

**THE IMPACT OF E-COMMERCE INFRASTRUCTURE, ONLINE
TRUST AND SECURITY ON EFFECTIVE DIGITAL MARKETING
IMPLEMENTATION IN NIGERIA**

By

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DECLARATION

I, David Iornem, hereby declare that this Dissertation is entirely my own composition, and that where works of other persons have been used or referred to, such sources have been dully acknowledged.

DAVID IORNEM

CERTIFICATION

We certify that this Dissertation titled “Impact of E-Commerce Infrastructure, Online Trust and Security on Effective Digital Marketing Implementation in Nigeria” has been presented by David Iornem to St Clements University (Turks & Caicos) Island, and has been duly approved by the examiners.

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DEDICATION

This project work is dedicated to God Almighty for His grace and protection over my life.

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ABSTRACT

This research work is entitled “The Impact of E-Commerce Infrastructure, Online Trust and Security on Effective Digital Marketing Implementation in Nigeria”. It was formulated against the backdrop of the growing importance of e-marketing (at differing rates) among advanced economies and emerging economies. The practice of this important game-changing applied technology is beset by several problems. Electronic commerce or e-commerce refers to a wide range of online business activities for goods and services; it also pertains to any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact. E-commerce possibly provides exceptional opportunities for promoting investment, increasing trade, facilitating business transactions and offers a larger and more varied platform for marketing than conventional or traditional marketing. However, e-commerce is faced with the problem of inadequate infrastructure, lack of trust and security. Reducing the risks of financial loss for non-delivery of goods/services would appear to be the way to go in promoting confidence and trust between online buyers and online marketers. It is against this background that this study examines the impact of e-commerce infrastructure, online trust and security on effective digital marketing implementation in Nigeria. In order to achieve this objective, structured questionnaires were administered. The primary data for the study was generated through a survey of 300 respondents perceived to be online buyers, online sellers (e-vendors, e-tailers, online shops, amongst others), potential online buyers and sellers. Information was also gathered through secondary sources like published books, journals, newspapers, magazines and Internet sources including published reports from notable institutions such as FBI, INTER POL, Mi5 and Bloomberg. The study employed cluster and purposive sampling methods in getting the respondents. Data collected were analysed by the use of tables, simple percentages, charts, T-test and logit regression. The study was guided by a combination of three theories viz: Diffusion Theory of Innovation, Digital Analytics Model and Signaling Theory. In the course of the study the researcher posed some null and alternative hypotheses, amongst which were: **a.** Online trust does not significantly impact on transactions, which was disproved. **b.** Nigeria is not among the leading countries perpetrating Internet scams, which was proved. **c.** Nigeria does not have the necessary e-commerce infrastructure sufficient for digital marketing implementation, which was also disproved. The findings of the study show *inter alia*, that e-commerce infrastructure in Nigeria is adequate for digital marketing implementation; Nigeria is neither among the world’s leading countries in perpetrating Internet scams nor among the top 20 countries on the cybercrime radar. Consequently, the study recommends, amongst others, that Nigerian Government should lead other stakeholders in taking necessary steps to correct the wrongly perceived image of Nigeria as a foremost country in the world in perpetrating Internet crime.

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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Background to the Study

The Internet has brought about the emergence of virtual markets with four primary distinct characteristics, which are real-time, shared, open and global (Mohammed, 2003). The growing rate of Information and Communication Technology (ICT) utilization particularly the Internet has influenced at an exponential rate, online interaction and communication amongst the generality of the populace. Nonetheless, some shortcomings have been identified to be that, most people are connected via personal cell phones, personal computers while others are connected through corporate access and public kiosks. The patronage of the world is monumental and has remained on the increase from the beginning. Notwithstanding,

the enormity of businesses on the Internet, Nigeria is yet to harness the opportunities for optimal gains.

E-commerce is one of the innovations of ICT development which is eagerly welcome in today's business world. Rahimipoor et al (2012) noted that e-commerce is a creation of the industrialized world, it is however, accepted in the developing countries too as a medium of exchange. But as there are traditional infrastructure and business tools in these countries, they are not ready to carry out the "novel economics" (digital economics). Therefore, businesses and companies are forced to identify and supply the needed infrastructure in order to use e-commerce. In his studies on "challenges militating against the adoption of online shopping in retail industry in Nigeria, Abiodun (2013) asserted that, for businesses to be successful in the dynamic marketplace, they must adapt to the new order in the technology world (e-commerce) in order to meet the needs

of their dynamic customers. E-commerce offers a level playing ground for large businesses, as well as small and medium scale enterprises (SMEs) to operate in the global market place; and for regional businesses and communities to participate in social, economic and cultural networks seamlessly across international boundaries (Mary-Anne, 1998). Georges (1997) opined that e-commerce fosters direct access to distant markets and promotes globalization of commercial activities; and blurs many of the current distinctions between domestic and foreign companies to an extent that it becomes practically impossible to determine the origin of products.

However, with the paradigm shift in the mode of operation occasioned by the advent of the Internet, global corporations now operate with much consistency and at reduced cost of transactions as if the entire world were a single entity. The Internet has changed the face of businesses and is providing

consumers with the ability to bank, invest, purchase, distribute, communicate, explore, and research from virtually anywhere, anytime there is Internet access (Anup, 1997).

The public nature of the Internet has made it vulnerable to a lot of security threats. Thus, it requires a systemic approach to guarantee its trust, security on the fronts of web clients, data transmission, web server, and network server operating system. Similarly, moving businesses online requires efficient and effective management of operations in the contexts of security (integrity, non repudiation, encryption), confidence (credit, payment, confidentiality), and control (traceability, transparency, authenticity) (Ramaswami, 1998; and Larry, 1998).

According to Salam et al (2005) and Austin et al (2006), the advancement of the Internet has changed the way people perform business and commerce, from a traditional to an online

environment. In this regard, people can purchase and sell various items via the Internet but the rapid growth and development of these online transactions are hugely dependent on the presence of trust. Yang et al (2009) stated that, lack of trust is one of the contributing factors to the non-willingness of the people to conduct transactions over the Internet (otherwise online). For this reason, researchers and practitioners have extensively discussed the issue of trust in the context of e-commerce (Muhammad, 2013). Menno de Jong & Steehouder (2010) noted that, the wider acceptance of online transactions, despite the perceived risks involved, depend not only on the estimated benefits they offer but also on people's trust in online transactions, in the technology used for the transactions and in organizations as the other parties in the transactions. Lack of trust in the organisation as the other party in a transaction is often blamed for people's disinclination to

engage in an online transaction (Hoffman et al 1999 cited in Menno de Jong & Steehouder 2010), in general and in online economic exchange (Lee & Turban 2001 cited in Menno de Jong & Steehouder 2010), in particular. In this respect, both the business and academic sectors have shown heightened interest in trust within the context of the digital environment.

Therefore, trust in the online transactions is seen as a necessary condition for any exchange to take place. In this regard, many scholars have attempted to conceptualize trust with varying views. The remarkable degree of consistency in the conceptualization of trust across disciplines (the critical common components across disciplines) is “confident expectations” and “a willingness to be vulnerable. Garrido & Marina (2008) for instance noted that, trust involves at least two agents; one who is willing to securely becoming vulnerable to the other one. That trusting process begins when an

individual perceives indications that suggest a situation may be worth trusting. A first step towards Trust is the fulfillment of certain social rules of behaviour. Trust is typically built gradually through extensive ongoing interactions that enable individuals to create reliable expectations of what other persons or organizations may do. Over time, reliance on these forms gives way to a reliance on experience. Such experience is a necessity for true trust to develop. Trust is much easier to maintain than it is to get started and is never hard to lose.

In order for trust to occur, individuals first rely on certain forms (as protocols) being followed. In order for trust to exist, there must also be some risk. Human interactions with the trusted party with secure identification, whether face-to-face or by any other means, was a precondition for trust to exist. Usually, the lack of the secure identification in an interaction through the Internet, or in most of the computer-mediated communications

is a key technological paradigm to creation of trust between agents.

It could be argued that trust in the Internet is closely connected with a greater level of certainty or confidence and security of the Internet. Otherwise, the net massive perpetuation would not have taken place. It is suggested that experience in the use of Internet and trust in institutions is good alternative means of explanation. Moreover, other previous estimates of Internet access suggest that trust in the Internet remains high enough to continue supporting its diffusion.

Online shopping, (especially in retail environment), enables consumers to visit electronic stores (e-stores), locate and select products, make payment through credit cards, debit cards, money transfer, or cash on delivery and get delivery at their door steps. Prices can be compared before purchases by visiting

e-stores of two or more competing electronic retailers (e-tailers) or online price comparison websites (Abiodun, 2013).

E-stores offer online shoppers certain benefits that cannot be offered by brick-and-mortar (physical) stores, and these attract a growing number of consumers to online shopping from all over the world. These benefits are well documented in the extant literature. For example, prior studies have indicated that e-stores offer online shoppers more diverse product choices, individualized (customized) products, service information, shopping convenience, 24/7 shopping, time saving, competitive pricing and privacy (Katole, 2011; Kaufman-Scarborough & Lindquist, 2002; Margherio, 1998; Monsuwe, Dellaert & Ruyter, 2004; Shang, Chen, & Shen, 2005). Empirically, it was found that 72 per cent of respondents shopped online in 2011 for 24 hours service; 66 percent because online products can be compared easily; 57 percent for easy delivery; and 50 per cent because of

better price (The Nielsen Company, 2011 as cited in Abiodun, 2013). He asserted further that, these benefits have led to tremendous growth in the number of shoppers who have adopted the Internet as a means of shopping, especially in developed countries, and few developing and emerging countries with high literacy level, supporting infrastructure, high income, and higher penetration rate. For example, a survey indicated that in 2005, at least 85 percent of the Internet users had purchased online in European and North American countries; 96 per cent in Austria; 70 per cent in Asia Pacific; and 74 percent in South Africa (The Nielsen Company, 2012 as cited in Abiodun 2013).

According to Abiodun (2013), Nigeria and other African countries were not covered by the research for reasons which are very clear and which may include; low Internet infrastructure (e-commerce infrastructure), high level of

illiteracy, cultural barrier, security issues, inadequate regulatory framework, and so forth, all of which have led to the low Internet penetration in these countries, and made adoption of online shopping unpopular among shoppers. Besides, it has been documented in many researches that Nigeria is one of the leading countries in the Internet scams and other cybercrimes. For instance, Chawki (2009) recorded that, according to a 2007 Internet Crime Report prepared by the National White Collar Crime Center and the FBI, Nigeria ranked third in the world with 5.7 percent of perpetrators of cybercrime. This issue of Internet fraud (cyber crime) also poses a serious security concern for the adoption of digital marketing by e-vendors and e-tailers on side and online shopping by e-buyers on the other side.

Not many consumers adopt the online purchases due to the challenges that bother on online trust and security, e-commerce infrastructural availability even though many businesses have

now digitalized their businesses and many still are making frantic efforts to follow suit. For instance, according to a survey of online shopping behaviour of consumers in Nigeria conducted by Ayo et al (2011) as cited in Aminu (2013), only 23.3 percent had ever purchased goods online, 37 percent had never visited any online shop or e-vendor 18 per cent had visited 1 to 2 online shops, 24.6 per cent had visited 3 to 5 online shops, 12.6 per cent had visited between 6 to 20 online shops, and 7.8 per cent had visited above 20 online shops. The statistics Aminu (2013) observed is obviously very low compared with numbers of consumers who had shopped online in Europe, U.S., Asia/Pacific and South Africa.

1.1 Statement of the Problem

A wide range of scholars have described vividly the importance of Internet marketing. According to Peterson (1997), Internet

marketing presents an opportunity to redefine customer relationship as it provides guide and encourages customers to learn the process associated with placing an order. This, in turn, increases customer loyalty as barrier to switching are reduced. Rowley (2002) noted that Internet marketing removes market barriers most especially in a niche market as it provides businesses particularly the small scale enterprises market access to global market in a cost-effective manner. With respect to consumer, Internet marketing has been acknowledged to offer customer the choice of comparing products or services they wish to purchase from the comfort of their own homes without having to visit a number of different retail outlets (Swanepoel, 2008).

It is for these reasons that many businesses seek to implement web presence both in developed and developing countries in order to achieve their marketing objective(s). However, these

have proved to be relatively ineffective as observations have shown that many consumers in Nigeria access business website only to source for information but make their purchases traditionally offline. For instance, the National Telecommunication Commission (2015) noted that even though the number of users of the Internet has increased significantly to eighty seven million Nigerians as at 2015, only a small fraction of those users do make actual purchases over the Internet. The failure of the Internet as a retail distribution channel has been attributed to the lack of trust consumers have in the electronic channel (E-channel) and in the Web merchants (Stewart, 1999). The phenomenon of coexistence of low online purchases in spite of increased number of Internet subscribers in the country raises questions yet to be answered. Notwithstanding this, there is paucity of empirical works detailing how e-commerce infrastructure and online trust affect online buying behaviour of

consumers in Nigeria. In the light of the above statement, assessing the availability of e-commerce infrastructure and online trust with emphasis on how they affect customers' online buying behaviour in Nigeria becomes a significant undertaking.

1.2 Purpose of the Study

The main purpose of this study is to establish how e-commerce infrastructure and online trust and security can be used as tools for digital marketing implementation. It is also the purpose of the study to determine whether the popular view that Nigeria is one of the leading countries perpetrating Internet scams and online fraud holds water. Cases of online fraud and Internet scams that are reported in the media are enough to scare customers who have a desire to do online shopping or carry out payment transactions online.

Internet scams and online fraud in Nigeria has reduced to a minimal level or not. Not many consumers adopt the online

purchases due to the challenges that bother on online trust and security, e-commerce infrastructural availability even though many businesses have now digitalized their businesses and many still are making frantic efforts to follow suit. It is in the light of these that this study seeks to investigate e-commerce infrastructure, online trust and security as a precondition for digital marketing implementation.

1.3 Aims and Objectives of the Study

This study is aimed broadly at investigating e-commerce infrastructure and online trust and security as a pre-condition for digital marketing implementation. More specifically the research aims to achieve the following objectives:

- i. To discover the e-commerce infrastructure available to potential and actual online buyers and sellers in Nigeria;
- ii. To identify methods of security assurance for online transactions.

- iii. To suggest ways of influencing trust among online buyers.
- iv. To assess the impact of online trust on online buying behaviour of consumers; and
- v. To ascertain whether the claim that Nigeria is amongst the leading countries in Internet scams especially as it relates to Internet transactions holds water.

1.4 Research Questions

In order to meet the aims and objectives above, this study has attempted to answer the following questions:

- i. What level of e-commerce infrastructure is available to potential and actual online buyers and sellers in Nigeria?
- ii. How does security assurance in online transactions affect customer buying behaviour?

- iii. What is the impact of online trust on customer buying behaviour?
- iv. Is the claim that Nigeria is amongst the leading countries in Internet scams justified?

1.5 Statement of Hypotheses

The study tested the following hypotheses:

Hypothesis One:

H₀: Nigeria does not have the necessary e-commerce infrastructure sufficient for digital marketing implementation.

Hypothesis Two:

H₀: Security assurance on online transactions does not significantly influence customer buying behaviour.

Hypothesis Three:

H₀: Online trust does not significantly impact on transactions.

Hypothesis Four:

H₀: Nigeria is not among the leading countries perpetrating Internet scams.

1.6 Rationale for the Study

In studying e-commerce infrastructure and online trust and security, the study attempted to establish the current level of availability of and accessibility to e-commerce infrastructure in Nigeria, to determine the present state of online transaction and factors that bring about online trust in Nigeria. It has been widely held that Nigeria has a high level of Internet scams and online fraud Chawki (2009), hence, the rationale for this research is to establish whether this view holds water or not

and to determine the potential and likely risks for e-vendors' adoption of digital marketing strategies.

1.7 Significance of the Study

The study sets out to investigate the current nature of e-commerce infrastructure in Nigeria, to ascertain the nature of online trust and security in the Nigerian online business environment. In doing so, the study made use of three theories: Diffusion Theory of Innovation, Digital Analytics Model, and Signaling Theory.

This is significant in determining the challenges and prospects for adopting digital marketing implementation by actual and intending virtual business owners.

The study has also pointed out the current nature of Nigeria's Internet security levels and challenges. These constitute key factors for online trust in the online business world. The researcher made recommendations on how businesses can win

their customers' trust online and capture customer loyalty for their brands in the virtual world. Thus online businesses, investors, governments and foreign business persons can all benefit from this study.

1.8 Delimitations of the Study

This research work is centered on how e-commerce infrastructure, online trust and security affect e-marketing in Nigeria. The work is a point analysis. It relies mainly on primary data which were obtained during the course of research in 2015. The research work focuses on entire online business population which includes both sellers (e-vendors, online shops, online marketers etc.) and buyers (individual and corporate buyers) in FCT-Abuja and four (4) States of Nigeria namely Kano, Benue, Enugu and Lagos. The choice of these States was necessitated by the fact that they constitute the commercial hubs of their various geo-political zones.

1.9 Definition of Terms

For the purpose of adequate clarity, the terms below have been defined for better understanding of how they have been used in the study.

1.9.1 Trust and Online Trust

Currall & Judge (1995) defined trust as an individual's reliance on another party under conditions of dependence and risk. Trust is also defined as a partner's willingness to rely on an exchange partner in the face of risk (Doney and Canon 1997; Moorman, Zaltman, and Deshpandé 1992; Schurr and Ozanne 1985 as cited in Aiken & Boush, 2006). Considering that risk is a function of the probability that a hazard could arise with ensuing consequences (Schneider 1998), an individual's trusting behaviour depends on the nature of the consequences. In the context of high-consequence systems such as Internet purchases, risk avoidance behaviour may arise since reducing

risk takes precedence over cost savings. Mayer et al. (1995) further clarified the relationship between trust and risk: trust is the willingness to assume risk, while trusting behaviour is the assumption of risk. If the level of trust surpasses the threshold of perceived risk, then the trustor will engage in a risk taking relationship. Since trust develops over time (Lewicki and Bunker 1995), the level of trust an individual has in an object would be different depending on when trust is assessed. When the trustor does not have firsthand knowledge of electronic commerce (E-commerce), initial trust in both the Web merchant and the electronic channel are considered important, given that there are some risks involved in using an electronic channel for financial transactions.

Trust is a social phenomenon and it has been studied in the psychology, sociology, economics, marketing, and management literature (Kim et al, 2004). Psychologists define trust as a

personal tendency to trust others (Rotter, 1971 as cited in Kim et al, 2004); Social psychologists define trust as cognition about the trustee (Rempel et al., 1985); Sociologists define trust as a characteristic of the institutional environment (Zucker, 1986); Some management researchers conceptualize trust as a belief about certain traits of the trustee, or as an attitude toward the trustee (Mayer et al., 1995; McKnight et al., 1998) as cited in Kim et al, (2004). In the marketing field, trust is defined as a psychological state comprising intention to accept vulnerability based on one's positive expectations of the intentions or behaviours of another (Singh & Sirdeshmukh, 2000), or willingness to rely on an exchange partner (Ganesan,1994). In E-commerce research, trust has been conceptualized as a set of beliefs about an Internet vendor (Bhattacharjee, 2002; Gefen et al., 2003a; McKnight et al., 2002a). Online trust is defined as an attitude of confident expectation in an online situation of risk

that one's vulnerabilities will not be exploited (Corritore, Kracher, & Wiedenbeck, 2003). Online trust is also viewed as reliance on a firm by its stakeholders with regard to the firm's business activities in the electronic medium, and in particular, its website (Shankar, Urban, & Sultan, 2002) in Beldad et al. (2010). While the first definition applies to online interactions in general, the second definition is more appropriate when understanding online trust in the context of online economic exchanges. Corritore et al. (2003) argue that in understanding online trust, one should resort to existing works on offline trust, as results of a substantial number of studies on trust in offline settings are applicable to trust in online environments. They added that the common denominator between the two is their rootedness on exchange, which, in both settings, is hampered by risks, fear, costs, and complexities. Just like in offline interactions, the targets of trust in online transactions also have

the burden of presenting themselves as trustworthy parties (Haas & Deseran, 1981). To be assessed as trustworthy, online organizations must work to improve their reputation, performance, and appearance – with appearance corresponding to the design of their website interface, for instance. At the same time, Internet users hold the prerogative to assess the trustworthiness of their online transactional partners based on the criteria of competence, benevolence, and integrity. More importantly, in understanding online trust from a purely economic perspective, the economic definitions of trust (Hosmer, 1995; James, 2002) should be appropriate. However, differences are also inherent between offline and online trust. Quoting Marcella (1999), Shankar et al. (2002) cited that offline and online trust differ in terms of their objects of trust. In trusting offline, the object of trust is typically a person or an entity (organization); whereas in an online context, the

technology (primarily the Internet) and the organization deploying the technology are the proper objects of trust. From a marketing perspective, in contrast to traditional commerce, where the objects of customers' trust are only the sellers or the companies they represent (Doney & Cannon, 1997), customers in electronic commerce have to trust not only the website but also the company behind the site, and even an explanation of why the site is trustworthy (Boyd, 2003). These points accentuate the complicated nature of trust in online commercial exchanges.

The unpredictable nature of the Internet breeds environmental uncertainties that spawn risks (Pavlou, 2003). In online transactions two uncertainties are certain: the risk of losing one's money during the exchange and the threat of having one's private sphere penetrated. The inevitability of risks may necessitate the cultivation of trust if one really intends to

engage in online exchanges and savor their potential benefits without the constant fear of the risks present. The inevitability of a 'first-time' in online situations makes trusting strenuous (Boyd, 2003). This suggests that people who lacked experience with online transactions and with online organizations would have a totally different level of trust compared to those with enough experience. Therefore, if trust among those with experience is grounded in the quality of and satisfaction with their previous transactions, what would be the basis of trust for those without any experience? Empirical studies on the determinants of trust and perceptions of trustworthiness in online exchanges abound. Different studies identify different trust cues that could influence Internet users' trust in online transactions and in online organizations. According to Grabner-Kraeuter (2002), the willingness of users to make a risky advance concession (disclosing credit card information, for

example) depends on their evaluation not only of the sellers' trustworthiness, but also of the functionality and reliability of the electronic commerce system. In this paper, the antecedents of trust are categorized into three: customer/client-based, website-based, and organization/company-based. Following previous trust definitions, this study defines trust as the belief that the other party will behave in a dependable manner in an exchange relationship.

1.9.2 E-Commerce and E-Commerce Infrastructure

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services (Rosen, 2000); it also pertains to “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact [MK Euro Info correspondence Center (2002) in Andam (2003)]. According to Meng (2009), the e-commerce means electronic business

activities by using modern communication technology, especially Internet. It is not only an electronic transaction based on browser/server (B/S) applications but also a promotion business model setting on modern information technology and information system, and so as to be electronic business activities. That put simply, e-commerce means the whole business activities process using electronic tools, especially Internet, to realize commodity exchanging in high efficiency and low cost. Turban et al. (2009) describe e-commerce as “the process of buying, selling, transferring or exchanging products, services and/or information via computer network, including the Internet”. E-commerce is usually associated with buying and selling over the Internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network. Andam (2003) noted that, a more complete definition was given by Philippines

DAI-AGILE (2000) where E-commerce was defined as “the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals”.

E-commerce infrastructure on the other hand is the architecture of ICT hardware, software, content and data used to deliver e-business services to employees, customers and partners. The e-business infrastructure is “the share of total economic infrastructure used to support electronic business processes and conduct electronic commerce transactions” [Mesenbourg (n.d.)]. Implied from Nikov (n.d.) lecture at the University of Warwick UK, e-commerce infrastructure is the use of Internet (World Wide Web) and data communication networks to carry out e-business.

1.9.3 Digital Marketing

Rob Stokes (the CEO of Quirk Foundations) in his book titled **eMarketing: The Essential Guide to Marketing in a Digital World** says “if marketing creates and satisfies demand, digital marketing drives the creation of demand using the power of the Internet, and satisfies this demand in new and innovative ways”. Invariably, Stokes defined digital marketing as marketing drives that stimulate demand for a company or business’ product or service through the power of the Internet, meeting those demands in creative ways. He stated further that, “the Internet is an interactive medium. It allows for the exchange of currency, but more than that, it allows for the exchange of value. A business on the Internet can gain value in the form of time, attention and advocacy from the consumer. For the user, value can be added in the form of entertainment,

enlightenment and utility; content marketing is one powerful way to create value”.

According to Meng et al. (2009), digital marketing, also called e-marketing, is not only including the professional works that the marketing department deals with in marketing operating, but also it needs the cooperation by the relation business departments such as procurement department, producing department, financial department, Human Resource department, Quality supervision management department, product developing and designing department etc., and according to the demand of marketing to redesign and recreate the enterprise business standard by using computer network, so as to adapt to the demand of digital management and business in the network knowledge economy era. To Feng (2005), e-marketing is “the strategy that the agency or organization uses the modern communication technology

methods to exchange the potential market into reality market. It is an important part of the whole marketing strategy, and it is a kind of marketing tactics to realize the marketing goals based on Internet”.

1.9.4 Online Security

Internet security is a tree branch of computer security specifically related to the Internet, often involving browser security but also network security on a more general level as it applies to other applications or operating systems on a whole. Its objective is to establish rules and measures to use against attacks over the Internet (Preston, 2007 as cited in Wikipedia, 2015). In the context of online transactions, “the real security of an e-commerce transaction itself can be scientifically guaranteed with adequate encryption, digital signatures and third party authentication and such other methods (Bhimani,

1996). Hence, we can add up to Bhimani's proposition and define online security as guaranteeing the e-commerce transactions scientifically by adequate encryption, digital signatures and third party authentication so that customers can be assured of reliability in the transactions and that their data and information supplied can not be tampered with.

1.9.5 Virtual Community

There is no universally accepted definition of the term virtual community and in many literatures; no common agreement on the term has been identified (Schoberth & Schrott, 2001). They stated that, first, virtual communities are a multidimensional research object which can be analysed from various perspectives including psychology, administrative science or computer science. The discipline initiating the study tends to define the term virtual community according to its scientific body of knowledge. Secondly, the use of buzz words in this

context obscures a clear differentiation between scientific terms and jargon (Preece, 2000). This study is thus, based on the working definition of virtual community given below by Leimeister et al. (2004):

“A virtual community consists of people who interact together socially on a technical platform. The community is built on a common interest, a common problem or a common task of its members that is pursued on the basis of implicit and explicit codes of behaviour. The technical platform enables and supports the community’s interaction and helps to build trust and a common feeling among the members.”

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 Introduction

This chapter captures the review of relevant literature to the study. The chapter presents an empirical analysis of previous studies as well as the conceptualization of key of the study. The chapter starts by presenting key sub-topical issues that are of importance to e-commerce and business operation. The aim is to create awareness among small business enterprise owners and operators about the dramatic entry of e-commerce as a new way of running business organisations. In doing so, the fundamental ideas that drive this new phenomenon have been laid bare. E-commerce business models and tools have also been explored. Finally, the opportunities, challenges, and prospects of e-commerce have been identified and outlined. The chapter also covers mobile marketing, social media marketing, e-mail marketing and online trust and security for digital marketing implementation. This was followed by a detailed and adequate conceptual framework of the study.

2.1 Conceptualization of E-Business and E-Commerce

2.1.1 E-Business

E-Business (Electronic Business) is more than having a business website. It is in fact the key to the present and future of business, It involves so many aspects of using technology to improve business processes operations and output. Success in business today depends very much on electronic technology. Such processes include internal processes like human resources, financial and administrative systems, as well as external processes such as sale and marketing, supply of goods and services and customer relationship management.

Rowley (2002) noted that while e-business and e-commerce are closely related concepts, they are not the same and, therefore, it is important for a distinction.

Furthermore, “E-Commerce is doing business electronically across the extended enterprise. It covers any form of business or administrative transaction or information exchange that is executed using any information and communications technology” {Rowley (2002)}.

She argued that “E-Business is a wider concept that embraces all aspects of the use of information technology in business. It includes not only buying and selling, but also servicing customers and collaborating with business partners, and often involves integration across business processes and communication within the organization”.

There are E-Business tools that can be used to carry out E-Business operations which are:

- Mobile Phones
- Personal Digital Assistants (PDAs)
- Electronic Data Interchange
- File Transfer
- Facsimile
- Video Conferencing, Internet, intranet and extranets.
- YouTube
- Email
- Skype
- Social Media
- Cloud Computing
- E-Stores

The applications of E-Business are endless. E-Business is used to automate the administrative and operational activities of a business by using:

- 1) Customer Relationship Management (CRM), to handle human resource operations, development of Internet for news, policies, staff and customer information.
- 2) Human Resource Management to handle recruitment and handling of new staff, promotions, movements and transfers. Staff can also apply for leave using this system.
- 3) Electronic transactions like online banking, stock control and online purchase.
- 4) E-mail and E-fax to purchase and sell.
- 5) Project Management software (e-business, 2013).

2.1.2 E-commerce

E-commerce is the process of trading in products or services conducted via computer networks such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems.

Modern electronic commerce typically uses the World Wide Web at least at some point in the transaction's life-cycle, although it may encompass a wider range of technologies such as e-mail, mobile devices, social media, and telephones as well (Wikipedia, 2014).

E-Commerce is, basically, doing business online. In most obvious form, it is selling products online to customers, but in fact, any sort of business conducted electronically is E-Commerce. E-Commerce is simply the creating, managing, and extending of commercial relationships online. (Kienen, 2000)

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services (Rosen, 2000). It also pertains to “any form of business transaction in which the parties interact electronically rather than by physical exchanges or direct physical contact (MK-EICC, 2002).

2.1.3 E-Commerce as a Subset of E-Business

Since E-Commerce is trading in products or services conducted via computer networks such as the Internet (by electronic means), it is therefore a subset of E-business. E-Business is a

term used to cover electronic transactions involving business, customers, governments and any other organisation.

2.1.4 The Scope of E-commerce

E-Commerce is a tool and can be used not only in businesses with the need to sell products online but entails a much wider application. The following examples will help us understand how it is applied:

- A construction company designs a website that helps customers place an order for gravel. Customers can place orders any time, whether day or night, but in most cases the merchandise is usually delivered at day time.
- A company makes an online forum website, where customers can discuss their views and challenges while using their product, their views are posted in a searchable database for everyone to see, comment on or offer possible solutions.
- A university has a tracking feature on their website, which allows applicants (prospective students) who have applied for a program in the university to view their application status online.

- Users of Facebook can invite their friends for an event, perhaps a party and get their response in real-time.
- A company that sells electronics (Laptops, tablets, TVs), can set up a website that allows customers to purchase the products online. All products are displayed with pictures and other information of the products for customers to select the products they want, add to the online cart and proceed to checkout.
- A company creates an e-commerce website where customers complete all their transactions including payment.

Your entire online business revolves around the website of your company. There are many E-commerce websites online today. For your E-Commerce website to stand out, it has to be unique, well designed and fully optimized for search engines. In addition to this, you have to sell or offer quality products or services online. Due to competition amongst many websites, you will have to compete with the international market. The success of your online business is dependent on your E-Commerce website. Therefore, it is important to have a professional and

experienced E-Commerce designer to handle the design and maintenance of the site (Nasrin, 2011).

E-Commerce does not only contribute to the development of your company. Looking at it from a broader perspective, it contributes to the economic efficiency of every business in five important ways which are:

- a) Shrinking distances and time scale
- b) Lowering distribution and transaction costs
- c) Speeding product development
- d) Providing more information to buyers and sellers
- e) Enlarging customer choice and supplier reach

(Gunasekaran et al, 2002).

The interplay of the above listed impacts of e-business leads to a multiplied effect for the entire economy and every business gains through the unseen hand of the work of e-technology.

E-Commerce ventures should be set up primarily to take care of the needs and wants of customers. That is the only way this technology will make any lasting impact on your business, making it a worthwhile and successful investment. Assuming you own a clothing line, it is logical to sell light clothing in

summer and warm clothing in winter, because you know for sure that customers need to wear the right cloths for each of the different seasons.

2.1.5 Setting Goals for E-Commerce

Like the saying goes, if you can think it, you can achieve it. Goals are necessary for success. Goals establish your business framework. Examples of goals to be achieved would be to increase sales by 20% in 12 months, realize a market share of 15% by 2015 and increase profits by 40% by 2016. It is not enough to just set goals. You need to also come up with brilliant strategies on how to achieve the goals. If you want to increase sales by 20%, a good strategy would be adding more products that will attract customers to grow revenue. Organizing a promo to attract customers to patronize your business may also be an option.

Peter Drucker has proposed a framework for workable goals. The framework goes by the acronym SMART. According to this framework, goals should be.

1. Specific (which stands for S)

2. Measurable (which stands for M)
3. Attainable or Achievable (which stands for A)
4. Realistic and Relevant (which stands for R)
5. Time-bound (which stands for T)

John Koze brought another dimension by modifying or extending the SMART framework to read SMARTTEST

He argues that SMART framework works well but is lacking in certain aspects. He names the aspects as Engaging, Shifting Goals and Team Effort. He suggests that for goals to have power, they are meant to have as tools to impact the organisation, the employees who operate the goals must be engaged and seized by goals.

2.1.6 Tools of E-Commerce

Tools of E-Commerce refer to the different ways E-commerce is practiced in business. One is referred to the systems in place that can be used to facilitate E-Commerce operations. Amongst the tools are:

- Mobile E-Commerce: This is simply trading of goods and services via mobile devices.
- Electronic Funds Transfer: It is the electronic exchange, transfer of money from one account to another in a financial institution or two financial institutions.
- Electronic Data Interchange: EDI is the computer-to-computer exchange of business documents in a standard electronic format between business partners
- Inventory Management System: Inventory Management System
- Internet Marketing: The use of the Internet to market services and products to consumers.
- Websites
- E-Signature
- E-mail
- Social Media
- Blogs
- E-Letter
- E-Commerce
- Mobile-Websites
- Smart-Phones

- Supply Chain Management: It is the management of the flow of goods.

2.1.7 E-Marketing

According to Strauss and Frost, E-Marketing is the use of information technology for marketing activity, and the processes for creating, communicating, delivering and exchanging offerings that have value to customers, clients, partners, and society at large (Strauss and Frost, 2014:23).

“E-Marketing, therefore, is the act of marketing your business and products/services online, either through banners, keyword articles, link exchanges, or any other type of online marketing activity that you can think of” (Allonline, 2013).

E-Marketing combined with traditional marketing increases business performance and effectiveness of marketing. It is also a powerful tool that can transform many marketing strategies and bring about remarkable results. It does not take the place of traditional marketing but complements it. A very good example of E-Marketing is the campaign of US President Barack Obama. His campaign had a mix of media: broadcast, print,

Internet and miscellaneous. He had a Facebook and a Twitter page and campaigned brilliantly using these forums.

E-Marketing is a part of E-Commerce because even owners of E-Commerce ventures, have to market from time to time on a constant basis to attract customers. Through online marketing (E-Marketing). There are many E-Commerce websites out there, it is not just enough to design one and sit back but you need to promote it aggressively so as to prevent your website from being lost in a sea of E-Commerce websites.

2.1.8 How Computer Networks Help E-Commerce

Just like everyday networks we build between one another (neighbors, friends, colleagues, families), networking also plays a major role in business. There is no need to have a business if only you know about the business, so, entrepreneurs network with other business people and customers through ads, direct mail, online, newsletters, Tweets, Facebook posts and blog entries. To add to the list, participation in business forums, groups and business/professional organizations so as to tap from the knowledge base of others and attract more customers to your business is a great asset (Craig, 2013). The values of computer network to E-Commerce include:

- a) **Display Advertising:** Usually, E-commerce ads can carry information on sales, coupons, newest products or deadlines. This helps customers know more about the products they are about to purchase.
- b) **Increasing Brand Awareness:** Customers can be engaged in discussions of the brand.
- c) **Building an Online Forum:** Here the user of the product and services can interact with owners of the E-commerce website. Through this, positive feedback from customers can be elicited.
- d) **Referrals:** Telling a friend about a product or service is part of referral. You are recommending a product to that person. Social Medias like Facebook, Google Plus and even YouTube have features that allow people share videos, pictures, post, and the list continues. This helps to market products and services.
- e) **More Exposure:** As a member of a professional body, you get to meet people. Your name and company details appear in different places including websites. That way, you get more exposure for your business.

f) Gain more Knowledge: Being a part of a network has its benefits, one of which includes, learning new technologies, techniques you never knew existed and better ways of getting your business on track.

g) Awards: Awards are not given to people on the basis that they belong to the body issuing the award. Once you know how such awards are made(criteria, guidelines, and format for submissions) you can dress yourself to get the award.

h) Monitoring Discussions on Brands:

Just as positive feedback enhances product reputations, negative feedback can also cause problems for the services or products. It is, therefore, important to monitor discussions on social networks and address issues, complaints, and misconceptions arising (Daljeet, 2010).

2.1.9 E-Commerce Business Opportunities

Various e-commerce business opportunities are available to individuals interested in establishing an e-commerce business. A few have been listed and explained below:

- **Domain Name Brokerage:** Domain name brokerage involves registering or purchasing dot-com names and reselling them at a higher price. Domain name brokers usually search for names of big businesses that have not registered their domain names yet and offer it for sale to these companies. This is a business that can be run from the comfort of your home at any time.
- **Become an E-Commerce Consultant:** Transacting business online is much more technical than doing it in the real world, which is why a lot of people search for experts in this field that would see them through and help them establish their e-commerce business, help them build and improve their websites, show them how to market their products on the Internet and build an effective mailing list for them.

You can become an E-Commerce consultant and earn up to \$1,000 daily. There is a professional institute of E-Commerce consultant where you can register for training and become certified.

- **Online Scholarship Directory:** Yearly, students search for scholarship opportunities to help them in financing their studies and there are thousands of such scholarships but lots of students do not have an idea of where to find them. You can make money by creating a website where people can subscribe for daily scholarship information at a fee.
- **E-Bargaining:** This business involves compiling a list of discounts available and supplying this information to your subscribers via e-mail newsletter. You can also help to sell some of these products and make money from it too. On your website, you can have people come and advertise

their products and services for a fee but this is dependent on the volume of patronage on your website.

- **Become an Internet Trainer:** There are a lot of people out there who know so little about the Internet and are willing to hire you to train them on how to make better use of the Internet.
- **Event Ticket Sales:** Comedy shows, Movie Premieres, Music shows and such events sell entry tickets at a discount who now sell it to others on their behalf. You can create a website and start selling event tickets to people online.
- **Information Consultant:** Big companies seeking to create new products or beat the competition, research institutions as well as professional groups all rely on information to make major decisions. If you are a person who loves carrying out research and gathering information, you can become an online information consultant.

- **Online Children's Camps:** During the holidays, parents look for ways to keep their kids busy and occupied. A lot of parents send their kids off to holiday camps but quite a number of parents cannot bear to part from their kids for few weeks so instead, they enroll them on online camps. You can start your own online children's camps. You can also help parents locate holiday camps close to them by putting together a list of camps and having them pay for it in form of annual or monthly subscription charges.
- **Escrow Payment Solutions:** With a lot of buying and selling going on the Internet, the issue of payment and delivery is usually a challenge. A lot of people have lost huge sums of money due to paying for goods which they never get. You can help to solve this problem by creating a payment platform where you would act as the middle man between the buyers and sellers and accept payment on behalf of the

seller which would only be released when the buyer receives his purchase and is satisfied with it.

- **Instagram Consulting:** In its annual trends report, 'The Future 100' which highlights the big and small trends to watch in 2016, JWT Intelligence reported that more and more companies are using Instagram as a marketing tool. According to the report, the social media app reached 400 million users in 2015, and the number of companies with more than 100 employees using Instagram for marketing is expected to reach 48.8 percent in 2016. Despite Instagram's growing popularity, not all brands know what they are doing on the app. If you have a background in social media and marketing and a passion for photography and Instagram, starting a consulting business that focuses on this popular photo app can be a great way to make

money while helping other businesses improve their content and thrive.

- **Women's Health Platform:** Women-focused platforms and businesses for women, by women were huge in 2015, and they will only continue to grow this year (2016). According to "The Future 100", this new wave of platform is expanding women's media and reflecting a new way of thinking about femininity, empowerment and gender identities. The report also noted that another big trend is taking the taboo out of women's health. Aspiring women entrepreneurs looking to make a difference are now in a better position than ever to launch businesses that help other women. An online store that focuses on women's health needs, or another platform that connects women with important resources and products, could be a great

framework for a successful and meaningful business this year.

- **Recycling Pickup:** Most homeowners have pickup bins for standard recyclables like paper, glass and plastic, but they often don't make the effort to properly recycle electronics and batteries, which can be extremely harmful to the environment when left in landfills. Offer to pick up all the e-waste that has been collecting dust in people's garages(old televisions, broken laptops and defunct cellphones), for example and bringing them to your local electronics-recycling facility for a fee. You can charge per item, by weight, or a flat fee plus travel to and from the location.
- **Freelancer:** Companies are increasingly turning to freelance and contract workers to fill the skill gaps in their staff. It's not hard to imagine that you could build a whole company around providing freelance services of one sort or another.

According to **Freelancer.com**, which lists more than a million freelance projects on its site, the most in-demand freelance services are data entry, academic writing, Excel projects, data processing, Web search and Facebook-based jobs. Some freelance gigs pay by the project and others pay hourly, and the rates can vary greatly. But as you gain more experience, your earning potential will soar.

- **Travelling Saloons:** As aging baby boomers move into the senior-citizen category, there will be a growing need for these mobile services that help keep them looking good without requiring them to make a trip to the salon.
- **Health Club for Millennials:** According to The “Future 100”, millennials are drinking alcohol less than ever and focusing more on health and fitness. This means that health and fitness services are being rebranded to become trendier

and more sociable. Opening a health club or fitness center targeted specifically to millennials could be a great way to capitalize on the trend, especially if you focus on creating a strong, fun and engaging social media presence to really connect with young members and potential customers. The above listed e-commerce business opportunities are not exhaustive. Many more e-commerce business exist and are very viable. Anyone willing to start up a business can carefully go through the above mentioned and select any with respect to his/her area of interest.

2.2 Mobile Marketing Using Mobile Applications (Mobile Apps)

2.2.1 Mobile Apps Defined

Salz and Moranz (2013) define a mobile app as:

“A piece of software specifically designed to run on a mobile device such as a smartphone or tablet. The app is usually downloaded and installed by the device owner, and once installed,

a mobile app typically operates in tandem with the device's native, or installed operating system (OS). Very often, this allows the app to take advantage of some of the mobile device's features" (p. 14).

A mobile app has also been defined as "a software application developed specifically for use on small, wireless computing devices, such as smartphones and tablets, rather than desktop or laptop computers" (Techtarget.com, n.d.). Techopedia seems to also see mobile apps in the same way when it spoke of it as: "a type of application software designed to run on a mobile device, such as a smartphone or tablet computer" (Techopedia.com, n.d.). Mobile apps have also been viewed as "a term used to describe Internet applications that run on smartphones and other mobile devices" (Webopedia.com, n.d.); "A software application that runs in a smartphone, tablet or other portable device" (Pcmag.com, n.d.), as well as "software used on a smartphone or mobile device such as the Android, iPhone, BlackBerry or iPad" (Campbell, 2011). From the foregoing definitions, there is a convergence that a mobile app

is application software that is used on smart phones and other mobile devices.

2.2.2 Key Functions of Mobile Apps

These include:

- **Location-based Services:** Mobile apps on Smartphones provide location based services and delivers features / functions that cater to most needs and wants of the user. Location-based services offer a better user-experience by providing intelligent information about the geographical context of users and, for example, automatically adjuststhe clock to the local time-zone as the plane touches down
- **Social Networking:** Mobile apps enable the sharing of information to friends and contacts via the mobile social networking platforms, which have become another portal of data traffic.
- **Mobile Search:** Mobile apps enable the convenient use of a mobile search using smartphones, in relation to the relatively more cumbersome laptop. For example, the comparison of product specifications, prices, or

reservations and purchases can be organized and processed expeditiously.

- **Mobile Commerce:** Mobile apps enable commercial transactions using smartphones. Mobile commerce is an up-coming trend to enhance shoppers' and business experience, allowing stores to interact with the users on a more personal basis, like "checking-in" when entering the store, or earning rewards while shopping. Interestingly, "83% of global shoppers who use mobile devices plan to make a mobile purchase in the coming year, says an InMobi report ... 61% of mobile web users are as comfortable with mobile advertising as they are with TV or online advertising, the report says" (Briggs, 2014).
- **Mobile Payments and Banking:** Mobile apps enable mobile payments and bank transfers - e-commerce transactions are readily available "on the hoof".
- **Context-Aware Services:** Context-aware services provide and anticipate users' intentions, and proactively suggest to users the most appropriate content, product, or services available.

- **Object Recognition:** Using the camera or other device sensors, like the QR code scanner, users can identify or share specific objects of interest, which can provide a higher level of entertainment or searching capabilities when used with other mobile apps, such as Pinterest.
- **Mobile Communications:** The primary functions of mobile devices continue to evolve. From calls to SMS, and then to emails and videos - developers continue with researching ways to bring mobile communication to greater platforms. With the current trends in HD and 3D, most upgraded video contents will ultimately be available on most smartphones.
- **Mobile Distribution:** Organizations marketing software and documents are increasingly using mobile apps to facilitate the marketing or distribution of their services and products. Newspapers are providing their daily news on mobile phones using apps to suit the required platform.

2.2.3 History of Apps

The term "apps" is a short form of "application software". The American Dialect Society listed app as “Word of the Year” in 2010 (American Dialect Society, 2011).

A historical synopsis reveals that the monthly calendar, a few Java games and a calculator fell under the category of other mobile applications until 1993, when IBM developed the first commercially available smartphone. This “first” featured a calendar, calculator and world clock. The next major achievement in the field of mobile applications development was signposted by Researchers in Motion (RIM) with the BlackBerry Smartphone release in 2002 that integrated with the innovative concept of wireless email (Appschopperblog, 2012).

By July 2008, Apple launched the App store for iOS users with just a few thousand applications. Later on, Android also soon followed the trend by introducing Android to the market in October of the same year (appschopperblog, Ibid).

By April 2009, the number of global applications that had downloaded from the Apple app store surpassed one billion after an existence of only eight months. In September 2011, the number increased tenfold, to over 10 billion downloads. Android is a major competitor and by April 2010, the number of Android apps downloaded were over one billion (Roberts, 2013).

2.2.4 The Importance of the Apps Market

The development and growing use of apps on smartphones offers entrepreneurs a cost-effective and relatively reliable tool in pursuit of business fame and fortune.

The apps market (the application store, app store or app marketplace) is a digital distribution platform for software and available as a component of an operating system on a personal computer or mobile device. Application stores typically take the form of an online store, where users can browse through different categories and genres of applications (such as multimedia and games), view information and reviews, purchase it (if necessary), and then automatically download and install the application on their device. Some application stores may include a system automatically to remove an installed programme from devices, but under certain conditions in order to protect the user against a malicious programme(Ask.com, 2014).

Like any ranking system, the element of subjectivity plays a prominent role, but to illustrate the content of the apps market, the following section outlines apps that work with the iOS

(Apple) system and those common to the Android smartphones. The Android™ delivers a complete set of software for mobile devices: an operating system, middleware and key mobile applications (OHA, n.d.) as an open source application, its creativity and sustainability remains in the domain of the developer community which unites to build innovative mobile applications (Ibid, OHA n.d.).

Table 2.1 Twelve Top Apps from the Google Play Store (Android-Based)

1. Messenger (Facebook)	7. BBC Media Player
2. WhatsApp Message	8. Spotify Music
3. Clean Master	9. Snapchat
4. Facebook	10. BBC iPlayer
5. Instagram	11. Apus
6. Skype	12. ebay

(Source: Google Play Store, 2014)

In parallel, the Apple family uses the iOS as Apple's proprietary mobile operating system (OS) for its handheld devices, such as the iPhone, iPad and iPod Touch (Rouse, 2014).

Table 2.2 Twelve Top Apps from the Apple iTunes Charts

1. WhatsApp	7. Three inTouch
2. Messenger (Facebook)	8. Candy Crush Soda
3. Facebook	9. Stick Hero
4. Instagram	10. Musify – Free Music
5. YouTube	11. Skype for iPhone
6. Snapchat	12. ebay

(Source: <https://www.apple.com/uk/itunes/charts/free-apps/> iTunes, 2014)

The *Digital Content Report (2013)* reveals that mobile apps are now driving growth in the global digital content market with games leading the way.

The importance of mobile apps and app market cannot be overemphasized because in today's competitive, challenging and crowded business market every avenue of communication and B2C, C2B and B2B helps to sharpen contact and offers the subsequent potential for growth, development and expansion.

Specifically, as posited by Kumar (2014), mobile apps/markets ...

- help business marketing
- enable brand building
- enable connection with customers – leading to customer satisfaction

2.2.5 Developing an App

Although some applications are available for more than one type of mobile platform, it is wise to begin by choosing one viz. a choice from the iPhone, BlackBerry or Android stable.

Developing an app for any company may require a financial investment in the beginning. However, according to Sareen (2014), before developing any mobile app, the developer must consider the following possibilities:

- **To Outsource or Not?** Businesses that outsource the development of mobile apps will benefit more from specialization and the prudent use of resources, less overheads and the luxury of retaining management focus. However, outsourcing inevitably results in less control over the project. Popular software such as Skype, and websites such as Fab.com, no longer outsource. Researching the reasons for discontinuing with outsourcing may serve as pointers to better assess the pros and cons of the practice.
- **Which Device?** Blackberry? Android? Or iPhone?
- **What Should the App Do?** Once a business identifies the ideal development process and platform, the team can contemplate objectives. Whether to link with mobile shopping, games or filing expense reports, will determine the focus.
- **Can Existing Infrastructure Handle the Increased Traffic?** It is also important to consider the need for integration with backend systems and pre-existing infrastructure when developing a mobile app. For example, if a company is developing a mobile e-commerce app, due diligence

regarding dove tailing into an e-commerce system is vital. The capacity of existing systems to handle additional transactions and traffic is another consideration to be borne in mind.

- **Will Design be a Priority?** For apps in today's market, design has become central to popularity and effectiveness.

2.2.6 The Best Practice for Mobile Apps Development

According to Grimes (2014), mobile devices will overtake both the desktop and the laptop devices (globally) during 2014 (Minato, 2012). This finding is consistent with their earlier 2010 prediction, “that mobile would surpass [the] desktop within five years”. Grimes (2013), therefore, asserts that, for businesses to stay current, they should adapt their marketing strategy to accommodate the mobile space, provide location-based content, create a responsive or mobile website or consider designing a mobile app.

Marketers have taken advantage of this development by offering products, services, games and apps through mobile devices. However, to achieve success in mobile apps development, it is imperative to key into certain best practices

as outlined by Segal (2013), Accenture.com (2012) and Bhatia (2014):

- **Consider the Audience:** Prior to the development of any app, consideration of the audience is crucial and to focus on the purpose of the app and the likelihood of audience usage.
- **Check the Apps Stores:** It is a truism that designers and developers come up with brilliant ideas about mobile apps. However, no matter how unique an idea is, it is advisable to check the app stores. There is always the likelihood that someone might have already developed the same or similar concept. If an app already exists in the apps stores, it is advisable to use it as a template to create a product, or consider partnership with the developer of the existing app [bear in mind the restrictions of intellectual copyrights and patents].
- **Involve Potential Users in the Design Process:** Involving potential users of an app is likely to increase the chances of its success in the market. This process can help in incorporating the needs of potential users,

thus, leading to greater acceptance. The reality is, when released to the public, some or many aspects of the design might not translate across to the real world of the users. To avoid this potential problem, it is better to involve probable end users in the design process and use their feedback to make changes as necessary.

- **Create a Storyboard:** Creating a storyboard enables the developer to lay out the complete functionality of the app on paper. This enables an app developer to plan all aspects of the design, including future components, such as plug-ins.
- **Make the App Easy to Understand:** A user-friendly app, with accompanying graphics and additional instructions is important. Clear instructions are a necessary part of a great app guide – not all app users are up to speed with technology.
- **Avoid Overuse of Graphics and Animations:** Limit the use of graphics and animations to only the essential features.

- **Consider the Sizes of Buttons and Icons:** The mobile interface has a limited amount of space and some designers tend to add too many buttons/icons. Another consideration is the size of the human fingertip. If the buttons/icons are too small, users could contribute to error input in the selection process. Similarly, if the space between the buttons/icons is not enough, that can cause trouble as well. This, therefore, requires the testing of layouts and considering feedback.
- **Create a Consistent Workflow:** This is an assurance that user experience remains positive on different platforms – user compatibility with an app is as relevant as the technological compatibility of different programmes.
- **Test the Design:** It is important to test the finished product several times with different users. Fixing issues prior to a launch will help deter potentially damaging quality control criticisms. Kumar and Chauhan (2013) observed that there are difficulties associated with mobile apps testing especially due to

compatibility issues across different platforms. According to them, it cannot be guaranteed if a tested app that has worked well on one device will work perfectly on another device on a different platform. This is because screen resolution, CPU, Memory, OS, optimization and hardware may be different. Joorabchi, et al (n.d.) also noted the challenge posed by lack of tools for effective analysis. According to them, in order to measure and monitor different metrics of the app under development, there is need for tools for more effective analysis.

- **Iterative Development:** The app development should be in short, iterative cycles with continuous delivery. This enables developers to get end-user feedback early in the development process, making it easier to then prioritize and implement changes.
- **Documentation:** There should be adequate code documentation. This increases code readability and provides clarity to other developers.
- **Peer Code Review:** A code review cycle helps in identifying defects early in the app development

process. It is also an acceptable monitoring discipline to ensure developers are following established coding standards.

- **Service-Oriented Architecture:** A well-architected web services structure in which services are reusable, task specific, decoupled, and have a clear separation of operations will ensure optimum performance for the mobile app.
- **Apps Analytics:** Insight analytics embedded at key points in the mobile app, expedites debugging, and provides insight into app usage. Based on the insights, a well-informed development team can prioritize which features to focus on for future improvements.

2.2.7 Mobile Apps Platforms

Mobile apps services use platforms to deliver their content. Therefore, the app and the platform must be able to “shake hands”. This process is not universal because mobile apps built for one specified platform, known as native apps, cannot function on any other platform. Their reach is limited to users of mobile devices operating on that specific platform.

The main industry platforms are:

- iPhoneapps work on iOS platform.
- Androidapps work on Android Platforms.
- Blackberry apps work on Blackberry Platforms.
- Windows apps work on Windows Platforms.

A marketing message from a smartphone app, for example, must be compatible with the mobile device platform to prevent technical hitches. Therefore, some marketers adapt their apps to each of the four platforms to make it possible for all mobile device owners to receive their messages as intended.

2.2.8 Marketing an App

Promoting an app effectively is the most important element for a successful launch. According to Wong (2013), the key tactics of a marketing plan to ensure a successful mobile app launch include:

- **A Landing Page for an App on the Corporate Website:**
Traditional search engine optimization (SEO) best practices also apply to mobile apps. The new app should

have a dedicated marketing page on the current corporate website. That page will be the foundation of future cross-promotion with other marketing campaigns and linking opportunities, external and internal. Linking between the app store and the website boosts the app's SEO value and confirms that the app is authentic

- **Optimize for Discovery in the AppsStores.** In addition to optimizing the page consideration could be given to App Store Optimization (ASO) – this would add to the app's success in the store.
- **Optimize the Title of the App.** The title determines the URL and title tag of the web page hosting the app. Choose a title for the app that reflects the brand and the app's function. An app that is branded with a company name aids the capturing of user attention
- **Category of the App.** Categorization is important for better visibility in niche and vertical searches. There are occasions when an app can fit into several categories, so if there is no single best fit, choose the grouping that

best fits the app's purpose but also contains the least number of competing apps.

- **Keyword Field.** Keywords influence search results.
- **Description Field.** This is the largest area of the page and functions as the main web page content. As with the traditional SEO for websites, the description for the app should focus on the target audience and be optimized with relevant keywords.
- **Internationalize and Localize.** When investing resources in localizing an app, the focus must be on the target audience. However, localizing and maintaining the app for every country and language could be expensive and not cost-effective. Consideration of incremental downloads and revenue from internationalization and localization strategies has cost implications.
- **Social Promotion and Reviews.** Encouraging users to review an app is one of the most powerful marketing tactics to boost inbound traffic and app installation. It is important proactively to gather reviews about an app. A

positive first impression, will affect the ranking. For example, social media promotions could take the form of incentives, using a YouTube video of an app to show its real life function. Sharing the news about an app launch on the many social media forums helps towards the successful marketing of the product.

- **Advertising:** Allocating budgets for an advertising campaign to launch the mobile app can boost initial installation responses and increase the organic lift of an app -targeting the right audience remains a crucial discipline and using Mobile Web Ads and Social Media like Facebook and Twitter could contribute to the marketing mix.
- **Awareness.** When a high number of people download and then uninstall, technical problems could occur. Therefore, using channels that drive high conversion rates from a visitor to an installer are necessary and, in parallel, identifying which channels drive the highest valued users by also tracking in-app activities is informative.

2.2.9 Using Apps in Marketing

Mobile apps have gone mainstream with convenience-craving consumers and now marketers are devising ways to use these mobile channels to recruit new customers. Marketing campaigns can be enhanced using mobile apps on smartphones and tablets. Allowing marketing campaigns to feature on third party apps is a useful technique and businesses could create their own app to promote marketing campaigns.

Certain features make apps more favorable, such as GPS (Global Positioning System) and mobile coupons. Providing convenience and making the app as user-friendly as possible is an effective way of attracting consumers. Using apps is also a great media opportunity to create a viral awareness of brands. Viral marketing refers to a marketing technique that uses pre-existing social media networks (such as Facebook and Twitter) and other technologies to increase brand awareness (Boundless.com).

2.2.10 How Apps Help Product/ Service Brand Awareness

Most businesses now use mobile apps for customer engagement and it is logical to assess their roles in the implementation of marketing strategies. According to *Social Media Today*, brands stand to achieve a great deal from integrating mobile platforms into their marketing strategies and building on the foundations of location-based technology further innovative advances will expand marketing effectiveness.

As Levy (2012) observed, people are constantly on the move and this makes today's consumer a moving target, and also knowledge shoppers who are influential in their organisations to the extent that they assist with purchasing decisions. They sometimes communicate through social media to source information from their trusted network about brands and products. This has a great impact on their purchasing decisions and brand preferences. Thus, business and commerce must accept the challenge to engage with potential and latent consumers, therefore, using a mobile app is another effective way of creating brand awareness. The mobile app has become the tool of choice for consumers, and businesses that have

adopted this technology are seeing significant returns on their investment (Levy, Ibid).

2.2.11 Key Success Factors in Mobile Apps Development

A mobile application allows a business to stay connected with its target audience across the ever-expanding and changing digital landscape. Developing a mobile app for business however, could pose a few challenges for the developer. In order to avoid some of the pitfalls brought about by those challenges, the factors that have led to successful mobile app development as outlined by Hijleh (2013) and Jasani (2014) offer salient advice:

- **Keep your App Simple and Easy**

Simplicity in mobile apps is very important. For example, users finding an app with an awkward and poor navigation system might uninstall it and move on to find another app. Users have a tendency to be impatient about learning new app instructions. Furthermore, many users do not have much technical knowledge and therefore, simplicity is a productive selling point.

- **Keep in Touch with Alerts**

Social networking apps always display alerts to users, even when they are not using the app – an important achievement for mobile app development. Apps should have the capacity to update and alert users about new developments. For example, Facebook and Gmail app update themselves and send alerts to users.

- **Be Contextual and Relevant**

The app should offer relevant content in response to a user's search and enhance "ownership" of the product – a key success factor.

- **Have Different Versions for all Operating System (OS)**

Developing different versions of a particular app for different operating systems adds to the success of mobile app enterprise. For example, developing a marketing app with different versions for Blackberry, Android, iPhone and Windows would address the ability to link with a larger potential market.

- **Add Value and Information Frequently**

In the highly competitive world of apps updated information and content add to user “ownership” – especially for users who like to always have the latest versions of a product. The app customer service component remains part of the eventual selling process.

- **Easy Sharing Capability**

The ability to share content enables users to navigate to the social sharing and a choice to link contacts with a game adds to the unique selling point. Linking different options under one operation would be advantageous.

- **Clear and Instant Call to Action**

Each app page should provide users with effective ‘call-to-action’ links.

- **Rich Engaging User Experience**

Engaging users through the interactive features of an app can achieve huge popularity. For example, mobile phones, particularly smartphones provide users with simple commands,

such as playing a video, browsing images, zooming in, playing audio, posting comments, engaging in voice chat and many more. This adds to the “interesting” factor of the product and indicative of Herzberg’s hygiene concept relating to a motivational business environment.

- **Winning Graphic Design**

A powerful graphic design clearly carrying the brand message of the owner is a given success factor. Quality graphic arts are captivating to the eyes of the users.

- **Development Expertise**

Prospective app developers should consider whether they possess the required skills to bring a mobile app to life. If they do not have, it is advisable to source the services of specialists in both general app development and design for the mobile environment.

2.2.12 Mobile Apps Analytics Insights

Mobile devices have penetrated into every facet of life and have now become the first choice of marketers and businesses. Developers and marketers have opportunities to service the

marketing of brands to ensure that their apps stand out from the crowd. The Unique Selling Point (USP) aspect remains crucial (especially in the crowded market arena) and marketers and developers continue to embrace the knowledge and teaching about mobile app analytics (Adiquity.com, 2014).

Mobile App analytics is the key to measuring the execution and value of all the hard work put into the app development by the developer. As smartphones continue to infiltrate every aspect of our lives, it is understandable why marketers and developers alike are making a sustained effort to measure user behaviour through app analytics (Howard, 2012). App analytics remains a crucial tool for the success of apps and their continuous improvement (Adiquity.com, op. cit).

Mobile App Analytics provides insights into user behaviour and engagement such as:

- Why an app has low usage?
- Why there is poor adoption with an app?
- How many active users are there for the app?
- On which devices and platforms are identified users active?

- Where did the user come from – demographic details?

These insights, when analysed, improve user engagement, increase user retention, and enhance the user experience (Adiquity.com, 2014). Thus, Mobile App Analytics measures what matters most at each key stage viz. from the first discovery and download to in-app purchases. The data gives developers and marketers a clear view on how to grow the consumer (Google.ng, 2014).

Several app analytics tools show the user path and engagement inside the app, such as:

- Where the user has taken actions
- How much time the user has spent on a particular screen
- On which screen the user normally quits the app

It is important for app developers to leverage these insights in order to troubleshoot the app and check the frequency of user visits. In addition to the previously mentioned advantages of app analytics, the possibility of revenue generation is advanced (Adiquity.com, 2014).

2.2.13 How Apps Help in Cultivating Customer Loyalty

Retaining customers is a primary goal of any growing business. However, this is not an easy task especially in digital marketing. Loyalty among web users is scarce, choice is seemingly endless, and incentive offers and discounts abound (Pelleri, 2014).

Nonetheless, a comprehensive mobile strategy can help businesses retain customers. Businesses wanting to take advantage of this new trend must consider building an appropriate and compelling mobile presence. Using apps and mobile-optimized sites will bear fruit bearing in mind that apps, when and where available to mobile searchers, are used more often and longer than mobile sites (Pelleri, Ibid).

2.2.14 Best Practice Mobile App Marketing

Technology has revolutionized marketing and the ever-evolving mobile marketing field has come to stay and grow (adquadrant.com, 2014). This Paper has provided researched evidence supporting the fact that thousands of apps hit each major applications store every day and users have a wide choice of apps covering many categories.

However, mobile app marketing can commence before the app development process is completed and in order to give a new app the required market place exposure, developers are expected to adopt some best practices as suggested by Viswanathan (2014) where creativity adds to the lustre of the product. The suggestions include:

- **Begin with a Splash**

Creating a splash page helps to direct user traffic. The app's splash page is likened to an anchor that supports the app - from the initial stages of its development to completion. This helps in growing the initial page as well as creating a full-blown website for the app. The splash page generally includes a device image; basic information about your app's functionality and what it can be used for; information on how it will help your users; some aspects of app branding and links to the major social media channels.

- **Give Users a Little Peek**

Informing app users of all modifications and additions, add to customer service value and inciting visitors to contribute their ideas enhance third party interest. Inviting participation in

forums and blogs that deal with app development would give more exposure for the app. In addition, blogs could feature the app from its early stages of development. This provides the developer the opportunity to offer exclusive information and this might kindle potential users' interest.

Furthermore, a newsletter signup in the splash page enable visitors will establish a business relationship between the app and the potential users.

- **Tease the Audience**

Create a teaser video informing visitors about the app to drive traffic to it. The stages development of the app could feature in subsequent editions and could serve to whet the interests of potential consumers.

- **Invite Beta Testers**

When the splash page is ready for exhibition, invite volunteers to beta test the app. Beta testers provide the needed feedback on the app.

2.2.15 Key Success Factors in Mobile Apps Marketing

The app marketplace has become intensely competitive. Therefore, simply creating a great app is not enough. Developers need a solid app marketing plan that can attract users in order to achieve the desired goals (Shuptrine, 2014).

Melissa (2013) outlined the following success factors in mobile app marketing:

- **The App Should be Discoverable by Mobile Users**

Users will not be interested in an app if they do not know about its existence. Newly released app charts must feature the app. Potential users can then respond.

- **Encourage loyalty**

Uninstalling an app requires only a few clicks. Ensure that a creative appearance, format and innovative content invite and hold a viewer.

- **Encourage Ownership that Generates Income**

Consider hooking the new user with a trial version and then, resulting from positive ongoing interaction the user might advance to purchasing the full version.

2.2.16 Mobile Apps Privacy and Security Issues

With the explosion in the use of smartphones and other portable technologies, mobile privacy and security are becoming increasingly important (Soltani, 2014).

Musthaler (2013) is a Principal Analyst with *Essential Solutions Corp.*, a firm that researches the practical value of information technology and how it can make individual workers and entire organizations more productive. In her investigations, she found that: “at least 80% of mobile apps have security and privacy issues that put enterprises at risk”.

Musthaler writes, “At first it was thought that malware posed the greatest risk to smart devices. This line of thinking was derived from our collective experience with PC operations, where malware, along with unintentional software vulnerabilities, poses one of the greatest risks to security. Malware on mobile devices is a problem, but today it does not even approach the magnitude of security and privacy issues that are intentionally built into well over 80% of the iPhone Operating System (iOS) and Android apps on the market” (Musthaler, 2013).

We have consciously or unconsciously entered a new economy, created by the new age of computing, in which data on people's habits, activities and interests is collected, sold and traded, often without their knowledge. The Wall Street Journal launched the ***What They Know Series*** in July 2010, to document new, innovative uses of tracking technology and what the rise of ubiquitous surveillance means for consumers and society (Soltani, op. cit.).

The series included a number of articles focused on data sharing and privacy issues as they relate to mobile devices. Examples include the following:

- ***Your Apps are Watching You***

This article reveals that the personal details of people flow from information gleaned from smartphones in their pockets and identify: phone numbers, current location, the owner's real name and even a unique identification (ID) number that can never be changed or turned off. Privacy is no longer alive and well and sharing data is a common practice.

An examination of 101 popular smartphone apps, games and other software applications for iPhone and Android phones revealed that 56 transmitted the phone's unique device ID to other companies without users' awareness or consent. Forty-seven apps transmitted the phone's location in some way. Five sent age, gender and other personal details to outsiders.

- ***Apple, Google Collect User Data***

Apple's iPhones and Google's Android smartphones regularly transmit their locations back to Apple and Google, respectively, according to data and documents analyzed by The Wall Street Journal - intensifying concerns over privacy and the widening trade in personal data.

According to Musthaler (2013), *Appthority*, a company in the business of mobile app risk management, had analyzed close to 1 million unique apps across the iOS and Android platforms to determine what these apps are capable of doing. It used a cloud-based system where it virtualized the devices that run these apps. The company found that there are many risky behaviour inherent in mobile apps, which it classified into four categories as follows:

- Accessing the user contacts on a smartphone (examples include the contact information that may come from corporate email that syncs to the phone)
- Accessing the user's calendar information
- Collecting or determining the user's location and tracking movements
- Passing along any or all of this information to ad networks or analytics companies (Musthaler, op. cit.).

2.2.17 New Trends in Mobile Apps

Mobile app development is probably one professional field where many ground-breaking changes occur on a yearly basis. These changes have ripple effects emanating from a single hardware feature causing an unprecedented space for innovation in the software sphere and pushing the cycle forward at an ever-increasing speed. In order to stay abreast, app developers need to adopt a dynamic attitude and follow the new mobile app trends, regardless of how much they may like their tried-and-true methods (Quach, 2014). Some widespread trends marked the year 2014. These trends have

also forecasted the future of the mobile app industry (Quach, ibid):

- **Biometric Security Features**

The popularity of smartphones was so dramatic, such that in the initial days, smartphones lacked robust security features that could keep thieves away. Consequently, this provided comfort to phone snatchers and danger to owners of high-valued models (particularly new versions of iPhone). Phone manufacturers responded by introducing passwords and innovative technological solutions that were previously non-existent. Fingerprint scanning and other biometric security methods are now standard for most high-end mobile devices, making the phones useless to anyone but their rightful owners.

- **New Standards for Mobile Processors**

In mobile engineering, everything comes down to a delicate balance between size and processing power. This explains why mobile processors are the heart and soul of the entire industry, dictating how the rest of the field will develop and determining the fortunes of individual vendors. Top mobile brands such as

Apple and Samsung are well aware of this fact and that is why they keep their R&D budgets sky-high in hopes of unleashing the next power wave before the opponent.

Quach (2014) underscores this point with an example of Apple Inc.:

“In 2014, Apple took the lead with its A7 processor built on 64-bit technology, the first of its kind on a mobile platform. First seen inside iPhone 5S, this high-powered chip is now standard for all Apple devices and other manufacturers are not too far behind. It appears we are witnessing a mini-leap in terms of mobile processing power, with far-reaching consequences for the app development community. More power generally means more rich media and more interaction in real time, so the range of audio-visual capacities and integrated communication channels will likely become even more essential for all apps of the new generation”

2.2.18 Mobile and Television (TV) are Linking

Imagining the future utilization of an app is great way to begin. In the new scheme of things, it is smart idea to assume that the

new app will probably be used alongside TV, because recent data shows that 88% of Americans now link with their mobile devices. The large screen can serve as an external display and include certain options that would not make much sense on a 4-inch touch-screen. This affects almost every type of application, but especially games and entertainment apps.

Quach (2014) writes, “Since smart TV sets are now commonly found in many households, interaction with the mobile device can go much deeper than simple screen-mirroring. The smartphone could directly access contents seen on TV, choose between available programming options or control entertainment systems such as Microsoft Xbox. New possibilities in this field are particularly interesting from the marketing standpoint, as this combination of devices brings together the best of both worlds – persuasive power of television ads equipped with a mechanism for immediate response”.

2.2.19 Managerial Applications

The growth in mobile devices usage has caused increased activities in the development of mobile apps. Millions of apps

have been developed and are available for sale or download through mobile software distribution platforms including the Apple App Store, Google Play, Windows Phone Marketplace and BlackBerry App World (State of Queensland, Australia, 2014).

