimal deviation from the mean (SDs of 0.78 for integrity, 0.81 reliability and 0.71 for commitment and benevolence.

# **4.2.4** Relationship between Perception and readiness to accept e-shopping acceptance.

A positive significant relationship between Perception and readiness to accept e-shopping (r=.564\*\*, p<.01), which means perception influences readiness to accept e-shopping. This reveals that when customers perceive e-shopping positively, probably they will be ready to accept e-shopping.

A positive significant relationship between perceived ease of use and readiness to accept e-shopping (r=.532\*\*, p<.01), which means that when customers perceive the e-shopping system to be easy to use, this could easily make them ready to accept e-shopping.

A positive significant relationship between perceived usefulness and readiness to accept e-shopping (r=.503)\*\*, p<.01), which means perceived usefulness influences readiness to accept e-shopping. The further implication of this would be, that customers in Uganda to have the willingness to accept e-shopping, they need evidence that e-shopping will be useful to them.

A positive significant relationship between perceived risk and readiness to accept e-shopping (r=.339\*, p<.05), this reveals that customers perceived risk affected readiness to accept e-shopping. Therefore, the higher the levels of risk perceived by the customers, the lower would be the level of readiness to accept e-shopping.

# 4.2.5 Relationship between Trust and readiness to accept e-shopping

A positive significant relationship between Trust and readiness to accept e-shopping (r=.471\*\*, p<.01), this reveals that trust influences the readiness to accept e-shopping. These results further indicate that if supermarkets in Uganda work on the element of trust towards e-shopping, then its acceptance will also be probably easy.

A positive significant relationship between integrity and readiness to accept e-shopping (r=.314)\*\*, p<.01), which could interpret that the higher the level of integrity the possibility of having more customers being ready to accept e-shopping.

A positive significant relationship between Reliability and readiness to accept e-shopping (r=.249)\*\*, p<.01), which means that reliability influences readiness to accept e-shopping. Further implications from this are that there is more likelihood of e-shopping acceptance when customers consider it to be reliable.

A positive significant relationship between commitment and readiness to accept e-shopping (r=.360)\*\*, p<.01), This could suggest that when customers become committed about e-shopping the easier it will be for them to adopt it.

Pearson correlation results further indicated a positive significant relationship between benevolence and readiness to accept e-shopping (r=.409)\*\*, p<.01), This imply that when people have higher willingness for e-shopping, it will be most likely easy for them to accept it.

Overall, Pearson correlation results indicated that perception had a higher mean (3.70) followed by Trust and customers awareness (3.62 and 3.49 respectively) on a scale of 1-5, with all constructs yielding a minimal deviation from the mean (SDs of 0.44, 0.52 and 0.66 respectively).

However, on contrary, it was also found out that there was a weak relationship between perceived risk and e-shopping acceptance. It was further noted that perception could easily influence acceptance of e-shopping than customer awareness.

# 4.3 REGRESSION ANALYSIS

The results of the regression model were examined to establish the degree to which Customer Awareness, Trust and Perception predict Readiness to accept e-shopping.

**Table: 4.5** Regression Analysis

	C 22500	andardized efficients	Standardized Coefficients	t	Sig.
Model	В	Std. Error	Beta		
(Constant)	1.087	.232		4.696	.000
Customer Awareness	.206	.065	.197	3.182	.002
Trust	.200	.056	.225	3.575	.000
Perception	.279	.042	.402	6.577	.000
Dependent Variable: Readiness To Accept l	E Shop	ping			
R Square					
Adjusted R Square	.406				

The results show that the Customer Awareness, Trust and Perception explained 40.6% of the variance in Readiness to accept e-shopping (Adjusted R Square =.406). Among the predictors, Customer Perception (Beta = .402) was observed to be the most influential and significant predictor/ determinant (Beta=.402) of Readiness to Accept e-shopping followed by Trust (Beta = .225) and Customer Awareness was the least predictor of Readiness to Accept e-shopping (Beta = .197) among the three variables. The regression model was noted to be valid (sig. <.01).

#### **CHAPTER 5**

# 5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the interpretation, discussion of the findings observed and inferred from the data provided in chapter 4. The chapter also contains a discussion of the results, which presents the information about the variables and their comparison between different categories of respondents and the results in relation to the research questions.

The chapter presents the summary of findings, conclusions, recommendations and suggestions for further research.

# 5.1. CUSTOMER AWARENESS AND READINESS TO ACCEPT E-SHOPPING.

A positive significant relationship was observed to exist between customer awareness and readiness to accept e-shopping since the elements of customer awareness were all noted to be positively related to the dependent variable e-shopping. This implies that for customers to be ready to accept e-shopping, supermarkets must sensitize them about the need for e-shopping. In these awareness campaigns, customers must be able to learn about e-shopping, appreciate e-shopping and also have the ability to operate e-shopping.

