



**"Factors Influencing Online Purchase Intentions at Addis Ababa University  
College of Business and Economics: A Case Study of Kiosks"**

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Fulfillment of the Requirement of the Degree of Master of Business  
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## DECLARATION

I, Bisrat Mulugeta, declare that this thesis entitled “**Factors Influencing Online Purchase Intentions at Addis Ababa University College of Business and Economics: A Case Study of Kiosks**” is done by me and it has not been submitted for any degree to any other institution or university. I also confirm that all sources of materials used for this thesis has been properly acknowledged.

Declared by Bisrat Mulugeta Chane

Date: 22/01/2025 G.C

Signature



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## CERTIFICATION

This is to certify that Bisrat Mulugeta performed under my supervision on the research paper. Factors Influencing Online Purchase Intentions at Addis Ababa University College of Business and Economics: A Case Study of Kiosks. I certify that this thesis is his original work and can be submitted for partial fulfillment of the requirements for the award of Masters of Art in Business Administration.

*Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.*

Advisory's Name; Abera Legesse (PhD)

Date: 22/01/2025 G.C

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A handwritten signature in black ink, appearing to read 'Abera Legesse', written over a horizontal line. The signature is stylized and cursive.

### Certificate of Approval

This is to certify that the thesis prepared by Bisrat Malugeta entitled Factor Influencing Online Purchase intentions at Addis Ababa University college of Business and Economics: a case study of Kiosks was submitted in partial fulfillment of the requirements for the degree of Masters of Business Administration with the regulations of the university and meets the accepted standards with respect to originality and quality.

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## **ABSTRACT**

*This study investigates the factors influencing online purchase intentions among students at Addis Ababa University College of Business and Economics, focusing specifically on kiosk services. As e-commerce continues to grow, understanding the determinants that affect students' willingness to engage in online transactions is essential for enhancing service delivery and marketing strategies.*

*The research employs a mixed-methods approach, combining quantitative surveys and qualitative interviews to gather data from a diverse sample of students. Key factors examined include perceived ease of use, trust in online platforms, social influence, and perceived value.*

*Findings indicate that trust and perceived ease of use significantly impact students' intentions to purchase online. Additionally, social influence plays a crucial role in shaping purchasing behaviors within the university community. The study concludes by providing recommendations for kiosk operators and policymakers to improve online purchasing experiences, ultimately fostering a more robust e-commerce environment in academic settings.*

*This research contributes to the existing literature on online purchasing behavior in developing contexts and offers insights for future studies on e-commerce adoption among university students.*

**Keywords: online shopping, purchase intention, Addis Ababa University, e-commerce, student behavior, trust, social media marketing.**

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## **ACRONYMS**

**ANOVA:** Analysis of variance

**SPSS:** Statistical Package for Social Science

**CS:** Customer Satisfaction

**T:** Trust

**SB:** Switching Barrier

**P:** Price

**BI:** Brand image

**CR:** Customer Retention

**EDT:** Expectancy Disconfirmation Theory

**SD:** Standard Deviation

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1 Background of the Study

The rapid growth of the internet and advancements in technology has revolutionized the way people shop and make purchases. Online shopping has emerged as a convenient and accessible alternative to traditional brick-and-mortar stores, allowing consumers to browse and purchase products or services from anywhere and at any time. This shift has been driven by several factors, including the convenience of avoiding long queues, the ability to compare prices and features of products easily, and the availability of a vast array of items that cater to various needs and preferences. These advantages have made online shopping increasingly popular across different demographics, particularly among younger, tech-savvy consumers.

In this digital era, understanding the factors that influence purchase intentions in online shopping is crucial for businesses, marketers, and researchers. Identifying these factors enables businesses to develop targeted strategies that address customer needs, enhance satisfaction, and improve overall shopping experiences. Purchase intention, defined as a consumer's likelihood to buy a product or service, is a key indicator of future buying behavior. Various factors, such as social media influence, trust and security, and mobile accessibility, have been identified in previous research as significant determinants of online shopping behavior.

Social media platforms, such as Facebook, Instagram, and Twitter, play a pivotal role in shaping consumer behavior by influencing their attitudes and preferences. These platforms have become integral to consumers' daily lives, providing businesses with powerful tools to engage directly with potential customers. Through advertisements, influencer marketing, and peer reviews, social media serves as an essential medium for product discovery and decision-making. Research has shown that social media influence is positively associated with online shopping intentions, particularly among younger demographics that actively use these platforms for information and recommendations.

In addition to social media, trust and security are critical components of online shopping. Consumers are often required to provide personal and financial information, making trust a key factor in their decision-making process. When shoppers perceive an online platform as trustworthy and secure, they

are more likely to make purchases confidently. Similarly, mobile accessibility the ease with which consumers can access online shopping platforms via smartphones has further enhanced the convenience of online shopping, allowing users to shop on-the-go.

This study focuses on the purchase intentions of students at Addis Ababa University College of Business and Economics. By examining the specific roles of social media influence, trust and security, and mobile accessibility, this research aims to provide valuable insights for e-commerce growth and tailored marketing strategies in the Ethiopian context.

Online shopping, also known as e-commerce refers to the process of buying and selling goods or services over the internet. It has experienced significant growth in recent years, with more and more consumers turning to online platforms to make purchases. According to a report by Statist, global e-commerce sales reached over \$4.2 trillion in 2020 and are expected to continue growing in the coming years (Statista, 2021).

Online shopping provides numerous advantages over traditional brick-and-mortar stores, including convenience, a broader selection of products, and the ability to compare prices with ease. These benefits allow consumers to make informed decisions without the limitations of geographical boundaries or time constraints. Moreover, the increasing adoption of smartphones and other mobile devices has significantly enhanced the accessibility of online shopping. Consumers can now browse and make purchases on-the-go, which has transformed the way they interact with e-commerce platforms and retailers. This convenience has contributed to the rapid growth of online shopping globally, making it an integral part of modern commerce.

Numerous factors have been identified in previous research as determinants of purchase intentions in online shopping. These include social media influence, trust and security, and mobile accessibility. Social media platforms, such as Facebook, Instagram, and Twitter, play a critical role in shaping consumer behavior and influencing their shopping decisions. These platforms have become embedded in the daily lives of consumers, particularly young people, providing businesses with opportunities to engage directly with their target audience through advertisements, influencer marketing, and reviews. Studies have consistently shown that social media influence has a significant impact on purchase intentions. For instance, research has demonstrated that social media influence is positively associated with online shopping intentions among young consumers. Similarly, a study

conducted by Ko (2012) revealed that social media significantly influences purchase intentions, particularly among young demographics.

However, the effect of social media influence on purchase intentions is not uniform and may vary based on factors such as the type of product or service being marketed and the characteristics of the target demographic. For example, younger consumers, such as students, may be more responsive to social media marketing efforts, as they are often more engaged with these platforms and rely on them for product discovery, peer recommendations, and feedback. In this context, understanding the specific impact of social media influence on the purchase intentions of students at Addis Ababa University College of Business and Economics is crucial. This demographic presents unique behavioral traits, such as reliance on social networks for information and a growing preference for mobile shopping.

Trust and security are fundamental factors in online shopping, as consumers are often required to share sensitive personal and financial information when making purchases. Trust plays a pivotal role in shaping consumer confidence in e-commerce platforms, influencing their willingness to engage in transactions. Previous research has consistently highlighted the importance of trust and security concerns in determining purchase intentions. For instance, trust was identified as a significant predictor of online shopping behavior in several studies. Chen and He (2013) further emphasized that trust and security are critical elements that strongly impact consumers' willingness to shop online. However, perceptions of trust and security can vary significantly across different demographic groups, including students, due to differences in experience, exposure, and reliance on online platforms. Thus, it is vital to explore how trust and security influence the purchase intentions of students at Addis Ababa University College of Business and Economics, a demographic with unique characteristics and behaviors.

Additionally, the growing use of smartphones and mobile devices has made online shopping increasingly accessible and convenient. Mobile accessibility refers to the ease with which consumers can access online shopping platforms and complete transactions using their mobile devices. Previous studies have shown that mobile accessibility has a substantial impact on consumer purchase intentions, offering seamless browsing and purchasing experiences. As students are avid users of

mobile technology, understanding the combined effect of mobile accessibility, trust, and security on their online shopping behaviors is crucial for tailoring effective strategies in e-commerce.

Mobile accessibility has been identified as a crucial factor influencing online shopping intentions. For instance, Lu et al. (2013) demonstrated that mobile accessibility is positively correlated with consumers' intentions to shop online, emphasizing its role in enabling convenient and efficient access to e-commerce platforms. Similarly, Kim et al. (2013) found mobile accessibility to be a significant predictor of online shopping behavior, further solidifying its importance in driving customer engagement and purchases. Despite these findings, the relevance of mobile accessibility may differ across various demographic groups, such as students, due to their unique characteristics and usage patterns. Understanding the role of mobile accessibility among students requires a focused analysis, particularly in the context of developing countries. In the case of Addis Ababa University College of Business and Economics, it is critical to examine how mobile accessibility affects their purchase intentions and whether it serves as a key driver for engaging with online shopping platforms. Exploring these dynamics can provide deeper insights into how mobile-friendly platforms and accessibility enhancements can be tailored to meet the specific needs of student populations.

## **1.2 Statement of the Problem**

The rapid growth of e-commerce has revolutionized the way consumers shop and make purchasing decisions. Online shopping has gained immense popularity due to its convenience, accessibility, and the diverse range of products and services it offers. Unlike traditional shopping methods, online shopping provides consumers with the ability to browse, compare, and purchase products from the comfort of their homes or on the go, at any time of the day. However, despite its growing popularity, the success and sustainability of online shopping platforms are heavily dependent on understanding and addressing various factors that influence customers' purchase intentions. Businesses and marketers need to identify and analyze these factors to design effective strategies that encourage customers to adopt and continue using online shopping platforms. This research seeks to investigate the effects of social media, trust and security, and mobile accessibility on the purchase intentions of online shoppers, particularly in the context of Addis Ababa University College of Business and Economics.

Social media has become an integral part of everyday life, profoundly shaping the way individuals interact, communicate, and make decisions. Platforms such as Facebook, Instagram, and Twitter are not only tools for social interaction but also vital channels for businesses to connect with their customers. These platforms offer opportunities for businesses to promote products, engage with consumers, and build brand awareness. Additionally, social media facilitates word-of-mouth marketing, where customers share their experiences and opinions about products and services with their networks. This form of marketing is considered one of the most powerful tools for influencing purchase decisions. With the growing reliance on social media for product discovery and recommendations, it is crucial to understand how these platforms impact the purchase intentions of online shoppers, especially young and tech-savvy consumers like students at Addis Ababa University. This research will explore how social media influences their purchasing behavior and the extent to which it shapes their decision-making processes.