Many companies use mobile apps to push product sales (Urban & Sultan, 2015). According to them, some apps (christened “benevolent” apps) build trust by providing consumers with valuable information that improves users’ image of brands, thereby, increasing their willingness to purchase the company’s products.

Indeed, benefits of marketing campaigns can be maximized through the use of mobile apps, designed to run exclusively on smartphones and tablets. The fact that marketing campaigns may appear on third party apps is a useful technique with added advantage (Boundless.com).

Some small to medium businesses make use of mobile apps -to improve their business processes. Others have developed their own apps for staff to use or to be sold as products (State of Queensland, Australia, 2014)

For many companies, mobile apps provide a window of opportunities as a revenue earner. “Worldwide revenue from apps was approximately \$12 billion in 2012 and is estimated to increase to over \$60 billion in 2017” (Urban & Sultan, 2015). Urban and Sultan (Ibid.) have observed that paid app downloads have declined with the increase of free apps, therefore, advertising and in-app purchases are likely to become the main revenue streams in the coming years.

2.2.20: The Future of Mobile Apps in Marketing

Every day, there is new evidence that more consumers are shifting towards mobile devices (Horton, 2014). This implies that the future of mobile apps in marketing is certainly a bright one. In fact Gartner Inc.(2014), predicted that by 2017, mobile apps will be downloaded more than 268 billion times, generating revenue of more than \$77 billion and making apps one of the most popular computing tools for users across the globe. Consequently, mobile users will provide personalized data streams to more than 100 apps and services every day.

Furthermore, Gartner Inc. observed that brands and businesses are already using mobile apps as a primary component of their

user engagement strategies, and as the use of mobile devices, including wearable devices, expand into other areas of consumer and business activities, mobile apps will become even more significant. According to the same author:

“In the next three to four years, apps will no longer be simply confined to smartphones and tablets, but will impact a wider set of devices, from home appliances to cars and wearable devices. By 2017, Gartner predicts that wearable devices will drive 50 percent of total app interactions”.

The foregoing scenario has confirmed that apps have come to stay and are not going to disappear any time soon. In fact, brands and marketers are looking for new screens to deliver advertising and marketing content. Some of the new screens include cars, digital cameras, personal navigation devices, picture frames and weight scales (Salz and Moranz, 2013).

2.2.21 Mobile Apps and Small Business Enterprises

The Internet has leveled the market arena in many respects. Whether big or small, enterprises have equal access to the Internet. Mobile apps, being a product of the Internet, have

similar inherent characteristics. Small firms can use apps in marketing to the same extent as big corporations.

Mobile apps also present business opportunities to large, medium, small, young and upcoming business. Apps development is a creative business that requires very little capital outlay. Young people, just out of school with Information and Communications Technology (ICT) savvy, can develop apps that can become a run-away success.

Many Small and Medium-Scale Enterprises (SMEs) are increasingly resorting to the use of mobile apps to improve business performance, generate sales leads, win new business, keep existing customers, as well as promote their brand. In so doing, they use various apps to make their businesses more productive, especially, to help with administrative tasks, enhanced communication, connect with customers, enhance sales, as well as promote the brand through social media platforms such as Twitter and/ or Facebook (Gard, 2014; Business Voip, 2014).

Generally, apps provide a convenient and easy to use functionality to users (Business Voip, Ibid.). Examples of how

small business enterprises can use mobile apps to improve business performance include:

- **Creating Apps and Offering Them Free**

It is only in Mobile apps industry, according to Salz and Moranz (op. cit.) you can create a product, offer it free and yet make more money out of it than if you sold it. Apps that are offered free get downloaded far more than those sold. Small enterprises can take advantage of this convenient approach in the use of mobile apps to promote their products and brands to make breakthrough sales.

- **Harnessing the Power of Mobile Messaging Combined with App**

Marketers can use SMS to create customer data base that will improve marketing.

- **Banner Advertising**

Mobile apps can help to make messages compatible with the various makes of mobile devices, thus, improving communication through online banner adverts.

- **Push Notification**

This allows one to send messages directly to clients who have installed a firm's app. This is possible even if the app is

closed in the mobile device. So, no message is lost and this is the unique advantage.

- **Mobile Coupons**

Mobile apps facilitate the delivery of coupons that can be exchanged for discounted products or services. This kind of promotion is inexpensive to operate and is attractive for small businesses.

- **Location-Based Marketing**

Mobile apps can be designed to let clients know where the supplier is located. If the supplier has chains of outlets in a city or in other destinations, clients who have installed the app of that supplier will be made aware of this fact once they are around the area.

- **Video Advertising**

Mobile apps can be designed to facilitate viewing of video. Customers who have installed the firm's app can view such video. Benefits of video in terms of capacity to generate interest and sales are numerous.

The above are just a sample of the copious ways in which Small and Medium-sized enterprises may use the creativity inherent in mobile apps to leverage performance.

2.2.22 Challenges and Future Research Directions

This research is by no means exhaustive. The field of mobile marketing is quite broad and as such, it is not possible to cover it in a single research paper such as this. This research was limited by time required to submit the manuscripts as well as the lack of funds. The research, therefore, had to be conducted within the time available and within the constraints of the researcher's financial capacity.

Mobile apps development and the application of the technology in marketing is relatively new but growing at a phenomenal rate. With this growth and the various ways mobile apps are being used to solve marketing problems, there have arisen many challenges. There is need to research these problem areas in order to maximize the benefits of mobile apps.

Owing to the challenges encountered in mobile app development and testing as identified by this research and acknowledged by other studies (especially Joorabchi, et al., n.d. and Muccini, et al., n.d.), the author has suggested further research in the following areas:

- Mobile app testing;

- Dealing with multiple mobile platforms in mobile app development;
- Tools and techniques for checking mobile app consistency in cross platforms; and
- The need for testing tools for mobile specific features in mobile apps.

2.3 Understanding Online Marketing

Online marketing has been defined as promotional activity on the Internet, including email. It takes different forms, including search engine marketing, email marketing, online advertising, social media marketing and affiliate marketing (Eley & Tilley, 2009).

According to Ward (2014), online marketing is the art and science of selling products and/or services over digital networks, such as the Internet and cellular phone networks. The art of online marketing involves finding the right online marketing mix of strategies that appeals to your target market and will actually translate into sales. The science of online marketing is the research and analysis that goes into both

choosing the online marketing strategies to use and measuring the success of those online marketing strategies.

Cory Janssen (2014) states that online marketing constitutes a set of powerful tools and methodologies used in the promotion of products and services through the Internet. This includes a wider range of marketing elements than traditional business marketing due to the extra channels and marketing mechanisms available on the Internet.

Online marketing is all about “people”, an ingredient that is conspicuously missing in the traditional marketing mix (product, price, place and promotion). This is one ingredient that influences all the other aspects of the marketing mix (Eley and Tilley, 2009).

They argue that it is the people who will decide if they like your product or not. They will assess if it's value for money. They will determine where they'll choose to spend their money. They will also consider when to give promotions a second thought. It is with the people in mind that we can start to understand why online marketing is so valuable for a modern marketing mix.

2.3.1 Misconceptions about Online Marketing

There are some misconceptions that people have about online marketing; one of the biggest according to Eley and Tilley (2009) is that one needs to be a web geek to succeed. The reality however is that, some of the best online marketers in the world would struggle to know their PHP from their HTML. That notwithstanding, they are good at identifying customer needs, creating a product to fill that need, attracting those customers to a web site and converting them to sales. They argue that lack of technical knowledge can be more of a bonus than a limitation in some ways.

Some persons think that merely having a website is a panacea to modern marketing problems. Those who have attempted marketing online can testify that there is no truth in such myth. Just having a website is far from being enough. You need interesting and relevant content, interesting and pleasing appearance and ability to attract visitors to the website.

Another misconception is that of making the mistake of thinking that online marketing is a complete alternative to offline marketing. Yes, there may be a few organizations that

are doing 100% of their marketing online. The general situation however, is that online marketing is a great complement to offline marketing. You can use offline marketing to drive visitors to your website where you can go and convert such visitors to buyers.

2.3.2 Starting Online Business

Starting a new business is a different stroke that takes time and effort. Eley and Tilley (2009) assert that:

“You might have created the next million-dollar idea and need to develop a business from scratch. These programs are often referred to as web start-ups and more and more are popping up each day. When allocating money for a start-up program, you will need a larger budget than an established business, particularly in the PR and brand management elements of your program. Realize you are a newbie in a global economy and nobody knows you, so you need to develop your credibility and your audience from scratch”.

Furthermore, the authors outlined three easy steps to online marketing that can help in shaping every campaign. According

to them, irrespective of whether it is public relations campaign, email strategy, or advertising initiative, it needs to fit into the following simple steps:

- **Attract**

A lot of your marketing efforts should focus at attracting visitors to your website. You need to run campaigns that focus on delivering quality traffic, rather than live under the misconception that more is better.

- **Engage**

How do you keep your visitors coming back to your web site for more? Newsletters, Really Simple Syndication (RSS) Feeds, and community development are a few examples of how to engage your audience.

- **Transact**

Even if visitors to your web site are interested in your message, it amounts to nothing if a transaction does not occur. A transaction could be a product purchase, a phone call, a newsletter subscription or a competition entry.

You will love online marketing because of its potential to deliver a number of great opportunities that are conspicuously missing

in traditional marketing endeavors. Results are instantaneous; there are new levels of customer interaction, team players and an instant global market (Eley and Tilley, 2009).

Opportunities abound in the world of online marketing. Indeed, creative thinkers, right now are looking for new ways to take their products and services to markets that are completely untapped (Eley and Tilley, 2009).

If the foregoing has enlightened you on what online marketing is and why it is an important part of a modern business's marketing mix, "roll up your sleeves and start building some online campaigns" for your own business.

2.3.3 21st Century Marketing and Public Relations (PR) Media

The marketing outlook has dramatically changed over the last 15 years, along with approaches to PR and media campaigns. While the number of press releases grows on a daily basis, there is less dependence on mainstream media to break stories about companies and products. It is even more difficult for small and medium-sized businesses to gain mainstream coverage from the conventional media. Happily, during this time, online media have exploded and they are much cheaper. Consequently,

instead of focusing on journalists for their publicity, small and medium-sized organizations now resort to press statements that target web site publishers and bloggers relevant to their niche, as well as targeting customers directly (Eley and Tilley, 2009).

Marketing as defined by the American Marketing Association (AMA) (2013), “is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”.

The Chartered Institute of Marketing (CIM), UK (2009) also defines marketing as “the management process responsible for identifying, anticipating and satisfying customer requirements profitably”.

Armstrong and Kotler (2011), define marketing as “the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return”.

On the other hand, Holmes (2011) defines PR as the business of helping organizations create policies, craft messages, and

engage in conversations that enhance the relationships between the organization and its key stakeholders in order to maximize the benefits of those relationships to both parties.

PR also refers to the practice of managing the public image of a company, organization, or person, also consists of managing information and news between a person, company, or organization and the public. Not very long ago, information dissemination about companies and products were conducted through press releases. Today, however, companies use websites, blogs, and social media services as viable channels to speak to the public (Eley and Tilley, 2009).

Bruce (2011) views PR as the discipline that looks after reputation. It is about how you can use an organisation's behaviour and communications to affect its relationships and therefore create and maintain a better reputation.

The 21st century offers many choices for marketing communications and PR. Organizations still have access to the traditional media channels, such as newspapers, radio, and television, as well as a wide range of online channels, including social media networks such as Facebook, Twitter, LinkedIn,

Google+, Hootsuite, etc. The 21st century marketing and PR media especially the social media channels give organizations the opportunity to connect with more people in different ways, more than ever before.

Press releases, defined by Eley and Tilley (2009) as “an official statement sent to media outlets providing detailed information about an event the company wants to get into the news, such as a new product launch or investor relations”.

Press releases date back to 20th century as a way for companies to mitigate bad publicity. PR evolved to a stage where carefully worded press release were prepared by companies and sent to a few of influential reporters in hope for publication.

In the 21st century, with all the exciting developments in online marketing, press releases are still very relevant, because they are an effective way to give publicity to your company. When written and distributed effectively, they are capable of strengthening brand awareness, increasing sales and generating thrill about your company and products.

Indeed, the right time to write a press release is now! Press releases should be written anytime you have news or

information to share to your customers, clients, or investors. If it deserves to be published on your web sites news section, then it probably deserves a press release.

Some of the remarkable reasons for sending a press release include the following (Eley and Tilley, 2009):

- A new product or service to announce
- A case study about how you helped a client or made a client money
- A new employee has been hired with extensive experience in your industry
- Your company has won an award or been recognized in your industry as a thought leader
- Your company, product, or service was reviewed favorably
- It's a communication requirement for investor relations (quarterly financial reports for public companies).

Online newswires are a most recent and most effective way to have a press release read by interested parties such as journalists, publishers, bloggers, and customers. Although they have been around for decades, their press releases have only been available to journalists and companies that subscribed to

them. Nowadays, newswires are used to publish press releases on companies' web sites, and are submitted to services such as Google News and Yahoo, making them instantly to customers who are surfing the Internet.

Newswires are also used to direct distribution to journalists and publications looking for your company news. Really Simple Syndication (RSS) feeds have come to stay as standardized formats to automatically receive updates from a web site or news source. Google Reader or your email client (Yahoo, etc) can be used to view RSS updates (Eley and Tilley, 2009).

Examples of some paid PR Newswires include (Eley and Tilley, 2009):

- PRWeb – <http://prweb.com/>
- eReleases – <http://ereleases.com/>
- Marketwire – <http://marketwire.com/>
- Business Wire – <http://businesswire.com/>.

On the other hand, free Newswires include:

- PR.com – <http://pr.com/>
- PRLog – <http://prlog.org/>

- 24-7 Press Release – <http://24-7pressrelease.com/>
- 1888 Press Release – <http://1888pressrelease.com/>
- ClickPress – <http://clickpress.com/>
- PR LEAP – <http://prleap.com/>.

2.3.4 Blogs and Websites

The first step in spreading the word is to know the popular blogs and web sites in your niche. Search engines and directories can be of help in finding websites and blogs that are related to your company, products or services.

There are Blog-Specific search engines such as Technorati and Google Blog Search and directories e.g. Alltop are a great way of finding blogs that are related to your niche. Regular search engines for other websites, and online publications should also be exploited as well as communities that may use an alternative label to ‘blogs’. Words like community, news or blog and search queries that include the name of your niche, industry or products should be tried.

Also, subscribe to RSS feeds of popular web sites covering your niche keep up with the topics they write.

Burstein (2012) listed the following as the award winning best marketing industry blogs:

- Blue Focus Marketing blog
- Copyblogger
- MarketingExperiments Blog
- PPC Hero
- Gnome Flash
- GetElastic
- AWeber Communications blog
- M4B Marketing blog
- Chief Marketing Technologist
- Webbiquity
- jeffbullas.com
- SEOmoz: The Daily SEO Blog
- Kuno Creative blog

2.3.5 Google Alerts

Google alerts offer notification services. It constantly monitors Google News, Blog Search, Video Search, Groups, and Web Search and notifies you when anything is found that matches your criteria. It is possible to set up searches for your company

name, key employees (e.g. President) and your products or trademarks. You can request Google to make instant, daily, or weekly notifications by email. The other option is to receive the notifications through the RSS feeds.

2.4 Social Media Marketing

Social media marketing is the marketing that is done over the social media platform. Social media according to Communication Advertising and Marketing Education Foundation Limited (CAM Foundations) does not just limit itself to making post on social media platforms(like sending out tweets), but it is all encompassing, comprising the management of the business' brand image via a diverse social media platforms such as Twitter, Facebook, Pinterest, LinkedIn etc. Demers (2014) has this to say:

“To some entrepreneurs, social media marketing is the “next big thing,” a temporary yet powerful fad that must be taken advantage of while it’s still in the spotlight. To others, it’s a buzzword with no practical advantages and a steep, complicated learning curve.

Because it appeared quickly, social media has developed a reputation by some for being a passing marketing interest, and therefore, an unprofitable one. The statistics, however, illustrate a different picture. According to Hubspot, 92% of marketers in 2014 claimed that social media marketing was important for their business, with 80% indicating their efforts increased traffic to their websites. And according to Social Media Examiner, 97% of marketers are currently participating in social media—but 85% of participants aren't sure what social media tools are the best to use. This demonstrates a huge potential for social media marketing to increase sales.”

2.4.1 The Importance of Social Media

The importance of social media cannot be overemphasized. Social media has come to stay as an essential part of our lives and the society in general. Two prominent ideas behind the social media revolution is about gathering information and socializing.

Social media has made serious impact on individuals and the society in different ways. Indeed, it is a fact today that, whether

we embrace or ignore technology, social media cannot be ignored. Specifically, social media has made the following impacts on the society:

- i. Social media has accounted for the increase in blogging and social networking activities, which have increased the amount of time spent on the Internet.
- ii. Social media has helped politicians in attracting followership and in the conduct of opinion polls especially Facebook and Twitter. The role of Facebook in the 2008 U.S. Presidential elections, where the Facebook followership (supporters) of the two candidates, Barack Obama (2,379,102) and John McCain (620,359) eventually reflected in the results of the elections easily comes to mind (Perez, 2013).
- iii. Social media has also helped individuals connect with experts through social networking sites and have received expert advice to enable them make well informed decisions.
- iv. Students have taken advantage of the social media web sites as platforms of discussion for careers, assignments and educational planning. Parents are also grateful to

social media for giving children the opportunity to communicate more clearly and effectively thereby facilitating learning.

- v. Another popular role played by social media to the society is the acquisition of health related information which in turn has played a key role in the reduction of dangerous health conditions such as memory retention, stroke recovery etc.
- vi. The business sector is no exception. Social media has made serious impact in the transformation of the business landscape. For instance, a growing number of Internet users now have a preference for online shopping. Besides, people who shop online tend to trust customer opinion they find online. Most businesses, irrespective of size, now find it profitable to make a presence on the popular social media networks and build their strategies around social media networking.
- vii. Interestingly, social media has combined both business and pleasure, debunking the old saying that “business and pleasure don’t mix”. This has drastically changed the way

business is done. Now, the focus is on entertainment and engagement (Perez, 2013).

- viii. Piskorski in Nobel (2014) argues that “the real world comes with certain social norms of conduct that keep people from saying what they really want to say, or acting how they really want to act. Successful social media platforms let us bend those rules”

2.4.2 The Current Status of Social Media

Social media is a broad term that describes all the different kinds of content that form social networks such as posts on blogs or forums, photos, videos, links, profiles on social networking websites, status updates, etc. It allows people who lack coding and web development knowledge to upload and post unique content easily and share instantly with the world. In simple and straight forward words, social media is any kind of information we share with our social network through the use of social networking websites and services (Eley and Tilley, 2009).

In the past, businesses relied on ‘word of mouth’ to market their products for years. Now, we live in an era whereby we do online research before we move out to make any purchase, no

matter how insignificant it is. We normally search for some recommendations in the form of reviews, feedbacks or comments. In this fashion, social media is similar to the ‘word of mouth’ that was once believed to accomplish in a timely effective manner (Perez, op. cit.).

According to (Perez, ibid), this tactic has encouraged users in expressing their opinions of your brand, product or service. Social media is an avenue that has helped customers to evaluate if your business is reputable and if it can be trusted. This helps generate leads and eases the conversation of visitors into customers. In a nutshell, it helps businesses build brand recognition and secures maximum exposure of businesses.

Social media has been described as the game changer because it has helped marketers and business owners to reach out and communicate on a personal level with their target audience on a daily basis. This is indeed, a game changer for businesses engaging in marketing, sales, customer service and other business activities (Bendror, 2014).

In fact, statistics indicate that the success gap is widening between businesses that are using social media in an informal,

ad hoc manner and those taking a more planned, strategic approach to it (Bendror, ibid).

Again, Bendror implies that:

- i. Businesses that use social media in a planned and strategic manner are more satisfied with the results than the ad hoc users, who doubt the value of social media.
- ii. Businesses that use social media as part of a planned corporate approach are 1.5 to 2 times more likely to anticipate revenue growth than ad hoc users.

The following are some important information and statistics on the current status of social media according to Bendror (ibid):

- i. Social media is now the top Internet activity. Americans spend an average of 37 minutes daily on social media, a higher time-spend than any other major Internet activity, including email.
- ii. Facebook is still the leading social media network and continues to grow. Here are the latest facts and figures:
 - Facebook now has 1.26 billion users
 - Facebook averages 1.23 billion monthly active users

- There are 128 million daily active Facebook users in the US
- Facebook averages 945 million monthly active mobile users
- Facebook usage is highest in North America: Facebook has 59% of all Internet users in North America as active users. Google+ only achieves 15% and Twitter 25%.
- Facebook is the second most visited website in the world (Alexa Internet, 2014).

iii. Google+ is now the second largest social network at just over 50%, with Facebook still dominating at 70%. Keep in mind that a Google+ account is mandatory whenever a person creates a new Gmail account. This is pushing up the account ownership statistics. But no other social network has Google's web assets leverage.

According to McIlwain (2014), Google+ has about 600 million users, of which 450 million users are active at least once a month, 20% of the users are in China. Google+ has a 33% growth rate per year.

iv. YouTube is now more popular than cable television. YouTube reaches more adults than any cable network. In

the United States, the number of people who watch television has fallen behind the number of people who watch YouTube on a regular basis. This makes it clear that televised content is undergoing a decline; online consumption of video is on the increase. Many companies have taken advantage of this by releasing their adverts or marketing campaigns on YouTube first before they debut on TV. Google estimates that YouTube's reach is 500 million users which is around 32.2% of the Internet. According to McIlwain (2014), YouTube has over 1 billion users; it reaches more U.S. adults aged 18-34 than any cable network; YouTube videos get over 4 billion views every day. According to Alexa Internet (2014), YouTube is the third most visited website in the world.

- v. LinkedIn is still the largest professional business network and continues to grow but not at the pace of Pinterest, Google+ or Twitter.

LinkedIn has over 200 million users from over 200 countries. It is a network geared towards professionals looking to network – that is, members are there to talk

shop. It is excellent for online visibility. It is a great way to showcase expertise (Kabani, 2013).

According to McIlwain (2014), LinkedIn has over 260 million users and over 3 million company pages; every second, two new members join LinkedIn; 62% of advisors reportedly get new clients on LinkedIn. According to Alexa Internet (2014), LinkedIn is the 12th most visited website in the world.

- vi. Pinterest is the fastest growing social network right now. The visual web is driving the rise of Pinterest and Tumblr with growth rates of 88% and 74% respectively over the last 12 months. Pinterest is also one of the leading referral sources for organic traffic, which is good for high search rankings. Pinterest is the 27th most visited website in the world (Alexa Internet, 2014).
- vii. Some social media networks have a more active user-base than others. Statistical research has revealed that more than 95% of Facebook users log into their account every day; 60% of Twitter users log into their accounts every day, while only 30% of LinkedIn users log in daily.

2.4.3 Challenges Posed to SMEs

Social media plays a key role in online marketing and is an ideal medium through which Small to Medium-Scale Enterprises (SMEs) can acquire, nurture and increase leads. It also gives them the opportunity to engage with their customer base, while at the same time expanding it through referrals and recommendations (SookieShuen, 2014).

Hargrave (2013) however, asserts that social media can give SMEs an inferiority complex sometimes. It is a challenge to see that things are going seemingly well with a Facebook, Twitter or LinkedIn profile, and then you notice that your tally of followers is overshadowed many times by the mega brands in your industry. The truth of the matter is, without the dedicated teams that many large brands have working on their social media output, it can seem like an uphill struggle, even for the mega brands.

Consequently, SMEs thrive on social media for the following reasons according to Sookie Shuen (2014):

- i. Customer Relationships Building: As an SME, you not only find your existing customers who are already

participating in social media, you will also find that they are already talking about your products and services. SookieShuen argues that as much as 43% of online consumers 'like' or follow the brands they use, on social networks. This gives SMEs an opportunity to actively engage with their market, announce offers and address grievances. According to him, even with a vast customer services department, big companies cannot afford to respond to customers in the same way.

- ii. Adapting and Improving: Social media platform has helped SMEs to engage with their audience and get feedback which is a valuable tool that aids them in products or service development. Social media helps SMEs to uncover suggestions from customers. It also helps them to act upon the ideas that arise from the conversation, which demonstrates their willingness to listen, thereby, strengthening their position within the market which leads to brand improvement.
- iii. Increasing Web Traffic: Become a hub for customers who are interested in your particular offering and area

of expertise. Providing relevant content through blogging and tweets etc., spreads your name far and wide and naturally increases the level of traffic to your website. Businesses with 300 to 1,000 followers on Twitter are getting five times more site visits than those with fewer than 25. More importantly, this will be traffic that is, in one way or another, eager to find out more about the services you offer or products you supply.

- iv. **Winning New Customers:** The consequence of this entire buzz that social media is creating around your brand is more leads which, if effectively nurtured through the application of inbound marketing techniques, will result in greater revenue.
- v. **Keeping up with the Joneses:** With 40% of UK SMEs using social media to market their business, chances are your competition is already engaged in social media online marketing and improving their web traffic and lead generation. This is as good an incentive as any, to do it bigger and better than them. It is also

an excellent way to keep abreast of your competitors' activities as well as the market in general.

2.4.4 Users of Social Media

Different categories of users are found on social media sites. These include:

- i. Large and small scale business organisations
- ii. Not-for-profit organisations
- iii. Charities
- iv. Marketers
- v. Individuals, etc.

Social media has gone beyond just being used by consumers and is being leveraged by leading commercial organizations for advertising, marketing and PR (Nielson, 2012).

2.4.5 Why Marketers Cannot Afford to Ignore Social Media Marketing

Social media marketing programmes are usually centred on efforts to create content that attracts attention and encourages readers to share it with their social networks. The resulting electronic word of mouth (eWoM) refers to any statement consumers share via the Internet (e.g., web sites, social

networks, instant messages, news feeds) about an event, product, service, brand or company (Kietzmann and Canhoto, 2013). Below are specific reasons why marketers cannot afford to ignore social media marketing:

- i. **Building Relationships:** Social networking websites allow individuals to interact with one another and build relationships. When companies join the social media networks, consumers can interact with them and they can communicate with consumers directly. This kind of interaction feels more personal to users than traditional methods of marketing and advertising (Assaad and Gómez, 2011).
- ii. **Loyalty:** Indeed, companies can interact with individual followers through the social networking sites. Personal interaction of this nature can inculcate a feeling of loyalty into followers and potential customers. Also, by choosing whom to follow on these sites, products can reach a very narrow target audience (Assaad and Gómez, 2011).
- iii. **Online Advertisement:** Social media marketing also involves the use of social networks, COBRAs

(Consumer's Online Brand Related Activities) and eWOM (electronic word of mouth) to successfully advertise online. Social networks such as Facebook and Twitter provide advertisers with information about the likes and dislikes of their consumers. This technique is crucial, as it provides the businesses with a "target audience" (Kincy, 2011).

- iv. Information:** Social media networks also provide businesses with information relevant to the user's likes, which enables them to advertise accordingly. Consumer's Online Brand Related Activities (COBRAs) is used by advertisers to promote their products. An activity such as uploading a picture of your new product or service to Facebook is an example of a COBRA (Muntinga, et al., 2011). Electronic word of mouth (eWOM) is another technique for social media marketing according to (Muntinga, et al., 2011). He also stated that, electronic recommendations and appraisals are a convenient manner to have a product promoted by means of "consumer-to-consumer interactions". According to Kim, et al. (2011), an example of eWOM

would be an online hotel review in which a good service would result in a positive review which gets the hotel free advertising via social media, or a poor service which results in a negative consumer review which can potentially harm the company's reputation.

- v. **Game Changer:** Social media has come to stay as the game changer because it has helped marketers and business owners to reach out and communicate on a personal level with their target audience on a daily basis. This is indeed, a game changer for businesses engaging in marketing, sales, customer service and other business activities (Bendror, 2014).

Consequently, serious marketers cannot afford to ignore social media marketing. According to Shamar Kabani (2013), the fundamental reason why marketers cannot ignore social media is because social networking sites allow them to showcase their identities. According to her, people don't just clamour to stay connected. What they want, first and foremost is to see their identities reflected on the web. We showcase our identities and based on the reflection or reaction of other people, we tweak our identities.

Lake (2014) argues that social media gives marketers a voice and a way to communicate with peers, customers and potential consumers. It personalizes their "brand" and helps them to spread their message in a relaxed and conversational manner.

Lake considers social media marketing as a tool that is used to inform consumers about our products, who we are and what we offer. Social media does that in the following ways:

- i. It provides identity to businesses and the products or services they have to offer.
- ii. Businesses can create relationships using social media with people who might not otherwise know about their products or services.
- iii. Social media makes businesses become "real" to consumers. It enables businesses share their personality with their followers, rather than simply talk about their latest products and services.
- iv. Social media can also be used by marketers to associate peers, who may be serving the same target market.
- v. Moreover, marketers can use social media to communicate and provide the interaction that customers desire.

The foregoing indicates that social media carries with it a lot of value, hence it cannot be ignored by marketers.

2.4.6 The Power of Social Media

Social media has indeed changed the world in many ways. Since the dawn of the first Internet service in 1969, the power of the Internet has grown into what we now call the Social Media Age. Social media has magically changed the way the world has developed, especially in recent times. Since the first email in 1971 to the first bulletin board sites developed on major Universities across the world, social media has far surpassed expectations all over the globe. The power of social media is so widespread that more countries hold tight constraints on its use. For example, nations like China and Iran ban certain sites and have massive control over the use of other methods of social networking (Beller, 2014).

Mark Zuckerberg developed Facebook in 2004, without knowledge of how far it could go. He never had an idea that it would go beyond the walls of Harvard, where it was used strictly for networking within the university. In a span of just 10 years, Facebook has completely outgrown all of its possible competitors and is now used by corporations worldwide. Many

people now believe that, social media is a necessary requirement in daily business operations. As of now, some consumers even refuse to patronize businesses without a social media presence (Beller, 2014).

Specifically, Kerpen (2011) outlined the power of social media as follows:

- i. Social media will help you to know when you have bad products, employees or processes. This will enable you to be proactive in fixing these problems before they cause any serious damage.
- ii. Social media will help you build relationships with people, which comes in increased buzz, referrals, traffic and eventually, sales.
- iii. With social media, no matter how large your company is, it is not possible to spend the kind of money large companies regularly spend on Television networks in the last two decades.

2.4.7 Limitations of Social Media

The advantages of using social media notwithstanding, social media is not devoid of its limitations. According to Kerpen (2011), the following are limitations of social media:

- i. Social media cannot make up for a bad product or service, company or organization. Therefore, if the products you have to market are bad, social media will not help you, but actually hurt you, because the word of mouth will spread quickly.
- ii. Social media will also not lead you to overnight success in sales. It is going to take time. It is not an instant win. It is more about building relationships with people. It can be difficult to quantify the return on investment (ROI) and the value of one channel over another.
- iii. Besides, social media is not free. It costs both time and money to build sustained growth. Even though it is free to join Facebook and other social networks, it doesn't end there. To achieve sustained success in the long run, social media is neither free nor as cheap as some marketers think. You will need to commit resources to managing your social

media presence, responding to feedback and producing new content.

- iv. Ineffective use may damage your reputation. For instance, using social media to push for sales without engaging with customers, or failing to respond to negative feedback may damage your reputation (The National B2B Centre, 2014).

2.4.8 Social Media Marketing Principles

Going into social media marketing without a strategy sets your company up for failure. Without a strategy, you are like someone who is navigating the sea without a compass. Without a strategy, you are likely to place different social media sites on your dash board and fire away. Social media marketing is not different from other forms of marketing such as email marketing, online marketing, marketing with billboards, direct mail marketing etc. Those forms of marketing have carefully planned strategies and measurements for success. This calls for companies to develop a similar approach to social media marketing (Evans, 2010).

Social media marketing principles according to Revie (2014) is nothing more than a proactive approach to word of mouth advocacy, sales, and name recognition.

To achieve success in social media marketing, the following principles need to be adhered to:

- i. **Understanding the Types of Social Media:** Social media is an appeal to many generations and there are different types of social media that allow users to generate their own content which is referred to as user-generated content (UGC). It also allows community members to share their experiences in various ways. It is erroneous to reason that social media is only for the younger generations of college age. Demographics have shown that most social media participants are 40 years and older (Evans, 2010). It is therefore very important to understand and appreciate the different types of social media platforms.
- ii. **Incorporation:** Social media needs to be fully incorporated with traditional marketing and advertising. It does not have to be a substitute to traditional marketing. To be effective, there has to be full integration of social media marketing and traditional marketing. Since it is “social”, it needs to be socially sanctioned so as to provide multiple channels of communication between your business, your customers, as well as prospective customers (Revie, 2014).

- iii. **Be Transparent.** Social media marketing is more of a personal mode of communicating than TV, radio, newspaper, or even your online website. If you want people to share your products/services with their friends, you need an informal and clear tone in your message that encourages free sharing. In traditional marketing advertising, the goal is to get customers in front of your products/services and if you have a good product/service, they will likely buy. In social media marketing you are asking them to put your products/services in front of their friends. To do that, they must be clear on what they are telling their friends (Revie, 2014).
- iv. **Social Sharing:** Social media is about sharing and communicating (Revie, 2014). According to Evans (2010) “the common denominator across all social media sites is the ability to share”. Different types of social media sites specialize in sharing different types of media. Two types of media: photos and videos tend to be the focus of the different social sharing sites. Two of the social sharing sites that you cannot afford to leave out of your social media

marketing strategy are Google's YouTube and Yahoo's Flickr.

- a. Social sharing has come to be reckoned with as a significant part of the online marketing mystery. Indeed, people are searching for results more on the social media sites than on the search engines, according to Evans (2010).

Jason (2009) advocated the following principles of social media marketing. According to him, these principles are more about the actions that an organization should take to attract traffic to its social media site.

- i. **Listen:** Understand your audience, know where they are and what they are saying about you, your business and your competitors before engaging yourself in conversations online. Spend reasonable time, at least a month and make notes of the types of conversations about you and what is on a positive and negative note. Learn the unspoken rules, guidelines, the dos and don'ts of the communities you are considering to join. When you start participating, listen to your audience and understand their

likes. Involve them in idea generation and product development. Use social media as a platform to provide customer service. After all, it is all about the people.

ii. **Engage:** It is part of social media marketing to engage your audience. Your goal may be to get people to visit your website. But what should matter most is engaging them in order to build relationships. To do this, you have to provide and create content that is engaging. If it's not interesting, useful or entertaining, people are not going to pay attention to you. You have to produce content that is interesting and good enough to share. If not, you will not be able to attract traffic to your social media page.

iii. **Enable:** Based on your study of your audience, you will likely identify some people who are already talking about your organization. These people are great assets and should be involved in your social media campaign. Empower them and give them the tools and content to become your strong advocates on social media. This also includes enabling them to share your content with their friends on various websites, and maybe letting people take your content and create new content from it. Enable

people to feel ownership of your brand and they will get closer to you. Moreover, empower and enable your employees to get involved in your efforts.

- iv. **Share:** Share interesting articles, pictures, videos, links about you and your industry. Give and share your time, attention, expertise, questions and insight with your audience. The more you do this, the more relationships and trust you will build. Your audience will appreciate this, and that's good for your business.
- v. **Reward:** Reward your loyal and passionate fans and ardent followers with exclusive content, access, discounts and promotions.
- vi. **Participate:** Personally participate, don't just promote. If all you do is say, "Look how great I am, look how awesome my product is" people will get tired of it really quickly and stop listening. The whole point of social media marketing is to participate in conversations with your audience, not just talk at them. You don't have to start with a huge splash; this invites a lot more scrutiny and criticism from people who might not like what you're doing. If you start slow,

there are still a lot of things you can do and learn.
Participation is the key.

2.4.9 Social Media Branding

Entering the social media scenery entails an understanding of how a company should interact in a social environment, deeper than what its logo looks like on Facebook or Twitter. In a social context, how does a company hold up in terms of social relevance? Is it a wallflower or the life of the party? (PeopleDesign, 2014).

Carol Han (2014) asserts that social media has emerged as an effective branding and sales tool which is relatively new in comparison with traditional marketing and advertising such as print adverts and billboards. As a result of this, coupled with the constantly changing landscape of digital marketing, older brands that have been deeply entrenched in conventional marketing for years and sometimes decades frequently have difficulty wrapping their heads around how to begin crafting a powerful online strategy. He, therefore, outlined the following as valuable steps to guide in social media branding:

i. Develop a Social Media Platform Strategy

Brands should identify which platforms their target audiences frequent most. For example, Pinterest social media platform has a predominantly female user base, and therefore, if a brand is trying to attract a male consumer, then Pinterest is a no-go area; instead, a different platform should be targeted. It is important to employ due diligence and carefully research each social media platform you are interested in so you can clearly see which one best suits your brand and why. You can then proceed to map out a strategy of how you are going to proceed with populating each with content, including frequency of posts, content of topics, and how you will handle community management (i.e. customer service questions, and complaints). Work out how much of your budget is going towards paid media if that is available, how much is going towards influencer campaigns, and whether or not you need to hire an agency or an in-house person to focus on managing all of your platforms and continuing to evolve the strategy. In social media, a good strategy is an ever-evolving one.

ii. Create Captivating Content with High Share Value

Because of so much competition out there, it is imperative for brands to create attention grasping content that users will be enthusiastic to share. Content with high share value is more likely to create a viral effect, exposing brands to wider audiences. Users tend to share content that is less promotional and more personal. Therefore, brands should search for content inspiration that goes beyond the products/services. They should mix with their products/services content that is inspiring, beautiful, and useful. Sharing photos on platforms is one of the most common ways for users to communicate their interests and ideas, making it crucial for brands to participate in an effective way that portrays their brand identity. Users are more likely to engage with posts that showcase striking imagery. As an example, Twitter recently incorporated images into users' timelines, and as a result, Tweets with images included now receive more clicks.

YouTube also has one of the fastest growing user bases. In the U.S., it reaches more adults from ages 18-34, than any cable network. It is a great story-telling platform for brands, and one

that needs to be utilized to reach big audiences. Instagram is another rapidly-growing platform that has embraced video content by allowing their users to create 15-second videos.

iii. Optimize for Mobile

The number of people who access social media platforms using mobile devices continues to increase rapidly. Since the first quarter of 2011, the number of people who access the Internet via a mobile phone has increased by 60.3 percent across the global markets.

Today, more people are glued to their devices, which make it extremely important for brands to optimize their social media efforts for mobile. This implies ensuring that all content looks great and is easy to share on small screens for devices such as iPads, tablets and other smart phones.

iv. Get Influencers and Users Involved

Influencers and bloggers have a tendency to have a lot of social influence. Influencers' involvement can be of great help for example, in the case of a brand hosting a contest or giveaway around a key sales period. This helps brands to increase

exposure by providing incentives to users to "like," follow, and/or share information about the brand for a chance to win a prize. There is need to choose a reward that will have a resonating effect on your target audience to ensure optimal engagement.

2.4.10 Developing Social Media Policy

An organization's social media policy is a set of rules or guidelines designed to spell out what is acceptable behaviour of employees in social media. It may include attempts to regulate the conduct and postings of individual employees on any social media network. More commonly, it is concerned with postings on the social media pages of the organization, the blogs of the organization, and its website(s).

For instance, an office worker was sacked after her employer discovered she had a sex blog. A waitress was also sacked for venting about a customer on Facebook. Another woman lost a job offer at Cisco because of something she said on her Twitter handle. These incidents illustrate why it is imperative to create a social media policy for your employees (Black, 2014).

Vivienne Storey, General Manager of BlandsLaw, a boutique law firm outside of Sydney, Australia, that specializes in employment law was quoted as saying: "I would say it is absolutely crucial for any size business with employees to have a social media policy". According to him, "If you don't, how do you manage and monitor what is being said about the company and how social media is used?" (Cited in Black, 2014)

Black asserts that a social media policy outlines for employees the corporate guidelines or principles of communicating in the online world.

“Orent Michels, CEO of Mashery, explains that ‘people tend to interpret having the “right” to express themselves online as implying lack of consequences when they say stupid things.’ That is not the case.” (SharlynLauby, President of Internal Talent Management in Kabani, 2013).

Kabani (2013) asserts that “having a social media policy in place does not mean that you get to dictate your image. But you do get to interact responsibly in the conversation that dictates your image. And, you get to help your employees do the same.”

The widespread use of technological platforms has both its benefits and risks. According to Malik as cited in Kabani (2013), unauthorized or inappropriate commentary or posts online can:

- i. Get the company and you in legal trouble
- ii. Diminish the company's brand name through the creation of negative publicity for the company, its owners, and partners as well as yourself or your team
- iii. Cause damage to the company by releasing non-public information or proprietary information
- iv. Cost the company the ability to get patents or undermine its competitive advantage
- v. Cost you your job at the company.

Kabani therefore outlined the following steps in creating your own social media policy:

- i. **Decide where you stand:** A policy is only good if the company implements it. Basically, you have to take a stand. You have to decide how far you are going in the social media sphere. Is your communication going to be only reactive to what someone else says? Are you going to proactively engage the community (consumers and

bloggers)? You have to take a stand because, without it, it is going to be very hard to create a policy. This has to be embedded in your company's culture, not just a verbal stance.

ii. Determine what constitutes social media: A blog, Facebook and Twitter are commonly classified as social media, what about online video? What about YouTube and Pinterest? What really is and what is not social media. You need to have your own written definition of social media. This is important because new websites and other online tools emerge every day. Kabani therefore defines social media as “any website or medium (including video) that allows for communication in the open”. Determining what constitutes social media helps in determining whether or not employees break a rule through their communication on the social platform.

iii. Clarify who owns what: Clarification should be made about who owns what, the company or the employee. For instance, if the company has a Facebook page that is handled by the head of HR, what happens when that person leaves? Who owns that page and the comments? In

order to keep things simple, make sure your employees know what belongs to them and what belongs to the company.

- iv. **Keep confidential information private:** By the nature of the social media sites, it is easier to give away important information without realizing it. Private messages are even not secured always. It is therefore, best never to share any confidential or proprietary information using social media, privately or publicly.
- v. **Decide who is responsible:** It is important that everyone understands the one person or the team responsible for managing social media efforts just like the social media policy of the organization. If a customer makes a complaint, who is responsible for answering it? Does that need to be forwarded to another department? The best way to apportion this responsibility is to find out those who are already enthusiastic about social media and train them well.
- vi. **Dictate the rules of engagement without being a dictator:** It is fine to allow employees the liberty of to engage, and at the same time protect the company. By so doing, you can

stop employees from communicating using the new media, but you can also set some ground rules that can work for everybody's benefit.

vii. Address taboo topics. Clarify what is off limits, even if your employees are already exercising common sense as they participate online. Raj Malik Network Solutions in Kabani (2013) provides a partial list of some grey areas as follows:

- Topics which the company is involved in litigation or is likely to be in the future (e.g. policy, customer disputes, etc.)
- Nonpublic information of any kind about the company, including but not limited to policies and strategy
- Illegal or banned substances and narcotics
- Pornography or other offensive illegal materials
- Defamatory, libelous, offensive, or demeaning material
- Private/personal matters of yourself or others
- Disparaging/threatening comments about or related to anyone
- Personal, sensitive, or confidential information of any kind.

- viii. **Have a system of monitoring the social sphere:** For a social media policy to actually do the good it is expected to do, you have to monitor the space where the conversation is happening. There are a lot of free and paid tools to monitor the online space. There are also firms that offer reputation management.
- ix. **Make training easily available:** For your employees to fulfill your expectations through the proper usage of the social networking tools, training must be provided to them. You have to realize that what they put out on social media is not just a reflection of the company, but also a reflection of themselves. Therefore, make it a win-win situation for everybody.
- x. **Have a crisis plan:** Even if you have a perfect social media policy in place, you still need to have a plan for handling crisis if it eventually occurs. For instance, what are you going to do if an employee breaches a policy? What will you do if employees you laid off start a Facebook hate group? What if an aggrieved customer creates a YouTube Video? Irrespective of what happens, you have to act immediately it occurs. You need to take corrective action immediately

through your company blog, or your Twitter account, or through your Facebook account, or through an influencer who can vouch for your company. First of all, contact the person responsible for the crisis. Apologize, clarify and do what needs to be done to correct the mistake. Secondly, make a public statement to apologize and clarify.

2.4.11 Defining Your Target Market

In an intense competitive business environment, the importance of having a well-defined target market cannot be over-emphasized. No business can afford to target everyone. But small businesses can effectively compete with large companies by targeting a niche market (Porta, 2010).

Porta is of the view that target marketing allows businesses to focus their marketing efforts and brand message on a specific market that is more likely to buy from them than from other markets. This is a much more affordable, efficient, and effective way to reach potential clients in order to generate business.

With a clearly defined target audience, it is much easier to determine where and how to market your company's products

and services. Porta (2010) outlined the following approaches as guidelines to defining your target market:

- i. Look at Your Current Customer Base

Consider who your current customers are, and why they buy from you? Look for common characteristics and interests. Which ones bring in the most business? It is very likely that other people like them could also benefit from your products/services.

- ii. Check out Your Competition

Consider who are your current competitors? Who are they targeting? Who are their current customers? When you have the answers, make a decision. Do not target the same market as they. You are more likely to find a market that they are overlooking.

- iii. Analyze Your Products/Services

Make a list of the features of your products and/or services. Next to the features, make a list of the benefits they provide (and the benefits of those benefits). Consider the example of a graphic designer who offers high quality design services. The resulting benefit is a professional company image. A

professional image will attract more customers because they see the company as professional and trustworthy. So ultimately, the benefit of high quality design is to gain more customers and make more money.

Once you have the benefits listed, make a list of people who have a need that your benefit fulfills. For example, the graphic designer could choose to target businesses interested in increasing their client base. While this is still too general, you now have a base to start from.

iv. Choose Specific Demographics to Target

Discover not only who has a need for your products or services, but also who is most likely to buy it. Think about factors such as:

- Age
- Location
- Gender
- Income level
- Education level
- Marital or family status
- Occupation
- Ethnic background

v. Consider the Psychographics of Your Target

Psychographics are more personal characteristics of a person, such as the following:

- Personality
- Attitudes
- Values
- Interests/hobbies
- Lifestyles
- Behaviour

Determine how your products or services will fit into your target's lifestyle. How and when will they use these products/services? What features are most appealing to them? What media do they turn to for information? Do they read the newspaper, search online, or attend particular events?

vi. Evaluate Your Decision

Once you have decided on a target market, be sure to consider these questions:

- Are there enough people that fit my criteria?

- Will my target really benefit from my products/services?
Will they see a need for these?
- Do I understand what drives my target to make decisions?
- Can they afford my products/services?
- Can I reach them with my message? Are they easily accessible?

2.4.12 Social Media Affiliate Marketing

Affiliate marketing is where you enter an agreement with third parties who would promote your products and services on your behalf and send traffic to your website through referrals. In return for their services, you will pay some reward when a guest they have delivered completes a certain task on your website. Referrals are made to your website through a special button or a special link on the affiliate's website. When a guest clicks on the link, your system picks up on that fact and records any subsequent activity, usually in the form of a sale, as having being referred by the affiliate (Eley& Tilley, 2009).

The major benefits of affiliate marketing according to (Eley& Tilley, 2009) are the following:

- i. **Fixed Return on Investment:** In most affiliate marketing programmes, payments are made after a sale or upfront. However, price per unit is always fixed. And because payments are made only for sales that are made, your return on investment (the amount you make compared to what you spend) is predictable.
- ii. **It extends your Reach:**With affiliate marketing programmes, you are able to expose your products/services to new channels beyond your usual reach. It enables you to take advantage of the brand strength of your affiliates to help improve your own image.
- iii. **It Gives you Time to Stay Focused:**If you are time and resource conscious, having a group of affiliates working with you and sending plenty of quality traffic to your website, you can alleviate some of the work of generating leads, allowing you to focus instead on converting those leads to sales.

2.4.13 Why Most Companies Fail at Social Media Marketing

Kabani (2013) is of the view that why people and organizations participate on social media is that social networking sites allow people to showcase their identities. She debunked the premise that social media is supposed to be about connection, not reflection. According to her, that is the reason why most businesses get poor results. She argued that “a social site is as much a digital mirror as it is a social platform.” Connection starts with understanding the meaning and impact of that reflection. She stated that the reason why companies fail is that most companies still focus on the secondary aspect, that getting them connect with people. Too many companies feel that business is about marketing and branding. So they are concerned about creating brands to tell people who they are. That takes them backward anyway. If companies realize that social media is just a mirror, that will force them to think more about what their brand says about the individual and not just what they want their brand to be. For businesses, what matters most is what your brand says about the people you interact with and not what your brand says about you.

Martinez (2014) also outlined four key reasons why companies fail in their social media marketing efforts.

i. Forgetting the “Social” in Social Media

Many companies have a wrong approach to social media. They post announcements on Facebook, LinkedIn, Twitter, and other sites, but they never spend time reading replies; they never post follow-ups; they never take advantage of the social aspect of social media, and that defeats the entire purpose.

To solve this problem, companies need to recognize the fact that social media requires a “*to-and-fro-effort*”. It is not there for you to flare the Internet with news. The smartest companies use social media to start conversations. Your company can address this issue by making sure you have a social media expert among your staff. Irrespective of the size of your business, businesses need someone who can take time to communicate with customers online. In the absence of that, your company is missing an opportunity to form relationships that encourage customers to think about you and turn to your business when they need something.

ii. Ignoring Negative Comments

Consumers who are frustrated often use Twitter and other social media platforms to air their complaints. Many companies do nothing when they see these negative comments.

This amounts to a lost opportunity for businesses to correct problems, improve customer relations, and boost brand awareness. Ignoring those negative comments is also a good way to lose customers while developing a negative reputation.

To solve this problem, companies should make sure your social media and customer service teams understand the importance of addressing negative comments. Train them to:

- Apologize for any problems that customers experience
- Find solutions to those problems
- Ask if they can address other issues to improve the customer's experience

iii. Using the Same Strategies on All Social Media Sites

Different types of conversations require different modes of communication and social media is no exception. Postings on

LinkedIn should not follow the same tone as Facebook. It is funny that many companies do not understand the difference. To solve this problem, social media handlers for companies are advised to spend time studying what other companies post on sites like Twitter, Facebook, and LinkedIn. That can help them get a feel of what types of messages work on each platform. Also spend more time crafting messages for different sites and avoid posting the same message on multiple sites.

iv. Lack of Customer Incentives

Many organizations never give people any incentive to click “like,” “follow,” or “share.” they just expect it to happen. To solve this problem, offer your followers sneak peeks, discounts, fast responses, and engaging content. These kinds of things encourage people to follow your company. If you do not give something back, then not many people will care enough to follow you.

2.4.14 What You Need To Know Before You Start

Most people abuse social media platforms. They use them for pushing their messages on the people in order to try to

dominate the market. Marketers who abuse social media marketing usually do so because they are used to traditional marketing methods like Television. You cannot talk back at your TV. Even if you do, it would not get you far. With social media however, talking back is the key thing; it is conversational, not a monologue (Kabani, 2013).

She therefore outlined some descriptions that distinguish traditional marketing from online (especially social media) marketing:

Table 2.3: Comparison of Traditional and Online Marketing

Traditional Marketing	Online Marketing/Social Media Marketing
Dominate the market	Create community within the market
Shout out loud	Listen, and then whisper
Me, me, me	Us, us, us
Push the product or service	Pull in people with your message/story

Advertising	Word of mouth
Control	Allow
Pursue leads	Nurture relations

Source: Kabani, S. (2013). *The Zen of Social Media Marketing: An Easier Way to Build Credibility, Generate Buzz, and Increase Revenue*. Dallas, Texas: BenBella Books Inc.

2.4.15 Why You Should Bother About Social Media

Marketers are indeed missing a vast potential opportunity to connect with potential customers through social media sites. According to Kabani (2013), roughly only 25 per cent of businesses have a Facebook page and fewer have their presence on the other social media platforms.

Kabani therefore outlined the following as reasons why social media is a good idea for businesses:

- i. **Social media sites are where the people are:** Facebook alone now has 1.26 billion users (Bendror, 2014). If it were a country, it would be the world's 2nd largest country, next only to China that has about 1.34 billion people. It is free to join.

- ii. **Trust in advertising continues to erode:** The truth of the matter is that we place more trust in our friends than what some nice folks on TV would ever tell us. You and your business have a choice to be a friend or to be the voice on the TV that gets ignored. Because of the transparent nature of social media, it is not possible to hide ones identity for long. As a business, if you pretend to your customers so much, then you turn around and maltreat a customer, the word of mouth will go round. Even if she has no presence on social media, chances are she might have a friend who is there.
- iii. **People are already talking about you:** People are already talking about your products, service and company. Social communities are breeding grounds for interaction. You therefore have two options, whether to join the conversation or not. And remember that, every individual your company will ever come in contact with will either be a champion or a critic. It is up to you to decide what they become.

2.4.16 Social Media Marketing Guidelines

Kabani (2013) advocated the following guidelines to guide in the use of social media marketing. According to her, these are principles that do not change irrespective of the technology in question:

- Respect other people online
- Efforts to control or manipulate will backfire
- Don't chase everything new under the sun
- Traffic is nice but should not be the only goal of social media marketing
- It's a good idea to use your real name
- You have to be proactive

2.4.17 Social Media Marketing Checklist

This is a list of things you need to put in place before you start your social media marketing efforts (Kabani, 2013):

- i. A good understanding of your brand, outcome and differential (**BOD**).
- ii. **A website:** Your website must educate, market and sell (EMS).

- iii. **Content:** Your website must contain a blog because it makes it easier to regularly update your site with fresh content. Fresh content attracts visitors to stick around and become consumers.
- iv. **An email capture mechanism.** You don't have to send people to your website without having a way of following up with them. This implies collecting their email addresses in order to send them relevant content through means like newsletters or bulletins.
- v. **Networks and Technologies**

There are several social media platforms, but the following have been adjudged the best for marketing purposes according to Kabani (2013):

- Facebook (www.Facebook.com)
- Twitter (www.twitter.com)
- LinkedIn (www.linkedin.com)
- Google+ (www.plus.google.com).

According to her, a technology like online video should complement social media marketing.

2.4.18 Benchmarking Best Practice in Social Media Marketing

In the current economic environment, marketers' ability to produce desired results as efficiently as possible is imperative. Knowing what areas to make improvement and how much improvement is needed is vital to establishing realistic performance targets and metrics (Patterson, 2009). This calls for benchmarking of best practice.

Now, what marketing processes and capabilities should be benchmarked? Research by Doug Vorhies, Neil Morgan, and others (in Patterson, 2009) has revealed seven marketing capabilities that can be benchmarked:

- i. Product development (the processes by which a company develops and manages product and service offerings)
- ii. Pricing (the ability to extract optimal revenue from your customers)
- iii. Channel management (the organization's ability to establish and maintain channels of distribution that effectively and efficiently deliver value to the end-customer)

- iv. Marketing communications (the organization's ability to manage customer value perceptions)
- v. Market information management (the processes that organizations use to learn about their markets and use market information)
- vi. Marketing planning (the organization's ability to create optimal marketing strategies)
- vii. Marketing implementation (the processes through which strategies are deployed)

Various studies have shown that companies that have excelled at these marketing capabilities significantly outperform those that are below the benchmark in terms of customer satisfaction, return on assets, profitability, and market effectiveness (Patterson, 2009).

Consequently, companies and organizations that wish to improve in these areas should consider benchmarking their marketing capabilities by searching among competitors and peers in other industries to identify the drivers of superior performance.

Benchmarking on social media starts in analyzing what to track on what platforms, for example interactions of the users and/or static numbers like fans, followers etc. In the next step, you are going to select suitable competitors for benchmarking, which have similar products or are active on the same market. And then the real magic begins: Analyzing your performance on social media and those of your competitors and collecting as much data as possible. On the basis of that information, your company will be able to implement new strategies and develop existing ones. And finally, the cycle starts at the beginning again (Gottschling, 2013).

Practicing benchmarking efficiently, it is important to create new strategies and to focus on existing strengths.

2.4.19: Synoptic Overview of the Social Media Marketing World

i. Facebook

Facebook has over 1.26 billion (Bendror, 2014) users and it continues to grow every day. It is the second most visited website in the world according to Alexa Internet (2014). More than half of the users log on the platform at least once every day. More than half are out of college. Its fastest growing

demographic segment is those of twenty-five years old and older. It offers fantastic online visibility for your brand. People are already talking about you there. You may therefore join the conversation (Kabani, 2013).

Facebook has been described as a coffee shop where everyone goes for their unique reasons, but a great place to strike a conversation (Kabani, 2013).

People from all walks of life have registered their presence on Facebook. They are there in the first instance to express themselves, showcase their identities, then connect with others.

She argues that people use Facebook primarily to showcase their own identity, not just about who they are, but who they want to be perceived as. The friends we make, the groups we join and the pages we like on Facebook are all offshoots of this basic identity creation and re-creation (Kabani, 2013).

Your business's goal on Facebook should, therefore, always be to attract people to your website, build trust visibility, which eventually leads to sales.

ii. Twitter

Twitter has over 645 million users as at 1st January, 2014 and continues to grow every day. It is the tenth most visited website according to Alexa Internet (2014). It is adjudged one of the fastest growing social networking sites. 18 percent of Twitter users are between the ages of 18 and 29, 14 percent between 30 and 49, 8 percent between 50 and 64 and 6 percent of those 65 and older (Pew Internet, June 2011 as cited in Kabani, 2013). Teenage users of Twitter have been on the increase in recent times. Twitter provides excellent online visibility and it is a great way to attract traffic. It allows for instant communication (Kabani, 2013).

Twitter has been described as a giant, colorful bazaar. With only the 140 characters per tweet that Twitter allows, you can attract and create an expert platform like never before. People use Twitter, not only to connect with each other but to share what they need, so it is much easier to spot people who might need you on Twitter than on Facebook (Kabani, 2013).

Messages that people send out are called “tweets”. Sending a message via Twitter is called “Tweeting”. Tweets constitute a

timeline. Your tweets show up on the home page of people who are subscribed to you or who follow you. Those that follow you are called followers. You can follow them back if you want, it is your choice. On Twitter, following does not have to be mutual like on Facebook. You can follow anybody without them necessarily having to follow you back.

Everyone gets a Twitter name, which is also known as Twitter handle. You are advised to choose the one that is short and memorable (Kabani, 2013).

iii. LinkedIn

LinkedIn has over 200 million users from over 200 countries. It is a network geared towards professionals looking to network – that is, members are there to talk shop. It is excellent for online visibility. It is a great way to showcase expertise (Kabani, 2013). It is the 12th most visited website according to Alexa Internet (2014).

Kabani (2013) describes LinkedIn as button-down office-networking event. According to her, if Facebook is happy hour, LinkedIn is all business in suit and tie. It is especially useful to

those in the business-to-business (B2B) sphere because it allows connection to specific decision makers better than any other.

Basically, LinkedIn is a great way to connect with former bosses, colleagues and clients. It is most likely they are also there.

LinkedIn offers free accounts as well as paid accounts. A paid account enables users to send InMails (that is email messages within LinkedIn) to those who are accepting them. This is a great way of reaching people who might not currently be in your network. Although a paid account is not a necessity, it is a great way to make the most out of LinkedIn

LinkedIn allows users to give and receive professional recommendations, a feature that can be used on users' profiles. This excellent feature showcases users' aptitudes and talents. LinkedIn is very much about creating an interactive resume for yourself.

For all that you need to know about LinkedIn is divided into five segments: your profile, managing contacts, LinkedIn answers, LinkedIn groups and LinkedIn events (Kabani, 2013).

iv. Google Plus (+)

As of 2013, Google+ had over 300 million active users in just the stream and more than 1.5 billion photos uploaded every week. The Google+ community is growing faster than we ever could have imagined (Google Official Blog, 2013).

Users of Google+ include influential members of top media players such as Google, Apple, Microsoft, IBM, Infosys and other companies. Its profile provides excellent visibility for you and your personal brand identity (Kabani, 2013).

The “Circles” feature on Google+ is a great way that is used to form connections with users in all different industries and areas of expertise.

Google has a track record of producing popular projects that change the Internet the way we know it as a search engine, an email client, an advertising programme, an Internet browser, and so on. By June 2011, Google added Google+ as one of the most ambitious social projects in their already impressive creation portfolio (Kabani, 2013).

Kabani stated that the new social network is a multifaceted online experience that brings together ground-breaking topographies such as friend streams, group video chat, personalized search feeds, and more. Google+ has, however, so many new exciting features that it can be confusing for those who are just starting out.

Getting started with Google+ requires setting up your Google+ profile, just like with any other social networking site. Your profile is the key to your Google+ experience. As such, you need to take your time to craft up a well thought-out profile to complete with information “About Me” section, relevant links to your online networks and a photo that will help you stand out.

It is easy to access Google+. You just have to log into your Google+ account and then click on “+You” on the upper left corner of the navigation bar. It can also be accessed by going directly to plus.google.com (Kabani, 2013).

2.4.20 Social Media Statistics

Below are some facts and figures relating to social media networks:

Table 2.4 Facebook Statistics

Statistics	Data
Total number of monthly active Facebook users	1,310,000,000
Total number of mobile Facebook users	680,000,000
Increase in Facebook users from 2012 to 2013	22 %
Total number of minutes spent on Facebook each month	640,000,000
Percent of all Facebook users who log on in any given day	48 %
Average time spent on Facebook per visit	18 minutes
Total number of Facebook pages	54,200,000

Source: <http://www.statisticbrain.com/Facebook-statistics/>.
Accessed on June 2, 2014.

Table 2.5 Twitter Statistics

Statistics	Data
Total number of active registered Twitter users	645,750,000
Number of new Twitter users signing up everyday	135,000
Number of unique Twitter site visitors every month	190 million
Average number of tweets per day	58 million
Number of Twitter search engine queries every day	2.1 billion
Percent of Twitter users who use their phone to tweet	43 %
Percent of tweets that come from third party applicants	60%
Number of people that are employed by	2,500

Twitter	
Number of active Twitter users every month	115 million
Percent of Twitters who don't tweet but watch other people tweet	40%
Number of days it takes for 1 billion tweets	5 days
Number of tweets that happen every second	9,100

Source: <http://www.statisticbrain.com/twitter-statistics/>.

Accessed on June 2, 2014.

Table 2.6 LinkedIn Statistics

Statistics	Data
Total number of monthly active LinkedIn users	200,000,000
Total number LinkedIn unique visitors per week	50,000,000
Total number of LinkedIn pages viewed per month	2.6 billion
Total time spent on LinkedIn by an average user	7 minutes 22 seconds

Source:

<http://www.globalrecruitingroundtable.com/2013/01/22/linkedin-facts-figures-2013/#.U43dU6Q1hdg>. Accessed on June 2, 2014.

Table 2.7 Google+ Statistics

Statistics	Data
Total number of monthly active Google+ users	300,000,000
Total number of Google+ monthly active users	359,000,000
Total number of enabled accounts	1 billion
Google+ growth rate per year	33 per cent

Source: <http://socialmediatoday.com/monica-romeri/2181461/new-social-media-statistics-you-need-know>.

Accessed on June 2, 2014.

2.4.21 Most Powerful Social Media-Video

Video is not really categorized among social networking sites, but it is an important tool in the bigger sphere of the online marketing. “You can take the online video you create and share it across the board from your own your own blog to social networking sites” (Kabani, 2013).

In 2005, three men launched a new website which Google bought in 2006 at the price of \$1.65billion. The website, called YouTube, thus began the sensation of web video. Since then, web video has become the fastest growing form of media in history (Kabani, 2013). According to her, over 82 percent of Internet users watch video regularly; about 8billion videos are uploaded each month across Google's network; more than 40 hours of video are uploaded to YouTube every minute; and a prediction by Cisco systems is that video will drive 80 percent of web traffic within the next four years.

The interest in web video is to a great extent due to the fact that people prefer to watch than to read, if given the choice.

To create web videos, certain equipment are needed such as cameras, microphones and software. As a matter of fact, there is no best camera, microphone or software. In the video world, best is a matter of opinion (Kabani, 2013).

Videos are continuously growing as the most powerful tool for sharing content and acquiring sales (ONE Media Communications, 2014).

Video marketing is a powerful way to not only advertise products but also drive traffic to your website (Warren Knight, 2013). Knight is of the view that video marketing has come to stay as a popular avenue to promote a business because it is an effective way to communicate with the audience. About 70% of social media users would rather watch a video than look at a picture or read a paragraph of writing. Showcasing products through video is much easier for a customer to understand the product. For businesses that deal on products or services that require a demonstration, video marketing can be the only effective solution.

The specific benefits of video marketing include the following (ONE Media Communications, 2014):

- Helps your business stay on the cutting edge
- Improves conversion rates
- Improves your credibility with viewers
- Allows you to communicate your message effectively and clearly
- Gives you a way to get your message across 24hours per day 7 days per week

- Inexpensive compared to traditional forms of advertising
- Sell more with less effort
- Easily integrate with your other forms of marketing, such as email, social media, website, and more.

The benefits of video marketing are actually astounding and videos might just happen to be one of the most attractive ways to communicate with customers for the following reasons (Small Screen Producer, 2013):

- i. Overall, 80% of customers will recall a video they saw on a company website they visited 30 days ago.
- ii. Including a video in an email marketing campaign increases the click-through rate by 96%.
- iii. Customers are 64% more likely to buy a product from an online retail site after watching a video.

With smartphones and tablets gaining more popularity, no other medium comes close to the visual appeal and auditory substance that video provides. Social media platforms like YouTube and Vimeo have grown to become online video

powerhouses with millions of users uploading, watching, commenting, and sharing videos every day (**Small Screen Producer**, 2013).

Videos catch and keep the attention of viewers. They also allow viewers to easily comprehend and retain important information. In the nutshell, video could actually be the most powerful part of the overall online/social media marketing programme for businesses. Businesses that incorporate video marketing into their strategy see more engagement, more click-through rates, and a high conversion rate.

2.4.22 Social Media Advertising: The Art of Story Telling

Social media advertising “is all about using social networks to market to the individuals within them using context and relevance” (Kabani, 2013). This type of advertising includes everything from group buying sites to the advertisements that are seen on the sidebar of Facebook. Facebook is adjudged the most popular and cost-effective medium for advertising online, social or otherwise (Kabani, 2013).

Facebook’s advertising programmes give users the ability to place adverts, sponsored stories, or post on the right side of the

user's page. It has been rated as one of the most customizable advertising platforms for businesses, in which the business can quickly determine whether their message and audience are connecting. In some instances, the adverts even show users, which of their friends have already liked the particular product or service. This combines the power of traditional advertising with the word-of-mouth appeal (Kabani, 2013).

Kabani outlined a variety of advantages of advertising on Facebook such as the following:

- i. It allows users to target their audience by interests, geography, and age, and quantifies audience size.
- ii. Users get immediate feedback on how well their message and audience criteria are working.
- iii. Users can easily drive traffic to their Facebook fan page or company website.

To be able to use Facebook advertising effectively requires an understanding of a number of guidelines. The key to Facebook advertising, however, is the understanding of your customers.

This will determine which Facebook users you target as well as the content of your advert.

2.4.23 Importance of Listening to Communications/ Conversations on Social Media

With social media, companies can no longer afford to ignore their customers' specific needs or complaints when the conversation can easily be made public. Rather, businesses need to listen, understand the issue and respond appropriately (Kerpen, 2011).

Kerpen asserts that communication is 50 percent about listening and the other 50 percent about talking. According to him, for many years, companies have done a disparate amount of talking and shouting. Customer service representatives, marketing researchers and focus group organisers may listen at times, but the budget allocated to these listening activities is nothing compared to the heavy amount of money spent on advertising. However, for the first time through social media, companies can listen to conversations about them and their competitors.

Social media provides a spontaneous chatter of interest for businesses, where businesses have the ability to check in on

prospective customers to discuss problems their company solves or listen to existing customers as they talk about unrelated issues just to get to know them better. Checking in on vendors, partners and competitors has never been easier (Kerpen, 2011).

Although, it may be tempting for businesses to join the conversation on social media networks such as Facebook and Twitter, businesses need to understand that social media sites are not a broadcast media. Rather, they are engagement media, or listening networks. Indeed, to know what to talk about in any conversation, you must listen first.

Social media listening has come to be generally recognized as the new standard in community management. Listening is how companies can learn how to better serve and engage their customers. By so doing, they can foster stronger relationships, build communities, and encourage loyalty and advocacy.

2.4.24 Competitive Analysis in Social Media Marketing

Marketers try to understand the behaviours of their competitors, just as they seek to understand their customers in order to control, influence or at least adapt to the resulting

forces, with the ultimate aim of establishing sustainable competitive advantage (Hastings and Domegan, 2014).

According to Hastings and Domegan (2014), good competitive analysis, just like other aspects of marketing, begins by viewing things from the customers' perspective. What needs are they trying to satisfy? What products do they use to satisfy the same needs? What do they buy as a substitute? Who do they see as the competitors?

Mehlman (2012) stated that to know how much effort your company needs to put into your social media marketing, you need to measure how you are faring against your competitors. When you do that, you will likely find it is time to perform a social media competitive analysis. First of all, make a list of your competitors then visit the following social media sites to determine if your competitors have a presence:

- Facebook
- Twitter
- LinkedIn
- Google+

You may also visit other social media sites that may be important to you, such as Pinterest, Quora, or YouTube.

For each social network, you should search for the following information about your competitors:

- i. Number of fans/followers
- ii. Frequency of posting
- iii. What kind of content is published
- iv. How much content is their own, original content, versus how much is sourced
- v. Use of network features
- vi. Fan/follower engagement

You can also visit your competitors' homepages and other main pages of their websites, such as their blogs, resource centers and any other parts of their websites that frequently update with new content. Search for their social media follow and share buttons, which are a good indication of how seriously they take social media marketing. Also take note of how much readers are utilizing those buttons. Are there a few shares? Are they in Hundreds or Thousands? Are there more on Facebook or

LinkedIn? This type of information is helpful in determining which networks are working best for your competitors.

It is important to note that these analyses are both quantitative and qualitative in nature. However, endeavor to apply these metrics on a monthly basis to see how you and your competitors are making progress.

2.4.25 Ethical and Legal Issues in Social Media Marketing

In the world of online business, companies need to consider copyright issues and trade mark disputes. However, these are not the only things they need to consider. The E-Commerce Regulations, Distance Selling Regulations, Privacy and Electronic Communications Regulations and the Data Protection Act all have a serious impact on online business. It is also crucial for businesses to familiarize with protecting customer information; following e-commerce law and sticking to distance selling regulations. Caution also needs to be exercised when marketing to customers using emails or texts (Gilmour et al., 2011).

It is important to note as a new business owner that “ignorance is not an excuse in law” (Gilmour et al., 2011).

The E-commerce (EC Directive) Regulations of 2002 help to ensure that online businesses provide a minimum quality of service to customers, big and small. Contrary to what the name implies, the law does not just cover e-commerce related issues.

In fact, every site that provides a commercial service needs to comply with the E-commerce Regulations, even if you are just using the website to advertise your services. According to the regulations, this includes companies that:

- i. Sell goods or services online (including text messages and email)
- ii. Advertise online (including text messages and email)
- iii. Store or convey electronic content for customers or provide access to communications.