These results affirm to the earlier research by Shih & Fang, (2004) where customer awareness is taken to be the customer's ability to learn the new situation and

operations of business in the environment in order to change altitude, beliefs and behaviors. When customers altitudes and believes change they will appreciate the system that positively affects the systems acceptance. Moye and Kincarde, (2003) it is further stated that customers who have appreciated the system are too eager learn how to operate it and eventually accept it. This also means that if customers are sensitized about the benefits of e-shopping for instance through media communication, leaflets, brochures, they will be in a better position to accept it when the supermarkets start using it massively. Customers will need to learn how e-shopping works which will give them the ability to operate the system and encourage others to use it when they appreciate its operations.

It was also observed that appreciation and readiness to accept e-shopping had a positive relationship. According to (Moya & Kincarde, 2003) increased awareness of a new technology leads to appreciation and hence acceptance of the technology. This is inline with the findings presented in chapter four. The results are also in agreement with those of Boom & Bitner, (2001), who observed that the failure to utilize the awareness tools has been the most cited reason why customers' aren't ready for e-shopping. In addition to this, Gillespie et al, (2000) also argued in the angle of location and said that smaller town centres where there is less customer awareness programmes for new technologies most likely face resistance to accept e-shopping.

Moye & Kincende, (2003), also affirmed that, the ability to operate the system tantamount to its acceptance. These findings however were subjected to further

research by Wangui, (2008), who emphasized that customer readiness to accept a new e-marketing and selling strategy involves interactive communication systems and information Technology infrastructure.

This implies that for e-shopping to be accepted, supermarket will need to cause awareness for the new shopping system to enable customers learn about the system, appreciate and operate it successfully in the process of carrying out the transactions.

# 5.2. CUSTOMER AWARENESS AND PERCEPTION

Pearson's correlation results indicated that customer awareness significantly influences perception that makes customers ready for e-shopping. The implication of this is that the more awareness created for an e-shopping system will positively lead to positive perception through the major constructs of perception (perceived ease of use, perceived usefulness and perceived risk.

Girewall et al, (2009), was in agreement with these findings when he said that awareness is well assessed through the required orientations, it will generate positive perception about the system. The results also affirm with Wee et al, (1995) assertion that customers are more likely to accept the use of a new system if it is perceived to have important attributes that deliver benefits. The results also indicated that learning and perceived ease of use were significantly related, implying that the more customers get informed and learn about the system, they will perceive the system to be easy for them to use. This however didn't not conform to the findings of Gvu, (1998), Salam et

al, (1998) who asserted that perceived ease of use is as the result of customers attitudes not the level of knowledge they have about the system per say.

Pearson's correlation results suggested that learning as a construct of customer awareness significantly influences perceived usefulness of the system, which means that a supermarket that would like to adopt e-shopping must make customers aware and learn about the system that will enable them to perceive the system as useful to them. This is in agreement with Hernandez et al, (2001) who states that customers to consider a system useful, they must have leant and acquired knowledge about it.

The results also showed a strong relationship between learning and perceived risk. This implies that the level of knowledge and the information leant by the customer about the e-shopping system corresponds with the levels of risk customers attach to the system. This means that supermarkets that intend to introduce the e-shopping system must try to sensitize customers about the operations of the e-shopping system, so that they can reduce on the perceived levels of risk among the customers.

This is in agreement with vijayasarathy & jones, (2000), who started that having enough knowledge while under taking e-shopping will help to clear the economic risk which is the probability of making poor purchasing decision, the social risk which is the possibility for incurring societal disapproval for engaging in e-shopping using the internet (Devis, 1989, Bagozzi & Warsaw, 1986), performance risk, the ability to change the product/service bought that e-shopping perform there expected, Jones,

2000), personal risk, the potential for theft and abuse of credit card information (Warsau, 2003), Privacy risk which is the danger of compromising personal information (Vijaya & Sarathy, 2000)

The results further indicated that appreciation and perceived ease of use had a significant relationship. This means that the more customers get to know about a new technology like in the e-shopping technology in our case, they will appreciate its operations hence a conviction for ease of use. This implies that supermarkets that intend to have e-shopping implemented must create positive awareness that will make people to appreciate e-shopping. This is also in line with the teachings of Koufaris & Hamton, (2004) which stated that the level of awareness caused by the supermarket will make customers appreciate the new technologies to ne introduced and create a perception that the new technology is easy to use. These findings could also be supplemented by Webster, (2009) that appreciating an internet system is closely related with its simplicity during the time of using the system.

