FACTORS INFLUENCING ADOPTION OF E-COMMERCE WITHIN THE HOTEL INDUSTRY IN NAIROBI COUNTY

BY

STEPHANIE MUSIMBI FARRAR

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

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BY

STEPHANIE MUSIMBI FARRAR

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University – Africa, in Nairobi for academic credit. All references made to the work done by other persons have been duly acknowledged.

Signed: ________________________ Date: _____________________
Stephanie Musimbi Farrar (ID 633296)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ________________________ Date: _____________________
Dr. Joseph Ngugi Kamau

Signed: ________________________ Date: _____________________
Dean, Chandaria School of Business
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I would like to take this opportunity to sincerely acknowledge the following support systems that have enabled me to undertake this study. First and Foremost I would like to thank God for giving me the strength, good health, courage and a fighting spirit that saw me through the completion of the MBA Program.

My sincere gratitude and appreciation goes to my supervisor, Dr. Joseph Ngugi for his suggestions, critics, comments and words of encouragement during the formulation and completion of my project. Thank you for always sparing a minute with a positive attitude to guide my steps even when I constantly made abrupt visits to your office.

My regards also go to my friends, colleagues and family members for their moral support throughout my study.

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ABSTRACT

Innovation has been identified as one of the primary management tools in the market that enhances the productivity and competitiveness of firms. It has the potential of enhancing operational efficiency and effectiveness (Gor, 2015). The sole purpose of this study is to investigate the factors influencing the adoption of E-commerce within the hotel industry in Kenya. The study was elaborated through the assessment of four main characteristics that have an impact of the adoption of E-commerce in the hotel industry. The study was guided by the following research questions: What is the influence of organizational readiness on the adoption of E-commerce? What effect does the perceived ease of use have on the adoption of E-commerce? What effect does perceived ease of use have on the adoption of E-commerce? How does Organizational support influence the adoption of E-commerce?

The study employed descriptive research and was based in Nairobi, Kenya. The target population for the study are male and female young adults to adults aged between 18 – 57 who live in Nairobi, have accessibility to the internet using the local service providers such as Airtel, Telkom, Zuku, Faiba or Safaricom, through which they can actively interact through the use of electronic devices such as mobile phones, laptops and desktop computers. A sample of 150 was drawn through the use of non-probability sampling methods. Primary data was collected through the use of questionnaires that contained structured and unstructured questions. A structured questionnaire with a five point likert scale was used to collect data from respondents. SPSS version 23 was used to analyze collected data and generate descriptive and inferential statistics.

The first objective investigated the influence of organizational readiness on the adoption of E-commerce in Kenya. Findings indicated that the PCA factor that relates to organizational readiness had eigenvalue of 4.447 accounted for the largest variance of 27.796%. The second objective identified the effect of Perceived Usefulness on the adoption of E-commerce in Kenya. Findings indicated a positive PCA factor that relates to perceived usefulness had eigenvalue of 2.044 accounted for 12.775% of the total variance. The third objective identified the effect of perceived ease of use on the adoption of E-commerce in Kenya. Findings indicated a positive result the PCA factor that related to perceived ease of use had eigenvalue of 1.930 accounted for 12.063% of the total variance. The fourth objective identified the influence of organizational support on the adoption of E-commerce in Kenya.
Findings indicated a positive result the PCA factor that related to Organizational Support had eigenvalue of 1.255 accounted for 7.842% of the total variance.

The study concluded that there are indeed factors that are to be taken into consideration to analyze the Adoption of E-commerce in Nairobi County. Thus emphasizing that Organizational Readiness, Perceived Usefulness, Perceived Ease of Use and Organizational Support influenced the adoption of E-commerce in the Nairobi County.

This study recommends for further studies one should use other variables for a variance of analysis on the study topic since the study focused only on four factors in the study. The research was only carried out in Nairobi, Kenya. Thus means that results might be skewed to the perception of the data from the selected sample size. Therefore, it is recommended that more studies should be carried out with a wider selection of the sample size to give a diverse outlook on the subject being studied.
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>CAK</td>
<td>Communications Authority of Kenya</td>
</tr>
<tr>
<td>CSF</td>
<td>Critical Success Factors</td>
</tr>
<tr>
<td>EO</td>
<td>Entrepreneurial Orientation</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication and Technologies</td>
</tr>
<tr>
<td>IDT</td>
<td>Diffusion of Innovation Theory</td>
</tr>
<tr>
<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
</tr>
<tr>
<td>OTA</td>
<td>Online Travel Agencies</td>
</tr>
<tr>
<td>MC</td>
<td>Multinational Companies</td>
</tr>
<tr>
<td>PBC</td>
<td>Perceived Behavioral Control</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on Investment</td>
</tr>
<tr>
<td>TAM</td>
<td>Technology Acceptance Model</td>
</tr>
<tr>
<td>TOE</td>
<td>Technological, Organization and Environmental Framework</td>
</tr>
<tr>
<td>TPB</td>
<td>Theory of Planned Behavior</td>
</tr>
<tr>
<td>TRA</td>
<td>Theory of Reasoned Action</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>UNWTO</td>
<td>United Nations World Tourism Organization</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
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<tr>
<td>WWW</td>
<td>World Wide Web</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The dawn of the technological age in the 1990’s brought about extraordinary inventions that have tremendously changed the way humans communicate and conduct business at an unprecedented level. One of them in particular being the www; the technology boom has implemented new ways to learn about and track customers, and tailor services to meet the customer needs and communicate with the customers (Kotler, 2012). Businesses have further utilized websites for interacting with their customers, suppliers and other stakeholders through the Internet technologies, payment methods and exhaustive portals (E-commerce, 2016).

E-commerce can be defined as any form of economic activity conducted over computer mediated networks (McCormick, 2012). Electronic commerce is an emerging concept that describes the process of buying and selling or exchanging of products, services and information via computer networks including the Internet (Anupam, 2011). The term commerce is viewed as transactions conducted between business partners. Commercial transactions involve the exchange of value (i.e. money) across organizational or boundaries in return for products and services (Ohidujjaman, 2013). Their focus is on digitally executed transactions between and among organizations and individuals. These digital transactions include all transactions conducted by digital technology (Tamilarasi, 2017).

The ever-changing technological landscape has aided E-commerce to become one of the most lucrative and fastest growing business sectors within the information technology sphere. For instance, according to Statista, the United States and China’s combined E-commerce sales reached 1.6 trillion United States Dollar (USD) in 2017; cross-border E-commerce sales are set to achieve an average annual growth rate of 25% all the way through 2020 (Bhasker, 2016). From the same report, Asia-Pacific E-commerce market is predicted to be twice the size of Western Europe and North America combined. By 2021 Global E-commerce sales are set to grow by a staggering 141% (Laudon, 2014). It is imperative for companies to avail themselves of ICT to become competitive in this growth market.
While the prevalence of E-commerce is being recognized globally, including their impact on job creation and innovation, some industry players are noted for not adopting information technology due to uncertain profitability gains when changing their modus operandi aided by the fear of venturing into unchartered technological territories. In particular, the Hotel Industry is one such industry that has been changed dynamically by E-commerce but has also had a slow adoption rate, to be specific in Nairobi, Kenya (Kamau, 2017). E-commerce has created a lot of opportunities, and additionally, threats to companies, thus allowing a rapid growth of markets with clearer market segments and the increase of competitiveness within a specific industry. E-commerce has become an invaluable mechanism in the Hotel industry in enabling them to engage with their consumers at their convenience and customizing goods and services to consumers’ tastes and preferences.

Over the years, E-commerce has increasingly provided an alternative way for buyers and sellers to transact business worldwide. E-commerce particularly Business to Business (B2B) E-commerce is being promoted as a method of trade that allows businesses in developing countries to become more integrated within the global economy. E-commerce has brought about the reduction of transaction costs for business (Lorette, 2017). The implementation of the use of public Internet is expected to facilitate more efficient international trade. The new Internet-based trading platforms are expected to make it easier for supplier firms to find buyers for their products and to complete their sales (Bhasker, 2016). Through the use of E-commerce it is expected that the supplier will develop a direct relationship with their trading partners, bypassing traditional intermediaries and enabling them to relocate within traditional value chains. Similarly there have been many observations that E-commerce offers new means of enabling producers and buyers to trade with each other regardless of where they are located geographically offering firms in developing countries new exchange mechanisms that enable them to compete on a more equal basis in world markets (Lorette, 2017).

Developed countries such as UK and USA are more advanced than developing countries in the areas of technological environment and infrastructure; this is because the technology is produced in developed countries, while the developing countries import it (Ihua, 2012). Access, adoption and usage of E-commerce have become a key enabler of overall technological readiness for any country. In Kenya, adoption of E-commerce in service sector is not only applicable for MC’s in their competitive drive to stay ahead in technological progress, but also has a direct proposition for the small local companies in the sector (Davis,
2009). Unlike in the 1990s, the majority of companies within the industry have developed and built up substantial financial resources and competence and are determined to compete with the industry major players in the use of E-commerce (Davis, 2009). However, they still have to tackle the need for improved awareness of cutting-edge technology expertise, and business processes.

The use of E-commerce has also had an immense influence on the growth of the economy in Nairobi, Kenya. Reports done by the CAK and the KNBS found that about 27% of firms in Kenya sold their products online. The report further identified that 32.1% of the companies could not sell online as their products were not suited for sale via the Internet (Muli, 2018). CAK and KNBS further identified that the growth of E-commerce is established through the youth starting their online businesses, as they find it easier than the brick-and-mortar enterprises. The Government has shown great support for innovation and entrepreneurship in the country and has continued to build structures ready for every investment opportunity especially in the ICT sector (Muli, 2018). It has been further identified that the potential growth of E-commerce is underlined by success of the mobile payment platforms success in Kenya such as M-Pesa, M-Shwari and M-Kopa. Research has further found that the Internet connectivity in Kenya is at 83% while the penetration of formal retail is estimated at 30%, the number of Kenyans buying goods online is expected to grow. Currently the fraction of online shoppers is estimated at 0.5% (Muli, 2018).

The adoption of E-commerce by individuals and organizations is relatively low in developing countries considering the resources required to develop and implement the system. It is therefore important to understand what causes the users to accept or reject the E-commerce system that has been implemented by organizations. Research on E-commerce has introduced models, theories and frameworks related to the adoption of E-commerce in organizations. For this research, the study looks at what largely influences the hotel industry in the adoption of E-commerce narrowed down to developing countries. Africa as a continent has seen a rapid growth of the use of the Internet and E-commerce at large with the number of users across the continent increasing by more than 20% year-on-year (McDonald, 2018). This study will be based on the use of E-commerce with a closer focus on the developing countries narrowing down to the country under examination which is Kenya; East Africa’s fastest growing economy. Therefore, it is imperative to not only understand the determinants of E-commerce adoption but also examine the factors that influence adoption of E-commerce within the
Hotel Industry. Identifying the factors that impact E-commerce adoption within the Hotel Industry will not only allow the prediction of E-commerce usage but also make it possible to assess its future growth. Perhaps, the identification of these factors may lead to the successful adoption and implementation of E-commerce by Hotel Industry players, and by implication, economic growth in Nairobi Kenya.

The Hospitality economy in Kenya is one of the major sectors in the country. Tourism in Kenya is one of the major foreign exchange earner to the country’s’ economy (Wadongo, 2010). The tourism industry consists of Hotels, Restaurants, and Pubs. Hotels in Kenya are classified in star rating system that ranges from 1-star Hotels at the lower end of the spectrum to the most luxurious hotels at 5-stars. The entity in charge of determining the conditions by which hotels will be accountable and which will determine whether they receive one or five star is the World Organization of Tourism (Johanna, 2010). The business operation of Hospitality industry has direct relation with the business operation of Tourism industry. Majority of the hotels have adopted E-commerce as the global environment for tourists has become very competitive thus leading to the various competitors having to implement aggressive marketing strategies. As part of the global marketing strategies, hotels have adopted E-commerce by installing servers across the globe which includes websites that attract clients.

Hotels in Kenya were developed to promote the promotion of tourism by the British Colonial Government. The first hotels to be developed in Nairobi were the New Stanley Hotel built in 1902 followed by the Norfolk Hotel in 1904. The hotels were established to employ recreational needs for settlers but later catered for the emerging tourism industry. As the tourism industry bloomed there was a prevailing need to cater for the needs of the tourists. The hospitality industry tends to be very customer-oriented; it prides itself in reaching out to its guests in efforts of providing a more personalized experience. In traditional marketing, our lives are dominated by print media, radio and television. The downside of traditional marketing is the high cost incurred while being an impersonal and impersonal method of communication. With the advent of the Internet, more informal and personal communication happens on social media websites.

Unlike traditional marketing, social media encourages customer engagement and it being on the web promotes two-way traffic. It allows for a faster response and a low cost investment than is typically achieved with traditional marketing (Bhasker, 2016). The use of the Internet
for business and marketing purposes in Kenya has been relatively new with a rapid user increase of the years, thus meaning the hotel industry in Kenya has not fully utilized its growing potential and how it is being affected by its ever growing presence in our daily lives. Similar to other industries, the travel and hospitality industry sees the E-commerce environment becoming increasingly effective and competitive to their businesses. With more sites and applications offering everything from owner-listed accommodations to flights on discount (Patel, 2016). The hotel industry is therefore constantly changing and growing to meet new demands and expectations.

All in all, hotels now have to find their own identity that differentiates itself from its competitors (The growth of e-commerce in the hospitality industry, 2015). In order to be competitive successful, companies stand out by offering a wider range of localized content assets in multiple languages to applications to attract and accommodate the wide range of nationalities backgrounds that are available within the market. This further indicates that some organizations have successfully embraced the use of E-commerce and some are yet to. For example, many hotels have established the use of OTAs that create an online presence for hotels. One such example is Jumia.com which is a website that hosts close to 4,000 hotels in East Africa. The use of OTAs is not only limited to hotel bookings (Gaitho, 2015). A report by UNWTO indicated that 59 percent of research, actual booking, cost comparisons, payments and reviews are done online. Furthermore, to note is that guests may not fully discard traditional offline hotel research, the study indicates that the average consumer will visit 14 travel-related sites before making an online booking, roughly using each site three times. They will also carry out nine travel-related searches on Google and other search engines (Gaitho, 2015).

It has been said that the upgrading of technology to meet a changing industry must be the forefront of any business operating online (Gaitho, 2015). This could be through the implementation of various payment options, accessible customer care and mobile application to ensure a seamless service on the go is incredibly important, this is according to Verdier. There has been a great increase in the use of E-commerce in the hotel industry in Kenya, there are still a lot of knowledge that needs to be conveyed to consumers and sellers in the industry to heighten the sales and market share for businesses within the Hotel industry in Kenya.
The aim of this study was to analyze the factors that influence the Adoption of E-commerce and identify how these various factors have had an influence on the overall adoption of E-commerce within the hotel industry and more specifically the hotels in Nairobi, Kenya.

1.2 Statement of the Problem

With globalization and global financial crisis, adopting E-commerce in Kenyan companies has become increasingly important. On one hand, more and more companies are venturing abroad and approaching the international marketplace in order to get highly competitive position and maximum profit (Dayasindhu, 2011). Using E-commerce enables the organizations to save time and money, considerable reduction of travel requirements, and thus increasing the efficiency and effectiveness of companies (Croom, 2009). The exchange of information is very important at every stage in the sales cycle of the tourism product or service. Information must be able to flow quickly and accurately between the client, intermediaries and each of the tourism suppliers involved in servicing the client’s needs. As a result, E-commerce has become an almost universal feature of the tourism industry. Its power allows information to be managed more effectively and transported worldwide almost instantly. As a result, it has had a major effect on the methods of operation of the hospitality industry. Enhanced competition and customer expectation lead hotels to look for ways and means to achieve competitive advantage. Many hotels have adopted E-commerce as a way to cope with rapidly changing environments.

Despite vital role played by E-commerce in the service industry, adoption of E-commerce in hotel industries has been relatively slow in Kenya (Ministry of Tourism, 2012). This has shown some hotels to be performing better as compared by others. It is against this realization that the study investigated factors influencing adoption of E-commerce by hotels in Kenya specifically in Nairobi County. Thus telling us that it is essential to investigate the determinant factors of E-commerce adoption. The five commonly used factors are TRA, TPB, TAM, IDT and TOE.