2.4.26 Social Media Marketing Models

There are different models of social media marketing that have been advocated by different authorities. According to Social Media Models (www.socialmediamodels.net), the following social media models are obvious:

- i. **Social Media Adoption Models:** This model is about:
 - How to adopt social media and accordingly adapt to it

- Where to locate social media internally
- ii. **Implementation Models:** This model is about how to implement social media marketing strategy in an organization.
- iii. **Approach Models:** These models are about which of the social media elements to focus on.
- iv. **Overview Models:** These models are concerned about two things:
 - Who to reach with a social media strategy; and
 - How to define or categorize online social media users and target groups.
- v. **ROI Models:** These are about:
 - What the possible Return-On-Investment of a social media strategy is; and
 - Which variables can be controlled and which needs to be focused on.

2.4.27 Importance of Blogging in Social Media Marketing

Blogging dates back to the late 1990s when it was started as a way through which people shared personal commentary with other Internet users in the form of an online diary. A decade later, with over a million blogs in existence, the industry has

matured beyond the imagination of critics. At the present time, blogging is not just a personal diary tool for business but also an effective marketing tool. Apart from its ability to spread the word about businesses' brands quickly and easily, maintaining a blog gives businesses an informal way of connecting with, responding to, and engaging in conversations with target audience (Parker, 2011).

According to Royer (2013), blogging is one of the easiest and most effective ways of establishing a connection with prospects and customers. It enables them to review your content at their leisure and then contextualize it to their individual situation.

The content that you create on your business blog should be valuable to your readers. Even though your prospects and customers know that you are in business to sell products or services, they also expect valuable content, according to Royer (2013).

i. Micro-Blogging

Micro-blogging, as the name implies, is an abridged form of blogging in which multimedia messages, shorter than the full length messages on a conventional blog, are published online. A

distinctive feature of microblogging is that people can subscribe to microblogs of others and be notified when that person posts new content. The subscribers can then respond to the information or interact with other bloggers using the same tool (Parker, 2011).

According to Parker, updates in a microblog are commonly made in text format, but can also be made in other multimedia formats such as images, audio or video.

She asserts that one of the key advantages of microblogging is its flexibility. Unlike most conventional blogging platforms, most microblogging tools allow you to make and receive updates on your mobile phone and other portable devices. This makes microblogging a wonderful way of sharing breaking news as it happens and receives news as soon as it is published.

Microblogging is a great option for businesses. It is an efficient way to build up a community without huge investment in time. Although a large number of microblogging tools are available, Twitter, FriendFeed and Tumbr are a good selection of the current most popular microblogging tools around (Parker, 2011).

ii. Social Bookmarking

Social bookmarking is a centralized online service which enables users to add, annotate, edit, and share bookmarks of web documents (Noll & Meinel, 2007). Many online bookmark management services have been launched since 1996. Delicious, which was founded in 2003, made popular the terms "social bookmarking" and "tagging". Tagging is a significant feature of social bookmarking systems, which enables users to organize their bookmarks in flexible ways and develop shared vocabularies known as folksonomies.

According to Parker (2011), "social bookmarking has its roots in the Internet browser's ability to bookmark a web page so that you can refer back to it later. Social bookmarking adds a community aspect allowing you to store your bookmarks in a remote location and then share it with other people and find bookmarks that others have stored. Social bookmarking sites such as Reddit and Digg operate a democratic voting system where its users decide which bookmarked content is useful and which is not.

Social bookmarking has a lot of advantages for businesses that desire to market themselves online. It helps business owners to network with others in their industry, keep update with the latest news and trends, source new business or research opportunities, monitor what your competitors are doing or saying, and track what is been said about your brand (Parker, 2011). Social bookmarking can therefore be an effective medium of promoting your business.

2.4.28 Use of Multimedia in Social Media Marketing

The widespread availability of high-speed Internet in recent years has permanently changed the landscape of online advertising. These days, you can engage with prospective customers online with rich media such as video and audio and you can achieve much more interaction between customer and business via blogging platforms and social media platforms like Facebook and Twitter (Parker, 2011).

Parker argues that the use of multimedia as part of your social media strategy, such as by uploading resources on sites like YouTube and Flickr is a wonderful way of positioning your brand and adding value to your audience, establishing this will give your target market the likelihood to continue to engage with

you, which in turn enables you to continue the conversation with them. As this relationship becomes richer, it is easier to convert them from readers to customers.

According to Schmitz (2013) adding multimedia content helps in separating your message from the crowd of other messages to your prospects. It also helps in targeting specific audiences and increasing long-term visibility to your brand. Creating a rich mix of photos, videos and social media also enables digital marketers to engage and initiate ongoing dialogue with prospects and customers.

Besides that, the algorithms of search engines and some social media networks give extra weight to multimedia when determining the priority of information to display. Taking advantage of all types of multimedia helps brands tell their stories in an engaging, visual and dynamic way that easily captures the increasing short attention span of readers.

Schmitz (2013) outlines the following roadmap to utilizing multimedia in social media marketing campaign:

- i. Create a compelling story

- ii. Choose the right type of content (images, videos, etc.) to communicate it
- iii. Partner with others to help tell your story
- iv. Pick the right channels
- v. Promote your content strategically

2.4.29 Reviews and Opinions in Social Media Marketing

Internet shopping and product/ service reviews have had a positive correlation for a couple of years now. Most people who are considering spending money online to buy a product or service that they cannot see physically or sample before buying have no doubt done their research in other ways – usually by researching the feedback left by previous users in the form of reviews and opinions (Henshell, 2013).

With the widespread usage and popularity of social media, the influence of online communities on people purchasing decisions is now pronounced more than ever before. It has therefore become imperative for businesses to monitor and improve their reputation online as a way of ensuring that prospective customers have a positive experience with their brand when they are in the research phase (Parker, 2011).

Parker is of the view that the number one source of product research is review website whose overall goal is to help consumers make informed decisions about buying a product or service. She categorized review sites into:

- i. Those run by single individuals or group of editors; and
- ii. Those run by communities where members perform peer reviews.

Peer-driven review websites such as Yelp, Epinions and Amazon allows anyone to post his or her feelings about a product or service for all future buyers to see. As a business organization, marketing on these channels, it is critical for your brand to be featured on online review websites. However, being featured is not the end point. It is the general opinion on that website about your business that will determine your success. Even if you believe in the good quality of your product, you still have to use different strategies to engage your customers on these forums. If done right, review websites can be an invaluable tool for converting prospective buyers into actual customers.

2.4.29.1 Wikis

Wiki has been defined as a website that anyone can edit. It is derived from a Hawaiian word meaning *fast* (Parker, 2011). In other words, a wiki is a web application that allows people to add, modify, or delete content in collaboration with others (Encyclopedia Britannica, 2007). A wiki is a type of content management system, its contents are created without any defined owner or leader, and wikis have little implicit structure, allowing structure to emerge according to the needs of the users. This makes it different from a blog or most other such systems (Scott, 2008).

Wikis can serve various purposes, including knowledge management, note-taking, community websites and intranets. Some permit control over different functions (levels of access). For instance, editing rights may permit changing, adding or removing material. Other wikis may however, permit access without enforcing access control. Other rules may also be imposed to organize content.

Wikipedia, the encyclopedia project, is the most popular wiki on the public web in terms of page views. There are however other sites running many different kinds of wiki software.

Ward Cunningham (the inventor of the wiki) and his co-author Bo Leuf, in their book: *The Wiki Way: Quick Collaboration on the Web* (n.d.), outlined the features of the Wiki concept as follows:

- i. A wiki invites all users to edit any page or to create new pages within the wiki Website, using only a plain-vanilla Web browser without any extra adds-on.
- ii. Wiki promotes meaningful topic associations between different pages by making page link creation almost intuitively easy and showing whether an intended target page exists or not.
- iii. A wiki is not a carefully crafted site for casual visitors. Instead, it seeks to involve the visitor in an ongoing process of creation and collaboration that constantly changes the Web site landscape.

Wikis enable communities to collaborate and write documents with the use of a simple markup language and a web browser. A single page on a wiki website is known as a *wiki page*, while the

entire collection of pages, which are usually well interconnected by hyperlinks, is *the wiki*. A wiki is essentially a database for creating, browsing, and searching through information.

A defining characteristic of wiki technology is the ease with which pages can be created and updated.

Wikis are categorized into two: public and private. Wikipedia is a best known example of public wikis. It allows anyone to add, edit or remove their content. Apart from general wikis like Wikipedia that covers a wide range of subjects, there are many niche public wikis which are dedicated specific subjects such as travel etc. (Parker, 2011).

Wikis can be used internally within a business and externally in more of a social networking context. When used internally within a business, wikis help in the easy information sharing between a company and its employees (Parker, 2011).

2.4.30 Key Performance Indicators (KPIs) for SMEs in Social Media Marketing

Social media marketers are out to build brand reach, nurture leads, and generate sales on social networks now more than ever. However, most marketers find that generating returns on

social media is an indefinable achievement (Aders, 2013). In order to consciously work towards the achievement of success in social media marketing requires an observation of some key performance parameters, known as key performance indicators (KPIs). Now what are the KPIs for Small and Medium Enterprises (SMEs) in social media marketing?

According to Aders (2013), the following are the KPIs that determine success of SMEs in social media marketing:

- i. Simplicity

A basic organizational structure and accountability around social media goals are necessary to start down the path to success. A simple KPI reporting method drives team accountability and organizes goals in a simple way that can be understood by everyone.

- ii. Follower Growth

Growing number of followers means growing your brand's reach on social networks. Follower growth, if done consistently, is a self-reinforcing mechanism that becomes easier as you grow. But more followers do not always mean more success.

Your organization needs to focus on growing relevant follower bases, not just anyone who will follow you back. Having thousands of followers means nothing if none of them qualify as prospects. It is important to always remember that you ultimately desire brand attention from a relevant audience.

iii. Link Click-Throughs□

In order to gauge the effectiveness of your brand messaging, you have to measure click-throughs on links in social media posts. If your links are not clicked upon, it probably means you are not presenting relevant and valuable information or your follower base is the wrong audience. Endeavor to measure your follower base's engagement with the links you post. If you are able to grow this number, it means your brand is improving and continually presenting more relevant and valuable information.

iv. Shares

More “shares” from your brand's content is an indication of valuable engagement metric. Content that gets shared by your audience is one of the fastest ways to grow relevant follower bases on social networks.

v. Referral Traffic

Many brands do not earn a significant amount of referral traffic to their websites from social networks, so this is easily disregarded. However, even small growth in this figure will indicate that your follower base is becoming more relevant and contains target audience members.

vi. Publishing Volume

Even though this metric might seem unnecessary, it tells much about a business. Even on a busy day, endeavor to do at least one post during the day. Inability to do this leads to a breakdown in communication.

vii. Forecast Your KPIs and Execute

Setting goals for any KPI requires a well-planned forecast. Use past performance trends to forecast future growth. Never make assumptions about the growth level, rather, pursue it slowly and steadily. With skill and diligence, success can be achieved.

2.4.31 B2B Social Media Marketing

More B2B companies have embraced social media marketing because of the fact that their customers increasingly go there

for information. A Business.com survey found that 62% of businesses visited company social media network pages for information, while 54% searched for information on social media sites (Miller, 2012). He asserts that, if social media is where your prospective customers are looking, then you need to be there.

Miller argues that realistically, social media is likely to be more important to B2B companies than B2C companies for the reason that most B2B companies have a smaller potential customer base and a higher average price point than do B2C customers. As a result of these dynamics, the use of social media to turn customers into advocates as is done by social media pays bigger dividends for B2B companies.

2.4.31.1 Differences Between B2B Social Media Marketing and B2C Social Media Marketing

Each type of organization communicates to an entirely different demographic with their own distinct needs and knowledge base. While B2B companies are trying to reach business influencers and powerful executives, B2C marketers are going after consumers seeking a product or service (Lyle, 2013). The

following is an outline of some differences between B2B and B2C social media marketing:

- i. **ROI:** B2B social media marketing is ultimately about leads while B2C social media marketing is more about branding. For most B2C companies, it will take a lot of sales of their products and services, sold through their social media efforts (e.g. Facebook page) to justify the costs associated with their B2C social media marketing efforts. For them, it is more about branding and PR. For a B2B company, typically a few closed leads a year from social media does more than justify the time and expenditures with it.
- ii. **Positioning:** B2B companies, should position themselves as thought leaders on social media. This is because customers want to know you have the answers that they need. Rather than posting about products and services that you have to offer, post your company's position on a major issue in your industry. Talk about an upcoming trade show and the benefits it promises to offer to your customer. Then, occasional post about your company's services/products. Your social media audience is more

apt to listen to when they know you're an expert in your industry.

- iii. **Platforms:** Different platforms work differently for B2B and B2C companies. For a B2C company, the platform of choice is Facebook. Twitter works well too while LinkedIn usually never plays a significant role in a B2C's company's social media strategy. However, for a B2B company, LinkedIn is the main platform of engagement. This is where you can find over one hundred million business professionals. This is where there is high probability of you finding the CEO of that major company that you have always wanted to do business with. You can connect directly to him/her and build that relationship online and probably give him a reason to want to reach out to you to learn more about what your company has to offer.

2.4.32 Selecting Social Media for Marketing

There is a common mistake that most companies make while designing their Social Media Marketing campaigns. They fail to choose carefully the online channels that are suitable to their businesses. Consequently, they end up investing time, money

and effort on networks that cannot promote their business. This makes them conclude that social media marketing is not beneficial to them. As a matter of fact, that is not the truth of the matter (Vasilis Vryniotison, 2013).

Vryniotison (2013) argues that an understanding of which of the channels is more appropriate for your industry, company, products/services and target audience is of utmost importance. Each social media network has different features and a different philosophy. Below is a list of the most popular social media networks and how they should be used in order to maximize the results of the social media marketing campaign.

There are hundreds of different social media that you can use in order to reach your users. There are General Purpose vs Niche networks, Local vs Global, Professional vs non-Professional media etc. Each of them has different target audience, characteristics and should be used to achieve different goals.

Vryniotison (2013) presented a list of most important social networks as highlighted below:

- i. **Facebook:** This is the most popular Friend-Oriented Social Network. A similar network is MySpace but over the years

it has become less popular. Facebook is the largest Social Media Network in the world. In this network, companies are not allowed to create Corporate Profiles but instead they are permitted to create Facebook Pages. Facebook is ideal for the promotion of B2C companies and products. Usually fun content easily goes viral while corporate announcements get suppressed. As a result in order to generate buzz, companies create and share funny and witty adverts (images and videos). Due to its nature and philosophy, Facebook is not very effective for B2B companies and for pushing corporate announcements and press releases.

- ii. **Twitter:** Twitter is a Micro blogging Social Network that allows users send short messages (up to 140 characters long) about momentary happenings. As a result the primary target of the network is to help users share short fresh content and interesting news. Companies are allowed to create corporate accounts in order to promote their brand and share news. Twitter is ideal for news websites, blogs, press releases and for opinion leaders/experts. As a result the service can be used for promoting both B2C and

B2B companies. Usually both fun and serious posts can go viral provided that they are unique and interesting.

- iii. **LinkedIn:** LinkedIn is a Business-oriented social networking website which allows users to publish their profiles, upload their CVs and connect with other Professionals and Companies. LinkedIn was founded in December 2002 and launched in May 2003. Since then more than 100 million professionals have registered on the service worldwide. Both companies and professionals can create a Profile on the service. LinkedIn is great for sharing news, business related articles and press releases, for finding and maintaining Business Contacts and above all for recruiting. It can be used for promoting B2B companies & services and it gives you the opportunity to share news and interesting articles with other professionals of your industry by posting them on the various Professional Groups.
- iv. **Google+:** Google+ is Google's new Social Networking service which was launched on June 28th, 2011. For quite a long time Google was trying to develop a Social Network that would help them compete directly with Facebook and enter the Social Networking business. This new service

integrates the various social services that Google launched over the years (Google Profiles, Google Buzz, +1 button) and it introduces several new features such as the social Circles, Sparks, Hangouts and Huddles. The service is accessible not only via desktop computers but also via Tablets and Mobiles (both Android and iOS). The network allows users to add their contacts into groups, to organize group video chats, to upload video, photos, posts etc. and to share interesting content. Even though the access and the registration are limited at the moment, we can expect that in the near future. This network might become an additional promotional channel in the hands of Online Marketers.

- v. **YouTube:** YouTube is the most popular video sharing community in the world. It was founded in February 2005 and in November 2006 it was bought by Google for 1.65 billion dollars. Google estimates that YouTube's reach is 500 million users which is around 32.2% of the Internet. Another interesting statistic that can help us understand the power of YouTube is that every minute more than 24 hours of video are uploaded. YouTube allows both users

and companies to create channels and upload their videos. Since video marketing is ideal for promoting almost everything, YouTube can be used both by B2B and by B2C companies. It is ideal for creating and sharing Funny/Witty Videos, posting Advertising Messages, Music, Online Contests, News and How-to Videos. Another similar video sharing network is Vimeo which has more than Three million registered members.

- vi. **Foursquare:** Foursquare is a Location-Based Social Network targeting primarily on mobile devices. It was launched in 2009 and currently it has more than 8 million registered members. Both users and Local Businesses are allowed to create accounts. It is ideal for promoting B2C local businesses, for increasing brand awareness and for identifying, rewarding and increasing the number of loyal customers.
- vii. **Others:** Such as Flickr, Delicious, Digg, Stumbleupon, Quora as well as SERPd, Sphinn and other niche networks.

It is important to note that, in order to select the social networks that will help you promote your business, you need an understanding of the philosophy behind each service, the

unique features and characteristics that it offers, evaluate the target audience of your company and the network and select the Social Media that can help you achieve your goals. It is also advisable to experiment by using different approaches and techniques and by trying all the available channels.

2.4.33 How Small and Medium Scale Enterprises (SMEs) Can Use Social Media Marketing to Leverage Performance

In today's global economy that is driven by technologically empowered consumers, SMEs are challenged to find new ways to make competition irrelevant, create tighter bonds with their customers, and enhance the growth of their businesses. Innovations in technology have been a fundamental basis of maintaining a competitive advantage for SMEs. While expectations and emphasis for particular technologies vary depending on industry and geography, the overall trend is clear: social media is helping SMEs collaborate more, get closer to their customers, and in turn, grow their businesses (SAP News, 2014). They contribute significantly to the economic development of countries by providing goods and services at an affordable price and by providing employment opportunities to the rural and urban population (Nishant Shekhar, 2014).

In the last decade or so, Internet and especially social media has changed the world. It has reduced the world to a global village (Nishant Shekhar, 2014). According to SAP News (2014) many SMEs have realized the importance of social media as a tool of gaining a competitive advantage. SMEs can use social media to participate and reap rewards from engaging with employees and customers more dynamically; learning how to craft a better brand, quickly responding to changes in customer preference and making sure their social media has a positive impact on business.

Coleman (2014) argues however that what SMEs need is a strategy, to ensure that limited resources are used effectively and social media engagement delivers maximum value. They need to select the right social media platforms. In reality, how are they going about this? Verity Clarke, account director at Approach PR (cited in Coleman, 2014) stated that: "You might think your business should be on Facebook, but you could find your target audience is more likely to spend time on Pinterest or Instagram". She added that: "Those with a B2B service may want to target industry specific professionals who are active on LinkedIn. Taking the time to research your audience will lead

you to the right channel." Knowing your audience is also crucial in deciding on the content to be shared, the tone of voice to use, and the frequency of posts, according to Coleman (2014).

SAP News outlined the following seven ways social media is helping SMEs to grow their businesses:

- i. Creating a community: Social media helps businesses to connect with customers interested in the products and services they offer. Using the right social media platforms and having access to the most relevant audience allows SMEs to engage with their core customers and build communities.
- ii. Expanding reach: Leading social media platforms like Facebook, Google+, Twitter, and YouTube cater to worldwide audiences. By using these main platforms, SMEs have already taken their business global and extended their message.
- iii. Maximizing ROI on marketing and advertising: After engaging with their target audience, SMEs can use social media to promote their products and services in a more personal way.

- iv. Gauging customer sentiment: Social media analytics are more than numbers. Monitoring tools use analytics to measure consumer sentiment from data gathered on social sites. Statistics show that consumers largely base their purchasing decisions on the reviews, commentary and recommendations of people inside (and even outside) of their circles. By using online reputation management tools, SMEs can monitor for mentions of their brands, products and services, and promptly engage in those active conversations. Engaging with consumers in this way can help disallow negative commentary, uncover unmet customer needs, and potentially help convert prospects into customers.
- v. Boosting website traffic: The popularity of social media has essentially forced search engines such as Google to include social signals into their Search Engine Rankings (SEO) algorithm. SMEs that engage in social media and link to their Web sites on their social media profiles, can expect to receive an increase in quality traffic.
- vi. Improving Productivity: Social media tools encourage collaboration, enabling employees to get source answers,

share ideas, and move projects, products, and services forward faster.

SMEs must, therefore, take a definite stand about their engagement in social media. To do that, they must:

- i. Formulate future strategy and decide on a core message for promotion.
- ii. Identify the ideal customer: It is important that the SME's not only identify the ideal market but also go one level down to identify the ideal customers in that market. Ideal customers can be identified by engaging with them through online communities.
- iii. Advertise: The aim of advertising is to increase customer traffic and thus increase brand awareness.
- iv. Get creative: The SME's can develop a personalized brand identity online which makes the customer more comfortable as against a company logo brand identity. Apart from that, SME's can be more agile in their communication as they do not have to go through time consuming corporate approvals.

- v. Ensure total web presence: SME's should endeavor to have web presence on different platforms such as Facebook, Twitter, Blogs, YouTube, LinkedIn among others. They should, then, identify which platform is bringing in more customer traffic and then formulate appropriate strategies to attract more customers on that platform. If any platform is not leading to new engagements, it is better to discontinue and put efforts in those which are leading to new customers.

2.4.33.1 Defining Your Target Audience

It is a known fact that Facebook, Twitter, and LinkedIn are holding an unbelievable amount of data on hundreds of millions of people. From users' profiles and comments you could advertise and market towards groups more than ever before. Only on Facebook, it is possible to target people based on their age, gender, education, marital status, interests, job title, and employer. For instance, a beer company could easily target adults from 21 years and older who list drinking, partying or bars as their interests (Kerpen, 2011).

Kerpen asserts that whether your perfect target audience is one or one million people, the difference is that you can engage them now in a way that was virtually impossible a couple of years ago. Once you find your target audience, listen to them, find out what they are looking for, and provide your products or services to meet their needs. You can build a relationship with your audience and even allow them to directly buy your goods or services, all using social media.

The following are a few examples of how to get your ideal audience on popular social media networks (Kerpen, 2011):

- i. **Facebook:** You can reach as many users as you want.
- ii. **LinkedIn:** For maximum impact, target professionals only
- iii. **Twitter:** Forget about demographics targeting on Twitter.

Kerpen argues that although some businesses are narrower and more well-defined target audiences than others, you can always refine the notion of who is part of your ideal audience. Chances are that you will find more than just a group of who are looking for your goods or services.

2.4.33.2 Rules of Engagement

Social media has offered businesses a wealth of opportunities to engage their customers and build brand awareness. However in an open and dynamic environment, it is critical to carefully consider how to go about it. The consumer driven characteristics of social media makes it an enticing proposition for marketers (Ryan & Jones, 2012).

According to them, the rules of social media are about the application of a little commonsense to what are in actual fact human relationships. The fundamental thing about this social media is that people go online to interact and exchange information and content with similar, like-minded people. They desire interesting, fun, informative, quirky, addictive stuff. In fact, whatever turns them on.

With social media, you are not just sending out a message, you are also expecting a response, which may not quite be what you are expecting. You therefore need a plan of how to engage in social media marketing (Ryan & Jones, 2012).

Ryan and Jones therefore outlined the following as the rules of engagement for social media marketing:

- i. **Draw on what you already know:** You are expected to fore-know who your customers are, what they like to do, and their regular site online. Because one of the reasons you are getting involved in social media is to know them more and you cannot afford to be blind about this. Use what you already know about your customers to formulate your social media strategy to promote your brand and your business.
- ii. **Do not jump in without preparation:** Have a clear plan before you start. Know who you are about to engage with and what you want to achieve. Define clear ways of gauging and measuring your success with frequent milestones to enable you stay on track.
- iii. **Look, listen and learn:** Before you engage in social media marketing, spend more time hanging around without contributing. Acquaint yourself with the different types of social media site that you plan to target. Go to those sites, read blogs, understand the different social media sites and familiarize with their various nuances before you plunge in.
- iv. Be open, honest and authentic

- v. Be relevant, interesting and entertaining: Let everything you do add value to your community and move you towards the achievement of your business goals.
- vi. Do not push out a spammy message.
- vii. **Respect rules:** Abide by the principles, guidelines and rules of the sites that you frequently visit.
- viii. **Respect people:** Always try to be respectful to your fellow community members. That does not mean however that you will have to agree with them always; healthy debate is good in a community.
- ix. **Respond to feedback:** Let users know that you appreciate feedback that you are interested in what they have to say. Be responsive and show them how you have used that feedback.

2.4.33.3 Select which Network Based on the Kind of Business

People need to realize that social media tools are not all equal. One should not, therefore, be expected to deliver the same result as others, since the choice of social media network is entirely subjective to the nature of one's business. Using several social media tools is not a good practice and will not yield

desired results because managing information on multiple channels will eventually become difficult (Perez, 2013).

Miller (2014) argues that not every product or service is best suited to every social medium. For instance, if you sell women's clothing, Twitter isn't that great (no pictures) but Pinterest is. If you own a restaurant and are looking to promote your daily specials, Twitter makes perfect sense for you, while Pinterest makes little or no sense at all.

In general, the following rules can serve as a guide in selecting social media networking site based on your type of business:

- i. If you send out a lot of news updates and bulletins (such as daily or weekly specials), Twitter is very good. So is Facebook, for that matter.
- ii. If your product is visually appealing (with lots of pictures), you can bet with Pinterest and Instagram (Facebook is not bad for photos, either).
- iii. If you have videos of your products or services, you have to consider Instagram and Vine – although Facebook is also good for sharing videos.

- iv. If you sell high-tech gadgets or services, go with the high-tech social media – Google+, Tumblr, Reddit, and the like.
- v. If you offer B2B goods or services, LinkedIn is the site for you.

Common sense dictates that if you have a visual product or service, use a visual medium. If you have a less-visual product, go with a more text-based medium.

Besides, whatever you sell, go where your customers go. B2B buyers tend to be older and more conservative, so you will probably not find them on Twitter or Reddit. Customers for home furnishings tend to be in their 30s and 40s (they have to be, to own their own homes), so target the social media that this age group frequents – Facebook and Pinterest.

Moreover, remember to shape your message to fit the chosen medium. For example, Instagram likes appealing or funny photos. Vine rewards creativity. Twitter requires brevity.

In the nutshell, you need to know your customers, and where they socialize. Let that drive your social media strategy.

2.3.34 Characteristics of Major Social Media

The most popular social media networking sites, especially Facebook, Twitter and LinkedIn can be very useful for several reasons, but they still have their negative attributes. Perez (2013) outlines the following combination of both positive and negative characteristics of Facebook, Twitter and LinkedIn:

i. Facebook

Recent statistics show that users spend close to a trillion minutes on Facebook every month. The website's sharing feature has earned it, its popularity. Meanwhile, any business that is considering the use of Facebook for its marketing should consider what it can share and capitalize on it. Specifically, Facebook features include:

- Facebook gives businesses a good opportunity to secure high visibility considering the number of people who use it.
- When a Facebook user shares something on his wall, his friend decides to share it; others who received it also decided to share it, and this goes on and on. This creates a viral effect. You can imagine if this was about your business's fan page.

- Your business page can easily be lost among other posts in the News Feed since they will be competing against photos, status updates that are valued more.
- Negative comments are notice immediately. Therefore, you have to make sure you include a ‘terms of use’ listed under your business information, in order to protect you should you find it necessary to delete a comment.

ii. Twitter

Twitter tweets help users in spreading the news about developments in our surroundings. This makes one wonder whether Twitter will be of any value to businesses. But surely, based on your offerings, you can produce content that catches the attention of readers and engage them.

Specifically, Twitter has the following features:

- Interacting with your targeted market creates brand awareness for your business.
- Once you are able to engage your prospects, you can then encourage them to respond to your call to action as desired.

- An endless stream of tweets means that yours can easily be ignored. Posting tweets at regular intervals will help you stay noticed.
- The character count is only 140. You, therefore need the ability to say much with little. You can also write an incomplete message that grabs attention and include a link where the whole story can be followed.

iii. LinkedIn

This is a social networking site for professionals. Primarily, businesses use it for highlighting their credentials. LinkedIn has the following features:

- Business pages are clean, concise and professional. You can ask your employees to include background information about your company. You can also provide links to your blog's RSS, Facebook fan page or Twitter feed.
- It is easy to use such that once a business page is set up, no other efforts are required.

- Traffic on LinkedIn is not very high. Engaging people so that they stay longer on your page is not easy to accomplish either.
- LinkedIn is primarily used by professionals and business owners. Therefore, it is a great platform for B2B businesses and can only serve as a niche market for B2C and others.

2.4.35 Social Media Marketing Tools for SMEs

Social media networks give SMEs the opportunity to forge relationships, gather intelligence and generate qualified business leads and contacts. However, not everyone will use every aspect or function of every social media network. What a business will use depends on its goals, target market, launch plan and social media calendar (Levinson & Gibson, 2010).

The major social media marketing tools for SMEs according to Levinson & Gibson (2010) are:

- Facebook profile
- Facebook pages
- Facebook groups
- Facebook events
- Facebook applications

- LinkedIn profile
- LinkedIn slideshare
- LinkedIn Google Presentations
- LinkedIn Twitter
- LinkedIn Blog Import
- LinkedIn Groups
- LinkedIn Answers
- LinkedIn Events
- Twitter
- Complete Twitter Profile
- Public Twitter Lists
- Private Twitter Lists

2.4.36 Social Media Marketing Plan

SME owners have come to the realization that social media marketing is a significant element of a comprehensive marketing strategy. With loads of social networks gaining widespread embrace every day, it has become a hard thing to visualize a manageable strategy that will cover all the social networks. For this reason, it has become very urgent to develop a strategic social media marketing plan to enable SMEs stay on-task and on-track. The problem however is, most SMEs do not

know where to begin (Stringfellow, 2013). She therefore suggested the following process for developing social media marketing plan:

- i. **Know your audience:** Who are you trying to reach? To plan an effective social media strategy, you need to have a clear picture of your ideal customer. Equipped with this information, you can match up your social media marketing efforts with the social networks where your customers are spending their time. As an example, women between the ages of 18 and 29 comprise Facebook's primary audience, while LinkedIn's users are predominantly males with graduate-level education. Find out where your target customers are spending time online.
- ii. **Analyze your competition:** Competitive analysis is a key component of any marketing plan. Know who your competitors are, their strengths, their weaknesses, their opportunities and threats. Key into this information and start generating discussions. Doing this will enable you to take your place in the social media marketing arena.
- iii. **Identify core topics and create value:** A strategic social media marketing plan requires more than just throwing out

a few tweets or status updates. According to Megan McManus, digital and social content coordinator at Blueview Agency (cited in Stringfellow, 2013), suggests figuring out solutions to frequently asked questions and offering those ideas through original photo or video content. “In social media strategy, the business should also conduct some trial and error to see what kind of posts their audiences like. Some audiences will respond well to product information while others may prefer to hear about a business's community involvement,” she explains.

- iv. **Define tone and frequency:** Social media audiences are choosy. They prefer to be engaged to having hard sales pitches, but not over-saturated with content. Finding the right balance is essential to your success, and this is another aspect of your campaign requiring a trial-and-error approach. An editorial calendar is a valuable tool for defining the ‘who’, ‘what’, ‘when’ and ‘where’ of your social strategy. What topics will you address? How frequently will you post, and to which networks?

This framework serves as the foundation of your social media marketing plan, but it must be flexible enough to

readily adapt to audience feedback. If you're posting seven times each day and losing followers, tone down the frequency for a few days and measure results.

- v. **Engage your audience:** Social media is all about engagement, and this requires continuous input from you or your social marketing manager. Social media is more than just a publishing platform. If you ask questions, you should stick around to participate in the discussion. There are dozens of social media monitoring tools that provide instant alerts when your posts have been shared, commented on or "Liked." These tools often mean the difference between dedicating your entire day to monitoring your social networks and actually running your business while remaining on the grid.

The above discourse is not intended in any way to exhaust the subject of marketing planning. It is meant to be a statement to emphasize the importance of developing a marketing plan.

Minimally, a marketing plan should be documented to address the following key points:

- The organization and its strategic goals.

- The products and services.
- The marketing goals.
- Human Resource requirements.
- Marketing communication channels (offline and online).
- The distribution and shipping plans.
- Specific marketing (sales) targets.
- Segmentation of the market.
- Competitor analysis.
- Selection of specific social media.
- Advertising budget (online and offline).
- A website adapted to social media conversation, mobile marketing, receiving payment online.
- A projection of all the above factors over a period of five years to enshrine a culture of visioning within the organization.
- Key performance indicators

2.4.37 Integrating Social Media Marketing with other Online and Offline Campaigns

Today's world is connected more than ever before, and the effect of the online world on our everyday offline lives is experiencing significant growth. This is true because most TV

adverts nowadays end with ‘like our Facebook page’ or refer viewers to ‘our Twitter handle’. People actually go online in search of their favorite commercials or to find a columnist they read in a magazine that was picked somewhere offline (Evans, 2010).

Evans stated that many companies now make the web as an extension of their brands, of which social media plays a key role. Indeed, companies that have come to the realization that their offline marketing strategies need to be fully aligned with their online activities such as email, pay-per-click advertising, search engine optimization and social media – are the ones who have achieved success in reaching their target consumers.

According to her, success in social media marketing does not happen simply because you have decided to engage in social media marketing. Your offline efforts and other components have an effect on the success of your social media marketing campaigns. It therefore means you have to make sure your TV, Radio, Direct Mail, as well as your SEO, PCC, Email, and Affiliate Marketing are all working with your social media marketing efforts.

Evans sums up that there is a compelling need for you to connect what you are doing offline with your marketing efforts online. This is because you want people to talk about what you are doing in online communities as well as their offline connections. You want people to join the conversation and share their experiences with you in the chosen social media channel. In the nutshell, offline activities matter online.

2.4.37.1 Getting Outside Help

At a point in your social media marketing experience, if you do not already have your social media team assembled, you might think about getting help from outside to help you create your own social media marketing strategy. The big question is: who do you turn to? A PR agency? An advertisement company? Or a Search Engine Optimization (SEO) expert? The truth is that many people now claim to be social media experts, but their only interest is the money they are going to make from you (Evans, 2010).

Evans is of the view that a social media expert should be able to show you how he/she will tailor a strategy that works for you instead of just repeating what worked for them.

Before hiring a social media consultant, you need to consider the following (Evans, 2010):

- i. Look at the Consultant's Website. You need to take a good look at his or her website for clues that he really understands social media world. Find out whether he also understands search marketing, usability and online marketing. Take a look at the title tags and the content on the consultant's sites. Is he sharing knowledge and ranking for more than just the company's name? Is the company social? Has it integrated Facebook, Twitter, MySpace, Flickr, YouTube, Slideshare, or Scrib'd accounts on its website?
- ii. Who is on the Consultant's Social Media Team? The consultant's social media team needs to be varied in knowledge. If this is not so, then you might be basing your social media strategy on one type of technology. However, if the consultant's team is made up of a mix of people, such as experts in research, strategy and analytics, it means you

have a good team that can help you achieve success in your social media strategy.

- iii. Is the Consultant Social? You also have to consider whether the consultant's team members are blogging and sharing their thoughts on social media. Are they on Twitter engaging in conversation and following people? Are they using Twitter as a broadcast channel? How about the company's blog, Facebook fan page, or Twitter account? Do they get social by propagating their own blog post and posts made by others? The bottom line is, practice what you preach.
- iv. Who are the Consultant's clients? A good social media consultancy will not hesitate to offer its clients for you to talk to about the company's approach to social media. Really, the clients of a social media company that is doing a great job will be willing to privately recommend the company if and when asked.
- v. What success is the Consultant talking about? Social media marketing success is all about brand exposure and the lift that the brand receives through engagement with an audience of potential consumers. For a company that had a

negative reputation, success means turning the negatives into positives, not the number of Facebook fans it has.

2.4.38 Practical Guide to Social Media

Most social media sites offer free advertising, for example, tweets on Twitter and Facebook posts on Facebook. On the other hand, there are paid social media ads. This option requires a consideration of what return the ad is likely to bring.

2.3.38.1 How to Place ads on Facebook

The ad creation tool on Facebook is designed to help you meet your most important business goals. It includes a powerful set of targeting options to help you reach just the right people for your business.

Whether you are advertising a Page, app, or event, there is a requirement for you to choose a goal. This goal is used to automatically select the right combination of ads to help you reach your objective.

You are expected to choose from these goals:

- Get more Page likes

- Promote Page posts
- Get more app users
- Increase app engagement
- Increase event attendance

However, if you are advertising a website off of Facebook, you will not be asked to select a goal, but you will be able to link your ad to a Page on Facebook so that it can show in the News Feed in addition to the right column.

2.3.38.2 How to Place ads on Twitter

Twitter platform gives people the opportunity to talk about what they care about and what is happening around them at the moment, including their business. This gives business owners a powerful perspective to connect their message to what is most meaningful to their customers in real time. Engaging with real-time Tweets helps influence conversations in a way that potentially builds business.

Advertising on Twitter is basically a sponsored activity. There are two different types of advertising, namely:

- i. **Promoted Tweets:** These are ordinary Tweets purchased by advertisers who want to reach a wider group of users or to spark engagement from their existing followers. Promoted Tweets are clearly labeled as Promoted when an advertiser is paying for their placement on Twitter. In every other respect, Promoted Tweets act just like regular Tweets and can be retweeted, replied to, favorited and more.
- ii. **Promoted Accounts:** Promoted Accounts suggest accounts that people do not currently follow and may find interesting. Promoted Accounts help introduce an even wider variety of accounts people may enjoy.

For more information on placing an advert on Twitter, go to:
<https://support.twitter.com/groups/58-advertising#>.

2.3.38.3 How to Place ads on Google+

Google rolled out a new display ad variation for eligible advertisers called +Post Ads. This new ad variation allows you to take a post from your Google+ page and turn it into an engagement ad to show throughout the Google Display Network (GDN).

The +Post Ads works this way: by using engagement ads in AdWords you are able to pull in posts from your Google+ page and transform them into an engagement ad that will show across the GDN. You can use the same targeting features as you do with regular GDN campaigns, the ads will only show on sites that support the ad size and format. You can promote posts that contain an image, video or promote a Google+ hangout on air.

The ad will show a portion of your post, and once the user engages with the ad then the ad expands and shows the entire post right on the current page that they are on.

Users are then able to go to your Google+ page, +1 or follow your page, share the post on their Google+ page, add a comment, watch your video or sign up for a hangout (depending on the post type). If a URL is in the text portion of your post, the user is able to click on the link directly from the ad as well. This is a great way to send traffic directly to your website from the ad.

2.3.38.4 How to Place ads on LinkedIn

LinkedIn Ads is a self-service advertising product that allows advertisers to reach a targeted professional audience of their choosing. All you need is a credit card and a LinkedIn account to get started. But how do you go about it? Here is how.

If you have a LinkedIn account and a credit card, you can start or manage an ad campaign. To create a new ad:

- i. Move your cursor over Business Services at the top of your homepage and select Advertise.
- ii. If you are a new advertiser, click Get started. If you have advertised with us before, click Manage and you'll be taken to your Campaign Manager, where you'll click Create new campaign in the upper right.
 - For verification purposes, you may need to sign in again.
- iii. Click the type of campaign you want to create.
- iv. Complete the fields and click Next.
- v. Select a target audience for your ad click Next. Tip: Very small or very large audience sizes may negatively affect your campaign performance. Test what works

best for your advertising goals, and monitor performance closely.

- vi. Set a daily budget and bid on how much you are willing to pay for clicks or impressions and click Save Changes.
- vii. Enter your billing information to activate the account and click Review order.

For more information about placing an advert on LinkedIn, go to: <http://help.linkedin.com>.

2.5 E-mail Marketing Defined and Explained

E-mail marketing has been defined as “a type of direct digital marketing that uses e-mail as the marketing communication delivery method” (Webopedia.com, n.d.). The Internet Marketing Academy describes it as “the act of sending out e-mails to customers, both current and prospective” (The Internet Marketing Academy, 2011). Ward (n.d.) in his opinion sees e-mail marketing simply as “the use of email to promote products and/or services”. According to Ward (Ibid.), a better way of defining it is: it is “the use of email to develop relationships with potential customers and/or clients”. Some scholars think that it

is more appropriate to regard e-mail marketing as a process. Assuming this position, Duermyer (n.d.) defines e-mail marketing as “the process of soliciting business prospects via email”. He noted that e-mail marketing is basically the same as direct mail, the difference being that, instead of sending mails through the postal service, e-mail marketing sends messages electronically through computer networks using e-mail as the tool. In simple terms, an e-mail, sent to a customer list, usually containing a sales pitch and a ‘call to action’ is e-mail marketing effort (Ryan and Jones, 2012). Craig (2013) noted that e-mail marketing is an effective way to reach a wide-reaching audience. It has also been described as the secret ingredient in the marketing communication mix, which helps marketers determine exactly how to reach their customers (eliteemail.com).

What role can E-mail Marketing play in the execution of the overall Marketing Plans? According to Agrawal (2014), e-mail marketing can be an essential part of the overall marketing plan, when a company sends out a promotional message about their product or service to a group of people (preferably prospective clients) using e-mail.

E-mail is part of digital marketing. In the digital age, two-way communication, conversation and interaction are the buzzwords in the context of digital marketing. E-mail marketing, thus, is one of the tools that can be effectively used to promote or manage customer relationship management, customer interaction conversation marketing and permission marketing. Considered in this sense, e-mail marketing has a critical role in the implementation of online marketing campaigns.

E-mail marketing is classified into outbound and inbound e-mail marketing. Outbound e-mail marketing entails a situation whereby e-mail campaigns are used as a form of direct marketing with a view to encouraging trial and purchases as part of a Customer Relationship Management (CRM) dialogue. Inbound e-mail marketing on the other hand refers to a situation where e-mails that emanate from customers such as service enquiries are managed (Chaffey and Ellis-Chadwick, 2012).

The convergence in the definition of e-mail marketing lies in the use of e-mails as a tool of communication in the execution of

marketing campaigns. This has been expressly or implicitly reflected in all of the foregoing definitions of e-mail marketing.

2.5.1 Importance of E-mail Marketing

E-mail marketing has come to stay as a veritable component of online marketing or electronic marketing (E-marketing) and is playing a more significant role than some people would like to admit. In fact, the 21st century has provided many avenues for marketers to promote their businesses on the Internet, but none of them has proven to be as reliable as e-mail marketing. Specifically, e-mail marketing is important in the following ways, according to Makara (2013):

- i. **Targeted Marketing:** Email marketing has the potential to provide businesses with various ways of targeting specific customers. In order to do this, businesses are to ensure that their email marketing software allows for lead scoring. This is what allows them to define various milestones or actions that a user exhibits through interactions within emails or their website. Once a user has fulfilled the criteria defined by the business, they can then be followed up with targeted messaging to further drive them down the funnel.

- ii. **More Personal and More Targeted than Social Media:** The benefits of using social media to promote one's brand notwithstanding, there is high probability that many customers do not have a social media account. Meanwhile, these people are very likely to have an email address. E-mail marketing, therefore, creates the platform for a more personalized and targeted marketing.
- iii. **E-mail is Data Driven & Measurable:** The ability to know what is working and what is not is a key determinant to the success and improvement of a marketing campaign. Email marketing makes it possible for businesses to get insights into their initiatives. One of the insights provided is open rates. This implies the rate at which users that were sent an email actually opened the email. Having an eye catching subject line helps to create higher open rates. Another metric businesses track through e-mail marketing is the click through rate (CTR), which refers to the percentage of people who clicked on a link within the email. Access to these, as well as other metrics helps businesses in keeping tabs on what is working and what is not, in their email marketing initiatives.

- iv. **Permission to Contact Prospects and Clients:** E-mail marketing has made it easier to see results by contacting those who want to hear from a business. This is done very easily in email marketing by having users confirm their email address after they submit it to a business. This is called a “double opt-in”, meaning that not only did the user submit their email address, but they are confirming they did so by logging into their email and clicking on a verification link sent to them. By clicking this verification email, they have granted the business permission to contact them via email. Having gotten the permission to email, a business can do a number of things with email marketing. It can create nurturing campaigns, send monthly newsletters, or use it for progressive profiling.
- v. **Stay Top of Mind:** Email marketing enables businesses to stay on top of the mind with their customers. It allows businesses to email the consumer whenever they want. Although, not every email needs to be a sales pitch, contact with the customer should provide something of value to them. Whether it is a link to a latest blog post, an industry survey e-mail, or even an update on new products coming

out in the near future; using email to stay connected to customers keeps a brand in the forefront of their minds. With the personalization of email, messages can be tailored in order to create a personal touch which ultimately builds relationships, loyalty, and trust among one's subscribers.

- vi. **Generation of Sales:** With proper implementation, e-mail marketing, can be a channel to help businesses increase sales. To effectively do this, pairing up one's email marketing with a marketing automation platform, and putting one's email marketing initiatives on a fast track are recommended. Through lead scoring, progressive profiling, and well defined email campaigns, businesses can know when a customer is geared up for a purchase. Lead scoring provides insights on when to be more aggressive with sales-based messaging. Ultimately, the business is about to make sales, through e-mail marketing, in line with the phrase, "the money is in the list". The list being referred to is email list.
- vii. **Cost Effective and Affordable:** With the great features of e-mail marketing, one is tempted to think it is an expensive

tool. The truth is that there will surely be some initial setup and implementation costs, but once the foundation is laid, the cost of maintenance is minimal compared to the return it guarantees.

2.5.2 Role of E-mail in E-Marketing

E-mail marketing refers to a single web-based tool used in Electronic Marketing (E-Marketing) or online marketing. E-marketing on the other hand refers to communication directed at customers over an array of online media channels. E-marketing delivers access to potential customers through company websites, targeted Internet advertising, blogs and social media pages (Lafler, n.d.). In essence, e-mail marketing is a component of e-marketing.

According to Lafler (Ibid.), e-mail marketing describes all e-mails that are sent to customers and prospective customers. He noted that direct sales e-mails are designed to persuade new or existing customers to buy a particular product and/or service. Some of these e-mails are designed to improve customer loyalty and the overall client relationship by offering discount coupons or promoting a sales event. E-mail marketing offers a lot of benefits to businesses, one of which is its low cost compared to

traditional methods such as direct mailings of promotional postcards and letters, which include postage costs.

2.5.3 Principles of E-Mail Marketing

The best of E-mail campaigns always come with careful planning, experimentation and execution. For the effective execution of e-mail marketing, the application of the following scientific and tested principles will ensure that emails are being read and acted upon by the people one is seeking to reach (C&EN Media Group, 2014). These principles are outlined as follows:

- i. **Convey a sense of urgency:** E-mail marketing messages should trigger a strong sense of urgency in the reader. Marketers should endeavor to write e-mail messages that will make readers to be interested in the subject matter as a way of making them to care enough to open such a message. A crafty headline that is catchy is one of the key factors in getting that action. In the body of the e-mail message, it is important to keep the readers engaged throughout their reading by making some offers. The goal of each line in the e-mail should be to get the audience to read every line.

- ii. **Respect the power of small details:** Every detail of the e-mail marketing campaign, from the subject line to the fonts, has the capability to affect the outcome. A marketer is, therefore, expected to determine the relationship of these small details to the overall campaign, and then optimize for success. Big details such as offering valuable content that can speak to the audience can never be ignored either because it is perhaps the most important thing that can be done to ensure success.
- iii. **Keep solid data:** E-mail marketers, just like scientists, should endeavor to rely on good data. Marketers should take time in order to collect meaningful data. Data collected should be able to answer questions like:
- What types of headlines secured the highest open rates?
 - What word count proved most effective?
 - When is the best time of day to send email blasts?

Answers to the questions above will likely shape the success of future e-mail marketing campaigns.

E-mail marketing gives marketers the power to speak directly to the audience, the power to have concrete measures of success, and the ability to control when the audience will receive one's message.

2.5.4 Planning E-mail Marketing Campaign

Achieving results in targeted e-mail marketing campaigns requires both time and patience. It is not just about sending out e-mails as some people wrongly think. For most successful e-mail marketing campaigns, a lot of planning actually takes place before a single e-mail is sent out. This involves a consideration of the purpose of the campaign as well as the strategies to be used to achieve the purpose. This requires an understanding of the audience, the type of messages that are likely to attract positive response and also the timing of the messages to be sent out (ActiveCampaign.com, 2009).

Miller (2014) has outlined what constitutes a successful e-mail marketing campaign as follows:

- i. **Understand the Audience:** The understanding of the customer is critical in e-mail marketing just like in any other business. Their desires, needs and concerns need to be

captured, or else, they will not read the e-mail and worse still, they may unsubscribe from the business's page.

- ii. **Create a Captivating Subject Line:** Endeavor to catch the audience's interest by creating a captivating subject line. This is due to the fact that no matter how appealing the e-mail content may be, if a message is never opened, it may never be read.
- iii. **Include a Call to Action:** Ask readers to perform an action once they have opened and read the message. The action could be to share the content with friends or to click on a link to read more or to respond to an incentive offer. Although, the objectives of the campaign may differ, they should all lead to the business objective. The business objective should not only provide value to the reader, but also deliver measurable return on investment (ROI) to the business.
- iv. **Segmentation of List:** Endeavor to create segments according to visitors' common interests and provide ways for people to join the list of their choice or tell you their interest when they sign up.

- v. **Test Everything:** E-mail is a cost effective channel of communication. Therefore, marketers should take advantage of this and test different things as they embark on the planning of the marketing campaign. Endeavor to try testing variations of the subject line, times of the day, days of the week and even the frequency of dispatches.

2.5.5 Using E-mail Marketing to Acquire Customers

Customer acquisition is the gaining of new customers. In e-marketing, it means gaining new online customers. This requires strategies for acquiring prospects and converting the leads to customers as well as strategies for migrating existing offline customers to online customers (Chaffey, 2009). Email marketing is a powerful way to strike a conversation with a potential customer (dvxinteractive.com, n.d.). It is also a powerful way to maximize customer acquisition efforts. It can help turn interested leads into users, inactive users into regular users and active users into long-term paying customers (Hexton, 2013). According to a Software Advice Survey, 40% of B2B marketers have placed a high quality rating on the leads generated by email marketing.

Arnold (2011) asserts that e-mail marketing helps in lowering customer acquisition costs, which is the amount of money that is needed to spend to get new customers who are totally unaware of the organization's products and services to make a purchase. The use of e-mails in marketing to acquire and retain customers is a standard that helps in lowering those costs. Crum (2013) argues that: "e-mail marketing has been a growing trend in e-commerce, with an increasing number of retailers building communities and collecting email addresses, then converting those 'members' into customers". E-mail marketing can actually be used to prospect and acquire new customers who have not opted-in or visited a business's site, according to Nye (2011).

2.5.6 Using E-mail Marketing for Customer Retention

Although much of the attention of e-marketing activity focuses on customer acquisition, much of the actual marketing activity and expenditure is focused on customer retention (Chaffey, 2009).

E-mail marketing makes it possible for businesses to proactively communicate with their existing customers, prospects or members rather than passively waiting for them to return to their website, visit their store or office or make a phone call. E-

mail marketing helps businesses to build solid relationships, initiate new ones as well as convert one-time visitors, buyers and members into repeat business and long term relationships (Constant Contact, Inc., 2008).

According to research, it is more expensive to gain new customers than retaining existing ones. In fact, many companies believe that it is repeat customers, rather than new customers, who are responsible for more sales. Customers who have a good experience with a product or service are very likely to make a repeat purchase at a later date (touchbasepro.com Newsletter, 2014).

Today, unlike during the days when marketers were focused on gaining new customers, building loyal customer relationships and keeping customers is more important than ever. In fact, most of the e-mail marketing messages that are sent globally are retention e-mails which are focused on building loyalty among existing customers and staying top of mind to keep them coming back (touchbasepro.com Newsletter, 2014).

The major goal of customer retention in email marketing is that regular communication makes customers voluntarily take

themselves "off the market" and stick to one's brand. An effective way of building this relationship is to reach out to existing customer database and listen closely to their responses. Watching your campaign reports or conducting surveys can help in the understanding of the relevance of one's email marketing messages with one's existing customers and help you learn how to hold their attention (touchbasepro.com Newsletter, 2014).

E-mail marketing performs a crucial role in customer retention in the following ways (touchbasepro.com Newsletter, 2014):

- I. E-mail marketing continues to be among the most inexpensive and effective ways to reach a large customer base.
- II. E-mail marketing allows a business to stay in regular contact with a client base and keep its business top of mind.
- III. E-mails can serve different purposes like adherence programs, up-sell offers, surveys, service messaging, a win-back offer or at the very least, an apology.

- IV. Since E-mail newsletters are customer initiated (because they need to opt-in to one's database) and are more oriented to educate the customer than selling, one can see a drastic improvement in the value that a customer holds for the company.
- V. No quantity of good advertising and marketing can address a lack of attention to customer communication and relationships, but email marketing offers an easy way to address this in a very personal and targeted manner.

2.5.7 Constraints of the E-mail Message

Email marketing is now widely embraced by online marketers because of its efficient and cost effective nature. It is used not only for product information but also for customer acquisition and retention (emailmarketingcampaigns.info, 2014). Its merits notwithstanding, it is faced with some constraints.

Unwillingness of users to reveal their e-mail addresses is one of the major constraints to e-mail marketing. When users come across a website asking them to sign up and reveal their e-mail addresses, majority of the prospective clients are unwilling to reveal their e-mail addresses for safety and security reasons. They are afraid that their e-mail addresses could be used for the

wrong reasons. Others are unwilling to reveal their e-mail addresses because of the fear of receiving spam or unsolicited e-mails (emailmarketingcampaigns.info, 2014).

Legal constraints are the second major constraints to e-mail marketing (Waugh, 2010). He disclosed that different nations have passed different legislations to prevent the sending of unsolicited emails for marketing purposes. In the United Kingdom (UK), the legislation has directed that marketers should send emails to customers based on a prior opt-in agreement with recipient of the mail. These laws apply to all organizations using any type of electronic communication for marketing purposes. The United States of America also passed a law to restrict sending of unsolicited emails. This law imposes fine of USD 11,000.00 per violation on sending unsolicited email or spamming to each individual. Besides, this legislation needs commercial email services to comply with the following conditions (Waugh, 2010):

- I. Users' authentication on their return address.
- II. Users to include a valid physical address.
- III. Provision of a one-click unsubscribe feature, and

IV. Prohibition of importing lists of purchased addresses that may not have given valid permission.

The other constraints faced by email marketers are mostly related to their individual methods and styles of sending newsletters. These involve informative versus uninformative articles, problems with auto responders, best time to send emails, and other constraints that are best addressed by the email marketer. Whatever, these constraints are, they can definitely be solved with a proper review of one's email marketing strategies (emailmarketingcampaigns.info, 2014).

2.5.8 E-mail Marketing Success Factors

Email marketing is certainly one of the most cost effective and fastest growing e-marketing tools. It makes the lives of marketers easier and helps companies generate higher revenues. It is also one of the easiest methods to deliver marketing messages to targeted audience (Akyel, n.d.).

Even though, it is one of the most popular tools in e-marketing, some marketers struggle with it because they do not know how they can make it a success (sales-push.com, 2013). Chaffey

(2010), earlier, recommended some critical factors for success in e-mail marketing. They include the following:

- I. **Conversation:** Email works best for marketing today when it can prompt a dialogue and encourage social sharing.
- II. **Relevance (including targeting):** The e-mail should be able to meet the needs of the recipients. Questions to ask include: Is a single message sent to all prospects or customers on the list or are e-mails with tailored creative, incentive and copy sent to the different segments on the list? Do recipients think the e-mail is SPAM? Will the e-mail get trapped in the Spam folder?
- III. **Incentive (or offer):** The WIFM factor or 'What's In it For Me' for the recipient. What benefits does the recipient gain from clicking on the hyperlink(s) in the e-mail?
- IV. **Timing:** Timing refers to when the e-mail is received; the time of day, day of the week, and point in the month and even the year. How does this relate to events or other campaign elements?
- V. **Integration:** Are the e-mail campaigns part of the business's integrated marketing communications?

Questions to ask include: are the creative and copy consistent with my brand? Does the message reinforce other communications? Does the timing of the e-mail campaign fit with offline communications?

VI. Creative and Copy: This is part of the creative and refers to the structure, style and explanation of the offer together with the number of location of hyperlinks and other calls-to-action in the e-mail.

VII. Attributes (of the e-mail): This include the message headers such as the Subject line, from address and format (HTML or text).

VIII. Landing Page (or microsite): The page(s) reached after the recipient clicks on a link in the e-mail. Typically, on click-through, often the recipient will be presented with a direct response form to profile or learn more about them. Designing the page so the form is easy to complete can affect the overall success of the campaign. This is, however, sometimes neglected.

2.5.9 Best Practice E-mail Marketing

Vaughan (2011) advocated the following best practice to guide businesses in their e-mail marketing campaigns. These include:

1. Use Incentives to Increase Open Rates: Endeavour to include an incentive in the subject line in order to increase open rates. “Free shipping when you spend \$25 or more” and “Receive a free iPod with demo” are examples of good, incentive-focused subject lines.

2. Stick to Fewer Than 3 Typefaces: The less clutter in the email, the more conversions will be experienced. Use only a maximum of 3 typefaces.

3. Keep the Main Message and Call-to-Action above the Fold: If the main call-to-action falls below the fold, then as many as 70% of recipients will not see it. Also, any call-to-action to be repeated at least 3 times throughout the email.

4. Keep the Email 500-650 Pixels Wide: Going wider than 650 pixels means asking users to scroll horizontally to read an entire message. This is not a good practice.

5. Put Logo in the Upper Left-Hand Side of the Email: Eye tracking studies have found that people instinctively look for logos in the upper left-hand side of emails. Put the organization’s logo in the upper left-hand side to ensure it gets the most visibility.

6. Write Compelling Subject Lines: A good subject line should contain not more than 30 to 50 characters. It should also create a sense of urgency, and it should give readers some indication of what to expect once they open the email.

7. Use Auto-Responders for Opt-Ins: Be prepared for readers to forget they opted in. Set up an auto-responder that reminds people they opted in to your email database. The auto-responder should be sent out 1 day, 5 days, and 10 days after the person registers. Each auto-responder email should include additional content or bonus material to reward the reader for opting in.

8. Closely Tie Emails to Landing Pages: The landing page should match the email in terms of headline, copy, and content. The look and feel of the landing page should also match the email. Tracking tools should also be utilized to see which emails and landing pages performed the best.

9. Conduct a 5-Second Test: Send a copy of the email to a friend or business associate to help identify what the call-to-action is. Keep working until they are able to tell what the call-to-action is.

2.6 Online Trust Elaborated

“If people like you, they’ll listen to you. But if they trust you, they’ll do business with you” Zig Ziglar.

Ecommerce is booming in most economies with the preponderance of ecommerce online transactions, which have seen an exponential decline in store-based transactions.

With the increase in ecommerce transactions, it is important for individuals, organizations or brands that have a presence on digital channels to make conscious efforts at building and sustaining trust with their audience. This is a key success factor for the growth or erosion of business according to Smiciklas (2011). He noted that “the actions you demonstrate across a number of different online touch points determine your level of trust. Using a banking metaphor, he argued that ‘positive actions and audience experiences increase your trust “value” while negative actions and audience experiences devalue your trust’.

Having gotten to a stage in our economies where ecommerce sales continue to boom while store-based sales continue to decline, “building trust is necessary as consumers become more

wary of cyber theft and customer loyalty is essential for any business that plans to survive into the future” (Roesler, 2014). What then is online trust?

It is indeed not possible to understand what online trust is without first understanding what trust itself is. Mayer et al (1995) defines trust as:

“The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”.

Adapting the above definition, Chao-Jung Hsu (2008) defined online trust as follows:

“Online trust is the willingness of a consumer to be vulnerable to the actions of an online store based on the expectation that the online store will perform a particular action important to the consumer, irrespective of their ability to monitor or control the online store”.

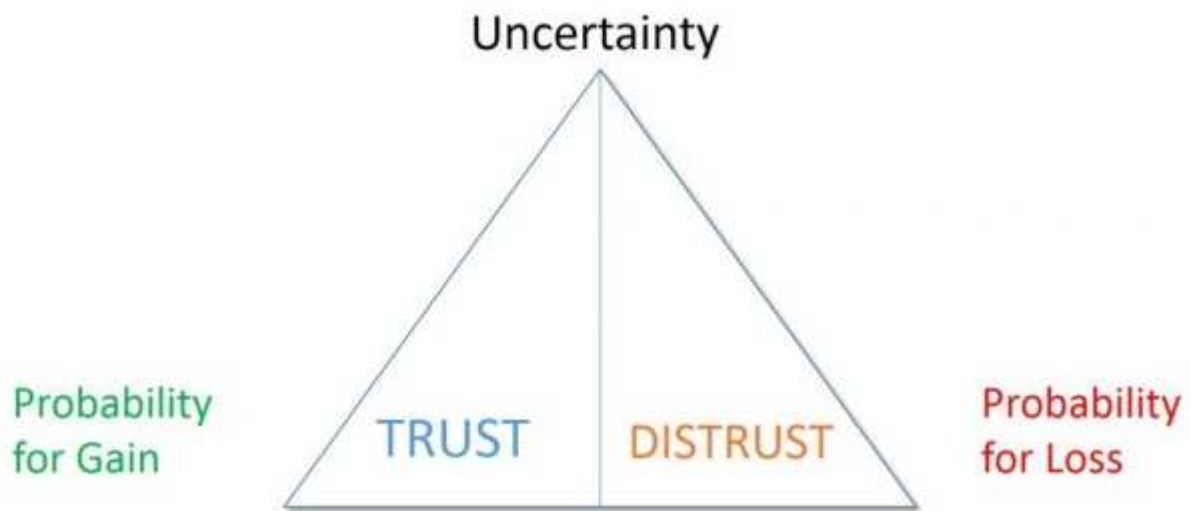
This definition, according to the author, is general enough to encompass trust for all types of operations and transactions.

Using the website as the object of trust, Corritore, Kracher, and Wiedenbeck (2003), however, defined online trust as: “*an attitude of confident expectation in an online situation of risk that one’s vulnerabilities will not be exploited*”. It is important to point out that many writers of the existing literature on trust do not differentiate between offline and online trust. Evans and Reville (2008) argued that trust can reduce risk, fear and complexity both in the offline and online environments. Similarly, trust can build cooperation and coordination in the offline world the same way it does in the online world. Suresh (n.d.) stated that three factors contribute to the state of trust. These include:

- The chance for a gain;
- The chance for a loss; and
- An uncertainty regarding the matter.

These factors are expressed diagrammatically in the following figure.

Figure 1: Factors that contribute to the state of trust



Source: Suresh, Sharan (n.d.). Actionable Tips to Build Trust on Your Ecommerce Website. Retrieved September 18, 2015, from <https://vwo.com/blog/trust-in-ecommerce>

2.6.1 Trust Issues in Digital Marketing

Trust is an important factor in both personal and business relationships. Without trust, relationships cannot be sustained.

In a growing online marketplace, website owners need to do everything possible to distinguish their brands. This means avoiding issues that are capable of making consumers lose trust in a brand. Although some business owners are knowledgeable on how to build trust among customers, protecting trust in a brand's digital content involves different tactics (Roesler, 2015).

A recent research from Neustar “What Erodes Trust in Digital Brands” analyzed what factors have caused consumers to lose trust in a brand's digital content offerings.

The report identified the following as the three key issues to online trust:

- i. **Inaccurate Content:** An adage of Internet marketing is that "Content is Key". Having a catching website name or flashy site design will only get consumers so far. Once they are inside the site, they expect the content they find to be relevant, interesting and most importantly, accurate. According to the research, many people have identified inaccurate website content as something that would cause them to lose trust in a brand.

Inaccurate content goes beyond making sure the content is written in a professional way (without spelling or grammatical errors). Brands need to make sure that the content on the site is accurate in terms of information on pricing, product availability and special offers. If a brand's site gives information that turns out to be inaccurate when they get to the checkout (online or in-store), customers will

lose trust in the information they find on the website in the future. Business owners should, therefore, occasionally take time to review their brand's site to ensure that the things they find are accurate and clear to consumers. There will often be banners that need to be removed or special offers that need to be clarified to avoid confusion and annoyance from visitors.

- ii. **Site Stability:** There are a lot of things that make great website, but in a way, the most important thing is that the site works. The Neustar study identified site downtime as a trust eroding factor. This may sound obvious, but it can be surprising how many ways there are for a site that normally works to not work in certain situations. For example, browser type makes a huge difference and certain features that work in one browser may not work or behave differently in another. This can affect everything from forms, fonts, and animations. This is something that web designers should know to account for when making a site, but mistakes can happen. Business owners should check for themselves to ensure that their websites are still functioning properly on all platforms, including mobile.

iii. **Security Issues:** This is the third most mentioned factor that erodes online trust. Security breaches can be very costly for businesses as they have to pay to repair the damage to consumers who are less likely to use the brand's digital offerings in the future. So, while security issues ranked third on this list, the damage they cause can be the most severe and take the longest to repair.

The research has offered two suggestions that can greatly improve consumer's perception of the brand.

Firstly, increasing page load speeds can make people feel more secure in a site. According to the study, many consumers 'worry about brand security' because sluggish performance of its website. Thus, a little page optimization can go a long way in addressing this concern.

Secondly, adding an option for two-factor authentication, which adds an extra layer of security protocols, will also boost consumer trust.

From experience, there are many other factors that give rise to trust issues in digital marketing. These include but are not

limited to delivery of defective products, delivery of products other than the ones ordered for, delay in the delivery of products ordered for, non-delivery of products ordered for after payment has been made, refusal to collect returns of defective or non-specified products from customers.

2.6.2 Factors that Influence Customers' Trust in Digital Marketing

Earning customers' trust in digital marketing as in every other sphere of life is not an automatic thing. A number of factors determine whether customers will trust or not trust their e-vendors in ecommerce. Some studies including Suresh (n.d.) and Kaur and Sushila (2013), have identified a number of factors that influence customers' trust in digital marketing. These include the following:

- i. Brand Recognition:** Brand recognition refers to likelihood that the customers will be able to recognize a brand and connect to the company's name, logo, tag lines and other things related to that brand. For an Indian customer to shop on a particular website, it is important for him to have heard or gone through the website's name somehow. Information about the website from the

sources like “word-of-mouth” from a reliable person, advertisements in newspapers, magazines and TV channels, positive reviews on various discussion forums, and popularity on social networking sites like Facebook and Twitter have a positive effect on the consumer trust. Further, if an e-brand or website is being endorsed by a famous celebrity, people are more likely to trust that business.

- ii. **Website Look and Feel:** Just like the physical appearance of the store and facilities, and the face to face contact with the employees of the store matters in offline stores, the look and feel of e-vendor’s websites has an effect on customers’ trust online. E-vendors rely on their online storefronts to attract first time visitors and convert them into their e-store’s customers. Therefore, e-vendors should try to incorporate the features which induce trust in their websites.
- iii. **Navigation:** Navigation deals with the convenience with which the user can find and access the information on an e-vendor’s website . Ease of Navigation is one of the essential components in building online trust. Good

navigation enables customers to concentrate on the website content rather than worrying about how to get around on the website. With bad navigation, customers will be spending more time pressing back button rather than anything else. Presence of broken or dead links on the website annoys the e-shopper and shows lack of professionalism on behalf of the e-vendor, thereby lowering trust in that e-vendor.

- iv. Payment Related Issues:** Convenient payment options are other factors that build online trust in ecommerce. Indian consumers, as noted by the research, prefer cash on delivery (COD) as a way of making payments. According to them, if an e-vendor is ready to accept payments in COD form, he does not have any ulterior motives and can be trusted. Study shows that COD acts as an enabler even to those people who are likely to pay using other payment methods like credit cards, Internet banking etc. Other customers feel that e-marketers should have multiple modes of making payments rather than insisting on only credit card payments, absence of which makes them suspicious of the e-marketer's intent. Besides,

some customers also feel that the e-vendor should use reliable and popular payment gateways. Making payment through these gateways makes them feel secure about their payment and information. People become doubtful if a website asks them to give credit/debit card information on any of its own pages rather than directing them to a payment gateway.

- v. **Presence of Third Party Trust Seals/ Meta Branding and Certification:** Third party seals are granted to websites to indicate that the website abides by a set of rigorous privacy and security standards. Meta-brands are a form of branding and accreditation involving seals of approval with companies like TRUSTe, Verisign, etc. Certifications are available through the use of digital and inspection certificates. Presence of Verisign and TRUSTe marks increases customers' trust in the business. Thus, it is important for the ecommerce websites to display valid certificates that have not expired.
- vi. **Detailed Product Description:** Clear, grammatically correct, detailed and meaningful product description boosts customers' confidence in websites' professionalism and

intention to sell genuine products. Customers also like to see a three dimensional view, pictures of the product taken from different angles or videos with product demonstration. If the customers are not able to relate themselves with the products, it will decrease their trust in the e-commerce website.

- vii. About Us Page:** Consumers generally want to know the people behind the business with which they intend to transact. For that, people have shown their desire to be able to locate the 'About Us' link on the home page of the website. If people come across some reputed names, it increases their trust in the business. If the customers are not able to find any such page, many questions regarding the legitimacy of the website arise in their minds which diminish their trust.
- viii. Order Tracking:** Customers have related their ability to track orders before and after shipment to positive impact on trust. The customers expect the businesses to notify them through emails and SMS's regarding the status of their orders (right from placing the order to the

delivery). Such notifications will also have a positive impact on the perceived professionalism of the e-businesses.

- ix. **Terms and Conditions / FAQ Page:** General and special arrangements, provisions, requirements, rules, specifications and standards that form an integral part of an agreement or contract can be defined as terms and conditions of a transaction (BusinessDictionary.com). Customers usually appreciate to see a 'Terms and Conditions' page which clearly and unambiguously states the terms and conditions applied on the purchase of the product. Customers also admire the presence of FAQs page which clearly mentions the delivery time of the products being sold, action taken if the product is not delivered on the promised time or the product does not meet the stated quality. Other customer concerns should also be addressed in that page. Presence of such pages contribute to increase in customer trust online.
- x. **Contact Us Page:** Specifying the physical contact address and phone number of the head office or corporate office of the e-commerce on the website is one of the

important factors for building customer trust. Customers want to know where to contact if there is an issue regarding their order. So, presence of the customer care number on the website is also very important. Many customer will prefer 24/7 customer care line, so they can contact whenever it is convenient to them.

xi. Money Back Guarantee/Return and Exchange Policy:

Money back guarantee is basically a simple guarantee which assures the customer that in case of dissatisfaction of the customer with respect to a product or service, a refund will be made. Money back guarantee/ Return and Exchange Policy can cover a range of incidents right from non-delivery of ordered goods at all, non-delivery of ordered goods in the stipulated time (in most cases 30 days) to return of goods in accordance with the shops' return policy. Money back guarantee assures the customer that if they are less than satisfied with their purchase, they can invoke the guarantee within a certain period and under certain conditions.

xii. Pop-Up Advertisements/ Third Party Advertisements:

Online advertising has come with numerous business

opportunities. This has made placing advertisements in nearly every popular website an economic necessity. Advertisements are third-party content that are mixed and rendered with the website content and rendered in the browser. Too many advertisements either in the form of pop-ups or placed within the text, makes customer suspect the seriousness of the e-business in handling customers, and thus, lowers the customer's trust. Presence of pornographic or other vulgar advertisements while doing some serious online shopping distracts and annoys the customer and leads to a declined trust level. Therefore, it is important for the e-vendors to avoid unnecessary advertisements on their websites and place the necessary advertisements at the right places.