The results further discovered that there is a significant relationship between customer's ability to operate a new system and perceived ease of use. This means that customers, who have learnt to operate a new system like e-shopping, will certainly perceive it as easy to use. The implication of these findings to supermarkets proposing to introduce e-shopping is that customers must be vigorously be informed and trained about for them to learn how to operate e-shopping system. These findings were in line

with the argument of Banin et al, (2007) that customers enjoy e-shopping when they know how to use the system perfectly.

The results further suggested that there was a positive relationship between ability to operate and perceived usefulness of the e-shopping system. This implies that customers who know how to use the e-shopping system will easily explore the usefulness of the system which calls for huge investments in customer awareness through the media, workshops, radio and TV talk shows, brochures, flyers, supplements, sport adverts and others by the supermarkets which are preparing to open up a window for e-shopping. These findings are supported by Webster, (2009) who stated that investigation into usefulness of an e-shopping system usually comes as a result of having the ability to use the system. Robles-de-la-toree, (2006) further affirmed that perceived usefulness is as the result of customers being able to investigate and operate the technological systems and manage them to suit all other desired benefits.

The findings from pearsons correlation also suggested that the ability to operate the e-shopping system has significant relationship with perceived risk. This means that customers who can ably operate the e-shopping system will probably have more understanding of the system and therefore attach low level of risk on the system and also customers who don't have the ability to use the system will have the fear and therefore attach high levels of risk on the e-shopping system. This has an implication to the supermarkets with the intention to open up the e-shopping window that one way

of reducing perceived risk on the e-shopping technology among the customers will be through training people to understand how e-shopping works.

# 5.3. CUSTOMER AWARENESS AND TRUST

There were significance relationship between customer awareness and trust. The constructs of customer awareness (learning, appreciation, and the ability to operate) were all positively corresponding to trust and its constructs (Integrity, Reliability, Commitment and Benevolence). This implies generally that supermarkets that are preparing to implement e-shopping need to make customers trust the system, through creating awareness about the system in the various marketing awareness and promotion programmes.

These findings are in agreement with the teachings of Pavlou, (2003) were he stated that trust is the belief that other people will react in predictable ways after making them informed of the desired cause of action. McKnight & Chervany, (2002) asserts that online consumers desire the online sellers to be willing and able to act on the consumers' interests, to be honest in transactions (not divulging personal information to other vendors), and to be capable of delivering the ordered goods as promised which must be communicated by the online seller for the system to be accepted. In his findings, Bharchattejee observed that customer awareness induces familiarity of the system that results into trust.

The implication of this in the Ugandan situation is that supermarkets like Capital shoppers, Nakkumatt, Uchumi and Shoprite that seem to be ready for e-shopping need to carryout massive sensitization about e-shopping so that customers can be familiar with the system to cause trust it.

# 5.4. RELATIONSHIP BETWEEN TRUST AND READINESS TO ACCEPT E-SHOPPING

Pearson's correlation results indicated that there is a positive relationship between trust and readiness to accept e-shopping. The constructs of trust (Integrity, Reliability, Commitment and Benevolence) were all found to significantly influence readiness to accept e-shopping. This implies that when customers trust the system it becomes simple for them to accept it. These findings were in line with the teachings of Allen & Mayer, (1990), who stated that trust is the process of influencing new actions. When customers trust the proposed system they will automatically attach benefits on it that will enable them to accept. It is also stated that changes in consumer buying behaviors and implementing new ideas is a function of influence generated from trust to ease acceptance (Weltevreden, 2008). The implication of this to Ugandan Supermarkets that seem to be ready for e-shopping is that they need to look critically to the issues that stimulate trust among the customers before fully implementing the system.

A positive significant relationship between integrity and readiness to accept e-shopping was observed which means that integrity affects readiness to accept e-shopping. Koufaris and Hampton-Sosa (2002, 2004) and Pavlou (2003) have a similar argument were they suggested that the level of integrity that the supermarket

commands have positive effects on the level of trust that the customers will give to the supermarket. These authors believe that trust inform of integrity could reduce the need for customers to understand, monitor, control the situation, facilitate transaction and make it effortless to shop from the acceptable supermarkets. In the e-commerce context, trust would reduce the consumer's need to monitor the supermarkets' actions and check every detail, which make on-line transactions easier. This will stimulate customers and eventually make them ready to accept e-shopping.