Trust and security are also critical factors in the adoption and continued use of online shopping platforms. Unlike traditional shopping, where customers can physically see and touch products before purchasing, online shopping requires consumers to provide sensitive personal and financial information, such as credit card details and home addresses. Therefore, a high level of trust and a strong perception of security are necessary for consumers to feel confident when shopping online. Factors such as the reputation of the e-commerce platform, the use of secure payment systems, the availability of clear privacy policies, and the overall transparency of the platform play a significant role in shaping consumers' perceptions of trust and security. When customers perceive that their data is protected and that the platform is trustworthy, they are more likely to make purchases. This research will investigate how trust and security concerns influence the purchase intentions of students at Addis Ababa University and what measures can enhance consumer confidence in online shopping.

Moreover, the increasing adoption of smartphones and tablets has made mobile accessibility a crucial element of the online shopping experience. Mobile devices have revolutionized e-commerce by enabling consumers to shop anytime and anywhere, providing unmatched convenience. Many online retailers have optimized their platforms for mobile users, offering mobile-friendly websites and dedicated apps to ensure a seamless shopping experience. However, the quality of the mobile shopping experience can significantly impact customers' willingness to purchase online. Factors such as ease of navigation, quick loading times, mobile payment options, and user-friendly interfaces

contribute to enhancing mobile accessibility. For students, who are often heavy users of mobile devices, mobile accessibility may play an even more significant role in influencing their online shopping behavior. This research will examine the effect of mobile accessibility on purchase intentions and identify ways to improve the mobile shopping experience for this specific demographic.

In summary, this study focuses on three critical factors—social media, trust and security, and mobile accessibility—that influence the purchase intentions of online shoppers. By focusing on students at Addis Ababa University College of Business and Economics, the research aims to provide valuable insights into the unique behaviors and preferences of this demographic group. The findings of this study will help businesses and marketers better understand the needs of young consumers in developing economies like Ethiopia and develop tailored strategies to drive online shopping adoption and satisfaction.

### **1.3 Research Question**

- ✓ What is the effect of social media influence the purchase intentions of online shoppers in the context of Addis Ababa University College of Business and Economics?
- ✓ What is the effect of trust and security and the purchase intentions of online shoppers in the context of Addis Ababa University College of Business and Economics?
- ✓ What is the effect of mobile accessibility in purchase intentions of online shoppers in the context of Addis Ababa University College of Business and Economics?

### **1.4 Objectives of the Study**

#### **1.4.1 General Objectives**

The general objective of this study is to investigate the Factors Influencing Online Purchase Intentions at Addis Ababa University College of Business and Economics: A Case Study of Kiosks.

#### **1.4.2 Specific Objectives**

Specific objectives are:

- ✓ To Examine the Effect of Social Media on Purchase Intention.

- ✓ To Assess the Role of Trust and Security in Online Shopping.
- ✓ To Evaluate the Effect of Mobile Accessibility on Purchase Intention.
- ✓ To Identify Interrelationships Among Social Media, Trust, Security, and Mobile Accessibility.

## **1.5 Significance of the Study**

The significance of this study lies in its comprehensive examination of the factors influencing customers' purchase intentions in the context of online shopping, specifically focusing on social media, trust and security, and mobile accessibility. The findings will provide valuable insights for various stakeholders, including e-commerce businesses, policymakers, and academicians.

For e-commerce businesses, the study will offer practical guidance on how to leverage social media, enhance trust and security, and improve mobile accessibility to increase their sales. By understanding the effects of these factors on purchase intentions, businesses can develop targeted strategies to optimize their online presence and better meet the needs of their customers. This will ultimately contribute to their competitiveness and success in the rapidly growing e-commerce market.

Policymakers can benefit from the findings by developing guidelines and regulations that promote a secure and trustworthy online shopping environment. Ensuring that customers feel confident in making online transactions is crucial for the growth and sustainability of e-commerce. The study's results can inform policy decisions related to data privacy, security standards, and consumer protection, fostering a safe and thriving digital economy.

From an academic perspective, the research will contribute to the existing body of knowledge on e-commerce and consumer behavior. The study's focus on the context of Addis Ababa University College of Business and Economics provides a unique opportunity to explore the specific factors influencing purchase intentions in this population. The findings will serve as a foundation for future research in this area, stimulating further investigations and advancing our understanding of the complex relationships between social media, trust and security, mobile accessibility, and customers' purchase intentions.

In summary, the significance of this study lies in its potential to inform and guide the decisions of e-commerce businesses, policymakers, and academicians. By providing a comprehensive understanding

of the factors influencing customers' purchase intentions in the context of online shopping, the study will contribute to the development of effective strategies for enhancing

customer satisfaction, ensuring a secure and trustworthy online shopping environment, and fostering the growth of e-commerce.

## **1.6 Scope of the Study**

The scope of this study is to investigate the effects of social media, trust and security, and mobile accessibility on customers' purchase intentions in the context of online shopping, specifically focusing on Addis Ababa University College of Business and Economics. The study will involve a survey of students, faculty, and staff at the university, collecting data on their online shopping experiences, preferences, and behaviors. The research will be limited to the population of Addis Ababa University College of Business and Economics, and the findings may not be generalizable to other populations or regions. The study will cover various aspects of social media, including its role in product promotion, customer engagement, and customer service. Trust and security will be examined in terms of website security features, privacy policies, and fraud protection measures. Mobile accessibility will be assessed based on the user- friendliness and functionality of e- commerce websites and mobile apps. The study will not delve into other factors that may influence purchase intentions, such as product pricing, quality, or customer reviews.

By focusing on these specific factors, the study aims to provide actionable insights for e- commerce businesses, policymakers, and academicians to enhance the online shopping experience and increase customer purchase intentions.

## **1.7 Definitions**

**Customer** is an individual or entity that purchases an insurance policy from an insurance company in exchange for premium payments (Smelser & Swedberg, 2010).

**Retention:** retention refers to the ability of an insurance company to maintain existing policyholders by renewing their insurance policies(Rejda, 2005).

**Customer Retention:** Customer retention refers to the strategies and efforts employed by insurance companies to retain existing policyholders and prevent them from switching to competitors(Stanek et al., 2003).

**Customer Satisfaction:** Customer satisfaction refers to the degree to which policyholders feel content with their insurance company's products, services, and interactions(Anderson et al., 1994).

**Trust:** refers to the confidence and reliance that policyholders have in their insurance company to fulfill its promises, including providing coverage as outlined in the policy and handling claims fairly and efficiently(Parasuraman et al., 2005).

**Price:** Refers to the amount of money policyholders pay in exchange for insurance coverage(Lemaire, 2005).

## **1.8 Organization of the Study**

Five chapters make up the study's final report. In the first chapter, the study's background, problem description, objectives, research questions, importance, scope, and structure are covered. There is a review of related material in the second chapter. It is the review of theoretical and empirical literature, the formulation of hypotheses, and the conceptual framework. The third chapter of this research concentrated on the methodology used, which included the research approach, study design, sample frame and sampling techniques, sample size procedure and determination, data collection instrument, data collection procedure, methods of data analysis (statistical procedures), and data validity and reliability. Data analysis, interpretation, and presentation are covered in Chapter 4. Lastly, chapter five summarizes the study's main conclusions, research findings, and suggestions. The study's conclusion, key research findings, and suggestions are finally compiled in chapter five.

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURE**

### **2. Introduction**

This chapter mainly emphasized on the theoretical and literature part of the study undertaken. On the chapter it tried to see the theoretical base for Factors influencing customer purchase intention on online shopping Factors Influencing Online Purchase Intentions at Addis Ababa University College of Business and Economics: A Case Study of Kiosks Under this their definition and components under this topic will be discovered. On the later part of the chapter conceptual framework and related research done before by different scholars and their results in terms of the target purpose will be seen.

### **2.1. Theoretical Literature Review**

#### **2.1.1. The concept of Purchase Intention**

Purchase intent reflects the possibility that customers will intend to buy or are willing to buy a specific good or service in the present (Shang et al., 2020). Previous study has shown that an increase in purchase intention corresponds to an increase in the likelihood of making a purchase. When customers have such a strong purchasing intention, good brand involvement will encourage them to make that purchase. Additionally, purchase intention is the desire to buy a specific goods or service within a specific time frame. According to Le-Hoang (2020), the consumer's desire to purchase from an e-commerce business has an impact on online purchasing intentions. If consumers are aware of and familiar with e-commerce business, they are more interested in visiting an online shopping site with the intention of making a purchase (Dapas et al., 2019; Ghahtarani et al., 2020). The decision to purchase represents whatever customers' expectations they would buy in the future to meet their needs and desires (Rita et al., 2019). Nevertheless, due to unpredictable circumstances, customers' intentions may change. Thus, it is critical for businesses to take proactive steps to ensure that their goods and services are favorably considered by their customers (Naszariah et al., 2021).

Consumer purchase intentions are frequently influenced by marketing approach, attitudes, as well as how much buyers concern about the deals offered by a specific business (Jung et al.,

2020). As a result, it is an essential need for online businesses to fulfill customer requirements in terms of enhancing purchase intentions (Dastane, 2020). Purchase intentions is being used to evaluate a potential distribution system, allowing managers in determining if the concept needs further development and deciding which geographical area and customer demographics to seek through all the channel (Akram et al., 2021). Their significance derives from the fact that intentions are regarded as the primary determinant of future actions (Thomas et al., 2019).

### **2.1.2. Customer Purchase Intention**

Customer purchase intention refers to a consumer's inclination or likelihood to buy a product or service based on various influencing factors. It is crucial for businesses to gauge purchase intentions as they directly correlate with actual purchasing behavior and sales performance. Several theories explain customer purchase intention, including the Theory of Planned Behavior (Ajzen, 1991), which posits that attitudes, subjective norms, and perceived behavioral control significantly influence intentions. Recent studies (Mohamed & Pati, 2022; Singh et al., 2023) have expanded on these frameworks by integrating factors like trust, perceived risk, and social influence in the context of online shopping. Customer purchase intention refers to a consumer's inclination or likelihood to buy a product or service based on various influencing factors. It is crucial for businesses to gauge purchase intentions as they directly correlate with actual purchasing behavior and sales performance.

Trust in online vendors significantly impacts purchase intention. Research by Wondimu et al. (2021) indicates that perceived trustworthiness enhances consumer confidence in e-commerce platforms, thereby increasing purchase likelihood. Online shopping entails various risks (financial, privacy, and product-related). A study by Ali and Alharbi (2020) found that higher perceived risk negatively influences purchase intention among students. Recommendations and reviews from peers can significantly affect purchasing decisions. As noted by Asfaw (2023), social media engagement and peer influence are pivotal in shaping students' online shopping intentions.

The convenience associated with online shopping, such as ease of access and time-saving aspects, has been shown to enhance purchase intentions (Haider & Shamsher, 2021). Price perception plays a critical role in consumer behavior. Research by Gebremedhin and Kahsay

(2022) illustrates that competitive pricing positively influences students' purchase intentions. Recent studies emphasize the increasing role of Online shopping refers to the process of purchasing goods and services via the internet. The advent of digital technology has reshaped retail, enabling consumers to shop from anywhere at any time. In Ethiopia, online shopping is gaining traction, particularly among the youth demographic mobile commerce among university students. A survey by Tesfaye (2024) indicates that mobile applications significantly enhance the online shopping experience, thus boosting purchase intentions. Furthermore, the COVID-19 pandemic has accelerated the shift toward online shopping, making it essential to understand the evolving factors that influence purchase intentions in this context (Kebede & Mehari, 2023).