- xiii. Customer Reviews On Home Page:** The presence of mixed reviews on an ecommerce website makes customers believe that the reviews are posted by genuine customers. If customer reviews - both positive and negative are placed somewhere on the home page, it increases a prospective customer's trust. If other customers can see how well a problem faced by some other customer was handled by the

e-business team, it will raise their confidence. In contrast to this, if only positive reviews or feedbacks are displayed on the website itself, customers get suspicious and think that the team involved has manipulated the reviews to suit their business needs.

- xiv. Logistics:** If a website mentions its tie-ups with reputed logistics companies (e.g. FedEx, etc.), it raises the trust bar of the customer as the customer is assured of fast and safe delivery.
- xv. Secure Connection:** Many customers look for that additional 's' after http before trusting a website completely. Hypertext transfer protocol secure (https) is a widely used communication protocol for secure communication over Internet. Https provides authentication of the website and associated web server that one is communicating with, which protects against middle-man attacks. For websites that use an SSL certificate, the address bar shows the protocol used as https instead of http and a padlock sign in address and/or status bar.

- xvi. Website Download Time:** Website download time is the website's technical characteristics in relation to loading time in a user's browser. Minimal website download time indicates that servers being used at back end are powerful and the company is taking its business seriously by investing in good servers. This increases the customer's trust in the website. If the web pages are heavy, it will take more time to load.
- xvii. Domain Name:** Domain Name is a unique name that identifies a website. In simple words, it is the name of the website. Whenever a user visits a website, it appears in the address bar of the web browser. All domain names have a domain suffix like .com, .net, .org, .gov, etc., that helps to identify the type of website (e.g. .com is for commercial websites, .org is for nonprofit organizations, .gov is for government websites, etc.). It has been revealed that a website's name also influences customers' trust online. A website name which is specific and to the point is considered a good website's name. It has also been noted that if a website has a poor name, then the website is considered untrustworthy and it

could be rejected at the very first instance. Website name should be meaningful and related to the products or services being offered, i.e., it should be indicative of the purpose of the website. It is, therefore, important to give a decent name to the website so that the consumers can trust it.

xviii. Extraordinary Discounts: Customers tend to be suspicious of an ecommerce website that gives out extraordinary discounts. Customers tend to be curious of the company's intention and suspect that it may be an illegitimate website trying to steal their credit/debit card details by offering too-good-to-resist offers, and these details may be misused later. This makes the customers to question the unbelievable generosity of the e-vendor and are likely not to trust the website.

xix. Past Experience: Customers' repeat visit to the website will significantly depend on how they have been treated in the past by the website. Customers will typically return to the websites where they have had a favorable past experience. If the customer has had a bad experience with any website, there are high chances that the

customer is not going to easily trust that website or for that matter any other website even of high reputation. One bad experience shakes the trust of a customer in the e-commerce set up which is difficult to restore. E-vendors should try to develop good first-time experiences of the customers, so that they revisit the website thereby increasing the e-vendor's sales.

2.6.3 Components of Online Trust

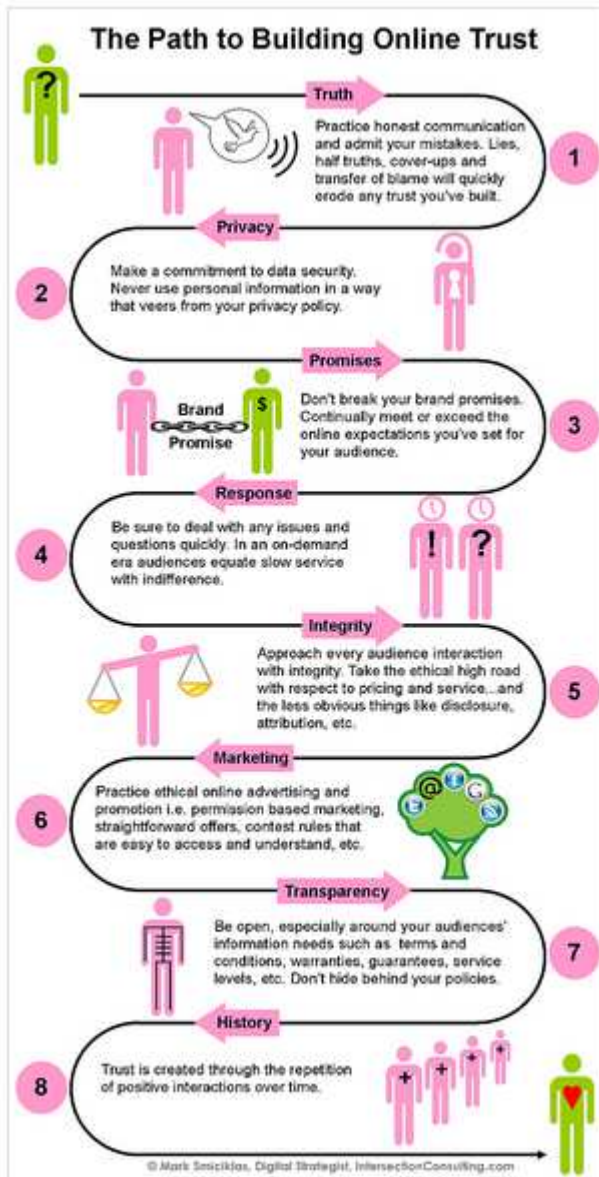
Every commercial transaction is rooted in trust. The components of online trust are regarded as the path to building online trust (Smiciklas, 2011). These are the building blocks of trust in e-commerce transactions. In an infographic (figure 2), Smiciklas (Ibid) outlined eight factors as the components of online trust. These include:

- i. **Truth:** Practice honest communication and admit your mistakes. Lies, half-truths, cover-ups and transfer of blame will quickly erode any trust that you have built.

- ii. **Privacy:** Make a commitment to data security. Never use personal information in a way that it veers from your privacy policy.
- iii. **Promises:** Do not break your brand promises. Continually meet or exceed the online expectations you have set for your audience.
- iv. **Response:** Be sure to deal with any issues and questions quickly. In an on-demand era, audiences equate slow service with indifference.
- v. **Integrity:** Approach every audience interaction with integrity. Take the ethical high road with respect to pricing and service... and the less obvious things like disclosure, attribution, etc.
- vi. **Marketing:** Practice ethical online advertising and promotion, i.e. permission based marketing, straight forward offers, contest rules that are easy to access and understand, etc.
- vii. **Transparency:** Be open especially around your audiences' information needs such as terms and conditions, warranties, guarantees, service levels, etc. Do not hide your policies.

- viii. **History:** Trust is created through the repetition of positive interactions over time.

Figure 2.1: The Path to Building Online Trust



Source: Smiciklas, Mark (2011). 8 Components of Online Trust [Infographic]. Retrieved September 21, 2015, from <https://www.socialmediaexplorer.com/digital-marketing/8-components-of-online-trust-infographic>.

2.6.4 Building Online Trust

According to Roesler (2014), “building trust is necessary as consumers become more wary of cyber theft and customer loyalty is essential for any business that plans to survive into the future”. Roesler (Ibid) noted further that building customer trust and loyalty is vital for online businesses that want to succeed. With so many options out there, consumers would not shop with or stay with businesses that do not make them feel valued or where they have lingering concerns about privacy and security. Adding these features to a site can help a business make a lasting rapport with customers that can last a lifetime.

Methods of Building Online Trust

When you build trust in your business relationships, you gain loyalty among customers. Roesler (ibid) has suggested the following as the five methods business owners can do to build customer trust and gain loyalty online. These include:

- i. **Use Social Media to Connect with Fans:** The best place to connect with customers is on social media. With the growth of ecommerce, consumers have become obsessed with the idea of engaging businesses via social media. This

is considered as a quick way to vet a company and to see what other people have to say about it. A 2014 study from Deloitte found that 75% of online Americans rely on product information found on social channels, which influences their shopping behaviour and enhances brand loyalty. Not having a social media page, or having a poorly managed one, can scare off potential customers.

- ii. **Offer Customer Service Assistance Online:** Though there are less face-to-face interactions in modern business, it does not mean that customers have nothing they need to say to a business. The Internet happens to be the first place people often turn to for customer service assistance, hoping to avoid lengthy hold times on customer service hotlines. As a matter of fact, businesses can reduce the number of customer calls they get by having a Frequently Asked Questions section on their websites. Besides, a customer service chat on the website can reassure customers who are trying to buy something that they can get help if they need it. Even when customers have a mobile device in their hands, they prefer web-based solutions to talking to a live agent. A recent Loyalty360

study found that for US mobile shoppers, 75 percent would prefer to use live online chat to calling to speak with customer service agents and 60 percent will abandon their online shopping carts and never make purchases from an online retailer again if they experience poor customer service.

- iii. **Use Loyalty Programs:** This is an underutilized tactic for how effective it truly is. There are a lot of ways to implement loyalty programs for online customers. This can be through email coupons, loyalty points for doing certain actions, free shipping perks, contests, etc. Make sure loyalty programs are easy to use. Frustrating rewards programs would be the opposite of building trust and fostering loyalty. According to another Loyalty 360 study, 48 percent of US loyalty program members have experienced frustration when attempting to redeem rewards.
- iv. **Encourage Customer Reviews and Display Them Prominently:** The importance of customer reviews in online transactions cannot be overemphasized. Customer reviews are important for online consumers since they are not able

to hold the product in their hand or test it before they buy it. Business owners can use this to their advantage and use the words of their satisfied customers to boost confidence in online shoppers. Encouraging reviews also lets current customers know that a business cares about their opinion. This builds loyalty, and often, these customers will become brand ambassadors to their friends, family and people they meet online.

- v. **Offer Multiple Payment Options:** With the increasing stream of security breaches and hacks, consumers are increasingly wary of how and where they make payments online. Business owners will encounter more customers who only use a certain payment method and the sites that have it will be at an advantage over those that do not have. It is, therefore, important for businesses to have several payment options. Experience has also shown that people would prefer to have several payment options when making purchases.

2.6.5 Digital Marketing as a Circle of Trust

The digital marketing space is getting more crowded with each passing day, with consumers receiving a steady stream of marketing messages across channels and platforms (Toplinestrategies.com Editorial, 2015). But digital marketing goes beyond the creation and distribution of content. It is also much about building a circle of trust with the audience; that is the declaration of your intentions to serve as a source of meaningful and useful content for your audience (Bailey, 2015). Jantsch (n.d.) observed that most organizations focus their attention on growing their customer base when they should really focus on growing the circle of people that trust what they stand for. He noted further that the bigger the circle of trust, the bigger the business potential. The customer base resides inside the circle of trust.

Jantsch (Ibid) suggested a number of things that matter when it comes to building your circle of trust. These include:

- i. **The stories told in small groups:** Stories that promote product or services in different groups and can be rallied around matter in building the circle of trust. When peer

groups, for example, discuss about different brands of phones, indicating their preference for a particular brand, thereby influencing others in the group to their preference, such stories matter in building the circle of trust.

- ii. **The rankings/ratings and reviews found on countless websites and products/services:** Decisions are made every day about products and services based on the reviews of previous customers on ecommerce websites. Real reviews talk about the real experience with the product or service. In fact, many people make up their mind to purchase some product they have no prior knowledge of after they have read favourable reviews, and/or seeing favourable ranking of the product or service.
- iii. **The page one results:** It is not enough that a search for your business turns up your website, it is equally important that it turns up an entire digital presence. You need to own page one for a direct search on your firm like Niner Bikes does. A Google search for ‘Niner Bikes’ shows up not only on page one but as the first item. This calls for improvement in your company’s search engine optimization ranking.

- iv. **The blog comments:** Direct conversations with clients, about clients, about your products, about your people, about the things your company stands for are going to show up in comments on blogs. Your company's blog, industry blogs, competitive blogs all matter because that is where the real conversation is taking place.
- v. **The shares, pluses, and likes:** Sentiment is one of the measurements online these days and a mark of true loyalty. When people talk about your brand in the language of likes, shares and pluses, stars, they exhibit their loyalty. These are the new techniques of marketing success that demonstrate the true value of a strong brand even to people who have never heard about it before.

Jost (n.d.), gave the following example of how the circle of trust works:

- i. Guests who stay at a hotel and become part of the "Circle of Trust" of the owner of the hotel.
- ii. When these guests leave, they go to their social media platforms and write reviews, post favourable comments, which get liked and commented on by friends. Those likes

and comments are seen by friends of friends, who also go and tell their friends what they have heard about this great hotel. By their actions, the "Circle of Trust" is growing even though the hotel owner does not know these people.

- iii. From these new comments and new sets of eyes, you get new influencers who ultimately impact booking decisions. Since majority of the reviews are positive, you get new guests who check in.
- iv. Now, it is back at number one and these new guests stay at your hotel.

The circle of trust keeps going round and expanding, and so does your revenue base. The "Circle of Trust" can be one of the best tools in digital marketing.

2.6.6 E-Commerce Consumer Reviews and Online Trust

Consumer Reviews are an evolving and expansive trend within the commercial marketplace especially in ecommerce (Ivanovs, n.d. and Laws.com, n.d.). The provision of Consumer Reviews provides consumers with the opportunity to furnish their fellow consumers with reviews of both products and services that are available for purchase. These reviews may vary in nature,

ranging from general product reviews to specific shades of a product or service. The importance of Consumer Reviews earns its credit from the fact that these reviews are provided by fellow consumers who are typically unaffiliated with the product or service in question. Consequently, those providing Consumer Reviews will lack vested interest or secondary gain with regard to the purchase of that particular product or service. The scope of Consumer Reviews usually ranges in content. Some Consumer Reviews will undertake the review and analysis of a product or service at large, while other Consumer Reviews will focus on individual components of a product or service, which may include warranties, replacement, structural integrity, guarantees, life span, and vendor-provided assistance with regard to the purchase of that specific product or service (Laws.com, n.d.). According to Ivanovs (op. cit.), consumer reviews have real value for consumers and people who now depend on them. Charlton (2015) asserts that “user reviews are proven sales drivers, and something the majority of customers will want to see before deciding to make a purchase”.

A new study from the University at Buffalo School of Management found that ecommerce websites with robust, interactive product review systems make customers more satisfied and improve product marketing. According to the study, e-commerce websites improve customer satisfaction and customer perceptions about the quality of their site by providing buyers with advanced product review features like images and videos (Sanders, 2015).

According to this study, 80 percent of potential online consumers turn to online consumer reviews before making purchase decisions. Another study by Information Central found that 88% of consumers consider online reviews very influential when purchasing a new product from a brand with which they are not familiar (Influence Central, 2015).

According to Sanders (ibid), “Shoppers trust other shoppers. When companies give their customers a voice, it’s a plus for both sides”. He noted further that consumer reviews, indeed, help consumers to make informed purchase decisions. Therefore, “Retailers should create sites that give customers

the tools to create reviews in a variety of ways and allow for quick, accurate responses to customer requests”.

Ivanovs (op. cit.) argues that apart from providing unbiased information that can be relied upon, people also like reviews because they provide third party insight into the quality and experience a product provides. Reviews also help people imagine themselves using the product in question in their own lives and also help reduce common questions that would otherwise arise through customer support inquiries. He noted further that genuine, positive consumer reviews will encourage customers perceive an e-vendor as someone they can trust, someone who cares about their customers, and someone who is willing to go the extra mile for an exceptional customer experience.

Consumer reviews are regarded as veritable tools for building online trust and credibility (Ivanovs, *ibid*). This is especially true of smaller and newer ecommerce brands that face a larger challenge in building trust when in competition with the larger and well-known brands. This is especially tough now, as people are becoming more cautious than ever before. According to

Mark Hayes, The Director of Communications at Shopify, "the increasing prevalence of phishing scams, malware, and just plain shoddy customer service makes consumers more wary with their clicks than ever before – which means that trust indicators on your website are more important than ever before". In line with Mark's suggestion, trust indicators on an e-commerce website are very important and making reviews clearly available on an ecommerce website can go a long way towards persuading people to make purchases (Ivanovs, op. cit.).

Underscoring the importance of trust in ecommerce, Smith (2014) has recognized 'testimonials and reviews' as the number one trust signal in ecommerce. He defined trust signals as "features or qualities of your site that inspire trust in the mind of the customer". Indeed, a study of UK-based online retailers found that ecommerce websites without consumer reviews and recommendations were losing £9 billion in extra revenue (Smith, *ibid*).

In order to encourage consumer reviews from customers, Ivanovs (*ibid*) has suggested the following 3 tips for ecommerce websites. These include:

- i. Sending friendly emails to customers who have the product in their hands for one or two weeks;
- ii. Making the process of reviewing accessible, easy and also rewarding. Giving out a coupon for the next order will have surprising effect on customers, and increase their trust in your business; and
- iii. Giving Coupons, Discounts and Sneak Previews. Even the smallest of incentives can have a huge impact on customer engagement. Discount codes, or sneak previews of upcoming products is also a great way to encourage customers to be a part of your community.

2.6.7 How Google Uses Search Engine Optimization (SEO) to Decide Consumer Online Trust

Search Engine Optimization (SEO) has been defined as “the process of affecting the visibility of a website or a web page in a search engine's unpaid results - often referred to as "natural," "organic," or "earned" results. In general, the earlier (or higher ranked on the search results page), and more frequently a site appears in the search results list, the more visitors it will receive from the search engine's users. SEO may target different kinds

of search, including image search, local search, video search, academic search” (Beel et al., 2010). It has also been defined as “the process of maximizing the number of visitors to a particular website by ensuring that the site appears high on the list of results returned by a search engine” (SearchEngineLand.com, n.d.).

One may be tempted to ask: what has SEO got to do with online trust? SEO actually has a lot to do with customers’ online trust. Kocher (2015) affirms that because consumers base most of their purchase decisions on trust, Google is working on algorithms to determine trust, in an attempt to send searchers to the best websites. This is achievable through SEO. Google is making this possible by developing algorithms that detect online behaviour that mimics those confidence builders. Google is doing these through the following signals according to Kocher (Ibid):

- i. **Friendship Signals:** Friends tend to trust their friends. Therefore, Google is working on understanding relationships between people and the information they share. Using the Google+ platform and a deal with Twitter,

Google has a continued interest in relationships and the things that people find important enough to share. Google has also been working to show those signals in its search results. Google search results can show the pictures of the searchers' friends who have shared something relevant to their search. Search data shows that those pictures of people they know draw the searcher's eye down past the top results to the one that was shared.

- ii. Reputation Signals: Within those sharable moments, Google is able to determine sentiment too. Google uses sentiment analysis to determine whether brand-mentions are positive or negative. Sentiment analysis is remarkably difficult but Google has achieved using a large enough body of text such as the entire Internet and access to data from one large (Twitter) and another smaller (Google+) social network. The number of clearly positive or negative mentions may be large enough to influence search results at some point.
- iii. Authority Signals: The Quality Rating Guidelines prepared by Google's human quality rating team have emphasized the importance of EAT (Expertise, Authority, and

Trustworthiness) in determining a site's quality. The authorship programme that displayed the mug shot of article authors next to the search result is one example of a program designed to understand authority. Google provided the incentive to authors to sign up for this programme with the reward of displaying their picture in the search results. However, after three years this programme was dismantled. That notwithstanding, Google has continued with work on surfacing long-form content by expert authors, as well as the EAT guidelines. This is a pointer to the continued interest in establishing personal expertise as a ranking signal.

- iv. Legitimacy Signals: Another area covered in Google's Quality Rating Guidelines is legitimacy signals for ecommerce sites. Legitimate sites that inspire trust contain some basic components. These include: contact forms with phone numbers and addresses, shipping information, and exchange and return policies. Sites lacking these may not be considered legitimate ecommerce businesses and are likely to be demoted by the quality raters. Google is, therefore, working on algorithmic methods of determining

business legitimacy. This is based on the presumption that Google has access to massive quantities of business data in its Google Maps databases.

Kocher (Ibid) concluded with a recommendation that SEO is to be trustworthy. Friendship and authority signals require content that is engaging and valuable to customers as well as worthy of being shared. Reputation has a lot to do with business practices. Legitimacy is perhaps the easiest perception to change. Make sure to include contact information and policies on how you plan to do business. Not doing these will create issues with SEO performance.

2.6.8 Trust, Customer Satisfaction and Online Repurchase Decisions

‘Customer is the king’ is a popular business adage that emphasizes the importance of customers to businesses. Business organizations are not doing any favor to their customers. Rather, customers are doing the favor to businesses by giving them the opportunity to serve them with their products and/or services. Underscoring this point with the dictum of Mahatma Gandhi who said that:

“A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so” (Elliott, n.d).

A satisfied customer becomes a loyal customer through repeat business. A study on “Online Customer Loyalty” (Nacif, 2003) found that customer satisfaction is positively related to repatronage behaviour. This suggests that “as levels of customer satisfaction increase, customers are more likely to patronize the retailer and more likely to spend more in subsequent period”. This means that customers’ post-purchase trust assessments are responsible for their subsequent purchase behaviour, which has a strong positive impact on the monetary value of their transactions.

Another study (Kim, et al., 2003) also found that “trust directly and indirectly affects a consumer’s purchase decision in combination with perceived risk and perceived benefit, and also

indicate that trust has a longer term impact on consumer e-loyalty through satisfaction”.

This means that there is a positive relationship between online trust, customer satisfaction and customers’ repurchase decisions

2.6.9 Online Scams, Cyber-Attacks and Digital Marketing

Ecommerce is an integral part of the marketing function. It mostly takes place on the websites of marketing companies (Kim, et al., 2011). Digital Marketing on the other hand is highly important, not just because of its rapid growth, but also because of the fact that it is the future of marketing (Alternative Advert Medium, 2015). Both ecommerce and digital marketing takes place on the cyberspace. The term 'cyberspace' refers to the electronic medium of computer networks, principally the Web or the Internet, in which online communication takes place. However, one of the major challenges facing e-business or cyber-business or online business is its vulnerability to e-crime, also called cybercrime. Cybercrime has the capacity to totally disrupt a company's marketing activities (Kim, et al., 2011). According to Brown (2006) “networked computers with

exposed vulnerabilities may be disrupted or taken over by a hacker or by automated malicious code”.

The continuously evolving cyberspace offers more opportunities to individuals, businesses and the society in general. Organizations, therefore, need to be prepared to deal with an increasing number of threats in order to ensure cyber security, prevent cyber-attack, detect cybercrime and protect networks because of these opportunities. Data and assets are now more important than ever before, hence, they need to be protected by every available means (Alternative Advert Medium, 2015).

McGuire and Dowling (2013) have observed that apart from the opportunities for businesses, the Internet also presents opportunities to cyber criminals. The nature of some ‘traditional’ crime types has been transformed by the use of computers and other information communications technology (ICT) in terms of its scale and reach, with risks extending to many aspects of social life, including: financial transactions; sexual offences; harassment and threatening behaviour; and commercial damage and disorder.

According to them, these new forms of criminal activity have also been developed, targeting the integrity of computers and computer networks such as the spread of malware and hacking. Threats exist not just to individuals and businesses, but to national security and infrastructure. Furthermore, the borderless nature of cybercrime means that countries can be targeted from jurisdictions across the world, making law enforcement particularly challenging.

Industry reports compiled by anti-virus providers have indicated the increase in Trojans. Trojans are types of viruses that masquerade as legitimate programmes, but collect personal data from a user's computer. They have also identified the emergence of fake anti-virus software, which imitates legitimate anti-virus software but is actually a form of malware that can be used to extract users' personal information (Sophos, 2011; Microsoft, 2012; PandaLabs, 2012).

According to a Sophos Press Release (2008), Sophos experts had discovered that 6000 webpages are infected every day, one every 14 seconds. 83 percent of these webpages belong to innocent and unsuspecting companies and individuals, unaware

that their sites have been hacked. Meanwhile, “websites of all types, from antique dealers to ice cream manufacturers to wedding photographers have hosted malware on behalf of virus writers”.

The Sophos Press Release also alerted that cybercriminals can target any computer user by sending out spam emails containing links to the poisoned webpages, directing unsuspecting victims to the malicious code. The website can determine if the visiting computer is a Mac or a PC, and deliver malware custom-written for the surfer's operating system.

In another Press Release in 2013, Sophos alerted on increased sophistication and the significant changes in criminal behaviour on the Internet. According to the press release, “cybercriminals continued the theme of professionalization of their ‘industry’, offering easy-to-buy-and-use services that amplified the scale of cybercrime to never before seen levels”.

According to Graham et al. (2009), the total of criminal gain from cyber fraud is unquantifiable, but most indicators put it in the tens of billions of dollars. It is important to note that their gains amount to losses for their unsuspecting victims.

Apart from the direct losses that can result from cybercrime, companies that are victims of cyber criminals stand to lose the trust and confidence of customers who are concerned about the security of their online business transactions. Consequently, a company may miss future business opportunities if it is known to be vulnerable to cybercrime. This may even result to a decline in the market value of the company, due to legitimate concerns of various stakeholders, including financial analysts, investors, and creditors (Kim, et al., 2011).

Cybercrime is a threat to everyone. As digital consumers of the IT era, we make use of the Internet every day in order to access social media, do personal or business banking, book a holiday, and get the latest updates on news and sporting events. We perform so many tasks using the Internet, believing that it is safe. We tend to neglect the security and preventive measures against cyber criminals (Linington, n.d.).

Cybercrime as broadly defined by tech company, Symantec, “any offence that is committed using a computer, network or hardware device (Linington, n.d.). Cybercrime is not really new, but its scope is constantly evolving (Linington, n.d.; Alternative

Advert Medium, 2015). Linington (op. cit.) observes that “once cyber criminals have your personal details, they gain access to an abundance of information that will allow them to clone just about any account that is tied to you”. These include but not limited to: credit cards, investment bonds, personal savings accounts, as well as cheque accounts. In fact, your whole identity can be stolen within a few seconds (Linington, n.d.).

There are several methods that cybercriminals employ in dealing with their unsuspecting victims, as will be seen in the following sections.

2.6.10 Most Commonly Used Methods of Scams

A **scam** is a term used to describe any fraudulent business or scheme that takes money or other goods from an unsuspecting person. With the world becoming more connected courtesy of the Internet, online scams have increased. It is therefore advisable that people thread cautiously as they connect with other people on the Internet (Computerhope.com, n.d.).

Scammers often adopt different methods to scam their unsuspecting victims. The following methods are commonly used to scam people according to Square1financial.com (n.d.); Neagu, (2014); Khan (2007) and Graham, et al., (2009); Miller (2008):

i. Malware

This is a short form for "malicious software". Malware includes various forms of computer Viruses, Spyware, Trojans, and Worms, which are not always detectable, are generally designed to infiltrate and damage computer systems, collect unauthorized data, and ultimately to commit fraud.

Viruses usually enter your computer system through an email attachment opened by the email recipient that can attack your operating system and get into your email address book to send out unauthorized email appearing to be from you.

Spyware is a covert software programme that may be installed on your computer without your knowledge or consent. It scans and records activities on a computer or system, online or offline and then transmits the gathered information to other

computers or locations on the Internet. It can also record your key strokes, send pop-ups ads, and redirect you to certain websites to gather your information.

Trojans are programmes used to gain unauthorized access to your computer to gather information and send spam or other information from your system. Unlike Viruses and Worms, Trojans do not make copies of themselves to be spread across many computers and systems.

Worms are programmes that can reproduce themselves over a computer network. They are designed to destroy communications throughout the network. They are capable of shutting down systems for long periods of time.

Adware are advertisement-supported software applications that display advertisements on a computer. This is the most common type of malware.

In order to minimize the risk of malware infection to your computer/network, it is advised to do the following:

- Avoid downloads from public file sharing and social networking sites. Attachments and free software from

unknown sources are very common distribution points for malware to reach your computer.

- Be wary of **pop-up advertisements** that appear on your computer, especially those asking you to provide personal or financial information. Reputable financial companies will not attempt to gather your information this way and such pop-up advertisements should be closed immediately. Utilize the pop-up blocker on your computer and spam blockers provided by your Internet/email service provider.
- Update your security and system software regularly to proactively protect your computer from malware threats. Utilize available software and hardware firewalls to protect your system against unauthorized access.

ii. Spam

Spam is an undesirable and unwanted mass of emails that is irrelevant and unsolicited. These are also referred to as junk mail. Emails are considered unsolicited if the recipient has not provided consent to receive it. Spamming is common with commercial mass marketers who send out large quantities of email messages as part of their promotional activities. This practice has been extended to text messages, by sending

commercial advertisement messages via text messages to cellphones.

iii. Phishing

Phishing is a deceptive baiting technique that is designed to scam users into providing personal and confidential information. It is regarded as a fast growing threat on the Internet that is capable of having serious consequences for its would-be victims. A user responding to phishing is led to a fraudulent website with the evil intent of gathering information that can be used for a variety of purposes including identity theft, financial scams, etc.

iv. Pharming

Pharming attacks are similar in nature to phishing attacks in that they are also designed to extract confidential data from victims by pretending to be a trusted source requesting for such information. The only difference with phishing is that while phishing attacks trick the victim through social engineering into visiting the fraudulent website, pharming attacks resolve the

victim's DNS to a malicious server when attempting to visit a legitimate website.

v. Vishing

This is a method used by fraudsters who use Voice over Internet Protocol (VoIP) to call unsuspecting victims in order to gain personal information from them. Vishing is usually done in the form of an automated recording on ones voicemail. The message informs the unsuspecting victim of the unusual activity on their account and instructs them to call the phone number shown in the spoofed caller ID, which appears to be from the financial company the fraudsters are pretending to represent. Vishing attempts may also include similar emails and text messages containing fraudulent contact numbers for you to call to give up your identity information. It is advisable never to provide such information until you have contacted your financial institution using the contact information on your statement to validate the request.

vi. SMiShing

SMiShing is a type of scams that involves the use of text messaging (SMS) to commit fraud. Through smishing, fraudsters send text messages to unsuspecting victims appearing to be from a government agency or financial institution, attempting to get the victim to provide their personal information. Following their fraudulent text instructions, the victim may unknowingly supply confidential information which allows the fraudster to gain access to the victim's accounts. It is advisable, therefore, to always confirm these requests with the financial institution using the contact information on your statement before providing any information. Do not use the contact information provided within the suspicious text message.

vii. Lottery and Inheritance Scams

These are type of scams that inform the victims that they have won the lottery or a sweepstakes, or an inheritance from an unknown relative. The scammers used different methods to communicate their messages including but not limited to: letters, faxes, emails, and telemarketing calls. The

communication will generally ask you to keep a small portion of the check the fraudster has sent you and that all you need to do is wire out the remaining proceeds to another location. Most times the recipient deposits the check, wires out their own money while the check is clearing, and ends up with a returned check and an overdrawn account, and funds that are not recoverable.

viii. Money Mule Scams

These refer to a fraud in which unsuspecting victims are recruited by fraudsters who use the “mules” to launder stolen funds. Money “mules” are usually lured into the fraudster’s efforts by the promise of a new job opportunity, with good pay and minimal work requirements. The fraudster first recruits the money “mules,” sends them stolen money (usually stolen over the Internet by various forms of hacking into the financial system) and then asks the money “mule(s)” to transfer the money unwittingly back to the fraudster, while keeping a portion of the money. Using the money “mule” masks the criminal's identity. Money mule victims of these scams often have their bank accounts closed and financial reputations

ruined, and are often left financially responsible for the stolen funds.

The most common signs of money “mule” scams include, but are not limited to:

- i. Foreign companies or agencies recruiting you as a US money transfer agent;
- ii. Requests to open new bank accounts in your name to receive money from someone you do not know;
- iii. Being asked to accept the transfer of large sums of money into your personal bank account as a "job opportunity", of which you do not know the source of the funds; and/or
- iv. Sending money out of your personal bank account to people or a company you do not know.

2.6.11 Growing Nature of Cyber Attacks

In the present digital and information technology era in which online communication is a key characteristic, Internet users, businesses and governments have faced increased risks of becoming the targets of cyber-attacks. Cyber criminals are persistent in developing and advancing their techniques, as well as shifting their targets by focusing less on theft of financial

information and more on business espionage and access to government information (KPMG, 2011).

Decrying the incidence of cyber-attacks, the President of the United States, Barack Obama was quoted saying that “cyber threat is one of the most serious economic and national security challenges we face as a nation” (NBC News.com, 2009). The increasing popularity and convenience of digital networks has come with associated costs. The more businesses and societies in general continue to rely on computers and Internet-based networking, the more cybercrime and digital attack incidents have increased around the world (Economist, 2010). Cyber-attacks are getting more and more sophisticated by the day, making detection and attribution difficult. This makes every citizen vulnerable, with the simultaneous growth of the “Internet of Things” (IoT) (Lu, 2015).

Defined as “the malicious use of offensive cyber capabilities to undermine, manipulate, or destroy critical civilian and military networks and infrastructure” (Brown, et al. 2014), cyber-attacks generally include financial scams, computer hacking, downloading pornographic images from the Internet, virus

attacks, e-mail stalking and creating websites that promote racial hatred according to BBC News (n.d.).

According to McGregor (2014), the year 2014 has seen “high-end data breaches of large companies, with data, personal records and financial information stolen and sold on the black market in a matter of days”. Similarly, Kaspersky, the Antivirus Company used an interactive map (<https://cybermap.kaspersky.com>) to depict all the current cyber-attacks occurring around the world in real time, showing the growing intensity of hacks as the year progresses (McGregor, 2014).

Earlier, in the conflict between Israel and the Palestinian Authorities, cyber-attacks were conducted in October 2000 when Israeli hackers launched DOS attacks on computers owned by Palestinian resistance organizations (Hamas) and Lebanese resistance organizations (Hezbollah). Anti-Israel hackers responded by crashing several Israeli web sites by flooding them with bogus traffic (Kraft, 2000). There were similar of these attacks between Pakistan and India. The foregoing attacks may be responsible for the belief by some people that the third war might be fought on computers. Dr.

Martins Ikpehai, the Chief Executive Officer of Computer Audit and Security Associates Ltd, Lagos, Nigeria is one of those who share a similar view. According to him, considering how different attacks were being launched through the Internet, “the third world war might be fought on the computer” (Balancing Act Africa, n.d.).

McGregor (2014) highlighted some of the most brutal cyber-attacks that took place in the year 2014 including eBay, Montana Health Department, P.F. Chang’s, Evernote and Feedly, and Domino’s Pizza. These companies suffered different amounts of data losses.

Cyber-attacks, cybercrime, cyber-scams are a growing concern among individual Internet users, businesses and governments. To defeat this growing scourge, all hands must be on deck. As noted by KPMG (2011), “to fight fast-spreading cybercrime, governments must collaborate globally to develop an effective model that will control the threat”.

2.6.12 Most Common Cyber-Attacks

KPMG (2011) and Grimes (2012) have listed the following as some of the common methods of cyber-attacks. These include:

- i. **Viruses and Worms:** These are computer programmes that affect the storage devices of a computer or network, which then replicate information without the knowledge of the user.
- ii. **Spam Emails:** These are unsolicited emails or junk newsgroup postings. They are sent without the consent of the receiver. They have the potential to create a wide range of problems if they are not filtered appropriately.
- iii. **Trojans:** A Trojan is a programme that is seemingly legitimate. However, when it is run, it moves on to locate password information or makes the system more vulnerable to future entry. A Trojan may simply destroy programmes or data on the hard disk.
- iv. **Denial-of-Service (DoS):** DoS occurs when criminals attempt to bring down or cripple individual websites, computers or networks, often by flooding them with messages.
- v. **Malware:** This is a short form for malicious software. It is software that takes control of an individual's computer to spread a bug to other people's devices or social networking profiles. Such software can also be used to

create a 'botnet'. A botnet is a network of computers controlled remotely by hackers, known as 'herders' to spread spam or viruses.

- vi. Scareware:** Using some tactics to create fear, some cyber criminals compel users to download certain software. While such software is usually presented as Antivirus software, after some time these programmes start attacking the user's system. The user then has to pay the criminals to remove such viruses.
- vii. Phishing:** Phishing attacks are designed to steal a person's login and password. For instance, the phisher can access the victims' bank accounts or assume control of their social network.
- viii. Fiscal Fraud:** By targeting official online payment channels, cyber attackers can hamper processes such as tax collection or make fraudulent claims for benefits.
- ix. State Cyber-Attacks:** It is believed that some government agencies may also be using cyber-attacks as a new means of warfare against other states. One of such attacks occurred in 2010, when a computer virus called Stuxnet was used to carry out an invisible attack on Iran's secret

nuclear programme. The virus was aimed at disabling Iran's uranium enrichment centrifuges.

- x. **Carders:** Stealing bank or credit card information details is one other major cyber-crime. The information obtained is then used to duplicate cards which are used to steal/withdraw cash at ATMs or in shops.
- xi. **Network-Traveling Worms:** A network worm is a standalone programme that tries to copy itself to other computers connected to the same LAN (Local Area Network). Such worms travel from one computer to another using shares. A share is a media (hard drive for example) or part of it that can be accessed by everyone or only by users with specific access rights. Many organizations have had to fight network worms such as Conficker and Zeus.
- xii. **Advanced Persistent Threat (APT):** An APT is a network attack in which an unauthorized person gains access to a network and stays there undetected for a long period of time. The intention of an APT attack is not to cause damage to the network or organization; rather, the intention is to steal data.

2.6.13 Effects of Cybercrime on Digital Marketing

Government and corporate computer networks are the potential targets of cyber terrorists and cybercriminals (Malone, 2008). According to him, the fear of cybercrime is preventing some people from engaging in ecommerce transactions online.

According to the Royal Canadian Mounted Police (RCMP) (n.d.), cybercrime is “any crime where cyber – the Internet and information technologies, such as computers, tablets, personal digital assistants or mobile devices – has a substantial role in the commission of a criminal offence. It includes technically advanced crimes that exploit vulnerabilities found in digital technologies. It also includes more traditional crimes that take on new shapes in cyberspace”. In the view of Mohr (2012), “cybercrime includes a myriad of devious criminal practices designed to breach a company's computer security”.

Cybercrime has the potential to disrupt the whole of a company's business activities. It costs publicly traded companies billions of dollars annually in stolen assets, lost business, and damaged reputations. Cyber criminals can steal cash at the push of a button. If a company's website goes down as a result of the activities of cyber criminals, customers will

likely take their businesses elsewhere (Smith et al, 2011). Cyber criminals may threaten to close down complete networks then use this position to blackmail by demanding cash for the return of stolen data (Malone, op. cit.). It has been noted by Mohr (op. cit.) that every business that operates online has to deal with cybercrime in one way or another.

Johnson (2014) asserts that cybercrime is a growing challenge for e-commerce firms and consumers. According to him, some companies have to close down their online stores out of concern that they cannot adequately protect against cyber-theft. Besides, customers are also more interested in knowing how the businesses they deal with handle security issues and thus, are more likely to patronize businesses that are upfront and vocal about the protections they have installed on their websites. According to him, key e-commerce risks as a result of cybercrime include payment fraud, staff fraud, vendor or service provider fraud, corporate data theft and money laundering.

Smith et al. (op. cit.) stated that apart from the direct losses that are attributable to cybercrime, companies that are victims of cyber criminals stand to lose the confidence of customers

who are sensitive about the security of their business transactions. Consequently, such companies are likely to lose future business if it can be established that it is vulnerable to cybercrime. This may even lead to a decrease in the market value of the company, due to legitimate concerns of financial analysts, investors, and creditors.

The effects of cybercrime can be far-reaching and very serious. For instance, a single, successful cyber-attack can wreak havoc far and wide all over the world (Waldron, n.d.). Mohr (op. cit.) has outlined three specific examples of how cybercrime affect companies in digital marketing. These include the following:

- i. **The Cost of Protection:** Companies spend huge sums of money to protect themselves from cyber criminals. These are costs in identifying risks, building new and safer operating procedures, and buying protective software and hardware. For businesses with complex or sensitive operations, this often involves hiring a cyber-security consultant to develop a customized solution. Besides, there are costs incurred regularly in systems testing and monitoring to ensure that they are still effective against

emerging cyber-attacks. The incidences of these costs are often passed on to the customer through higher prices for goods and services.

- ii. **Lost Sales:** The activities of some cyber criminals are aimed at shutting down online operations of targeted businesses or to send a message about the company's business practices. These are the online equivalents of protesters. Their activities result to lost sales. Major corporations, such as PayPal and MasterCard, were attacked in this way in the year 2010.
- iii. **Changing Methods of Doing Business:** Cybercrime can impact businesses in more than just financial ways. It can cause businesses to find new ways of doing business. For instance, companies have to rethink how they collect and store information to ensure that sensitive information does not become vulnerable to cyber criminals. As a result of this, many companies have stopped storing customers' financial and personal information, such as credit card numbers, social security numbers and birth dates.

Besides the foregoing examples, Waldron (op. cit.) listed the following effect of cybercrime on businesses. These include:

- The loss of sensitive data and intellectual property
- Service disruptions, downtime etc. for businesses
- Reputation damage
- Compensation paid to customers for losses, or contractual compensations (for delivery delays etc.)
- Cost of countermeasures
- Insurance costs
- Loss of trade
- Job losses

2.6.14 How to Detect Online Scams

Scams are plots by cyber criminals to swindle or defraud people by deceiving them in a subtle way in order to gain money or other valuables. An Internet scam or online scam is a scam that uses the Internet, involving either email messages, websites, or some combination in carrying out the scams. Other methods of communication that scammers use include phone calls, text messages, and snail mail (Wisegeek.com, n.d.).

An attacker may send an email appearing to be from reputable organizations requesting account information or suggesting there is a problem (University College Cork Ireland, n.d.).

Recently, some scams artists have even claimed to represent the United States government according to Strickland (n.d.). They then use the requested information to gain access to the victim's account or network (University College Cork Ireland, n.d.).

These scams artists will stop at nothing to convince Internet users to hand over money to them (Strickland, n.d.). It is, therefore, important for Internet users to always be cautious in their online transactions.

Strickland has listed the following as some common indicators of scams in:

- A call for urgency such as, "You must act now!"
- A promise of huge profits in a short timeframe
- Overuse of buzzwords and jargon
- Claims of insider information or confidential data

According to the University College Cork Ireland (n.d), Internet users should do the following to guard against Internet scams:

- i. Be suspicious of emails that ask for personal or company information

- ii. Never send your password or personal information in response to an email
- iii. Do not click on links in an email that you are suspicious of
- iv. If you are unsure whether the email is legitimate contact the company directly to verify it
- v. Never open attachments of suspect emails

Several approaches have been recommended to help Internet users to detect and avoid being trapped by an Internet scams (Wisegeek.com, n.d.). First of all, is to become familiar with the long-playing Internet scams that continue to plague people. These include receiving emails that tell you that you have won a lottery. Other frequently found scams involve working from home and earning huge profits, government grants, sweepstakes, debt assistance, etc. (Wisegeek.com, n.d.).

Secondly, you can detect an Internet scams by learning to recognize the signs of scams. Spoof websites and email scams can often be recognized by spelling errors, grammatical errors, use of all caps, and other non-standard language. Any email that asks you for a password, account number, or Social Security number is in all likelihood a scams, as legitimate businesses will

not ask you to put your valuable personal information at risk by putting it in an email. Also watch out for fake seals and logos. When in doubt, independently type in the correct website for a business entity and compare the logos. Do not click through an email link (Wisegeek.com, n.d.).

Besides, Internet scams can be detected by knowing and employing practices and tools that can help keep you safe. For example, you can use a browser that has an anti-phishing filter that clearly identifies secure sites. Use anti-virus software, malware detection, and anti-spyware to gain assistance in filtering out scams. Another tool to assist in the detection of Internet scams is anti-phishing toolbar. Anti-phishing toolbar checks web addresses against databases of known scams sites and checks for the use of SSL (Secure Sockets Layer) certificates and alerts the user when it finds inconsistencies or problems (Wisegeek.com, n.d.).

2.6.15 How to Prevent Computer Fraud

Fraud generally, “includes a wide variety of acts characterized by the intent to deceive or to obtain an unearned benefit”

(Coderre, 2009). According to him, its legal consequences include a variety of criminal charges, including fraud, theft, embezzlement and larceny. Goldman (2010) has noted that fraud played a “starring role” in the emergence of the dark chapters of American financial history.

Computer fraud on the other hand describes a diverse class of electronic crimes that involve some form of electronic information theft and often monetary gains for the perpetrators (Reference for Business, n.d.). The following are some common types of computer fraud according to Reference for Business. These include:

- i. Altering or falsifying corporate computer records for personal gains;
- ii. Breaching a computer network (hacking) for sabotage or for obtaining sensitive information, such as passwords or data;
- iii. Eavesdropping on phone lines or network connections via computer programs in order to glean sensitive information; and

- iv. Offering bogus products or services over a public computer network such as the Internet.

The advent of the computer has helped in easing the process of doing business. Indeed, the spread of computers and networking revolutionized the business world and simplified life for many people. However, unfortunately, computers have also contributed to an increase in fraud, which results in severe financial losses for both businesses and individuals (Reference for Business, n.d.).

Computer fraud is a threat that has continued to grow unabated especially with the development of new technologies and the ever-increasing number of people using them (Vaudreuilplus.ca, n.d.). It has been observed that computer fraud is continuously growing in frequency and sophistication every day. The extensive coverage of the Internet has created an avenue for identity thieves and other criminals to reach out across states, countries and continents to fraudulently obtain personally identifiable information about individuals and businesses (Reliance Bank, n.d.).

For the victims, this involves more serious consequences than just an infection to their computer systems. It amounts to financial loss, identity theft, and reputation damage among the most frequently experienced problems. It is, therefore essential to recognize the attempts of fraudsters and scammers in order to protect you from the harm they can cause (Vaudreuilplus.ca, n.d.).

Cyber criminals embark on computer frauds such as phishing by sending of emails, text messages and website addresses to unsuspecting victims. These are designed to look like they come from legitimate companies, financial institutions or government agencies and mislead the recipient into providing personal information or money for some unwarranted reason. They also go online to send Trojan viruses or other high-tech means to retrieve information you type on a public computer's keyboard. It is, therefore, advisable that if you have any doubt about an email or other inquiry, contact the institution or company in question to ensure the validity of the received message or to notify the fraud made on behalf of their company (Vaudreuilplus.ca, n.d.; Saltzman, 2012).

Preventing computer fraud has, therefore, become a necessary step that must be taken by businesses and individuals to safeguard their online transactions. In the US, the Federal Computer and Abuse Statute, 18 U.S.C. 1030 offers protection computers in which there is a federal interest, such as federal computers, bank computers, as well as computers used in interstate and foreign commerce (Doyle & Weir, 2006).

To prevent computer fraud, a number of suggestions have been put forward. For instance, concerning emails, it has been advised that you NEVER open an attachment when you are not sure the issuer is a valid person or organization, as this may install a virus which sends your personal information to cyber criminals (Vaudreuilplus.ca, n.d.).

Also when it comes to personal information such as a password or credit card number, NEVER click on a link in an email. Instead, retype the first part of the address in your browser (the part that leads you to the home page of the company) and follow the links on this homepage to check the information. This will protect you from any disguised links leading to malicious files and scripts (Vaudreuilplus.ca, n.d.).

Other suggestions on how to prevent computer fraud as suggested by Saltzman (2012) and Gulf Coast Bank (n.d.) include the following:

- i. **Email from Your Bank:** If you receive an email from your bank or credit card institution asking you to confirm your account information, this may probably be a phishing attempt that will take you to a phony website. Banks and credit card companies do not send you emails asking for this information. Therefore, look at the URL to see if it is not your bank. Do not click on the link in the email, as it will take you to the spoof site. When in doubt, contact your bank directly.
- ii. **Better Passwords:** Pick a password for your bank, company site or social networking home that has at least seven characters and, use a combination of letters, numbers and symbols. Do not use your child's name, dog's name or your phone number. And it is not advisable to use simple passwords like "12345".
- iii. **Secure Purchases:** Do not buy anything online with a credit card unless the website is secured with SSL (Secure Sockets Layer), indicated by an icon of a padlock in your

web browser. If you shop on eBay, use a secure payment method such as PayPal or a credit card in order to protect your purchases in case of a dispute (never send cash or cheque).

- iv. **Anti-Malware Software:** Good anti-malware software can detect suspicious emails and websites. Norton Internet Security 2012 from Symantec is a good example. Besides, there are other good products out there. Some free alternatives are available for download at Download.com, but most of these only handle viruses and spyware.
- v. **Microsoft Updates:** Microsoft releases software fixes on a regular basis. Choose “automatic updates” in your operating system or web browser’s security settings. These fixes plug holes that hackers exploit. Microsoft’s Internet Explorer 9 has extra tools that can detect malicious websites.
- vi. **Home Wireless:** If you set up a wireless network in your home, make sure to use the security features. A “WPA” and “WPA2” password is better than the older and weaker “WEP.” If a neighbour joins your network, they not only will get free Internet access but could possibly read your

files, slow down your performance and help you reach your monthly Internet data cap prematurely.

- vii. **Public Networks:** Endeavour to avoid entering confidential information on public computers in hotels, libraries, airport lounges or schools. These systems may contain “keylogger” software that records everything you type. Keylogging is a method used by fraudsters to record your actual keystrokes and mouse clicks. Also, be sure to delete your browsing history after surfing on a public computer (including your cookies, form data, history and temporary Internet files) and never click “yes” for the site to remember your password or login information.
- viii. **Free Wi-Fi Caution:** While it might be tempting to connect to free Wi-Fi networks at a café or hotel, they could be the work of nearby hackers out to access files on users’ computers. This is sometimes referred to as a “rogue network”. Be sure to ask what the establishment’s wireless network name is, to be sure that you are logging on to the correct one.
- ix. **Over-the Shoulder-Snoops:** Be on the watch out for snoops at cafés, schools or on airplanes. While you might not need

one of those special mesh screens that make it hard for people to see what you're typing, try to turn down the brightness of your laptop screen, reduce the font size and be aware of what you are typing while in public.

2.6.16 How to Combat Cybercrime

Information and communication technology has become a fundamental tool, used daily in most sectors and economic activities. Technological advances, such as high Internet and mobile phone penetration and the availability and affordability of mobile broadband services, have led to a growing number of Internet users and an increasing reliance on these technologies in economic and social development. However, the openness of the Internet and cyberspace in general, has made it susceptible to abuse and users are vulnerable to attacks by criminals and hackers (Economic and Social Commission for Western Asia, ESCWA, 2016).

As the menace of cybercrime continues to ravage in the cyberspace, it has become necessary for businesses and governments to take urgent steps to combat cybercrime. Thus, legal, regulatory and procedural frameworks are needed to

combat cyber threats and raise awareness among individuals and institutions of such risks and their impact on work and personal life (ESCWA, 2016). In order to improve its capabilities in the cyber realm, the RCMP is developing a strategy to better combat cybercrime in concert with its domestic and international partners (Royal Canadian Mounted Police, n.d.).

In Nigeria, constructive engagement has been suggested as a blueprint for combating cybercrime. Upon the realization of the importance of cyberspace, the Federal Government of Nigeria has designated cyber security as a national security priority. The office of the National Security Adviser (ONSA) has, therefore, stepped up efforts towards meeting the challenge by working in close collaboration with all stakeholders to ensure a safer and more secure cyberspace. This can best be achieved by adopting a coordinated and integrated approach encompassing Law, Technology, Institutional Capacity Building, Private Sector Partnership (PPP) and International Law Enforcement Cooperation (ThisDay, 2014).

In Asia, the Global Forum on Cyber Expertise (GFCE) by the governments of Japan, Australia and the United States

developed an initiative to combat cybercrime. The aim of the initiative is to enhance the capacity of Southeast Asian countries to prevent and respond to cybercrime in a holistic and sustainable manner (Cybersecurity Capacity Portal, 2015).

The programme consists of four activity areas and two normative areas as follows:

Activity areas:

- Capacity building,
- Prevention,
- Framework support, and
- Cooperation.+

Normative areas:

- Development of technical assistance tools and
- Underlying standards.

Primary outcomes of the initiative so far include the following:

- Increased efficiency and effectiveness in the investigation, prosecution and adjudication of cybercrime acts.
- Efficient and effective long-term whole-of-government response to cybercrime, including national coordinating

mechanisms, data collection systems, and effective legal frameworks.

- Strengthened communication between government agencies in cybercrime matters, between law enforcement and private sector organizations, and in international cooperation

This initiative, according to the portal, builds on successful programs previously hosted by United Nations Office on Drugs and Crime (UNODC) in East Africa, with a focus on Southeast Asia. The aim of the initiators is to develop and execute a basic cybercrime training course for prosecutors and investigators from the region, conduct a high level open source assessment of regional cybercrime response capabilities, and train judicial staff on cybercrime related issues.

In a nutshell, combating cybercrime requires a collective and collaborative effort. As earlier noted by ESCWA (n.d.), the legal, regulatory and procedural frameworks are needed to combat cyber threats and raise awareness among individuals and institutions. Besides, there is a need for global collaboration to checkmate the activities of cyber criminals.

2.6.17 Searching for Nigeria on the Cybercrime Radar

2.6.17.1 Why single out Nigeria for search on the Cybercrime Radar?

Nigeria has been singled out for search on the cybercrime radar due to conflicting reports on the global ranking of Nigeria on cybercrimes, with Nigerians themselves in some cases self-indicting their country. This self-indictments coupled with other conflicting reports have done a great deal of harm to the reputation of Nigerians in the cyberspace and generally. Sesan et al (n.d.) have captured this point as follows:

“The injury occasioned by Nigeria’s cybercrime induced reputation deficits (...). Many Nigerians are relegated to the status of second class Internet citizens, denied acceptance and participation in many aspects of the digital economy. Where they are not locked out, they are often made to satisfy unusually onerous conditions that aren’t required of non-Nigerians”.

This study is by no means aimed at defending the country’s position. Rather, it is about straightening the records.

2.6.17.2 Cases of Cybercrime and Frauds in Nigeria

Internet scams have become very common in modern world. In Nigeria, certain high-level of crimes are committed over the Internet. Below are some cases of cybercrime and frauds in Nigeria:

- i. “Yahoo Boys”: These are called 419ers who use e-mail addresses obtained from the Internet access points using e-mail address access applications. It is the most prevalent cybercrime in Nigeria (Saulawa¹ and Abubakar, 2014). For instance, on the 4th of January, 2014, the Economic and Financial Crime Commission (EFCC) arrested 8 Nigerians who based in Malaysia for cybercrime. A search conducted by EFCC operatives led to the recovery of items such as laptops, iPad phones, travelling documents, cheque books, flash drives, Internet modem, and cars – a Mercedes Benz jeep, 4 Matic Mercedes Benz car and a Range Rover Sport SUV.
- ii. Romance Scams (A case of Cynthia Osokogu): According to Eleanor (2014), romance case is a confidence trick involving feigned romantic intentions towards a

victim, gaining their affection, and then using that goodwill to commit fraud. This was the case of Cynthia Osokogu – a daughter of General Frank Osokogu (retd.) who, on July 22, 2012, was allegedly lured to Lagos, Southwest Nigeria, by his Facebook friends, drugged, raped and strangled. Investigation into the murder revealed that Cynthia was strangled to death in the hotel by her assailants, who thereafter left with an undisclosed amount, her student identity card and phones. Report said the victim (Cynthia) had chatted with the two undergraduates on Facebook for months. In the process, they reportedly got to know that she owned a boutique in Nasarawa State, following which they reportedly had a business proposal with her. At the hotel, her drink was reportedly drugged before she was strangled to death.

- iii. **Credit Card or ATM Fraud:** Automated Teller Machine ATM is an electronic cash dispensing machine which came to reduce the stress and trouble customers often encounter while trying to withdraw cash from their respective banks or even to check their accounts balance. In recent times, there are numerous cases of

stolen ATM details by hackers when users type the credit card number into the Internet page of the seller for online transaction or when withdrawing money using ATM card. The current rise in ATM fraud has made the public to lose confidence in this technology that is meant to provide convenience and comfort while making cash withdrawal or while shopping. Cases of ATM frauds have made some banks and their customers lose millions of Naira yearly in Nigeria (CBN, 2014).

2.6.17.3 Reports on Cybercrimes and Frauds

The above mentioned cases among others led to the ranking of Nigeria in cybercrime as follows:

- i. A computer crime and cyber survey conducted recently indicated that Nigeria is the most Internet fraudulent country in Africa and the third among others identified with cyber fraud and computer crime in the world (Balancing Act Africa, n.d.). In 2010, Daily Trust Newspapers published a story in which the Economic and Financial Crimes Commission (EFCC) said Nigeria was ranked third among the top ten sources of cybercrime in the world

(allafrica.com). Cyber Crimes Watch in 2011 also reported that Nigeria ranked third in global Internet crime after the United States and United Kingdom respectively (CyberCrimesWatch 2011 Report; www.myfinancialintelligence.com).

- ii. In 2012, a report by Symantec, a cyber-security company ranked Nigeria 69th on the list of countries linked with malicious Internet activities globally. In the same report, Nigeria ranked 7th on the African continent while Egypt occupies the number one position on the list of 30 countries whose Internet security threat profiles were monitored in Africa (Famutimi, 2013).
- iii. Botha et al. (2008) devoted a whole section of their book (*Managing E-commerce in Business, 2nd Edition*) to discuss “The Nigerian 419 Fraud Scheme” (Section 4.7).
- iv. In another report of “Top 10 Countries Where Cyber Attacks Originate” by Bloomberg.com, Nigeria is conspicuously missing (www.govtech.com). The report however listed China, US and Turkey as number 1, 2 and 3 respectively. Another report on the same topic by Wine (2015) listed Nigeria as number 6, while Russia, China and

Eastern Europe were ranked number 1, 2, and three respectively.

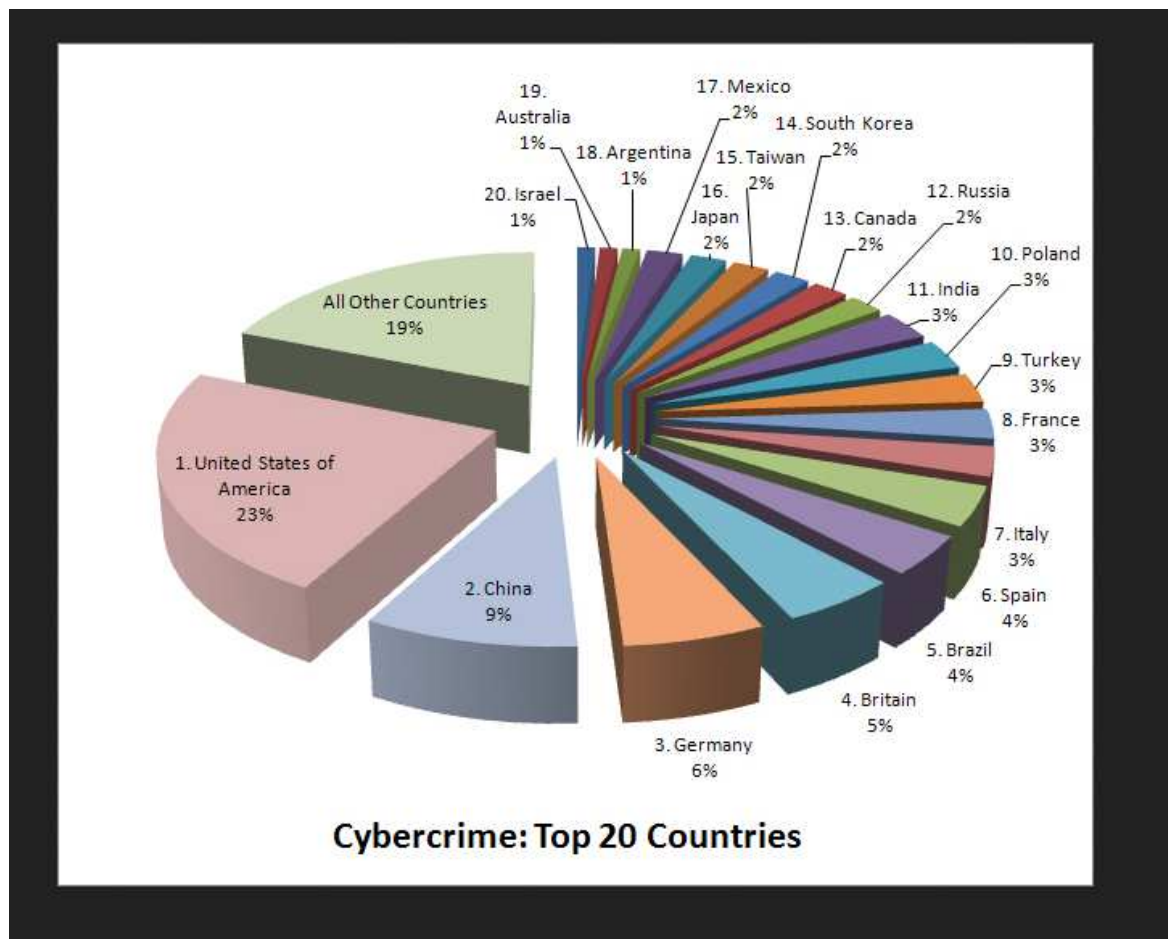
- v. An interactive map of Global Cyber-attacks as they happen in real time, as monitored by Kaspersky Lab, ranks countries by how many attacks are detected by Kaspersky the top five most infected countries, among which Nigeria is absent, with Russia, Vietnam and the US topping the list as number 1, 2, and three respectively (Jacobs, 2014).
- vi. In infographic on Top 20 Countries Found to Have the Most Cybercrime, Nigeria is missing while the US, China, and Germany ranked number 1, 2, and 3 respectively (www.enigmasoftware.com).

The detailed list is as follows:

1. USA	23%
2. China	9%
3. Germany	6%
4. Britain	5%
5. Brazil	4%
6. Spain	4%

7. Italy	3%
8. France	3%
9. Turkey	3%
10. Poland	3%
11. India	3%
12. Russia	2%
13. Canada	2%
14. South Korea	2%
15. Taiwan	2%
16. Japan	2%
17. Mexico	2%
18. Argentina	1%
19. Australia	1%
20. Israel	1%

Figure 2.2: Cybercrime: Top 20 Countries Chart



Source: Enigma Software (n.d.). “Top 20 Countries Found to Have the Most Cybercrime”. Retrieved October 2, 2015, from <http://www.enigmasoftware.com/top-20-countries-the-most-cybercrime>.

- vii. In another infographic on top 15 countries where cyber-attacks originate, Nigeria was conspicuously missing, while

Russia, Germany and Ukraine were ranked number 1, 2 and 3 respectively according to the number of incidences.

Table 2.8: Cybercrime Top 20 Countries Statistics

<p>1. United States of America</p> <p>Share of malicious computer activity: 23%</p> <p>Malicious code rank: 1</p> <p>Spam zombies rank: 3</p> <p>Phishing web site hosts rank: 1</p> <p>Bot rank: 2</p> <p>Attack origin rank: 1</p>	<p>11. India</p> <p>Share of malicious computer activity: 3%</p> <p>Malicious code rank: 3</p> <p>Spam zombies rank: 11</p> <p>Phishing web site hosts rank: 22</p> <p>Bot rank: 20</p> <p>Attack origin rank: 19</p>
<p>2. China</p> <p>Share of malicious computer activity: 9%</p> <p>Malicious code rank: 2</p> <p>Spam zombies rank: 4</p> <p>Phishing web site hosts rank: 6</p> <p>Bot rank: 1</p> <p>Attack origin rank: 2</p>	<p>12. Russia</p> <p>Share of malicious computer activity: 2%</p> <p>Malicious code rank: 18</p> <p>Spam zombies rank: 7</p> <p>Phishing web site hosts rank: 7</p> <p>Bot rank: 17</p> <p>Attack origin rank: 14</p>

3. Germany Share of malicious computer activity: 6% Malicious code rank: 12 Spam zombies rank: 2 Phishing web site hosts rank: 2 Bot rank: 4 Attack origin rank: 4	13. Canada Share of malicious computer activity: 2% Malicious code rank: 5 Spam zombies rank: 40 Phishing web site hosts rank: 3 Bot rank: 14 Attack origin rank: 10
4. Britain Share of malicious computer activity: 5% Malicious code rank: 4 Spam zombies rank: 10 Phishing web site hosts rank: 5 Bot rank: 9 Attack origin rank: 3	14. South Korea Share of malicious computer activity: 2% Malicious code rank: 21 Spam zombies rank: 19 Phishing web site hosts rank: 4 Bot rank: 15 Attack origin rank: 7
5. Brazil Share of malicious	15. Taiwan Share of malicious computer

<p>computer activity: 4%</p> <p>Malicious code rank: 16</p> <p>Spam zombies rank: 1</p> <p>Phishing web site hosts rank: 16</p> <p>Bot rank: 5</p> <p>Attack origin rank: 9</p>	<p>activity: 2%</p> <p>Malicious code rank: 11</p> <p>Spam zombies rank: 21</p> <p>Phishing web site hosts rank: 12</p> <p>Bot rank: 11</p> <p>Attack origin rank: 15</p>
<p>6. Spain</p> <p>Share of malicious computer activity: 4%</p> <p>Malicious code rank: 10</p> <p>Spam zombies rank: 8</p> <p>Phishing web site hosts rank: 13</p> <p>Bot rank: 3</p> <p>Attack origin rank: 6</p>	<p>16. Japan</p> <p>Share of malicious computer activity: 2%</p> <p>Malicious code rank: 7</p> <p>Spam zombies rank: 29</p> <p>Phishing web site hosts rank: 11</p> <p>Bot rank: 22</p> <p>Attack origin rank: 11</p>
<p>7. Italy</p> <p>Share of malicious computer activity: 3%</p> <p>Malicious code rank: 11</p>	<p>17. Mexico</p> <p>Share of malicious computer activity: 2%</p> <p>Malicious code rank: 6</p>

Spam zombies rank: 6 Phishing web site hosts rank: 14 Bot rank: 6 Attack origin rank: 8	Spam zombies rank: 18 Phishing web site hosts rank: 31 Bot rank: 21 Attack origin rank: 16
8. France Share of malicious computer activity: 3% Malicious code rank: 8 Spam zombies rank: 14 Phishing web site hosts rank: 9 Bot rank: 10 Attack origin rank: 5	18. Argentina Share of malicious computer activity: 1% Malicious code rank: 44 Spam zombies rank: 12 Phishing web site hosts rank: 20 Bot rank: 12 Attack origin rank: 18
9. Turkey Share of malicious computer activity: 3% Malicious code rank: 15 Spam zombies rank: 5 Phishing web site hosts	19. Australia Share of malicious computer activity: 1% Malicious code rank: 14 Spam zombies rank: 37 Phishing web site hosts rank:

rank: 24	17
Bot rank: 8	Bot rank: 27
Attack origin rank: 12	Attack origin rank: 13
10. Poland	20. Israel
Share of malicious computer activity: 3%	Share of malicious computer activity: 1%
Malicious code rank: 23	Malicious code rank: 40
Spam zombies rank: 9	Spam zombies rank: 16
Phishing web site hosts rank: 8	Phishing web site hosts rank: 15
Bot rank: 7	Bot rank: 16
Attack origin rank: 17	Attack origin rank: 22

Source: Adapted from Enigma Software (n.d.). “Top 20 Countries Found to Have the Most Cybercrime”. Retrieved October 2, 2015, from <http://www.enigmasoftware.com/top-20-countries-the-bmost-cybercrime>.

Figure 2.3: Top 15 countries where cyber-attacks originate



Source: “Cybercrimes statistics and trends [infographic]”.

Retrieved October 9, 2015, from <http://www.go-gulf.com/blog/cyber-crime>

However, there is a report that puts Nigeria on the list of most targeted countries globally making the country a ‘hunted’

instead of a 'hunter' country in cybercrime (News Agency of Nigeria, 2015). In this report titled "Cybercrime: Nigeria ranks among 20 countries most targeted globally", by News Agency of Nigeria in Nigerian Pilot Newspaper (2015), Nigeria ranks as number 20 of most targeted countries globally with 6 other African countries ranking in the top 20 category. These include Tanzania which is regarded as the most attacked country in the world. Others include Malawi (ranked number 4), Namibia (5), Mauritius (7), Tunisia (8) and Ethiopia (9). These countries have ranked ahead of Kenya (52) and South Africa (67).

2.6.18 Fighting Cybercrimes through Legislations

The rising cybercrime wave is suggestive of the fact that criminal law alone does not deter cyber criminals, hence is not sufficient to fight cybercrime. Thus, a better *você fala inglês?* Prior to the amendment of the Computer Fraud and Abuse Act in 1996, prosecutors had to rely on old statutes to make their cases and many of these statutes were inadequate when applied to the new area of computer crime (Pbs.org, n.d.).

Generally, a wave of new cybercrime legislations is blowing across the globe with many countries making their own cybercrime legislations, with others collaborating with other

countries, while others are adopting/adapting the legislations of other countries.

It has been observed by the International Telecommunication Union (ITU) that:

“an integral and challenging component of any national Cybersecurity strategy is the adoption of regionally and internationally harmonized, appropriate legislations against the misuse of ICTs for criminal or other mischievous purposes”.

As far as tackling cyber security is concerned, ITU through its mandate can provide support that is tailored to the needs of the requesting country. With its strong mandates, ITU provide countries with customized capacity building through policies, strategies and Legislation when it comes to Cyber security.

Cybercrime is borderless in scope. This means, it can come from anywhere, anytime, and impact millions of people across the globe and have a billion dollar effect instantly, according to the FBI. This gives rise to jurisdictional issues in formulating cybercrime legislations. It therefore, calls for greater international cooperation. This provides perhaps the best

opportunity for combating cybercrime. International cooperation on security issues is also, arguably, the only way to legally provide for the types of data mining, data sharing and data analysis techniques so utterly critical to any robust security and law enforcement response to the global challenge of cybercrime (Strickler, 2015).

There are several international legislative responses and collaborations on cybercrime. For instance, in 1997, the G8 countries (U.S., the United Kingdom, Russia, France, Italy, Japan, Germany, and Canada) released a Ministers' Communiqué that included an action plan and principles to combat cybercrime and protect data and systems from unauthorized impairment. They also mandated that all law enforcement personnel must be trained and equipped to address cybercrime, and designated all member countries to have a point of contact on a 24 hours a day/7 days a week basis (Weiping, et al, 2003).

