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Cultural norms, beliefs and use of e-commerce among traders in Kampala, Uganda

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ABSTRACT

This study set out to establish whether cultural norms and beliefs affect the use of e-commerce among traders in Kampala. A sample of 84 businesses was used in the study. Businesses were clustered and simple random sampling was employed. Cross-sectional survey design was adopted. The findings indicated a positive significant correlation between cultural norms, beliefs and e-commerce use among traders in Kampala. This led to a conclusion that cultural norms, beliefs and influence e-commerce adoption and use among traders in Kampala. This implies that both cultural norms and beliefs have a direct bearing on adoption of electronic commerce. It is therefore recommended that to promote the use of e-commerce, business people should change their norms and beliefs positively towards use of the internet to enhance their businesses.

Key words: Cultural norms, beliefs and e-commerce.

1. Introduction

As the world continues to witness fundamental transformation brought about by the ever increasing influence of the internet and the World Wide Web, organizations wishing to survive and prosper have to foster use of ICT by making it an integral part of their day-to-day operations. One way business entities can embrace internet is through use of e-commerce as it leads to considerable rise in profitability due to reduced costs, easy of identifying customers, conducting promotion, easy access to information among other benefits [8]. According to available data, e-commerce will continue to increase sales in the next few years. By end of 2007, e-commerce sales accounted for 3.4% of total sales [6]: [12]. E-commerce has a great deal of advantages; Consumers search through a large database of products, can see actual prices, place orders and email them; Customers can compare prices with a mouse click and buy selected products at best prices. The web provides a way to be found by custom without expensive advertising; even small online shops like that of Kampala can reach global markets; Customer preferences can be tracked and individual preferences delivered.

Despite all these numerous advantages, the level of e-commerce use in Kampala is still low, for according to [7], only 6.4% of the population in Uganda use internet, although the percentage increase to about 14% in 2013 [14] and it continues to grow majority simply use it for e-mails and academic work; few use it for business. Past studies have indicated that developing country online citizens use social media to a higher degree than they conduct e-commerce shopping [13], but there is a lack

of statistics and information about the current situation of the e-commerce market in many Sub-Saharan African nations [10].

This failure to use ICT in business, leads to funds waste on marketers, advertising abroad and rental costs. With more competitive techniques, it is dangerous for companies not to use the most modern business technique. Whereas the low levels of e-commerce use in Kampala are well documented, little effort has been devoted to isolating reasons. Low levels of e-commerce use can be reflected in form of computer illiteracy, poverty, poor internet communications infrastructure, low electricity coverage and high capital costs [5].

While there are several factors contributing to low levels of e-commerce use, in this study it is argued that cultural norms, beliefs and assumptions could be playing a major role. This study is intended to relate e-commerce use to cultural norms, and beliefs among traders in Kampala as a case. In this study cultural norms are understood as behaviour patterns, rules and values that are typical of specific groups while cultural beliefs as how people think things really are, what people think is really true and what they expect as likely consequences that will follow from their behavior.

2. Cultural Norms and E-commerce Use

Cultural norms are behavior patterns, rules and values that are typical of specific groups [4]. Such behaviors are learned from parents, teachers, peers, and many others whose values, attitudes, beliefs, and behaviors take place in context of their own culture. [4] Further notes that some norms are healthy and some are not, some contribute to betterment of individuals, families, and communities; others are precisely kinds of high-risk behaviors that mainstream society would like to reduce or eliminate. In view of this assertion, we assume that there are variations in contributions of cultural norms towards e-commerce use. For example, there seems to be conflict or uncertainty whether cultural norms contribute to a desired change or instability in various fields like education, e-commerce adoption and the like [4].

[3], claim that given the moral plurality and mutual incompatibility of social and cultural norms in the global village, online shoppers would have to consider their norms and beliefs. [1], showed that moral plurality of norms brings to fore issues pertaining to what is right or approved (Social relativism) and what is culturally approved to be right (Cultural relativism). If traders subscribe to different societal or cultural norms, they would differ in their level of e-commerce use. [9], observed adoption depends both on the form of e-commerce used and social and cultural norms of customers and vendors. For example, when the PAN e-commerce mall was established in Singapore, there was a significant challenge of the need for existing social norms that often prohibit such online transactions. [3], in their study conducted in Israel cultural norms, suggested that in conflicting situations in which there is an ethical dilemma between commercial and ethical factors, commercial factors prevail This suggests that cultural norms in some cultures can be broken in favour of a technological innovation like e-commerce and in such a case cultural norms will respond positively to e-commerce use. This study intended to explore the nature of cultural norms and their responsiveness to e-commerce use among traders in Kampala.