This study had an extensive analysis on TAM derived from TRA which was developed by Martin Fishbein and Icek Ajzen. The TRA was established with an aim to explain why individuals would adapt to information technology by seeking to explain situations based on the collaboration of personal beliefs and attitudes and the effect the beliefs have had on individuals (Bugembe, 2010). It further states that the main cause of behavior is behavioral
intention which is determined by attitude and subjective norm (Trafimow, 2015). The model’s main outlook was that an individual’s intention to actually use a specific technology will determine the overall usage of the technology (Couza, 2017).

This research provided a stepping stone for further research by enlightening on the overall influence of E-commerce strategy on the growth of hotel industry in Kenya and provision of useful data that can be used in future research. Furthermore for the Hoteliers the study provided knowledge of how the E-commerce strategy can be exploited to influence the business growth in the hotel industry. Lastly the study provided information that would enable one to implement value maximizing solutions to the industry. Recommendations of this study will therefore give pointers on which direction to take to boost E-commerce adoption in the hotel industry in Kenya. The researcher will greatly benefit by gaining an insight of literature review on the research topic. The researcher will also benefit through analysis of theoretical applications within the area of study. The research study will also help the researcher fulfill the requirements for the conferment of a Master’s Degree at the United States International University - Africa.

1.3 General Objective

The purpose of this study was to investigate factors influencing adoption of E-commerce within the hotel industry in Kenya: A case of selected five star hotels in Nairobi County.

1.4 Specific Objectives

1.4.1 To establish the influence of organizational readiness on the adoption of E-commerce.

1.4.2 To examine the effect of the perceived usefulness on the adoption of E-commerce.

1.4.3 To examine the effect of the perceived ease of use on the adoption of E-commerce.

1.4.4 To identify how organizational support influences the adoption of E-commerce.
1.5  Significance of the Study

1.5.1  Scholars

The findings of this study will enable researchers to understand what factors of the adoption of E-commerce affect and influence the consumer buyer behavior. The study will assist researchers into understanding the different perceptions of E-commerce by consumers and whether the organizational readiness, perceived usefulness, perceived ease of use and organizational support are the factors that influence the adoption of E-commerce in Kenya and also further identify the factors that may hinder consumers’ willingness to utilize the E-commerce resources available to them. The study shows the relevance and reveals the benefits of adopting e-commerce in the hospitality industry for a developing country like Kenya.

1.5.2  Practitioners

The findings of this study will be resourceful for organizations and marketers who can utilize the information to create enough awareness on different types of e-commerce models that can be used in hospitality industries today. This study will benefit marketers who will then have a better understanding of E-commerce and be able to establish the models and identify the factors that will enhance the ease of use of the new technological factor for consumers within the hotel industry.

1.6  Scope of the Study

This study focused on the adoption of E-commerce in the hotel industry in Kenya. The population studied was limited to residents over the age of 18 within the capital city Nairobi. The study occurred over a period of 3 months, with data being collected over a period of 9 days: between the 1st and 9th of August 2018.

1.7  Definition of Terms

1.7.1  Adoption

Adoption is the willingness of an individual or organization to accept formally and put into effect a newly implemented factor. If an individual may have a new business or an existing business, the consumer adoption process is the same (Chandra, 2014).
1.7.2 E-commerce

E-commerce can be defined as any form of economic activity conducted over computer mediated networks (McCormick 2012). Electronic commerce is an emerging concept that describes the process of buying and selling or exchanging of products, services and information via computer networks including the Internet. The term commerce is viewed as transactions conducted between business partners (Anupam, 2011).

1.7.3 Organizational Readiness

The readiness of an organization is not measured by the physical and logical infrastructure but rather by the analysis of their knowledge sharing process which would have an overall influence on the adaptation of a specific theory; this being E-commerce. Studies have proposed that the readiness of an organization should be measured through the assessment of organizations and individuals (Walker, Saffu, & Mazurek, 2016).

1.7.4 Perceived Usefulness

Perceived usefulness is the degree to which a person believes that using a particular system would enhance his job performance. This follows from the definition of the word “useful” which means capable of being used at an advantage (Gefen & Starub, 2000).

1.7.5 Perceived Ease of Use

This refers to the degree to which a person believes that using a particular system would be effortless. This is derived from the word “ease” which means freedom from difficulty. Thus meaning that a factor perceived easier to use than another is more likely to be adopted by users than the latter (Idris, Edwards, & McDonald, 2017).

1.7.6 Organizational Support

The organizational support is the positive influence to the entrepreneurial activities of an organization through the training and trusting of employees who will eventually detect the opportunities that can benefit the organization (Al-Dmour, Nwerian, & Al-Dmou, 2017).

1.8 Chapter Summary

Chapter one presented an overview of the research topic that defined the background of the study and defined the problem statement that clearly indicates the root of the problem within
the research topic. The research objectives have also been clearly stated and beneficiaries of
the study defined. It further outlines the general objective: to investigate the factors
influencing adoption of E-commerce within the hotel industry in Kenya, along with the
studies specific objectives. Additionally, the scope of the study has been outlines and the
critical terms to be used throughout the study have been clearly defined. The next chapter is
the literature review of the study, which will implement the empirical review of studies of the
objectives identified. The chapter thus elaborates the theory of the overall research. Chapter
three gives a detailed description of the research design/methodology to be used in the study
with a closer look at factors such as the target population, data collection method and
sampling procedure. Chapter four will structure the analysis and further interpret the findings.
Lastly, Chapter five will review the findings, draw the conclusions and further provide
recommendations for the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews already existing literature and past research studies that identify the factors in E-commerce that significantly influence the adoption within the hotel industry. The empirical review is based on the influence of Organizational Readiness on the adoption of E-commerce, the effect of the Perceived Usefulness on the adoption of E-commerce, the effect of the Perceived Ease of Used on the adoption of E-commerce and the influence of Organizational Support on the adoption of E-commerce.

2.2 E-Commerce

Ohidujjaman (2013) defined E-commerce as “the transactions conducted between business partners”. Commercial transactions involve the exchange of value (i.e. money) across organizational or boundaries in return for products and services (Ohidujjaman, 2013). More specifically, E-commerce is an emerging concept that describes the process of buying and selling or exchanging of products, services and information via computer networks which include the use of the Internet (Anupam, 2011). Thus further defining E-commerce as any form of economic activity conducted over computer mediated networks (McCormick 2012). According to Tamilarasi (2017), the focus of E-commerce is on digitally executed transactions that are conducted between and among organizations and individuals. These digital transactions include all transactions conducted by digital technology (R.Tamilarasi, 2017). E-commerce is largely known amongst individuals as online shopping, which is partaken as the buying and selling of goods via the Internet on any device (Basarir-Ozel, 2017).

Over the years there has been an immense increase in Internet users, this has led to the relative increase of the E-commerce channel that results to the alteration of the term E-commerce to digital commerce with integration of mobile and social channels. According to Sachs (2016) “E-commerce adoption is anticipated to continue to transform the way we shop and sell”, in the case of this research it influences the way we sell hotel rooms to the general and wider public.
Therefore, examining the factors that affect E-commerce adoption is highly important in the development of E-commerce in Kenya. With the increases of the importance of E-commerce, the researcher will attempt to establish what exactly influences the adoption of E-commerce with different models. These models include the TAM which is derived from TRA.

Taheri (2012) carried out a research on the adoption of E-commerce focusing on the factors influencing the adoption through the analysis of data adapted from respondents. The study was conducted in Iran with 156 questions (grouped into 14 questionnaires) designed and sent out to 50 companies. The study focused on E-Commerce adoption in the Iranian oil industry.

### 2.2.1 Adoption of E-commerce

E-commerce accumulated in the 1990s, it was observed that increasing levels of E-commerce activity in firms did not always correlate with Return on Investment (ROI) and enhanced profitability. Pre-1990s, the brick-and-mortar shops were experiencing lower ROI and footfall and E-commerce was beginning to break out as a new technology. Therefore, serious academic investigation of CSF’s in E-commerce adoption began (Golden, 2013). The dot.com meltdown of December, 2000 which saw the demise of many Internet firms provided further impetus to research. This led to questions arising such as: “How do ‘bricks and mortar’ firms make a successful transition to the online world, the so-called world of ‘clicks and mortar’?” There is a voluminous literature on E-commerce adoption and adoption drivers.

According to Legris (2003) the background of the adoption of E-commerce can be divided into two sub-sections. The first sub-section talks about motivation and success factors for E-commerce adoption. Whereas the second sub-section explains the challenges that face the adoption of E-commerce (barriers). Many E-commerce projects are part of Information Systems projects. Some of these projects have low success rates. Therefore, research has been undertaken to identify the factors that facilitate the use of IS. These factors have been grouped into the following four models that help analyze IS usage, which includes: Theory of Reasoned Action, Technology Acceptance Model, Diffusion of innovations theory, and Theory of Planned Behavior (Legris, 2003).

The results of the Irish study by (Ramsey, 2008) on the adoption of E-commerce revealed that there are seven factors that can prompt companies to adopt E-commerce. These factors are: E-commerce capability, willingness to change/rate of response to new technologies,
technological opportunity recognition, customer orientation, and sensitivity to competitive/customer environment. Grandon and Pearson (2004) studied the factors influencing E-Commerce adoption for SMEs, both in developed and developing countries. They identified organizational readiness, compatibility, external pressure, perceived ease of use and perceived usefulness, as the most important factors affecting E-Commerce adoption in SMEs. Their model was based on TOE (Technology, Organization, and Environment) framework which was proposed by Tornatzky and Fleischer (1990). The factors affecting the adoption of E-commerce can be elaborated into seven key factors which are: External pressure, Managerial Productivity, Organizational Readiness, Organizational Support, Perceived ease of use, Perceived usefulness and Strategic decision aids.

2.2.1.1 Technology Acceptance Model

The Technology Adoption Model (TAM) derived from Theory of Reasoned Action (TRA) was established with an aim to explain why individuals would adapt to information technology by seeking to explain situations based on the collaboration of personal beliefs and attitudes and the effect the beliefs have had on individuals (Bugembe, 2010). The model’s main outlook was that an individual’s intention to actually use a specific technology will determine the overall usage of the technology (Couza, 2017). TAM has been linked to the personalities, attitudes and social influence of the intended end user of a good/service. The TAM is described as “the stage of selecting a technology for use by an individual or organization” (Sharma & Mishra, 2014). It is the use of TAM that I will use to determine the usefulness of the adoption of E-commerce will have on the improvement of the efficiency of organizations within the hotel industry.

TAM predicts user acceptance based on two specific behavioral beliefs: Perceived Ease of Use (PEU) and Perceived Usefulness (PU), which determine an individual’s Behavior Intention (BI) to use an IT (Park, Lee, & Joongho, 2000). The factors that can be analyzed are as follows: Compatibility: According to Rogers (1995) this is the innovation perceived to be consistent with the values and needs. It has the perception that E-commerce is consistent with the values, culture etc. of a firm that has a significant impact on the adoption of information technologies (Walker, Saffu, & Mazurek, 2016)

External Pressure: This could originate from external factors such as the government, customers, suppliers etc. According to Rogers (1995), technology adoption is social and influenced by social and organizational pressure. Its adoption has been identified as external
pressure by a recent study (Walker, Saffu, & Mazurek, 2016). Managerial Productivity: focuses on the essence that information improves the communication in a company and raises productivity. The overall perception was that IT adoption leads to an improvement in the job performance and this may raise productivity of managers (Walker, Saffu, & Mazurek, 2016).

Organizational Readiness: The introduction of change into any organization has been described as being a task for most organizations to adopt therefore it is encouraged that organizations are to assess their readiness to adopt changes in advance (Walker, Saffu, & Mazurek, 2016).

Organizational Support: According to Igbaria (1997) Management support, education and training, and computing support are the three dimensions of Organizational support. It has been utilized to identify how E-commerce has made an improvement on customer services, reduction of costs etc. (Walker, Saffu, & Mazurek, 2016).

Perceived Ease of Use: Perceived ease of use (complexity, compatibility and system support) is the degree to which one believes that using the technology will be free of effort (Ha & Stoel, 2008). Moreover, it is proposed that PEOU would influence PU. Gefen and Starub (2000) emphasize that the importance of the perceived ease of use. Perceived Usefulness: Davis (1995) defined the perceived usefulness (relative advantage and trainability) as the “degree to which a person believes that using a particular system would enhance his/her job performance”. Strategic Decision Aids: According to Gordon and Pearson (2004) this is the managers decision making though the availability of information suggested strategic decision aids drive E-commerce adoption.

2.2.1.2 Theory of Reasoned Action

The Theory of Reasoned Action (TRA) is a model that was developed to predict human behavior. The two main elements of the TRA Model are the attitude towards a behavior and subjective norm. These two elements are described as the determinants of behavior (Fayada & Paper, 2015). Attitude towards a behavior is described as the individual’s “positive or negative feelings” on performing the target behavior. Fayada and Paper (2015) defined the subjective norm as the “the person’s perception that most people who are important to him think he should or should not perform the behavior in question”.

Behavioral beliefs in this context define the subjective probability that performing the target behavior will result in consequences while evaluation refers to an implicit evaluative response to the consequence (Talukder, 2008). Hence, with respect to adoption of innovation, the adoption decision is influenced by attitudes toward the use of the innovation and
perception of what other people who are important to an individual think about the adoption (Chigona, 2008).

2.2.1.3 Diffusion of Innovation Theory

The Diffusion of Innovation Theory was established by Everett Roger in 1960. The theory depicts that there are four elements that influence the spread of a new idea: Communication channels, innovation, time and social system (Sharma & Mishra, 2014). The Diffusion of Innovation Theory can be grouped into five stages namely, persuasion, knowledge, confirmation and implementation. These result in the categories of users that are usually in the adoption process: innovators, early adopters, early majority, late majority and laggards. The theory further provides the S-shaped curve of adoption concept. This curve depicts that the spread of infections among the population can be held as a study to the pattern of spread of a new technique or idea (Sharma & Mishra, 2014).

2.2.1.4 Theory of Planned Behavior

TPB was developed from the TRA which was proposed by Fishbein and Ajzen (1975). TPB adds to the PBC that contributes to stop the attitudes and subjective norms which make the TRA. PBC refers to the "people's perception of the ease or difficulty of performing the behavior of interest" (Sharma & Mishra, 2014). The roots of the concept are established in the Self Efficiency Theory which was developed by Bandura (1977). He further stated that "the judgments of how well one can execute courses of action required to deal with prospective situations".

2.3 The Influence of Organizational Readiness on the Adoption of E-commerce

Organizational Readiness is a Technological, Organizational and Environmental (TOE) framework that is inclusive of the organizational resources and support that assist in the innovation acceptance. Organizational Readiness is further defined as the degree to which an organization has the knowledge, resources, commitment and government to adopt E-commerce. The Adoption of E-commerce is positively associated with organizational readiness (Hameed, 2017). Organizational Readiness implies that the availability of resource both financial and technological are at the disposal of the firm to adopt further in addition of already existing technology infrastructure and the top management’s enthusiasm to adopt it within the organization. Organizational Readiness can be subdivided into sub-dimensions for better study as follows: Perceived Organizational Technical Support, Organizational
Information Policy (Udo, 2006) and Perceived Organizational Innovativeness (Ahmed, 2006; Chiva 2008; Birkinshaw 2007) these are used in the form of questionnaires that have been developed by other studies to enable researchers to generate accurate information for a particular research (Esen & Özbağ, 2014).

Hameed (2012) carried out research that defined Organizational Readiness as “the degree to which an organization has the awareness, resources, commitment and governance to adopt an IT system”. With a close evaluation of the MIS System for their study, they established that Organizational Readiness was closely tied to the technology implementation. This further led them to conclude that Organizational Readiness was the most important factor for adopting and implementing a new system. These findings further suggest that an organization needs to have extensive awareness and commitment to the adoption of new technology to ensure that they are ready to introduce or implement a particular system to its consumers. Armenakis (1993) noted that the readiness for change extends beyond only dealing with resistance to change but involves addressing the employee beliefs, attitudes, and intentions. The employee resistance has been found to be related to poor attitudes towards the change being implemented within the organization.