Similarly, the United Nations General Assembly (UN GA) adopted a resolution dealing with computer crime legislation in 1990. In 2000 the UN GA adopted another resolution on

combating the criminal misuse of information technology. In 2002 the UN GA adopted a second resolution on the criminal misuse of information technology (Cowdery, 2008).

On the other hand, ITU, a specialized agency within the United Nations, plays a leading role in the standardization and development of telecommunications and cybersecurity issues was the lead agency of the World Summit on the Information Society (WSIS).

Moreover, the 2003, Geneva Declaration of Principles and the Geneva Plan of Action were released, highlighting the importance of measures in the fight against cybercrime. And in 2005, the Tunis Commitment and the Tunis Agenda were adopted for the Information Society.

In 2001, the Convention on Cybercrime, the first international convention aimed at Internet criminal behaviours, was co-drafted by the Council of Europe with the addition of USA, Canada, and Japan and signed by its 46 member states. But only 25 countries ratified later (Georgia Tech Information Security Centre, 2008). Council of Europe is an international organization focusing on the development of human rights and democracy in

its 47 European member states. This was aimed at providing the basis of an effective legal framework for fighting cybercrime, through harmonization of cybercriminal offences qualification, provision for laws empowering law enforcement and enabling international cooperation.

There have also been regional responses and co-operations from regional organizations such as Asia-Pacific Economic Cooperation (APEC), the Organization for Economic Co-operation and Development (OECD), European Union (EU), Commonwealth, the Economic Community of West African States (ECOWAS), the Arab League and Gulf Cooperation Council (GCC).

2.6.18.1 An Overview of the Nigerian Cybercrime: (Prohibition Prevention) Act 2015

For many years the Nigerian digital economy had carried on without a legal framework for cybercrime/cyber security. In other jurisdictions, such laws protecting cyber users have been existing. The Cybercrime Act 2015 is an act that provides a comprehensive legal, regulatory and institutional framework for

the prohibition, prevention, detection, prosecution and punishment of cybercrimes in Nigeria (Cybercrime Act, 2015). This act also ensures the protection of critical national information infrastructure, and promotes cybersecurity and the protection of computer systems and networks, electronic communications, data and computer programs, intellectual property and privacy rights.

An overview of the Cybercrime Act will be divided into five parts, Part I will discuss the objective and application of the Act, while Part II will examine the protection of critical national information infrastructure, Part III will analyse the offences and penalties of the Act, Part IV focuses on duties of financial institutions, Part V discusses administration and enforcement, Part VI discusses issues dealing with arrest, search, seizure and prosecution and finally Part VII deals with issue of jurisdiction and international cooperation. As mentioned above, the objectives of this Act are to provide an effective and unified legal, regulatory and institutional framework for the prohibition, prevention, detection, prosecution of cybercrimes in Nigeria; ensure the protection of critical national information infrastructure; and promote cyber security and the protection

of computer systems and networks, electronic communications, data and computer programs, intellectual property and privacy rights and the provision of the Act shall be applied throughout the Federal Republic of Nigeria. The Part II of the Act addresses the position of the nation with respect to information and communication infrastructure where it provides for the designation of certain computer systems or networks as critical national information infrastructure. And it further provides that: The President may on the recommendation of the National Security Adviser, by Order published in the Federal Gazette, designate certain computer systems, networks and information infrastructure vital to the national security of Nigeria or the economic and social well-being of its citizens, as constituting Critical National Information Infrastructure. Part III of the Act discusses the offences and penalties in relation to cybercrimes. The Act provides for Offences against critical national information infrastructure. The offences include, unlawful access to a computer, registration of cybercafé, system interference, interception of electronic messages, email, electronic money transfers, tampering with critical infrastructure, willful misdirection of electronic messages,

unlawful interceptions, computer related forgery, computer related fraud, theft of electronic devices, unauthorised modification of computer systems, network data and system interference, electronic signature, cyber terrorism, exceptions to financial institutions posting and authorised options, fraudulent issuance of e-instructions, reporting of cyber threats, identity theft and impersonation, child pornography and related offences, cyberstalking, cybersquatting, racist and xenophobic offences, attempt, conspiracy, aiding and abetting, importation and fabrication of e-tools, breach of confidence by service providers, manipulation of ATM/POS terminals, employees responsibility, phishing, spamming, spreading of computer virus, electronic cards related fraud, dealing in card of another, purchase or sale of card of another, use of fraudulent device or attached e-mails and websites.

Part IV of the Act stipulates that financial institutions shall verify the identity of their customers carrying out electronic financial transactions by requiring the customers to present documents bearing their names, addresses and other relevant information

before issuance of ATM cards, credit cards, debit cards and other related electronic devices; and also apply the principle of know your customer in documentation of customers preceding execution of customers electronic transfer, payment, debit and issuance orders. Other duties of financial institutions as contain in the Act include records retention and protection of data and interception of electronic communications. This means that failure of service provider to perform these duties is punishable as provided in the Act.

Part V of the Act stated that the office of the National Security Adviser shall be the coordinating body for all security and enforcement agencies under this Act and shall provide support to all relevant security, intelligence, law enforcement agencies and military services to prevent and combat cybercrimes in Nigeria. In addition, the office shall ensure formulation and effective implementation of a comprehensive cyber security

strategy and a national cyber security policy for Nigeria among others.

Furthermore, issues of arrest, search, seizure and prosecution of offenders are contained in Part VI of the Act. In this part, a law enforcement officer may apply ex-parte to a judge in chambers for the issuance of a warrant for the purpose of obtaining electronic evidence in related crime investigation. This part also covers issues relating to obstruction and refusal to release information, prosecution of offences, order of forfeiture of assets and order for payment of compensation or restitution. Under jurisdiction and international cooperation, the Act stipulated in Part VII that the Federal High Court located in any part of Nigeria, regardless of the location where the offence is committed, shall have jurisdiction to try offences under this Act. The offences under this Act shall be extraditable under the Extraction Act.

2.6.19 Case Studies in Cybercrime Legislations

2.6.19.1USA

Different legislations govern different aspects of cybercrime in the USA. Michael Rappa (2007) presented a tabular overview of legislations that govern cybercrimes in the USA. The table is presented as follows:

Table 2.9: U.S. Federal Cybercrime Laws

Types of Unlawful Conduct	Examples of Potentially Applicable Federal Laws
Internet Fraud	<u>15 U.S.C. §§ 45, 52</u> (unfair or deceptive acts or practices; false advertisements) <u>15 U.S.C. § 1644</u> (credit card fraud) <u>18 U.S.C. §§ 1028, 1029, 1030</u> (fraud in connection with identification documents and information; fraud in connection with access devices; and fraud in connection with computers)

	<p><u>18 U.S.C. § 1341</u> et seq. (mail, wire, and bank fraud)</p> <p><u>18 U.S.C. § 1345</u> (injunctions against fraud)</p> <p><u>18 U.S.C. § 1956, 1957</u> (money laundering)</p>
Online Child Pornography, Child Luring, and Related Activities	<p><u>18 U.S.C. § 2251</u> et seq. (sexual exploitation and other abuse of children)</p> <p><u>18 U.S.C. § 2421</u> et seq. (transportation for illegal sexual activity)</p>
Internet Sale of Prescription Drugs and Controlled Substances	<p><u>15 U.S.C. § 45</u> et seq. (unfair or deceptive acts or practices; false advertisements)</p> <p><u>18 U.S.C. § 545</u> (smuggling goods into the United States)</p> <p><u>18 U.S.C. § 1341</u> et seq. (mail, wire, and bank fraud; injunctions against fraud)</p> <p><u>21 U.S.C. § 301</u> et seq. (Federal Food, Drug, and Cosmetic Act)</p>

	<u>21 U.S.C. §§ 822, 829, 841, 863, 951-971</u> (Drug Abuse Prevention and Control)
Internet Sale of Firearms	<u>18 U.S.C. § 921</u> et seq. (firearms)
Internet Gambling	<u>15 U.S.C. § 3001</u> et seq. (Interstate Horseracing Act) <u>18 U.S.C. § 1084</u> (transmission of wagering information) <u>18 U.S.C. §§ 1301</u> et seq. (lotteries) <u>18 U.S.C. § 1952</u> (interstate and foreign travel or transportation in aid of racketeering enterprises) <u>18 U.S.C. § 1953</u> (interstate transportation of wagering paraphernalia) <u>18 U.S.C. § 1955</u> (prohibition of illegal gambling businesses) <u>28 U.S.C. §§ 3701, 3702, 3703, 3704</u> (professional and

	amateur sports protection)
Internet Sale of Alcohol	<p><u>18 U.S.C. § 1261</u> et seq. (liquor traffic)</p> <p><u>27 U.S.C. §§ 122, 204</u> (shipments into states for possession or sale in violation of state law)</p>
Online Securities Fraud	<u>15 U.S.C. § 77e, 77j, 77q, 77x, 78i, 78j, 78l, 78o, 78ff</u> (securities fraud)
Software Piracy and Intellectual Property Theft	<p><u>17 U.S.C. § 506</u> (criminal copyright infringement)</p> <p><u>17 U.S.C. § 1201</u> et seq. (copyright protection and management systems)</p> <p><u>18 U.S.C. § 545</u> (smuggling goods into the United States)</p> <p><u>18 U.S.C. §§ 1341, 1343</u> (frauds and swindles)</p> <p><u>18 U.S.C. § 1831</u> et seq. (protection of trade secrets)</p> <p><u>18 U.S.C. §§ 2318, 2319, 2320</u> (trafficking in counterfeit</p>

	labels for phonorecords, copies of computer programs or computer program documentation or packaging, and copies of motion pictures or other audio visual works)
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Source: Adopted from Rappa, Michael (2007). "Managing the Digital Enterprise". Retrieved October 14, 2015, from http://digitalenterprise.org/governance/us_code.html.

There are other legislations that have to do with cybercrime, which are not covered in the table above. Prominent among them include the CAN-SPAM ACT of 2003.

The CAN-SPAM Act of 2003 is a commonly used name for the United States Federal law more formally known as S. 877 or the "Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003." The law took effect on January 1, 2004. The Can Spam Act allows courts to set damages of up to \$2 million when spammers break the law. Federal district courts are allowed to send spammers to jail and/or triple the damages if the violation is found to be willful.

The CAN-SPAM Act applies to almost all businesses in the US that use e-mail, and provides recipients of spam with the right to opt-out of these spam messages, and have their opt-out (or unsubscribe) request acted upon. Under the CAN-SPAM Act of 2003, permission of the e-mail recipient is not required prior to sending out the e-mails. However, if a recipient wants to unsubscribe or opt-out of the mailings, then the business must stop sending the e-mails as per the opt-out request or face severe penalties.

Damages for non-compliance can result in the spammer facing fines of up to \$250 per illegal e-mail message up to a maximum of \$2 million or more if the offense includes certain aggravating violations.

Rules to Follow for CAN-SPAM Compliance

In order to be CAN-SPAM compliant, it's important your email messages follow these rules, which can be found in full at the Federal Trade Commission's (FTC) website.

The Dos:

- i. Do include your valid physical postal address in every email you send out.
- ii. Do provide a clear and obvious way to opt out of every email you send out, and honour the un-subscription within 10 business days.
- iii. Do use clear "From," "To," and "Reply to" language that accurately reflects who you are. This applies to the person or business sending the message, as well as the domain name and email address.

The DON'Ts:

- i. Don't sell or transfer any email addresses to another list.
- ii. Don't make it hard to unsubscribe from emails. You cannot 1) charge a fee 2) require a recipient to provide personally identifying information beyond an email address, or 3) make recipients take extensive steps other than simply replying to an email or visiting a single page on a website to unsubscribe themselves from your emails.

- iii. Don't use deceptive subject lines in your emails that mis-represent the contents of your message.

2.6.19.2 UK AND EUROPEAN UNION

Council of Europe Cybercrime Convention 2001 signed a protocol to co-operate on the fight against Internet crime.

The Council of Europe (COE) was founded in 1949 by 10 member countries. Today, it is made up of 47 countries, including all members of the European Union. Its primary aim is 'to create a common democratic and legal area throughout the whole of the continent, ensuring respect for its fundamental values: human rights, democracy and the rule of law'. The COE believes that cooperation between its member states is the only way to solve societal problems. Based on its fundamental values, solutions to problems such as Cybercrime among others are sought between member countries (Lawteacher.net, n.d.).

Known as "Treaty No.185 Convention on Cybercrime", is the first international treaty on crimes committed via the Internet and other computer networks. This treaty deals particularly with the following:

- i. Infringements of copyright,
- ii. Computer-related fraud,
- iii. Child pornography, and
- iv. Violations of network security.

It also contains a series of powers and procedures such as the search of computer networks and interception (Council of Europe, n.d.).

Its main objective, set out in the preamble, is to pursue a common criminal policy aimed at the protection of society against cybercrime, especially by adopting appropriate legislation and fostering international co-operation (Council of Europe, n.d.).

2.6.19.3 JAPAN

In 2011, the Japanese House of Councilors passed a bill that makes creation or distribution of a computer virus without reasonable cause punishable by up to three years in prison, and acquisition or storage of a virus punishable by up to two years. This law makes it possible for data to be seized or copied from computer servers connected to any computer seized during an investigation, as well as giving authorities the right to request

that ISPs retain communication logs of parties under investigation for up to 60 days (McMillan, 2011).

According to McMillan, with the passing of this legislation, Japan has joined the Convention on Cybercrime, an international treaty allowing co-operation on criminal matters committed online, which has been in effect since 2004 with 31 other countries participating so far.

2.6.19.4 CHINA

In China, many cybercrime issues are covered in laws and regulations that refer to Internet related crimes. These are contained in different articles as follows (Cybercrimelaw.net, n.d.):

Criminal Law of the People's Republic of China (as at March 14, 1997)

Article 285.

- Whoever violates state regulations and intrudes into computer systems with information concerning state affairs, construction of defense facilities, and sophisticated science and technology is to be sentenced to not more

than three years of fixed-term imprisonment or criminal detention.

Article 286.

- Whoever violates states regulations and deletes, alters, adds, and interferes in computer information systems, causing abnormal operations of the systems and grave consequences, is to be sentenced to not more than five years of fixed-term imprisonment or criminal detention; when the consequences are particularly serious, the sentence is to be not less than five years of fixed-term imprisonment.
- Whoever violates state regulations and deletes, alters, or adds the data or application programs installed in or processed and transmitted by the computer systems, and causes grave consequences, is to be punished according to the preceding paragraph.
- Whoever deliberately creates and propagates computer virus and other programs which sabotage the normal operation of the computer system and cause grave

consequences is to be punished according to the first paragraph.

Article 287.

- Whoever uses a computer for financial fraud, theft, corruption, misappropriation of public funds, stealing state secrets, or other crimes is to be convicted and punished according to relevant regulations of this law.

However, due to increased malware and spam attacks that emanate from the country itself, China has been compelled to strengthen its cybercrime laws since 2009 by introducing three new articles to its criminal code based on which online criminals could be sentenced to 7 years of imprisonment. Earlier, computer crimes summoned a sentence for up to 3 years of incarceration. Further, the country has also broadened its definition of crime committed by computers. These changes are expected to help bust and arrest cyber criminals as well as to increase people's protection with regard to their private property and privacy (Spamfighter.com, n.d.).

2.6.19.5 SOUTH AFRICA

With the publication of a draft Cybercrimes and Cyber Security Bill, South Africa is about to become the latest country on the continent to tighten legislation around computer crime. The draft bill, published by the Department of Justice and Constitutional Development, seeks to introduce a range of new offences with explicit penalties for phishing attacks, distributing malware, and committing identity fraud, amongst other offences. Penalties for offences under the new draft bill range from fines of 25 years in prison for computer related terrorist activity and interception of confidential material (Oxford, 2015).

Cybercrime and cyber security has now come under the spotlight in South Africa, with the passing of the Cybercrimes and Cyber Security Bill 2015. As it presently stands, the laws dealing with cyber security in South Africa are a mix of both legislation and the common law. The new Bill seeks to regulate many of the crimes committed in cyberspace such as:

- Phishing,
- Hacking,
- Unlawful interception of data,

- `Unlawful interference of data,
- Unlawful acts of malware (such as viruses, worms, logic bombs and trojan horses),
- The unlawful acquisition, possession, provision, receipt or use of passwords, access codes or similar data or devices.

The detailed 128 pages draft Bill can be found on this link:

https://cybercrime.org.za/docs/Cybercrimes_and_Cybersecurity_Bill_2015.pdf.

2.6.19.6 AUSTRALIA

Australia's new cybercrime law came into force on 1 March 2013. This law has established the legislative framework for Australia's accession to the Council of Europe Convention on Cybercrime (**Convention**). The cybercrime law has been effected by the amendment of a number of existing Commonwealth statutes, including the *Mutual Assistance in Criminal Matters Act 1987* (Cth), the *Criminal Code Act 1995* (Cth), the *Telecommunications (Interception and Access) Act 1979* (Cth) and the *Telecommunications Act 1997* (Cth) (Kallenbach and Sam, 2013).

According to Kallenbach and Sam (2013), the essence of the new cybercrime law is to empower Australia's law enforcement and intelligence agencies to compel carriers to preserve the communication records of persons suspected of cyber-based crimes. This law also expands the Commonwealth cybercrime offences and facilitates international cooperation between State parties to the Convention through the cross-border sharing of communication records.

In international co-operation, the cybercrime law is intended to facilitate Australia's ability to provide mutual assistance to other State parties and to receive such assistance in return in respect of the investigation and prosecution of criminal offences under the Convention. This has been effected by increasing the range of law enforcement tools available for Australian agencies to assist foreign investigations, and by providing them with greater access to information stored overseas in the investigation of cybercrimes.

The offences of Computer crimes in Australia are set out in the Commonwealth as well as State and Territory law. The cybercrime law expands the application of the Commonwealth

offences under the Criminal Code 1995 (Cth) – for consistency with the Convention – by removing the requirement that a Commonwealth computer or Commonwealth data be involved or affected, or that a carriage service be used, in the commission of the offence. The cybercrime law also extends the geographic reach of the provisions to conduct which occurs wholly or partly in Australia, on board an Australian aircraft or ship, and to the conduct of Australian nationals abroad in certain circumstances.

2.6.19.7 JURISDICTIONAL PROBLEMS IN CYBERCRIME LEGISLATIONS

In the span of over two decades, states and federal governments have passed many statutes to address the problem of criminal activities that take place over the Internet. Following this development, there are now plenty of laws on cybercrime, but enforcing them is another matter. It can, indeed, be frustrating for the victims of such crimes, when the perpetrators are never brought to justice. Some local police departments have set up divisions specifically devoted to computer crimes enforcement, but some shy away from

investigating and enforcing these types of crimes. This is due to a number of reasons, including the fact that enforcing laws governing online behaviour is more difficult than the enforcement of traditional laws. This is largely as a result of jurisdictional issues (Shinder, 2011).

The concept of jurisdiction pertains to which agency or court has the authority to administer justice in a particular matter, and to the scope of those agencies' and courts' authority. Jurisdiction can be based on a number of different things such as **Branch of law, Type of case, Grade of offense, Monetary damages, Level of government, Geographic area**. For any law enforcement agency to investigate a cybercrime case, it has to have jurisdiction (Shinder, 2011).

However, in the case of cybercrime, it is difficult to determine the geographic jurisdiction. This is more difficult in cybercrime cases than in other types of crime because often the perpetrators are not in the same city, state or even country as the victim (Shinder, 2011). Given the lack of physical presence within this virtual network, it becomes difficult to identify

jurisdictional boundaries and what level of prosecution must be taken (Nickleghorn.com, n.d.).

The geographic jurisdiction is such a big problem due to a number of the following important reasons (Shinder, 2011; The Lawyers Chronicle, n.d.):

- i. Laws differ from state to state and nation to nation. An act that is illegal in one locale may not be against the law in another. This complicates things if the perpetrator is in a location where what he/she is doing is not even against the law, even though it is clearly crime in the location where the victim is.
- ii. Law enforcement agencies are only authorized to enforce the law within their jurisdictions. A police officer commissioned in California has no authority to arrest someone in Florida, the FBI does not have the authority to arrest someone in Spain and so forth. Extradition (the process by which a state or nation surrenders a suspect to another) is difficult at best, and often impossible. Under international law, a country has no obligation to turn over a criminal to the requesting entity, although some countries

have treaties whereby they agree to do so. Even in those cases, it is usually an expensive and long, drawn-out process.

It would be easy if offences or breaches committed on the cyberspace remain on the cyberspace and are tried on the cyberspace with cyberspace judges; but the trouble arises where litigations that arise as a result of conflicts on the cyberspace have to be tried in the real world. By real world, it means the bordered real world with geographic boundaries and legal jurisdictions. The problem of jurisdiction arises where certain offences or breaches occur on the Internet with far reaching cross border consequences and courts in certain jurisdictions may not have jurisdiction to adjudicate on such matters (Goshit, 2013).

Owing to the fact that cybercrime knows no borders; fighting Internet crime does not come cheap. Recently, the UK government announced that cyber intrusions cost the British economy \$43 (£26.5) billion annually. The government has since vowed to devote more than \$88 (£54) million to the issue. Yet,

more money cannot solve the international jurisdictional problems (Infosecurity-Magazine.com, 2011).

According to Shinder (2011), jurisdictional issues frequently slow down or completely block the enforcement of cybercrime laws. Extradition treaties often require "double criminality", meaning the conduct must be a crime in both the jurisdiction seeking to extradite and in the jurisdiction from which the extradition is sought. In the words of Richard Bosovich, senior attorney with Microsoft's Digital Crimes Unit, "There has to be a corresponding statute in another country from which you are requesting information. If you look at international treaties, it has to be a crime in both countries for you to even get that evidence in or back to your own jurisdiction"

The jurisdictional issues are due to lack of homogenous legislation worldwide. Therefore, as our technology undergoes daily progression, laws must also be made to adapt to these advancements to ensure the protection of all those who utilize this virtual world (Nickleghorn.com, n.d.). This has called international cooperation and collaboration in law.

2.6.20 Experiments in Cooperative/Collaborative Legislation

Collaboration and cooperation between governments, intelligence agencies and law enforcement officers is critical in the investigation and prosecution of cybercrimes (Chaturvedi, et al., 2014, Najarro, 2015). Recently, a panel of federal law enforcement officials and security network experts gathered at the White House Summit on Cybersecurity and Consumer Protection to discuss this (Najarro, 2015).

The International Cyber Security Protection Alliance (ICSPA), a global alliance has intensified calls on governments interested in providing a safer and more secure cyber future for their citizens and business communities to fund programmes, projects and activities that will seek to ensure that their Internet users operate in a safe 'cyber space and are to meet the constantly evolving challenges brought about by online criminality (International Cyber Security Protection Alliance (ICSPA), 2013).

There have been several efforts in cooperative/collaborative jurisdiction among different countries in the fight against cybercrime. According to Jackson (2012) the United States and the European Union have developed strong operational

partnerships for fighting cybercrime despite the lack of formal frameworks for the cooperation. The United States has collaborated with agencies in other countries on a number of successful takedowns of criminal organizations and networks, and this could serve as a model for broader cooperation on cybersecurity (Jackson, 2012).

Besides the efforts by the US government, thirty-nine countries from the EU and elsewhere have either ratified or acceded to the Budapest Convention on Cybercrime. Many more governments around the world understand the significant economic and social benefits that the Internet delivers to their citizens and businesses. These governments also recognize the absolute priority they must give to fighting cybercrime and to developing strong cyber defence (International Cyber Security Protection Alliance (ICSPA), 2013). South Africa also used the Council of Europe's Convention on Cybercrime as guideline for developing her own national legislation.

The International Multilateral Partnership Against Cyber-Terrorism (IMPACT) has been launched to bring together the global community to prevent and counter cyber threats.

Membership in the organization is open to all countries. Therefore, developing nations can take advantage of existing expertise from developed ones to help stop attacks. Certain corporations and research agencies also are invited to participate. IMPACT is modeled on the U.S. Centers for Disease Control and Prevention as a government agency interacting with the private and academic sectors. The IMPACT was launched at the World Cyber Security Summit during the World Congress on Information Technology (WCIT) in Kuala Lumpur, Malaysia (Boland, 2008).

It is the hope of all stakeholders that international cooperation will mitigate cybercrimes to the barest minimum.

2.7 Theoretical Framework

2.7.1 Diffusion Theory of Innovation

This research work is anchored on the Diffusion Theory of Innovation. The theory was made known by Everett M. Rogers in the late 1960s. The theory seeks to explain how, why, and at what rate new [ideas](#) and [technology](#) spread. To this end, Rogers

(1983) emphasized that 'Diffusion' is seen as a social change process by which alteration occurs in the structure and function of a social system. According to the author, when new ideas [the innovation] are invented, diffused, and adopted or rejected it leads to certain consequences, ultimately social change occurs. The theory is based on four basic elements stated as follow:

- i. **Innovation:** A practice, an idea or object that is seen as new by an individual or other unit of adoption.
- ii. **Communication through Channels:** The diffusion process involves exchange of information and communication channels play key role in this regard. Rogers and Kincaid cited by Littlejohn (1989) noted that although mass communication channels may play a significant role in diffusion, interpersonal networks are the most important.

iii. **Members of a Social System or Network:** Rogers(1983)

noted that the social system represents a boundary within which an innovation diffuses and the extent to which ideas are accepted and modified depends in large measure on the interaction along the [formal and informal] links in the social network (Littlejohn, 1989). Therefore, the structure of a social system can facilitate or impede the diffusion of innovations in the system (Rogers, 1983). This implies that information is better and more easily transferred within a homogeneous group.

iv. **Period:** Time as an element in the Diffusion of Innovation

Theory implies that diffusion of innovation is a time-consuming process. Many years may be required for an idea to be adopted (Littlejohn, 1989). Thus, given that decisions are not authoritative or collective, each member of the social system faces his or her own adoption decision.

In this regard, Rogers grouped members of a social system into five: Innovator (this group has a high tolerance for ambiguity, takes risks easily and tries new things), early adopters (this group is more integrated into its social system and is also the most likely to be consulted by potential adopters with regards to the innovation (Fill, 2005), early majority (this group relies on informal sources to gain information about the innovation and it might take a relatively long decision period to adopt the innovation), late majority (this category adopts after most part of the population has adopted. This implies that the group is skeptical and cautious, and Laggards also known as late majority {a group that could be persuaded to adopt, but the acceptance of peers is the critical factor if adoption is to ensue (Rogers, 1983)}).

According to Gouws (2011), the rate at which new idea is adopted in the early stage is slow. But eventually enough adopters are reached when many individuals in the system perceive that ‘everybody is doing it.’ At this point, enough other individuals have adopted so that an individual considering adoption of the innovation perceives that the innovation would have sufficient utility to justify its adoption’ (Mahler and Rogers, 1999). Markus (1987) complements the above by writing, ‘Innovation spreads when others either observe the early adopters and imitate them to replicate their profits or communicate with early adopters and are persuaded or induced to adopt.’

Indeed, the diffusion theory of innovation is relevant in explaining the acceptance of online transaction among customers. In its elementary relation to Diffusion of Information Theory, online marketing serves as a medium through which

goods and services are communicated to consumers using the Internet. The degree to which this practice is accepted depends in large measure on the risk tolerance level of the buyers/sellers (adopters), trust among others. The theory emphasizes that if enough people [innovators and early adopters] adopt online transaction, their passionate use of the platform creates a magnet effect on others. The theory highlighted the importance of communication channels. This theory therefore seeks to understand how the masses use the Internet media and how the media affect their online buying behaviour.

The theory is criticized on the premise that it only represents mathematically the level of spread of an innovation among a given set of prospective adopters categorized into different groups based on their risk tolerance level. However, the theory does not identify factors responsible for the spread and hence utilization of the information adopted. This current study adds

to the theoretical literature as it identifies some of the factors affecting the acceptance of online transaction among consumers in Nigeria

2.7.2 Digital Analytics Model

According Phillips (2014), digital analytics involve defining, collecting, transforming, processing, governing, analyzing, reporting, predicting, optimizing, communicating, and managing data (and the human and technical resources) related to how people use digital experiences. The concept includes the capturing of information about visitors to a website, and identifies the route from an originating web page, a tally details and demographics about the visitor/customer and, in brief, provides a synopsis of consumer behaviour (Iornem, 2015). Although the model only analyses both qualitative and quantitative data about visitors to online (website), it does not explain the factors influencing online buying behaviour of

consumers. Despite this criticism, by bringing together data to create cohesive and relevant analysis, digital analysis is used to answer business questions and provide a foundation for fact-based decisions.

2.7.3 Signaling Theory

Signaling theory emphasizes on behaviour whose primary purpose is to "signal" or convey something about an organization to customers. According to Connelly et al (2011), management scholars have applied signalling theory to a wide range of organisational concerns including online marketing. The theory offers one possible solution for describing behaviour when two parties have access to different information. The theory postulates that firms send to an online buyer some information that he/she can use to infer product quality and store performance and that therefore impact trust is warranty

(Emons 1988; Tan 1999). The mechanisms in which firm can signal to buyers involve the firm's image and website characteristics. The firm's image refers mainly to reputation, which allows the consumer to infer the kind and quality of the firm's service.

2.8 Empirical Studies

Little empirical work has been done on factors affecting the acceptance of online transaction. For instance, Bakar and Ahmed (2015) investigated the impact of technology motivation on e-marketing adoption among Malaysian manufacturers. The study surveyed 1,700 corporate managers in Malaysia based on the Federation of Malaysian Manufactures (FMM) directory. The study employed the Strategic Small Business Unit (SBU) of analysis. It was found that technology motivation influences e-marketing technology adoption.

Jenyo and Soyoye (2015) investigated the relationship between online marketing and consumer purchase behaviour in Nigeria. The study employed simple regression to analyse the data generated through a survey. The findings show that online marketing has impacted consumer purchase decisions in Nigeria firms. It was concluded that there is a significant relationship between consumer purchase decisions and infrastructure of the Internet in Nigeria and between Internet security and consumer purchase behaviour.

Geng et al (2010) studied online reviews as a driver of new product sales. The study employed panel data of 332 new products from Amazon.com. It was found that negative reviews affect new product sales more than positive reviews, but also in a positive way. Different from the proposition of the diffusion model, Electronic word-of-mouth (e-WOM) has a strong effect on new product sales early on and such effect decreases over

time. Moreover, the volume of pageviews by followers is far more influential than that of reviews by opinion leaders, especially in the early period of product lifecycle, suggesting a significant cascade effect.

Sundstrom (2016) studied Mothers “Google It Up:” Extending Communication Channel Behaviour in Diffusion of Innovations Theory. The study employed qualitative methods, conducting 44 in-depth interviews with biological mothers of newborns to understand women’s perceptions and use of new media, mass media, and interpersonal communication channels in relation to health issues. Findings show that participants resisted mass media portrayals of women’s health. When faced with a health question, participants uniformly started with the Internet to “Google it up.”

Wresch and Fraser (2011) investigated the persistent barriers to e-commerce in developing countries – a longitudinal study of

Caribbean companies. The study aimed at investigating which barriers might be transitional and which might be persistent by interviewing 23 companies in 2004 and 2008. The study found persistent barriers to include logistics services while the new problems were identified to increased competition and increased shipping costs. Overall the findings suggest improved strategies for companies in developing countries seeking to use e-commerce to expand their markets.

Hiwarkar (2013) investigated e-commerce infrastructure for the development of technology and communication. The study found factors militating against the expansion of e-commerce infrastructure and information technology development to include business understanding on how technology can be utilized in the best possible way.

likin (2003) investigated the impact of e-commerce and use of information and communication technology on promotion and

development of trade in the OIC countries. The study used descriptive analysis and found that factors such as low technological base, high Internet usage costs, low GDP per capita, lack of appropriate financial and legal frameworks and low education level as impediments to the growth of the Internet.

Sarokolaei et al (2012) investigated the impact of technology and communication infrastructure on development of e-commerce in Iran. The study aims at identifying the needed infrastructure for e-commerce and dealing with technology and communication infrastructure particularly. The needed data for the study were collected and analyzed using statistical analysis and regression techniques. The study found that there is a meaningful relationship between technology and communication factors and e-commerce.

Tang and Nguyen (2013) investigated common causes of trust, satisfaction and tam in online shopping in Taiwan. The study employed Technology Acceptance Model (TAM). The study found that that trust and satisfaction affect the e-shopping behaviour significantly.

Arshad et al (2015) investigated the impact of perceived risk on online buying behaviour. The study employed correlation and regression techniques. The study found that lower perceived risk directly relate to the positive online buying behaviour and there is positive relation between perceived risk and online buying behaviour. Additionally, the study found that online buying behaviour impacts website's decision making and processes throughout the media sites and these sites usually include e-business ethics and buyers' right while online shopping.

Tariq et al (2016) examined the factors affecting online shopping behaviour of consumers in Pakistan. The study employed series of simple regression models. From the data analysis, the study found that risk of losing money and financial details, risk of non-delivery of order have depressing effect on online shopping behaviour. However, product risks and convenience risk have insignificant impact on attitude toward online shopping.

Thakur (2016) investigated customer engagement and loyalty with specific focus on mobile shopping. The study employed structural equation model to analyse the data generated through a survey. The study found a strong role of customer engagement in predicting customer loyalty.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

Chapter three covers the methodology adopted by the study which comprises; Research Methods (Design) or approaches used in the study, Justification for approaches or methodologies employed, Methods of collecting the data, Research instruments or tools used to collect data, Validation of research instruments, Reliability of the research instruments, Research population and sample size, Sampling procedure, Research Hypotheses, Statistical techniques used in analyzing the data and Statistical instruments used to test hypotheses as well as ethical considerations of the study.

3.1 Research Design

The research design most suitable for this study is the survey methodology. According to Saunders et al. (2009), a survey is a

“means of gathering information about the characteristics, actions, or opinions of a large group of people, referred to as a population”. The study has adopted the survey method specifically by using structured questionnaire which are both closed ended and open ended in nature; although, the questionnaire is largely made up of close-ended questions. The questionnaires were administered to a target group of respondents who were perceived to be online buyers, online sellers (e-vendors, e-tailers, online shops etc.), potential online buyers and sellers. The study used descriptive analysis to analyse respondents based on age, sex, marital status, educational level and religion. The study adopted t-test as analytical means of testing and or proving the hypothesis of the study.

A descriptive study is one in which information is collected without changing the environment (i.e., nothing is manipulated). Sometimes these are referred to as “correlational” or “observational” studies. Descriptive studies can involve a one-time interaction with groups of people (cross-sectional study) or a study might follow individuals over time (longitudinal study). Descriptive studies, in which the researcher interacts with the participant, may involve surveys or interviews to collect the necessary information. Descriptive studies in which the researcher does not interact with the participant include observational studies of people in an environment and studies involving data collection using existing records (e.g., medical records review). Araoye (2004) noted that “a descriptive study is an observational study which studies the amount (frequency) and distribution (by person, place and time) of disease or events within a population”. A cross-

sectional descriptive study sets out to describe such events or situations in relation to age, sex, marital status, education level etc (Araoye, 2004). The descriptive research method basically ascertains issues that bother on key questions of “what is” and “why is”.

3.2 Population and Sample Size of the Study

The population for this study consists of those perceived to be online buyers, online sellers (e-vendors, e-tailers, online shops etc.), potential online buyers and sellers. A pre-survey carried out by the National Bureau of Statistics via the Nigerian Communications Commission in 2015 estimated the total number of active Internet subscribers in Nigeria to be 92,424,736.

3.3 Sampling Procedure/Sample Size Determination

The study used multi-stage sampling that comprised two stages. At first stage, Nigeria was divided into clusters made up of 36

States and FCT-Abuja – the federal capital territory. Five (5) cities were purposively selected. This choice is based on the high concentration of people and the availability of general infrastructure. Finally, 300 online buyers, online sellers (e-vendors, e-tailers, online shops etc.), potential online buyers and sellers were conveniently selected. Thus, data relating to e-commerce infrastructure, online trust and buying behaviour were obtained from the 300 sampled respondents across five selected cities.

3.4 Method of Data Collection

The primary data for this research work were generated using a carefully prepared questionnaire. The questionnaire was administered to the 300 sampled respondents. To achieve this, the researcher personally visited the respondents in their

various locations and distributed the questionnaire to them and guided them in completing the questionnaire.

Other means used for collecting data were Internet sources, e-commerce exhibitions, online and offline library resources (literature reviews, journals, books, newspapers and other archives), review of existing documents from e-commerce and digital marketing companies.

3.5 Method of Data Analysis

Data collected were analysed using descriptive statistics, student t-test and a logit regression model which were analysed with the aid of Statistical Package for Social Sciences (SPSS) software. The t-test was used to achieve the first and second objectives which are consistent with the hypotheses, logit regression analysis and logic table was used to achieve the third and fourth objectives respectively.

3.5.1 Model Specification

Logit regression is used when the dependent variable in question is nominal (a set of categories which cannot be ordered in any meaningful way also known as categorical). It has become an acceptable practice to analyse 'Yes' or 'No' questions alternatively through the use of categorical regressions such as logit. In this situation, the endogenous variable is a dichotomous or dummy variable (online buying behaviour of consumers) with (1) representing the respondent who has participated in online purchase and zero (0) if otherwise.

The implicit form of the model is written as

$$\text{Buy} = f(\text{Trust}, \text{InfoQlty}, \text{Size}, \text{Repute}, \text{CntQlty}, \text{Offline}) \dots \dots \dots (3.1)$$

Where:

Buy= online transaction buying behaviour of consumer (1 if a respondent buys online, 0 if otherwise)

Trust = propensity to trust (measured using 5-likert scale)

InfoQlty = Information quality (measured using 5-likert scale)

Size = Perceived size of e-vendors (measured using 5-likert scale)

Repute = Reputation of e-vendors (measured using 5-likert scale)

CntQlty = Content Quality (measured using 5-likert scale)

Offline = Offline presence of e-vendor (measured using 5-likert scale)

The equation (3.1) is specified in explicit form as:

$$\text{Buy} = \beta_0 + \beta_1 \text{Trust} + \beta_2 \text{InfoQlty} + \beta_3 \text{Size} + \beta_4 \text{Repute} + \beta_5 \text{CntQlty} + \beta_6 \text{Offline} \dots\dots\dots (3.2)$$

Where:

β_0 =Constant term,

β_i (i = 1-6) = vector of parameters to be estimated,

μ =Error Term

The a priori expectations which are the expected signs and behaviour of the independent variables on the dependent variable (online buying behaviour of consumer) are as follows.

Online trust (β_1), Information quality (β_2), Perceived size of e-vendors (β_3), Reputation of e-vendors (β_4), Content Quality (β_5), Offline presence of e-vendor (β_6) are expected to have positive impact on online buying behaviour of consumer. This means that the presence of these factors would influence the respondents to engage in online transaction.

3.6 Validity of Research Instrument

A research instrument used for data collection is said to be valid when such data collected actually measure what it was originally aimed to measure (Key, 1997). Therefore, the contents, the construct and criteria used in formulating an instrument must be valid. Key (1997) also cited Warwick & Linninger (1975) who asserted that there are two basic goals in survey questionnaire: these are; using questionnaire to collect information relevant to the purposes of the survey study and collecting the said information with utmost reliability and validity.

In the light of the above, the survey questionnaire (our research instrument) was with special cognizance to the aims and the objectives the research was set to meet; hence, the questionnaire was duly determined for as having content and

construct validity. The questionnaire comprehensively covered issues relating to e-commerce infrastructure, online trust and security as they are necessary for digital marketing adoption by businesses and organizations.

Again, the data collection instrument was designed to cover the demographic features of the respondents. It is ascertained therefore that, the research instrument has content and construct validity in the research instrument and it is adequate in all perceivable dimensions to have collected that data relevant for this study. Accordingly, and in this assertion, therefore, it is argued that the research instrument used for data collection had capability to measure what it was designed to measure, having covered all the relevant areas on e-commerce infrastructure, online trust and security as condition for adopting digital marketing by firms and businesses.

3.7 Reliability of Research Instrument

A pretest of the research instrument was carried out using some few selected online buyers and potential buyers and online sellers and potential sellers. Also the researcher used his vast experience on e-commerce and online transactions to check for the reliability of the instrument. As a result of his experience on e-commerce and the pretest, several items were refined. Some initial items were found to be unclear expressions of the research construct and these items were eliminated or modified. The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials (Key, 1997). He asserted further that, although unreliability is very often found to be present to some extent, there will generally be a good deal of consistency in the results of a quality instrument gathered at different times. Key (1997) cited Carmines and Zeller (1979) who noted that, the propensity

of a research instrument to turn towards consistency found in repeated measurements is what is referred to as reliability.

A pretest said to have been done is also referred to as a pilot study. This was conducted and it is an essential part of any survey research. Pilot testing nearly always results in significant improvements to the research instrument that results in a general increase in the efficiency of the study. Bell (1989) stated that, “the Pilot study helps to perfect the instrument so that participants in the main study would experience fewer difficulties in completing it”. In order to eliminate the difficulties therein completing the questionnaire, the pilot study respondents were asked to evaluate and report on the clarity of instruction, the contents and construct as well as the ambiguity and relevance of the items that comprised the research instrument (the questionnaire). The pilot study respondents

were asked to suggest items that can be modified, added or removed in order to effect better improvements to the questionnaire where the reliability and validity were recorded. Thereafter, the researcher used his experience and the contributions from the pilot study respondents to improve the questionnaire and enhance its reliability. It is important to state here that, the pilot study respondents were not involved in responding to the final research questionnaire. The use of Pilot Study is consistent with the process employed by Bell (1989), Oppenheim (1996), and David and Sutton (2004).

3.8 Re-Statement of the Hypotheses of the Study

The study tested the following hypotheses:

Hypothesis One:

H₀: Nigeria does not have the necessary e-commerce infrastructure sufficient for digital marketing implementation.

Hypothesis Two:

H₀: Security assurance on online transactions does not significantly influence customer buying behaviour.

Hypothesis Three:

H₀: Online trust does not significantly impact on transactions.

Hypothesis Four:

H₀: Nigeria is not among the leading countries perpetrating Internet scams

3.9 Ethical Issues

On issues bothering on ethics, the researcher ensured that each respondent to the research understood exactly what the aims and objectives of the research were and obtained the consent of every respondent to the survey questionnaire. The information supplied by the respondents was strictly used for

the aims and objectives of this study and respondents were made to know in clear terms that, the information they supplied was meant for academic purposes only. The information gotten from secondary sources was properly cited and referenced devoid of plagiarism.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This chapter contains presentation of data relevant for the objectives of this research. The data was collected mainly from secondary sources (that is from statistics and reports that bother on e-commerce infrastructure, online trust and security as well as Internet scams) for proper presentation and objective analysis and discussion in the ensuing chapter. Efforts were also made to ensure that all data and statistics collected were from reliable sources to aid objective results and conclusions based on empirical evidences.

The presentation of data was done with the aid of tables, graphs, charts (bar charts and pie charts) and other relevant diagrams. In this way, the study employed descriptive research methodology. The objective of descriptive research is to describe the characteristics of various aspects, such as the market potential for a product or the demographics and attitudes of consumers who buy the product (Kotler & Armstrong, 2006 as cited in Wikipedia 2015). The study

therefore sought to show the characteristics of digital marketing potential, the nature on online customer behaviour in Nigeria, which is dealing with online transaction trust between buyers and sellers, and the current trends on Internet scams globally as related to the Nigeria's situation and position.

4.1 Presentation of Secondary Data

The data presented below is based on the variables that were used in the study. The tables, graphs, charts and other relevant diagrams below present data on key variables of the study that reflect its objectives. These variables are e-commerce infrastructure, customers' online buying behaviour (which bothers mainly on trust and key variables that stimulate trust online) and Internet scams – global trends relative to Nigeria's position. Therefore data presentation and analysis were done in three sections as shown below.

4.1.1 Potential Presentation and Analysis of Data on E-Commerce

The data presented below is based on the current nature and structure of e-commerce globally relative Nigeria.

The data and statistics provided in the table below show that Internet access and usage in Nigeria has continually been on the increase with growth rate not falling below 16% since 2000 except in 2013 when there was a decline with 4% growth rate. This figure has even increased since then to about 87 million Internet users in Nigeria (NCC, report of June 2015).

When we use these figures to project, adopting a benchmark of 12% growth rate, the number of Internet users is expected to reach 122.228 million users by 2018. What this means is that, businesses should as a matter of need take their marketing drive to the Internet where audience is guaranteed. According to Forbes (2014), for a business to succeed in today's world, it is important to have a strong digital footprint within the Internet. Therefore, when a business is defining its marketing plan, it must incorporate a solid digital strategy. Without a digital marketing strategy in place, new client acquisitions, brand visibility, and impactful revenue generating opportunities will likely be damaged.

Table 4.1: Number of Internet users in Nigeria from 2000 – 1st Quarter, 2016

Year (July 1)	Internet Users**	User Growth	New Users	Country Population	Population Change	Penetration (% of Pop. with Internet)	Country's Share of World Population	Country's Share of World Internet Users	Global Rank
2016*	86,219,965	22.34%	4,124,967	185,321,124	2.22%	46.53%	2.62%	2.31%	8
2015*	82,094,998	22.34%	14,993,546	183,586,784	2.84%	44.72%	2.48%	2.32%	8
2014*	67,101,452	16%	9,365,590	178,516,904	2.82%	37.59%	2.46%	2.30%	8
2013*	57,735,862	4%	2,229,563	173,615,345	2.83%	33.26%	2.42%	2.13%	8
2012	55,506,299	19%	8,826,250	168,833,776	2.83%	32.88%	2.38%	2.20%	8
2011	46,680,049	22%	8,350,181	164,192,925	2.81%	28.43%	2.35%	2.04%	10
2010	38,329,867	23%	7,253,663	159,707,780	2.78%	24.00%	2.31%	1.87%	10
2009	31,076,204	30%	7,094,603	155,381,020	2.76%	20.00%	2.27%	1.76%	10
2008	23,981,601	141%	14,017,018	151,208,080	2.73%	15.86%	2.24%	1.53%	15
2007	9,964,584	25%	2,017,720	147,187,353	2.70%	6.77%	2.21%	0.73%	19

2006	7,946,863	60%	2,992,743	143,314,909	2.67%	5.55%	2.17%	0.68%	19
2005	4,954,121	183%	3,204,983	139,585,891	2.64%	3.55%	2.14%	0.48%	19
2004	1,749,138	136%	1,008,744	135,999,250	2.60%	1.29%	2.11%	0.19%	20
2003	740,394	79%	326,278	132,550,146	2.57%	0.56%	2.08%	0.10%	20
2002	414,116	266%	300,836	129,224,641	2.56%	0.32%	2.06%	0.06%	20
2001	113,280	44%	34,540	126,004,992	2.55%	0.09%	2.03%	0.02%	20
2000	78,740	60%	29,563	122,876,727	2.54%	0.06%	2.01%	0.02%	20

* estimate

****Internet User** = individual who can access the Internet at home, via any device type and connection.

Source: *Internet Live Stats* (www.InternetLiveStats.com) accessed 12th March. 2015

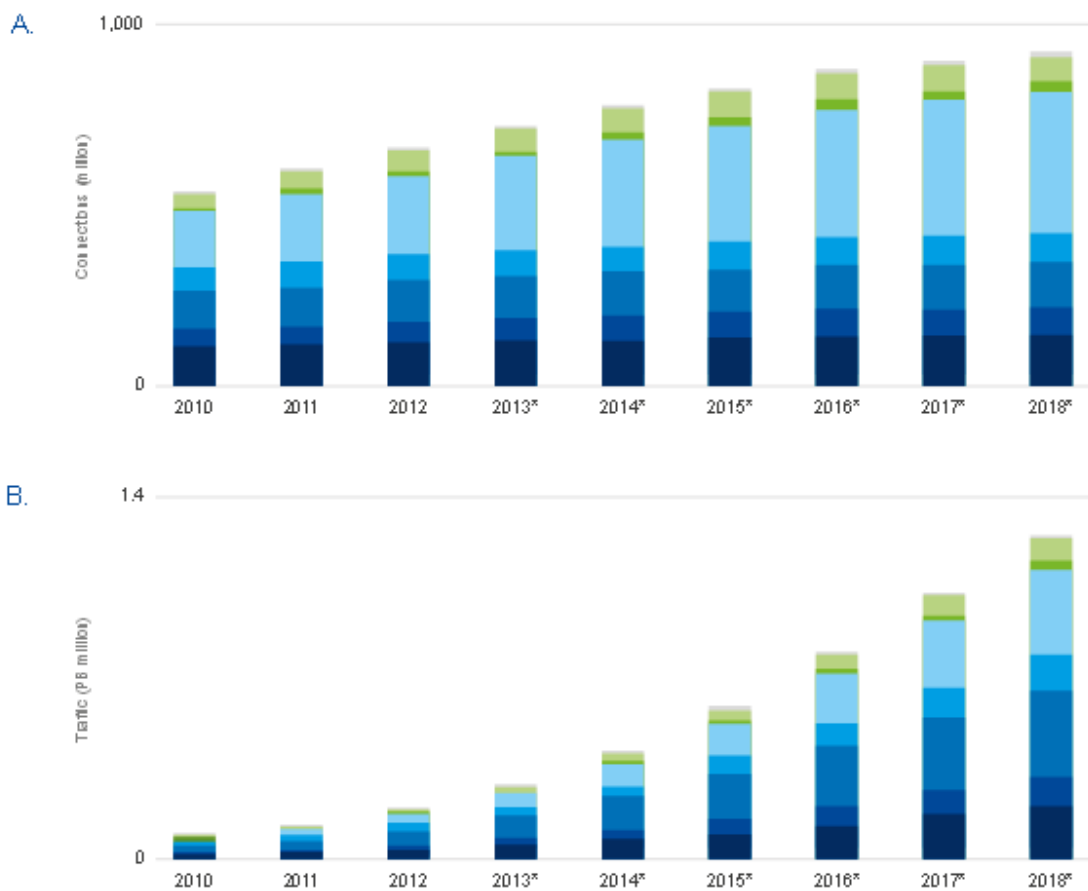
Elaboration of data by *International Telecommunication Union (ITU)*, *World Bank*, and *United Nations Population Division*.

Figure 4.1: Fixed Broadband

A. Global fixed broadband connections

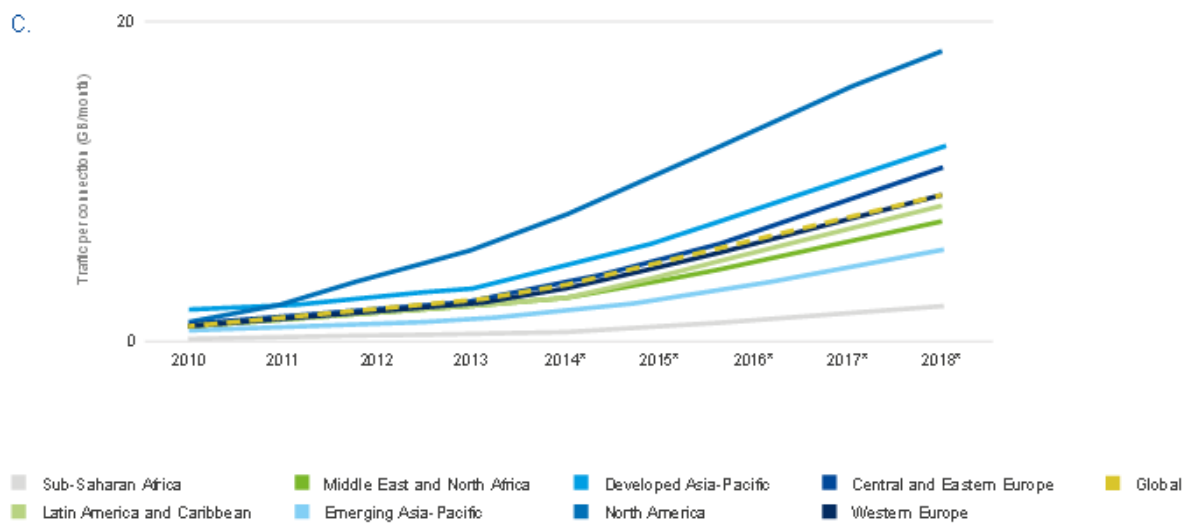
B. Global fixed broadband Internet traffic

C. Monthly fixed broadband Internet traffic per connection



Source:

http://www.Internetsociety.org/sites/default/files/Global_Internet_Report_2014.pdf accessed 15th Feb 2015



Source:

http://www.Internetsociety.org/sites/default/files/Global_Internet_Report_2014.pdf accessed 15th Feb. 2015

The number of users with fixed broadband connections has risen rapidly, as shown in Figure 4.1 (A). Connections are forecast to continue to rise, with particularly significant growth expected in the emerging Asia-Pacific region. However, the overall rate of global growth in fixed broadband connections will likely slow, from 10% annual growth for the period 2010-2013 to 5% for the forecast period 2013-2018, as developed fixed broadband markets

approach saturation and mobile broadband continues to increase in importance.

While there is growth in fixed connections globally, in some regions the connections are starting from a very low base and are forecast to remain low relative to more developed regions. For example, despite the 20% annual growth forecast for sub-Saharan Africa, connections in that region will represent less than 10% of the connections forecast for North America, despite a 2.4 times larger population in sub-Saharan Africa. However, as shown in the next section, it is expected that mobile broadband connections will dominate, with 703 million 3G and 4G connections forecast for sub-Saharan Africa in 2018 (as compared to 11.9 million fixed connections).

Alongside the increase in the number of fixed broadband connections, total fixed broadband Internet traffic is expected to continue growing rapidly, with global traffic forecast to more than quadruple between 2013 and 2018, as shown in Figure 4.1 (B). While both connections and Internet traffic will continue to rise, the increase in traffic is

expected to be the more rapid, with a growth rate of 35% for the period 2013 to 2018 relative to 5% growth for connections over the same period. This is due to the global average traffic per connection being forecast to continue to grow significantly to reach an average 9.5GB per month per connection by 2018, as shown in Figure 4.1(C) below.

This increase in traffic per connection results from the rise in average bandwidth associated with the move to higher-bandwidth broadband connections, in combination with the rise in data-heavy Internet applications using rich media such as video. As can be seen in Figure C, streaming one minute of video generates over 200 times more traffic than sending a single email. The proportion of fixed Internet traffic originating from video applications¹³ has been forecast by Cisco, to rise from 48% to 67% of total traffic between 2012 and 2017. Simultaneously, the proportion of traffic from web, email, and data applications is expected to fall from 23% to 18%, and the proportion from file sharing from 29% to 14%. This increase in video traffic is not at the expense of other Internet content and applications,

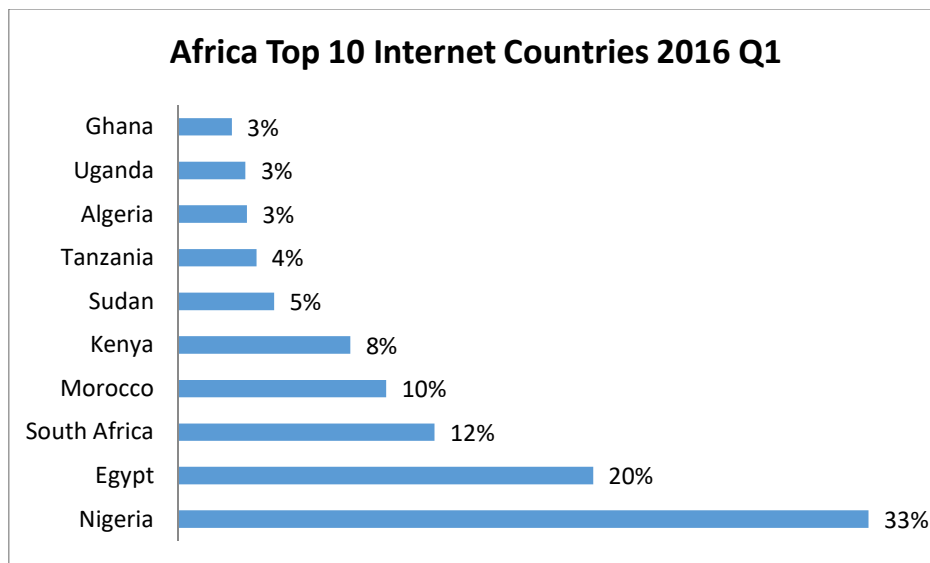
however, as they are all forecast to experience a growth in total traffic. Within North America, traffic from the largest online video application, Netflix, makes up just over 28% of peak fixed traffic in North America, representing an average of 12.5 GB per month per fixed broadband subscriber, with YouTube representing another 16.8% of peak fixed traffic.

Table 4.2: Top Ten Internet Countries in Africa

Country	Number of Internet Users
Nigeria	67,101,452
Egypt	40,311,562
South Africa	24,909,854
Morocco	20,207,154
Kenya	16,713,319
Sudan	9,307,189
Tanzania	7,590,794
Algeria	6,669,927
Uganda	6,523,949
Ghana	5,171,993

Source: worldometers.info accessed on 8/07/2016

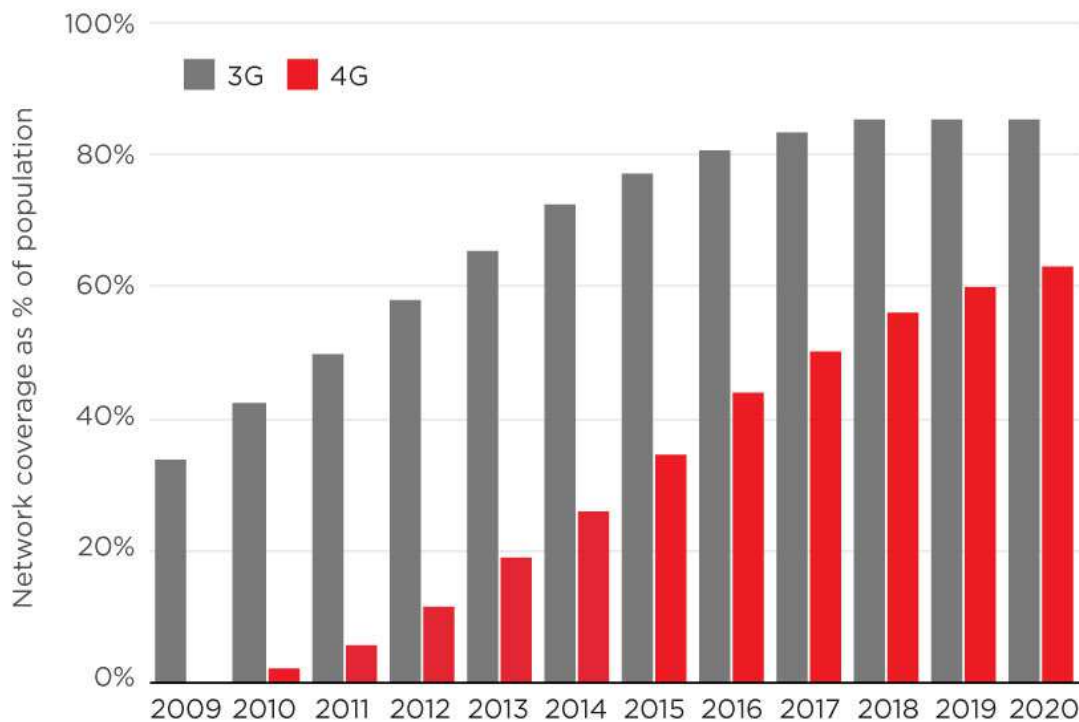
Figure 4.2: Top Ten Internet Countries in Africa



Source: worldometers.info accessed on 8/07/2016

The table and figure above gives statistics on the number of Internet users in Africa as at the first quarter of year 2016. This statistics reveals that, Nigeria is on the far lead with a figure of 67,101,452 (33%) Internet users. This is of Internet users. It is important to note here that, the most recent statistics released by the Nigeria Communications Commission – NCC, as at May 2016 puts the number of Internet users in Nigeria at 92,424,736. This is followed by Egypt with a total of 40,311,562 (20%) Internet users. South Africa only trails Egypt behind with 24,909,854 (12%) Internet users (almost three times less than Nigeria’s figure). The least in the figure is Ghana who has just 5,171,993 (3%) Internet users as at the second quarter of year 2016.

Figure 4.3: Mobile broadband coverage reach, 2009–2020

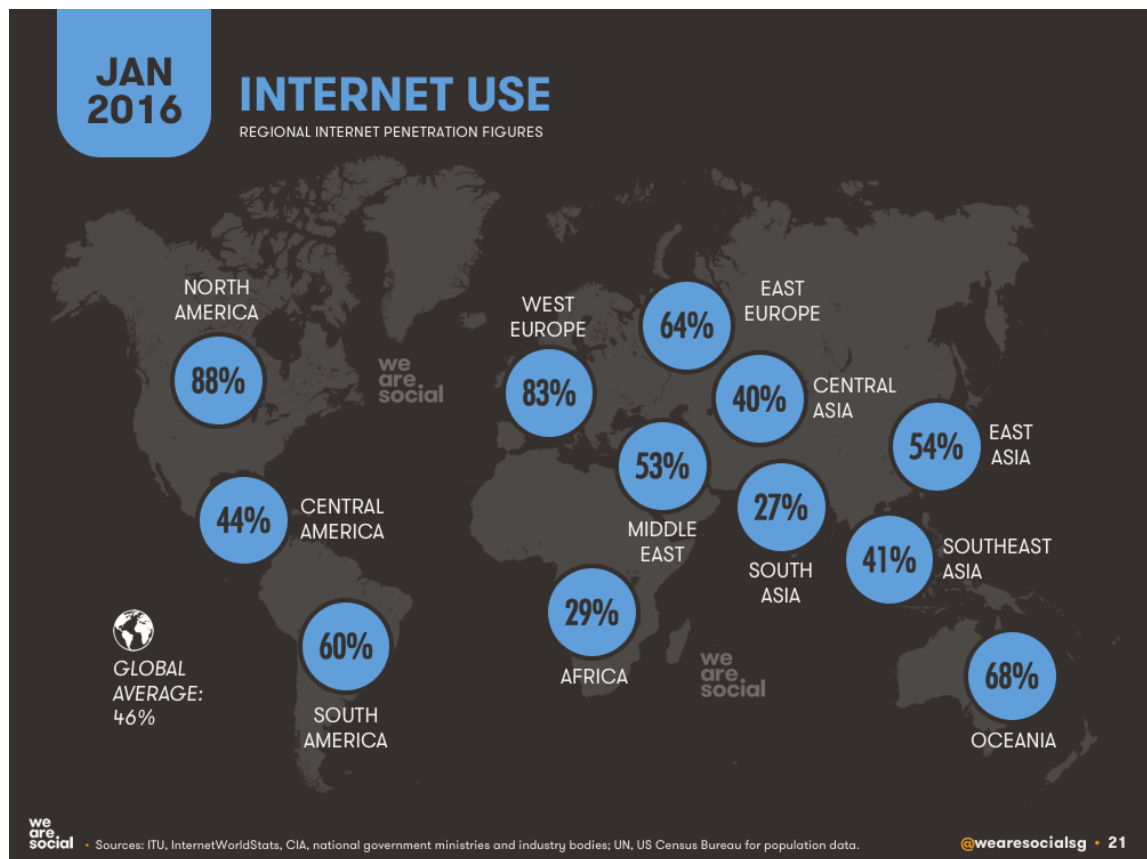


Source: GSMA Intelligence accessed 08/07/2016

The figure above shows that more than four out of five people worldwide will have access to 3G networks by 2020 (up from 70% today), while 4G networks will cover over 60% of the global population by this point (up from 25% today) (GSMA Intelligence, 2015). More consumers worldwide have access to mobile broadband networks that support download speeds that have been continuously increasing since the launch of the first 3G/WCDMA network in 2001

and the first 4G/LTE network in 2009. The study by GSMA equally reveals that currently, there are 335 mobile operators that have commercially launched LTE networks across 118 countries worldwide. The number of operators is forecast to almost double over the next three years to reach close to 600 operators in 156 countries. In developed economies, 4G coverage has already reached over 80% of the population in December 2014, while in developing economies 4G coverage stands at just above 10% of the region's population.

Figure 4.4: Internet Penetration Globally

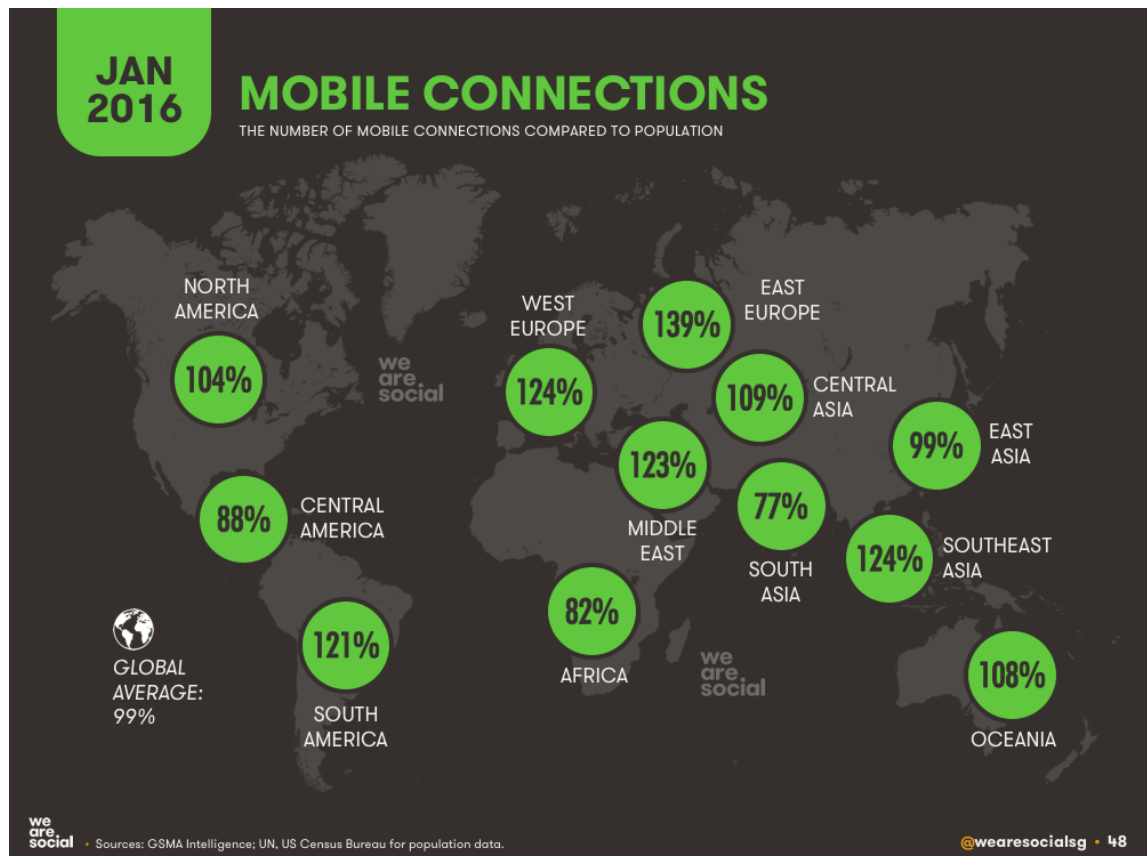


Source: <http://wearesocial.com/sg/special-reports/digital-2016/> accessed 08/07/ 2016

The figure above shows global Internet penetration by region. Internet penetration in Africa stood at 29% of the global average. This is in comparison to an average global Internet penetration of 35% making up 2.5 billion people. It should be noted that Internet data from Africa is limited and hence the growth in Internet penetration in Africa may

be greater. However, Africa is still ahead of South Asia (12%).

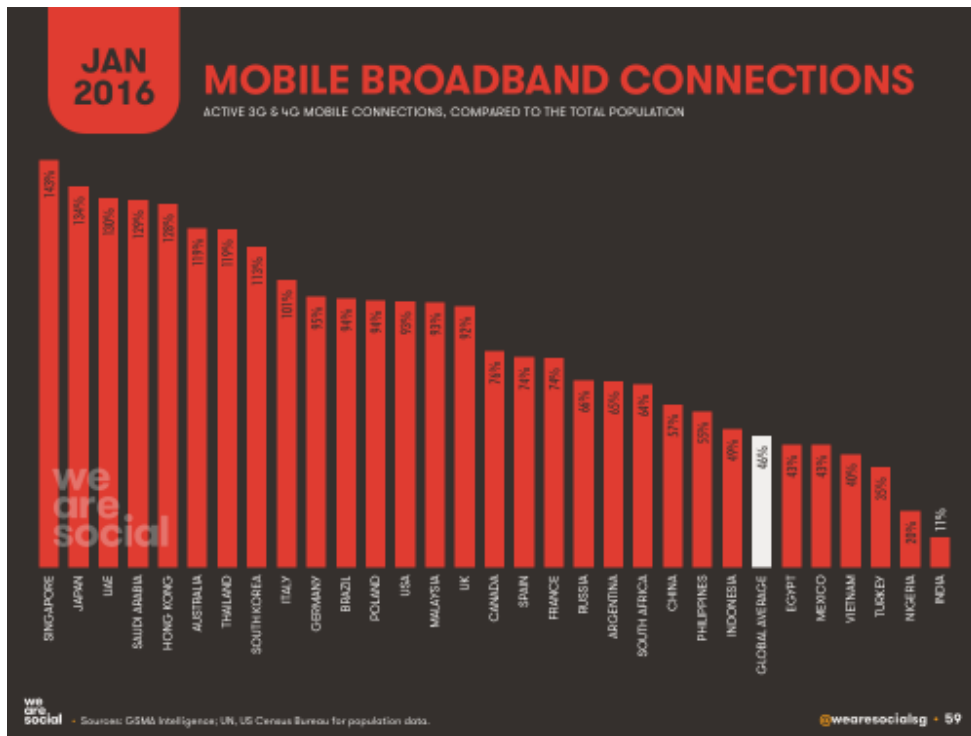
Figure 4.5: Global Mobile Connections by Region



Source: <http://wearesocial.com/sg/special-reports/digital-2016/> accessed 08/07/ 2016

The figure above shows that mobile connections in most regions, except Africa and South Asia were above global average of 99%.