3. Cultural Beliefs and e-commerce Use

Beliefs are assumptions we make about ourselves, about others in the world and about how we expect things to be [11]. Beliefs are about how we think things really are, what we think is really true and what therefore we expect as likely consequences that will follow from our behavior. According to [3], the slow uptake of e-commerce in developing countries in general, is the result of the confluence of these two factors. These researchers further found that Technology facilitating e-commerce develops at a great pace whereas cultural institutions, traditions, laws, beliefs and customs lag behind. The variance in worldwide moral beliefs and assumptions is great, and it is not clear how customers in the different backgrounds trust an e-shop that conducts commerce in ways that are incompatible with their own social and cultural norms. The major concern of this paper was how the different beliefs and assumptions impact on e-commerce use among traders in Kampala, where we have traders of different cultural orientations. From the above literature the study hypothesized that (i) cultural norms and (ii) cultural beliefs do not have significant relationship with explain use of e-commerce among traders in Kampala.

4. Methodology

Survey design was employed on a sample of 84 traders in Kampala. We employed a descriptive quantitative approach to enable us describe the responses and use numerical values to derive meaning in the data collected. [2], observe that descriptive research design is a type of research method that is used when one wants to get information on the current status of a person or an object. It is used to describe what is in existence in respect to conditions or variables that are found in a given situation. A sample was purposively taken from down town in Kampala central, this allowed for the inclusion of targeted respondents in the study because most traders in Kampala are not in e-commerce. Data collection tools were tested before being administered. Mean, standard deviation and correlation coefficient were computed to enable understanding of the results of the study.

5. Findings

The dependent variable in this study was e-commerce use, conceptualized in terms of 24 questions divided into four sub sections, namely online transactions, online marketing, online stock control and online financial control and management. Each question was Likert scaled ranging from one to five; one for very rare or not ever used; two for rarely used; three for neither rare nor regularly used; four for regularly used; five for very regularly used. Table 1 provides pertinent descriptive statistics showing the means and standard deviations of traders' responses:

Table 1: Descriptions of means and standard deviations for traders' responses on the level of use of online transactions

Indicator of e-commerce use	Means	Std Deviation
Online transactions		
Selling with in Kampala/Uganda	2.38	1.334
Buying with in Kampala/Uganda	2.14	1.214
Selling outside Kampala/Uganda	2.48	1.340
Buying from outside Kampala/Uganda	2.43	1.185
Online marketing		
Advertising commodities within Kampala/Uganda	2.24	1.115
Advertising commodities outside Kampala/Uganda	2.19	1.103
Access local trade fares through internet	2.10	1.276
Access foreign trade fares through internet	3.00	1.353
Talk to local customers through e-mail	3.00	1.388
Talk to foreign customers through e-mail	2.43	1.408
Conduct promotions on internet	2.48	1.410
Online stock control		
Place local orders through internet	2.57	1.442
Place foreign orders through internet	2.67	1.500
Full fill local customers' orders through internet/e-mail	2.62	1.536
Full fill foreign customers' orders through internet/e-mail	2.19	1.477
Control stock electronically	2.29	1.358
Financial control and management		
Pay local customers through internet	2.33	1.400
Pay foreign customers through internet	2.62	1.181
Receive payment from local customers through internet	2.90	1.238
Receive payment from foreign customers through internet	2.81	1.477
Pay taxes, electricity and water bills electronically	2.81	1.410
Pay workers' salaries and wages electronically (e.g. through bank)	2.48	1.410
Manage books of accounts electronically	2.48	1.509
Monitor financial flows electronically (e.g. through LANS)	2.33	1.329

The means in table 1 suggest that traders rated themselves as generally low users of e-commerce particularly on online transactions (means = 2.35), online marketing (mean = 2.49) and online stock control (mean=2.47). To generate a summary picture of how traders in Kampala rated on e-commerce use, an average index computed have a mean of (2.498) suggesting that responding trades rated themselves rare or low users of e-commerce.