Grandon and Michael (2004) did a study on the E-Commerce Adoption with a focus on the Perceptions of Managers/Owners of Small and Medium Sized Firms in Chile, the study identified variables that differentiate between adopters and non-adopters of e-commerce. Kurnia and Peng (2015) study found that the strong support from the senior managers through a hierarchical decision-making structure that all the important business decisions originate from the executive level. This would be one of the greater attributes that ensure the adoption of e-commerce within an organization is implemented successfully. This is highly considerable to the amount of investments required for E-commerce adoption whereby an executive direct control a company’s business practices, personnel and resources guarantees adequate support for E-Commerce projects and maximizes the chance of success.

Gordon and Michael (2004) further assessed organizational readiness through evaluating the financial and technological resources that the company may have available. For the collection the researchers considered the number of employees as the principal criterion since other categorizations such as those involving revenue and/or total capital can frequently result in misleading classifications of organizations. This further enables them to identify the factors affecting the readiness of the organization which were classifies as ; the compatibility and
consistency of E-Commerce with firm’s culture, values, and preferred work practices, technology infrastructure and top management’s enthusiasm to adopt E-Commerce (Hameed, 2017).

Aldwsry (2011) did an analysis that revealed that there is a variation between E-commerce commitment and support amongst firms within his sample frames. He further stated that the advanced adopter firms had a clear E-commerce vision that were supported and championed by management staff. In addition Aldwsry (2011) found that with a supportive management staff, non-transaction initiatives are pushed to the maximum and immediate action more specifically learning towards the online transactions.

Findings of the study by Kurnia and Peng (2015) through conducting interviews with various organizations identified the following factors: A firm’s scope has a positive link to its E-commerce readiness. This was further elaborated that there is a positive relationship between a firm’s scope and the firm’s enthusiasm for e-Commerce adoption. Therefore stating that an organization needs to possess required resources to support the adoption of e-commerce, offering extensive service to make E-commerce an attractive tool for improving the coordination efficiencies of business activities and be willing to commit to future business activities and e-commerce investments (Kurnia, Karnali, & Rahim, 2015). They further identified that organizations may commonly lack the scope to make E-commerce an appealing business investment. Another factor identified if that an organizations position in the supply chain affects the E-commerce adoption. Thus meaning that the closer the organization is to the consumer, the more information technologies are used as part of the daily business routines.

Aldwsry (2012) conducted an empirical research on the E-Commerce Diffusion in High-Income Developing Countries: Determinants of E-Commerce Adoption and Post-Adoption of Saudi Enterprises with a sample size of 384 enterprises of various sizes and industries in the high income developing countries he suggests that the extent of e-commerce adoption is influenced by business process readiness, government readiness and security. Aldwsry (2012) further did an analysis on the external factors that may influence the readiness of an organization through the adoption of E-commerce. He stated that the organization as readiness can be influenced by the external influences of the environment that the organization may be operational in. Although firms in the same environment have different perceptions thus each having imperatives of their own.
Armenakis (1993) suggest that readiness “is the cognitive precursor to the behaviors of resistance to, or support for, a change effort”. Organizational Readiness has been found to support the feelings of commitment and confidence that assist in the implementation of change in employees. When Organizational Readiness is high, the implementation of change will be more effective through greater effort, persistence and cooperation (Gray, Wilkinson, Alvaro, Wilkinson, & Harvey, 2015). Staff commitment has been closely related to the Organizational Readiness which builds the employee commitment towards a new system implemented into the organization i.e. E-commerce systems. Organizational readiness can therefore be the key factor in supporting resilience while reducing resistance (Gray, Wilkinson, Alvaro, Wilkinson, & Harvey, 2015).

Weiner (2009) states that Organizational Readiness is a shared psychological state in which organizational members feel committed to implementing an organizational change and confident in their collective abilities to do so. The study utilized the survey method to interview more than 500 personnel that helped them determine that the Organizational Readiness can contribute to an organization’s change and new technology implementation (Hameed, 2017). The study further stated that the Organization’s climate is one of the key roles that help in understanding the factors that relate to the implementation of a new technology system. The study further indicates that employee perception is related to the organization’s readiness for change as it is an important factor that enables the organization to understand the employee’s resistance to large-scale changes such as a new implementation of a system. Earlier research focused on the impact the implementation of a new system on employees’ perceived value.

Venkatesh (2000) states that the study lacks information on the organization factors that should be present if an organization is considered ready for a new technology system. According to Amatayakul (2005), organizational readiness for change is a critical factor to the successful implementation of a new system. It has been mentioned that one half of all failures to implement an organizational change occur because the leaders within the organization failed to establish the readiness needed for the change (Walker, Saffu, & Mazurek, 2016). When organizational leaders overestimate the degree to which they have prepared the organization and the employee’s for change, the following was noted as the predictable range of undesirable outcomes that would occur: the change effort stalls and resistance grows, the change effort experiences a false start where it might or might not
recover of the change effort could fail all together (Gray, Wilkinson, Alvaro, Wilkinson, & Harvey, 2015).

Bandura (2000) suggests that the choice of the organizational readiness factors should be guided by the task independence level. The measurement that is based on an individual’s assessment of personal capabilities is a suitable element for individual performance assessment of employees. He further argues that measuring organizational readiness for change at an organizational level is more advantageous as the individuals who perceive change targeting as a group will be of a greater advantage to the preference of a collective outcome as a group. Their willingness to learn as a group about the new work methods will result in the organization’s readiness for change. Furthermore, Xu (2011) identifies the Organizational Readiness components from general organizational perspectives (including basic organizational characteristics, maturity, structure, culture/climate, resources, and internal technology) to departmental perspective, project perspective, workflow perspective, individual perspective and external environments.

2.3.1 Proposed Organizational Readiness Model

The sole purpose of this research study is to investigate and identify the contributing factors related to Organizational Readiness in E-commerce. According to Pare (2011) five dimensions of measurement were identified – possibly related to employees’ interpretations of Organizational Readiness during a state of staff exchange online system implementation. These include: attributes of change that is being introduced, the extent of leadership support for the proposed change, the organizational context were the change that took place, the characteristics of the change targets and IT support by IT department.

According to Change Management theories, one of the key elements for creating the readiness of change is by giving the sense that change is needed (Kamisah & Maryati, 2012). Aside from the new system, the change is also associated with organizational structure, local processes compensation schemes and responsibilities and compensation (Kamisah & Maryati, 2012). The following attributes of change were identified by Pare (2011): Change appropriateness, where individuals may feel a need of change needed but may not agree with the change that is being proposed (Pare, 2011).Change efficiency, this emulates is the member of an organization is confident to use a particular system with the belief that the change will indeed be successful (Pare, 2011).Vision clarity, this provides the justification of
the change where the organizational members’ understanding of the organizational goal and its change is a vital factor.

According to Armenakis (2007) the principal support from upper management as well as the local change agents can influence the degree of adoption of e-commerce within a particular organization. The two leadership support systems that were identified by Pare (2011) are: The devotion of time to the IS program in proportion to its cost and reviewing plans and facilitating the management process of the business are what defines the top management support. The support of upper management leads to greater resource allocation to the development and support of a new system, thus enhancing facilitating conditions and increasing perceptions of organizational readiness (Kamisah & Maryati, 2012). Furthermore the presence of an effective champion within an organization has established that without a project champion it is difficult to undergo significant change within an organization. This being because they are the individuals that actively promote and push a new project into existence through approval and resolve implementation hurdles (Kamisah & Maryati, 2012).

Weiner (2009) stated that the management experts have discussed the contextual conditions that affect organizational readiness for change. Therefore while implementing computer-based systems such as E-commerce into organizations. The organizations ought to have had a series of successes, failures and dynamic evolving systems (Kamisah & Maryati, 2012). Pare (2011) identified the following three internal contexts: “Organizational history of change might affect the way a change is framed and hence have a great influence on the extent of IT implementation success” (Pare, 2011). Armenakis (1993) stated that the positive past experience can foster Organizational Readiness. Whereas Eby (2000) states that flexible policies and procedures are important in promoting organizational readiness. Organizational conflicts might lead to perceptions among the organizational members that the organization is not ready for change (Pare, 2011).

Analysis by Smith (2005) states that organizational flexibility will improve organizational performance considering flexibility in organizations increases the capacity to adapt to rapidly a changing environment. When organizational members are confident towards the organizational flexibility to achieve change, it will make them actively and genuinely participative in the change process, thus successful change can be achieved (Kamisah & Maryati, 2012).
Working towards the adoption of E-commerce would then have to acquire the organizational members that require change. This is further elaborated through the implementation of a change target. A change target is a member of an organization that are impacted by change. These are the variables that represent the conditions that influence a member’s culture, defined as their attitudes, beliefs and intentions when confronted with change. The measures identified include the Collective Self-Efficacy measure and the user training (Kamisah & Maryati, 2012). Collective self-efficacy is when members share a common, favorable assessment of task demands, resource availability and situational factor; they share a sense of confidence that enables them to collectively implement a complex organizational change that results in change efficacy (Weiner, 2009). In addition there is the user training determines the organizational members' readiness to accept and use this is through a regular, proper, consistent and exciting training that can positively influence the adoption (Kamisah & Maryati, 2012).

Sidal (2009) identify that the availability of a competent IT officer can help solve technical problems, update equipment, improve ICT systems and provide other support to improve the user understanding and application skills. Therefore, organizational level may be investigated further to identify their influences on organizational readiness. We also identified that there is a difference between organizational and individual readiness. The readiness of an organization for the adoption of E-commerce can be further measured as technology readiness, IT sophistication and technology competence (Aldwsry, 2012). According to Zhu and Kraemer (2005) the technology resources do not only comprise of the IT infrastructure that is implemented but also human resources. This is further measures in the level of computerization and experience within and organizations network-based applications. Lacovou (1995) further argued that the more highly integrated, computerized processes are likely to increase internal readiness into higher E-commerce utilization (Aldwsry, 2012). Moola and Licker further found that technological resources significantly influence the E-commerce adoption thus it is expected that “technology resources are positively related to E-commerce adoption, utilization and scope of use”.

2.4 The Effect of Perceived Usefulness on the Adoption of E-commerce

Perceived usefulness of E-commerce in the service industry may be defined as the prospective traveler's that use the Internet to facilitate his/her purchasing travel/service/product whereby consumers have favorable attitudes towards products/services
that they believe have a degree of favorable attributes (Ali, Mat, & Ali, 2018). This can be further defined as the perception of consumers towards E-commerce that it simplifies and improves their purchasing in terms of effectiveness, time and saving money. Perceived usefulness is also influenced by the low costs of information search online. For example, Fairmont the Norfolk allows consumers to save time and search for room availability information online. With the ability of further booking a room online they can purchase online which can provide convenience, and ease for comparisons to enable them to select the most affordable and informative option (Ali, Mat, & Ali, 2018).

Yousafzai (2010) described perceived usefulness and a parsimonious and IT Specific factor that has been designed to provide adequate explanation and prediction of a user population’s acceptance of a wide range of systems and technologies with varying organizational and cultural expertise levels. Although the construct of Perceived Usefulness has been conveyed differently across studies, Teo (2004) indicates that the Perceived Usefulness theory is a major determinant in the adoption of E-commerce. This is elaborated further as e-commerce has the potential to provide both strategic benefits i.e. increased sales and operational benefits i.e. reduced costs (Zhu, 2004). This is further supported by Gibbs and Kraemer (2004) who mentioned that “it is anticipated that perceived benefits is positively related to e-commerce adoption, utilization and scope of use” (Aldwsry, 2012). According to Hwang and Jeong (2014), usefulness as a construct captures an individual’s belief in the use of electronic technologies to enable them to enhance task performances. The “task” refers to activities such as the product information search, comparing product/service prices and checking the company policy. Usefulness was re-conceptualized as a multi-dimensional construct by Glassberg (2000) with individual, social and task usefulness. The main argument behind the approach is that the WWW technology differs from traditional technologies which are developed to suit specific tasks. The ability of the WWW to handle multiple task requirements of users would generate other types of usefulness would need to be considered.

Davis (1995) defined the perceived usefulness (relative advantage and triability) as the “degree to which a person believes that using a particular system would enhance his/her job performance”. This can be reflected further within organizations where individuals improve performance through incentives. A system that is high in the perceived usefulness is where a user believes in the existence of a positive user-performance. According to Benbasat (1993) the higher the managerial understanding of the technology benefits, the higher the likelihood of the allocation of resources i.e technological and financial that are necessary to implement
E-commerce (Aldwsry, 2012). Perceived usefulness can be further used to measure the level to which an individual believes that using E-commerce would enhance their job performance. According to Lee, Cheung, and Chen (2005) perceived usefulness is important for consideration as it is said to have a large impact on employees’ attitude and behavior intention to use E-commerce.

Grandon and Pearson (2003) found significance in the perceived usefulness towards E-commerce adoption. They stated that managers will only adopt E-commerce if they can see the relative advantage they can gain from the adoption. Thus identifying that the adopters would find it advantageous and non-adopters finding it of no advantage to their organizations (Bakar, 2014). Lee and Qualls (2010) further stated in their study that perceived usefulness is an important source of beliefs in the consequence of adoption of E-commerce. Therefore if a firm believes a technology adoption to be beneficial, then the firm will form a positive attitude toward the technology adoption. Thus increasing a positive attitude towards the implementation of the adoption of a technology in this case the adoption of E-commerce (Lee & Qualls, 2010). Gor (2015) established that the positive increase in perceived usefulness based on the relative advantage and trial ability had a positive influence on the adoption of a system. Mndzebele (2013) did a study on the Electronic adoption in Business to Business (B2B) within the South African hotel industry and the additional innovation characteristics namely compatibility and complexity, he found that complexity had a greater influence on the respondent’s perception of E-commerce. Thus his study further indicated that complexity had a greater influence on the adoption process. Alternatively, relative advantage did not correlate with the extent of adoption of E-commerce (Gor, 2015).

2.4.1 Perceived Self- Efficacy

According to Lal (2005) perceived usefulness has a direct correlation with employees’ qualifications. He further states that the employees’ qualification will impose the relationship in the degree of E-commerce adoption. This is further supported by Porter and Donthu (2006) who put forth that the adoption of a new technology is closely related to the degree of knowledge one has as adopters with higher education and the ability of understanding “how to” knowledge compared to the less educated. A study conducted by Lee and Qualls (2010) further tells us that as a result, the level of education of an individual has an impact on their ability to analyze the perceived usefulness of E-commerce on them. The ability of an employee to fathom the importance of Perceived usefulness as a seller will create the positive
attitude toward the technology adoption (E-commerce). A firm can have negative feelings towards a new technology because of the reluctance to the risk of adoption a new technology because of the lack of knowledge on the technology (Lee & Qualls, 2010).

Lee, Park, and Ahn (2000) conducted an empirical research on the explanation of factors affecting e-commerce. The study was led through the measurement of the Perceived Usefulness construct through a questionnaire whereby “the influence of e-Commerce on consumers is emphasized”. The results then showed that the consumers Perceived Usefulness on e-commerce is not influenced significantly by the risk, which is derived from the product/service itself. The E-commerce consumers alternatively take into account the risk involved in the transaction, this includes the privacy, and security when they perceive E-commerce to be useful (Lee, Park, & Ahn, 2001). According to Lee and Qualls (2010) Perceived usefulness can further influence the overall adoption if the operational cost savings, improved supply chain efficiency and effectiveness in maintaining buyer-seller relationships are shown as important factors that may have an effect on the new technology adoption. Thus the perception of the usefulness of the adoption of E-commerce will be influenced by the capability the firm has for implementing and utilizing the technology.

Kirby (2004) suggests that entrepreneurs possess a high internal locus of control, they have a belief that the achievement of any goal bonds them to their inner-self meaning that entrepreneurs believe that the main reason for success of a newly implemented factor such as E-commerce depends solely on the behavior or characteristic of an individual who eats what they sow (Lane, Wafa, Hassan, & Belkhamza, 2014). Therefore implying that the adoption of E-commerce can lead to the success of an organization/business by the decision made by owners that believe that the usefulness of E-commerce can lead to the higher performance of the firm eventually. Entrepreneurs with high risk-taking ability are likely to adopt E-commerce readily due to the market demand even when the benefits of E-commerce are not guaranteed.

Cohen and Levinthal (1990) stated that “an ability to recognize the value of new information, assimilate it, and apply it to commercial ends” would influence the way different firms will perceive the usefulness of the adoption. This is aimed particularly to the prior experiences and expertise by a firm to adopt a new technology. Therefore if a hotel has a high absorptive capacity then the better the opportunities that a technology can provide to the hotel and exploit the hotel to new opportunities. The absorptive capacity then enables them to
understand better how the adoption of a new concept such as E-commerce can improve the efficiency of the organization and gain more knowledge on potential problems and how to face them (Lee, Park, & Ahn, 2001).