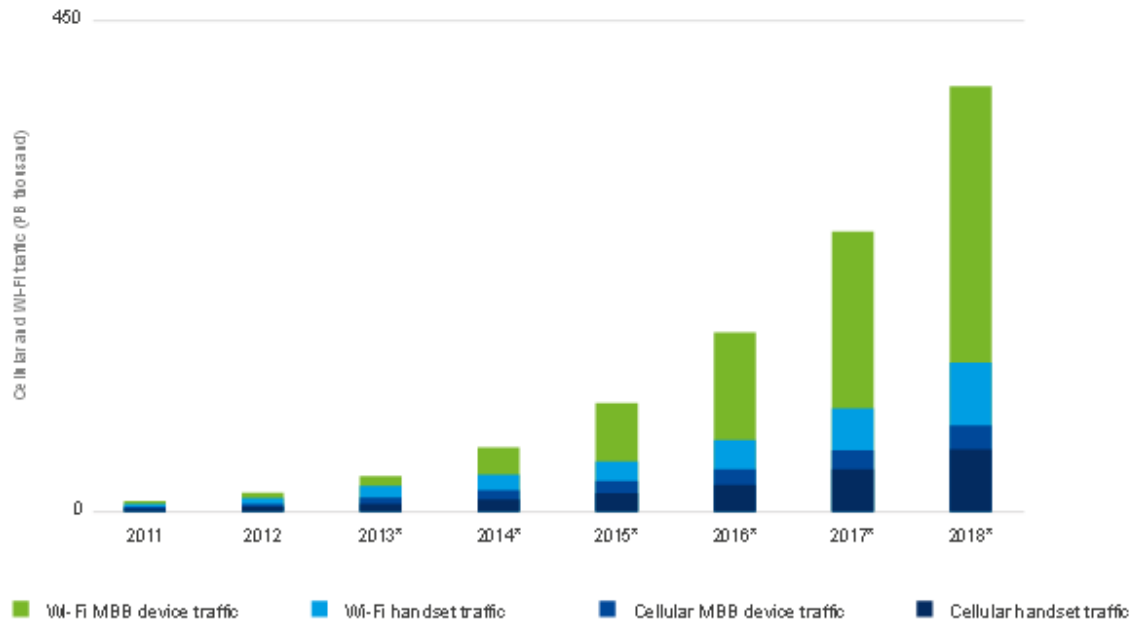
Figure 4.6: Mobile Broadband Penetration



Source: <http://wearesocial.com/sg/special-reports/digital-2016/> accessed 08/07/ 2016

The figure above shows that Mobile Broadband penetration in Nigeria, which stood at 20%, is lagging behind but ahead of India which stood at 11%.

Figure 4.7: Cellular and Wi-Fi Traffic

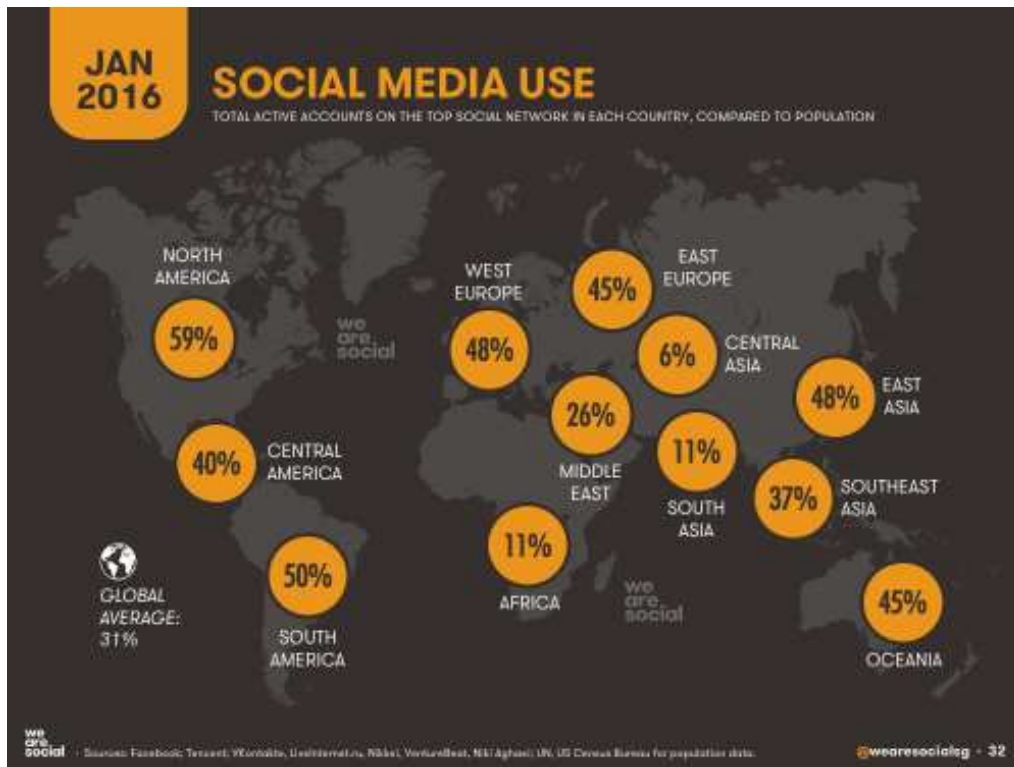


Source:

http://www.Internetsociety.org/sites/default/files/Global_Internet_Report_2014.pdf accessed 18th Feb 2015

Wi-Fi MBB device traffic has been on the steady increase penetrating the nooks of the globe. It is expected that by 2018, its penetration will reach a very high magnitude far above cellular MBB device and others.

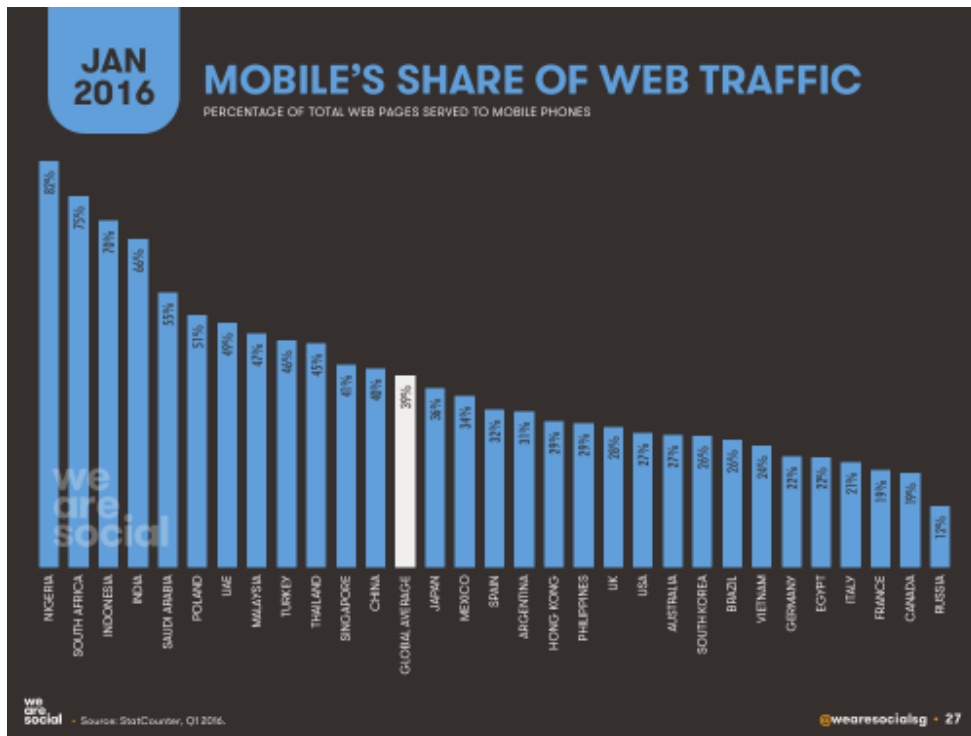
Figure 4.8: Global Social Media Use by Region



Source: <http://wearesocial.com/sg/special-reports/digital-2016/> accessed 08/07/ 2016

The diagram above shows that Social Media penetration in Africa also lags behind the rest of the world at 11% (tied with South Asia) but ahead of Central Asia. This is likely so primarily as a result of the lack of affordability or high Internet cost and inaccessible Internet services on the continent. However, this represents a 5% increase from 2013.

Figure 4.9: Mobile's Share of Web Traffic



Source: <http://wearesocial.com/sg/special-reports/digital-2016/> accessed 08/07/ 2016

The figure above shows that Nigeria tops the list of Key 30 economies when it comes to mobile's share of web traffic, with more than 80% of all web pages served in Africa's most populous nation going to mobile phones. At the other end of the scale, just 12% of Russia's web traffic goes to mobile phones – more than three times lower than the global average.

Figure 4.10 Nigeria's Active Internet users, Social Media Accounts and Mobile Connections



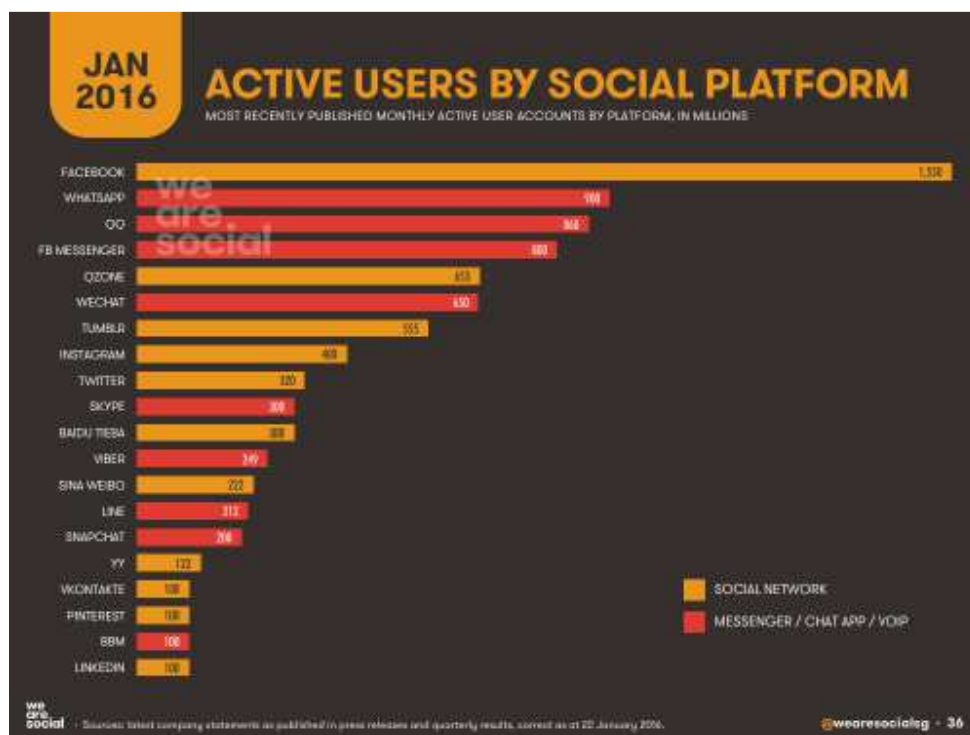
Source:

<http://socialmediaweek.org/lagos/2014/02/03/african-digital-statistics-2014/> accessed 15th Feb 2015

Nigeria's population, as at first quarter of 2015, was estimated to be 183.5 million people as in the figure above. Out of this figure, there were 70.3 million active Internet

users, 13.6 million active social media accounts, 138.0 million mobile connections and 12.4 million active mobile social accounts. However, by the second quarter, the figure had increased to 87 million Internet users (NCC, 2015).

Figure 4.11: Social Media Active Users as at March 2015

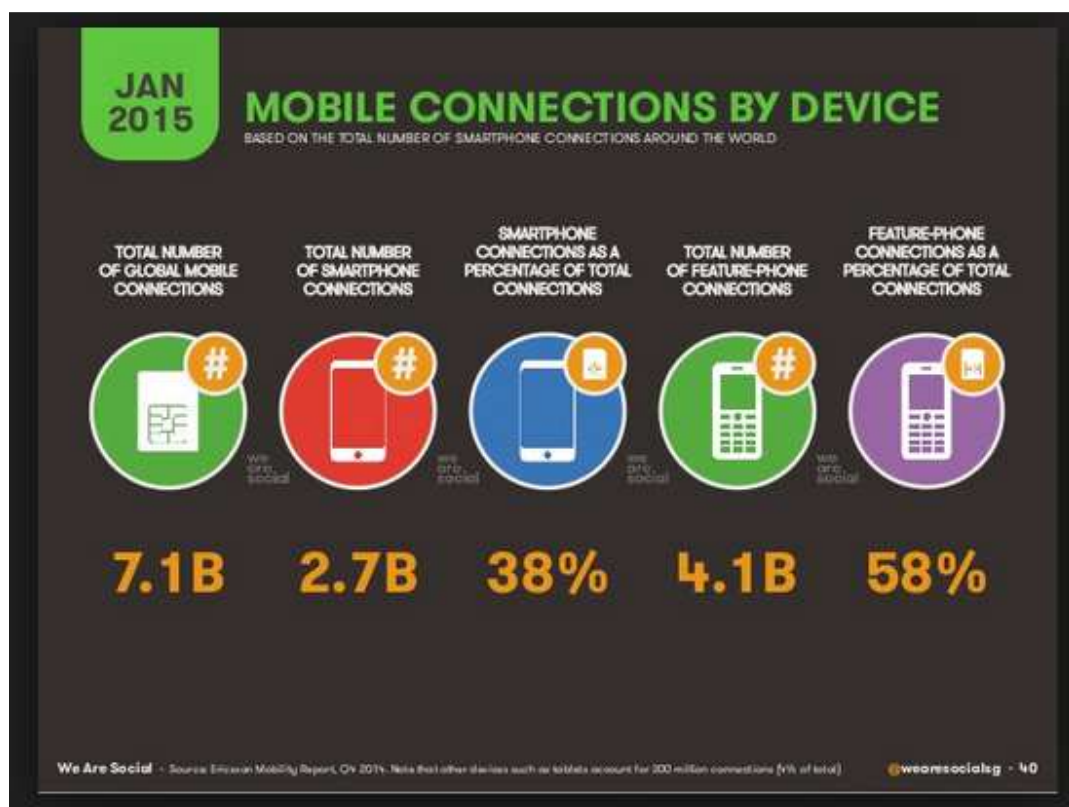


Source: <http://wearesocial.com/sg/special-reports/digital-2016/> accessed 08/07/ 2016

The result presented in the figure above reveals that Facebook continues to lead the global social platform

rankings with more than 1.5 billion active accounts. This is followed by WhatsApp which recorded 900 million active users. However, data from GlobalWebIndex suggests that WhatsApp is already ahead of Facebook in a number of markets, and trends suggest this will occur on a more frequent basis through 2016.

Figure 4.12 Mobile Connection by Device

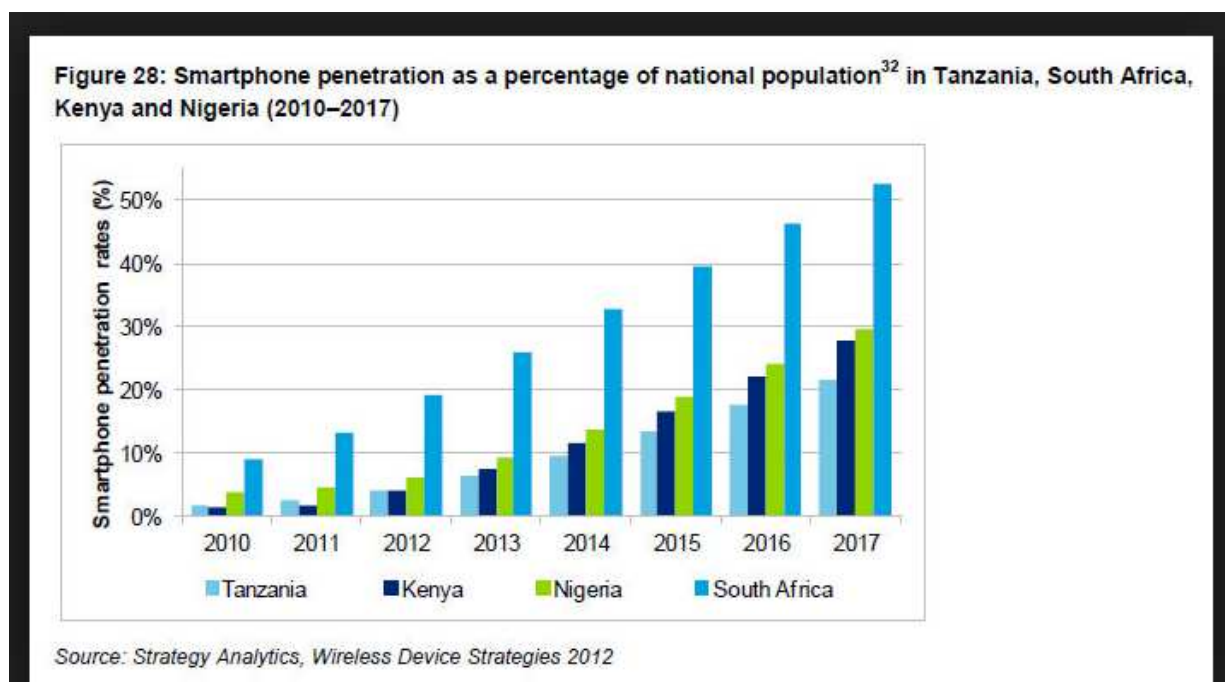


Source:

<http://socialmediaweek.org/lagos/2014/02/03/african-digital-statistics-2014/> accessed 15th March 2015

The total number of smartphone connection stood at 2.7 billion users which is 38%. This figure is expected to increase tremendously as smartphone devices continue to penetrate and permeate in usage globally.

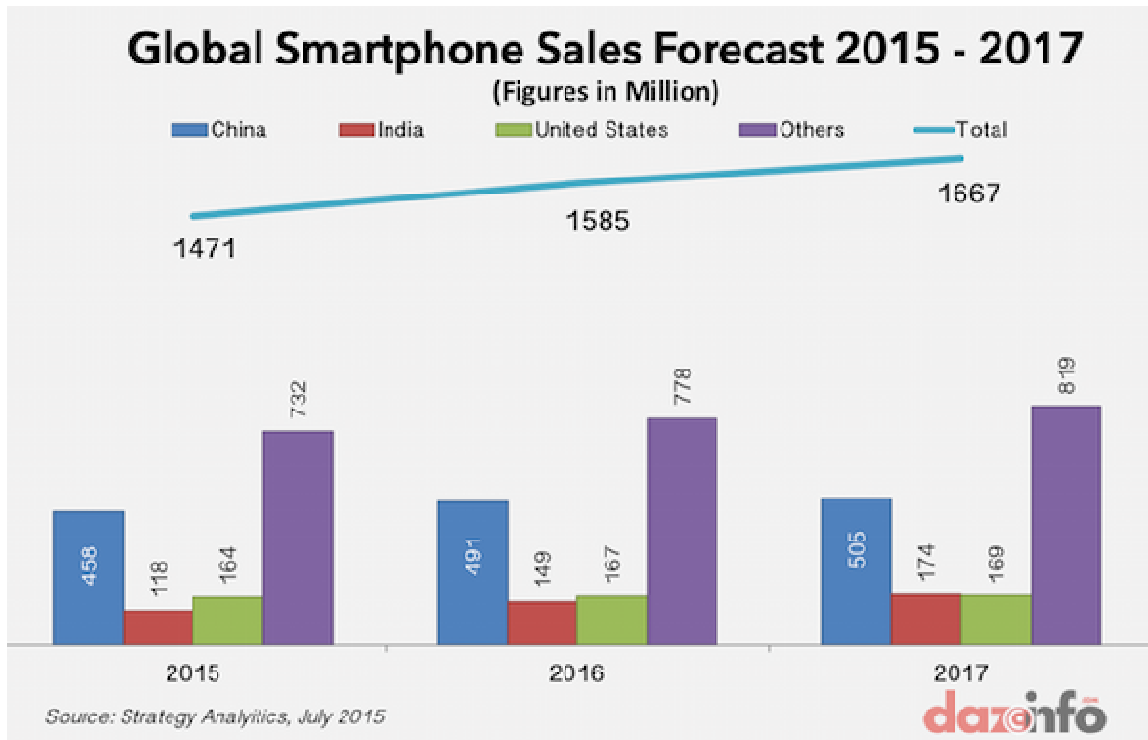
Figure 4.13: Smartphone penetration in Nigeria, South Africa, Tanzania and Kenya



Source: www.wikis.com accessed 18th march 2015

South Africa has been on the lead in Smartphone penetration since 2010 and the country is expected to continue in the lead up to 2017. South Africa is trailed behind by Nigeria while the least amongst the countries is Tanzania.

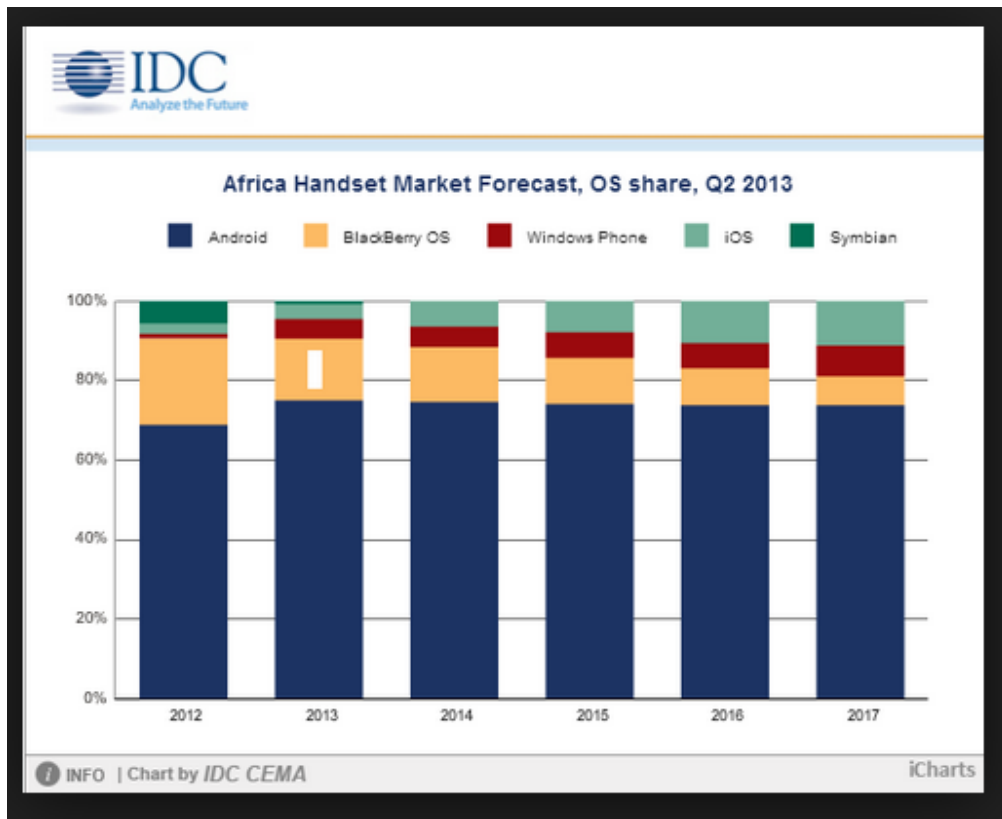
Figure 4.14: Global Smartphone Sales Forecast from 2015 to 2017.



Source: <http://cdn3.dazeinfo.com/wp-content/uploads/2015/07/global-smartphone-sales-2015-2017>
accessed 11/07/ 2016

Result presented in the figure above reveals that global Smartphone sales is estimated to grow from 1.5 billion in 2015 to 1.7 billion by 2017. An important observation as revealed in the figure is that India will leapfrog US to become the second largest smartphone market by 2017. China, India and US, together, will account for nearly 50 per cent of global smartphone market by 2017. In general, the figure reveal that smartphone market has started showing a sign of slowdown, as the year over year growth will decline from 16 percent in 2015 to mere 5 percent in 2017.

Figure 4.15 Africa's GSM Market Forecast 2012-2017



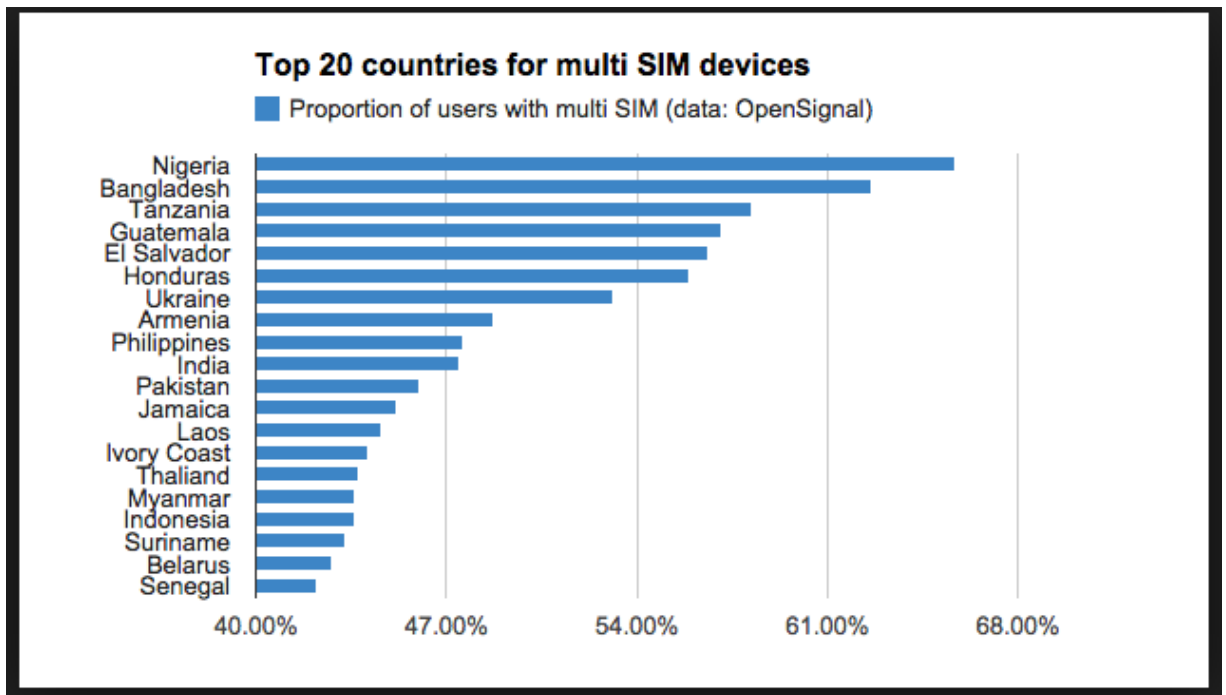
Source: IDC – Internet Data Corporation accessed 02/01/2015

The bar graph above shows global sales figures for Smartphones from 2009 to 2014, broken down by the operating system installed on the phones. In 2009, 6.8 million Android Smart-phones were sold around the world. By 2011 this figure had increased to 219.45 million and in 2014 the figure had grown to about a billion lines.

Meanwhile the share of Symbian has declined steadily and it is fast going into extinction. A forecast of the anticipated global market share of leading smart-phone operating systems shows that by the end of 2015, the Android OS will enjoy a 48.8 percent share of the global market.

The figures below show the Interactive Advertising Bureau (IAB) and PricewaterCoopers (PwC) on June 11, 2015 released an Internet Advertising Revenue Report. This report showed that the US Internet ads revenues hit a record breaking of \$13.3 billion in the first quarter of year 2015. According to the details, the digital industry new high represents a 16% increase over the 2014 first quarter record setting of \$11.4 billion. See figure 4.16 below for more on this trend.

Figure 4.16 Top 20 Countries for Multi-Sim Devices



Source: www.wikis.com accessed 6th November 2016

Nigeria leads the countries with multi-Sim mobile phones with as high as 66% of her mobile phone users. This is closely followed by Bangladesh with about 63% while Senegal is the least on this statistics with just 45% users of dual SIM devices.

Figure 4.17 Common Phone Activity by Country

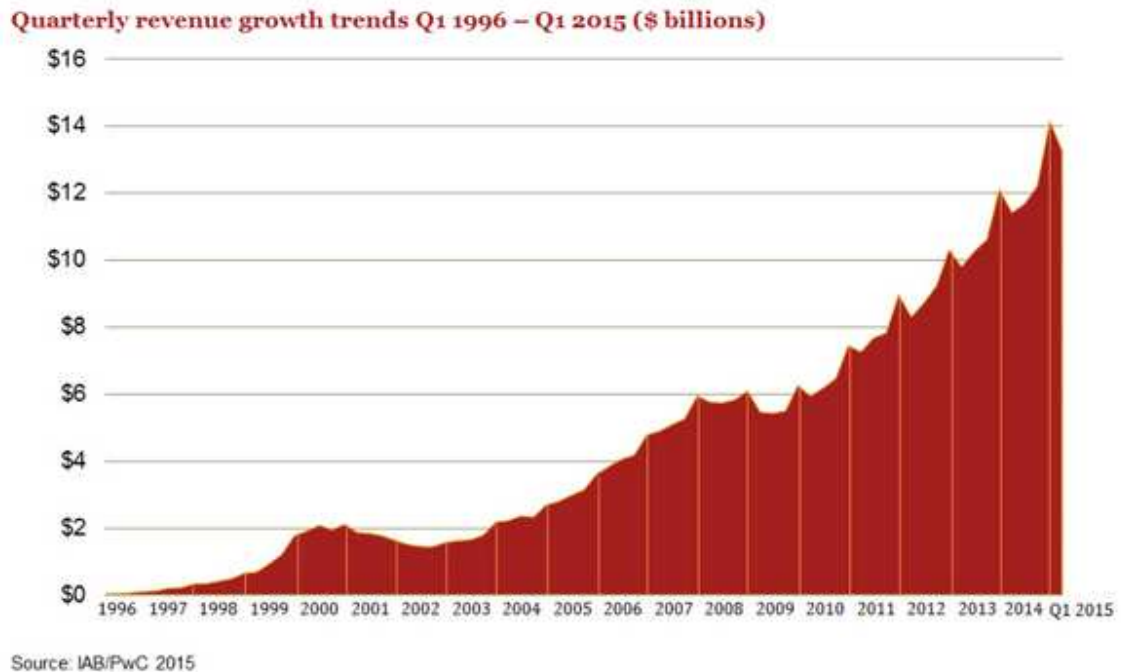
Most common phone activity by country					
	SA	Nigeria	Ghana	Kenya	Uganda
Facebook	41%	58%	54%	44%	44%
Send SMS	52%	39%	40%	55%	43%
FM Radio	40%	36%	40%	46%	46%
Browse Internet	40%	47%	51%	34%	29%
Take Photos	45%	38%	37%	34%	31%
Instant Messaging	41%	34%	34%	40%	34%
Play Games	34%	34%	33%	30%	27%
Download Apps	34%	28%	31%	19%	18%
Twitter	14%	14%	13%	14%	11%

Source: www.wikis.com accessed 18th march 2015

The Nigeria has the highest percentage of people who use their phones for Facebook activity 58% followed by Ghana 54%. Meanwhile Ghana has the highest percentage of people that use their phone for Internet browsing 51% followed by Nigeria 47%.

Figure 4.18: Quarterly Revenue Growth Trends Q1 1996 – Q1 2015(billions)

The following chart highlights quarterly ad revenue since 1996; dollar figures are rounded.



Source:

https://www.iab.net/media/file/IAB_Internet_Advertising_Revenue_Report_FY_20142.pdf accessed 12th March 2015

The above report reveals that over the past five years, there have been clear seasonal trend of strong fourth quarter revenue followed by a first quarter. Clearly, the first quarter revenues have outpaced the prior year's third quarter since 2010. The all importance of this growth trends

has been stressed by the CEO of IAB, Randall Rothenberg that “digital screens are an indispensable part of consumers’ lives”, hence, Mane, S.(2015) (the Research Analytics and Measurement of the IAB) said, brand marketers need to be where the customers are – and as of today, it is unquestionably on digital”.

Table 4.3: Annual and Quarterly Revenue Growth from Digital Marketing

	Revenue (in mil)	Q/Q Growth	Y/Y Growth		Revenue (in mil)	Q/Q Growth	Y/Y Growth
Q1 2003	\$1,632	3%	7%	Q1 2009	\$5,468	-10%	-5%
Q2 2003	\$1,660	2%	14%	Q2 2009	\$5,432	-1%	-5%
Q3 2003	\$1,793	8%	24%	Q3 2009	\$5,500	1%	-6%
Q4 2003	\$2,182	22%	38%	Q4 2009	\$6,261	14%	3%
Total 2003	\$7,267		21%	Total 2009	\$22,661		-3%
Q1 2004	\$2,230	2%	37%	Q1	\$5,942	-5%	9%

				2010			
Q2 2004	\$2,369	6%	43%	Q2 2010	\$6,185	4%	14%
Q3 2004	\$2,333	-2%	30%	Q3 2010	\$6,465	5%	18%
Q4 2004	\$2,694	15%	24%	Q4 2010	\$7,449	15%	19%
Total 2004	\$9,626		33%	Total 2010	\$26,041		15%
Q1 2005	\$2,802	4%	25%	Q1 2011	\$7,264	-2%	22%
Q2 2005	\$2,985	7%	26%	Q2 2011	\$7,678	6%	24%
Q3 2005	\$3,147	5%	35%	Q3 2011	\$7,824	2%	21%
Q4 2005	\$3,608	15%	34%	Q4 2011	\$8,970	15%	20%

Total 2005	\$12,542		30%	Total 2011	\$31,735		22%
Q1 2006	\$3,848	7%	37%	Q1 2012	\$8,307	-7%	14%
Q2 2006	\$4,061	6%	36%	Q2 2012	\$8,722	5%	14%
Q3 2006	\$4,186	3%	33%	Q3 2012	\$9,236	6%	18%
Q4 2006	\$4,784	14%	33%	Q4 2012	\$10,307	12%	15%
Total 2006	\$16,879		35%	Total 2012	\$36,570		15%
Q1 2007	\$4,899	2%	27%	Q1 2013	\$9,806	-5%	18%
Q2 2007	\$5,094	4%	25%	Q2 2013	\$10,260	5%	18%

Q3 2007	\$5,267	3%	26%	Q3 2013	\$10,609	3%	15%
Q4 2007	\$5,946	13%	24%	Q4 2013	\$12,106	14%	17%
Total 2007	\$21,206		26%	Total 2013	\$42,781		17%
Q1 2008	\$5,765	-3%	18%	Q1 2014	\$11,414	-6%	16%
Q2 2008	\$5,745	0%	13%	Q2 2014	\$11,678	2%	14%
Q3 2008	\$5,838	2%	11%	Q3 2014	\$12,207	5%	15%
Q4 2008	\$6,100	4%	2%	Q4 2014	\$14,152	16%	17%

Total 2008	\$23,448		11%	Total 2014	\$49,451		16%
				Q1 2015	\$13,179	-7%	16%
				Q2 2015	14,3029	9%	23%

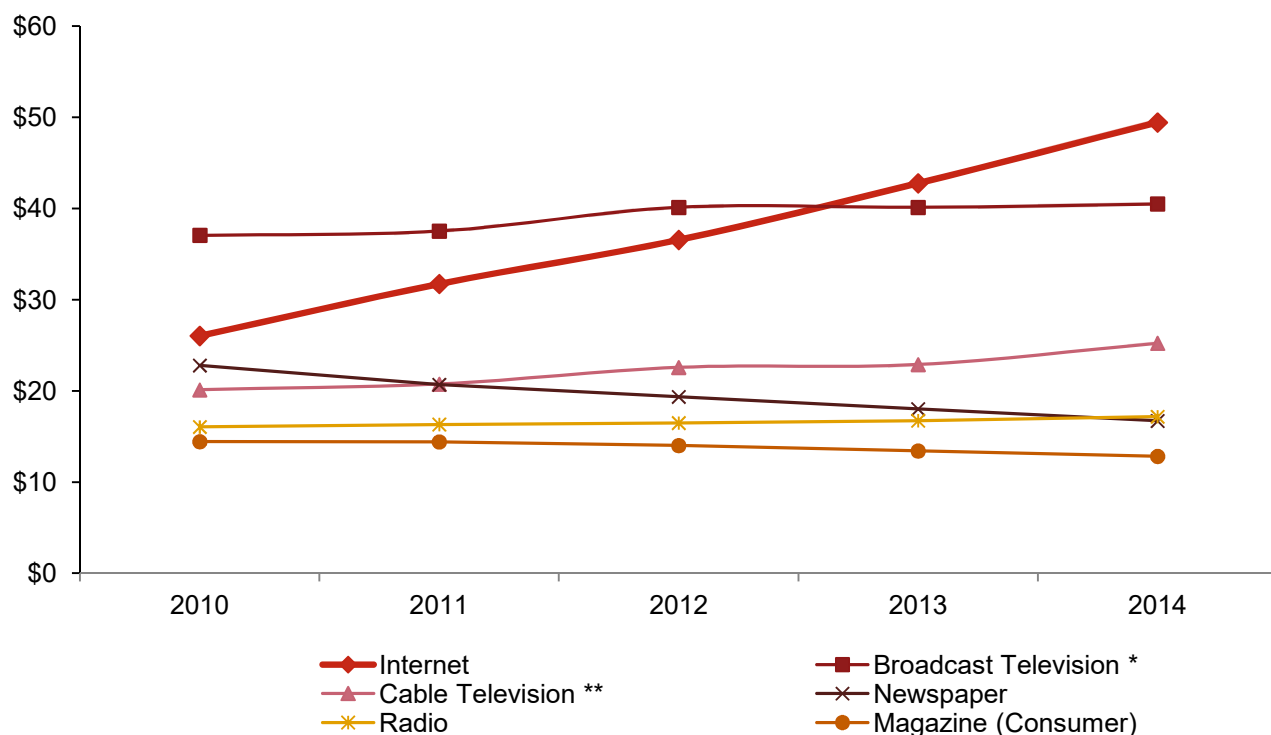
Source:

https://www.iab.net/media/file/IAB_Internet_Advertising_Revenue_Report_FY_2014_2.pdf accessed 12th March 2016

The report above clearly reveals steady increase over the years, except for a slight decrease in 2009 from the 2008 figures. This may not be far from the effects of the 2008 financial crisis that engulfed the US and UK then affecting the whole world. These figures, again, have stressed the importance of going digital and taking your business' products to the domain of customers. Many companies and businesses are already making giant strides in the field of digital marketing; hence, they have carved a substantial market share for themselves.

A comparative analysis of the digital media and the traditional media has also shown that, the revenue that accrues to the former far outweighs the latter. The graph below is an extract from the IAB report to confirm this trend.

Figure 4.19: Comparative Revenue Growth between Internet Advertising and Other Media for a Five Year Period.



Sources: IAB/PwC Internet Ad Revenue Report, FY 2014; PwC

https://www.iab.net/media/file/IAB_Internet_Advertising_Revenue_Report_FY_20142.pdf accessed 12th March 2015

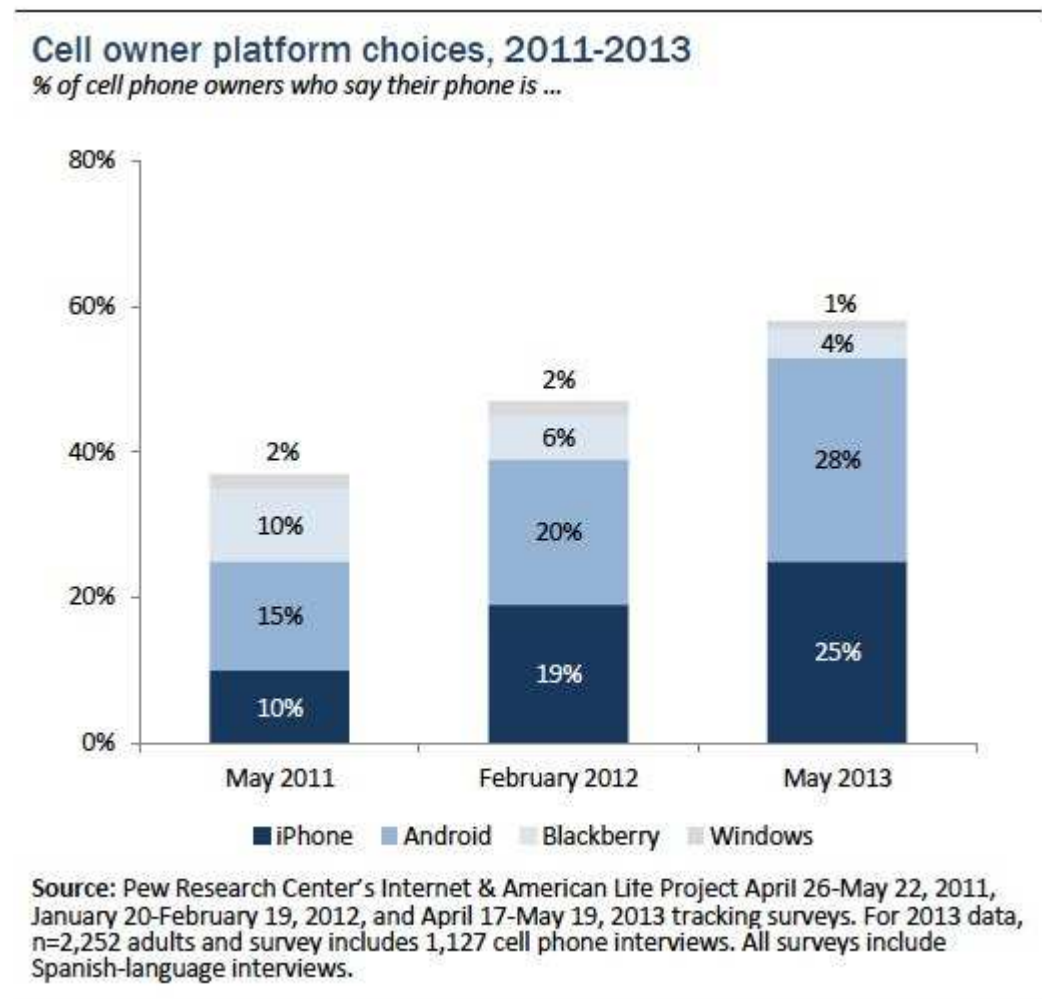
The results above reveal that, the annual growth rates of Internet advertising have exceeded those of the traditional media ever since 2010. It is observed from the graph above that, Internet advertising has over the years experienced

double digit annual growth save for 2009 (the result of 2008 financial crisis).

As consumers spend more time on digital media, it will continue to be a growing part of marketing activity. However, it is complementing the traditional media. Digital media allows consumers to buy products through links to e-commerce retailers. There is a great opportunity in simplifying the path to purchase and improve the total end-to-end experience that customers have with brands online. Fundamental from a marketing standpoint, though, is the opportunity that digital communication provides, easily connecting people to different brand choices. The age of one-way, push-only communications is over as digital gives the chance to build real, emotional and long-lasting connections with people in the spaces they choose.

It is no exaggeration that any organisation that has no online strategy in the world of today is not worthy of being taken seriously. No matter what business you are involved in, whether you are a multinational or a one-stop shop, it is absolutely crucial you have an Internet strategy. A small corporation that takes early advantage of digital marketing will overtake a bigger organisation that had no coherent online strategy. The world's most valuable companies are not necessarily those honoured businesses of banking or the extractive industry. Companies such as Apple, Google and Amazon have become global behemoths by exploiting the amazing power of digital marketing to build their brand and push their products.

Figure 4.20: Cell Phone Owners and Mobile Choices

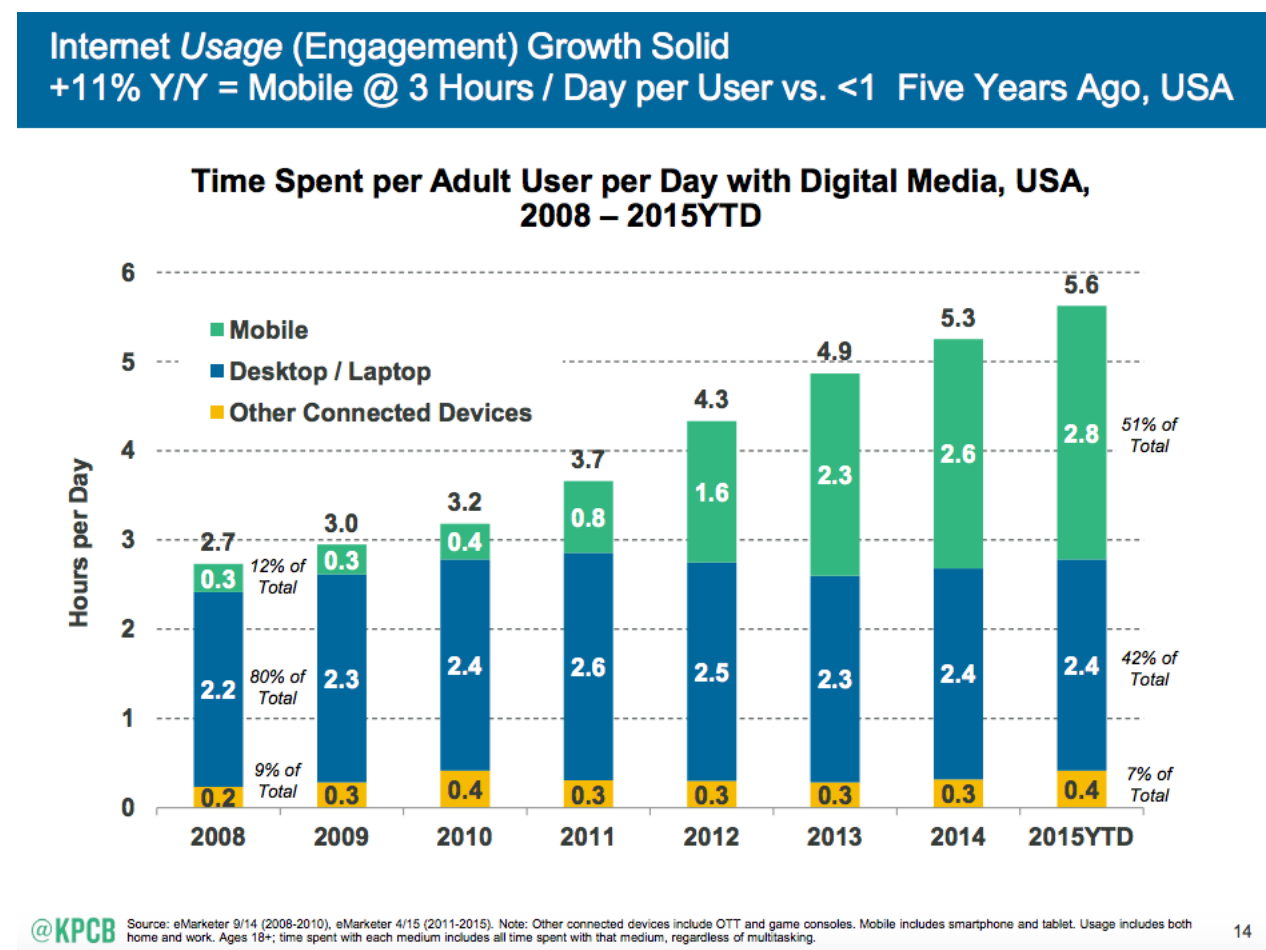


Source: www.pewInternet.org accessed 12th march 2015

The graph above shows that, the future holds brighter for android in Nigeria, although i-phones would also have a very significant share of the market. As at 2013, android's

dominance had already been registered and shown in the graph (28%) being 3 percent ahead of i-phones. Meanwhile, the share of the market for blackberry continues to decline steadily over the years from 10 % in 2011 declining by 4% in 2012 (i.e. 6%) and then to 4% in 2013.

Figure 4.21 Device Used to Search the Internet



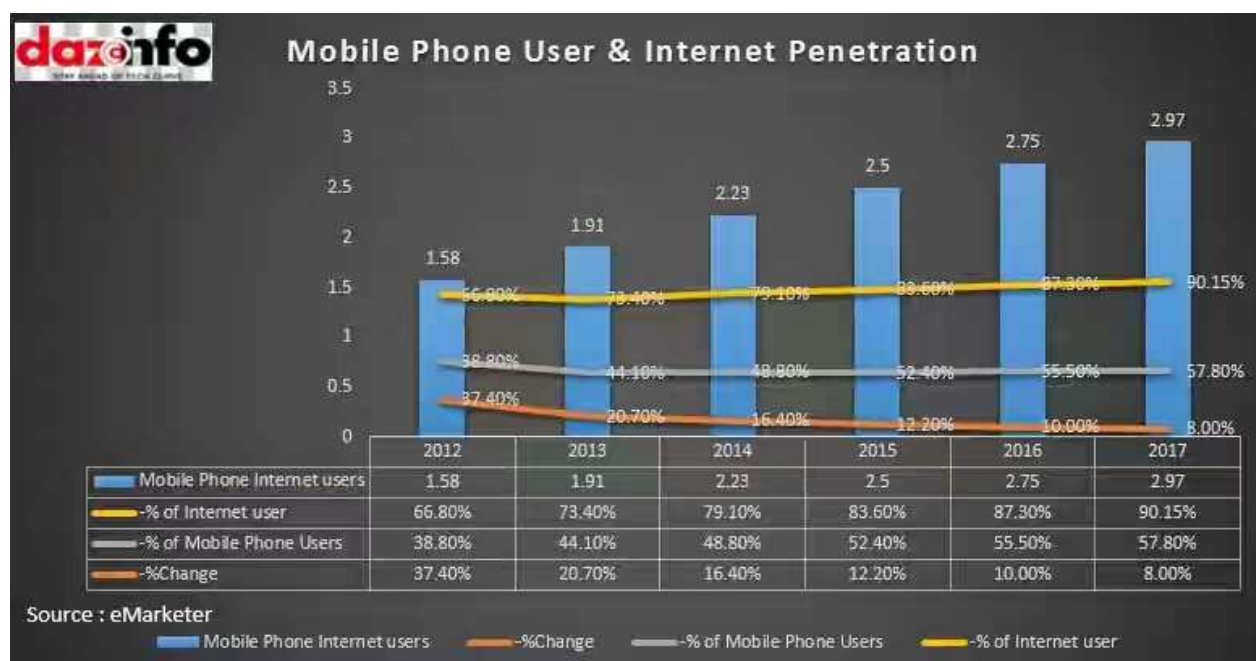
Source:

http://www.smartinsights.com/?attachment_id=53811

accessed on 11/2016

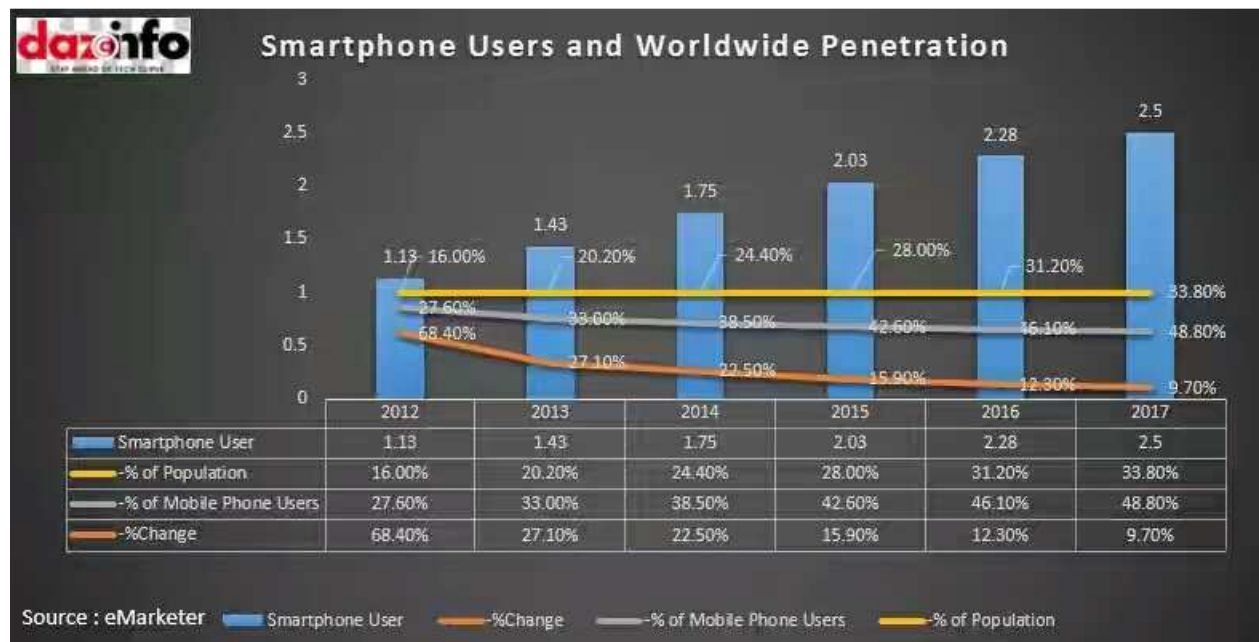
The result in the figure above suggested that mobile phone as a device used to search the Internet is growing over the years as it stood at 2.8million in 2015 against 0.3million in 2008. It can be noted that before 2014, computer constituted the major device used to search the Internet. Meanwhile the share of notebook/tablet was low. However, with the continuous increase in the penetration of smartphones devices, it is expected to overtake the computer/laptop device.

Figure 4.22: Mobile Phone Users and Internet Penetration



Source: www.dazeinfo.com accessed 14th Sept 2015

Figure 4.23: Smartphone Users and Worldwide Penetration



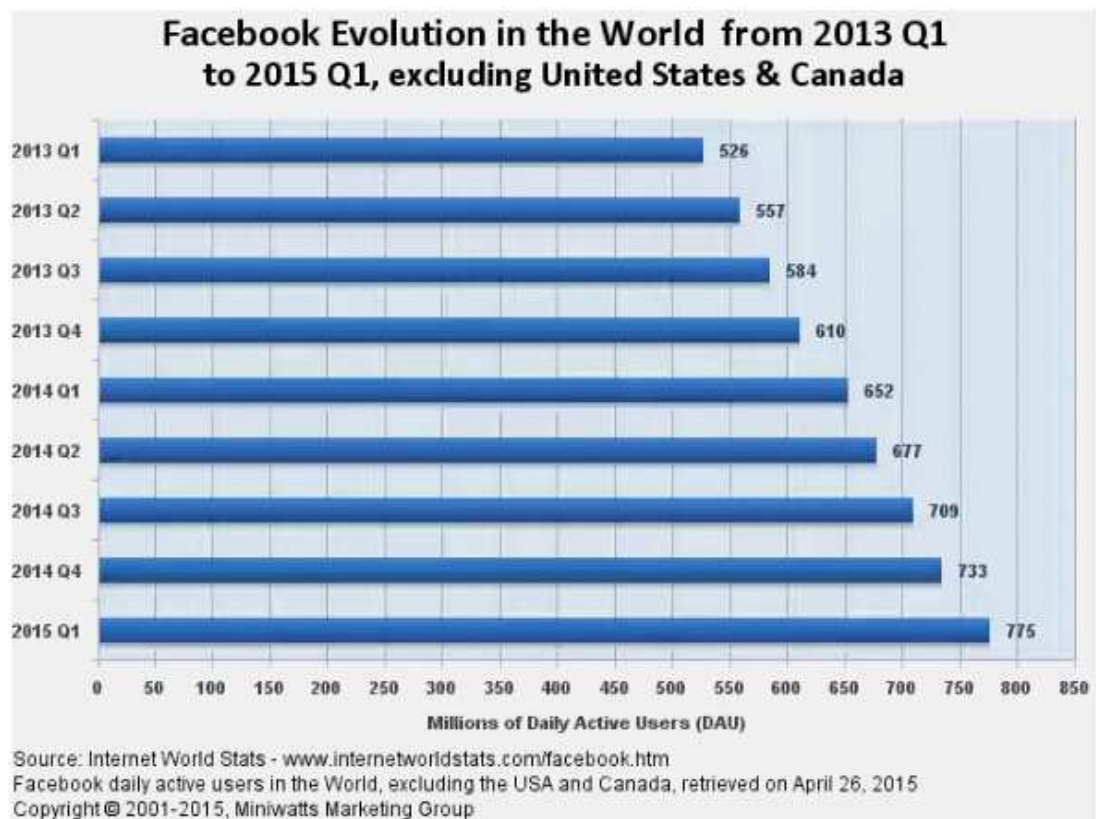
Source: www.dazeinfo.com accessed 6th November, 2016.

Figure 4.24: Business to Customer E-Commerce Sales Worldwide by Region

B2C Ecommerce Sales Worldwide, by Region, 2012-2017						
<i>billions</i>						
	2012	2013	2014	2015	2016	2017
Asia-Pacific	\$301.2	\$383.9	\$525.2	\$681.2	\$855.7	\$1,052.9
North America	\$379.8	\$431.0	\$482.6	\$538.3	\$597.9	\$660.4
Western Europe	\$277.5	\$312.0	\$347.4	\$382.7	\$414.2	\$445.0
Central & Eastern Europe	\$41.5	\$49.5	\$58.0	\$64.4	\$68.9	\$73.1
Latin America	\$37.6	\$48.1	\$57.7	\$64.9	\$70.6	\$74.6
Middle East & Africa	\$20.6	\$27.0	\$33.8	\$39.6	\$45.5	\$51.4
Worldwide	\$1,058.2	\$1,251.4	\$1,504.6	\$1,771.0	\$2,052.7	\$2,357.4
<i>Note: includes products and services ordered and leisure and unmanaged business travel sales booked using the internet via any device, regardless of the method of payment or fulfillment; numbers may not add up to total due to rounding</i>						
<i>Source: eMarketer, Jan 2014</i>						
167707 www.eMarketer.com						

Source: www.emarketer.com accessed 13th March 2015

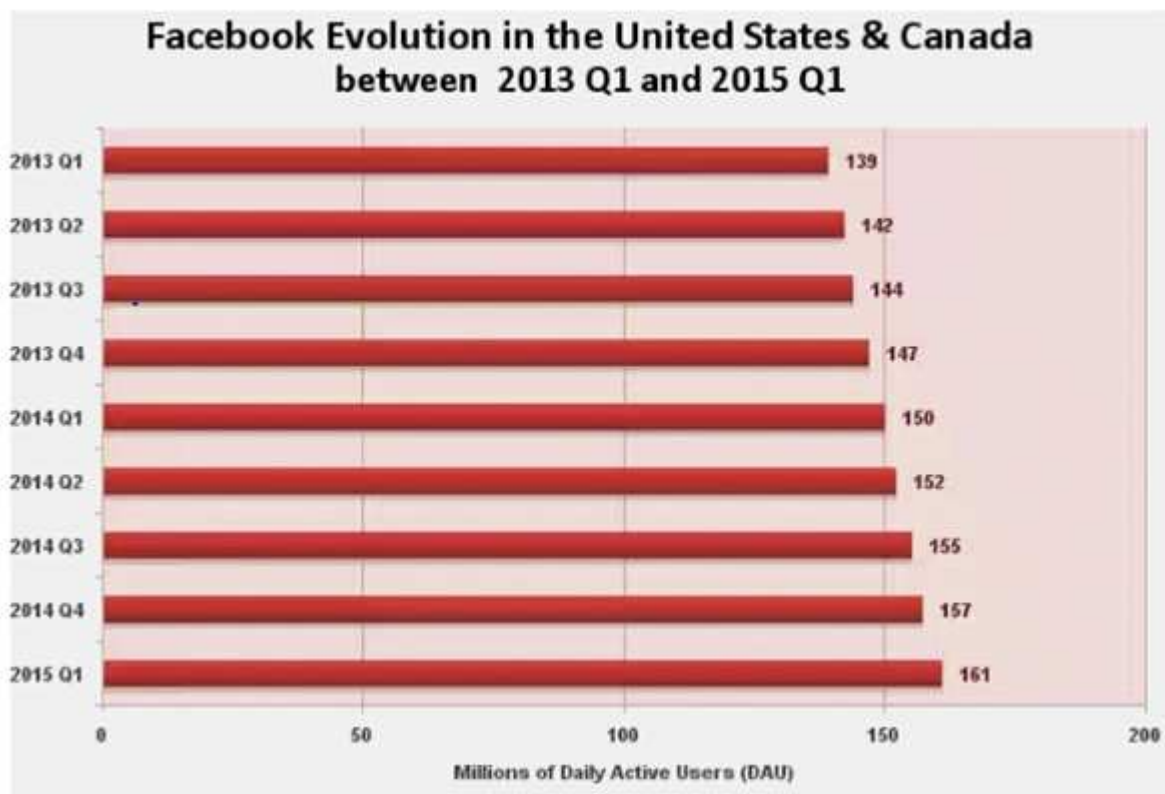
**Figure 4.25: Evolution of Facebook Users in the World
Excluding US and Canada**



Source: Internet World Stats

www.Internetworldstats.com/Facebook.html accessed 15th
Feb 2015

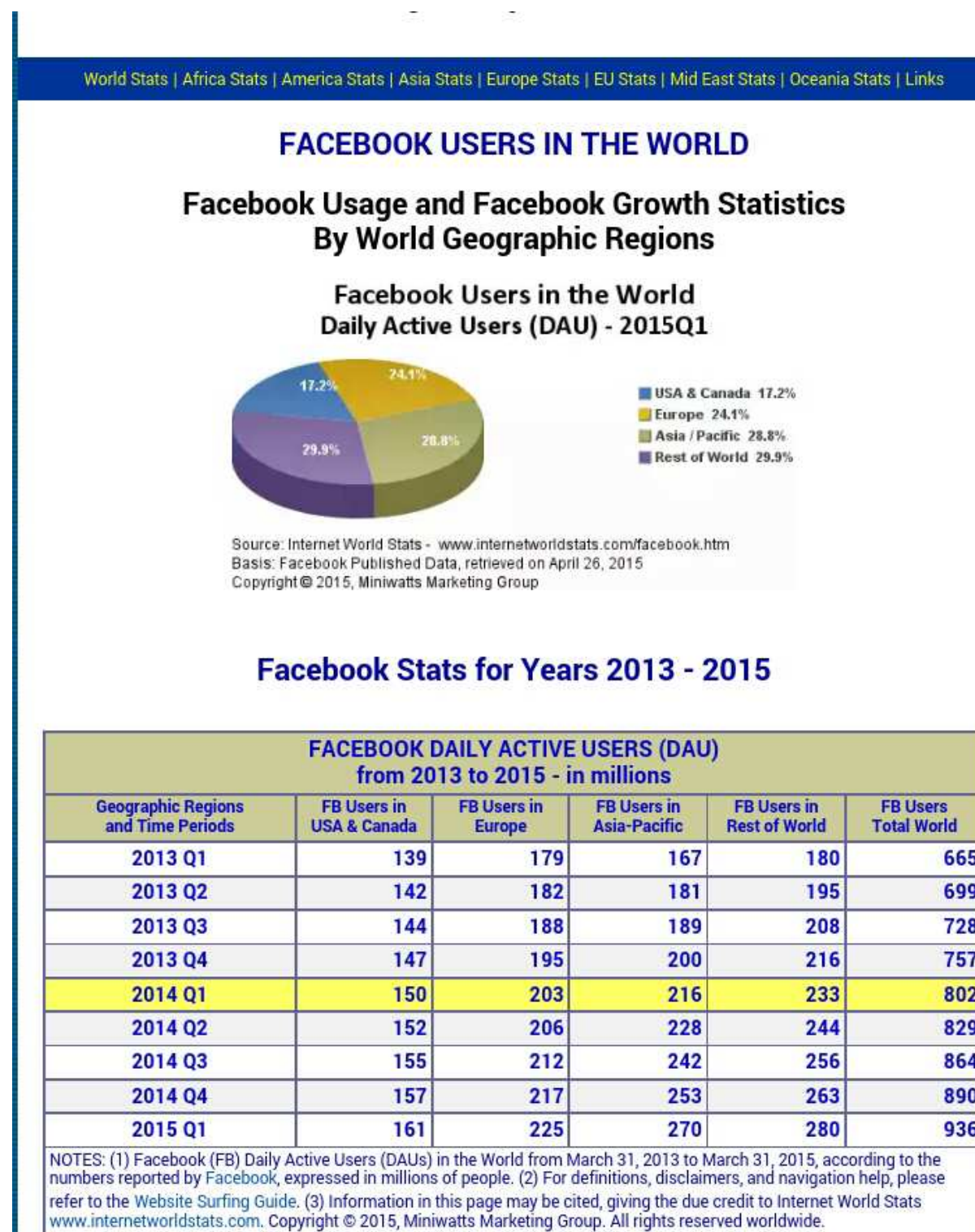
Figure 4.26: Facebook Evolution in the United States and Canada



Source: *Internet World Stats*

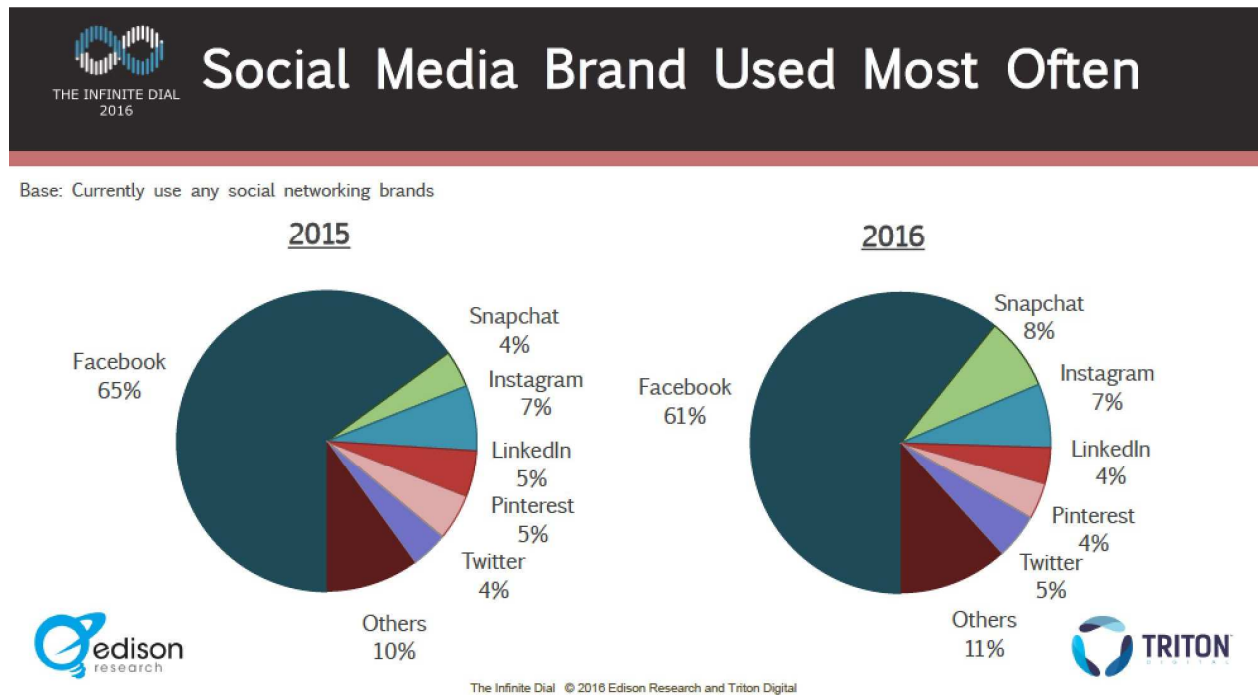
www.Internetworldstats.com/Facebook.html accessed on
12th Jan 2015

Figure 4.27: Active Facebook Users in the World



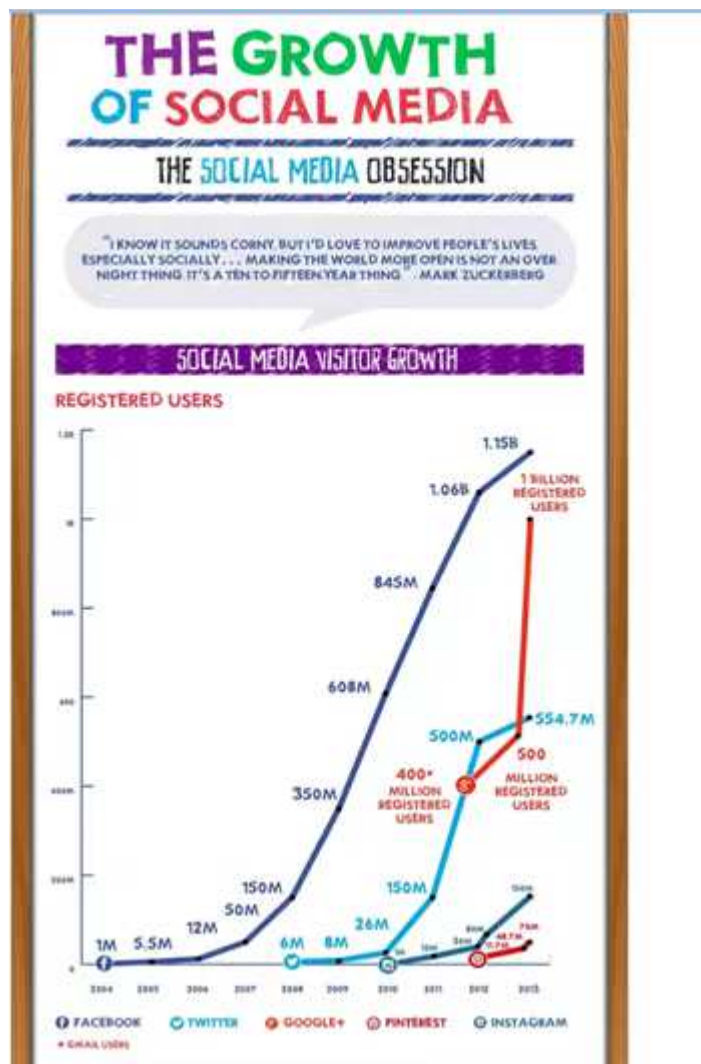
Source: www.Internetworldstats.com accessed on 12th April 2015

Figure 4.28: Percentage of Adults who use Some Selected Major Social Media Annually 2015– 2016



Source: <http://www.convinceandconvert.com/wp-content/uploads/2016/03/snapchat-statistics-2.jpeg>
 accessed on 6th November, 2016.

Figure 4.29: The Growth of Social Media



Source: <http://www.digitalagent.com/social-media-growth/>
accessed on November 6, 2016.

BUSINESSES AND MARKETERS LOVE SOCIAL MEDIA!