6. Hypothesis one

The first hypothesis in this study was that there is no significant relationship between cultural norms and e-commerce use among traders in Kampala. Using five questions

respondents rated the different aspects of their cultural norms on the five point Likert scale ranging from one for Strongly disagree; two for disagree; three for neither disagree nor agree; four for agree and five for Strongly agree. Table 2 shows the descriptive statistics of these responses;

Table 2: Descriptive Statistics on traders' perceptions of their cultural norms

	Mean	**Std Deviations**
Your cultural norms are change oriented (easily accept change)	2.76	1.276
Your cultural norms allow new business models like e-commerce	2.71	.939
Your cultural norms are ethically sensitive	3.29	.632
Your cultural norms are encourage you to be progressive	3.67	.841
Your cultural norms can easily be changed	3.14	1.291

The means in table 2 suggest that the biggest number of trades were neutral, that is most of them neither disagree nor agree on whether their cultural norms can support use of e-commerce. To get a summary view of how traders rated their cultural norms, an average index called NORM was computed for the five questions in table 2, which turned out to have a mean of (3.11), confirming that cultural norms were perceived as neither supportive nor unsupportive in the use of e-commerce. In testing the null hypothesis, the Pearson's Linear Correlation Coefficient (PLCC, r) of the two numerical indexes (NORM and e-use from table 1 and 2) was computed, which turned out to have an ($r = 0.619$) and ($sig = 0.000$), indicating a positive significant co-relation ($r > 0.5$, $p < 0.05$), since the sig-value was small than ($\alpha = 0.05$), leading to rejection of the null hypothesis and hence accept the alternative hypothesis that cultural norms significantly related to use of e-commerce among traders in Kampala.

7. Hypothesis two

The second hypothesis in this study was that there is no significant relationship between cultural beliefs and e-commerce use among traders in Kampala. Using seven questions respondents rated the different aspects of their cultural beliefs on the five point Likert scale ranging from one for Strongly disagree; two for disagree; three for neither disagree nor agree; four for agree and five for Strongly agree. Table 3 shows the descriptive statistics of traders, responses.

Table 3: Descriptive Statistics on traders' perceptions of beliefs and assumptions

Indicators of beliefs and assumptions	**Mean**	**Std Deviations**
Doing business on internet is the best business model now days	3.14	1.328

You like doing business on line (e-commerce)	3.75	1.301
You are comfortable with online business	3.83	1.074
You believe e-commerce increase business competitiveness	4.00	1.006
You believe e-commerce is more risky	3.33	.474
You belief e-commerce increase profitability	3.50	1.266
You expect e-commerce to boom in near future	4.00	1.006

The means in table 3 suggest that most traders agree that their cultural beliefs are likely to enhance e-commerce use. However traders do not perceive e-commerce as risky or none risky and whether doing business on internet is the best business model or not (means ≈ 3, falling in the category of neither disagree nor agree). About how traders rated their cultural beliefs with a mean of (3.63), which confirm that cultural beliefs and assumptions were perceived as supportive in the use of e-commerce among traders in Kampala.

To test the null hypothesis, the Pearson's Linear Correlation Coefficient (PLCC, r) of the two numerical indexes (table 1 and 3) was computed, which turned out to have ($r = 0.324$) and ($sig = 0.003$), this indicate a significant positive co-relation ($r > 0$, $p < 0.05$), as the p-value was small than ($\alpha = 0.05$), leading to rejection of the null hypothesis and hence accept the alternative hypothesis that there is a significant positive relationship between cultural beliefs and use of e-commerce among traders in Kampala at the five percent level of significance.

8. Conclusion

The first objective in this study was to assess the effect of cultural norms on use of e-commerce among traders in Kampala from which it was hypothesized that: cultural norms explain different levels of e-commerce use among business men in Kampala. Data analysis using Pearson's Linear Correlation Coefficient (PLCC, r) indicated a positive significant co-relation. These study findings are in agreement with Avshalom *et al* (2008), asserted that given the moral plurality and mutual incompatibility of social and cultural norms in the global village, online shoppers would have to consider their norms and beliefs. The findings led to conclusion that cultural norms affect e-commerce use among traders in Kampala Uganda; hence the recommendation that traders should be sensitive about cultural norms while conduct e-business. Web designers too should be sensitive about the different cultures of people that use the designed web in order not to scare away some of the customers.

The second objective of the study was to establish the effect of cultural beliefs and assumptions on use of e-commerce among trade in Kampala from which it was hypothesized that cultural beliefs and assumptions explain different levels of e-commerce use among business men in Kampala. Pearson's Linear Co-rrelation Coefficient (PLCC, r) indicated a positive significant co-relation. Indicated a significant positive co-relation ($r > 0$, $p < 0.05$), as the p-value was small than $\alpha = 0.05$, leading to rejection of the null hypothesis. These findings were in agreement with [3] who indicated that slow uptake of e-commerce in developing countries in general, is the result of the

confluence of beliefs and assumptions. This led to a conclusion that cultural beliefs are associated with e-commerce use among traders in Kampala. Hence the recommendation that e- commerce traders should learn what consumers expects and works towards fulfilling consumers expectations.

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