### **2.1.3. Online Shopping**

Online shopping refers to the process of purchasing goods and services via the internet. The advent of digital technology has reshaped retail, enabling consumers to shop from anywhere at any time. In Ethiopia, online shopping is gaining traction, particularly among the youth demographic. E-commerce in Ethiopia is characterized by a mix of local and international platforms.. Despite challenges such as internet accessibility and payment infrastructure, studies show a significant increase in online shopping activities among university students (Kedir et al., 2022).

The capacity of clients to make digital purchases in all facets of e-business marketing is known as purchase intentions (Chen, Hsu & Lin, 2010; Pavlou & Fygenon, 2006). According to Childers et al. (2001), internet shopping thereby enhances the shopping experience for consumers and saves time without any delays or checkout lines. Consumers may now buy thousands of products and services from a wide range of international internet retailers (Rahman, 2018). Customers are therefore more likely to select goods that are specially designed to meet their needs and financial constraints.

Infrastructure Issues:- Poor internet connectivity and inadequate logistics services hinder the growth of online shopping (Abebe & Hailu, 2023). Payment Systems:- Limited access to digital payment methods poses challenges for consumers. According to Belayneh (2023), enhancing payment options could significantly increase purchase intentions.

Consumer Awareness:- Lack of awareness about the benefits of online shopping limits its adoption. A study by Desta (2024) indicates that educational initiatives could improve understanding and acceptance among students. The future of online shopping in Ethiopia appears promising, with increasing smartphone penetration and digital literacy. Recent findings suggest a shift towards personalized shopping experiences, driven by data analytics and AI (Tadesse, 2024). Additionally, social commerce is emerging as a powerful tool, leveraging social media platforms to enhance consumer engagement and purchase intention (Merga, 2023).

Understanding the factors influencing customer purchase intention in online shopping at AAU-CBE is critical for developing effective marketing strategies and improving the overall e-commerce environment in Ethiopia. By analyzing trust, perceived risk, social influence, convenience, and price sensitivity, this research aims to provide actionable insights for stakeholders in the e-commerce sector.

#### **2.1.4. Factors influencing customer purchase intention on online shopping**

The rapid growth of e-commerce has transformed how consumers make purchasing decisions, particularly among students and young adults. This research focuses on the factors influencing customer purchase intentions in online shopping, specifically targeting students at Addis Ababa University College of Business and Economics. The study aims to examine the influence of social media, trust and security, mobile accessibility, and the interrelationships among these factors, ultimately providing recommendations.

##### **2.1.4.1. Influence of Social Media on Purchase Intention**

Social media platforms have become crucial in shaping consumer behavior and influencing purchase intentions. The Social Influence Theory posits that individuals' beliefs and behaviors are shaped by social interactions and communications. This is particularly relevant in the context of online shopping, where social media serves as a source of information and peer recommendations. Recent studies indicate that social media marketing significantly affects purchase intentions among young consumers. For instance, a study by Kaur and Kaur (2021) found that 72% of respondents were influenced by product recommendations on social media platforms, leading to higher purchase intentions. Additionally, the interactive nature of social

media allows for real-time engagement and feedback, enhancing the trustworthiness of online retailers (Khan, 2023).

In the context of Addis Ababa University, students frequently engage with social media for product discovery and reviews. This research will investigate how social media interactions shape their purchasing decisions and whether platforms like Facebook and Instagram serve as effective marketing tools for e-commerce businesses.

Social media platforms have become pivotal in shaping consumer attitudes and behaviors. Research indicates that platforms like Facebook, Instagram, and Twitter significantly influence purchase intentions through targeted advertising, peer recommendations, and influencer marketing (Khan & Jan, 2021).

A study by Aydin et al. (2022) found that social media engagement enhances brand awareness and fosters emotional connections, leading to increased purchase intentions. The interactive nature of social media allows consumers to seek opinions and reviews from peers, which can enhance their confidence in making purchases (Bhandari & Bansal, 2020).

Moreover, social media's role in creating a sense of community among users can further amplify its impact on purchase intention. According to a survey conducted by Meng et al. (2023), 70% of respondents reported that they were more likely to purchase a product after seeing it endorsed by friends or influencers on social media. In summary, the influence of social media on purchase intention is profound and multifaceted, making it a crucial area of investigation for this research.

#### **2.1.4.2. Role of Trust and Security in Online Shopping**

As per the results of a prior study, consumers are aware that making an online purchase is dangerous; consequently, trust plays a crucial role in persuading them to complete the transaction (Maia et al., 2019). According to the findings of a 2019 study by Mosunmola et al., because it lowers perceived risk and boosts customer satisfaction, consumer confidence in online platforms is crucial to corporate strategy and should be taken into consideration. Rehman et al. (2019) assert that the idea utilized across a variety of fields, such as management, psychology, the social sciences, and many more, has no particular meaning. Furthermore,

danger to the customer's desire to purchase is believed to act as a mediator between the effects of trust (Ashraf et al., 2020). There is a clear association between customers' trust and their capacity to make online purchases, according to various trust experts (Kaur & Arora, 2021). Furthermore, trust is a key and major variable in online commerce, according to Quang and Thuy (2022), and customers would feel more comfortable making purchases online when trust increases (direct impact). Accordingly, customers are less likely to feel risky while making purchases online as trust grows (Liew & Falahat, 2019). Customers won't purchase online if they have less trust (Cheng et al., 2019).

The Technology Acceptance Model (TAM) emphasizes how crucial perceived utility and simplicity of use are to the adoption of new technologies. Two important factors that affect these impressions in online buying settings are trust and security. Customers must trust their platforms and feel safe doing business with them. Research shows that trust has a big influence on people's online buying habits. Rahi et al. (2019) observed that purchase intentions positively correlated with confidence in e-commerce platforms. Moreover, 61% of respondents said that they were afraid about fraud, which is still the biggest obstacle to online purchasing (Saha, 2022). This study will investigate the effects of perceived security and trust in online shopping on Addis Ababa University students' purchase intentions. The investigation gives the measures that e-commerce platforms can implement to enhance customer trust.

Trust and security are fundamental components affecting consumer confidence in online shopping environments. According to a study by Zhang et al. (2019), perceived security directly influences purchase intentions, with consumers being more likely to engage in transactions when they feel their personal information is protected. Research by Alshurideh et al. (2021) highlights that trust in online retailers is built through transparent communication regarding privacy policies and secure payment options. In the context of Addis Ababa University, where many students may be new to online shopping, establishing trust is crucial for encouraging purchases. Furthermore, the lack of trust can lead to cart abandonment, as highlighted by a report from Statista (2022), which found that 18% of online shoppers abandon their carts due to concerns over security. This underscores the necessity for e-commerce platforms to prioritize trust- building measures. In conclusion, trust and security are vital determinants of purchase intention, necessitating further exploration within this research.

### **2.1.4.3. Effect of Mobile Accessibility on Purchase Intention**

The Mobile Acceptance Model (MAM) extends TAM by incorporating mobile-specific factors influencing user acceptance of mobile applications. Mobile accessibility includes the ease of use, convenience, and availability of online shopping platforms on mobile devices. The rise of mobile commerce has led to an increased focus on mobile accessibility. A study by Dholakia et al. (2020) revealed that 65% of respondents preferred shopping through mobile devices due to their convenience and speed. Additionally, mobile-friendly websites and apps enhance user experience, directly impacting purchase intentions (Banna et al., 2021).

In this research, we will evaluate how mobile accessibility influences purchase intentions among students at Addis Ababa University. The study will assess whether students prefer mobile platforms for shopping and how this preference affects their overall purchasing behavior. Mobile accessibility has revolutionized the online shopping experience, particularly among younger demographics such as university students. Research by Gupta and Singh (2021) indicates that mobile-friendly websites and applications significantly enhance user experience, thereby increasing purchase intentions. According to a study by Chaffey (2023), 79% of smartphone users have made a purchase using their devices in the past year. Mobile accessibility allows consumers to shop anytime and anywhere, catering to the fast-paced lifestyle of students. Moreover, features like one-click purchasing streamline the buying process, reducing barriers to transaction completion (Hassan et al., 2020). However, it is essential to consider that poor mobile experiences can deter purchases. A study by Aydin et al. (2022) found that slow loading times and complicated navigation negatively impacted purchase intentions. Overall, mobile accessibility is a significant factor influencing online shopping behavior among students at Addis Ababa University.

### **2.1.4.4. Interrelationships among Social Media, Trust, Security, and Mobile Accessibility**

Systems Theory suggests that various components of a system interact and influence one another. In the context of online shopping, social media, trust, security, and mobile accessibility are interconnected factors that collectively influence consumer behavior. Studies have shown that trust can mediate the relationship between social media influence and purchase intentions.

For example, Yadav et al. (2021) found that effective social media marketing enhances trust in e-commerce, which in turn increases purchase intentions. Additionally, mobile accessibility can amplify the effects of social media marketing by providing immediate access to products and services (Mahmoud et al., 2023). This study will analyze the interrelationships among these factors, focusing on how they collectively influence students' purchase intentions. Understanding these dynamics will help identify key leverage points for e-commerce platforms to enhance their marketing strategies.

The interplay between social media, trust, security, and mobile accessibility creates a complex web that influences purchase intention. Research by Kaur et al. (2022) suggests that social media can enhance trust by providing platforms for customer feedback and reviews, thereby fostering a sense of community. Moreover, mobile accessibility can amplify the effects of social media marketing; users can easily share products they like with friends or make purchases directly from social media ads (Zhang et al., 2023). Conversely, if consumers perceive a lack of security on mobile platforms, their trust may diminish, negatively impacting their purchase intentions.

#### **2.1.4.5. Recommendations for E-Commerce Platforms**

The Continuous Innovation Theory posits that ongoing improvements and adaptations in products and services are essential for maintaining customer interest and satisfaction. E-commerce platforms must innovate continually to meet the evolving needs of consumers. Recommendations for e-commerce platforms based on recent studies include enhancing user experience through mobile optimization, improving trust-building measures (e.g., secure payment gateways), and leveraging social media effectively for marketing (Saha, 2022; Khan, 2023). Providing customer service through social media channels can also improve trust and enhance customer satisfaction (Dholakia et al., 2020).

This research will culminate in practical recommendations for e-commerce platforms targeting students at Addis Ababa University. These recommendations will focus on improving trust, enhancing mobile accessibility, and leveraging social media to drive purchase intentions. The factors influencing customer purchase intentions in online shopping are multifaceted and interconnected. By examining the roles of social media, trust, security, and mobile accessibility,

this research aims to provide valuable insights into the purchasing behaviors of students at Addis Ababa University College of Business and Economics. The findings will contribute to the understanding of e-commerce dynamics in emerging markets and offer practical recommendations for enhancing online shopping experiences.