Pearson's correlation results further indicated that; there was a positive significant relationship between reliability and readiness to accept e-shopping, which means that reliability influences readiness to accept e-shopping. As stated by Gefen and Straub, (2003) that trust does not influence intention directly, Trust affects readiness to accept e-shopping through consistency, dependability and trustworthiness that make the supermarket reliable as the mediator variable. It is note worthy that the levels of reliability the supermarket commands, has a stronger effect on e-shopping acceptance

It further corresponds to the result of Gefen and Straub, (2003) implying that online shopping service depends not only on the operational characteristics of websites, but also, and possible to a greater degree of dependability and reliability of the customers toward the supermarket. Therefore, managers need to take this into account in their website planning efforts to digitize the shopping systems in Uganda. However in doing this, they should consider the findings of Bennett, 1996; Fitzgerald, 1996; Forrest et

*al.*, 1996 who stated that with the availability if information technology infrastructures nothing can cause readiness to accept e-shopping.

## 5.5. PERCEPTION AND READINESS TO ACCEPT E-SHOPPING.

According to Pearson's correlation a positive significant relationship between perception and readiness to accept e-shopping was observed, which means that perception influences readiness to accept e-shopping. It is further noted that all the elements of perception (Perceived ease of use, Perceived usefulness and Perceived risk) were positively related with readiness to accept e-shopping. These finding corresponds to the teachings of Koufiris, (2002), that a positive perception towards e-shopping creates enjoyment and perceived control among the customers. Customers' perceived ease of use, perceived usefulness is directly generated from the perceived control and the ability to own the system that will influence acceptance.

Further in support of the results, across cultural study done by Hirschman & Halbrook, 2002) showed that perceived risk is one of the key factors that influence adoption of eshopping, however, perceived risk should be varying among countries as it was stated by (Javenpaa & Tractinsky, 2009).

However, (Rogers, 2007) didn't conform to this when he stated that for consumer, products complexity is one of the barriers in the adoption of a new product. The more complexity products and services are, the less certain consumers feel about the

performance of those products or services which take us to a conclusion that perception independently can't exactly dictate readiness to accept e-shopping.

The implication of these findings to the Ugandan supermarkets that are preparing to adopt e-shopping is that risk toward online shopping varies by country, indicating that risk perception can be affected by cultural values and e-commerce infrastructure. This necessitates supermarkets to look critically at risk associated with e-shopping and show customers that this risk will not affect them in the process of using e-shopping. In the same vain e-commerce infrastructure should be taken seriously, by the supermarkets preparing to adopt e-shopping in Uganda. These infrastructures would include a stable internet system, modems, computers among others in addition to training and preparing employees psychologically to be ready for e-shopping.

#### 5.6. SUMMARY OF THE FINDINGS

The study showed that there is positive relationship between customer awareness (Learning, appreciation and ability to operate) and readiness to accept e-shopping. This indicated that supermarkets that intend to open up a door for e-shopping should carryout out customer awareness campaigns to enable customers to learn, appreciate and acquire the ability to operate e-shopping.

The study further showed that perception (Perceived ease of use, perceived usefulness and perceived risk) intermediates in the process of preparing customers for eshopping. As indicated in the study, a positive significant relationship between

customer awareness and perception was observed indicating that customers' perception about e-shopping is influenced by their levels of knowledge.

The study also indicated a positive strong relationship between perception and readiness to accept e-shopping. Supermarket customers who perceive the new e-shopping technology as useful, easy to use and with low risks are more likely to adopt e-shopping than customers who have a negative perception on e-shopping.

It was also observed from the study that customer awareness and trust (Integrity, reliability, commitment and benevolence) are significantly related. This study indicated that customers who will adopt e-shopping required having the trust generated from continuous learning, appreciation and the ability to operate e-shopping which are constructs of customer awareness.

The study also indicated that trust and readiness to accept e-shopping have a significant relationship. There fore having trust in the e-shopping system will enable customers to easily adopt the new technology.

Overall, the study found out that customer awareness, trust and perception as key factors that could easily make customers ready for e-shopping in Uganda. However during the study, Customer Perception was observed to be more influential at determining the readiness to accept e-shopping than Trust and Customer Awareness based on the regression model results that were noted to be valid.

# 5.7 CONCLUSIONS

The following are the major conclusions from the study.

It can be concluded from the study that customer awareness has a positive significant relationship with readiness to accept e-shopping. For successful customer awareness, customers must be in position to learn, appreciate and have the ability to operate e-shopping.

It can also be further concluded that perception is very important in acceptance of e-shopping. This is also because of the positive significant relationship between customer perception and readiness to accept e-shopping. The way the customers perceive e-shopping in terms of usefulness, ease of use and the risks attached to it influences their readiness to accept it.