According to Davis (1985) individuals tend to use or not use a system to the extent that they believe it will help them perform better in their job and also in this case in their transaction or purchase of a destination hotel. Davis (1985) further defined perceived usefulness as the degree to which an individual believes that using a particular system would enhance his/her job performance. In contrast, the other TAM belief (i.e., perceived usefulness) is defined as the extent to which a person believes that using a technology will enhance her/his productivity.

2.4.2 Subjective Norms

Venkatesh and Davis (2000) established TAM2 as a theoretical extension of TAM, the purpose of TAM2 was to examine the role of social influences and determinants of perceived usefulness. The theoretical extension thus introduces five external attributes: subjective norm, image, job relevance, output quality, result demonstrability and two moderators being: voluntariness and experience. In addition Venkatesh and Bala (2008) further developed the TAM3 which introduced additional seven external variables: perception of external control, computer self-efficacy, computer anxiety, computer playfulness, perceived enjoyment, objective usability (Aldwsry, 2012). Swanson (1982) as cited by Awujoola and Ikegune (2016) says that perceived ease-of-use is an important behavioral determinant. He emphasized that a handful of the users will select and use E-commerce based on the ease of access to the system and the quality and cost of access that comes along with the use of the system.

The perceived ease of use of E-commerce can be greatly influenced by the presence/absence of direct hands-on experience with new systems by the targeted users, user perceptions of ease of use are not distinct across the different new systems, this suggests that in the early stages of user experience with newly implemented systems there are a set of “common” determinants for system specific ease of use (Ali, Mat, & Ali, 2018). The early stages of user experience, the initial findings of system specific perceived ease of use of a new system (E-commerce) are expected to be individual difference variables and general beliefs based on previous experience/analysis with computers and other systems within an organization. This is supported by the self-efficacy that is a strong determinant of perceived ease of use before
a hands on experience. Further meaning that when users gain an experience with a new system their assessment of the ease of use will adjust to reflect unique attributes of their interaction with the new system and its environment (Venkatesh, 2000).

The perceived ease of use has shown mixed results. In Gefen and Starub (2000) and Moon and Kim (2001) papers, they introduced the playfulness as an additional construct which was defined as the strength of one’s belief that interacting with the web would fulfill users’ intrinsic motives. The intrinsic motives refer to the activities that a person does for enjoyment (Hwang & Jeong, 2014). According to Liu and Arnett (2000), the companies that incorporate playfulness construct in their model recognized the impact it had on the use of the Internet related technologies i.e. E-commerce to be significant. Web technologies are described to be more interactive in nature and have the ability to engross users.

Perceived ease of use has further been studied to have “external variables” that influence key expectancies which then support other constructs as possible determinants of perceived ease of used. The constructs that are related to control, intrinsic motivation, and emotion are proposed as general anchors for the formation of perceived ease of use in new systems. Control is divided into perceptions of internal control (computer efficacy) and perceptions of external control (facilitating conditions), intrinsic motivation is the computer playfulness and emotion is analyzed as computer anxiety (Awujoola & Ikegune, 2016).

The computer self-efficacy, computer playfulness and anxiety are system-independent, they have the key constructs that have critical roles in shaping the perceived ease of use on a new implementation such as the use of E-commerce, particularly in the early stages of the adoption of the system. With an increase in experience with a new system comes objective usability which forms the perceptions of external control (facilitating conditions) (Venkatesh, 2000).

### 2.5 The Effect of Perceived Ease of Use on the Adoption of E-commerce.

According to Ali and Mat (2018) Perceived ease of use is the degree to which a person believes that using a particular system would be free of effort. They further stated that PEOU represents the level of difficulty the user expects to have in utilizing the E-commerce factor in his or her routine. Perceived ease of use (complexity, compatibility and system support) is the degree to which one believes that using the technology will be free of effort (Ha & Stoel, 2008). Ling (2001) considered several internal environment factors that would influence the
adoption of E-Commerce: perceived relative advantage (i.e. the perceived E-Commerce benefits and impact), compatibility, trialabil’ity, complexity (ease of use or learning Electronic Commerce) etc. The literature about E-Commerce indicates that the above innovation factors have been the key feature of several IT adoption studies (Iacovou, Benbasat & Dexter, 1995).

According to Zeitham (2002), the extent to which a development is straightforward could be considered perceived ease of use. Moreover, it is proposed that PEOU would influence PU. Gefen and Starub (2000) emphasize that the importance of the perceived ease of use in E-commerce adoption. According to Ali (2018), the context of E-commerce that influences the adoption in the hotel industry for perceived ease of use refers to the appeal of the site, ease of access, ease of navigation and ease of understanding. If the appropriate skills and understanding of the technology are in place, the use of an adoption of E-commerce will be easier and the consumer can easily accepted the e-commerce system that is being implemented.

Radner and Rotschild (1979) identified that the Perceived Ease of Use requires the effort as it is a finite resource that a person may allocate to the various activities that the individual may allocate to the various activities that they are responsible of, thus concluding that all things being equal, one claims that an application deemed to be easier to use than another is more likely to be accepted by users. The adoption of E-commerce has to be established for ease of usage for an individual as if it is perceived to be too hard to use and the performance benefits of usage are outs weighed then the adoption process may take longer than anticipated.

2.5.1 Demographic Factors Affecting Perceived Ease of Use

According to Lane (2014), the effect that perceived ease of use can have on the adoption of E-commerce can be due to the age of the consumers of a product or stakeholders of an organization. Thus, age correlates with the degree of perceived usefulness of a particular invention such as E-commerce. For example, older individuals have limited experience using computers; this could lead to them having self-efficacy concerns related to how to use the Internet (Lane, Wafa, Hassan, & Belkhamza, 2014). Furthermore, the authors noted that the idea of learning to use the Internet for the elderly may create an anxiety-provoking situation that would lead to many avoiding the use of E-commerce due to the perceived difficulty associated with the task (Lane, Wafa, Hassan, & Belkhamza, 2014). Thus meaning that when they refuse to lean on Internet and further adapting the use of e-commerce, the older
consumers and entrepreneurs will be more likely to maintain their traditional brick-and-mortar business as they may perceive the use of the internet to be more complex and would opt to avoid using the internet as an overall business solution.

Ethnicity has been used as a factor that influences how individuals perceive usefulness. Porter and Donthu (2006) have used African-American and Hispanic-Americans as a case study for their research for the race factor in Internet adoption, which resulted in the discovery that minorities tend towards collectivist behavior, thus meaning that they are expected to have less favorable perceptions of the Internet which yields a lower usage rate. These findings tell us that the differences in race/ethnicity can influence the degree of E-commerce adoption. They concluded that ethnicity has a relationship with the degree of perceived usefulness and perceived ease of use respectively. This is of relevance to the Kenyan market which similarly adapts the collective behavior leading to less favorable perceptions of the Internet. This could explain the adoption process of E-commerce of hotel industries in Nairobi, Kenya with the analysis that the more the individual perceived E-commerce as easy to use, the more that particular individual would find the E-commerce useful and thus, the propensity that individual adopting E-commerce will be high.

2.5.2 Self-Efficacy Theory

The Self-Efficacy Theory was developed by Bandura in 1986. It is defined as “judgments of how well one can execute courses of action required to deal with prospective solutions”. Self-efficacy is linked to the perceived ease of use as they’re both determinants of behavior (Davis, 2014). Self-efficiency influences the adoption in the use of E-commerce. Cognitive and personal characteristics are required while using devices and information technology. Writing and editing, group process and web skills stand out among the cognitive abilities while self-regulation, integrity and openness stand out among the personal characteristics (West and West, 2009). Besides all these variables above, computer self-efficacy is one of the most significant of all which enables these tools to be used (Awujoola & Ikegune, 2016).

Horzum and Aydemir (2013) as cited by Awujoola and Ikegune (2016) state that self-efficacy is the capability belief towards the actions those are required in managing and editing lessons which brings skills. Measuring self-efficacy presents us the information about how people think, feel, behave and motivate themselves. Bandura (1986) as cited by Shu, Tu and Wang (2011) defined self-efficacy as people’s judgment of their capabilities to organize and execute
courses of action required to attain designated types of performances, which is concerned not with the skills one has but with judgment of what one can do with whatever skills one possesses.

2.5.3 Emotion: Computer Anxiety

Computer anxiety is the individual’s fear when faced with the possibility of using a technology function. This relates to the user’s general perception of computer use. Computer anxiety is a negative reaction by a user. Although there are highlights on the importance of computer anxiety, that demonstrates its influence on key dependent variables. For example studies show that the anxiety has had a significant impact on attitudes, intention, behavior, learning and performance. It has an important role in influencing key dependent variables (Davis, 2014). According to Viswanath (2000) anxiety has been mentioned to have two key components: cognitive, which leads to negative expectancies and emotional, that leads to negative psychological reactions. Social cognitive theories suggest that anxiety and expectancies are reciprocal determinants. Within the perceived ease of use anxiety is viewed as a determinant of the process expectancy.

According to Davis (1985), the perceived ease of use is the degree to which an individual believes that using a system would free them from physical and mental efforts. Although the primary purpose of this research is to focus on perceived ease of use in the content of the TAM, it is essential to note that other theoretical perspectives studying user acceptance have also employed similar evaluations/constructs. A study by Thompson (1991) used the construct called “complexity” and Moore and Benbasat (1991) employ a construct called “ease of use”. Although the primary association of the perceived ease of use is with intention in TAM, the underlying objective is to predict usage behavior. It is therefore critical to highlight that the body of this research in behavioral decision making and demonstrate that individuals attempt to minimize effort in their behaviors, this then supports the relationship between perceived ease of use and usage behavior (Venkatesh, 2000). It has been further noted that although perceived ease of use has been employed extensively in user acceptance research in general, very little has been done to understand the determinants of perceived ease of use.

Therefore, understanding the perceived ease of use is elaborated in two mechanisms that influence intention: Perceived ease of use has a direct effect on intention, and indirect effect
on intention via perceived usefulness, and it is a hurdle that users have to overcome acceptance for acceptance and usage of a system (Venkatesh, 2000)

2.5.4 Adoption of Innovations

The adoption of innovations suggests a prominent role in the perceived ease of use. Complexity is defined as “the degree to which an innovation is perceived as relatively difficult to understand and use” (Davis, 2014). Complexity and relative advantage have been dealt with broadly and inconsistently thus making them difficult to interpret. According to Tornatzky (1982), it is the relationship between the characteristics of an innovation and its adoption. Some studies suggest that the relative advantage, compatibility and complexity have the most consistent important relationships across innovation types and thus they display an innovation imperative perspective. Other studies have stated that the characteristics of Chief Executive Officers (CEOs), such as their innovativeness and commitment to innovation, thus demonstrating a managerial imperative perspective (Molla & Licker, 2005).

Other studies emphasize on the organizational characteristics (i.e. specialization, readiness, functional differentiation etc.) thus leading them to demonstrate organizational imperative perspective. Several studies have mainly focused on the environmental factors that relate to competitive pressure and influence actions. Models that are based on the four main domains of adoption (innovation, management, organization and environment) provide better explanatory power than models that only depend on the other views (Lane, Wafa, Hassan, & Belkhamza, 2014).

2.6 The Effect of Organizational Support Influences on the Adoption of E-commerce.

According to Al-Dmour (2017) in order for an E-commerce strategy to be implemented into an organization swiftly, the company heads need to recognize the importance of E-commerce in order to accomplish better sales volumes, market share etc. (Al-Dmour, Nwerian, & Al-Dmou, 2017). The recognition of the importance of E-commerce by the organization is important to enhance the mentioned factors, without the recognition of the same can lead to the failing of the company (Al-Dmour, Nwerian, & Al-Dmou, 2017). According to Igbaria (1997) Management support, education and training, and computing support are the three dimensions of Organizational support. It has been utilized to identify how E-commerce has
made an improvement on customer services, reduction of costs etc. (Walker, Saffu, & Mazurek, 2016).

Lertwongsatien and Wongpinonwatana (2003) examined small and medium size companies in Thailand and concluded that organization size, top management support for E-Commerce, existence of the IT department inside the company, perceived benefits and compatibility, and industry competitiveness are the main factors affecting E-Commerce. The Organizational support has been deemed to be of positive influence to the entrepreneurial activities of an organization through the training and trusting of employees who will eventually detect the opportunities that can benefit the organization (Al-Dmour, Nwerian, & Al-Dmou, 2017).

Alternatively the training can further influence employees into understanding a new concept and adapt it fully into action for the benefit of the organization at hand. The understanding of the employees coping with major change provides insight into how one can reduce resistance and improve responses and adoption to change. Reducing resistance to change is important as “the more radical and transformational the change, the more powerful the resistance to change is” (Gray, Wilkinson, Alvaro, Wilkinson, & Harvey, 2015). According to Welbourne (1999) there are individual differences in approaches to change and this are essential to understand by management to ensure the support that is needed is extended. According to Mills (2013) the change management support for change may foster resiliency by providing employees with opportunities to build skills in the adaptability in the face of uncertainty.

E-commerce is very likely related to improved organizational performance, this can be linked to the growth and profitability of an organization. Organizational support is established when an organization creates an opportunity that would need to go through an “objectification stage” where by the stake holder can test the feasibility of an idea though communicating it to the subordinates and peers (Atiq & Karatas-Ozkan, 2013). The idea would need to be understood and agreed upon in order for the support to be generated towards a new implementation within an organization and industry. The support received from peers and employees reduces the uncertainty and enables the successful implementation. Top management would then need to start developing a coalition that can provide resources for a new implementation. The top management would then need to obtain their support but the social ties and reputation of the entrepreneur will strongly affect the support needed with the stakeholders.
Alswsry (2012) conducted an empirical research on the E-Commerce Diffusion in High-Income Developing Countries: Determinants of E-Commerce Adoption and Post-Adoption of Saudi Enterprises. His study was conducted on a research with a sample size of 384 enterprises of various sizes and industries in a high-income developing country from a poorly investigated region. He further identified that the lack of managerial and organizational commitment in the developing country context was a major constraint on the success of a newly implemented process such as E-commerce. Molla and Licker (2005) further found that there is indeed a significant relationship between the extent of e-commerce adoption and commitment in developing countries. Alswsry (2012) identified commitment from top managers as one of the key determinants that links E-commerce adoption extensively as the scope of E-commerce use within organizations.

Molla and Licker (2005) identified commitment as a management support that could be defined as “support by key members of the organization, especially its CEO, to champion e-commerce”. Premkumar and Roberts (1999) argument towards the commitment is that top management can encourage the change by strengthening values and establishing a supportive environment for any new innovation (Alswsry, 2012). Al-Mashari (2003) further stated that top management support is an important determinant for the successful implementation of a technology. Within the E-commerce domain Aghaunor and Fotoh (2006) argue that senior managers have the power and authority to make strategic decisions, which are crucial in developing an e-commerce vision and strategy, and hence disseminating the importance of ecommerce throughout the organization. Al-Qirim (2003) stated that a CEO's interest and involvement in E-commerce would devote additional resources into e-commerce implementation. That is, managerial staff would make sure that the required resources are allocated to e-commerce initiatives to be successfully implemented in their organizations. Furthermore a lack of management support and commitment, a great number of e-commerce projects are likely to fail or not move to advanced adoption levels (Daniel and Grimshaw, 2002).

Organizations with pro-activity always establish new concepts that they can implement that will give them a competitive advantage over their competitors. Organizations design activities that revitalize the company’s business and to establish competitive advantage. Studies have examined the factors that affect the corporate entrepreneurship, such as organizational culture, generational involvement, and stewardship characteristics. Further
studies have investigated EO as a core concept of the corporate entrepreneurship (Atiq & Karatas-Ozkan, 2013).