93%

OF MARKETERS USE SOCIAL MEDIA FOR BUSINESS



70%

OF BRANDS HAVE A PRESENCE ON GOOGLE+ 4% GROWTH FROM Q4 2012



70%

OF MARKETERS HAVE USED FACEBOOK TO SUCCESSFULLY GAIN NEW CUSTOMERS



34%

OF MARKETERS HAVE USED TWITTER TO SUCCESSFULLY GENERATE LEADS



FACEBOOK, TWITTER AND GOOGLE+ ARE THE TOP 3 SOCIAL MEDIA SITES USED BY MARKETERS



TUMBLR
FLICKR

FLICKR, TUMBLR AND STUMBLEUPON ARE THE LEAST POPULAR SITES USED BY MARKETERS

USERS' TIMELINE

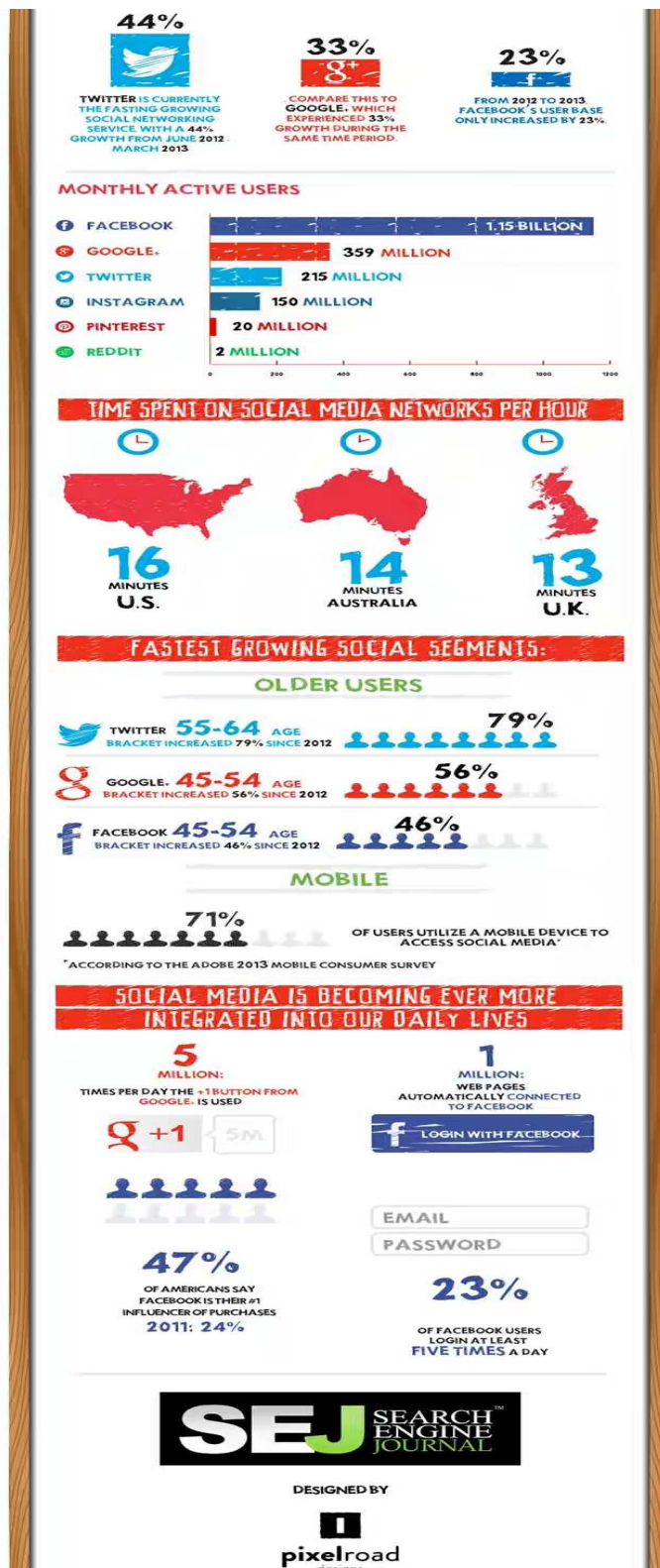
SOCIAL NETWORKING SITE USE BY AGE GROUP

(% SHARE OF INTERNET USERS)

SNAPSHOTS

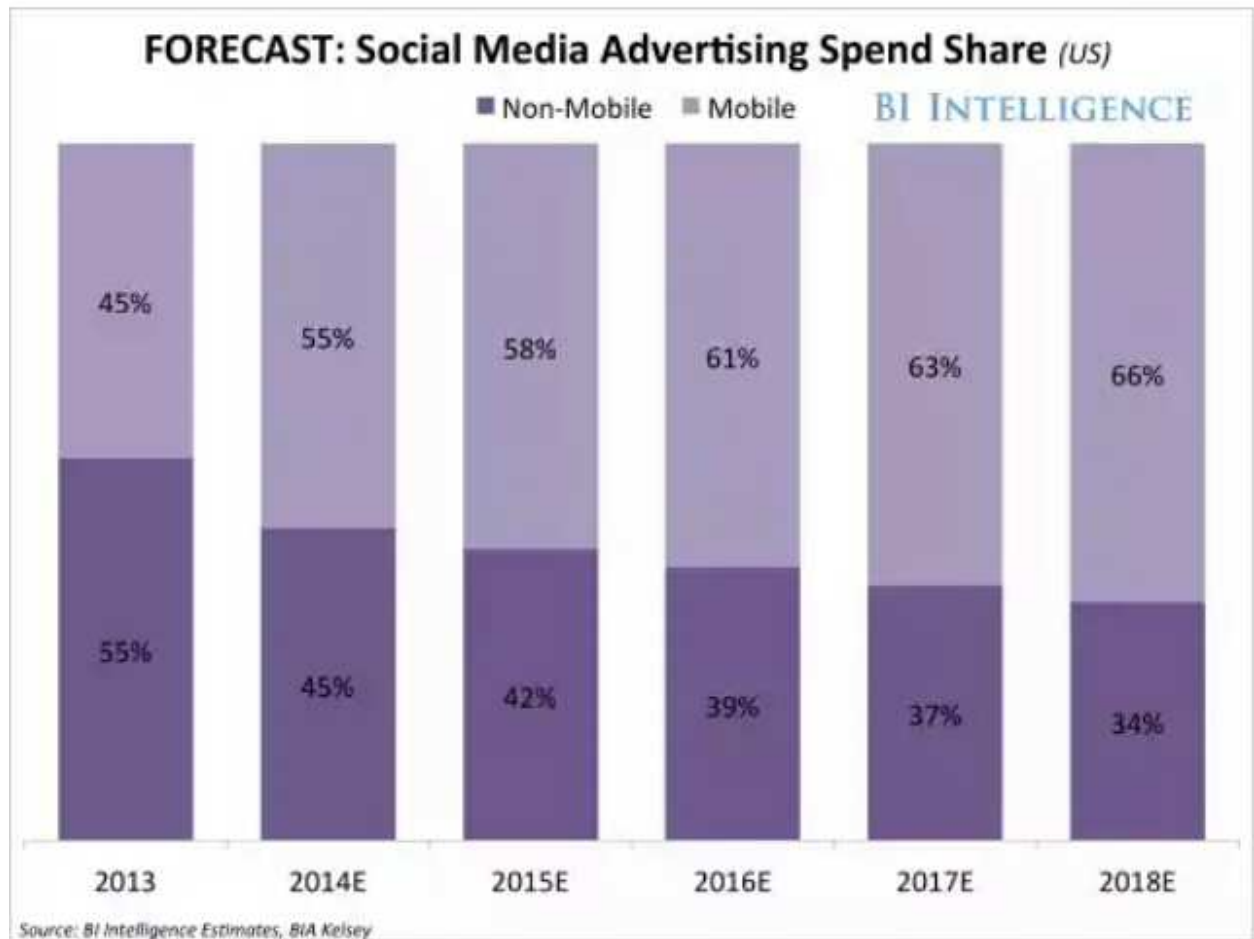
FEBRUARY 2005 - MAY 2013

ALL INTERNET
USERS



Source: www.socialystacked.com/2014/01/the-growth-of-social-media-in2014-40-suprising-stats-infographic

Figure 4.30: The Forecast of Social Media Advertising

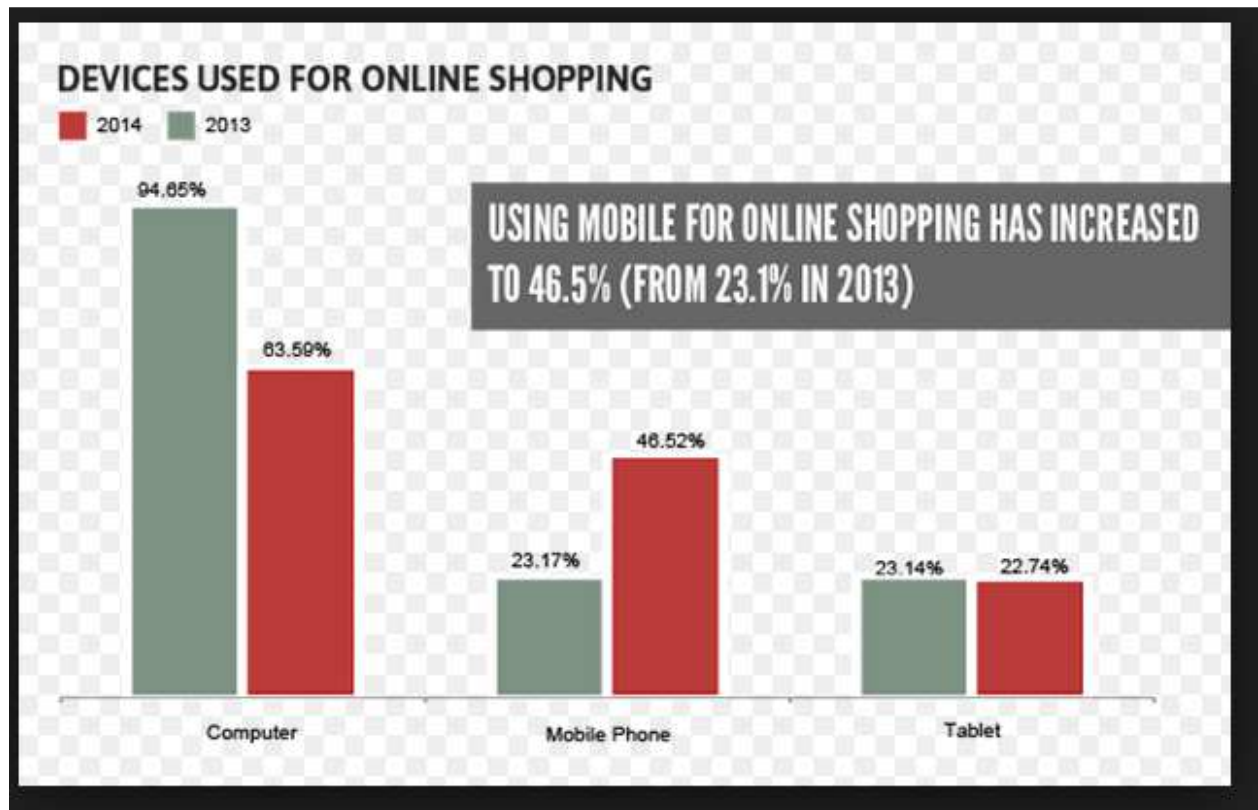


BII

Source: BI Intelligence estimates 2012 accessed 12th Jan 2015

4.1.2 Data Presentation and Analysis on Online Trust and Customer Behaviour

Figure 4.31: Device Used for Online Shopping



Source: Google statistics image search 18th March 2015

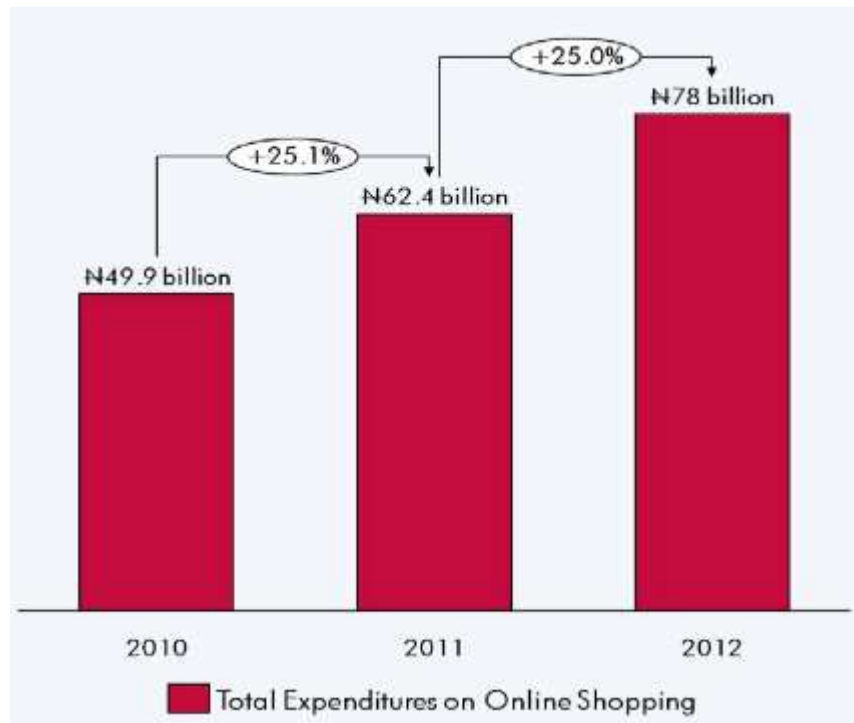
Figure 4.32: Online Buying Intentions by Category

Online buying intention by category						
	Global Average	Asia Pacific	North America	Europe	Latin America	Middle East / Africa
Airline tickets and reservations	48%	50%	35%	33%	31%	28%
Clothing, accessories and shoes	46%	59%	43%	34%	36%	39%
Tours and hotel reservations	44%	53%	43%	33%	32%	35%
Event tickets	41%	44%	22%	22%	27%	28%
Hard copy books	39%	43%	21%	21%	20%	19%
Electronic equipment	34%	57%	42%	34%	28%	26%
E-books	34%	42%	21%	19%	19%	20%
Mobile phones	33%	50%	31%	30%	24%	22%
Sporting goods	31%	41%	30%	25%	29%	26%
Cosmetics	31%	36%	29%	23%	20%	25%
Computer hardware	30%	43%	35%	22%	23%	29%
Personal care	29%	33%	27%	19%	18%	27%
Toys and dolls	29%	32%	33%	21%	21%	23%
Videos, DVDs and games	28%	40%	24%	16%	17%	18%
Computers software	27%	43%	16%	17%	14%	18%
Music (not downloaded)	27%	41%	14%	14%	11%	15%
Groceries	27%	33%	30%	19%	19%	21%
Pet-related products	21%	26%	19%	15%	11%	14%
Baby supplies	20%	25%	10%	9%	8%	11%
Flowers	18%	21%	21%	11%	10%	16%
Car, motorcycle and accessories	17%	29%	12%	12%	11%	16%
Alcoholic drinks	17%	20%	15%	13%	11%	16%

Source: "E-commerce: Evolution or Revolution in the Fast-Moving Consumer Goods World?", Nielsen, August 2014

Source: e-commerce evolution or revolution in the fast moving consumer goods world nelson August 2014

**Figure 4.33: Growth in Online Shopping Sector in Nigeria
2010-2012**



Source: (Data derived from Euromonitor International, 2014)

http://www.phillipsconsulting.net/files/online_shopping_report.pdf accessed 20th March 2015

The figure above shows survey statistics in which online shopping sector grew from N49.9 billion in 2010 to N62.4 billion in 2011, reaching N78 billion in 2012.

Figure 4.34: Some Reasons why Internet Users Do Not Patronize Online Retailers (E-Tailers)



Source:

http://www.phillipsconsulting.net/files/online_shopping_report.pdf accessed 15th Feb 2015

Figure 4.35 Reasons Why many Internet Users now Buy Online



Source:

http://www.phillipsconsulting.net/files/online_shopping_report.pdf accessed 15th Oct 2015

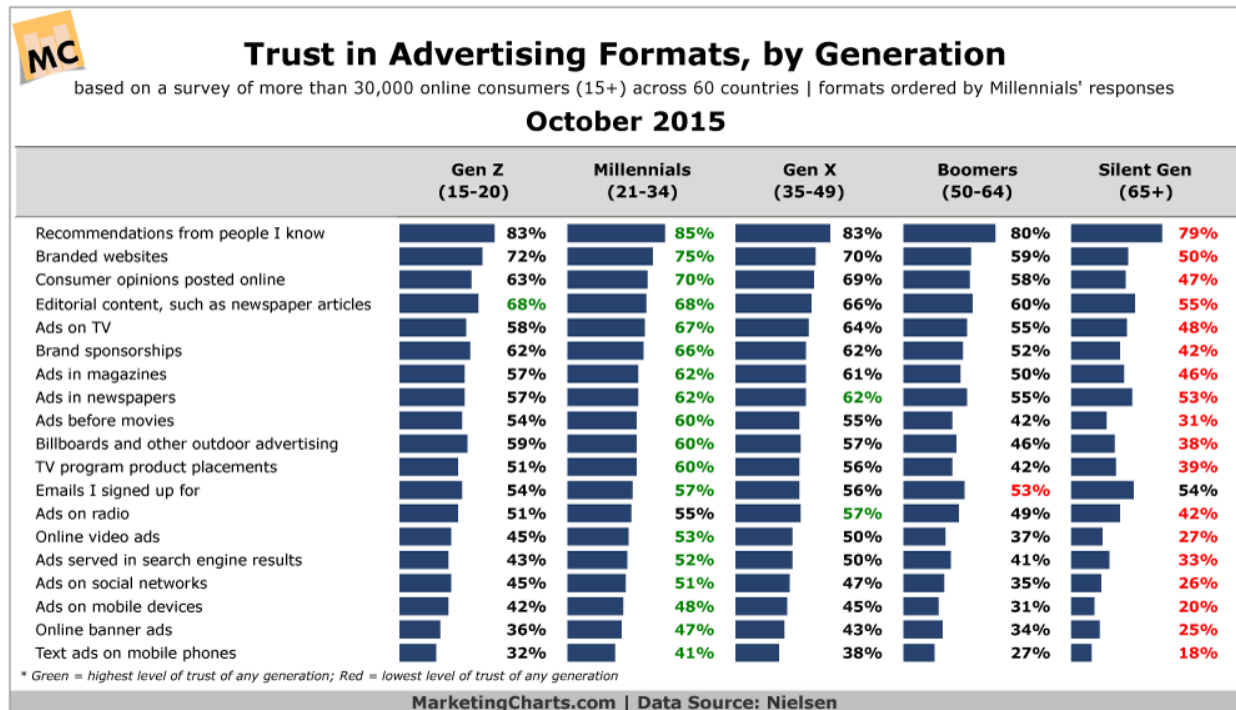
Figure 4.36 Top Online Shops (e-tailers) Patronized by Customers



Source:

http://www.phillipsconsulting.net/files/online_shopping_report.pdf accessed 15th March 2015

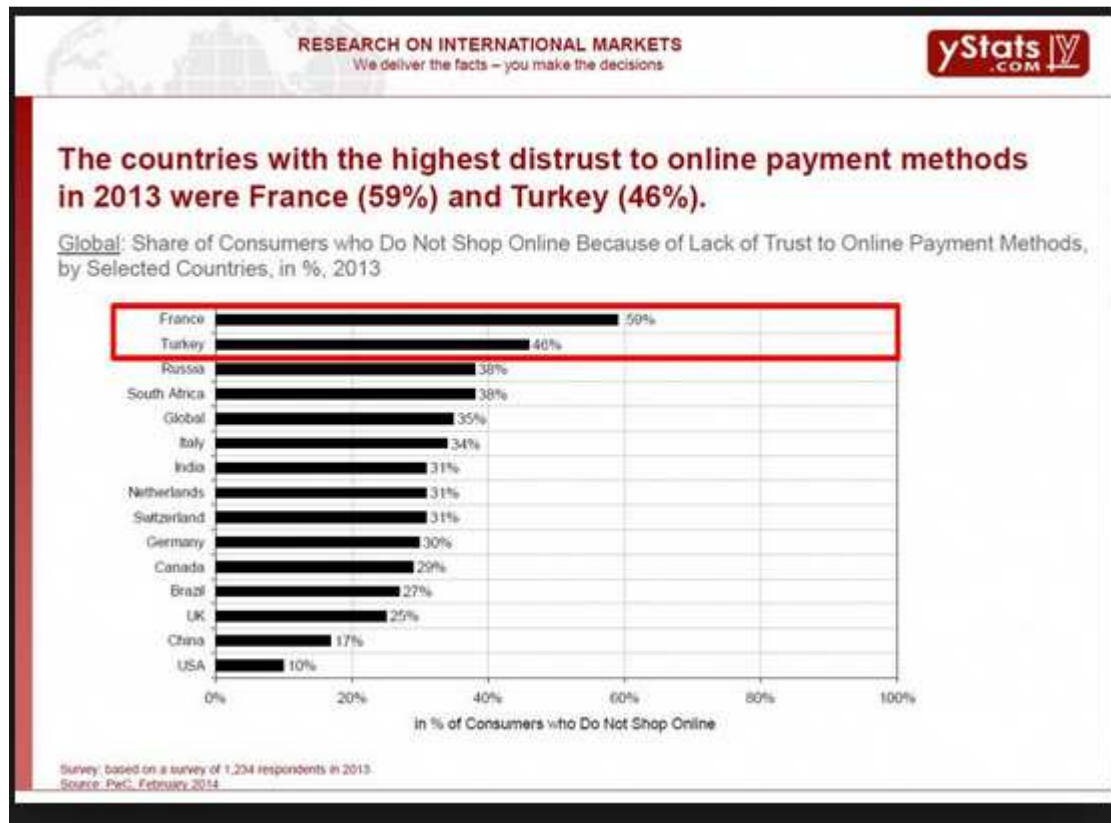
Figure 4.37 Some Degree of Trust in 2015



Source: <http://www.marketingcharts.com/traditional/trust-in-advertising-whos-got-it-and-for-what-formats-597/oct2015>

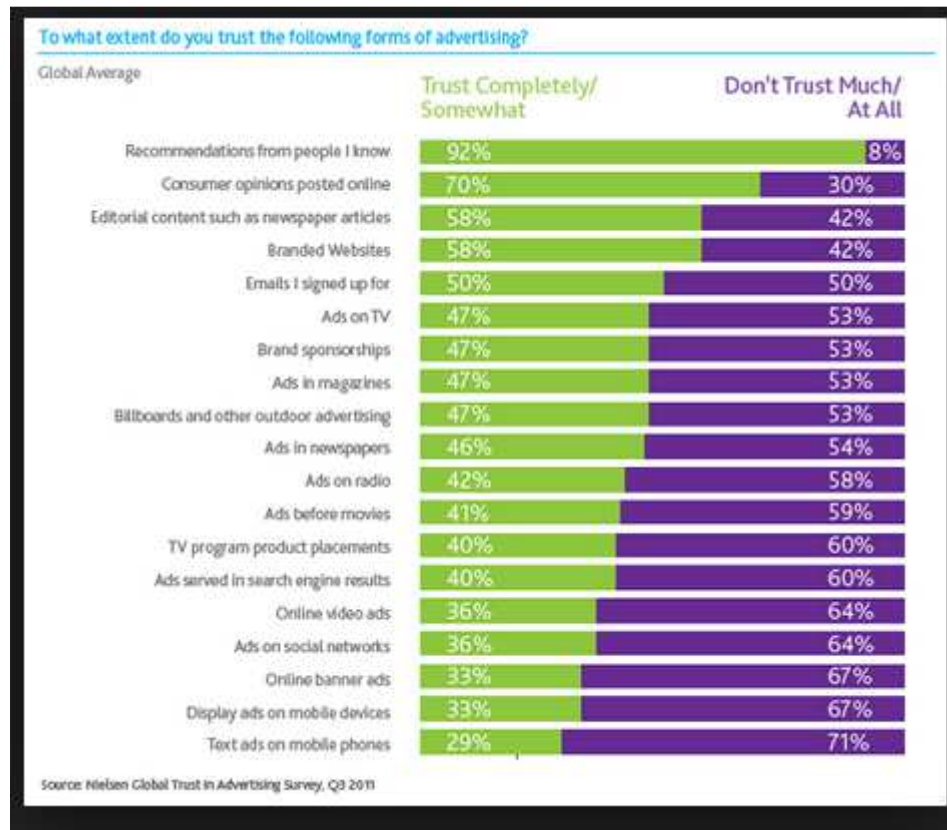
The figure reveals that the levels of trust placed in recommendations, editorial content, newspaper ads, opt-in emails, and radio ads were more consistent across generations.

Figure 4.38 Countries with Highest Distrust in Online Payment Methods



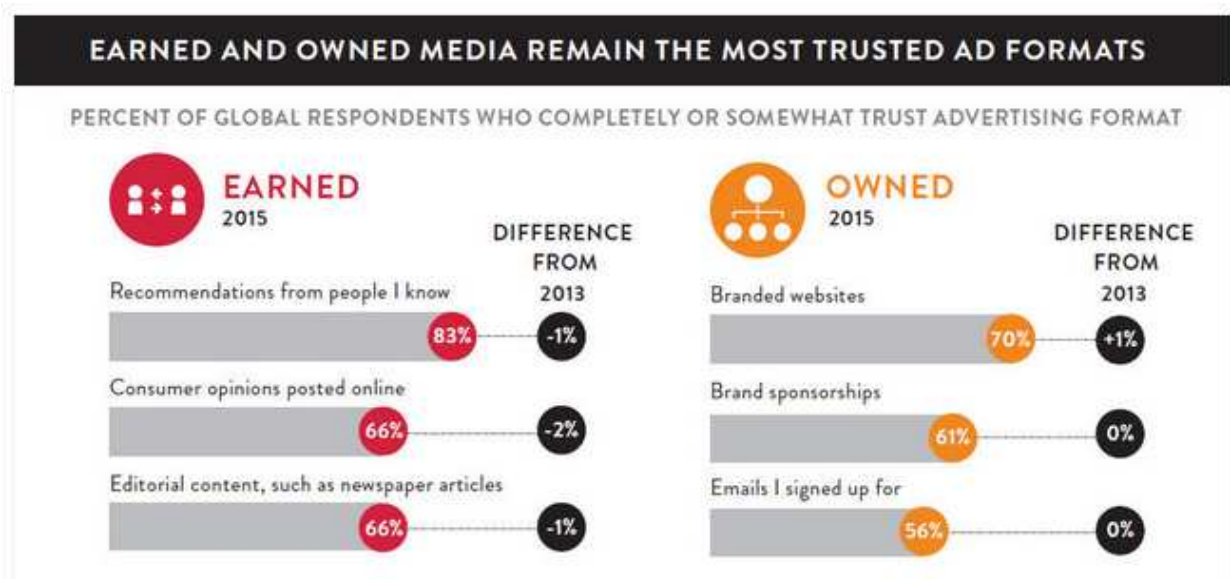
Source: PwC survey on line trust in 2013

Figure 4.39 The Extent to which People Trust Online Adverts



Source: Nelson Global Trust in Advertising Survey, Q3 2011

Figure 4.40 Trust in Earned and Owned Media



Source:

<http://www.nielsen.com/bd/en/insights/reports/2015/global-trust-in-advertising-2015.html> accessed 12th march 2015

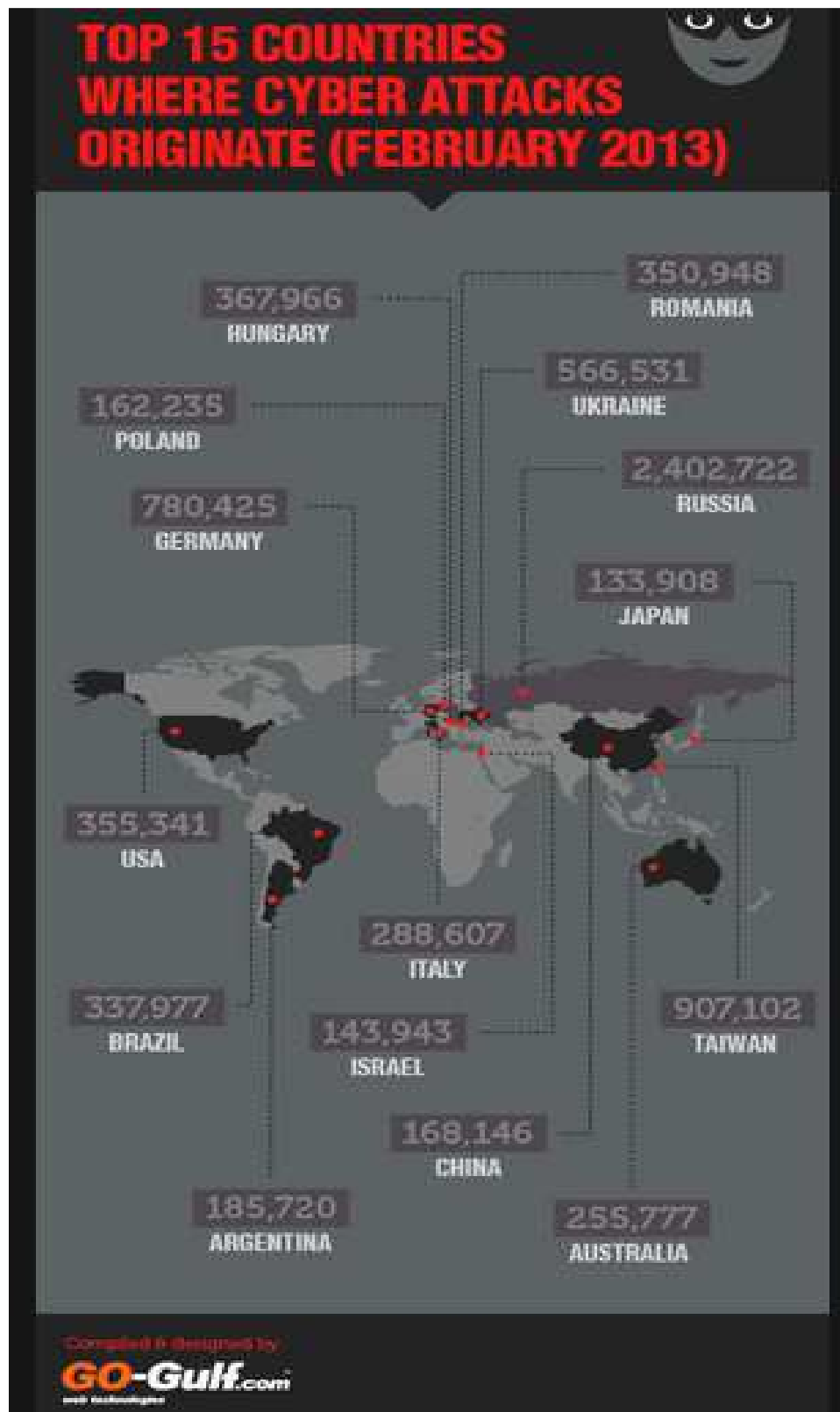
Table 4.4: Presentation and Analysis of Data on Internet scams

Top ten Countries where Cyber Crime Originates

1.	China	41 percent (of the world's attack traffic)
2.	U.S.	10 percent
3.	Turkey	4.7 percent
4.	Russia	4.3 percent
5.	Taiwan	3.7 percent
6.	Brazil	3.3 percent
7.	Romania	2.8 percent
8.	India	2.3 percent
9.	Italy	1.6 percent
10.	Hungary	1.4 percent

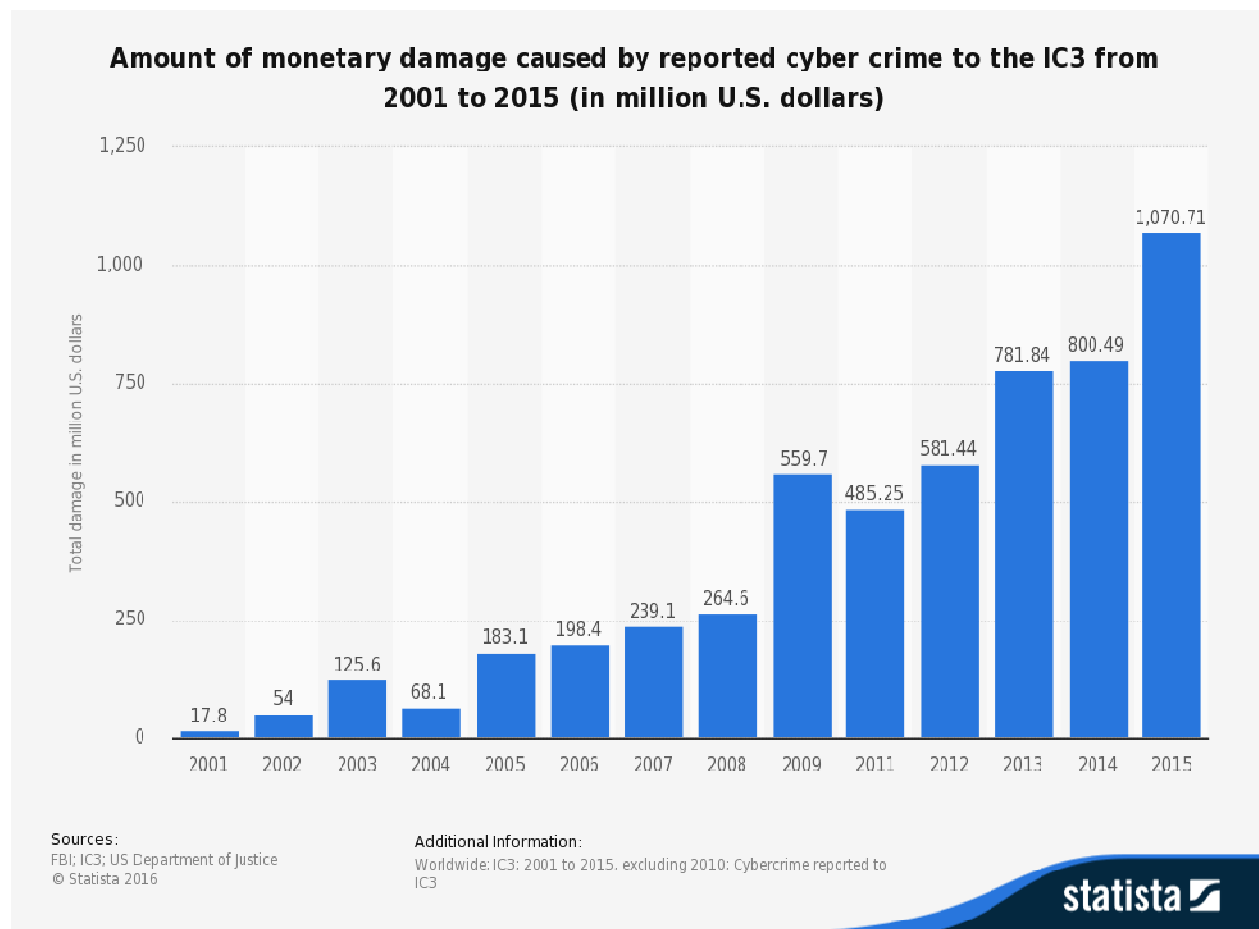
Source: <http://www.govtech.com/security/204318661.html>

Figure 4.41 Top 15 Cybercrime Countries



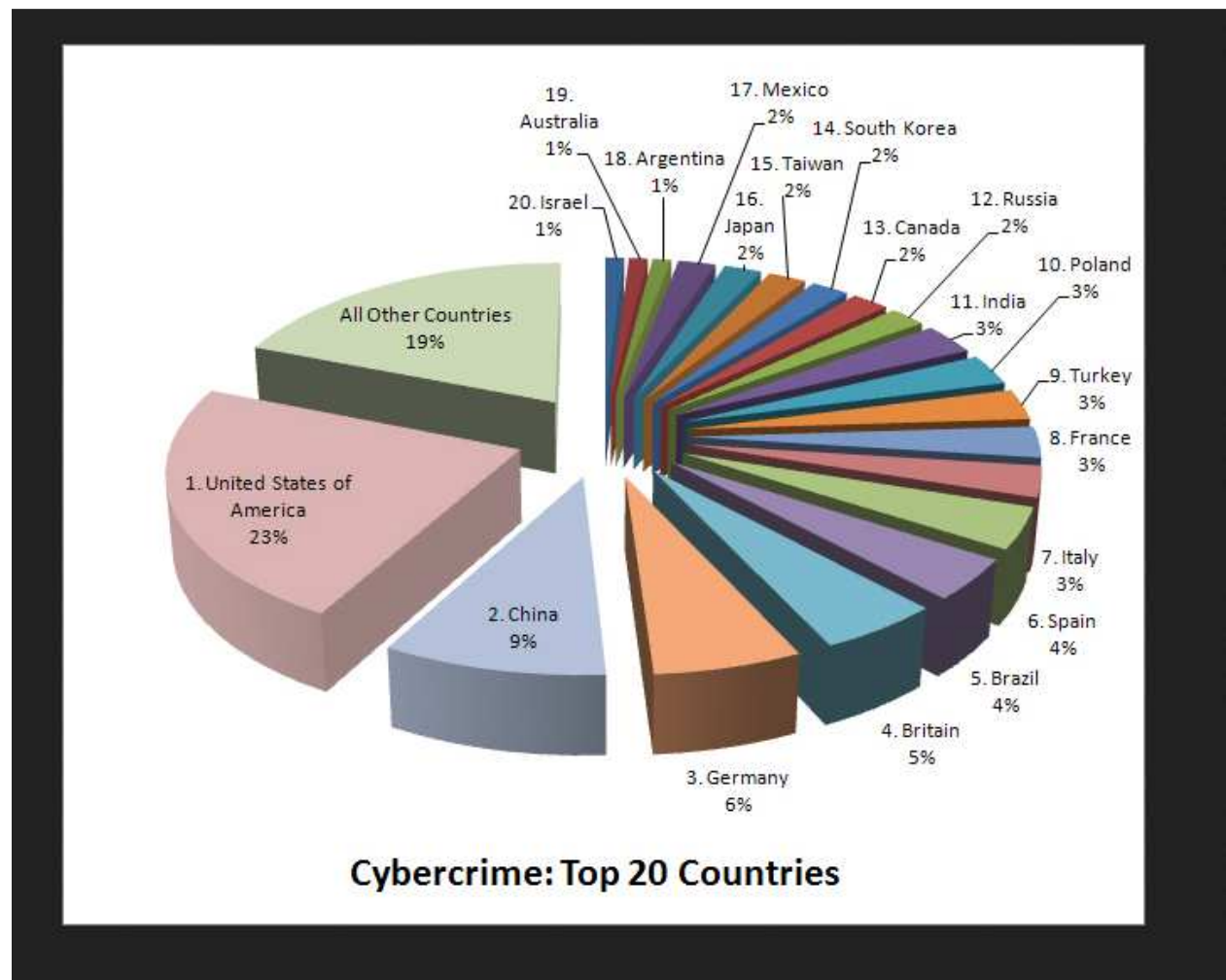
Source: <http://www.insecpro.com/index.php/articles/cyber-crime-statistics> accessed 18th march 2015

Figure 4.42 Amount of Monetary Damage Caused by Internet Fraud



Source: www.statista.com accessed 11/07/2016

Figure 4.43 Top 20 Cybercrime Countries



Source: Jacobs (2014) retrieved from <http://www.businessinsider.com/kaspersky-map-of-cyberattacks-2014-4> on 18th march 2015

Figure 4.44 Identity Theft by States in the US

IDENTITY THEFT BY STATE, 2014

State	Complaints per 100,000 population (1)	Number of complaints	Rank (2)	State	Complaints per 100,000 population (1)	Number of complaints	Rank (2)
Alabama	77.7	3,770	22	Montana	57.2	585	40
Alaska	73.6	542	29	Nebraska	48.6	914	46
Arizona	96.0	6,460	9	Nevada	100.2	2,846	8
Arkansas	83.6	2,481	15	New Hampshire	54.7	726	41
California	100.5	38,982	7	New Jersey	79.9	7,144	19
Colorado	85.5	4,579	13	New Mexico	77.2	1,611	23
Connecticut	85.4	3,071	14	New York	80.8	15,959	17
Delaware	78.1	731	21	North Carolina	73.8	7,334	27
Florida	186.3	37,059	1	North Dakota	43.1	319	48
Georgia	112.7	11,384	5	Ohio	79.0	9,161	20
Hawaii	40.9	580	49	Oklahoma	68.5	2,656	32
Idaho	58.9	962	39	Oregon	124.6	4,946	3
Illinois	95.6	12,317	12	Pennsylvania	81.7	10,446	16
Indiana	68.2	4,498	33	Rhode Island	66.2	699	34
Iowa	48.5	1,506	47	South Carolina	73.3	3,540	30
Kansas	65.2	1,892	35	South Dakota	36.3	310	50
Kentucky	53.4	2,358	43	Tennessee	76.2	4,993	24
Louisiana	73.8	3,430	27	Texas	95.9	25,843	10
Maine	52.1	693	44	Utah	53.9	1,586	42
Maryland	95.9	5,734	10	Vermont	64.2	402	36
Massachusetts	75.8	5,116	25	Virginia	71.1	5,921	31
Michigan	104.3	10,338	6	Washington	154.8	10,930	2
Minnesota	59.2	3,229	38	West Virginia	61.4	1,136	37
Mississippi	80.5	2,409	18	Wisconsin	74.4	4,283	26
Missouri	118.7	7,195	4	Wyoming	49.1	287	45

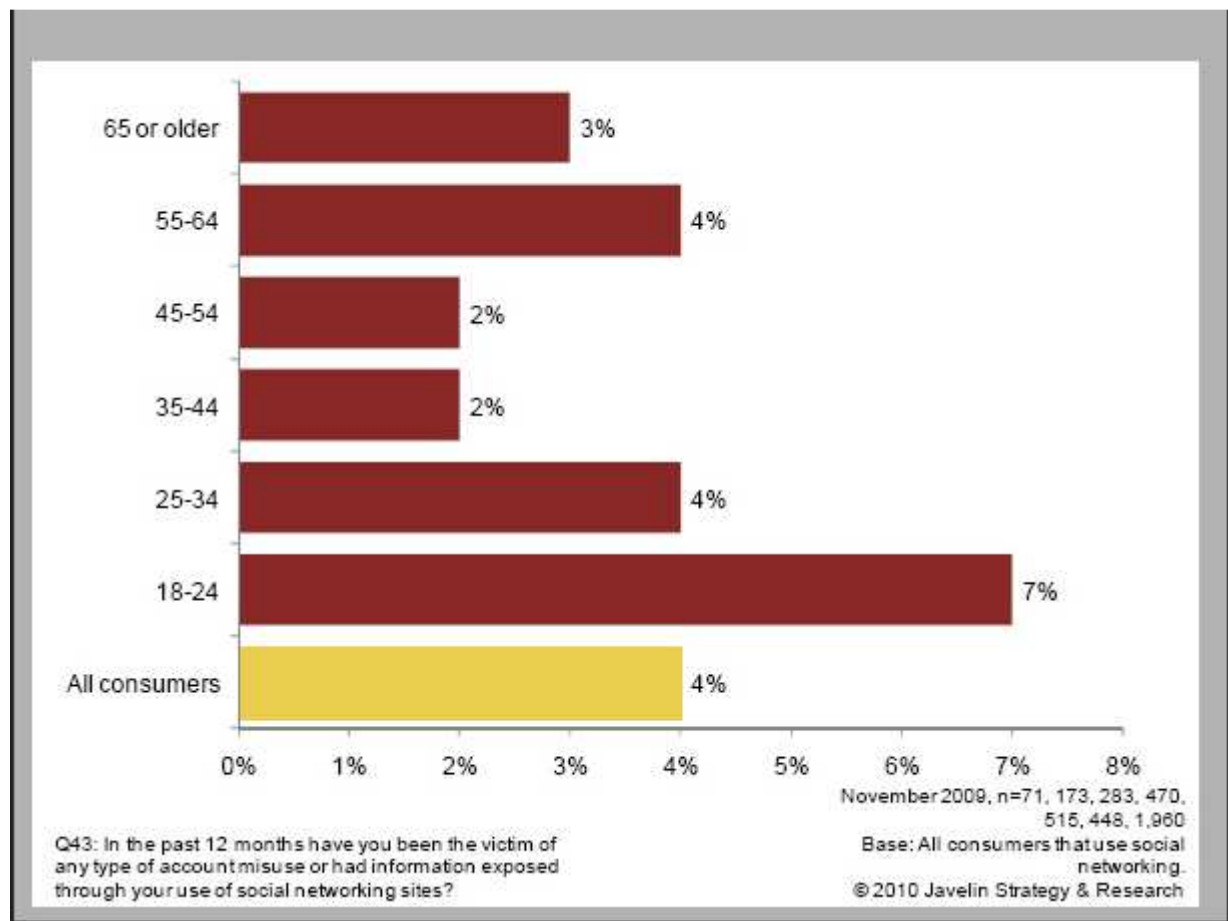
(1) Population figures are based on the 2014 U.S. Census population estimates.

(2) Ranked per complaints per 100,000 population. The District of Columbia had 142.8 complaints per 100,000 population and 941 victims. States with the same ratio of complaints per 100,000 population receive the same rank.

Source: Federal Trade Commission.

Source: Federal Trade Commission www.ftc.com accessed 8th March 2015

Figure 4.45: Fraud Victimization on Social Sites by Age



Source: <http://karenlodrick.com/2010/03/29/identity-theft-and-cybercrime-statistics-in-picture-graphs/> accessed 18th March 2015

Younger adults suffer greater exposure and fraud victimization through social networking.

4.2 Presentation of Primary Data

This section focuses on primary data presentation and analysis. A sample of 300 online buyers and sellers (e-vendors, e-shops, e-tailers) was taken. Data was collected via questionnaire. The questionnaire responses of the sample respondents were presented using tables, analyzed and interpreted using simple percentages while the formulated hypotheses were tested using the student t-test and logit regression model. It is pertinent to state that out of the total number of 300 copies of the questionnaire administered, 236 (78.7%) returned while 64 (21.3%) did not.

4.2.1 Demographic Characteristics of the Respondents

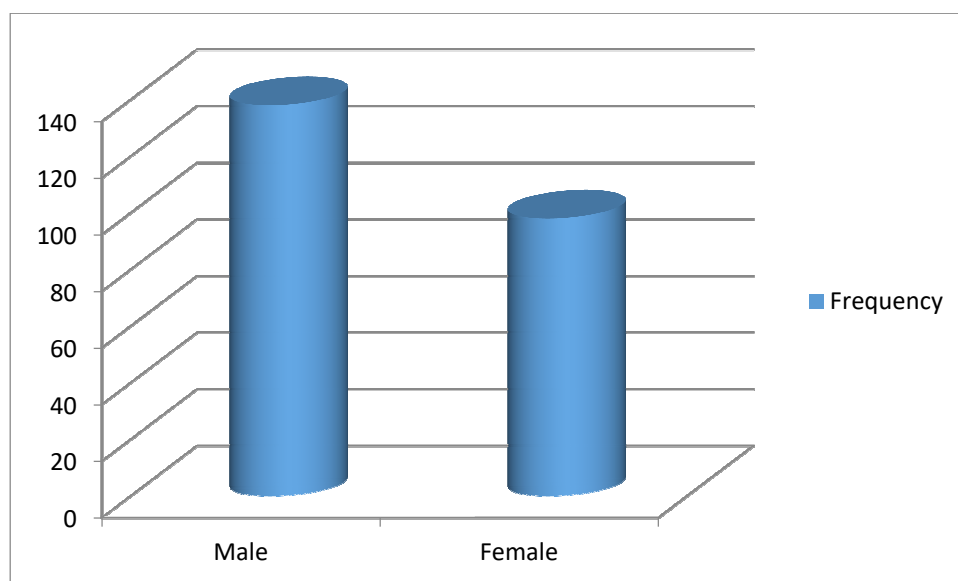
Information was sought with respect to certain demographic characteristics of the respondents. These included gender, age, marital status, educational status, employment status and the amount spent on recharge card/data bundle. The data obtained are presented as follow:

Table 4.5 Distribution of Respondents According to Sex

Response	Frequency	Percent
Male	138	58.5
Female	98	41.5
Total	236	100

Source: Field Survey, 2016

Figure 4.46: Chart Showing Sex Distribution of Respondents



The gender of the respondents was considered to ascertain whether there was gender influence in e-marketing. The results presented in Table 4.5 and Figure 4.46 show that, out of 236 respondents, 138 were males which accounted

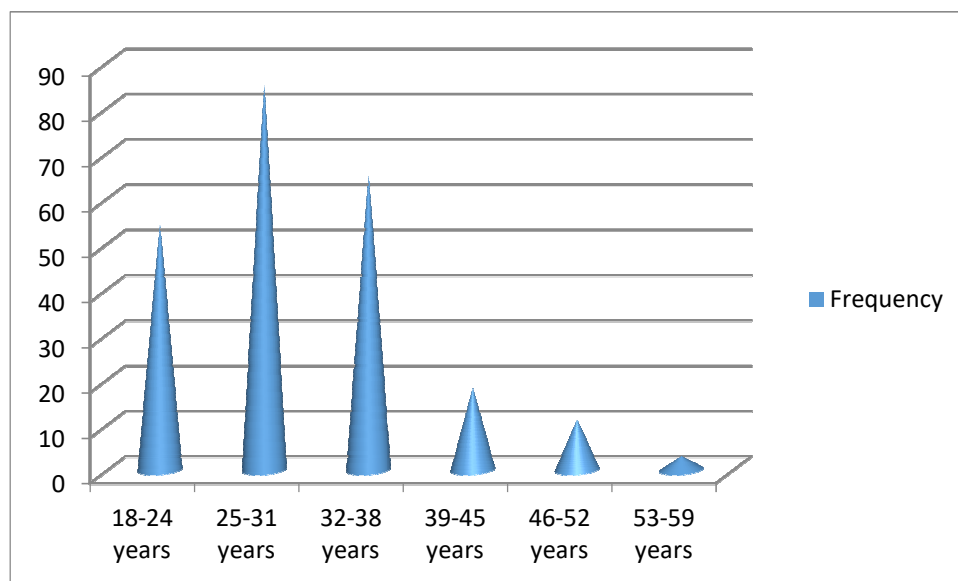
for about 58.5% while a 98 were female which constituted 41.5% of the total sample.

Table 4.6: Age of Respondents

	Frequency	Percent
18-24 years	54	22.9
25-31 years	85	36
32-38 years	65	27.5
39-45 years	18	7.6
46-52 years	11	4.7
53-59 years	3	1.3
Total	236	100

Source: Field Survey, 2016

Figure 4.47 Age Distribution of Respondents



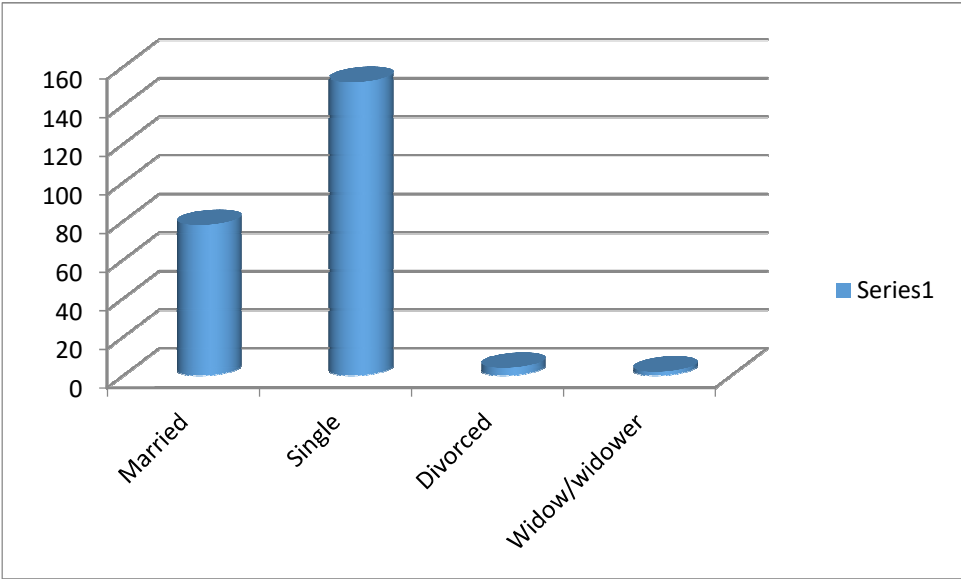
The result in Table 4.6 and Figure 4.47 shows that 54 respondents representing 22.9% were between 18-24 years of age. Furthermore, the table reveals that 85 (36%), 65(27.5%) 18(7.6%%), 11(4.7%) and 3 (1.3%) of the respondents fell within the age brackets of between 25-31 years, 32 – 38 years, 39-45 years, 46-52years and 53-59years respectively. As expected, most of the respondents (86.4%) were below 40 years, the most economically active segment of the population. Also, the analysis reveals that the average age of the respondents is 29.6; while the youngest respondent was 19 years and the oldest, 59 years.

Table 4.7: Marital Status of Respondents

	Frequency	Percent
Married	78	33.1
Single	152	64.4
Divorced	4	1.7
Widow/widower	2	0.8
Total	236	100

Source: Field Survey, 2016

Figure 4.48Marital Status of Respondents



The result in Table 4.7 and Figure 4.48 shows that only 78 (33.1%) of the respondents were married while the unmarried (single) ones constituted the largest group with 152 (64.4%). However, 4 (1.7%) and 2 (0.8%) of the respondents were divorced and widow/widower.

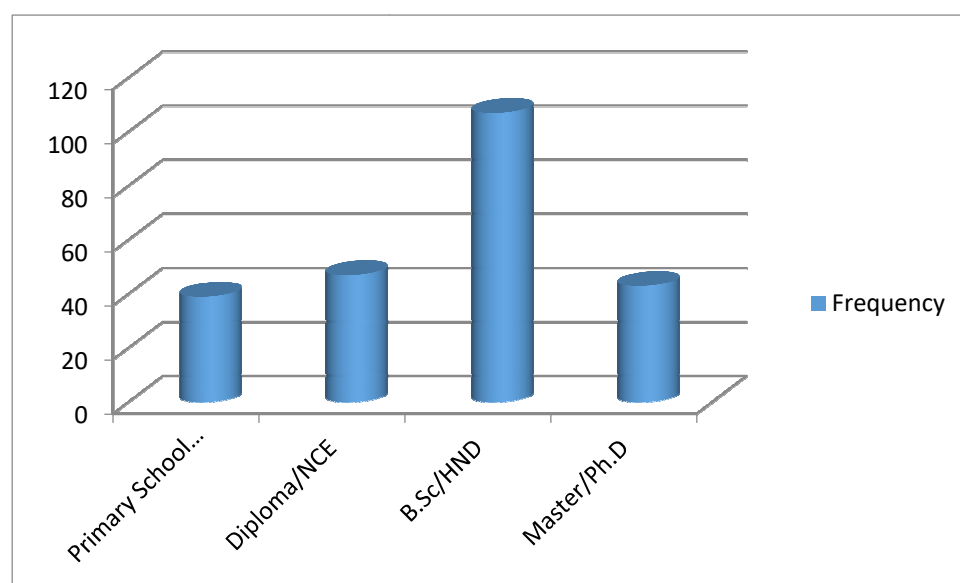
Table 4.8 Educational Qualification

	Frequency	Percent
Primary School	39	16.5
Certificate/SSCE		

Diploma/NCE	47	19.9
B.Sc/HND	107	45.3
Master/Ph.D	43	18.2
Total	236	100

Source: Field Survey 2016

Figure 4.49: Chart Showing Distribution of Respondents based on Educational Qualification



All the respondents sampled were asked questions related to their educational background. As shown in Table 4.8 and Figure 4.49, 39 (16.5%) respondents had had primary education and senior school certificate (SSCE). The

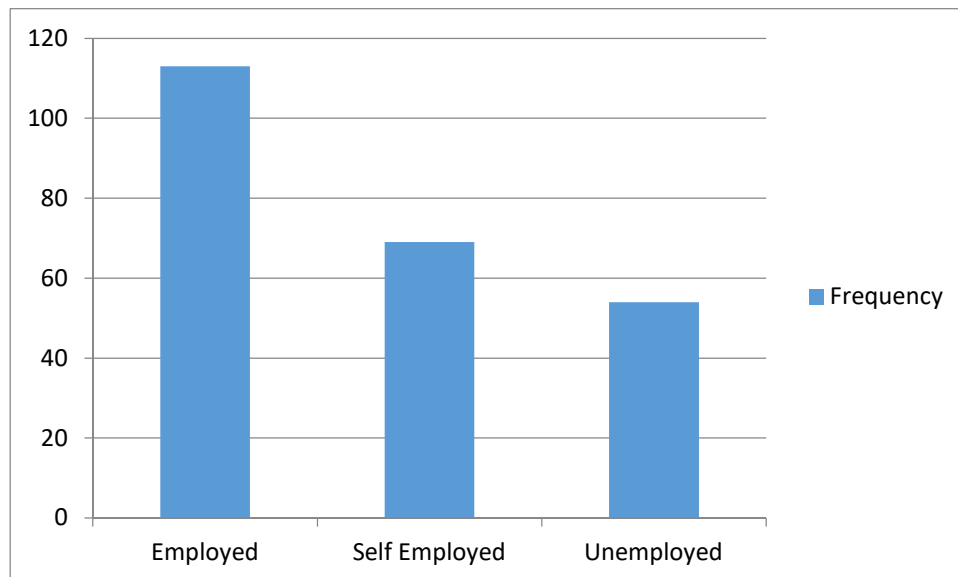
remaining categories of 47 (19.9%), 107 (45.3%) and 43 (18.2%) had Diploma/NCE, HND/B.Sc and Postgraduate Degrees respectively.

Table 4.9: Employment Status of Respondents

	Frequency	Percent
Employed	113	47.9
Self Employed	69	29.2
Unemployed	54	22.9
Total	236	100

Source: Field Survey 2016

Figure 4.50: Chart Showing Employment Status of Respondents



As mentioned earlier, the study sought to establish employment status of the respondents. From Table 4.9 and Figure 4.50, it was revealed that 113 respondents, representing 47.9%, were employees while 69 respondents (29.2%) were self-employed. The unemployed member constituted 54 (22.9%).

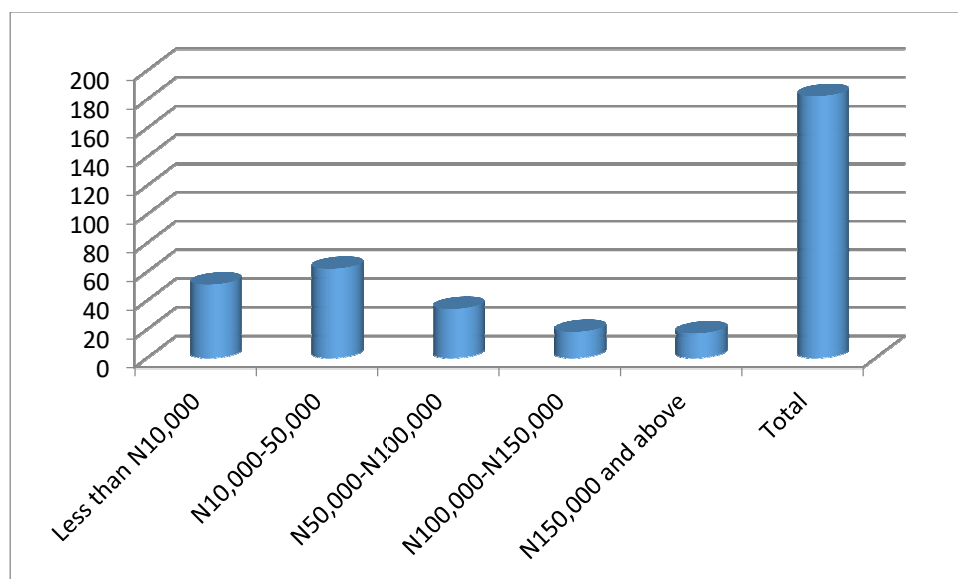
Table 4.10: Income Assessment of Respondents

	Frequency	Percent
Less than N10,000	51	28.0
N10,000-50,000	62	34.1

N50,000-		
N100,000	34	18.7
N100,000-		
N150,000	18	9.9
N150,000 and		
above	17	9.3
Total	182	100.0

Source: Field Survey, 2016

Figure 4.51: Chart Showing Monthly Income Assessment of Respondents



The study further sought to establish how much the respondents earned per month. Table 4.10 and Figure 4.51 show that out of the 182 respondents that were employed (as indicated in Table 4.9), 51 (28%) earned less than N10,000 per month; 62 (34.1%), 34 (18.7%), 18 (9.9%) and 17 (9.3%) earned between N10,000-50,000, N50,000-N100,000, N100,000-N150,000 and N150,000 and above respectively.

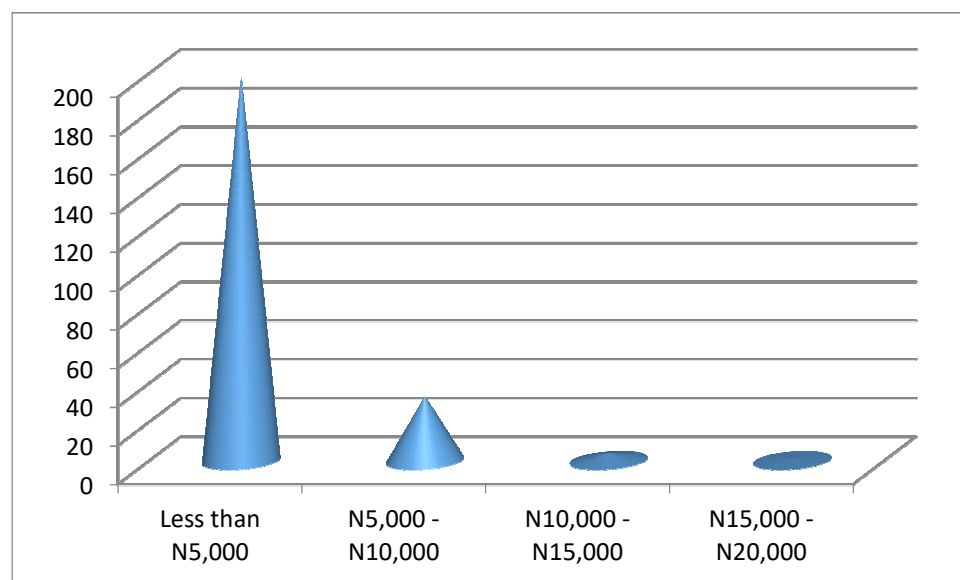
Table 4.11 Amount Spent on Recharge Card and Data Bundle

	Frequency	Percent
Less than N5,000	198	83.9
N5,000 - N10,000	33	14
N10,000 - N15,000	4	1.7

N15,000 -	1	0.4
N20,000		
Total	236	100

Source: Field Survey, 2016

Figure 4.52 Amount Spent on Recharge Card and Data Bundle



Furthermore, the study attempted to examine how much the respondents spent on recharge cards and data bundle per month so as to ascertain whether there is a covariance between how much they earned and spent. From Table 4.11 and Figure 4.52, it was revealed that majority (198 respondents or 83.9%) spent less than N5,000 per month.. This is followed by those who spent between N5,000 -

N10,000, N10,000 - N15,000 and N15,000 - N20,000 per month.

4.2.2 E-commerce Infrastructure Availability

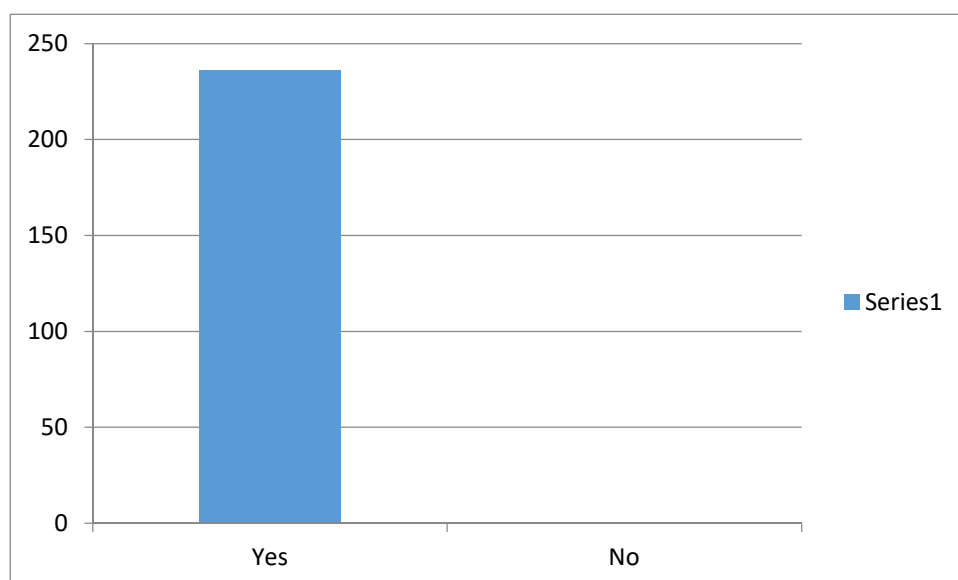
Observations have shown that electronic marketing is essential to almost every type of business (whether small, medium or large scale). Unlike the traditional marketing methods, electronic marketing makes it possible to target very specific groups of customers. This explains the increasing adoption of Internet marketing in today's business. Despite the importance of e-marketing to businesses, it is pertinent to state that its adaption and hence penetration depends on a host of factors primarily among them include the level of e-commerce infrastructure and online trust. It is in view of this that this research seeks to investigate how e-commerce infrastructure and online trust affect e-marketing in Nigeria. To achieve this objective, information relating to access to Internet facilities like phone, computers among others were sought. The data to this effect is presented as follows:

Table 4.12 Access to Phone

	Frequency	Percent
Yes	236	100
No	0	0
Total	236	100

Source: Field Survey, 2016

Figure 4.53 Distribution of Respondents Based on Access to Phone



The result from Table 4.12 and Figure 4.53 shows that all the sampled respondents had access to phone. With respect to the type of phone owned, 107 respondents, representing 45.3%, opined that they used smart phone only. On the other hand, 54 respondents, representing 22.9%, used ordinary phone only while 75 respondents, representing 31.8%, used both smart phones and ordinary phones. Indeed, over 77.1% of the respondents have access to smartphone. This implies that the respondents in the area use phone capable of accessing Internet service.

Further probing on the brand of phone majorly patronised by the respondents as casted in Table 4.13 and Figure 4.54 reveals that 58 respondents, representing 24.6%, used Nokia brand. The other brand of phone majorly used included Samsung, Blackberry, Tecno, Apple tablet among others as cited by 32 respondents (13.6%), 36 respondents (15.3%), 41 respondents (17.4%), 11 respondents (4.7%) and 58 respondents (24.6%) respectively.

Table 4.13: Distribution of Respondents Based on the Brand of Phone Majorly Used

	Frequency	Percent
Nokia	58	24.6
Samsung	32	13.6
Blackberry	36	15.3
Tecno	41	17.4
Apple Tablet	11	4.7
Others	58	24.6
Total	236	100

Source: Field Survey, 2016

Figure 4.54 Chart showing Brand of Phone Majorly Used by the Respondents

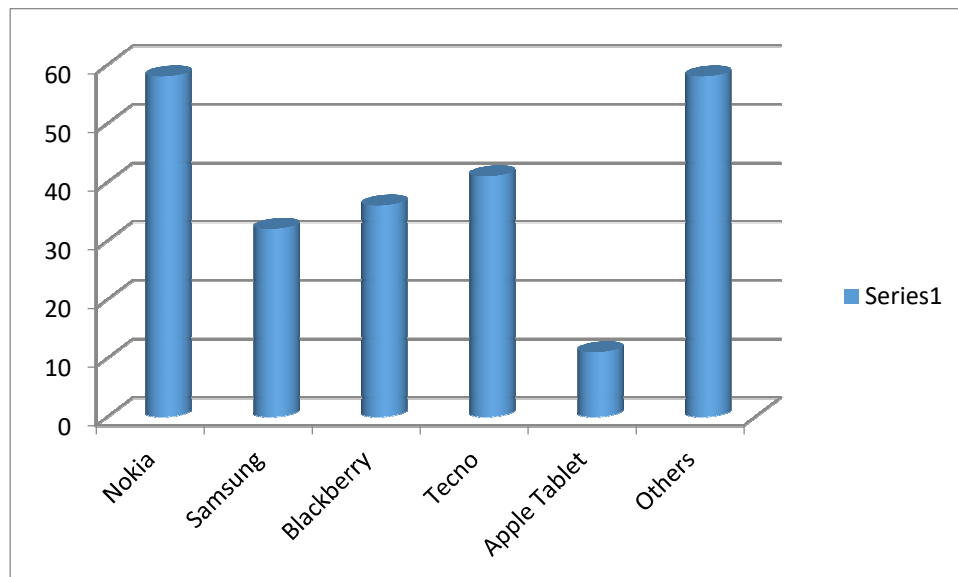


Table 4.14 Distribution of Respondents According to the Function they Perform with their Phone(s)

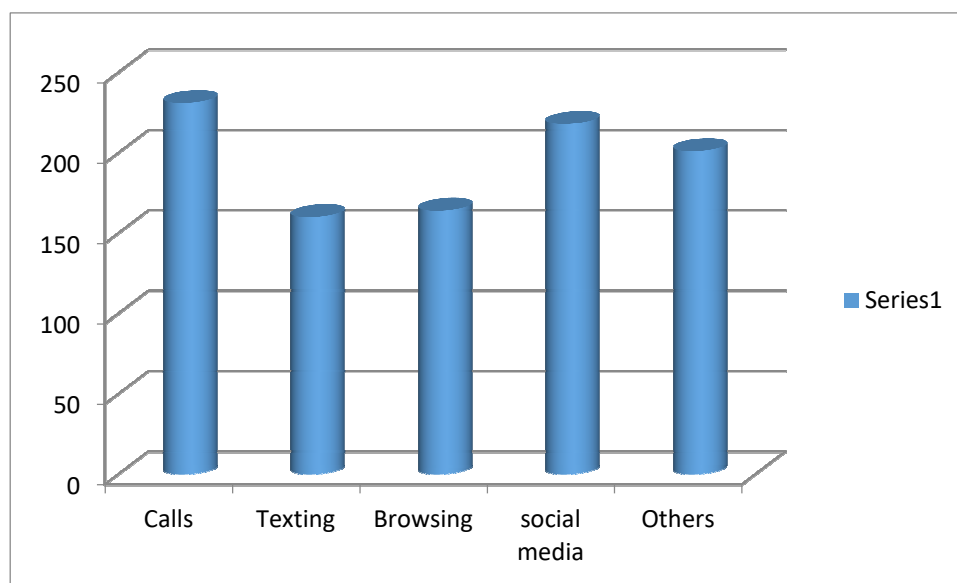
	*Frequency (n=236)	Percent
Calls	231	97.9
Texting	160	67.8
Browsing	164	69.5
social media	218	92.4

Others	201	85.2
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Source: Field Survey, 2016

*** Multiple responses**

Figure 4.55 Chart Showing the Function(s) Performed with Phone(s)



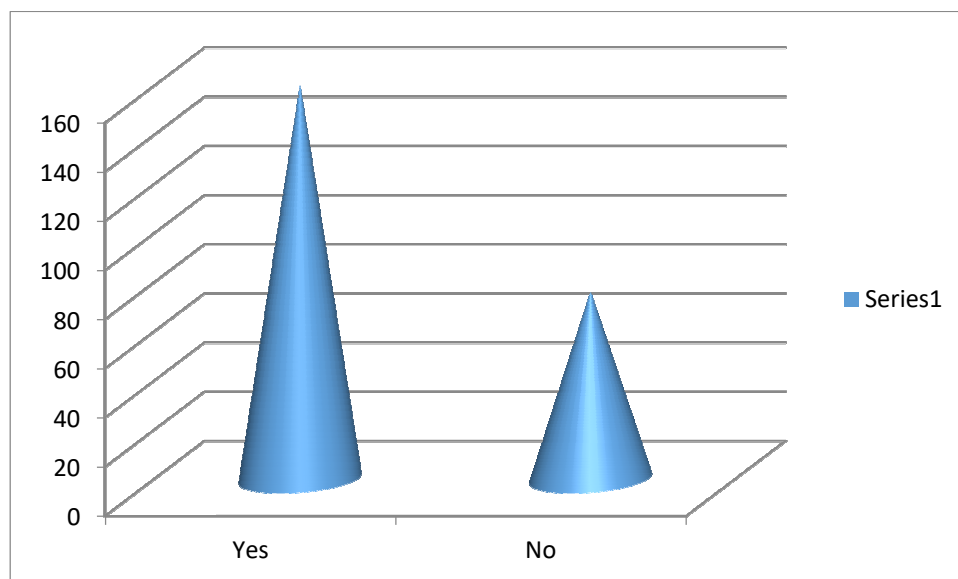
The result from Table 4.14 and Figure 4.55 reveals that many people used their phone for social media as cited by 218 respondents (92.4%). However, as expected, calling still remained the most important operation performed with phones as 231 respondents representing 97.9% indicated so. The other functions included texting (67.8%), browsing (69.5%) and others (85.2%).