The researcher also concluded that trust is one of the major elements that favours e-shopping especially at the time of preparing customers to adopt it. The supermarket that is preparing for e-shopping must be credible, reliable, honesty in its transactions, committed to customer needs so that customers can get the willingness to support the firm to achieve its goals.

The researcher also concluded that readiness to accept e-shopping in Uganda requires benevolence and good will from the customers and other stakeholders. Customers will need to change their altitudes and support the system, but this will come after learning and appreciating the operations of the e-shopping system.

## 5.8 RECOMMENDATION

The study indicated a strong relationship between customer awareness and readiness to accept e-shopping, therefore supermarkets preparing to adopt e-shopping should consider marketing communications as an important part of their organization. An integrated marketing communication strategy is recommended for these supermarkets to cause awareness, make customers learn about e-shopping, appreciate and have the ability to operate it. These supermarkets should also concentrate on promoting well specified but limited number of selected benefits and compare them to the number of competitors due to the fact that they affect there businesses to a greater degree.

The study also indicated that trust can contribute to readiness to accept e-shopping, therefore supermarkets preparing for e-shopping have to position them selves as credible and trustworthy so that they can attract customers who are interested in adopting e-shopping. This study indicates that credibility and trust is what customers are looking for in the situation where they will be buying what they don't physically see, this will probably make customers to be committed to a supermarket and have the willingness to see it prosper.

The study showed that perception had a positive relationship with readiness to accept e-shopping, therefore customers perception towards supermarkets that are preparing to adopt e-shopping should be considered especially those concerning the way they perceive the usefulness of the shopping technology, its simplicity in the process of using it and whether customers will be able to operate it or not. Having a positive perception on these issues will psychologically prepare them to adopt e-shopping.

The study also showed that IT infrastructure is key in e-shopping adoption, therefore Infrastructural development should also be given keen attention. Supermarkets preparing to adopt e-shopping should look at the issue of improving the information technology infrastructure systems on the ground appropriately, computers, Modems, and other IT gadgets must be available. In addition to the above, the internet connectivity as the engine for information movements must be ensured at both the wired and wireless connections.

## 5.9 SUGGESTED AREAS FOR FURTHER RESEARCH

Further research could also look at culture as a predictor of e-shopping. Most literature has cited cultural beliefs and locations to have contributed a lot in shaping peoples mind to accept new technologies.

The research suggests an investigation into the relationships reported in the conceptual framework at various stages of e-shopping preparations that is, pre-e-shopping experiences, shopping experiences and post shopping experiences for both the customers and the employees of supermarkets that are rendering the service.

The results of the study highlighted a need to better understand what easily could prepare customers for e-shopping. The study revealed that customer awareness, customer perception and trust didn't explain fully the concept of preparing customers for e-shopping. There is need to investigate the contribution of information technology infrastructure since failure to have information technology infrastructure was commonly cited as a major factor in e-shopping adoption.

It is also important to further investigate the contribution of supermarket employees in e-shopping adoption. Looking at the employee dimension will help in measuring the subject matter critically since employees represent the organization and they run the daily activities of the business.

The results of the study combined with the literature reviewed, suggests the need to investigate into the role of supermarket image and customers readiness to accept e-shopping. This is because, a person's behavior is not only a function of knowledge and information but also is predicated on the consumer's image of a product or supermarket. A supermarkets image would be characterized by a supermarket's "tangible or functional qualities" (e.g. merchandise selection, price ranges, credit policies, supermarket layout); and "intangible or psychological attributes" (e.g. a sense of belonging, the feeling of warmth or friendliness, a feeling of excitement or interest).

## 5.10 LIMITATIONS OF THE STUDY

The researcher used a simple random sampling method to collect data from the customers of supermarkets around Kampala. This caused some bias in the results since most of the regions of Kampala were not equally represented. Kampala has five regions including Makindye, Nakawa, Kawempe, Rubaga and Central region. In such a population, it would have been better to adopt a stratified sampling method to collect data.

E-shopping being relatively new, measurement scales of some variables were scarce to obtain because not much research has been done in the area of e-shopping. Using the existing literature, the purpose and objectives of the study, measurement scales were formulated and questions pre-tested to ensure reliability.

The researcher used a cross sectional design to provide an investigation of the relationship between the variables. However for better and in-depth investigation into the variables a longitudinal design was also required in this study.

Other challenges include, some respondents being too busy with business activities which required the researcher to persuade them to spare some time to answer the questionnaires. Some respondents were suspicious of spies on their businesses especially respondents from supermarkets preparing to adopt e-shopping. This necessitated the researcher to focus and explain the academic purposes of this research.