The EO refers to the strategy-making process and styles of firms. Following the study done by Lumpkin and Dess (1996) we will have a look at the dimensions of autonomy, innovativeness, risk taking, pro-activeness and competitive aggressiveness. Autonomy: According to Lumpkin and Dess (1996) autonomy refers to the “independent action of an individual or a team in bringing froth an idea or a vision and carrying it through to completion”, this context explains the actions taken free of stifling organizational constraints. Factors such as resource availability, actions by competitors and internal organizational considerations may change the course of new-venture initiatives (Zellweger & Sieger, 2014). When implementing E-commerce the organization needs to act independently to make the key decisions of challenges and opportunities they may face and implement policies that would generate opportunities for the hotel and create leverage. According to Nordqvist (2008) Autonomy is important for long term performance; they further suggested that considering autonomy as having both external (stakeholders) and internal (Employee empowerment) is vital for organizations. Hence this may propose that as autonomy is seen as an important element of corporate entrepreneurship, both internal and external autonomy need to be considered (Zellweger & Sieger, 2014).

Innovativeness: This refers to the firm’s ability to engage in and support new ideas, experimentation and creative processes that may lead to new products, services, or technological processes. For example the implementation of E-commerce in the hotel industry. Typically there is a continuum of innovativeness regarding both the scope and pace of innovation in products, markets and technologies. The success and wealth of an organization is creates when an already existing market structure is disrupted by introducing new goods or services i.e. E-commerce. The key to this cycle of activity is to implement “new combinations” that will propel the dynamic evolution of the economy. Furthermore, innovativeness is described as having a greater potential for high performance if driven by strategic decision making and long-term orientation (Zellweger & Sieger, 2014).

Risk taking: This refers to the degree that managers are willing to make risky commitments that for example may have a chance of costly failures. According to Zahra (2005) the Chief executive officer has no effect on risk taking. Study finds that in an emerging hotel industry such as the one in Kenya a lot of risk taking and competitive aggressiveness has been used
alongside the innovativeness and autonomy. Thus literature on risk taking focuses on the study if the firms are risk-averse or risk-inclines organizations. Although the validity of research is undermined by inconsistencies regarding the definition of measurement of risk taking.

Pro-activeness: This is referred to as an “opportunity seeking, forward-looking perspective that involves introducing new products and services ahead of the competition and acting in anticipation of future demand to create change and shape the environment.”. According to Dess and Lumpkin (2005) Pro-activeness also further involves the willingness to act on insights ahead of the competition (Zellweger & Sieger, 2014). Competitive aggressiveness: This is the firm’s ability to directly and intensely challenge its competitors to achieve entry to improve position and to “outperform industry rivals in the market place”. Although competitive aggressiveness can also be reactive whereby a new entry that may be an imitation of an already existing product/service triggers a company to make a move that implies aggressiveness in the market (Zellweger & Sieger, 2014). Empirically, researchers have found consistent support for institutional pressures as significant predictors for innovation adoption (Teo, 2003)

The factors mentioned would enable an organization to generate the support needed by the employees and users through the certainty, aggressiveness and pro-activeness of the introduction and implementation of a new idea such as E-commerce that has been incorporated. The involvement of the employees and users throughout the process would also guarantee the organization needed as the involvement would give them the courage and assurance of support a system that they envision to be of significant importance to them as individual and influence the surroundings to the adoption and acceptance of the newly implemented E-commerce. Organizational support would be fully implemented through the involvement of the top management of companies this is because they have the ability of influencing and communicating the product to the employees who would in general need to trust their managers to want to follow through an idea (Zellweger & Sieger, 2014).

Aldwarsy (2012) further identified that the organizational support of an organization does not have to fully entail the handling of internal processes in an organization but also the process related to the interaction with customers and suppliers. Therefore, it can be argued that organizations engaging in e-commerce should make considerable efforts and investments not only for IT resources, but also for the readiness of their e-business processes in order to
achieve success and maximize benefits. Companies with lower level of E-commerce utilization had an unclear E-commerce vision and thus also including low management support and commitment. Thus meaning the lack of the adoption of E-commerce by a firm was resulted from a lack of e-commerce strategy and management support. Management needs to plan to support any e-commerce initiatives and anticipate extra costs that may hinder the success of the adoption of E-commerce (Aldwary, 2012).

2.7 Chapter Summary

This chapter presents a literature review about E-commerce, its background, the effects it has had in the hotel industry. It further reviews the adoption background, motivations and barriers for E-commerce adoption. The theory methodology requires the researcher to review some of the literature, which helps to identify the research problem and further the implement the first and second empirical studies. The next chapter is the process of identifying the research methodology that will be used to further investigate and define the research problem that has been identified by the researcher.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a discussion of the research methodology to be used in the study. It provides the details of the research design, target population and sampling design for the study. The chapter also explains the data collection procedure, analysis and research instruments the study will adopt with the close focus on validity and reliability of instruments.

3.2 Research Design

Research design is the scheme, outline or plan that is used to generate answers to research problems. According to Kothari and Garg (2015) descriptive survey research design is a type of research used to obtain data that can help determine specific characteristics of a group. The main advantage of descriptive survey research is that it has the potential to provide us with a lot of information obtained from quite a large sample of individuals. The study employed qualitative research designs (Kothari & Garg, 2014). The study focused on obtaining qualitative and quantitative data from respondents targeted by use of questionnaires. Snowballing sampling will be deployed in the study for obtaining those people that are most conveniently available for answering the questionnaire. Babin and Anderson (2010) indicate that it requires minimum 150 sample size with a research model including seven or less constructs, modest communalities, and no unidentified constructs for SEM technique.

This study used descriptive research design sought to investigate the factors influencing the adoption of E-commerce in Kenya. This approach was appropriate for this study as it aimed to establish or describe the existing relationships of the variables central to the conceptual framework. Under descriptive design, this study utilized a survey design to analyze the factors influencing the adoption of E-commerce in Kenya. The fundamental concept behind the survey methodology is to measure the pre-determined variables using data collected from a representative sample and examine relationships among said variables. The survey research involves use of questionnaires to collect data from the sample selected to represent a population to which the findings of the data can be generalized.
3.3 Population

Target population as described by Gall (2010) is a universal set of study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The target population of this study was Hotels located in Nairobi County.

3.4 Sampling Design

Sampling is the selection of individuals or elements that would enable a researcher to study them and draw conclusions regarding the entire population. The sampling process allows a researcher to eliminate costs, prompt data collection, and increase of data/results accuracy. Sample design can be categorized as probability and Non-probability sampling (Cooper & Schindler, 2014). This study used Non-probability sampling. Non-probability sampling is defined by Alvi (2016) as a sampling technique where the odds of any member being selected for a sample cannot be calculated. A non-probability sampling technique was employed where samples gathered in the data collection process did not give all the individuals in the population equal chances of being selected.

3.4.1 Sampling Frame

The sampling frame is the representation of the elements of the target population. It primarily consists of a list or set of directions from which the potential respondents are drawn. The sampling frame for this study was respondents within the listing of all hotels in Nairobi County classified in star rating system that range from 4-star Hotels to the most luxurious hotels at 5-stars.

3.4.2 Sampling Technique

Etikan, Musa and Alkassim (2015) state that convenience sampling is a type of non-probability sampling method where the members of the target population meet certain practical criteria such as easy accessibility, availability at a given time, geographical proximity etc. This study utilized the convenience sampling technique as it allows one to draw a sample from a part of the population that is situated administratively or spatially, near where the researcher is conducting the data collection.
3.4.3 Sampling Size

According to Glenn (2003) the sample size is influenced by factors including the purpose of the study, population size which is greatly influenced by the cost consideration and the allowable sample error. For this study, Yamane's (1967:886) simplified formula for calculating sample size was used. At a 90% confidence level and the total hotel rooms in Nairobi as 19 100 (PricewaterhouseCoopers, 2018). The sample size was calculated as follows:

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

Therefore the sample size was:

\[ \frac{N}{1 + N(e)^2} = \frac{19 100}{1 + 19 100 (0.07)^2} = 156.24 \text{ i.e. approximately 150 rooms} \]

Table 3.1 Sample Size

<table>
<thead>
<tr>
<th>Hotel Rooms</th>
<th>Calculation</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 100</td>
<td>19 100 / 1 + 19 100 (0.07)^2</td>
<td>150</td>
</tr>
</tbody>
</table>

3.5 Data Collection Methods

In cohesion with the selected research design and technique, the study focused on the collection of primary data that was obtained from hotels in Nairobi County. The responses were given by the customers and employees of the sample hotels.

The data collection tools that were employed were questionnaires that contained structured and unstructured questions. Structured questions are single response with nominal or ordinal categories. They are further defined as close ended response questions which restrict respondents from deviating from a specified response. Unstructured questions are abit more qualitative they do not require pre-defined categories and allow respondents to express their views openly/freely (Timpany, 2016). The study collected data utilizing both response strategies, thus ensuring all sentiments are captured from the respondents. A likert scale consisting of five measures ranging from strongly agree to strongly disagree was implemented to gather the depth perception of the respondents towards the subject matter.
The questionnaire consisted of six sections: section one gathered the respondents personal data regarding the demographics, section two fixated on Organizational Readiness, section three focused on the Perceived Usefulness, section four was on the Perceived Ease of Use, section five was on the Organizational Support and finally section six focused on the Adoption of E-commerce.

3.6 Research Procedures

To ensure the efficient and effective utilization of time and costs, Convenience sampling was implemented through the selection of respondents who were nearby and easy to locate. The questionnaires were then administered to the respondents via the following means: drop and pick, e-mail and in-person administration.

In order to generate a high response rate, the following strategies were implemented to strengthen the willingness of potential respondents to participate in the survey: well conveyed introductions were communicated by the researcher to the respondents explaining the purpose of the survey and elaborated further on the value their contribution added to the survey while further elaborating by giving a disclaimer.

Furthermore, the researcher ensured that the command of the questionnaires was based on the respondent’s voluntary participation, further ensuring that none of the respondents were compelled to engage in the filling of the questionnaire against their will. The respondents were further given a disclaimer that guaranteed confidentiality of data gathered and the nondisclosure of the participating respondents.

3.7 Data Analysis Methods

The data collected was analyzed to determine the Factors Influencing Adoption of E-commerce with specific focus on analyzing Organizational Readiness and Adoption, Perceived Usefulness and Adoption, Perceived Ease of use and Adoption and Organizational support and Adoption. Thus the regression analysis was used to illustrate the relationship between the independent variables which were Organizational Readiness, Perceived Usefulness, Perceived Ease of Use, Organizational Support and the dependent variable which was Adoption.

The regression equation used is represented as follows:
\[ y = a + b_1 x_1 + b_2 x_2 + b_3 x_3 + b_4 x_4 + e \]

Whereby:

\( y = \text{Adoption} \)
\( a = \text{the constant of the equation or the } y \text{ intercept} \)
\( b = \text{the slope of the regression line} \)
\( x_1 = \text{Organizational Readiness} \)
\( x_2 = \text{Perceived Usefulness} \)
\( x_3 = \text{Perceived Ease of Use} \)
\( x_4 = \text{Organizational Support} \)
\( e = \text{the error term} \)

The demographic data was analyzed by means of descriptive statistics. The data was analyzed using Statistical Package for Social Sciences (SPSS) program and Statistical Package for Social Sciences Analysis of a Moment Structures (SPSS Amos). The data was presented using tables, and figures to give a clear picture of the research findings at a glance. Chapter four contains data and information that was presented using tables, pie chart, and bar graph for clarity and ease of understanding. It was also interpreted to make meaning of the data.

### 3.8 Chapter Summary

This chapter described the common research paradigms. The chapter draws an outline on step by step actions that have been carried out that enabled the research, this included the conducting of a research design, population, sampling design, data collection methods, research procedures and data analysis. This leads to the point where this research has the appropriate method to conduct the conclusive research topic. The next chapter will focus on the results and findings of the research.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the findings of the study, data analysis and interpretation. The purpose of the study was to investigate the factors influencing the adoption of E-commerce within the hotel industry in Kenya. The chapter begins with descriptive analysis then follows inferential analysis. Finally, it ends with a chapter summary. The findings from the research study were analyzed using the SPSS version 23 and SPSS AMOS version 23.

4.2 Response Rate

The sample comprised of 150 respondents who make bookings from hotels that provide lodging services of in Nairobi. Table 4.1 indicates that out of the 150 questionnaires administered, 121 responded, which gave a response rate of 81%. According to Mugenda and Mugenda (2003) the statistically significant response rate for analysis should be at least 50%.

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Sample Size</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned questionnaires</td>
<td>121</td>
<td>81</td>
</tr>
<tr>
<td>Un-returned questionnaires</td>
<td>29</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3 General and Demographic Information

This section includes the general demographic information. Respondents were asked about their Gender, age, level of education, marital status, Occupation, years of experience, level of management, and hotel stay determinant. The details on the demographics are presented in this section.
4.3.1 Gender of Respondents

The study sought to establish the gender of the respondents. Figure 4.1 indicates that 47% of the respondents were females while 53% were males. The finding reveals that majority of the respondents were male.

Figure 4.1 Gender of Respondents

4.3.2 Age of Respondents

The respondents were asked to indicate their age. Figure 4.2 indicates that that majority of the respondents 49% were between the ages of 28-37 years, 39% were 18-27 years, 8% were 38-47 years and 4% were 48-57 years.

Figure 4.2 Age of Respondents
4.3.3 Marital Status

The study sought to establish the Marital Status of the respondents. The findings were as shown in figure 4.3. The study established that 70% of the respondents were single, 27% of the respondents were married and 2% were divorced. The finding imply that majority of the respondents were single.

![Figure 4.3 Marital Status of Respondents](image)

4.3.4 Level of Education

The respondents were asked to indicate their level of Education and the findings presented in figure 4.4. Majority of the respondents (50%) had degree qualifications, 21% had diplomas, 25% had masters level 3% were A-level qualifiers and 1% had attained doctorate level of education.

![Figure 4.4 Level of Education](image)
4.3.5 Occupation of Respondents

The respondents were asked to indicate their occupation and the findings presented in figure 4.5. 54% who were the majority were employed, 31% were entrepreneurs, 9% were students and 6% were unemployed.

![Figure 4.5 Occupation of Respondents](image)

4.3.6 Years of Experience

The respondents were asked to indicate the number of years they have worked for the firm and the findings presented in figure 4.6. 55% of the respondents who were the majority had worked for 0-5 years, 29% had worked for 6-10 years, 8% had worked for 11-15 years and 7% had worked for over 15 years.

![Figure 4.6 Years of Experience](image)
4.3.7 Management Level

The study sought to find out the management level of the respondents and the findings presented in figure 4.7. 19% were line managers, 15% were top managers, 32% were middle managers and 34% who were the majority belonged to other non-managerial category.

![Figure 4.7 Management Level](image)

4.3.8 Hotel Stay Determinant

The respondents were asked to indicate what determines their stay in the hotel and the findings presented in figure 4.8. 69% who were the majority indicated that leisure determines their stay in hotels and 31% indicated that work determines their stay in hotels.

![Figure 4.8 Hotel Stay Determinant](image)
4.3.9 Period of Hotel Stay

The respondents were asked to indicate how often they stay in the hotels and the findings presented in figure 4.9. 17% of the respondents indicated that they stay in the hotel monthly, 5% stay quarterly, 11% rarely stay in the hotel, 4% stay weekly and 63% who constituted the majority stay in the hotel yearly.

![Figure 4.9 Period of Stay in Hotel](image)

4.4 Descriptive Analysis of the Study Variables

The descriptive analysis for the study variables are presented in the following sections. The section is organized as per objectives of the study.

4.4.1 Organizational Readiness on the Adoption of E-commerce

The first objective of the study was to establish the influence of organizational readiness on the adoption of E-commerce. The results in table 4.2 indicates that more than half (96%) agreed that they had full knowledge on the how to use the internet. Majority of the respondents 95% agreed that they had full understanding on the benefits of using the internet.87% of the respondents agreed that they had full knowledge of the procedures of making bookings online.86% agreed that they understand how bookings online increases their efficiency.86% s agreed that they were willing to learn, think, work, and operate hotel
bookings using E-commerce. 82% agreed that they understand the content and relevance of e-commerce adoption in the online transactions. 84% agreed that they understand the content and relevance of e-commerce adoption in the online transactions. 66% were in agreement that they believe that sufficient consideration was given to the different options to address the Adoption of E-commerce.