**Enhance Social Media Engagement:** E-commerce platforms should invest in robust social media marketing strategies that include influencer partnerships and user-generated content to build brand awareness and trust. **Prioritize Security Measures:** Implementing transparent privacy policies and secure payment options will help build consumer trust and encourage purchases. **Optimize Mobile Experience:** E-commerce sites must ensure mobile optimization by focusing on fast loading times and user-friendly navigation to facilitate seamless shopping experiences. **Leverage Customer Feedback:** Encouraging reviews and testimonials on social media can enhance trust while also providing valuable insights for improving service offerings. **Create Community Spaces:** Platforms could develop community features where users can share experiences and recommendations, fostering a sense of belonging that enhances purchase intentions.

This research will contribute valuable insights into the factors influencing customer purchase intentions in online shopping among students at Addis Ababa University College of Business and Economics. By examining the roles of social media, trust and security, mobile accessibility, and their interrelationships, this study aims to provide actionable recommendations for e-commerce platforms seeking to engage this demographic effectively.

## **2.2. Theory of the study**

This study will utilize three primary theories to explore the factors influencing customer purchase intentions in online shopping among students at Addis Ababa University College of Business and Economics: the Technology Acceptance Model (TAM), the Trust Theory, and the Social Influence Theory. Each theory provides a unique lens through which to understand the dynamics at play in online shopping behaviors.

### **2.2.1. Social Influence Theory**

Social Influence Theory posits that individuals are influenced by the opinions and behaviors of others, particularly in social contexts (Cialdini & Goldstein, 2004). In online shopping, social media serves as a platform for peer interactions, where users share experiences, recommendations, and reviews. This theory is particularly relevant for university students who often rely on social validation when making purchasing decisions.

Recent findings support this notion. For instance, a study by Alhabash et al. (2021) found that social media significantly affects consumer behavior; with 70% of respondents indicating they were influenced by friends' recommendations on social platforms. Additionally, the role of influencers has been highlighted; according to a report by Influencer Marketing Hub (2023), 86% of marketers believe that influencer marketing is an effective strategy for driving purchase intentions. In the context of Addis Ababa University, students are likely to engage with social media platforms for product discovery and peer recommendations, making Social Influence Theory a fitting framework to examine how these interactions shape purchase intentions.

### **2.2.2. Trust Theory**

Trust Theory emphasizes the importance of trust in facilitating transactions between consumers and online retailers (Mayer et al., 1995). In the realm of e-commerce, consumers often face uncertainties regarding product quality, payment security, and personal data protection. This theory posits that consumers' trust in a platform can significantly influence their willingness to make purchases.

A recent study by Zhang et al. (2022) found that perceived trustworthiness positively correlates with purchase intentions, particularly among young adults. Their research indicated that 75% of participants cited security concerns as a primary reason for abandoning online carts. Similarly, a survey conducted by Statista (2023) revealed that 20% of online shoppers in Ethiopia expressed anxiety regarding data privacy, further emphasizing the need for e-commerce platforms to establish trust.

For students at Addis Ababa University, who may be less experienced in online shopping, establishing a trustworthy environment is crucial for enhancing purchase intentions. Trust

Theory will help elucidate how factors such as secure payment options and transparent privacy policies impact students' online shopping behaviors.

### **2.2.3. Technology Acceptance Model (TAM)**

The Technology Acceptance Model (TAM) suggests that perceived ease of use and perceived usefulness significantly influence users' acceptance of technology (Davis, 1989). In the context of online shopping, mobile accessibility becomes a critical factor as it allows users to shop conveniently from their devices.

Recent studies have demonstrated the relevance of TAM in understanding mobile commerce behaviors. For example, a study by Gupta and Singh (2021) found that mobile-friendly interfaces significantly enhance user experience and increase purchase intentions among university students. Their findings indicated that 78% of respondents preferred shopping via mobile devices due to convenience.

Moreover, research by Aydin et al. (2022) highlighted that slow loading times and complicated navigation deterred users from completing purchases on mobile platforms. As students at Addis Ababa University frequently use smartphones for various activities, applying TAM will help assess how mobile accessibility influences their online shopping intentions.

### **2.2.4. Integrated Model of E-Commerce**

The Integrated Model of E-Commerce combines elements from various theories to explain consumer behavior in online environments (Hsu & Tan, 2017). This model highlights the interdependencies among factors such as social media influence, trust, security, and mobile accessibility.

Research indicates that these factors are not isolated; rather, they interact dynamically to shape purchase intentions. For instance, a study by Kaur et al. (2022) found that positive social media engagement enhances consumer trust while simultaneously improving perceptions of security. Additionally, mobile accessibility amplifies these effects by allowing users to engage with social media content seamlessly.

In the context of Addis Ababa University students, understanding these interrelationships is vital for developing effective marketing strategies. By examining how social media engagement influences trust and security perceptions while facilitating mobile access, this integrated model will provide a comprehensive understanding of the factors driving purchase intentions.

### **2.3. Empirical literature review**

The rapid advancement of technology and the proliferation of internet access have transformed consumer purchasing behaviors, particularly among university students. This literature review examines the critical factors influencing customer purchase intentions in online shopping, focusing on the context of Addis Ababa University College of Business and Economics. The review is structured around four primary themes: the influence of social media, the role of trust and security, the effect of mobile accessibility, and the interrelationships among these factors. Additionally, recommendations for e-commerce platforms will be discussed based on the findings.

Social media has emerged as a powerful tool in shaping consumer behavior and purchase intentions. Studies indicate that social media platforms, such as Facebook, Instagram, and Twitter, significantly impact how consumers perceive brands and make purchasing decisions (Khan & Jan, 2021). Aydin et al. (2022) found that social media engagement positively correlates with purchase intention among university students. Their research highlighted that user-generated content and peer recommendations enhance trust and credibility, leading to increased likelihood of purchases. Similarly, Bhandari and Bansal (2020) demonstrated that social media advertising effectively captures attention, with 65% of respondents indicating they were influenced by social media ads when making purchasing decisions. Furthermore, the role of influencers cannot be overlooked. According to a study by Meng et al. (2023), 72% of participants reported being more inclined to purchase products endorsed by social media influencers. This trend is particularly relevant for students at Addis Ababa University, who are often active on social media platforms and influenced by their peers. In summary, social media serves as a significant driver of purchase intention, providing a platform for consumer engagement and brand interaction. Trust and security are fundamental elements that influence consumer behavior in online shopping environments. Zhang et al. (2019) emphasize that perceived security directly impacts consumers' willingness to engage in online transactions.

Their study revealed that students are particularly sensitive to security concerns, which can deter them from making purchases. Alshurideh et al. (2021) further argue that trust in e-commerce platforms is built through transparent communication regarding privacy policies and secure payment options. Their findings suggest that when consumers feel assured about their data protection, their purchase intentions increase significantly. Moreover, a report by Statista (2022) indicated that 18% of online shoppers abandon their carts due to security concerns. This statistic underscores the importance of implementing robust security measures to build consumer trust. In the context of Addis Ababa University, where many students may lack experience in online shopping, establishing a trustworthy environment is crucial for encouraging purchases. In conclusion, trust and security are essential determinants of purchase intention, necessitating careful consideration by e-commerce platforms.

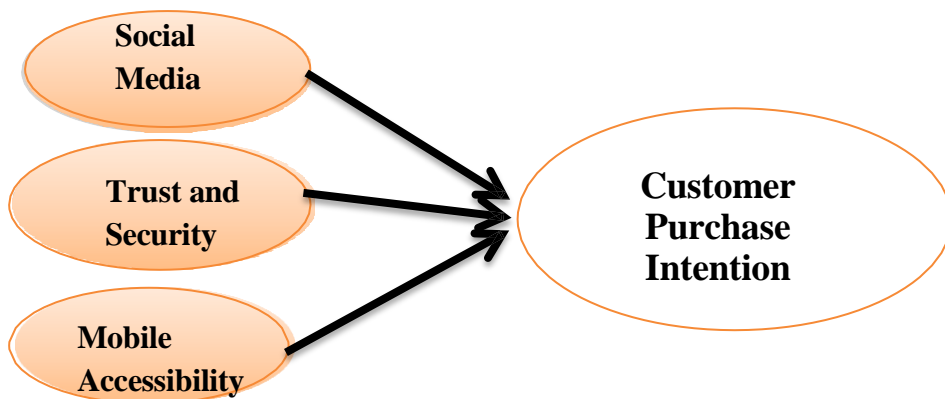
The rise of mobile technology has revolutionized online shopping experiences, especially among younger demographics like university students. Gupta and Singh (2021) found that mobile-friendly websites significantly enhance user experience and increase purchase intentions. Their research highlighted that 79% of smartphone users made a purchase using their devices in the past year. Hassan et al. (2020) noted that mobile accessibility allows consumers to shop anytime and anywhere, catering to the fast-paced lifestyle of students. Features such as one-click purchasing streamline the buying process, reducing barriers to transaction completion. However, it is important to acknowledge that poor mobile experiences can deter purchases. Aydin et al. (2022) found that slow loading times and complicated navigation negatively impacted users' willingness to buy. This emphasizes the need for e-commerce platforms to prioritize mobile optimization to enhance user satisfaction and encourage purchases. In summary, mobile accessibility plays a crucial role in influencing purchase intentions among students at Addis Ababa University.

The interplay between social media, trust, security, and mobile accessibility creates a complex framework influencing purchase intention. Kaur et al. (2022) suggest that social media can enhance trust by providing platforms for customer feedback and reviews, fostering a sense of community among consumers. Moreover, mobile accessibility amplifies the effects of social media marketing; users can easily share products they like with friends or make purchases directly from social media ads (Zhang et al., 2023).

## 2.4. Conceptual Framework

The research was directed by the conceptual framework presented in this section. The conceptual framework establishes the importance of the issue statement and research questions or hypotheses, so grounding the investigation in pertinent knowledge bases, according to Becker (1998). In addition, a conceptual framework comprises theoretical and empirical research that is pertinent to the study of a certain goal. In light of this, the following conceptual model shows the dependent variable, customer purchase intention, as the main variable of interest. The five independent variables—social media, trust and security, and mobile accessibility—are used to try and explain the variation. Tests of the suggested model and associated theories will be conducted inside the Addis Ababa University College of Business and Economics.

**Conceptual Framework/ Model Figure 2.1 Independent variables**



Origin; taken from (Qadri et al., 2014)

Research Hypotheses

## 2.5. Research hypotheses

The research hypotheses are developed to examine the relationships between the independent variables—Social Media Influence, Trust and Security, and Mobile Accessibility—and the dependent variable, Customer Purchase Intention, within the context of students at Addis Ababa University College of Business and Economics. These hypotheses aim to test whether these

factors significantly influence the purchase intentions of online shoppers. Based on the conceptual framework and supporting literature, the following hypotheses are proposed:

### 1. Social Media Influence and Customer Purchase Intention

Social media platforms, such as Facebook, Instagram, and Twitter, have become essential tools for businesses to engage with customers, build brand awareness, and promote products. Research has shown that social media influence can positively affect purchase intentions by facilitating word-of-mouth marketing, creating brand loyalty, and offering tailored recommendations (Ko, 2012; Mangold & Faulds, 2009). However, the extent of social media's impact on purchase intentions may vary depending on how businesses use these platforms to communicate with their audience.