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# **Appendix A:**

# MAKERERE UNIVERSITY BUSINESS SCHOOL

# Questionnaire/Research instrument

The questionnaire is to be filled by customers of supermarkets.

## Dear Sir / Madam

You have been selected to participate in a research about the **readiness to accept electronic-shopping in supermarkets in Kampala**. The purpose of the research is purely academic, aimed at fulfilling one of the conditions for the award of a Masters of Business Administration of Makerere University. Please be assured that your response will be strictly confidential and will be used only for this research. Kindly spare for us a few minutes of your precious time and answer the questions that follow. **Demographic Characteristics** (please tick as appropriate)

Demographic Characteristic	s (picase tick as app.	i opriaic)		
1. Sex of the respondent	Male	1	Femal	
2. Marital Status	Single		Married	2
	Divorced		Widow	2
3. Age of respondent	below 20yrs	3	20 -29	4
<i>C</i> 1	30 -39	3	40 - 49	
	Above 49	3		4
4. What is your level of Educa	tion?			
Below 'O' Level	O` Leve	$el_{2}$		
`A` Level	- Tertiary	/	University 5	
Any other please specify $3$	}	4	5	
5. From which supermarket do	you often go for Sh	onning?		
5. From which supermarket do	you often go for sin	iopping :		
6. How long have you been de	aling with this Supe	rmarket?		
•	<u> </u>		years and above	e
7. Do you have a snopping car		3 2	No 4	
, , , ,				
8. If yes, how often do you use	e it monthly, 1-5 ti	1 6-	es es	Over 3
10 times	_			
9. If No, do you intent to get o	ne? Y 1	3	]	
			_	