Table 4.2: Organizational Readiness

<table>
<thead>
<tr>
<th>Code</th>
<th>Organizational Readiness</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>Not sure (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OR1</td>
<td>I have full knowledge on the how to use the internet.</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>15</td>
<td>81</td>
</tr>
<tr>
<td>OR2</td>
<td>I have full understanding on the benefits of using the internet.</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>21</td>
<td>74</td>
</tr>
<tr>
<td>OR3</td>
<td>I have full knowledge of the procedures of making bookings online.</td>
<td>1</td>
<td>2</td>
<td>11</td>
<td>27</td>
<td>60</td>
</tr>
<tr>
<td>OR4</td>
<td>I understand how making bookings online will increase my efficiency.</td>
<td>2</td>
<td>1</td>
<td>12</td>
<td>36</td>
<td>50</td>
</tr>
<tr>
<td>OR5</td>
<td>I am willing to learn, think, work, and operate hotel bookings using E-commerce.</td>
<td>3</td>
<td>1</td>
<td>11</td>
<td>34</td>
<td>52</td>
</tr>
<tr>
<td>OR6</td>
<td>I understand the content and relevance of e-commerce adoption in the online transactions.</td>
<td>1</td>
<td>6</td>
<td>12</td>
<td>29</td>
<td>53</td>
</tr>
<tr>
<td>OR7</td>
<td>I understand the content and relevance of e-commerce adoption in the online transactions.</td>
<td>1</td>
<td>7</td>
<td>8</td>
<td>38</td>
<td>46</td>
</tr>
<tr>
<td>OR8</td>
<td>I believe that sufficient consideration was given to the different options to address the Adoption of E-commerce.</td>
<td>2</td>
<td>6</td>
<td>26</td>
<td>29</td>
<td>37</td>
</tr>
</tbody>
</table>

KEY: SD-Strongly Disagree; D- Disagree; A-Agree; SA-Strongly Agree.

4.4.2 Perceived Usefulness on the Adoption of E-commerce

The second objective was to examine the effect of the perceived usefulness on the adoption of E-commerce. The results in table 4.3 presents that more than half (91%) of the respondent agreed that E-commerce provides an opportunity to learn new skills. 96% of the respondent agreed that the use of internet would enhance their online performance and knowledge. More
than half (99%) of the respondents agreed that the use of the internet makes it easy to navigate and find information regarding the product information and comparing product/service prices. 87% agreed that the Incentives gained with making a booking online will increase my interest in a particular company web page. 80% of the respondents were in agreement that making a booking online is easier than making a booking at a travel agents office. 48% were in agreement that they require training to understand extensive benefits of using E-commerce. 61% agreed that the use of E-commerce for online transactions would enhance their knowledge without training. 73% agreed that their level of education influences their use of the internet to make online bookings.

Table 4.3: Perceived Usefulness

<table>
<thead>
<tr>
<th>Code</th>
<th>Perceived Usefulness</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>Not sure (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PU1</td>
<td>E-commerce provides an opportunity to learn new skills.</td>
<td>1</td>
<td>1</td>
<td>8</td>
<td>41</td>
<td>50</td>
</tr>
<tr>
<td>PU2</td>
<td>Using the internet will enhance my online performance and knowledge.</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>41</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td>The use of the internet makes it easy to navigate and find information regarding the product information and comparing product/service prices.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU3</td>
<td>The Incentives gained with making a booking online will increase my interest in a particular company web page.</td>
<td>2</td>
<td>2</td>
<td>10</td>
<td>40</td>
<td>47</td>
</tr>
<tr>
<td>PU4</td>
<td>Making a booking online is easier than making a booking at a travel agents office.</td>
<td>1</td>
<td>6</td>
<td>14</td>
<td>34</td>
<td>46</td>
</tr>
<tr>
<td>PU5</td>
<td>I require training to understand extensive benefits of using E-commerce.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PU6</td>
<td>The use of E-commerce for online transactions will enhance my knowledge without training.</td>
<td>3</td>
<td>10</td>
<td>26</td>
<td>41</td>
<td>20</td>
</tr>
<tr>
<td>PU7</td>
<td>My level of education influences my use of the internet to make online bookings.</td>
<td>3</td>
<td>17</td>
<td>7</td>
<td>37</td>
<td>36</td>
</tr>
</tbody>
</table>

KEY: SD-Strongly Disagree; D- Disagree; A-Agree; SA-Strongly Agree.

4.4.3 Perceived Ease of use on the Adoption of E-commerce.

The third objective was to examine the effect of the perceived ease of use on the adoption of E-commerce. Table 4.4 indicates majority of the respondents 93% were in agreement that the
The use of the internet to make online bookings is easy. 85% of the respondents agreed that they find it easy to navigate through online hotel bookings. Majority 97% agreed that they have good years of experience using the internet. 92% agreed that the ease of accessibility of a web page determines if they would use a particular web page to make a booking. 96% were in agreement that the easier it is to access the system and make a booking the better. Also 96% of the respondents were in agreement that they would make a booking from a website that offers ease of access digitally through my phone or the internet. 94% agreed that they find it easier to navigate through websites that give extensive detailed information of a product/service. Majority 90% agreed that they find it easier to understand information through the use of videos and images. 48% agreed that making bookings online have additional hidden charges that discourage me from booking online and 88% agreed were in agreement that they prefer websites that guide them through an online booking process.

Table 4.4: Perceived Ease of Use

<table>
<thead>
<tr>
<th>Code</th>
<th>Perceived Ease of Use</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>NS (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEOU1</td>
<td>The use of the internet to make online bookings is easy.</td>
<td>0</td>
<td>4</td>
<td>3</td>
<td>43</td>
<td>50</td>
</tr>
<tr>
<td>PEOU2</td>
<td>I find it easy to navigate through online hotel bookings.</td>
<td>0</td>
<td>7</td>
<td>9</td>
<td>49</td>
<td>36</td>
</tr>
<tr>
<td>PEOU3</td>
<td>I have good years of experience using the internet.</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>33</td>
<td>64</td>
</tr>
<tr>
<td>PEOU4</td>
<td>The ease of accessibility of a web page determines if I will use a particular web page to make a booking.</td>
<td>0</td>
<td>2</td>
<td>6</td>
<td>31</td>
<td>61</td>
</tr>
<tr>
<td>PEOU5</td>
<td>The easier it is to access the system and make a booking the better.</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>26</td>
<td>70</td>
</tr>
<tr>
<td>PEOU6</td>
<td>I would make a booking from a website that offers ease of access digitally through my phone or the internet.</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>27</td>
<td>69</td>
</tr>
<tr>
<td>PEOU7</td>
<td>I find it easier to navigate through websites that give extensive detailed information of a product/service.</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>35</td>
<td>59</td>
</tr>
<tr>
<td>PEOU8</td>
<td>I find it easier to understand information through the use of videos and images.</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>38</td>
<td>52</td>
</tr>
<tr>
<td>PEOU9</td>
<td>Making bookings online have additional hidden charges that discourage me from booking online.</td>
<td>7</td>
<td>26</td>
<td>20</td>
<td>31</td>
<td>17</td>
</tr>
<tr>
<td>PEOU10</td>
<td>I prefer websites that guide me through a online booking process.</td>
<td>2</td>
<td>2</td>
<td>8</td>
<td>42</td>
<td>46</td>
</tr>
</tbody>
</table>

KEY: SD-Strongly Disagree; D- Disagree; A-Agree; SA-Strongly Agree.
4.4.4 Organizational Support Influences the Adoption of E-commerce

The fourth objective of the study was to identify how organizational support influences the adoption of E-commerce. Table 4.5 presents that 33% of the respondents agreed that they Trust doing transactions online because the websites are safe. 43% of the respondents agreed that they are always satisfied with the services online. 11% agreed that they feel secure when they provide their credit card details online. 70% were in agreement that their choice of website is based on the recommendations from guests online. 16% agreed that they believe the websites in Kenya Protect consumer rights. 59% were in agreement that they believe that making bookings online is more affordable. 90% agreed that they are drawn to websites that have unique product/services. 90% of the respondents are more likely to navigate through a website that have seen through an advert. 70% of the respondents are more likely to be draw to a website that has engaged them and taken me through the purpose and benefits of making bookings on their page. 87% are were in agreement that the more involved an organization is the more likely they are to visit their website to make a booking. 92% of the respondents are more likely to continue making a booking from a website that was first to engage them. 79% of the respondents are easily drawn to a duplicate website. 24% of the respondents are highly likely to navigate through various websites before making a final decision.
### Table 4.5: Organizational Support

<table>
<thead>
<tr>
<th>Code</th>
<th>Organizational Support</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>Not sure (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OS1</td>
<td>I Trust doing transactions online because the websites are safe</td>
<td>7</td>
<td>32</td>
<td>27</td>
<td>26</td>
<td>7</td>
</tr>
<tr>
<td>OS2</td>
<td>I am always satisfied with the services online.</td>
<td>2</td>
<td>37</td>
<td>19</td>
<td>36</td>
<td>7</td>
</tr>
<tr>
<td>OS3</td>
<td>I feel secure when I provide my credit card details online.</td>
<td>34</td>
<td>37</td>
<td>18</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>OS4</td>
<td>My choice of website is based on the recommendations from guests online.</td>
<td>3</td>
<td>12</td>
<td>16</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>OS5</td>
<td>I believe the websites in Kenya Protect consumer rights.</td>
<td>21</td>
<td>22</td>
<td>41</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>OS6</td>
<td>I believe that making bookings online is more affordable.</td>
<td>3</td>
<td>8</td>
<td>29</td>
<td>42</td>
<td>17</td>
</tr>
<tr>
<td>OS7</td>
<td>I am drawn to websites that have unique product/services.</td>
<td>0</td>
<td>4</td>
<td>6</td>
<td>53</td>
<td>37</td>
</tr>
<tr>
<td>OS8</td>
<td>I am more likely to navigate through a website that I have seen through an advert.</td>
<td>1</td>
<td>13</td>
<td>17</td>
<td>46</td>
<td>24</td>
</tr>
<tr>
<td>OS9</td>
<td>I am more likely to be draw to a website that has engaged me and taken me through the purpose and benefits of making bookings on their page.</td>
<td>1</td>
<td>5</td>
<td>7</td>
<td>55</td>
<td>32</td>
</tr>
<tr>
<td>OS10</td>
<td>The more involved an organization is the more likely I am to visit their website to make a booking.</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>OS11</td>
<td>I am more likely to continue making a booking from a website that was first to engage me.</td>
<td>2</td>
<td>7</td>
<td>12</td>
<td>48</td>
<td>31</td>
</tr>
<tr>
<td>OS12</td>
<td>I am easily drawn to a duplicate website.</td>
<td>17</td>
<td>31</td>
<td>28</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>OS13</td>
<td>I am highly likely to navigate through various websites before making a final decision.</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>50</td>
<td>37</td>
</tr>
</tbody>
</table>

**KEY:** SD-Strongly Disagree; D- Disagree; A-Agree; SA-Strongly Agree.

#### 4.4.5 Adoption of E-commerce

The study sought to find out whether the respondents have adopted e-commerce in their businesses and the findings presented in figure 4.10. 74% who constituted the majority
indicated that they had adopted e-commerce in their business while 26% indicated that they had not adopted e-commerce in their business.

Figure 4.10 Adoption of E-commerce

The respondents who indicated that they had adopted e-commerce were asked how they use e-commerce in their business and the findings presented in table 4.6. 53% who were the majority stated that they use e-commerce in marketing, 16% use e-commerce in payments, 13% use e-commerce in advertisement, 10% use e-commerce in selling, 5% use e-commerce in emails and 1% use e-commerce in all of the activities.

Table 4.6 Use of E-commerce

<table>
<thead>
<tr>
<th>Use of E-commerce</th>
<th>Frequency</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actually almost on all the choices</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Advertisement</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>All the above</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Emails</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Marketing</td>
<td>49</td>
<td>53</td>
</tr>
<tr>
<td>Payments</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Selling</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>100</td>
</tr>
</tbody>
</table>

The respondents who had indicated that they have not adopted the use of e-commerce were asked to indicate whether they will adopt e-commerce in future and the findings presented in figure 4.11. 95% of the respondents stated that in future they will adopt e-commerce and 5% stated that in future they would not adopt e-commerce.
4.5 Inferential Statistics

4.5.1 Exploratory Factor Analysis

To purify the measurement scale used in this study, factor analysis was conducted. Factor analysis was also used to identify the factors influencing the adoption of E-commerce. The meaningfulness of factor analysis in this study was determined by running Bartlett’s test for sphericity and Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy. The KMO value for the study data attained was 0.753 which was above the recommended threshold 0.5. This implied that the data in the study was adequate for factor analysis to be conducted. Bartlett’s test chi-square value was significant ($\chi^2 = 645.522, \text{df} = 120, p = 0.000$), therefore inferring sufficient correlation between the items of the variables. The factors obtained were extracted by principal component method (PCA) together with Promax rotation method. A total of 5 factors were extracted out of 16 initial factors. The five factors had eigenvalues greater that the recommended value of 1.0 and accounted for 67.231 percent in total variance.

The first PCA factor that relates to organizational readiness had eigenvalue of 4.447 accounted for the largest variance of 27.796%. The second factor related to perceived usefulness had eigenvalue of 2.044 accounted for 12.775% of the total variance. The third factor related to perceived ease of use had eigenvalue of 1.930 accounted for 12.063% of the total variance. The fourth factor related to organizational support had eigenvalue of 1.255 accounted for 7.842% of the total variance. The last factor related to adoption of E-commerce had eigenvalue of 1.081 accounted for 6.755% of the total variance as indicated in table 4.7
Table 4.7 Factor Analysis of the Study Variables

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eigenvalue</td>
<td>4.447</td>
<td>2.044</td>
<td>1.930</td>
<td>1.255</td>
<td>1.081</td>
<td>KMO= 0.753</td>
</tr>
<tr>
<td>% of variance</td>
<td>27.796</td>
<td>12.775</td>
<td>12.063</td>
<td>7.842</td>
<td>6.755</td>
<td>Method =PCA</td>
</tr>
<tr>
<td>Factor</td>
<td>organization readiness</td>
<td>perceived usefulness</td>
<td>perceived ease of use</td>
<td>organizational support</td>
<td>adoption of E-commerce</td>
<td></td>
</tr>
<tr>
<td>name</td>
<td>OR3</td>
<td>0.932</td>
<td>0.833</td>
<td>0.653</td>
<td>0.544</td>
<td>OR3</td>
</tr>
<tr>
<td></td>
<td>OR4</td>
<td>0.869</td>
<td>0.912</td>
<td>0.803</td>
<td>0.69</td>
<td>OR4</td>
</tr>
<tr>
<td></td>
<td>OR5</td>
<td>0.615</td>
<td>0.69</td>
<td>0.825</td>
<td>0.54</td>
<td>OR5</td>
</tr>
<tr>
<td></td>
<td>OR6</td>
<td>0.544</td>
<td>0.54</td>
<td>0.817</td>
<td></td>
<td>OR6</td>
</tr>
<tr>
<td></td>
<td>PU1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PU1</td>
</tr>
<tr>
<td></td>
<td>PU2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PU2</td>
</tr>
<tr>
<td></td>
<td>PU3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PU3</td>
</tr>
<tr>
<td></td>
<td>PU4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PU4</td>
</tr>
<tr>
<td></td>
<td>PEOU3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PEOU3</td>
</tr>
<tr>
<td></td>
<td>PEOU4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PEOU4</td>
</tr>
<tr>
<td></td>
<td>PEOU5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PEOU5</td>
</tr>
<tr>
<td></td>
<td>PEOU6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PEOU6</td>
</tr>
<tr>
<td></td>
<td>OS8</td>
<td></td>
<td></td>
<td>0.673</td>
<td></td>
<td>OS8</td>
</tr>
<tr>
<td></td>
<td>OS9</td>
<td></td>
<td></td>
<td>0.849</td>
<td></td>
<td>OS9</td>
</tr>
<tr>
<td></td>
<td>OS11</td>
<td></td>
<td></td>
<td>0.746</td>
<td></td>
<td>OS11</td>
</tr>
<tr>
<td></td>
<td>Adoption</td>
<td></td>
<td></td>
<td>0.909</td>
<td></td>
<td>Adoption</td>
</tr>
</tbody>
</table>

4.5.2 Normality and Reliability Analysis

The reliability score was tested by calculating the Cronbach’s Alpha for the variables. The study found out that the reliability of the items retained after conducting factor analysis were reliable. The Cronbach’s Alpha of the variables were above the acclaimed value of 0.7 (E-Commerce Adoption, \( \alpha=1.000 \), (Perceived Ease of use, \( \alpha=0.833 \)), (Organizational Readiness, \( \alpha=0.816 \)), (Organizational Support, \( \alpha=0.739 \)) and (Perceived Usefulness, \( \alpha=0.843 \)). The test of normality was conducted by calculating the skewness and kurtosis statistics values. Table 4.8 shows that all of these values of skewness and kurtosis indices for all the variables did not exceed the absolute values of 1 and, therefore, the data set was considered to follow normal distribution and consequently the relationship would be tested using regression.
Table 4.8 Reliability and Normality of Study Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach’s Alpha</th>
<th>Skewness</th>
<th>Kurtosis</th>
<th>Items removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce Adoption</td>
<td>1</td>
<td>0.101</td>
<td>0.111</td>
<td>none</td>
</tr>
<tr>
<td>Perceived Ease of use</td>
<td>0.833</td>
<td>0.154</td>
<td>0.085</td>
<td>PEOU1, PEOU2, PEOU7, PEOU8, PEOU9, PEOU10</td>
</tr>
<tr>
<td>Organizational Readiness</td>
<td>0.816</td>
<td>0.232</td>
<td>0.153</td>
<td>OR1, OR2, OR3, OR7, OR8</td>
</tr>
<tr>
<td>Organizational Support</td>
<td>0.739</td>
<td>-0.003</td>
<td>0.351</td>
<td>OS1, OS2, OS3, OS4, OS5, OS6, OS7, OS12, OS13</td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>0.843</td>
<td>-0.145</td>
<td>0.701</td>
<td>PU5, PU6, PU7, PU8</td>
</tr>
</tbody>
</table>

4.5.3 Correlation of the Study Variables

The correlation score was computed using Pearson correlation method to find out the existence of linear relationships between the studies variables. Table 4.9 indicates that the correlation score between perceived ease of use and Adoption of E-Commerce was found to be positive and significant ($r=0.498$, \(p\)-value<0.05). The correlation score between Organizational readiness and Adoption of E-Commerce was found to be positive and significant ($r=0.4341$, \(p\)-value<0.05). The correlation score between Organizational Support and Adoption of E-Commerce was found to be positive and significant ($r=0.4211$, \(p\)-value<0.05) and the correlation score between Perceived Usefulness and Adoption of E-Commerce was found to be positive and significant ($r=0.4211$, \(p\)-value<0.05).