H1: Social media influence has a significant positive effect on customer purchase intention in online shopping.

### 2. Trust and Security and Customer Purchase Intention

Trust and security are crucial factors in determining the adoption of online shopping. Customers are often hesitant to make purchases when they perceive risks, such as data breaches or fraud, associated with an online platform. Studies suggest that trust in an e-commerce platform significantly influences purchase intentions (Gefen et al., 2003; Pavlou, 2003). Similarly, the presence of secure payment systems, privacy policies, and transparent communication about data handling can enhance consumer confidence (Chen & He, 2013). Without trust and security, customers are unlikely to engage with online shopping platforms.

H2: Trust and security have a significant positive effect on customer purchase intention in online shopping.

### 3. Mobile Accessibility and Customer Purchase Intention

With the increasing use of smartphones and mobile devices, mobile accessibility has become a critical driver of online shopping behavior. Mobile-optimized platforms, intuitive navigation, and seamless payment options contribute to a more convenient and enjoyable shopping experience, which in turn influences purchase intentions (Lu et al., 2013; Kim et al., 2013). For students, who often rely heavily on mobile devices for various tasks, the ease of accessing online shopping

platforms via smartphones significantly impacts their willingness to shop online. Poor mobile optimization can deter users and reduce conversion rates.

H3: Mobile accessibility has a significant positive effect on customer purchase intention in online shopping.

#### 4. Interaction Between Social Media, Trust and Security, and Mobile Accessibility

While each factor—social media influence, trust and security, and mobile accessibility—plays an independent role, their interaction can have a combined effect on purchase intentions. For example, consumers may perceive a platform as more trustworthy if its social media presence conveys reliability and transparency (Mangold & Faulds, 2009). Similarly, mobile accessibility can amplify the positive effects of trust and security by providing a seamless shopping experience that reassures customers of the platform's reliability (Pavlou, 2003).

H4: The combined effect of social media influence, trust and security, and mobile accessibility significantly impacts customer purchase intention in online shopping.

#### 5. Demographic Factors as Moderators

Demographic factors, such as age, gender, and income, may moderate the relationships between the independent variables and customer purchase intention. For instance, younger consumers may be more influenced by social media compared to older consumers, while individuals with higher incomes may prioritize trust and security when shopping online. Previous studies have highlighted the importance of considering demographic variables when analyzing consumer behavior (Zeithaml, 1985; Kotler & Keller, 2016). This research aims to explore whether these factors influence how students respond to online shopping platforms.

H5: Demographic factors, such as age, gender, and income, moderate the relationship between social media influence, trust and security, mobile accessibility, and customer purchase intention.

#### 6. Relative Importance of Factors

Lastly, it is hypothesized that the relative importance of social media influence, trust and security, and mobile accessibility varies in their impact on customer purchase intentions. For example, trust and security may have a stronger influence on purchase decisions in contexts where consumers are

highly concerned about data safety, while mobile accessibility may be more critical for younger, mobile-reliant consumers (Gefen et al., 2003; Lu et al., 2013). Understanding the relative importance of these factors will help businesses prioritize their efforts.

H6: The impact of social media influence, trust and security, and mobile accessibility on customer purchase intention varies in terms of relative importance.

### Summary of Hypotheses

H1: Social media influence has a significant positive effect on customer purchase intention in online shopping.

H2: Trust and security have a significant positive effect on customer purchase intention in online shopping.

H3: Mobile accessibility has a significant positive effect on customer purchase intention in online shopping.

H4: The combined effect of social media influence, trust and security, and mobile accessibility significantly impacts customer purchase intention in online shopping.

H5: Demographic factors, such as age, gender, and income, moderate the relationship between the independent variables (social media, trust and security, mobile accessibility) and customer purchase intention.

H6: The impact of social media influence, trust and security, and mobile accessibility on customer purchase intention varies in terms of relative importance.

These hypotheses are grounded in prior research and aim to provide a deeper understanding of the factors influencing online shopping behavior among students at Addis Ababa University College of Business and Economics. The findings from this research will contribute to the development of practical strategies for businesses to enhance customer satisfaction and drive growth in the e-commerce sector.

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

#### **3.1. Research design**

In order to achieve the objectives stated above, the researcher used both descriptive and explanatory research method. This is because descriptive researches describe and interpret what is. It is concerned with conditions of relationship that exist; practices that prevail; beliefs, processes that are going on; effects that are felt, or trends that are developing. Description is often combined with comparison and contrast involving measurement, classifications, interpretations and evaluation (Sanchez, 1980). The nature and intention of this study is also investigating Factors influencing customer purchase intention on online shopping: A Case of Addis Ababa University College of business and economics.

#### **3.2. Research approach**

The researcher uses a mixed research approach in order to achieve the study's goal and answer the research questions. In this study Individuals will contacted and questionnaires will distributed, and filled up and returned. With t Factors influencing customer purchase intention on online shopping: A Case of Addis Ababa University College of business and economics, this method was chosen because it is an effective instrument for gathering data from a sample population in order to research the topic at hand.

#### **3.3. Data collection techniques**

Both primary and secondary data will be collected for the analysis. The primary data will be collected through different techniques like using structured questioner and interview, focus group discussion and other convenient methods. Secondary data will be collected from research papers, different publications, reports, internet sources.

#### **3.4. Data collection tools**

Data will be gathered from primary and secondary sources in both quantitative and qualitative formats. Factors impacting consumers' intentions to make purchases when they shop online were examined during the study. In the case of Addis Ababa University College of Business and

Economics, secondary data will also be used to close the gaps. Primary data will be supplied by customers via surveys. The key data item is specific to the question under investigation.

**Documents** such as Official documents, reports, research papers, books, magazines and other internet sources were consulted as secondary data.

**In-depth interview:** - The researcher will make in-depth interview, while gathering information from different documents.

**Questionnaires:** - Questionnaires were prepared and distributed to both selected respondents. This method assisted the researcher to have more detailed data and information about the subject under study.

### **3.5. Population and Sampling**

#### **3.5.1. Target Population**

The target populations from which the sample respondents will select from the total number of individual in Addis Ababa University College of business and economics. This study will examine the factors that influence consumers' intentions to make purchases when they shop online: An analysis of Addis Ababa University College of Business and Economics. Cooper and Schindler (2008) describe the population as the entirety of the items being studied, to which references must be made. Addis Ababa University College of Business and Economics respondents will be the target population. The sample responders will choose the target populations from among all the students at Addis Ababa University College of Business and Economics.

#### **3.5.2. Sample size**

A smaller collection of items from the wider population was defined as the sample size by Cooper and Schindler (2008). According to Mugenda (2003), the necessary level of precision, certainty, and trust in your data determine the sample size. You need to know the size of the entire population from which your sample is taken, the kind of analysis you want to do, and any predictions you make for your sample. This is how the sample computation will look. One researcher finds it challenging to acquire data from the entire population. Therefore, utilizing all populations is challenging, and the researcher is employing a formula created by Yamane (1967).

$$n = \frac{N}{1+N(e)^2}$$

Where N= number of total population =1908

n= sample

e=level of precision (5%)

N=1908

$N_{\text{mgnt}}=690$

$$n_{\text{mgnt}} = \frac{690}{1+690(0.5)^2} = 119$$

$N_{\text{econo}}=543$

$$n_{\text{econ}} = \frac{543}{1+543(0.5)^2} = 94$$

$N_{\text{Account}}=523$

$$n_{\text{Account}} = \frac{523}{1+523(0.5)^2} = 91$$

$N_{\text{Public}}=152$

$$n_{\text{public}} = \frac{152}{1+152(0.5)^2} = 26$$

$$n_{\text{total}} = n_{\text{mgnt}} + n_{\text{econo}} + n_{\text{Account}} + n_{\text{public}}$$

$$n_{\text{total}} = 119+94+91+26$$

$$n_{\text{total}} = 330$$

$n_{\text{mgnt}}$ = sample from management

$n_{\text{econo}}$ = sample from economics

$n_{\text{Account}}$ = sample from Accounting

$n_{\text{Public}}$  = sample from Public Administration

### Return rate

Metrics	Value
Total Surveys Distribute	330
Surveys Returned	263
Response Rate	80

Table 3.1 Return rate

### 3.5.3. Methods of Data Analysis

The information gathered from primary and secondary sources will be examined both qualitatively and quantitatively. To make brief, information collected from different documents (qualitative), interview (the qualitative part), and observation will be analyzed in qualitative way in simple and brief sentences; whereas the data collected from documents (quantitative), interview (the quantitative part) and questioners will be analyze in quantitative manner using simple statistical tools such as percentage, ratio and other convenient methods. Then finally, the researcher will try to create some linkage between the qualitative and quantitative analysis.

### 3.6. Methods of Data Presentation

Some of the qualitative analysis will be presented in maps, photos and figures. Whereas the quantitative analysis will be presented in different graphs, charts and tables depends on the nature and characteristics of the analysis such as with mean and STD, After that, the researcher will attempt to present the qualitative and quantitative analysis in a way that has a strong relationship and paints a clear picture of the study's overall state.

### 3.7. Validity and Reliability

**Validity Test:** Since a research study's validity is determined by its conceptual and scientific soundness, the test concentrated on removing or reducing the impact of unrelated factors, variables, and explanations that might compromise the correctness of the final results.

Following the creation of the questionnaire, the researcher pre-tested it by having people with relevant information read it. This is done to make sure the questionnaire is easy for respondents to understand and can be completed in a useful way (Adam et al., 2007). The instrument was then assessed by an academic advisor before data collection to maintain its validity and to improve the accuracy and utility of the results, which gives the study more confidence.

**Reliability** refers to the measure's stability when used to examine the correlations between variables (Ghauri & Grundhaug, 2010). The questionnaire's questions were created with the problem, research objectives, and relevant theories in mind. The study's reliability was assessed using Cronbach's alpha. Measurement consistency throughout the study's findings is referred to as reliability, and it is the capacity of the sample responses to provide same answers. So, before distributing the complete sample population, the Cronbach Alpha coefficient was used to assess the questionnaire's reliability for internal consistency of variables.

The validity and reliability tests must be passed by a thorough measurement; validity is the most important factor in determining how well an instrument assesses the things it is intended to measure (Kothari, 1984). In order to guarantee this, the adviser for the study has assessed and confirmed the suitability of the measurement's scale and its content; peers have also provided feedback.

### **3.8. Ethical Considerations**

The researcher will look at ethical considerations. Respondents can choose to participate in the survey or not, and the survey enumerator will explain the purpose of the poll and that their answers will be kept private. Emerging ethical issues will be assessed and dealt with as the study is being conducted. The opening part of the questionnaire will include information about the study's aim, significance, and confidentiality. Respondents will be informed that they will not suffer any negative effects from their involvement or non-participation in the study and that they are free to finish the surveys or leave at any moment. The questionnaire's paragraphs will only provide generic information in order to protect their answers from bias. We will protect respondents' privacy and keep their identities a secret. Lastly, by acknowledging each reference consulted, all study findings will be transparent and free of plagiarism. Additionally, sentiments

will be conveyed honestly and the study will be carried out with an open mind. There was no alteration or modification.

