

## PDF - MEASURING THE EFFECTIVENESS OF ONLINE SHOPPING (A CASE STUDY OF KONGA) -

researchcub.info Online shopping is becoming quite popular in Nigeria, due to its relative convenience and the reasonable prices of goods and services available online. In a city like Lagos with an estimated population of 21 million people, the conventional means of shopping, which involves physically visiting stores, can be tedious and time-consuming. In 2014 Nigeria recorded over \$2 million worth of online transactions per week and close to \$1.3 billion monthly. Nigeria's e-commerce market is developing rapidly, with an estimated growth rate of 25 percent annually.

According to an online researcher, e-marketer, while online shopping across the rest of the world is growing at 16.8 per cent, Africa's online shopping space is growing at a rate of 25.8 per cent – making it the fastest growing in the world. Nigerians are notorious for their love of online shopping.

The Euromonitor Nigeria in a 2011 report revealed that Nigerians spend \$6.3 billion per year on clothing. In a recent survey conducted by Philip Consulting 38 percent of Nigerians prefer to buy products through the internet. Middle class consumers are the biggest purchasers online. Nigeria's middle class now accounts for 28 percent of the population, and the middle class are well educated, with 92 percent having completed a post-secondary school education. This middle class is brand conscious and tech savvy and their technology of choice is a mobile device.

Also in some advanced countries of the world, online shoppers were distributed into five major job categories which were, top management executives, other white collar workers, business man and self-employed, blue collar workers, retired and unemployed and housewives. In which top management executives were among the heavy online shoppers (Ong, 2010).

Konga.com which is a case study in this research is a Nigerian electronic commerce company founded in 2012 with headquarters in Yaba, Lagos. They started with 20 staffs. It offers a third-party online marketplace, as well as first-party direct retail spanning various categories including consumer electronics, fashion, home appliances, books, children's items, and personal care products. In January 2015, Konga was ranked as the most visited Nigerian website by Alexa Internet. According to CEO Sim Shagaya, Konga "leads the field in Nigeria today [early 2015] in Gross Merchandise Value," a metric measuring the total value of merchandise sold through a particular marketplace. Konga announced it acquired the assets and mobile money license of Zinternet Nigeria Limited in June 2015, thereby meeting the Central Bank of Nigeria's legal requirement for the provision of mobile payment services. The acquisition will support KongaPay, launched in August 2015, Konga's solution to facilitate uptake of cashless electronic payments.

### **1.2 STATEMENT OF THE PROBLEM**

Online shopping is becoming popular throughout the world including Nigeria. This study is to ascertain the factors that contribute to the effectiveness of online shopping among Nigerian consumers using Konga as a case study. Previous studies examining the role of Subjective norms (SN), previous purchase experience (PPE) and perceived risk (PR) were inconsistent and a higher proportion of the findings were with respect to consumer's behavior in the West which cannot be directly applied to a cross-cultural context. The purpose of the study is to investigate the relationships between these variables and the variables of models that are associated with effectiveness of online shopping in Nigeria.

### **1.3 OBJECTIVES OF THE STUDY**

The following are the objectives of this study:

To examine the effectiveness of online shopping in Nigeria.

To determine the level of patronage for the online stores in Nigeria.

To identify the factor militating against online shopping acceptance in Nigeria.

#### **1.4 RESEARCH QUESTIONS**

What is the effectiveness of online shopping in Nigeria?

What is the level of patronage for the online stores in Nigeria?

What are the factors militating against online shopping acceptance in Nigeria?

#### **1.6 SIGNIFICANCE OF THE STUDY**

The following are the significance of this study:

The outcome of this study will educate the Nigerian general public on the effectiveness and advantages of shopping online.

This research will also serve as a resource base to other scholars and researchers interested in carrying out further research in this field subsequently, if applied will go to an extent to provide new explanation to the topic.

#### **1.7 SCOPE/LIMITATIONS OF THE STUDY**

This study on measuring the effectiveness of online shopping a case study of Konga will cover all issues related to online purchases of goods with a view of ascertaining the effectiveness and reliability of such services.

##### **LIMITATION OF STUDY**

**Financial constraint-** Insufficient fund tends to impede the efficiency of the researcher in sourcing for the relevant materials, literature or information and in the process of data collection (internet, questionnaire and interview).

**Time constraint-** The researcher will simultaneously engage in this study with other academic work. This consequently will cut down on the time devoted for the research work.

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