Table 4.9 Correlation Matrix of the Study Variables

<table>
<thead>
<tr>
<th></th>
<th>E-Commerce Adoption</th>
<th>Ease of use</th>
<th>Organizational Readiness</th>
<th>Organizational Support</th>
<th>Perceived Usefulness</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Commerce Adoption</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ease of use</td>
<td>0.498*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Readiness</td>
<td>0.4341*</td>
<td>0.3605*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Support</td>
<td>0.4211*</td>
<td>0.2673</td>
<td>0.0308</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>0.4703*</td>
<td>0.1472</td>
<td>0.1804</td>
<td>-0.0132</td>
<td>1</td>
</tr>
</tbody>
</table>

* \(P < 0.05\), significant at 5 %
4.5.4 Regression Model Analysis

The regression model was constructed using SMART PLS version 2.0 software. Partial least squares algorithm was used to estimate the coefficients of the relationships. Standardized Root Mean Square Residual (SRMR) and Normed Fit Index (NFI) were used to evaluate the fitness of the model. The model fit measures met the suggested threshold (NFI=0.915>0.90) and (SRMR=0.04<0.08). R-squared statistic was used to evaluate the model predictive power. Figure 4.6 presents that $R^2$ was found to be 0.458 implying that 45.8% information about adoption of e-commerce can be accounted by perceived ease of use, Organizational readiness, Organizational support and Perceived usefulness.

![Figure 4.12. E-commerce Adoption Regression Model.](image)

The regression coefficients for the relationship between E-commerce adoption and independent variables (perceived ease of use, Organizational readiness, Organizational
support and Perceived usefulness) are shown in figure 4.12 and table 4.10. The standardized regression coefficient between perceived ease of use and E-commerce adoption was positive and significant (Beta =0.336, T=2.694, P<0.05). The positive relationship implies that an increase in perceived ease of use increases the likelihood in adoption of E-commerce by 33.6%. The standardized regression coefficient between Organizational Readiness and E-commerce adoption was positive and significant (Beta =0.239, T=2.379, P<0.05). The positive relationship implies that an increase in Organizational Readiness increases the likelihood in adoption of E-commerce by 23.9%. The standardized regression coefficient between Organizational Support and E-commerce adoption was positive and significant (Beta =0.205, T=2.224, P<0.05). The positive relationship implies that an increase in Organizational Support increases the likelihood in adoption of E-commerce by 20.5%. The standardized regression coefficient between Perceived Usefulness and E-commerce adoption was positive and significant (Beta =0.115, T=2.410, P<0.05). The positive relationship implies that an increase in Perceived Usefulness increases the likelihood in adoption of E-commerce by 11.5%.

Table 4.10 Regression Estimates for E-commerce Adoption model

<table>
<thead>
<tr>
<th>Path</th>
<th>Estimate</th>
<th>Standard Error</th>
<th>T Statistics</th>
<th>P value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of use -&gt; E-Commerce</td>
<td>0.336</td>
<td>0.125</td>
<td>2.694</td>
<td>0.008</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>Organizational Readiness</td>
<td>0.239</td>
<td>0.101</td>
<td>2.379</td>
<td>0.019</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>E-Commerce</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Support</td>
<td>0.205</td>
<td>0.092</td>
<td>2.224</td>
<td>0.028</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>E-Commerce</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>0.115</td>
<td>0.048</td>
<td>2.410</td>
<td>0.017</td>
<td>Positive and significant</td>
</tr>
<tr>
<td>E-Commerce</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.6 Chapter Summary

The Study results presented and discussed in this chapter reveals that Organizational Readiness, Perceived Usefulness, Perceived Ease of Use and Organizational Support are among the factors that influence the adoption of E-commerce in Kenya. The next chapter provides a summary of the study, discussion of results, conclusions and recommendations for each of the objectives findings presented in Chapter 4.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter includes the summary of the study, discussions of the results and findings expressed in the studies literature review in Chapter two. This chapter further highlights the major conclusions of the study drawn from the studies analysis and lastly presents the recommendations for further studies that can be conducted in the future.

5.2 Summary of the Study

The purpose of the research study was to determine the Factors that influence the adoption of E-commerce within the hotel industry in Nairobi. The study was anchored on the following specific research objectives: to establish the influence of organizational readiness on the adoption of E-commerce, to examine the effect of the perceived usefulness on the adoption of E-commerce, to examine the effect of the perceived ease of use on the adoption of E-commerce and to identify how organizational support influences the adoption of E-commerce. The study provided insight to academics, marketing professionals, and Hotel management.

The study used a descriptive research design to investigate the Factors that influence the adoption of E-commerce within the hotel industry in Nairobi. Descriptive research was deemed appropriate for this study for its capacity to describe the existing relationships of the variables focusing on the conceptual framework. A sample size of 150 respondents who live in Nairobi was selected from a population of 3,134,000 residents Nairobi. This study managed to reach One hundred and twenty one (121) respondents who were identified through the use of Snowballing sampling. The primary data was collected from the respondents’ through questionnaires containing both structured and unstructured questions. Descriptive analysis was employed to interpret the data and characterize it based on the relationship between the independent and dependent variables. The findings were illustrated through the use of tables and figures.
The findings showed that majority of the respondents 49% were between the ages of 28-37 years, 39% were 18-27 years, 8% were 38-47 years and 4% were 48-57 years. The study further indicated that 69% who were the majority indicated that leisure determines their stay in hotels and 31% indicated that work determines their stay in hotels.

The descriptive findings of the first objective concerning organizational readiness indicated that more than half (96%) agreed that they had full knowledge on the how to use the internet. Majority of the respondents 95% agreed that they had full understanding on the benefits of using the internet. 87% of the respondents agreed that they had full knowledge of the procedures of making bookings online. 86% agreed that they understand how bookings online increases their efficiency. 86% agreed that they were willing to learn, think, work, and operate hotel bookings using E-commerce. 82% agreed that they understand the content and relevance of e-commerce adoption in the online transactions. 84% agreed that they understand the content and relevance of e-commerce adoption in the online transactions. 66% were in agreement that they believe that sufficient consideration was given to the different options to address the Adoption of E-commerce. On the inferential statistics, the first PCA factor that relates to organizational readiness had eigenvalue of 4.447 accounted for the largest variance of 27.796%.

The second objective related to the perceived usefulness, revealed that, that E-commerce provides an opportunity to learn new skills. 96% of the respondent agreed that the use of internet would enhance their online performance and knowledge. More than half (99%) of the respondents agreed that the use of the internet makes it easy to navigate and find information regarding the product information and comparing product/service prices. 87% agreed that the Incentives gained with making a booking online will increase my interest in a particular company web page. 80% of the respondents were in agreement that making a booking online is easier than making a booking at a travel agents office. 48% were in agreement that they require training to understand extensive benefits of using E-commerce. 61% agreed that the use of E-commerce for online transactions would enhance their knowledge without training. 73% agreed that their level of education influences their use of the internet to make online bookings. On the inferential, the PCA factor that relates to perceived usefulness had eigenvalue of 2.044 accounted for 12.775% of the total variance.

Descriptive findings in regard to the third objective concerning perceived ease of use revealed that, majority of the respondents 93% were in agreement that the use of the internet
to make online bookings is easy. 85% of the respondents agreed that they find it easy to navigate through online hotel bookings. Majority 97% agreed that they have good years of experience using the internet. 92% agreed that the ease of accessibility of a web page determines if they would use a particular web page to make a booking. 96% were in agreement that the easier it is to access the system and make a booking the better. Also 96% of the respondents were in agreement that they would make a booking from a website that offers ease of access digitally through my phone or the internet. 94% agreed that they find it easier to navigate through websites that give extensive detailed information of a product/service. Majority 90% agreed that they find it easier to understand information through the use of videos and images. 48% agreed that making bookings online have additional hidden charges that discourage me from booking online and 88% agreed were in agreement that they prefer websites that guide them through an online booking process. On the inferential, the PCA factor that related to perceived ease of use had eigenvalue of 1.930 accounted for 12.063% of the total variance.

The final objective descriptive findings related to the organizational support revealed that, 33% of the respondents agreed that they Trust doing transactions online because the websites are safe. 43% of the respondents agreed that they are always satisfied with the services online. 11% agreed that they feel secure when they provide their credit card details online. 70% were in agreement that their choice of website is based on the recommendations from guests online. 16% agreed that they believe the websites in Kenya Protect consumer rights. 59% were in agreement that they believe that making bookings online is more affordable. 90% agreed that they are drawn to websites that have unique product/services. 90% of the respondents are more likely to navigate through a website that have seen through an advert. 70% of the respondents are more likely to be draw to a website that has engaged them and taken me through the purpose and benefits of making bookings on their page. 87% are were in agreement that the more involved an organization is the more likely they are to visit their website to make a booking. 92% of the respondents are more likely to continue making a booking from a website that was first to engage them. 79% of the respondents are easily drawn to a duplicate website. 24% of the respondents are highly likely to navigate through various websites before making a final decision. On the inferential, the PCA factor that related to Organizational Support had eigenvalue of 1.255 accounted for 7.842% of the total variance.
The additional analysis descriptive findings related to Adoption of E-commerce revealed that, 10.74% who constituted the majority indicated that they had adopted e-commerce in their business while 26% indicated that they had not adopted e-commerce in their business. On the inferential, the PCA factor that related to Adoption of E-commerce had eigenvalue of 1.081 accounted for 6.755% of the total variance.

5.3 Discussion

This section presents the findings of the study as per the research objectives of the study

5.3.1 The Influence of Organization Readiness on the Adoption of E-commerce

The findings from the study inferential statistics reveal that the there was a sufficient correlation between the item of the variables of the study. Through the Principal component method (PCA) together with the Promax rotation method the eigenvalue there was a positive relationship that indicates that 4.447 accounted for the largest variance of 27.796%. Hence organizational readiness is an important factor on the influence of the adoption of E-commerce.

According to Hameed (2012) Organizational readiness is the most important factor for adopting and implementing a new system. He further suggested that an organization needs to have extensive awareness and commitment to the adoption of new technology that will ensure that they are ready to introduce or implement a particular system to its consumers. This was further acknowledged by Kurnia and Peng (2015) who stated that a firm’s scope has a positive link into its readiness of e-commerce. Furthermore an organization needs to possess required resources that will support the adoption of E-commerce. This is by offering extensive service that will make E-commerce an attractive tool that would improve the coordination efficiencies of business activities and additionally be willing to commit future business activities and E-commerce investments. Armenakis (1993) noted that the readiness for change extends beyond only dealing with resistance to change but involves addressing the employee beliefs, attitudes, and intentions. The employee resistance has been found to be related to poor attitudes towards the change being implemented within the organization.

Amatayakul (2005) further stated that the organizational readiness for change is a critical factor to the successful implementation of a new system. It has been mentioned that one half of all failures to implement an organizational change occur because the leaders within the organization failed to establish the readiness needed for the change (Walker, Saffu, &
Mazurek, 2016). When organizational leaders overestimate the degree to which they have prepared the organization and the employee’s for change, the following was noted as the predictable range of undesirable outcomes that would occur: the change effort stalls and resistance grows, the change effort experiences a false start where it might or might not.

Gordon and Michael (2004) extensively sought to find out the e-commerce adoption with a focus on the perceptions of Managers/Owners. Kurnia and Peng (2015) further found that the strong support from the senior managers through a hierarchical decision-making structure that all the important business decisions originate from the executive level. This would be one of the greater attributes that ensure the adoption of e-commerce within an organization is implemented successfully. Aldwsry (2011) did an analysis that revealed that there is a variation between E-commerce commitment and support amongst firms within his sample frames. He further stated that the advanced adopter firms had a clear E-commerce vision that were supported and championed by management staff. In addition Aldwsry (2011) found that with a supportive management staff, non-transaction initiatives are pushed to the maximum and immediate action more specifically learning towards the online transactions.

5.3.2 The Effect of the Perceived Usefulness on the Adoption of E-commerce

The findings from the study inferential statistics reveal that the there was a sufficient correlation between the item of the variables of the study. Through the Principal component method (PCA) together with the Promax rotation method the eigenvalue there was a positive relationship that indicates that 2.044 accounted for 12.775% of the total variance. Although 2.044 is lower compared to organizational readiness, perceived usefulness is also an important factor on the influence of the adoption of E-commerce.

Different researchers have discussed the perceived usefulness, According to Teo (2004) Perceived Usefulness theory is a major determinant in the adoption of E-commerce. This is elaborated further as e-commerce has the potential to provide both strategic benefits i.e. increased sales and operational benefits i.e. reduced costs (Zhu, 2004). This is further supported by Gibbs and Kraemer (2004) who mentioned that “it is anticipated that perceived benefits is positively related to e-commerce adoption, utilization and scope of use.” (Aldwsry, 2012). Further analysis by Hwang and Jeong (2014) indicated that usefulness as a construct captures an individual’s belief in the use of electronic technologies to enable them to enhance task performances. The “task” refers to activities such as the product information search, comparing product/service prices and checking the company policy. Usefulness was
re-conceptualized as a multi-dimensional construct by Glassberg (2000) with individual, social and task usefulness.

Extensively, Davis (1995) defined the perceived usefulness as the “degree to which a person believes that using a particular system would enhance his/her job performance”. This can be reflected further within organizations where individuals improve performance through incentives. A system that is high in the perceived usefulness is where a user believes in the existence of a positive user-performance. This is further elaborated by Benbasat (1993) who states that the higher the managerial understanding of the technology benefits, the higher the likelihood of the allocation of resources i.e technological and financial that are necessary to implement E-commerce. Perceived Usefulness also referred to as the perceived benefits is one of the most frequently cited innovation characteristics in adoption research and has been consistently identified as the most critical factors for IT adoption and growth (Aldwsry, 2012).