AWARENESS					e
The following statements refer to your awareness of electronic	<u>&gt;</u> 8	9	ıre	43	Strongly Agree
shopping. Please answer the following statements by ticking the	rong	isagr	ot Su	Agre	gly 1
answer of your own choice. Use the scale 1= <b>Strongly Disagree</b> , <b>2</b> =	St Di	ΞĞ	ž	1	tron
Disagree, 3= Not sure, 4= Agree, 5= Strongly agree					
I know how to use the computer	1	2		4	5
I have ever shopped through the internet	1		3		5
I have ever hard about the e-shopping system	1	2	3	4	5
E-shopping is common to me	1	2	3	4	5
I have seen other customers using internet buying	1	2	3	4	5
I know how to use the internet	1	2	3	4	5
The staff in supermarkets are quite knowledgeable about internet selling	1	2	3	4	5
I have tried to learn about internet buying from other service	1	2	3	4	5
providers.					
I know where I can get internet services	1	2	3	4	5
I have ever hard about e-shopping but don't know how to use it	1	2	3	4	5
I prefer buying using internet	1	2	3	4	5
Supermarkets using internet selling are efficient	1	2	3	4	5
E-shopping is good for me	1	2	3	4	5
I wish to be associated with the supermarket using e-shopping	1	2	3	4	5
E-shopping is useful to our economy	1	2	3	4	5
E-shopping doesn't add any thing to me	1	2	3	4	5
I have ever used a computer	1	2	3	4	5
I can buy using the internet	1	2	3	4	5
I can access e-shopping services	1	2	3	4	5
It is very difficult for people to know how to use e-shopping	1	2	3	4	5
I can operate the internet systems regularly	1	2	3	4	5
Using e-shopping frequently will be a problem to me	1	2	3	4	5
	The following statements refer to your awareness of electronic shopping. Please answer the following statements by ticking the answer of your own choice. Use the scale 1= Strongly Disagree, 2= Disagree, 3= Not sure, 4= Agree, 5= Strongly agree  I know how to use the computer  I have ever shopped through the internet  I have ever hard about the e-shopping system  E-shopping is common to me  I have seen other customers using internet buying  I know how to use the internet  The staff in supermarkets are quite knowledgeable about internet selling  I have tried to learn about internet buying from other service providers.  I know where I can get internet services  I have ever hard about e-shopping but don't know how to use it  I prefer buying using internet  Supermarkets using internet selling are efficient  E-shopping is good for me  I wish to be associated with the supermarket using e-shopping  E-shopping is useful to our economy  E-shopping doesn't add any thing to me  I have ever used a computer  I can buy using the internet  I can access e-shopping services  It is very difficult for people to know how to use e-shopping  I can operate the internet systems regularly	The following statements refer to your awareness of electronic shopping. Please answer the following statements by ticking the answer of your own choice. Use the scale 1= Strongly Disagree, 2= Disagree, 3= Not sure, 4= Agree, 5= Strongly agree  I know how to use the computer  I have ever shopped through the internet  I have ever hard about the e-shopping system  E-shopping is common to me  I have seen other customers using internet buying  I know how to use the internet  The staff in supermarkets are quite knowledgeable about internet selling  I have tried to learn about internet buying from other service providers.  I know where I can get internet services  I have ever hard about e-shopping but don't know how to use it  I prefer buying using internet  Supermarkets using internet selling are efficient  E-shopping is good for me  I wish to be associated with the supermarket using e-shopping  E-shopping doesn't add any thing to me  I have ever used a computer  I can buy using the internet  I can access e-shopping services  It is very difficult for people to know how to use e-shopping  I can operate the internet systems regularly	The following statements refer to your awareness of electronic shopping. Please answer the following statements by ticking the answer of your own choice. Use the scale 1= Strongly Disagree, 2= Disagree, 3= Not sure, 4= Agree, 5= Strongly agree  I know how to use the computer  I have ever shopped through the internet  I have ever hard about the e-shopping system  E-shopping is common to me  I have seen other customers using internet buying  I know how to use the internet  The staff in supermarkets are quite knowledgeable about internet selling  I have tried to learn about internet buying from other service providers.  I know where I can get internet services  I have ever hard about e-shopping but don't know how to use it  I prefer buying using internet  Supermarkets using internet selling are efficient  I prefer buying using internet selling are efficient  I wish to be associated with the supermarket using e-shopping  E-shopping is useful to our economy  E-shopping doesn't add any thing to me  I have ever used a computer  I can buy using the internet  I can access e-shopping services  It is very difficult for people to know how to use e-shopping  I can operate the internet systems regularly	The following statements refer to your awareness of electronic shopping. Please answer the following statements by ticking the answer of your own choice. Use the scale 1= Strongly Disagree, 2= Disagree, 3= Not sure, 4= Agree, 5= Strongly agree  I know how to use the computer  I have ever shopped through the internet  I have ever hard about the e-shopping system  E-shopping is common to me  I have seen other customers using internet buying  I know how to use the internet  I have tried to learn about internet buying from other service providers.  I know where I can get internet services  I have ever hard about e-shopping but don't know how to use it  I prefer buying using internet  Supermarkets using internet selling are efficient  I prefer buying using internet selling are efficient  E-shopping is good for me  I wish to be associated with the supermarket using e-shopping  E-shopping doesn't add any thing to me  I have ever used a computer  I can buy using the internet  I can access e-shopping services  It is very difficult for people to know how to use e-shopping  I can operate the internet systems regularly	The following statements refer to your awareness of electronic shopping. Please answer the following statements by ticking the answer of your own choice. Use the scale 1= Strongly Disagree, 2= Disagree, 3= Not sure, 4= Agree, 5= Strongly agree  I know how to use the computer  I have ever shopped through the internet  I have ever hard about the e-shopping system  E-shopping is common to me  I have seen other customers using internet buying  I have tried to learn about internet buying from other service  I have tried to learn about internet buying from other service  I know where I can get internet services  I have ever hard about e-shopping but don't know how to use it  I prefer buying using internet  I prefer buying using internet  I prefer buying using internet selling are efficient  I wish to be associated with the supermarket using e-shopping  I have ever used a computer  I have ever used a computer  I can access e-shopping services  I can operate the internet  I can operate the internet segularly  I can operate the internet systems regularly

	The following statements refer to your <b>Trust</b> of electronic shopping. Please answer the following statements by ticking the answer of your own choice. Use the scale 1= <b>Strongly Disagree</b> , 2= <b>Disagree</b> , 3= <b>Not sure</b> , 4= <b>Agree</b> , 5= <b>Strongly agree INTEGRITY</b>	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
I1	Supermarkets don't sell fake and expired products	1	2	3	4	5
I 2	Supermarkets are time conscious when dealing with customers	1	2	3	4	5
I 3	Supermarkets quickly respond to customer complaints	1	2	3	4	5
I 4	Supermarkets honor customer suggestions	1	2	3	4	5
I 5	Supermarkets respect customers	1	2	3	4	5
	RELIABILITY					
R1	I can quickly buy the products I need from the supermarket	1	2	3	4	5
R 2	I can access the supermarket all the time	1	2	3	4	5
R 3	Supermarkets can accept receiving retuned expired or damaged	1	2	3	4	5