## CHAPTER FOUR

### 4. RESULTS AND DISCUSSION

#### 4.1. Introduction

This chapter discusses, analyzes, and interprets the information gathered from the questionnaire. In accordance with the study technique described in chapter three, 330 students from Addis Ababa University's Business and Economics College received questionnaires.

#### 4.2. Demographic Characteristics of Respondents

This section discusses the demographic characteristics of the respondents. Consequently, the study's respondents' demographic data covers their gender, age, marital status, educational attainment, length of time with the insurance firm, and employment. Consequently, table 4.1 presents the frequency and percentage of the demographic composition of the respondents.

No	Item	Description	Frequency	Percentage (%)
1	Gender	Male	54	20.5
		Female	209	79.5
2	Age	18-25	243	92.4
		26-35	20	7.6
3	Marital status	Single	216	82.1
		Married	47	17.9
4	Educational level	1 <sup>st</sup> Year	74	0.4
		2 <sup>nd</sup> Year	20	7.6
		3 <sup>rd</sup> Year	22	3.4
		4 <sup>th</sup> Year	88	85.2
		5 <sup>th</sup> Year	59	3.4
5	Student Department	Accounting	85	31.2
		Management	36	13.7

	Economics	56	21.3
	Public Administration	89	33.8

Table 4.1 Demographic Characteristics of Respondents

The data indicates that out of 263 respondents, a significant proportion is female, with 209 females making up 79.5% of the total. In comparison, males account for 54 respondents, which is 20.5% of the sample. This gender distribution reveals a strong presence of female participants in the study.

The age distribution among respondents shows that the vast majority, 243 individuals or 92.4%, are between the ages of 18 and 25. This indicates that the sample is predominantly composed of young adults. On the other hand, only 20 respondents, representing 7.6%, are in the 26-35 year age range, illustrating a limited presence of older participants.

In terms of academic representation, the largest group of respondents comes from the Public Administration department, which includes 89 individuals, accounting for 33.8% of the overall sample. This is closely followed by Accounting with 82 respondents (31.2%). The Economics department includes 48 respondents (18.3%), while Management has 36 individuals (13.7%). Additionally, 8 respondents (3.0%) are from other fields of study. This suggests a varied representation across multiple academic disciplines.

Regarding marital status, the majority of participants are single, totaling 216 respondents, which represents 82.1% of the sample. In contrast, 47 respondents are married, making up 17.9%. This indicates that a large proportion of the study's participants are unmarried.

The distribution of respondents by educational level reveals the following: among the total of 263 participants, 74 individuals (28.2%) are in their 2nd year of study. There are 20 respondents (7.6%) who are in the 3rd year, while 22 individuals (8.4%) are in their 4th year. The 5th-year students dominate the sample with 88 individuals, representing 33.5%. Additionally, 59 respondents (22.4%) are in their 6th year. This breakdown indicates a significant majority of the respondents are advanced students, particularly in their 5th year, while the numbers diminish for lower academic levels.

<b>Descriptive Statistics</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
SOCIAL MEDIA	263	21.9259	1.72718
TRUST AND SECURITY	263	22.0564	1.84822
MOBILE ACCESSABLITY	263	18.1278	0.90837
CUSTOMER PURCHASE INTENTION	263	17.7696	1.41205
Valid N (listwise)	263		

Table 4.2 Descriptive Statistics

The descriptive statistics for Social Media, Trust and Security, Mobile Accessibility, and Customer Purchase Intention reveal important insights into customer attitudes. With a consistent sample of 263 respondents, the mean scores show that participants generally have positive views of Social Media (M = 21.93) and Trust and Security (M = 22.06), indicating a strong level of engagement and trust among consumers. However, Mobile Accessibility has a lower mean score of 18.13, suggesting that, while acknowledged, there are opportunities for improvement in this area. Similarly, Customer Purchase Intention has a mean of 17.77, reflecting a willingness to make purchases, but at a lesser degree compared to the other factors. The standard deviations, especially for Mobile Accessibility (0.91), suggest a more uniform experience among respondents regarding this aspect, while Social Media and Trust and Security exhibit slightly more variation. Overall, these results underscore the need to enhance mobile accessibility and customer purchase intentions, while also capitalizing on the existing strengths in social media engagement and trust to influence consumer behavior and foster brand loyalty.

### 4.3. Inferential Analysis

#### 4.3.1. Reliability

How internally consistent the measurement is essentially what reliability is all about. The result should be more than 0.7 to indicate that the study is trustworthy (Field, 2013). Cronbach's Alpha was utilized and shown as follows in order to assess the coherence of the respondents' responses:

Reliability Statistics	
Cronbach's	N of Items
0.81	4

	Cronbachs Alpha
SOCIAL MEDIA	0.798
TRUST AND SECURITY	0.704
MOBILE ACCESSABLITY	0.834
CUSTOMER PURCHASE INTENTION	0.801

Table 4.3 Reliability Statistics

An examination of the reliability of the scale through cronbach alpha coefficient for each item provides valuable insights into its internal consistency. A key finding is that the mobile accessibility item exhibits the highest reliability at 0.834, indicating its crucial role in maintaining the scales overall internal consistency. Conversely, the social media item shows moderate improvement in reliability upon its deletion, suggesting it might not be as essential to the scale as other items. In contrast, while removing the trust and security item results in a reliability decrease to .669, emphasizing its importance to the scales coherence. Lastly, the reliability of the customer purchase intention item reaches .697 when removed, signifying that while its essential, it may not contribute as significantly as mobile accessibility and trust and security. This analysis points to refining the trust and security item as a means to improve

overall scale reliability, while retaining mobile accessibility due to its substantial impact on internal consistency.

## Respondents Profile

Statistics

	Gender of Respondents	Age of Respondent	students department	Marital Status Respondents	Educational of Respond
Valid	263	263	263	263	263
Missing	0	0	0	0	0
Mean	1.79	1.08	2.6388	1.18	4.84
Std. Deviation	0.405	0.266	1.31155	.384	0.618
Variance	0.164	0.071	1.720	.147	0.382

Table 4.4 Frequency Table

### 4.3.2. Correlation Analysis

The provided collinearity statistics for the regression analysis with purchase intention as the dependent variable indicate that multicollinearity is not a significant concern among the three independent variables: Social Media, Trust and Security, and Mobile Accessibility. The tolerance values for these predictors range from 0.594 to 0.781, all exceeding the commonly accepted threshold of 0.1, which suggests that the variance in these predictors is largely explained by their unique contributions rather than by intercorrelation. Correspondingly, the Variance Inflation Factor (VIF) values are well within acceptable limits, ranging from 1.281 to 1.683, indicating only moderate correlation among the predictors. Specifically, each VIF value is far below the critical mark of 5, which would signal potential multicollinearity issues. Therefore, this analysis suggests that the model is stable, and all three variables can be retained for further interpretation without compromising the reliability of the regression results.

### Correlation test

		SOCIAL MEDIA	TRUST AND SECURITY	MOBILE ACCESSABILITY
SOCIAL MEDIA	Pearson Correlation	1	.575	0.457
	Sig. (1-tailed)		.000	0.000
	N	263	263	263
TRUST AND SECURITY	Pearson Correlation	.575	1	0.347
	Sig. (1-tailed)	.000		0.000
	N	263	263	263
MOBILE ACCESSABILITY	Pearson Correlation	.457	.347	1
	Sig. (1-tailed)	.000	.000	
	N	263	263	263
CUSTOMER PURCHASE INTENTION	Pearson Correlation	.426	.910	0.453
	Sig. (1-tailed)	.000	.000	0.000
	N	263	263	263

Table 4.5 correlation test

### 4.3.3. Regression Analysis

Important information about the connection between the predictors and the dependent variable may be found in the model summary's regression analysis findings. The model shows a high degree of linear relationship between the dependent variable consumer purchase intention and the independent variables social media, trust and security, and mobile accessibility, as evidenced by a multiple correlation coefficient (R) of.939. With a coefficient of determination (R Square) of.882, the model predictors can account for about 88.2% of the variation in consumer purchase intention. Even after controlling for the number of variables included, the

model's robustness is confirmed by the adjusted R Square value of.881, which takes into account the number of predictors in the model. The standard error of the estimate is .48781, suggesting that the predictions made by the model are generally close to the actual values, with some variability. Lastly, the Durbin-Watson statistic of 2.939 falls within an acceptable range, indicating that there is no significant autocorrelation in the residuals, which is essential for the validity of the regression model. Overall, the model appears to be a strong fit, highlighting the importance of mobile accessibility, trust and security, and social media in influencing customer purchase intentions.

### Model regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
	0.939 <sup>a</sup>	0.88	0.881	0.48781	2.939

Table 4.6 Model regression

a. Predictors: (Constant), mobile accessablity, trust and security, social m

b. Dependent Variable: customer purchase intention

### 4.4. Model coefficients

	Variables	Standardized Coefficients of Beta	Sig.
1	(Constant)		0.001
	SOCIAL MEDIA	-0.231	0.000
	TRUST AND SECURITY	0.966	0.000
	MOBILE ACCESSABLIT	0.224	0.000

Table 4.7 Model coefficients

a. Dependent Variable: customer purchase intention

The regression analysis identifies a nuanced relationship between the predictors and customer purchase intentions. Trust and security emerges as the most significant factor, exerting the strongest positive influence on purchase intentions. This suggests that customers are more inclined to make a purchase when they feel trust and security in their interactions with the company. In contrast, social media shows a negative association with customer purchase intentions, possibly indicating that an overbearing or poorly managed social media presence could dissuade customers from buying. Meanwhile, mobile accessibility positively affects purchase intentions as well, although to a lesser degree than trust and security. This implies that while mobile-friendly platforms can enhance purchase intentions, they may not hold the same level of importance as trust and security for many customers.

## Linearity test

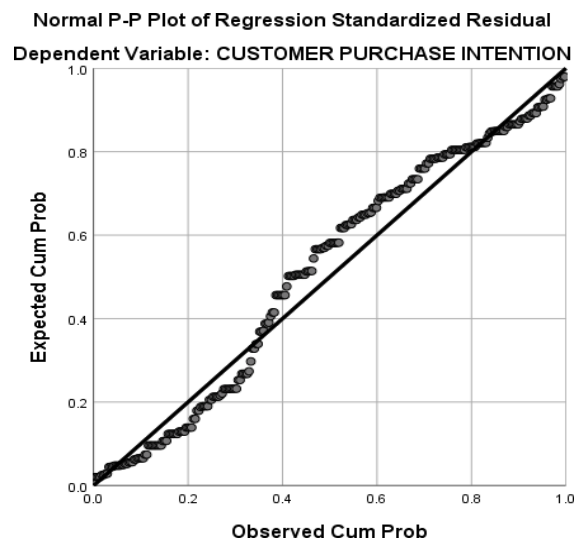


Figure 4.1 P-P Plot

The Straight Line P-P Plot of Regression Standardized Residuals is an essential diagnostic tool for assessing the linearity assumption in regression analysis, particularly concerning the dependent variable, "Customer Purchase Intention." In this analysis, the data points closely align with the diagonal line, suggesting that the observed residuals conform to the expected residuals under a linear relationship. This alignment indicates strong support for the assumption

of linearity, thereby reinforcing the validity of the relationship between the independent and dependent variables. Although minor deviations may be present, they are trivial and do not signify a substantial departure from linearity. Ultimately, the findings from the P-P Plot reinforce confidence in the regression model, demonstrating its capability to provide accurate predictions and reliable insights into customer purchasing behavior.