However Venkatesh and Bala (2008) further identified that the perceived usefulness is not enough in explaining and dealing with all the various contextual influences, such as trust and culture as well as other issues arising from e-commerce complexity and compatibility. They stated that perceived usefulness can be extended to examine the role of social influences and determinants. They further introduced five external attributes (subjective norm, image, job relevance, output quality, result demonstrability) and two moderators (voluntariness, experience) (Aldwsry, 2012). Additionally Ventakesh and Bala (2008) went further to introduce additional seven external variables: perception of external control, computer self-efficacy, computer anxiety, computer playfulness, perceived enjoyment, objective usability (Aldwsry, 2012).

According to Teo (2004) the Perceived usefulness construct has been studies differently across studies, he further indicates that perceived usefulness is a major determinant in e-commerce adoption. Thus, it is anticipated that perceived usefulness is positively related to e-commerce adoption, utilisation and scope of use (Aldwsry, 2012).

5.3.3 The Effect of The Perceived Ease of Use on The Adoption of E-commerce

The findings from the study inferential statistics reveal that the there was a sufficient correlation between the item of the variables of the study. Through the Principal component method (PCA) together with the Promax rotation method the eigenvalue there was a positive
relationship that indicates that 1.930 accounted for 12.063% of the total variance. Perceived ease of use is also an important factor on the influence of the adoption of E-commerce.

The Perceived Ease of Use has been discussed widely as a factor influencing the adoption of E-commerce. According to Zeitham (2002), the extent to which a development is straightforward could be considered perceived ease of use. Moreover, it is proposed that PEOU would further influence PU. According to Ali (2018), the context of E-commerce that influences the adoption in the hotel industry for perceived ease of use refers to the appeal of the site, ease of access, ease of navigation and ease of understanding. If the appropriate skills and understanding of the technology are in place, the use of an adoption of E-commerce will be easier and the consumer can easily accepted the e-commerce system that is being implemented.

According to Lane (2014), the effect that perceived ease of use can have on the adoption of E-commerce can be due to the age of the consumers of a product or stakeholders of an organization. Thus, age correlates with the degree of perceived usefulness of a particular invention such as E-commerce. For example, older individuals have limited experience using computers; this could lead to them having self-efficacy concerns related to how to use the Internet (Lane, Wafa, Hassan, & Belkhamza, 2014).

Awujoola and Ikegune (2016) identified that Perceived ease of use has further been studied to have “external variables” that influence key expectancies which then support other constructs as possible determinants of perceived ease of use. The constructs that are related to control, intrinsic motivation, and emotion are proposed as general anchors for the formation of perceived ease of use in new systems. Ali, Mat and Ali (2018), further identified that the perceived ease of use of E-commerce can be greatly influenced by the presence/absence of direct hands-on experience with new systems by the targeted users, user perceptions of ease of use are not distinct across the different new systems, this suggests that in the early stages of user experience with newly implemented systems there is a set of “common” determinants for system specific ease of use (Ali, Mat, & Ali, 2018). Thus further indicating that the initial findings of system specific perceived ease of use of a new system (E-commerce) are expected to be individual difference variables and general beliefs based on previous experience/ analysis with computers and other systems within an organization. Further meaning that when users gain an experience with a new system their assessment of the ease of use will adjust to reflect unique attributes of their interaction with the new system.
and its environment (Venkatesh, 2000). Although according to Gefen and Starub (2000) perceived ease of use has shown mixed results The perceived ease of use has shown mixed results. They introduced the playfulness as an additional construct which was defined as the strength of one’s belief that interacting with the web would fulfill users’ intrinsic motives.

5.3.4 How Organizational Support Influences the Adoption of E-commerce.

On the last objective the findings from the study inferential statistics reveal that the there was a sufficient correlation between the item of the variables of the study. Through the Principal component method (PCA) together with the Promax rotation method the eigenvalue there was a positive relationship that indicates that 1.255 accounted for 7.842% of the total variance. Organizational Support is also an important factor on the influence of the adoption of E-commerce.

According to Al-Dmour, Nwerian, and Al-Dmour (2017), in order for an E-commerce strategy to be implemented into an organization swiftly, the company heads need to recognize the importance of E-commerce in order to accomplish better sales volumes, market share etc. According to Igbaria (1997) Management support, education and training, and computing support are the three dimensions of Organizational support. It has been utilized to identify how E-commerce has made an improvement on customer services, reduction of costs etc. (Walker, Saffu, & Mazurek, 2016).

Atiq and Karatas-Ozkan (2013) further stated that E-commerce is very likely related to improved organizational performance, this can be linked to the growth and profitability of an organization. Organizational support is established when an organization creates an opportunity that would need to go through an “objectification stage” where by the stakeholder can test the feasibility of an idea though communicating it to the subordinates and peers. The idea would need to be understood and agreed upon in order for the support to be generated towards a new implementation within an organization and industry. The support received from peers and employees reduces the uncertainty and enables the successful implementation. Top management would then need to start developing a coalition that can provide resources for a new implementation. The top management would then need to obtain their support but the social ties and reputation of the entrepreneur will strongly affect the support needed with the stakeholders (Atiq & Karatas-Ozkan, 2013).
Organizations with pro-activity always establish new concepts that they can implement that will give them a competitive advantage over their competitors. Organizations design activities that revitalize the company’s business and to establish competitive advantage. Studies have examined the factors that affect the corporate entrepreneurship, such as organizational culture, generational involvement, and stewardship characteristics. Further studies have investigated EO as a core concept of the corporate entrepreneurship (Atiq & Karatas-Ozkan, 2013).

Molla and Licker (2005) identified commitment as a management support that could be defined as “support by key members of the organization, especially its CEO, to champion e-commerce”. Premkumar and Roberts (1999) argument towards the commitment is that top management can encourage the change by strengthening values and establishing a supportive environment for any new innovation (Aldwsry, 2012). Al-Mashari (2003) further stated that top management support is an important determinant for the successful implementation of a technology. Within the E-commerce domain Aghaunor and Fotoh (2006) argue that senior managers have the power and authority to make strategic decisions, which are crucial in developing an e-commerce vision and strategy, and hence disseminating the importance of ecommerce throughout the organization. Al-Qirim (2003) stated that a CEO's interest and involvement in E-commerce would devote additional resources into e-commerce implementation. Although Aldwasry (2012) found that the lack of the adoption of E-commerce by a firm is resulted from a lack of e-commerce strategy and management support. Management needs to plan to support any e-commerce initiatives and anticipate extra costs that may hinder the success of the adoption of E-commerce.

5.4 Conclusions

5.4.1 The Influence of Organizational Readiness on the Adoption of E-commerce

The findings from the study inferential statistics reveal that the there was a sufficient correlation between the item of the variables of the study. Through the Principal component method (PCA) together with the Promax rotation method the eigenvalue there was a positive relationship that indicates that 4.447 accounted for the largest variance of 27.796%. Hence organizational readiness is an important factor on the influence of the adoption of E-commerce.
5.4.2 The Effect of Perceived Usefulness on the Adoption of E-commerce

The findings from the study inferential statistics reveal that there was a sufficient correlation between the item of the variables of the study. Through the Principal component method (PCA) together with the Promax rotation method the eigenvalue there was a positive relationship that indicates that 2.044 accounted for 12.775% of the total variance. Although 2.044 is lower compared to organizational readiness, perceived usefulness is also an important factor on the influence of the adoption of E-commerce.

5.4.3 The Effect of Perceived Ease of Use on the Adoption of E-commerce.

The findings from the study inferential statistics reveal that there was a sufficient correlation between the item of the variables of the study. Through the Principal component method (PCA) together with the Promax rotation method the eigenvalue there was a positive relationship that indicates that 1.930 accounted for 12.063% of the total variance. Perceived ease of use is also an important factor on the influence of the adoption of E-commerce.

5.4.4 The Effect of Organizational Support Influences on the Adoption of E-commerce

On the findings from the study inferential statistics reveal that there was a sufficient correlation between the item of the variables of the study. Through the Principal component method (PCA) together with the Promax rotation method the eigenvalue there was a positive relationship that indicates that 1.255 accounted for 7.842% of the total variance. Organizational Support is also an important factor on the influence of the adoption of E-commerce.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 The Effect of Organizational Readiness on the Adoption of E-commerce

As reflected from the study, it is evident that Organizational Readiness significantly influences the adoption of E-commerce in Kenya. The study recommends that marketing managers should utilize extensive awareness and commitment to the adoption of new technology that will ensure that they are ready to introduce or implement a particular system to its consumers. Furthermore, there is need for offering extensive service that will make E-commerce an attractive tool that would improve the coordination efficiencies of business
activities and additionally be willing to commit future business activities and E-commerce investments.

5.5.1.2 The Effect of the Perceived Usefulness on the Adoption of E-commerce.

The study findings revealed that the Perceived Usefulness is key for consumer’s intention to adopt the E-commerce services provided to them. The perception of consumers on the usefulness as a construct captures their belief in the use of electronic technologies to enable them to enhance task performances.

5.5.1.3 The Effect of the Perceived Ease of Use on the adoption of E-commerce.

The study findings revealed that Perceived Ease of Use significantly influences the adoption of E-commerce. Marketing managers who intend to implement the adoption of E-commerce should ensure that they enhance these factors for their consumers: the appeal of the site, ease of access, ease of navigation and ease of understanding. If the appropriate skills and understanding of the technology are in place, the use of an adoption of E-commerce will be easier and the consumer can easily accepted the e-commerce system that is being implemented.

5.5.1.4 The Effect of Organizational Support Influences on the Adoption of E-commerce

The study findings revealed that Organizational Support significantly influences the adoption of E-commerce. An organization needs to have extensive awareness and commitment to the adoption of new technology that will ensure that they are ready to introduce or implement a particular system to its consumers. They will further need to possess required resources that will support the adoption of E-commerce by offering extensive service that will make E-commerce an attractive tool and improve the coordination efficiencies of business activities and additionally be willing to commit future business activities and E-commerce investments.

5.5.2 Recommendations for Further Research

The research focused on the factors influencing Adoption of E-commerce within the hotels industry in Kenya. The sample size was derived from consumers in Kenya who make bookings from hotels. However there is need for such a study to be conducted with a general representation of consumers in Kenya and not limited to people using advanced technology only. This will ensure more reliability and accuracy of the data as well as the results. The
study was carried out on referrals and recommendations from one respondent to the other, this means that the results of this study are skewed to the perceptions and beliefs of a specific cluster of individuals who may have the same attributes. It is suggested that such a study be done to a wider selection of a sample size to increase the statistical relevance of the study and more reliable results.
REFERENCES


APPENDICES

Appendix I: Questionnaire

The purpose of this study is purely academic and your participation is entirely voluntary and you retain the right to withdraw at any time. All individual responses will be held in strictest confidence and only group data will be reported. Thank you for agreeing to participate in this questionnaire. In case you may need a preview of the report of this work, you can give your email…………………………………………..…………………………..

Instructions: please answer each question to the best of your ability. Remember, all responses are completely confidential and only group data will be reported.

SECTION ONE: PERSONAL DATA

1. Age: (18-27)…….(28-37)-----(38-47)------(48-57)-------
2. Gender: Male--------Female--------
3. Marital Status: Single (………) Married (………) Divorced (………) Widowed (………)
4. Level of Education: Diploma (………) Degree (………) Masters (………) Doctorate (………)
   Other (………)
5. Occupation: Student (………) Employed (………) Entrepreneur (………)
   Unemployed (………)
6. If employed: Please state the industry you work in
   ………………………………………………………
7. How many years of work experiences do you have?
   ………………………………………………………
8. Level of management: Line manager (…..)Middle manager (…..)Top manager (…..)
   other (…..)
9. How can you classify your hotel stay determinants? Work (…..) Leisure (…..)
10. How often do you stay in hotels? Once a year (…..) every month (…..) every two weeks (…..) other (…..)
    Please specify …………………………………………………….

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**SECTION TWO: ORGANIZATIONAL READINESS**

Please rate the following questions on a scale 1-5 (where 1 represents Strongly Disagree and 5 strongly agree). Please select the answer that best describes you AS YOU REALLY ARE.

<table>
<thead>
<tr>
<th>ORGANIZATIONAL READINESS</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>OR1 I have full knowledge on the how to use the internet.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OR2 I have full understanding on the benefits of using the internet.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OR3 I have full knowledge of the procedures of making bookings online.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OR4 I understand how making bookings online will increase my efficiency.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OR5 I am willing to learn, think, work, and operate hotel bookings using E-commerce.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OR6 I understand the content and relevance of e-commerce adoption in the online transactions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OR7 I understand the content and relevance of e-commerce adoption in the online transactions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OR8 I believe that sufficient consideration was given to the different options to address the Adoption of E-commerce.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
### SECTION THREE: PERCEIVED USEFULNESS

Please rate the following questions on a scale 1-5 (*where 1 represents Strongly Disagree and 5 strongly agree*). Please select the answer that best describes you AS YOU REALLY ARE.

<table>
<thead>
<tr>
<th>PERCEIVED USEFULNESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce provides an opportunity to learn new skills.</td>
</tr>
<tr>
<td>Using the internet will enhance my online performance and knowledge.</td>
</tr>
<tr>
<td>The use of the internet makes it easy to navigate and find information regarding the product information and comparing product/service prices.</td>
</tr>
<tr>
<td>The Incentives gained with making a booking online will increase my interest in a particular company webpage.</td>
</tr>
<tr>
<td>My level of education influences my use of the internet to make online bookings.</td>
</tr>
<tr>
<td>Making a booking online is easier than making a booking at a travel agents office.</td>
</tr>
<tr>
<td>I require training to understand extensive benefits of using E-commerce.</td>
</tr>
<tr>
<td>The use of E-commerce for online transactions will enhance my knowledge without training.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>PU1.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PU2.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PU3.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PU4.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PU5.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PU6.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PU7.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PU8.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
SECTION FOUR: PERCEIVED EASE OF USE

Please rate the following questions on a scale 1-5 (where 1 represents Strongly Disagree and 5 strongly agree). Please select the answer that best describes you AS YOU REALLY ARE.

<table>
<thead>
<tr>
<th>PERCEIVED EASE OF USE</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEOU1. The use of the internet to make online bookings is easy.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU2. I find it easy to navigate through online hotel bookings.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU3. I have good years of experience using the internet.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU4. The ease of accessibility of a webpage determines if I will use a particular webpage to make a booking.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU5. The easier it is to access the system and make a booking the better.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU6. I would make a booking from a website that offers ease of access digitally through my phone or the internet.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU7. I find it easier to navigate through websites that give extensive detailed information of a product/service.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU8. I find it easier to understand information through the use of videos and images.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU9. Making bookings online have additional hidden charges that discourage me from booking online.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PEOU10. I prefer websites that guide me through an online booking process.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
SECTION FIVE: ORGANIZATIONAL SUPPORT

Please rate the following questions on a scale 1-5 (where 1 represents Strongly Disagree and 5 strongly agree). Please select the answer that best describes you AS YOU REALLY ARE.

<table>
<thead>
<tr>
<th>OS</th>
<th>Statement</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>OS1.</td>
<td>I Trust doing transactions online because the websites are safe</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS2.</td>
<td>I am always satisfied with the services online.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS3.</td>
<td>I feel secure when I provide my credit card details online.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS4.</td>
<td>My choice of website is based on the recommendations from guests online.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS5.</td>
<td>I believe the websites in Kenya Protect consumer rights.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS6.</td>
<td>I believe that making bookings online is more affordable.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS7.</td>
<td>I am drawn to websites that have unique product/services.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS8.</td>
<td>I am more likely to navigate through a website that I have seen through an advert.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS9.</td>
<td>I am more likely to be draw to a website that has engaged me and taken me through the purpose and benefits of making bookings on their page.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS10.</td>
<td>The more involved an organization is the more likely I am to visit their website to make a booking.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS11.</td>
<td>I am more likely to continue making a booking from a website that was first to engage me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS12.</td>
<td>I am easily drawn to a duplicate website.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>OS13.</td>
<td>I am highly likely to navigate through various websites before making a final decision.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
SECTION SIX: ADOPTION OF E-COMMERCE

a) Have you adopted e-commerce in your business? Yes [ ] No [ ]

b) If yes, in which ways do you use e-commerce in your business
   - Marketing[ ]
   - Selling[ ]
   - Payments[ ]
   - Advertisement[ ]
   - Emails[ ]
   - Others (specify).............................................................................................................

c) If No, according to you will you adopt e-commerce in future? Yes [ ] No [ ]

Give your reasons:

......................................................................................................................................................

END

Thank you for taking your time to participate in the questionnaire.