	products.					
		Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
R 4	Supermarket workers can serve all hours	1	2	3	4	5
R 5	Supermarket workers fulfill all their promises	1	2	3	4	5
	COMMITMENT					
C1	I can not leave this supermarket as a customer	1	2	3	4	5
C 2	I refer other customers to this supermarket	1	2	3	4	5
C 3	I believe this supermarket can serve me adequately	1	2	3	4	5
C 4	I do feel a strong sense of belonging to this supermarket	1	2	3	4	5
	BENEVOLENCE					
B1	I would like to see e-shopping accepted in Uganda	1	2	3	4	5
B2	I would recommend a supermarket using e-shopping to others	1	2	3	4	5
В3	I believe this supermarket can easily operate internet selling	1	2	3	4	5
B4	This supermarket cares about its customers	1	2	3	4	5
	The following statements refer to your <b>perception</b> of electronic					
	shopping. Please answer the following statements by ticking the	igly gree	gree	Sure	ee	igly ee
	answer of your own choice.	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
	PERCEIVED EASE OF USE	97 1	I			<b>J</b> 1
E1	Learning to operate e-shopping would be easy for me	1	2	3	4	5
E2	I think it is easy to select the products I want using the internet	1	2	3	4	5
E3	I believe I can quickly pay online	1	2	3	4	5
E 4	I would find it easy to get a supermarket operating e-shopping	1	2	3	4	5
E 5	I would find e-shopping system flexible to use	1	2	3	4	5
E 6	It would be easy for me to become skillful while using e-shopping	1	2	3	4	5
E 7	I would find e-shopping system easy to use	1	2	3	4	5
	PERCEIVED USEFULNESS	1	2	3	4	5
U1	Using e-shopping would enable me to accomplish my shopping tasks quickly.	1	2	3	4	5
U2	Using e-shopping would enhance my shopping procedures	1	2	3	4	5
U3	Using e-shopping would save me more time	1	2	3	4	5
U4	Using e-shopping would make it easier for me to get products that I want	1	2	3	4	5
U5	I would find e-shopping useful	1	2	3	4	5
U6	Using e-shopping would enable me save more resources	1	2	3	4	5
	PERCEIVED RISK	1	2	3	4	5
K1	I fear of losing my money while using internet marketing	1	2	3	4	5
K2	My products may not reach me when I use e-shopping	1	2	3	4	5
K3	Unstable internet connections may affect e-shopping operations	1	2	3	4	5
K4	Hackers are not a threat to e-shopping	1	2	3	4	5
	11 0	<b></b>		1	<u> </u>	_
K5	I feel secure while using e-shopping	1	2	3	4	5

	exposed in e-shopping					
K7	E-shopping creates more problems than it could solve	1	2	3	4	5

	The following statements refer to your <b>readiness to accept electronic shopping</b> . Please answer the following statements by ticking the answer of your own choice.	Strongly Disagree	Disagree	Not Sure	Agree	Strongly Agree
D1	ATTITUDE  I believe I can use e-shopping	1	2	3	4	5
D2	I believe e-shopping can improve performance of the shopping sector	1	2	3	4	5
D3	The use of e-shopping improves the shopping procedures	1	2	3	4	5
D4	E-shopping can be adapted to assist customers in shopping procedures	1	2	3	4	5
D5	E-shopping system offers supermarkets a remarkable opportunity to improve customer care	1	2	3	4	5
D6	E-shopping system represents a violation of customer's privacy	1	2	3	4	5
	BEHAVIOR INTENTION	1	2	3	4	5
N1	I feel comfortable with e-shopping	1	2	3	4	5
N2	Using e-shopping would make me great	1	2	3	4	5
N3	I feel threatened when others talk about e-shopping	1	2	3	4	5
N4	E-shopping technology doesn't scare me	1	2	3	4	5
N5	Part of the increase in shopping costs is because of the internet	1	2	3	4	5
	system					
	ACTUAL BENEFITS TOWARDS E-SHOPPING	1	2	3	4	5
G1	I will use e-shopping because it saves time	1	2	3	4	5
G2	I will adopt e-shopping because I trust it	1	2	3	4	5
G3	I am ready for e-shopping	1	2	3	4	5
G4	I not ready to use e-shopping on a routine basis	1	2	3	4	5
G5	Whenever possible I will try to avoid e-shopping	1	2	3	4	5
G6	To the extent possible I would use the internet while shopping	1	2	3	4	5
G7	To the extent possible, I would use the internet in shopping related activities frequently.	1	2	3	4	5

# **GENERAL QUESTIONS**

	END
4.	What do you think can be the benefits if e-shopping if put in place?
3.	What do you think is needed to facilitate e-shopping in Uganda's Supermarkets?
2.	In your opinion, has e-shopping worked in Uganda?
1.	In your own view, what do you consider to be e-shopping?