

**AN ANALYSIS OF FACTORS AFFECTING ONLINE SHOPPING
BUSINESS IN KENYA**

(A Case Study of Beauty bay)

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ABSTRACT

The study will seek to uncover the problems businesses in Kenya are facing in trying to move from the traditional physical address selling to selling their products online, which is causing a continual stagnation in growth. The specific objectives were to analyse the influence of the pressure of competition both local and international in the decision to go online. To analyze what influence changes in technology has on the ever changing ways of doing business and if it is an influence on businesses in Kenya going online. To find out the influence of government policy in the apparent stagnation of businesses going online. To analyze the effect of globalization on online businesses in Kenya.

The research design adopted was the descriptive research design: the study aimed at describing the causes for the stagnation in online shopping in Kenya in relation to other economies and this research design was deemed most appropriate. The target population was the management committee, web designers, online sales staff and delivery staff who were all totaling to 85. Stratified random sampling design was used to develop the various categories of respondents to form the study population.

The main source of secondary information was published guides, investment conventions journals, Kenya national bureau of statistics, world business economic statistics and excerpts from interviews and commentaries. Primary sources included use of questionnaires, structured and unstructured interviews and participation from the staffs.

Majority of the respondents felt that the government's failure or slowness to address ICT Policy and strategy in a cohesive and comprehensive manner, which would have provision for an e-transactions bill. Security and delivery also weighed heavily on their reasons for refraining from going online.

The recommendations were drawn partly from secondary data from a research done in late in 2010 where TNS released a Kenya digital study as part of a three month study of the habits of