## Normality test

The histogram of regression standardized residuals reveals that the residuals for the dependent variable, "Customer Purchase Intention," are approximately normally distributed. The shape of the distribution is symmetric and bell-shaped, closely aligning with the overlaid normal curve, which is indicative of a good fit. The mean of the residuals is virtually zero ( $2.66E-14$ ), and the standard deviation is nearly 1 (0.994), both of which are consistent with the properties expected of standardized residuals. The majority of the residuals cluster around the center, with their frequencies tapering off symmetrically as they move away from the mean, and there are no prominent outliers present. This pattern suggests that the normality assumption for regression analysis is met, thereby validating the statistical inferences derived from the model. Furthermore, the minor deviations observed from perfect normality are unlikely to compromise the reliability of the results, reinforcing the credibility of the regression outcomes in predicting customer behavior.

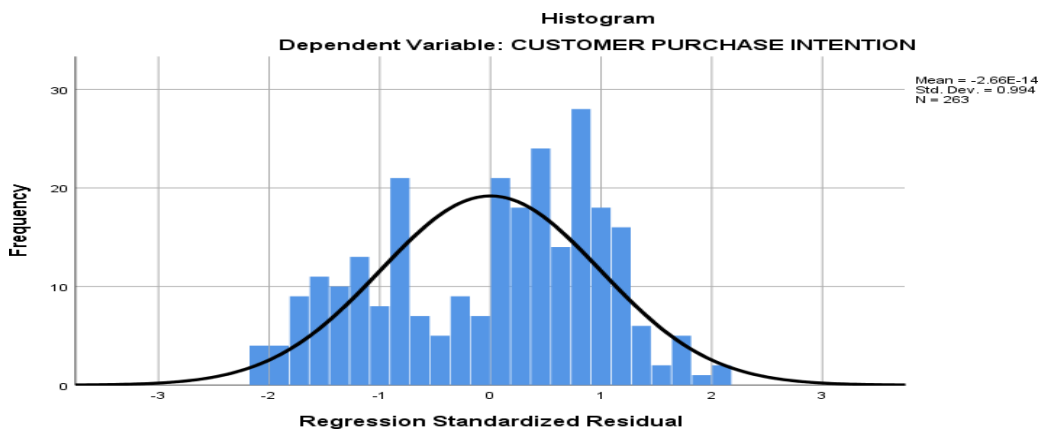


Figure 4.2 Normality test

The correlation analysis yields significant relationships among the variables of interest, providing valuable insights into the dynamics between social media, trust and security, mobile accessibility, and customer purchase intention. Notably, a moderate positive correlation of 0.575 is observed between social media and trust and security, suggesting that effective social media engagement can foster enhanced trust in a brand. Furthermore, a moderate positive correlation of 0.457 is evident between social media and mobile accessibility, implying that increased social media engagement is linked to better mobile integration. However, the relationship between trust and security and mobile accessibility is weaker at 0.347, suggesting that improvements in mobile accessibility might not have a substantial impact on trust perceptions. When examining the correlations with customer purchase intention, trust and security stands out as having a very strong correlation of 0.910, underscoring its pivotal role in driving purchase behavior. Social media and mobile accessibility also exhibit moderate positive correlations with purchase intention (0.426 and 0.453, respectively), demonstrating their influence but to a significantly lesser extent than trust and security. Overall, these findings strongly emphasize the importance of enhancing trust and security for brands seeking to improve customer purchase intentions.

While social media and mobile accessibility strategies can provide supplementary support for this goal, the primary focus should be on establishing trust and security to drive long-term business success. Notably, the results of this correlation analysis provide actionable insights for brands to optimize their customer engagement strategies and prioritize efforts that drive the most significant impact on customer purchase intentions. By understanding the interdependencies between these variables, businesses can develop targeted initiatives to build trust, improve mobile accessibility, and leverage social media to ultimately enhance customer loyalty and drive revenue growth.

## Multicollinearity

### Coefficients<sup>a</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	SOCIAL MEDIA	0.594	1.683
	TRUST AND SECURITY	0.660	1.515
	MOBILE ACCESSABLITY	0.781	1.281

Table 4.8 Multicollinearity test

a. Dependent Variable: purchase intention

## Test of Homogeneity of Variances

The results of the Levenes test for homogeneity of variances indicate significant disparities across the for the predictor variables social media, trust and security, and mobile accessibility. Specifically media exhibited a mean-based Levene statistic of 6.686 with a p-value of 0.000, signaling a clear viol the equal variances assumption, a trend supported by both median and trimmed mean calculations. tr security demonstrated an even more pronounced violation, with a remarkably high Levene statistic of further confirming significant differences in variance across groups, also upheld by median and t mean approaches. Similarly, for MOBILE ACCESSIBILITY, the mean-based Levene statistic o indicates unequal variances as well. Given these substantial findings, it is crucial to approach sub statistical analyses that depend on homogeneity of variances with caution, as these violation significantly impact the validity and reliability of the results.

		Levene Statistic	df1	df2	Sig.
Social media	Based on Mean	6.686	14	248	.000
	Based on Median	2.706	14	248	.001

	Based on Median and with adjusted	2.706	14	146.122	.001
	Based on trimmed mean	6.329	14	248	.000
Trust and security	Based on Mean	50.780	14	248	.000
	Based on Median	5.806	14	248	.000
	Based on Median and with adjusted	5.806	14	144.244	.000
	Based on trimmed mean	41.488	14	248	.000
Mobile accessibility	Based on Mean	5.352	14	248	.000
	Based on Median	3.225	14	248	.000
	Based on Median and with adjusted	3.225	14	192.654	.000
	Based on trimmed mean	5.495	14	248	.000

Table 4.9 Test of Homogeneity of Variances

The results of the Levenes test for homogeneity of variances indicate significant disparities across the groups for the predictor variables social media, trust and security, and mobile accessibility. Specifically, social media exhibited a mean-based Levene statistic of 6.686 with a p-value of 0.000, signaling a clear violation of the equal variances assumption, a trend supported by both median and trimmed mean calculations. trust and security demonstrated an even more pronounced violation, with a remarkably high Levene statistic of 50.780, further confirming significant differences in variance across groups, also upheld by median and trimmed mean approaches. Similarly, for MOBILE ACCESSIBILITY, the mean-based Levene statistic of 5.352 indicates unequal variances as well. Given these substantial findings, it is crucial to approach subsequent statistical analyses that depend on homogeneity of variances with caution, as these violations may significantly impact the validity and reliability of the results.

## ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	460.765	3	153.588	645.442	.000 <sup>b</sup>
	Residual	61.631	259	.238		
	Total	522.397	262			

Table 4.9 ANOVA<sup>a</sup> output

a. Dependent Variable Customer Purchase Intention

b. Predictors: (Constant), mobile accessibility, trust and security, social media

The ANOVA results demonstrate that the regression model significantly predicts customer purchase intention, highlighted by a remarkably high F-statistic of 645.442 and a p-value of 0.000. This indicates a strong relationship between the predictors and the outcome variable. The Regression Sum of Squares (SSR) is 460.765, suggesting that a substantial portion of the variance in purchase intentions can be attributed to the three predictors: mobile accessibility, trust and security, and social media. This assertion is further reinforced by a Regression Mean Square (MSE) of 153.588, indicating the effective contribution of these variables to the model. In contrast, the Residual Sum of Squares (SSE) of 61.631 reflects the variance in purchase intentions that remains unexplained, providing insight into the model's overall fit. With a Total Sum of Squares amounting to 522.397, these results confirm that the model offers a robust framework for understanding customer behavior in the context of these key factors, emphasizing the vital role that the identified predictors play in influencing customer purchase intentions.

## 4.5. Discussion

The regression analysis results shed light on how mobile accessibility, trust and security, social media, and customer purchase intentions are interconnected among students at Addis Ababa University. The model showcases a strong correlation, revealing that these factors play a significant role in influencing buying behavior. It's particularly noteworthy that trust and

security surfaced as the most critical predictor; this suggests that students value a safe and dependable online shopping environment. Conversely, the negative relationship found with social media indicates that if businesses overdo their presence or mismanage their interactions, they risk pushing potential customers away. This highlights the importance of crafting a thoughtful and positive online image, rather than bombarding users with promotional content.

The analysis points to a strong predictive framework, with impressive R and R<sup>2</sup> values that confirm the significance of mobile accessibility, trust and security, and social media in shaping purchase intentions. Trust and security clearly emerged as the top influencer, emphasizing the necessity for businesses to cultivate a climate of confidence in their online practices. At the same time, the unexpected negative impact of social media suggests that companies need to refine their strategies in this area to engage rather than alienate customers. Additionally, the findings from Levene's test indicate that responses vary widely across different demographic groups, suggesting that businesses should consider customizing their marketing tactics to resonate with specific segments of their audience.

# CHAPTER FIVE

## 5. CONCLUSION AND RECOMMENDATION

This section presents the research findings, recommendations, and future research based on the research conclusion.

### 5.1. Conclusion

This research has underscored the importance of three key factors mobile accessibility, trust and security, and social media influence in shaping customer purchase intentions in online shopping, with a specific focus on students at Addis Ababa University College of Business and Economics. These factors play a pivotal role in determining how young consumers engage with online shopping platforms, their willingness to make purchases, and their overall shopping behavior in the digital marketplace. As e-commerce continues to grow rapidly in Ethiopia and other developing economies, understanding these factors is crucial for businesses and marketers aiming to optimize their strategies and gain a competitive edge.

The study reveals that trust and security are among the most significant drivers of purchase intentions in online shopping. Trust acts as a cornerstone for creating positive customer perceptions, particularly in an environment where financial and personal data are exchanged. Students, like other consumers, are often concerned about issues such as fraud, data breaches, and misuse of sensitive information. The findings suggest that when online shopping platforms demonstrate reliability and maintain strong security measures, such as the use of secure payment gateways, encryption technologies, and transparent privacy policies, consumers are more likely to develop confidence in the platform. This confidence, in turn, increases their willingness to shop and complete transactions. Therefore, building a secure and trustworthy online shopping environment is essential for e-commerce platforms targeting young, tech-savvy demographics. For businesses in Ethiopia, where the adoption of online shopping is still in its growth phase, ensuring robust security measures and cultivating trust can serve as critical differentiators in a competitive market.

In addition to trust, mobile accessibility was identified as a significant factor influencing purchase intentions. With the widespread use of smartphones and mobile devices among

students, online shopping has become more accessible than ever before. Mobile devices allow consumers to shop anytime and anywhere, providing unparalleled convenience. However, the quality of the mobile shopping experience can either enhance or hinder purchase intentions. Students at Addis Ababa University, like many young consumers, are heavy users of mobile technology and expect seamless, fast, and user-friendly mobile shopping experiences. Factors such as ease of navigation, intuitive interfaces, mobile-optimized websites, and efficient mobile payment systems are critical to meeting these expectations. Businesses that prioritize mobile accessibility and invest in mobile-friendly platforms are more likely to attract and retain young customers. In contrast, poor mobile accessibility, such as slow-loading pages, non-optimized websites, or difficult checkout processes, can discourage students from completing their purchases. Thus, improving mobile accessibility is not only an opportunity for businesses to increase sales but also a necessity in today's competitive e-commerce landscape.

Social media, another factor explored in this research, presents a more complex picture. Social media platforms like Facebook, Instagram, and Twitter have become powerful tools for businesses to engage with potential customers, promote products, and build brand awareness. However, the study highlights a surprising challenge: while social media is generally perceived as a positive influence on consumer behavior, in this context, it seems to have a negative effect on purchase intentions among students. This finding suggests that social media's impact may not always align with the expectations of businesses. In some cases, over-saturation of marketing content, intrusive advertisements, or low-quality promotions on social media platforms may deter potential customers rather than encourage them.

For businesses targeting students at Addis Ababa University, this finding highlights the need for a more thoughtful and strategic approach to social media marketing. Rather than relying on aggressive promotional tactics, companies should focus on creating meaningful and engaging content that resonates with young consumers. Leveraging authentic customer testimonials, influencer collaborations, and community-building strategies may help businesses create a positive presence on social media and rebuild trust among their target audience. Furthermore, businesses must carefully analyze the type of products or services being marketed, as social media influence may vary depending on the product category or the nature of the platform being used.

Overall, this research provides valuable insights into the behaviors and preferences of young consumers in the online marketplace, particularly in the Ethiopian context. The findings emphasize the importance of creating a balanced approach that leverages the strengths of mobile accessibility, builds trust and security, and strategically utilizes social media. For businesses and marketers operating in Ethiopia, these insights offer actionable recommendations for improving the online shopping experience and increasing customer purchase intentions.

For one, companies must prioritize trust and security as foundational elements of their online platforms. Earning the trust of consumers not only boosts sales but also fosters long-term customer loyalty. Providing clear and transparent communication about data protection, privacy policies, and secure payment options can address consumer concerns and enhance their confidence in the platform.

Second, businesses need to invest in mobile accessibility by developing mobile-friendly websites and apps that deliver seamless, fast, and intuitive shopping experiences. Given the increasing reliance on smartphones among young consumers, optimizing mobile platforms is no longer optional but essential for success in the e-commerce sector.

Lastly, businesses must take a more nuanced approach to social media marketing. Social media should be used as a tool to build authentic relationships with customers rather than simply as a channel for promotion. Companies should focus on engaging content that adds value to their audience, avoiding spam-like advertisements that can erode trust. Understanding the preferences of the target demographic and tailoring content to their needs will enable businesses to maximize the benefits of social media while minimizing its drawbacks.

In conclusion, this study highlights the critical roles of mobile accessibility, trust and security, and social media in shaping customer purchase intentions among students at Addis Ababa University. By addressing these factors, businesses can enhance customer satisfaction, drive sales, and position themselves for long-term success in Ethiopia's growing e-commerce market. As the digital economy continues to evolve, adopting customer-centric strategies will be key to meeting the needs of young, tech-savvy consumers in the online shopping space.

## **5.2. Recommendations**

Based on the findings of this study on the factors influencing customer purchase intention in online shopping, the following recommendations are proposed to help businesses and marketers enhance their strategies and meet the needs of young consumers, particularly students at Addis Ababa University College of Business and Economics for user software application of Kiosk:

### **Enhance Trust and Security**

Kiosk operators should implement robust security protocols and transparent privacy policies to build trust among students. Providing clear information about payment security and data protection can alleviate concerns related to online transactions.

Trust and security emerged as critical factors in determining online shopping behavior. Businesses must implement robust online safety measures, such as secure payment systems, encryption technologies, and multi-factor authentication, to ensure that customers' financial and personal information is protected. Additionally, developing clear, transparent privacy policies and communicating them effectively to customers can help alleviate concerns about data misuse or breaches. Responsive and accessible customer service should also be a priority, as it plays a significant role in resolving issues and building trust with consumers. By fostering a secure and reliable shopping environment, businesses can increase customer confidence and encourage repeat purchases.

### **Optimize for Mobile-Friendliness**

With the increasing reliance on smartphones for online shopping, businesses need to ensure their platforms are mobile-friendly. This includes designing intuitive and responsive interfaces that are easy to navigate on smaller screens, optimizing loading speeds, and offering efficient mobile payment options. A streamlined and efficient mobile shopping experience is essential to meet the growing demand for mobile commerce. Businesses that prioritize mobile accessibility will not only attract more users but also retain existing customers by offering convenience and satisfaction.

### **Refine Social Media Strategies**

Social media is a powerful tool for influencing purchase intentions, but businesses must use it strategically. Instead of solely promoting products, companies should focus on fostering

authentic and meaningful interactions with their audience. Building a sense of community through engaging content, influencer collaborations, and two-way communication can enhance brand loyalty and trust. Businesses should also analyze the preferences and behavior of their target demographic to tailor their social media efforts effectively.

### **Conduct Demographic Research**

Different demographic groups respond differently to marketing strategies. Conducting further research into how various factors, such as age, income, education, and cultural background, influence consumer behavior will enable businesses to refine their approaches and design targeted campaigns. By understanding the unique preferences and needs of their audience, businesses can create more effective marketing strategies that resonate with their consumers.

### **Embrace Recommendations**

By adopting these strategies, businesses can align their efforts more closely with consumer expectations, ultimately enhancing customer satisfaction and driving sales growth. These recommendations offer practical guidance for e-commerce platforms to thrive in a competitive and evolving digital marketplace.

## **5.3. Limitations and Future Research Direction**

Future research should address the limitations of this study, even if it offers insightful information on the factors impacting online shoppers' purchase intentions.

First, the study's findings are limited in their applicability to other demographic groups or geographical areas because it solely focuses on students at Addis Ababa University College of Business and Economics. To provide a more comprehensive picture of online buying habits, future studies should broaden the sample set to include customers from various age groups, educational backgrounds, and geographic locations.

Second, this study primarily examines three factors: social media influence, trust and security, and mobile accessibility. However, there are other significant factors, such as product quality, delivery speed, price sensitivity, and website usability, that may also impact purchase intentions. Future research could explore these additional variables to provide a more comprehensive analysis of consumer behavior in online shopping.

Third, the study utilizes a quantitative approach, which may not capture the nuanced perspectives and motivations of consumers. To further understand the causes of particular behaviors, future study might include qualitative techniques like focus groups and interviews.

Lastly, as technology and consumer behaviors evolve rapidly, ongoing studies are essential to assess how emerging trends, such as artificial intelligence and augmented reality, influence online shopping.

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# Appendix A: Questionnaire

*ADDIS ABABA UNIVERSITY*

*COLLEGE OF BUSINESS AND ECONOMICS*

*DEPARTMENT OF BUSINESS ADMINISTRATION (MBA) EXTENSION PROGRAM*

*A QUESTIONNAIRE ON THE Factors influencing customer purchase intention on online shopping: A Case of Addis Ababa University College of business and Economics*

## **QUESTIONARY TO BE FILLED BY RESPONDENT**

### **Dear respondent**

I am carrying out a research & in this regard, I need your truthful & valuable opinion through this questionnaire. My research interest is in the Factors influencing customer purchase intention on online shopping: A Case of Addis Ababa University, College of business and economics you can help me on current research project by completing the attached questionnaire. I request 10 to 15 minutes of your time to fill these questionnaire. It is being distributed to you purely for academic purpose and all the responses will be secret. Your neutral choices will be highly appreciated and make this valuable research. Please read the instructions carefully and answer all the questions.

Yours faithfully

By: Bisrat Mulugeta

Mobile: +251 936625613

Advisor: Abera Legesse(PHD)

**Directions for filling the questionnaire**

There is no right and wrong answer of the options provided. Therefore, you are kindly requested to fill your real opinion regarding each question. Your response is utilized only for the purpose of this survey.

Please put a “√” mark on your choice in the space provided

No need of writing your name

**Part (1):-Demographic factor related questions**

**1. Gender.**

- a) Female
- b) Male

**2. Age group**

- a) 18-25 years old  c) 36 -45 years old
- b) 26 - 35 years old
- e) Above 45 years old

**3. Educational Qualification**

- a) certificate and below  e) above masters
- b) College diploma
- c) Bachelor degree
- d) Master

**4. Work experience**

- a) Below 1 years
- b) 1-3 years
- c) 3-6 years
- d) 6-12 years
- e) Above 12 years

**5. Marital Status**

- a) Single
- b) Married
- c) Divorce

**Part II Questions**

Below are lists of questioners relating to investigate the Factors influencing customer purchase intention on online shopping. Please indicate whether you agree or disagree with each statement by ticking (√) on the spaces that specify your choice from the options that range from “strongly agree” to “strongly

No	Social Media	Strongl disagre	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree(5)
1	Social media advertisements influen customer decision to purchase produ online					
2	The frequency of social media engagement increases customer likel of purchasing online					
3	Social media campaigns create a sen urgency that encourages Customer t					
4	Social media helps to compare produ before making a purchase decision					
5	social media has a significant role in shaping consumer behavior					
6	Social media influences customer perception of a brand's reputation					

Keys:-SA=strongly agree A=Agree N= Neutral SD= Strongly Disagree D= Disagree

**Tick the symbol (√) from the following choice**

No.	Trust and Security	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	I avoid online shopping when I feel insecure my personal data					
2	Trust in a brand significantly impacts my int to buy from them online					
3	Secure payment options influence my decisi buy online					
4	I prefer to shop from websites that have clea return policies					
5	I consider the reputation of an online retailer before purchasing					
6	Customer service availability influences my in online shopping					

No	Mobile Accessibility	Strongly disagree	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	I prefer using my mobile device for online shopping					
2	I find it easy to navigate e-commerce sites on mobile device					
3	I prefer shopping on mobile devices due to					

	convenience and ease of use					
4	Mobile payment options increase my willingness to buy online					
5	The availability of customer reviews on mobile platforms influences my buying intentions					

Part III Questions related to **Customer Purchase Intentions**

No.	Customer Purchase Intentions	Strongly disagree	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	I am likely to purchase product after seeing a promotion advertisement					
2	I am likely to purchase a product if it has positive customer reviews					
3	I intend to purchase product from online stores during sales or discount periods.					
4	I am likely to purchase a product online if it is unavailable at physical stores.					
5	I am likely to purchase from an online store if I had a previous experience before					

Additional comments or idea that you want discuss Factors influencing customer purchase intention on online shopping: A Case of Addis Ababa University College of business and economics”?

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