Table 4.15 Distribution of Respondents Based on Access to Personal Computers

	Frequency	Percent
Yes	160	67.8
No	76	32.2
Total	236	100.0

Source: Field Survey, 2016

Figure 4.56: Chart Showing Access to Personal Computers



Source: Field Survey, 2016

Table 4.15 and Figure 4.56 show distribution of respondents based on access to personal computers. As shown in the table and figure, 160 respondents, representing 67.8%, had access to personal computers while 76 respondents, representing 32.2%, had no access to personal computer. Relatively, it can be deduced that connecting to Internet using mobile operators is popular in Nigeria, because it is cheaper and simpler. Most people wishing to connect to Internet already have a mobile phone and in some cases, these mobile phones are Internet ready. This means that all that someone often needs to do to connect to the Internet via a mobile operator is to subscribe to an Internet browsing bundle within his/her budget.

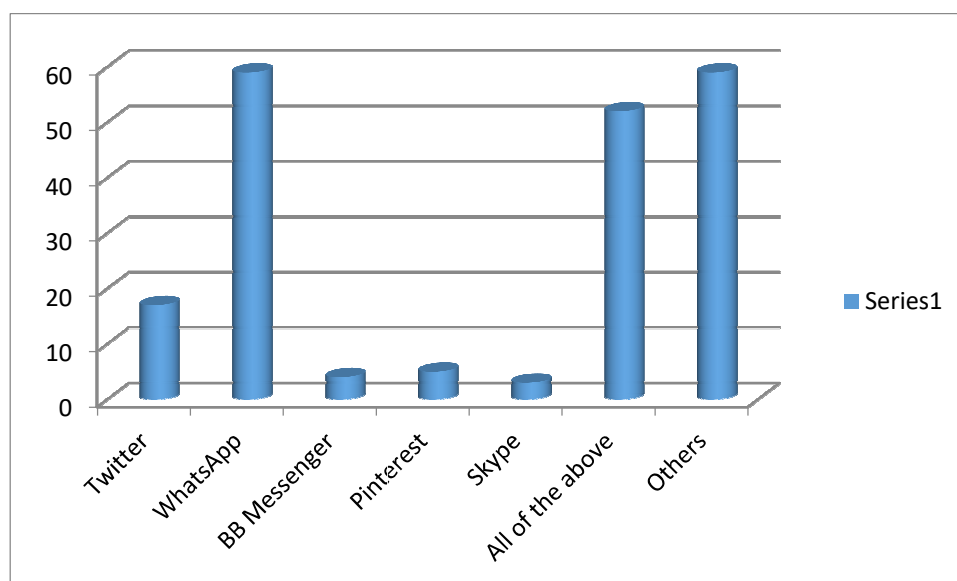
Table 4.16 Distribution of Respondents Based on Type of Social Media Platform Accessed

	Frequency	Percent
Twitter	17	7.6
WhatsApp	59	27.1

BB Messenger	4	1.7
Pinterest	5	2.5
Skype	3	1.3
All of the		23.7
above	52	
Others	59	27.1
Total	218	100.0

Source: Field Survey, 2016

Figure 4.57 Chart Showing Type of Social Media Platform Accessed



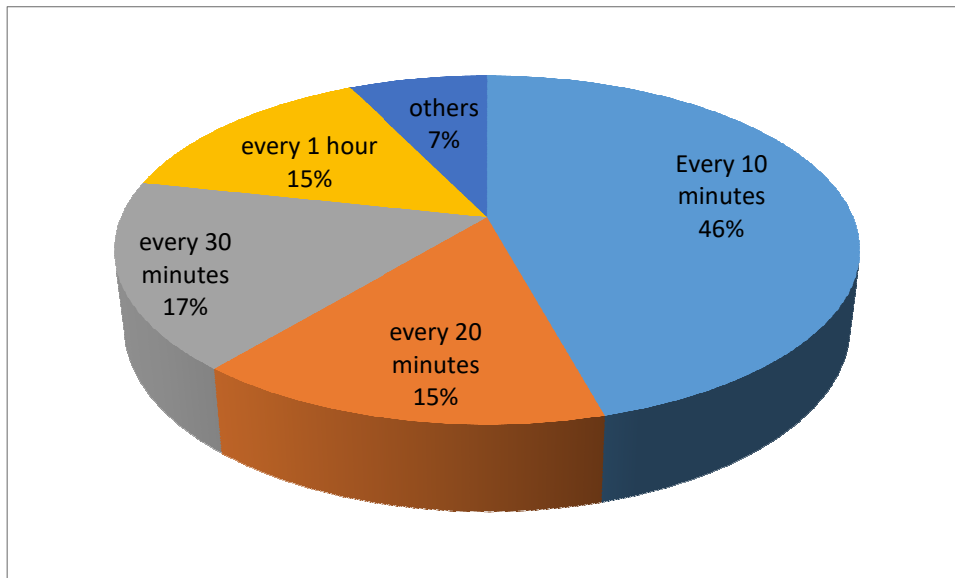
The results in Table 4.16 and Figure 4.57 show that apart from Facebook, the other type of social media mostly visited by the respondents was WhatsApp among others. Other social media accessed included twitter (7.6%), BB messenger (1.7%), Pinterest (2.5%), skype (1.3%).

Table 4.17How Often Do You Check Your Phone

	Frequency	Percentage
Every 10 minutes	108	45.8
every 20 minutes	36	15.3
every 30 minutes	41	17.4
every 1 hour	34	14.4
others	17	7.2
Total	236	100

Source: Field Survey 2016

Figure 4.58: A Pie Chart Showing How Often Respondents Check their Phone



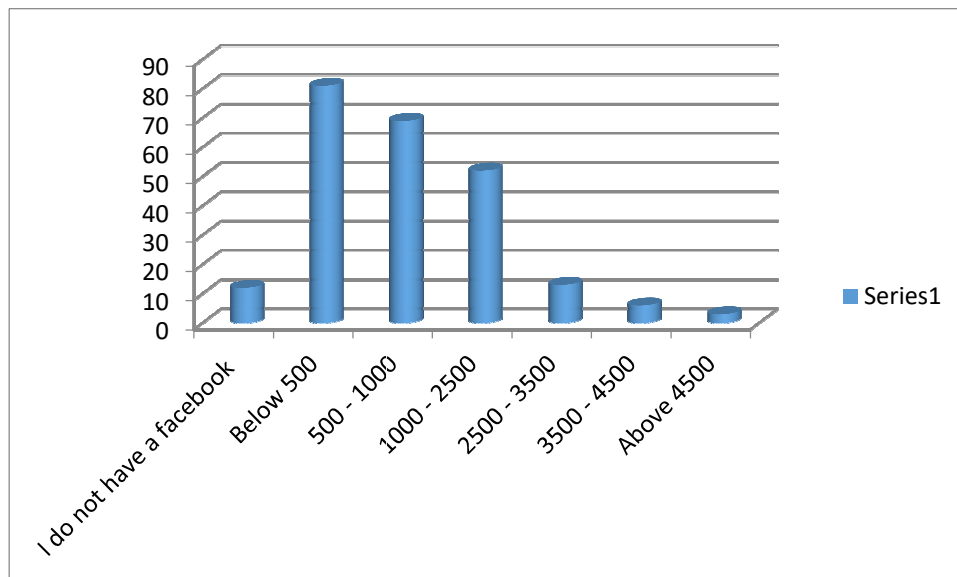
The study went further to elicit information regarding how often the respondents check their phones. The responses are presented in Table 4.17 and Figure 4.58. As shown in the table and figure, it can be seen that 108 respondents, representing 45.8%, checked their phones at the interval of 10 minutes. Furthermore, the table and the figure reveal that 36 respondents (15.3%), 41 respondents (17.4%), 34 respondents (14.4%) and 17 respondents (7.2%) checked their phones on the interval of 20 minutes, 30 minutes, 1 hour among others respectively.

Table 4.18: Number of Friends on Facebook

	Frequency	Percentage
I do not have a Facebook	12	5.1
Below 500	81	34.3
500 - 1000	69	29.2
1000 - 2500	52	22
2500 - 3500	13	5.5
3500 - 4500	6	2.5
Above 4500	3	1.3
Total	236	100

Source: Field survey, 2016

Figure 4.59 Chart Showing the Distribution of Respondents Based on Number of Friends on Facebook



Having a customer base with large network of friends on a social media platform like Facebook is important for online marketing because it is believed that friends and families have large influence on what we click, view, share, and like (Bryant and Marmo, 2012). In the light of the above, the study sought information regarding how many friends a particular respondent has on Facebook. As shown in Table 4.18 and Figure 4.59, only 12 respondents or 5.1% of the total respondents did not have a Facebook account. On the contrary, 81 respondents, representing 34.3%, have less than 500 while 69 respondents (29.2%), 52 respondents (22%), 13 respondents (5.5%), 6 respondents (2.5%) and 3

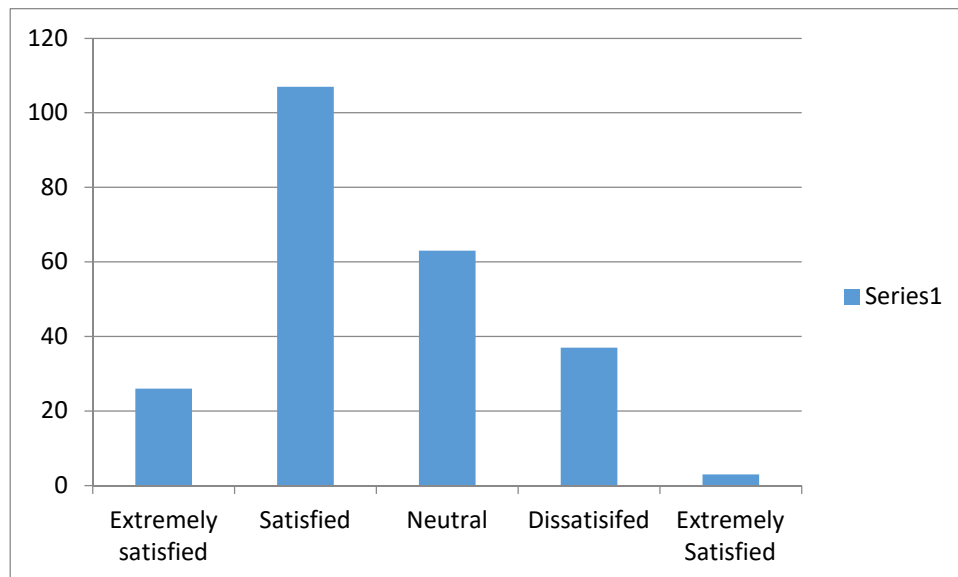
respondents (1.3%) have between 500-1000 friends, between 1000-2500, between 2500-3500 friends, between 3500 – 4500 friends and 4500 friends and above. Indeed, over 60% of the sampled respondents had more than 500 friends on Facebook. This creates a veritable avenue where brand is broadcast to their network which means greater brand exposure.

Table 4.19 Distribution of Respondents Based on their Level of Satisfaction with Internet Services

	Frequency	Percentage
Extremely satisfied	26	11
Satisfied	107	45.3
Neutral	63	26.7
Dissatisfied	37	15.7
Extremely Satisfied	3	1.3
Total	236	100

Source: Field Survey 2016

Figure 4.60: Chart Showing Level of Satisfaction with Internet Service



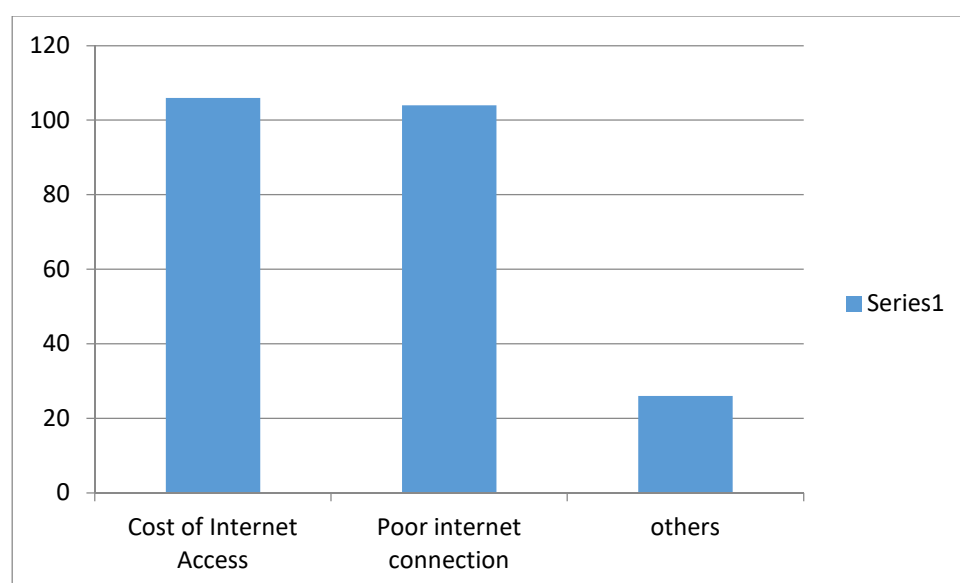
The respondents were asked to rate their level of satisfaction with Internet service in their locality. The result is presented in Table 4.19 and Figure 4.60. As shown in the table, about 26 respondents, representing 11%, and 107 respondents, representing 45.3%, were extremely satisfied and satisfied with the level of Internet services in their locality. On the other hand, 37 respondents, representing 15.7%, and 3 respondents, representing 1.3%, were dissatisfied and extremely dissatisfied respectively with the Internet services within their locality. However, 63 respondents, representing 26.7%, were undecided.

Table 4.20 Factors Affecting Internet Satisfaction

	Frequency	Percentage
Cost of Internet Access	106	44.9
Poor Internet connection	104	44.1
others	26	11
Total	236	100

Source: Field Survey, 2016

Figure 4.61: Distribution of Factors Affecting Satisfaction with Internet Services



The study attempted to identify factors affecting respondents' satisfaction with Internet services. As shown in Table 4.20 and Figure 4.61, these factors range from cost of Internet access (44.9%), poor Internet connection (44.1%) and others (11%).

Further probing was on how the respondents perceived the cost of Internet charged by mobile network providers. About 65 respondents, representing 27.5%, were of the opinion that the charges are too expensive. The opinions of the remaining respondents were very expensive (cited by 33.1%), moderate (cited by 37.7%) and cheap cited by 1.7% of the total respondents. The data to this effect is presented in Table 4.21 and casted in Figure 4.62

Table 4.21 Perception of Respondents with Respect to Cost of Internet Access

	Frequency	Percentage
Too expensive	65	27.5

very expensive	78	33.1
Moderate	89	37.7
Cheap	4	1.7
Total	236	100

Source: Field Survey, 2016

Figure 4.62: Distribution of Respondents' Views on the Cost of Internet Access

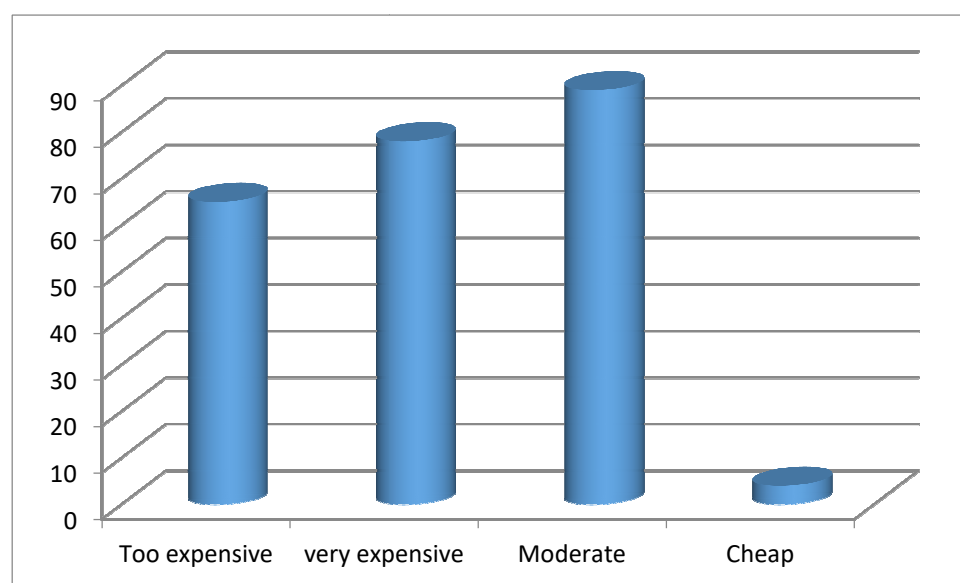
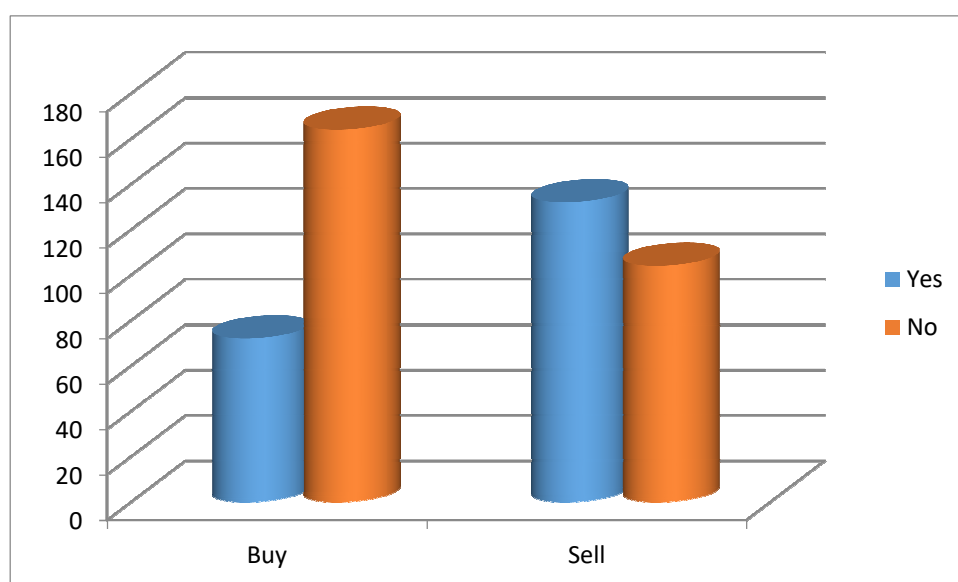


Table 4.22 Online Transaction

	Buying of Goods/services		Selling of Goods/service	
	Frequency	Percentage	Frequency	Percentage
Yes	72	30.5	132	55.9
No	164	69.5	104	44.1
Total	236	100	236	100

Source: Field Survey, 2016

Figure 4.63: Chart Showing Participation of Respondents in Online Transaction



Having access to facilities such as Internet ready phones and computers as well as Internet service is central to, but not the same as transacting, i.e., it is possible to be using the Internet and not participate or transact in buying and selling. As a result the researcher further sought clarification on participation and online buying behaviour of respondents. The results presented in Table 4.22 and Figure 4.63. As shown in the table, it can be deduced that more people are involved in online sales than purchase since only 72 respondents, representing 30.5%, had bought goods/services online which is relatively lower than 132 respondents, representing 55.9%, who have sold goods/services online.

Table 4.23: Length of Time on Online Transaction

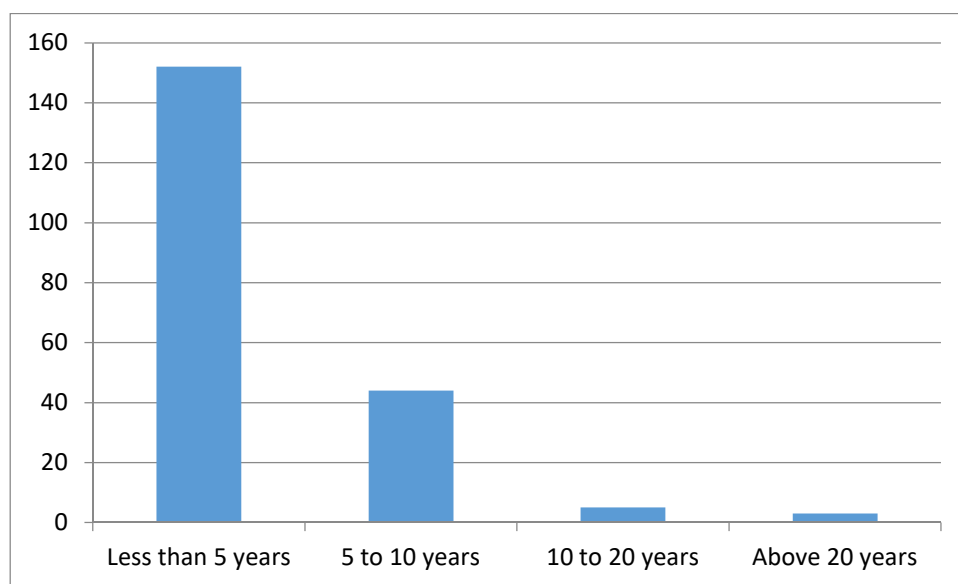
	* Frequency (n=204)	Percent
Less than 5 years	152	74.1
5 to 10 years	44	21.6
10 to 20 years	5	2.5

Above 20 years	3	1.7
Total	204	100

Source: Field Survey, 2016

* Summation of those that have bought and sold online as contained in Table 4.22

Figure 4.64: Chart Showing Distribution of Respondents Based on How Long on Online Transaction



The study further sought to establish how long the respondents had been transacting online. Table 4.23 and Figure 4.64 show that 152 respondents, representing 74.1%, of the total respondents had been on online transaction for

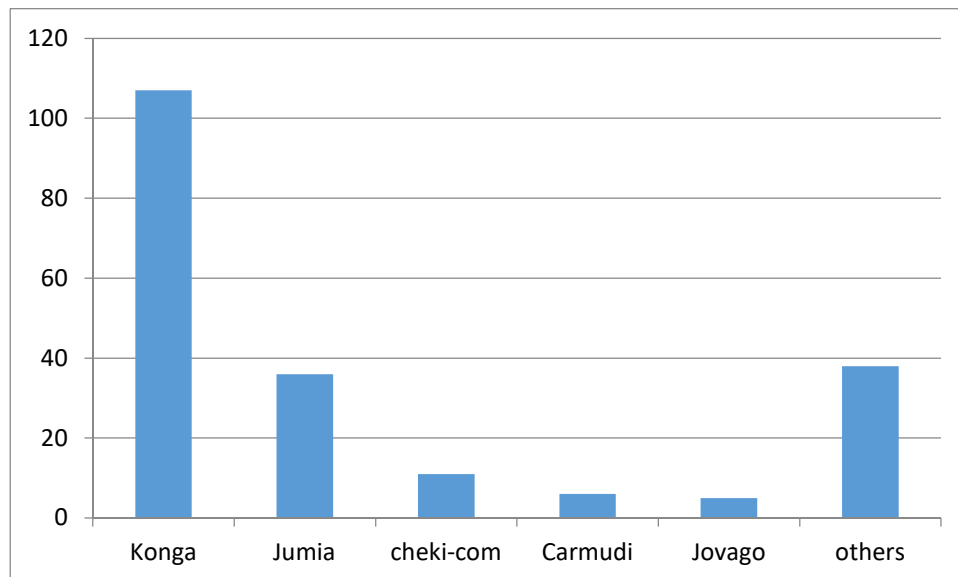
less than 5 years; 44 respondents or 21.6% had between 5 - 10 years; 5 respondents or 2.5% had between 10 – 20 years and 3 respondents or 1.7% had more than 20 years' experience with online transaction. This result suggests that the adaption of online transaction in Nigeria is a recent thing, given that more than 70% of the sampled respondents had less than 5 years' experience.

Table 4.24: Distribution of Respondents Based on the Online Shop Patronized

	Frequency	Percentage
Konga	107	52.5
Jumia	36	17.8
cheki-com	11	5.5
Carmudi	6	3
Jovago	5	2.5
Others	38	18.6
Total	204	100

Source: Field Survey, 2016

Figure 4.65: Distribution of Respondents Based on Online Shop Visited



The results presented in Table 4.24 and Figure 4.65 show that Konga was the most visited online shop as cited by 52.5% of the respondents. Others included Jumia (17.8%), checki.com (5.5%), carmudi (3%), Jovago (5%) and others (18.6%).

4.2.3 Assessment of Trust and Risk Tolerance and their Impact on Online Transaction

Attitude is central to human identity. As an inclination and predisposition that guide an individual's behaviour and persuade him/her to an action, attitude is a crucial factor in the willingness of an individual to buy and/or sell

goods/services online. A number of factors have been identified as related to consumers' attitude towards online buying/selling behaviour. These factors according to Jarvenpaa and Todd (1997), Lowengart and Tractinsky (2001), Kesharwani and Bish (2012), Tang and Nguyen (2013) include the value of the product, the shopping experience, the quality of service offered by the e-vendor, the risk perceptions and the level of Internet infrastructural development. It is against this backdrop that this study seeks to assess risk tolerance and trust in relation to how they affect e-marketing in Nigeria. The data to this effect is presented as follows:

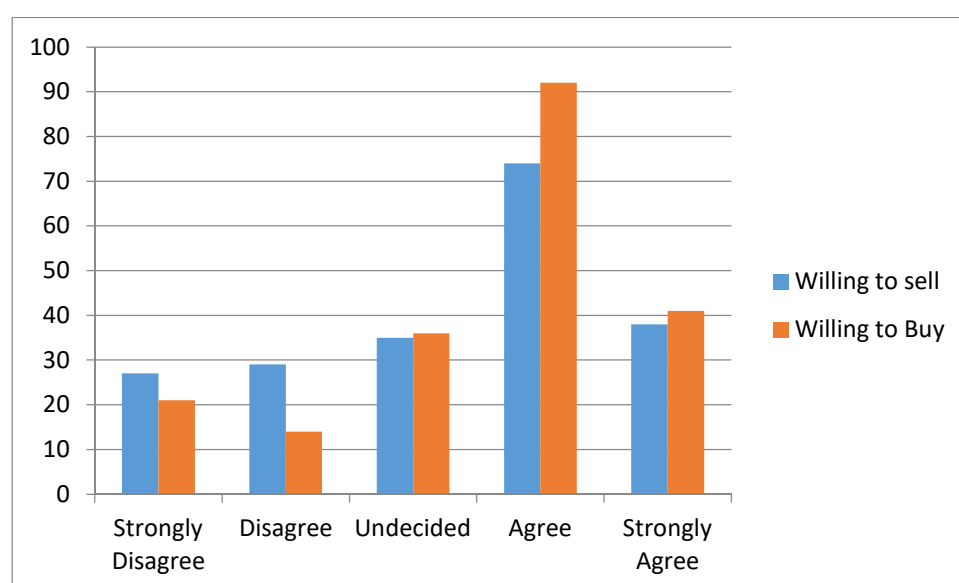
Table 4.25: Willingness to Buy and Sell Online

	Willing to Sell		Willing to Buy	
	Frequency	Percentage	Frequency	Percentage
Strongly Disagree	31	13.1	24	10.2

Disagree	34	14.4	16	6.8
Undecided	41	17.4	42	17.8
Agree	86	36.4	106	44.9
Strongly Agree	44	18.6	48	20.3
Total	236	100	236	100

Source: Field survey 2016

Figure 4.66: Willingness to Sell and Buy Goods/Services Online



The result from Table 4.25 and Figure 4.66 shows that 13.1% and 10.2% of the respondents were strongly against selling and buying of goods and services online respectively. Further, the table reveals that 14.4% and 6.8% were against online transaction. On the other hand, 36.4% and 44.9% of the respondents agreed to selling and buying online while 18.6% and 20.3% strongly agreed to online transaction. About 17.4% and 17.8% were undecided. Overall, the results suggest that more respondents are willing to buy than sell online.

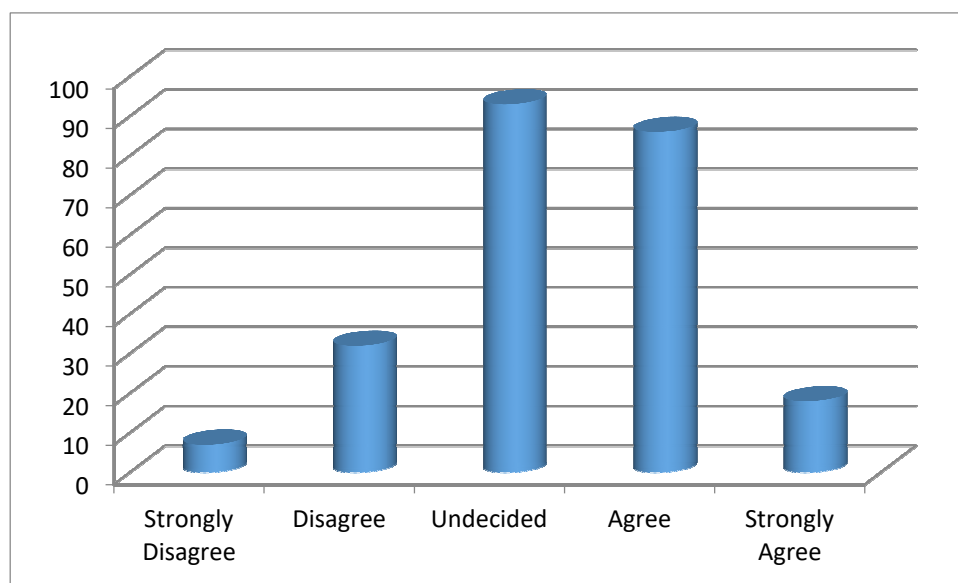
Table 4.26 Distribution of Respondents' Risk Tolerance on a Scale of 1-5

	Frequency	Percent
Strongly Disagree	7	3.0
Disagree	32	13.6
Undecided	93	39.4
Agree	86	36.4

Strongly Agree	18	7.6
Total	236	100.0

Source: Field Survey, 2016

Figure 4.67: Chart showing Respondents' Risk Tolerance on a Scale of 1-5



Information with respect to risk tolerance level measured on a scale of 1-5 is presented in Table 4.26 and Figure 4.67. As shown in the table and figure, 7 respondents (3%) and 32 respondents (13.6%) strongly disagreed and disagreed that their risk tolerance was on a scale of 1-5. While 86 respondents (36.4%) and 18 respondents (7.6%) agreed and strongly disagreed that their risk tolerance level was on a

scale of 1-5. However, 93 respondents or 39.4% were undecided.

Table 4.27 Distribution of Respondents' Opinion on the Accuracy and Reliability of Information Relating to Online Transaction

	Frequency	Percent
Strongly Disagree	16	6.8
Disagree	45	19.1
Undecided	66	28
Agree	85	36
Strongly Agree	24	10.2
Total	236	100

Source: Field Survey, 2016

Figure 4.68: Chart Showing Respondents' Opinion on the Accuracy and Reliability of Information Relating to Online Transaction

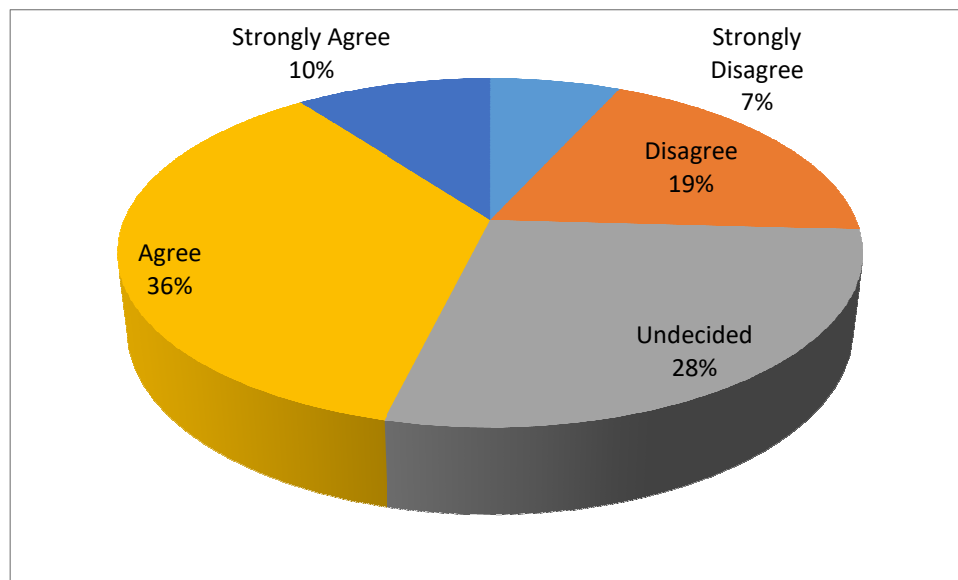


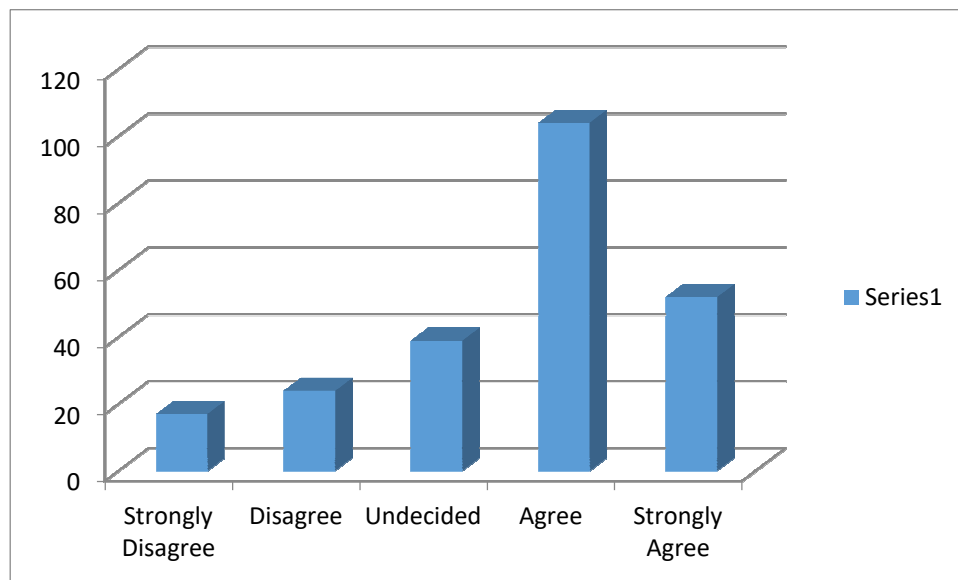
Table 4.27 and Figure 4.68 contain information on respondents' perception on how accurate and reliable information on online transaction are. As cited in the table and figure, 16 respondents (6.8%) and 45 respondents (19.1%) strongly disagreed and disagreed that their risk tolerance was on scale of 1-5. While 86 respondents (36.4%) and 18 respondents (7.6%) agreed and strongly disagreed that their risk tolerance level was on scale of 1-5. However, 93 respondents or 39.4% were undecided.

Table 4.28 Distribution of Respondents' Opinion on Whether Youths Take Higher Risks Online Transactions than Adults

	Frequency	Percent
Strongly Disagree	17	7.2
Disagree	24	10.2
Undecided	39	16.5
Agree	104	44.1
Strongly Agree	52	22
Total	236	100

Source: Field Survey, 2016

Figure 4.69: Chart Showing Respondents' Opinion on Whether Youths take Higher Risks Online Transactions than Adults



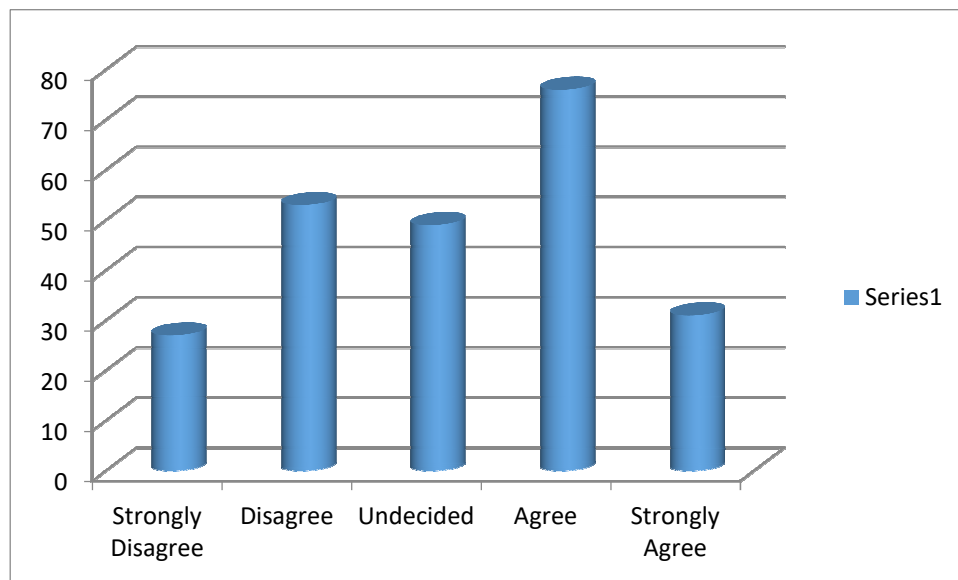
The perception of the impact of age on online risk tolerance level is presented in Table 4.28 and Figure 4.69. The table shows that 7.2% and 10.2% of the total respondents strongly disagreed and disagreed that the youths are more likely to take higher risk online transactions than adults while 44.1% and 22% agreed and strongly agreed that youths are more likely to take higher risk online transactions than adults. However, 16.5% were undecided.

Table 4.29: Distribution of Respondents' Opinion on Whether Men take Higher Risks Online Transactions than Women

	Frequency	Percent
Strongly Disagree	27	11.4
Disagree	53	22.5
Undecided	49	20.8
Agree	76	32.2
Strongly Agree	31	13.1
Total	236	100

Source: Field Survey 2016

Figure 4.70: Chart Showing Respondents' Opinion on whether Men take Higher Risks Online Transactions than Women



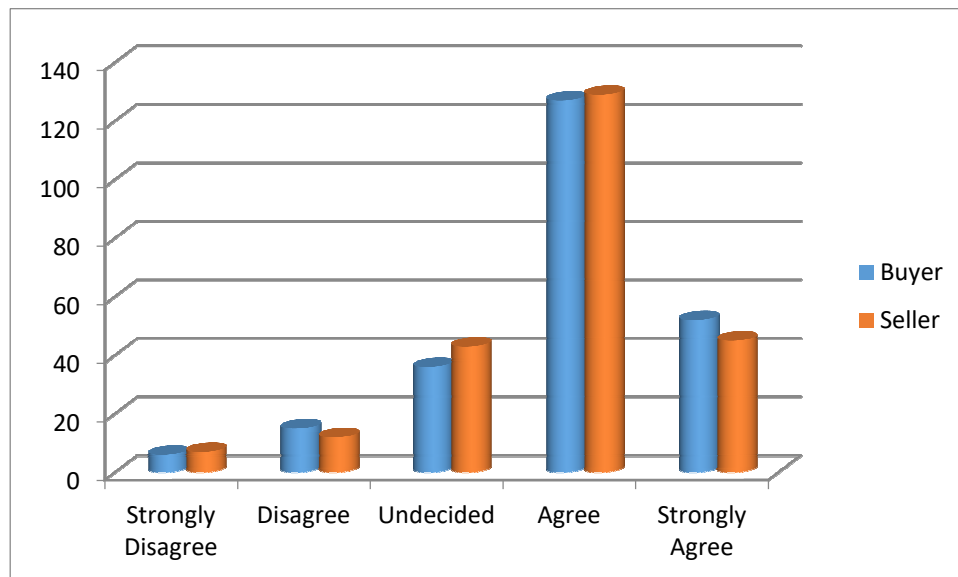
Similarly, the perception on the influence of gender on online risk tolerance is presented in Table 4.29 and Figure 4.70. The results show that 11.4% and 22.5% of the total respondents strongly disagreed and disagreed that men are more likely to take higher risk online transactions than women while 32.2% and 13.1% agreed and strongly agreed that men are more likely to take higher risk online transactions than women. However, 20.8% of the respondents had neutral view.

Table 4.30 Respondents' Opinion on Whether People are more Reliable Nowadays with respect to Online Transactions than before

	Buyer		Seller	
	Frequency	Percentage	Frequency	Percent
Strongly Disagree	6	2.5	7	3
Disagree	15	6.4	12	5.1
Undecided	36	15.3	43	18.2
Agree	127	53.8	129	54.7
Strongly Agree	52	22	45	19.1
Total	236	100	236	100

Source: Field Survey, 2016

Figure 4.71: Chart Showing Respondents' Opinion on whether there are more Reliable Buyers and Sellers Online Nowadays than before



The study further sought to establish whether Nigerians are more reliable nowadays in terms of online transaction than before. The responses of the respondents to this effect are presented in Table 4.30 and Figure 4.71. From the results presented, it can be seen that 2.5% and 3% of the respondents strongly disagreed that buyers and sellers nowadays are better than before. Also, 6.4% and 5.1% disagreed that buyers and sellers nowadays are better than before while majority of the respondents (that is 53.8% and 54.7%) agreed that buyers and sellers in Nigeria nowadays are more reliable than before. This view is further corroborated by 22% and 19.1% of the respondents who

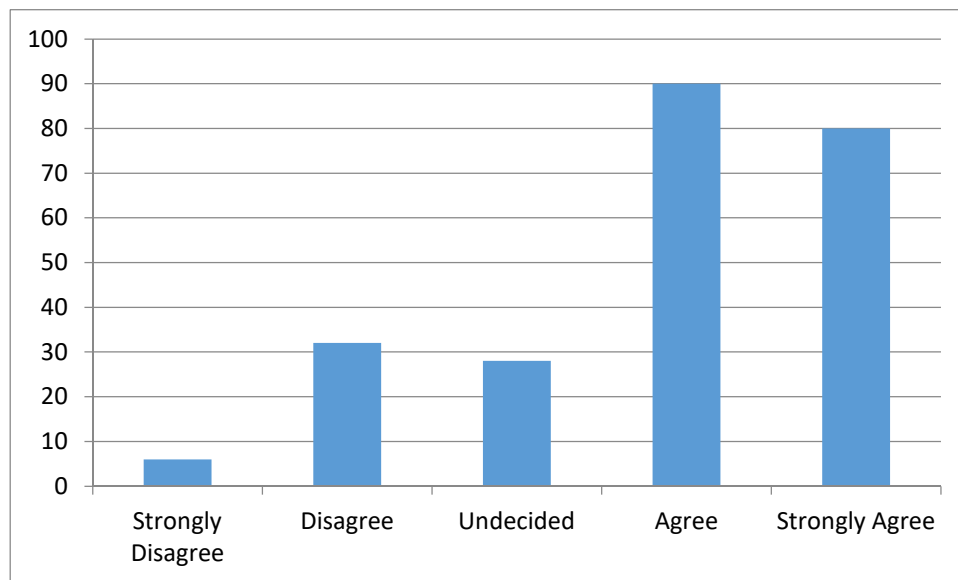
strongly agreed to it. However, 15.3% and 18.2% of the respondents had neutral view.

Table 4.31 Distribution of Respondents on whether they prefer Face-to-face Transactions to Online Marketing

	Frequency	Percentage
Strongly Disagree	6	2.5
Disagree	32	13.6
Undecided	28	11.9
Agree	90	38.1
Strongly Agree	80	33.9
Total	236	100

Source: Field Survey 2016

Figure 4.72: Chart Showing Respondents' Opinion on whether they prefer Face-to-face Transactions to Online Marketing



The results presented in Table 4.31 and Figure 4.72 suggest that only 38 respondents (16.1%) preferred online marketing to face-to-face transactions. However, majority of the respondents (that is 170 respondents representing 72%) preferred face-to-face transactions. About 11.9% of them were indifferent.

4.2.3.1 Other Factors Affecting Online Transaction

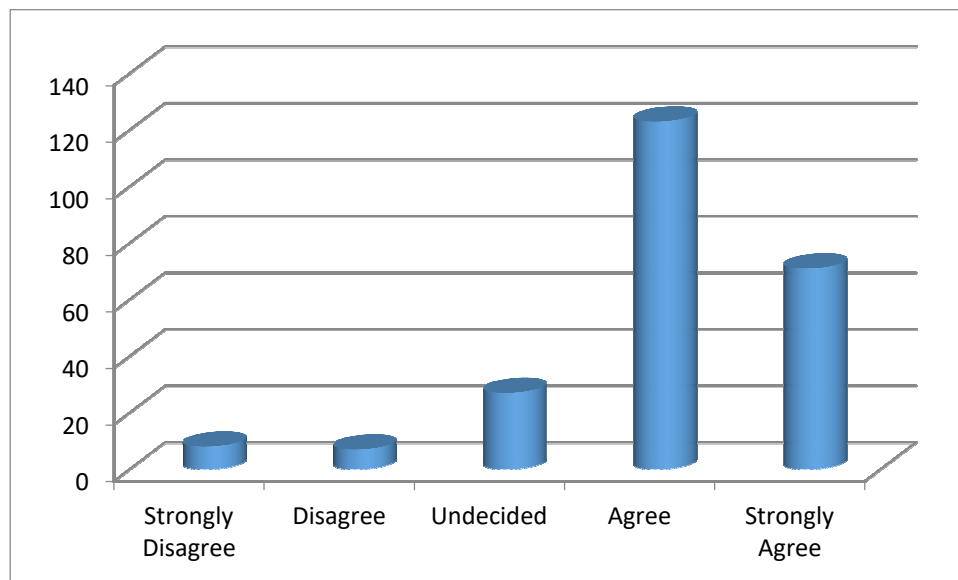
As mentioned earlier, a number of factors have been identified in literature to affect consumers' buying behaviour. In view of this, the present study further seeks to establish how these factors affect online transaction in Nigeria. The findings are presented as follows:

Table 4.32 Distribution of Respondents' Views on how Experience and Proficiency in Internet Usage Influence Online Transaction

	Frequency	Percentage
Strongly Disagree	8	3.4
Disagree	7	3
Undecided	27	11.4
Agree	123	52.1
Strongly Agree	71	30.1
Total	236	100

Source: Field Survey 2016

Figure 4.73: Chart showing Respondents' Views on how Experience and Proficiency in Internet Usage Influence Online Transaction



The responses presented in Table 4.32 and Figure 4.73 seek to examine how experience and proficiency in Internet usage influence on online transaction. The data shows that 8 respondents and 7 respondents, representing 3.4% and 3% respectively, strongly disagreed and disagreed that experience and proficiency in Internet usage had any influence on online transaction. On the other hand, 123 respondents and 71 respondents agreed and strongly agreed that experience and proficiency in Internet usage had significant influence one's online transaction. On the other hand 27 respondents or 11.4% had neutral view.

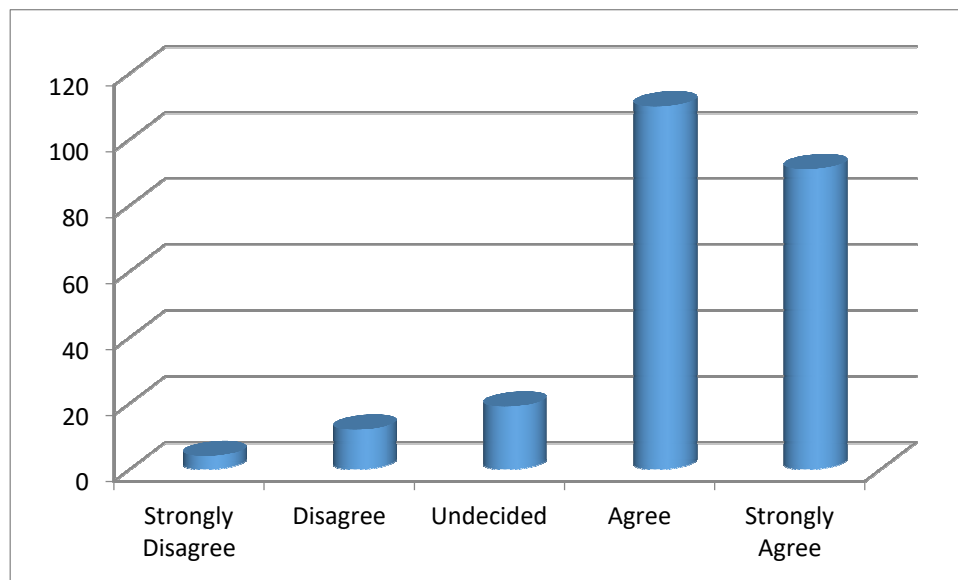
Overall, the findings suggest that experience and proficiency in Internet usage are significant determinants on online transactions.

Table 4.33 Distribution of Respondents' Views on whether they Feel Safer to do Transaction if they Know the Seller's Physical Location

	Frequency	Percentage
Strongly Disagree	4	1.7
Disagree	12	5.1
Undecided	19	8.1
Agree	110	46.6
Strongly Agree	91	38.6
Total	236	100

Source: Field Survey, 2016

Figure 4.74: Chart showing Respondents' Views on whether they Feel Safer to do Transaction if they Know the Seller's Physical Location



Results in Table 4.33 and Figure 4.74 indicated that 16 respondents, representing 6.8% (as cited by those who strongly disagree and disagree), were of the opinion that they will not be bothered even if they do not know the physical location of the sellers while greater majority (that is 201 respondents or 85.2% as cited by those that agree and strongly agree) felt safer to do transaction if they knew the seller's physical location. However, 19 respondents, representing 81.%, felt indifferent. Overall, the results suggested that knowing physical location of the sellers made the people to feel safer and this explains why they

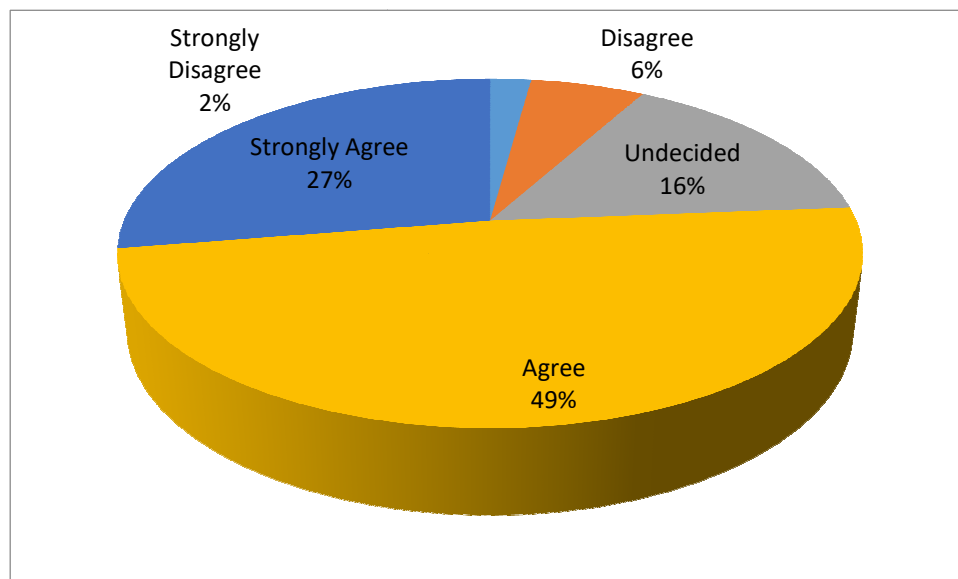
preferred face-to-face transactions to online transaction as indicated in Table 4.28

Table 4.34: Propensity to Trust has a Significant Impact on Online Transactions

	Frequency	Percentage
Strongly Disagree	5	2.1
Disagree	14	5.9
Undecided	37	15.7
Agree	115	48.7
Strongly Agree	65	27.5
Total	236	100

Source: Field Survey, 2016

Figure 4.75: Chart Showing Respondents' Views on whether Propensity to Trust has a Significant Impact on Online Transactions



On how trust affects online transaction, the results in Table 4.34 and Figure 4.75 revealed that 5 respondents and 14 respondents strongly disagreed and disagreed that propensity to trust has any significant impact on online transactions. In contrast, majority of the respondents, that is 115 respondents and 65 respondents, representing 48.7% and 27.5% respectively, agreed and strongly agreed to the fact that propensity of trust has a significant impact on online transaction. About 15.7% of the respondents were

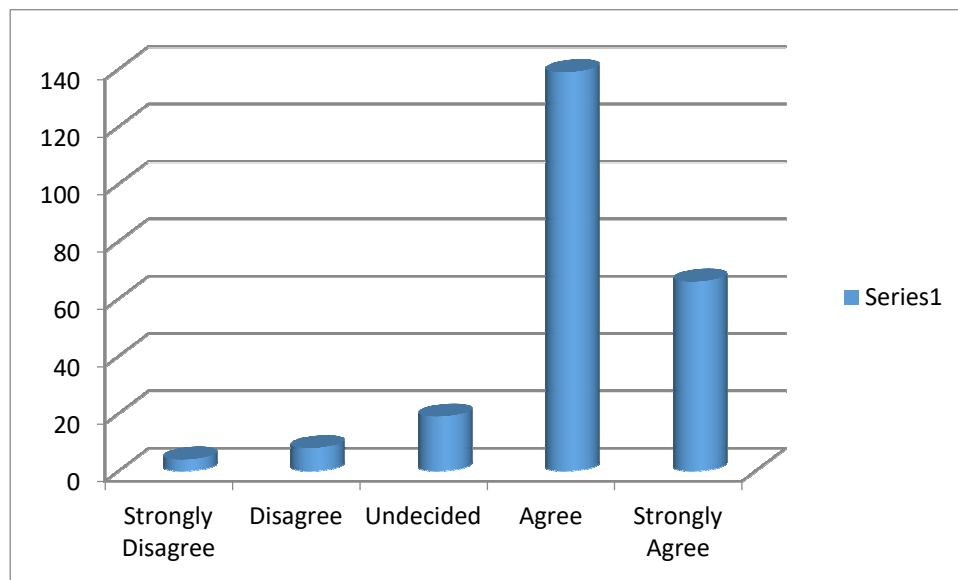
neutral as to how trust affects online transaction. In sum, the study concluded that propensity to trust is a significant factor in determining online transaction buying behaviour.

Table 4.35 Easy-to-Use Website Feature and Guide Influence Online Transaction

	Frequency	Percentage
Strongly Disagree	4	1.7
Disagree	8	3.4
Undecided	19	8.1
Agree	139	58.9
Strongly Agree	66	28
Total	236	100

Source: Field Survey 2016

Figure 4.76: Chart Showing Respondents' Views whether Easy-to-Use Website Feature and Guide Influence Online Transaction



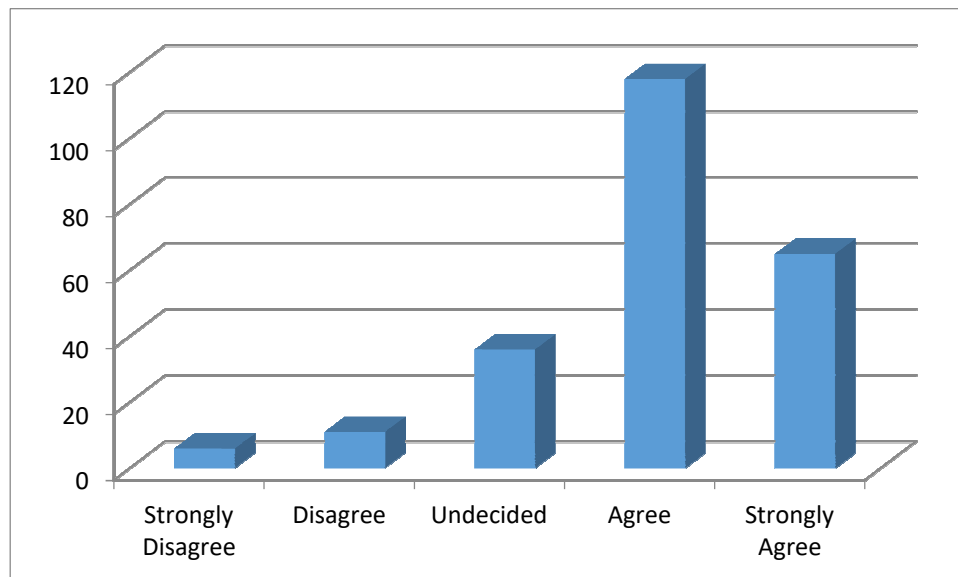
As shown in Table 4.35 and Figure 4.76, approximately 90% of the respondents opined that e-vendors whose websites have easy-to-use features and direct customers to their destinations can easily gain trust of customers and hence boost their patronage on online transaction. However, only 5.1% of the respondents had contrary view as only 8.1% were neutral.

Table 4.36: Size of E-vendors Boost Trust

	Frequency	Percentage
Strongly Disagree	6	2.5
Disagree	11	4.7
Undecided	36	15.3
Agree	118	50
Strongly Agree	65	27.5
Total	236	100

Source: Field Survey, 2016

Figure 4.77: Chart Showing Opinion on whether Size of E-vendors Boost Trust



Another determinant of online transaction buying behaviour of consumer is size of the e-vendor. As shown in Table 4.36 and Figure 4.77, 6 respondents and 11 respondents, representing 2.5% and 4.7%, strongly disagreed and disagreed that size of the perceived e-vendor is a significant factor that induces trust and risk to be taken by customers. However, 118 respondents and 65 respondents, representing 50% and 27.5% respectively agreed and strongly agreed that the perceived e-vendor is a significant factor that induces trust and risk to be taken by customers while 36 respondents, representing 15.3%, had neutral view.

Table 4.37: Reputation of E-vendors Influences Trust and Risk to be taken by Customers

	Frequency	Percentage
Strongly Disagree	8	3.4
Disagree	14	5.9
Undecided	58	24.6
Agree	123	52.1
Strongly Agree	33	14
Total	236	100

Source: Field Survey, 2016

Figure 4.78: Reputation of E-vendors Influences Trust and Risk to be Taken by Customers

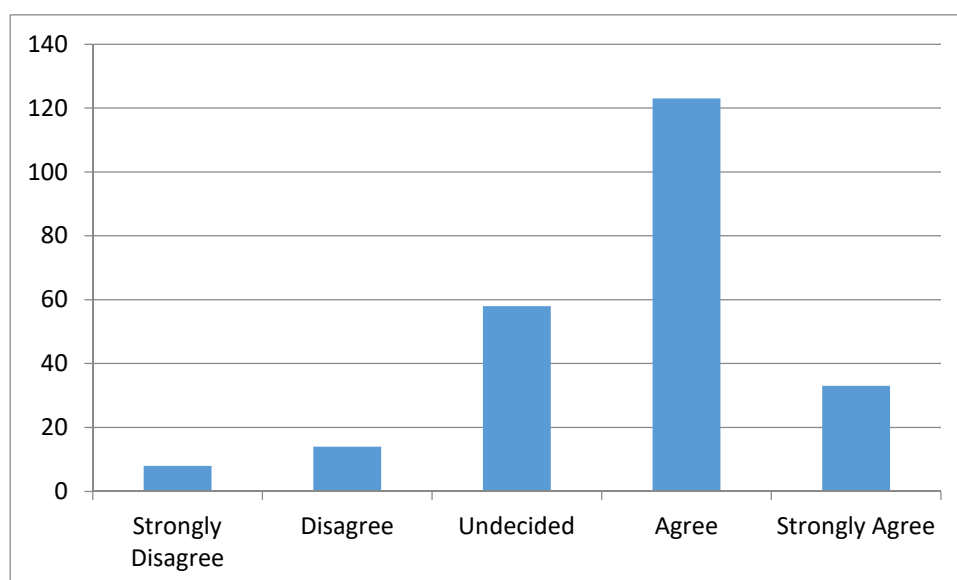


Table 4.37 and Figure 4.78 contain opinion of the respondents on how reputation of e-vendors affects trust and risk to be taken by customers. As shown in the table, 8 respondents (3.4%) and 14 respondents (5.9%) strongly disagreed and disagreed that reputation of e-vendors affect trust and risk to be taken by customers. On the other hand, 123 respondents (52.1%) and 33 respondents (14%) agreed and strongly agreed that reputation of e-vendors affect trust and risk to be taken by customers. About 24.6% (58 respondents) had a neutral view.

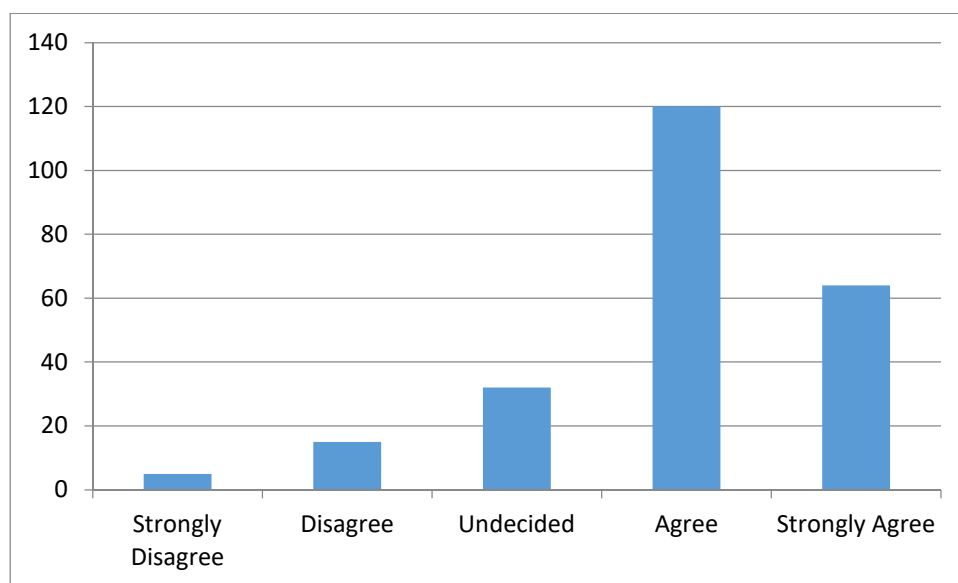
Table 4.38: Security Assurance on Transactions Influence Customers' Online Buying Behaviour

	Frequency	Percentage
Strongly Disagree	5	2.1
Disagree	15	6.4
Undecided	32	13.6
Agree	120	50.8
Strongly Agree	64	27.1

Total	236	100
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Source: Field survey 2016

Figure 4.79: Chart Showing Respondents' Opinion on how Security Assurance on Transactions Influences Customers Online Buying behaviour



The results in Table 4.38 and Figure 4.79 show that 5 respondents (2.1%) and 15 respondents (6.4%) strongly disagreed and disagreed that security assurance on transactions to be done greatly influences customers' online buying behaviour. Also, the results presented suggested that 120 respondents (50.8%) and 64

respondents (27.1%) agreed and strongly agreed that security assurance on transactions to be done greatly influence customers' online buying behaviour. This implies that security assurance on transactions to be done is a significant determinant of customers' online buying behaviour. Further probing on other factors affecting online buying behaviour of consumers reveal these factors to include content quality and offline presence of an e-vendor.

4. 3 Prevalence of Internet scams in Nigeria

On the type of Internet (online) scams known to the respondents, the study found that these scams range from advance fee fraud (6.4%), dating scams (11%), non-delivery of goods bought online (19.1%), non-payment of goods sold online (43.2%) and spam (20.3%). This implies that most prevalent scams was non-payment of goods sold online as

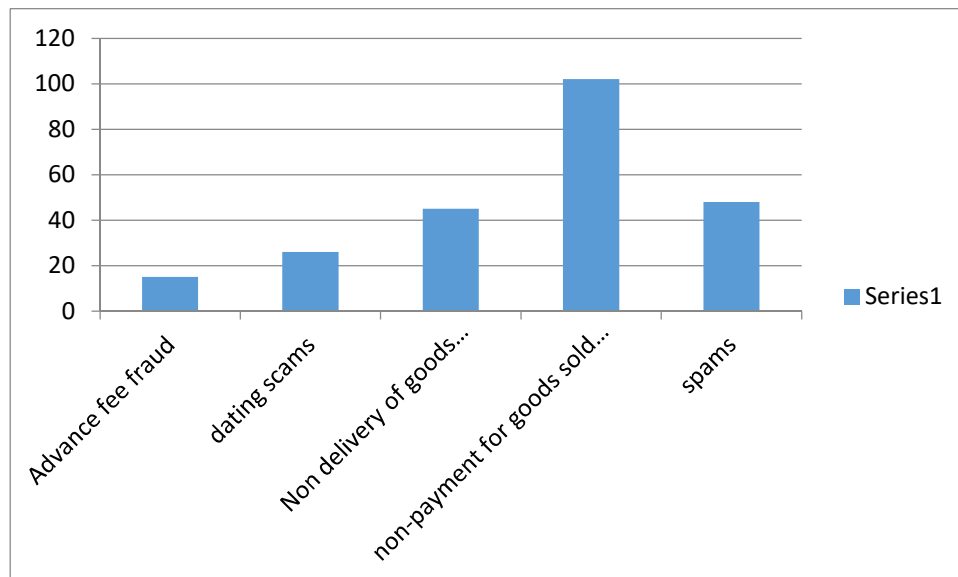
cited by 43.2% of the respondents. The results are presented in Table 4.36 and Figure 4.36

Table 4.39 Type of Internet scams Prevalent in Nigeria

	Frequency	Percentage
Advance fee fraud	15	6.4
Dating scams	26	11
Non delivery of goods bought online	45	19.1
Non-payment for goods sold online	102	43.2
Spams	48	20.3
Total	236	100

Source: Field Survey, 2016

Figure 4.80: Chart showing types of Internet scams prevalent in Nigeria



4.4 Test of Hypotheses

The hypotheses of the study were tested using t-test.

Making the decision to accept or reject the null hypothesis (H_0) at a 5% level of significance is as follows.

$$H_0: \beta_i = 0$$

$$H_1: \beta_i \neq 0$$

Reject H_0 if the probability value of t-statistics is less than the cut-off value of 0.05. Rejecting the null hypothesis implies that there is a significant relationship at 5% level of significance between the two constructs.

4.4.1 Hypothesis One

H_0 : Nigeria does not have the necessary e-commerce infrastructure sufficient for digital marketing implementation.

Table 4.40 Test of Hypothesis One

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q9B	168.651	235	.000	1.00847	.9967	1.0203
Q12B	55.537	235	.000	5.42797	5.2354	5.6205
Q13B	43.373	235	.000	1.32203	1.2620	1.3821
Q17B	41.464	235	.000	2.50847	2.3893	2.6277
Q19B	39.075	235	.000	2.13559	2.0279	2.2433

Source: Author's Computation using SPSS

The null hypothesis formulated above was tested using the t-distribution. To carry out the test of the hypothesis, the study relied on responses to question 9, question 12, question 13, question 17 and question 18 as contained in the

attached questionnaire. Table 4.40 contains summary of the t-distribution. As shown in the table, the probability values (sig-values) are substantially lower than the critical value of 0.05. Consequently, the study rejects the null hypothesis. Rejecting the null hypothesis implies that the e-commerce infrastructure in Nigeria is sufficient for digital marketing implementation

4.4.2 Hypothesis Two

To test the hypothesis that security assurance on online transactions does not significantly influence customer buying behaviour, the study utilized data gathered in response to question 27, question 35, question 41 and question 44. The summary of the hypothesis test is presented in Table 4.41

Table 4.41: Test of Hypothesis Two

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q27 B	45.831	235	.000	3.23729	3.0981	3.3764
Q35 C	71.226	235	.000	4.15254	4.0377	4.2674
Q37 C	78.080	235	.000	4.08051	3.9775	4.1835
Q41 C	67.234	235	.000	4.08898	3.9692	4.2088
Q44 C	49.421	235	.000	3.60169	3.4581	3.7453

Source: Author's Computation using SPSS

From the result presented in Table 4.41, it can be seen that the p-values from the t-test are substantially lower than the critical value of 0.05. Consequently, the study concluded that security assurance on transactions to be done via online significantly influences customers' online buying behaviour.

4.4.3 Hypothesis Three

H₀: Online trust does not significantly impact on transactions.

In order to test the hypothesis that online trust does not significantly impact on transactions, the study utilized the summary of regression results presented in Table 4.42.

Table 4.42 Test of Hypothesis Three

Variable	Coefficient	Std Error	Probability
CONTENT	0.087936	0.015906	0.0000
INFO	0.422491	0.025404	0.0000
OFF	0.032648	0.010619	0.0342
REPUTE	0.257947	0.093417	0.0101
SIZE	0.202341	0.091406	0.0204
TRUST	0.218221	0.065246	0.0443
C	0.898262	0.893784	0.3149

Source: Author's Computation using E-views

Given that the p-value that corresponds to the variable of trust which stood at 0.044, is lower than the critical value of 0.05, the study rejected the null hypothesis. Rejecting the null hypothesis implies that online trust significantly impacts on online transaction buying behaviour of the consumer.

This also indicates that content quality wins customer trust online. This, in turn, enhances online buying behaviour.

Similarly, information quality, offline presence of e-vendors, reputation of e-vendors, size of e-vendor and online trust have positive and significant effects on online buying behaviour of customers.

4.4.4 Hypothesis Four

Finally, to test the hypothesis that Nigeria is not among the world's leading countries perpetrating Internet scams, the study obtained data relating to top 10 and top 20 countries on cybercrime radar globally as published by FBI

(www.fbi.gov/wanted/cyber;

<https://www.fbi.gov/investigate/cyber/publications>),M15

(<http://www.enigmasoftware.com/top-20-countries-the-most-cybercrime/BusinessWeek/Symantec>) and Bloomberg.com. Consequently, a Logic Table was constructed in order to test the hypothesis. This approach has been used by several scholars like Chaundhry et al. (2009) and Apata (2010). Using the method, the researcher assigned one (1) for the proposition that Nigeria is among the top 10 and/or top 20 countries or Zero (0) if otherwise. The result to this effect is presented in Table 4.43

Table 4.43: Logic Table showing whether Nigeria was among Top 10 and/or Top 20 Countries on Cybercrime Radar

Rating Organisation	Top 10 Countries in Cyber crime Radar Globally 2015	Top 20 Countries in Cyber crime Radar Globally 2015	Total
MI5	0	0	0
FBI	0	0	0
Bloomberg.com	0	0	0

Total	0	0	0
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Source: Researcher's computation using secondary data

Table 4.43 describes the position of Nigeria among the top 10 and top 20 countries in terms of cybercrime. As shown in the table, Nigeria is neither among the top 20 countries on cybercrime radar nor among the top countries as indicated by zeros using information published by the four reputable organizations with a mandate to combat cybercrime, viz, FBI, MI5 and Bloomberg.com. This implies that even without any mathematical analysis, the claim that Nigeria is amongst the world's leading countries in Internet scams is not justified. Thus, applying the rule of thumb, the study accepted the null hypothesis. Accepting the null hypothesis implies that Nigeria is not among the world's leading countries in perpetrating Internet scams as widely perceived.

CHAPTER FIVE

DISCUSSION OF FINDINGS AND IMPLICATIONS

5.0 Introduction.

The thrust of this chapter is to discuss the findings from the study as well as their implications for SMEs.

5.1 Discussion of the Findings

The development of Internet in the 1990s came with great hope for the potential impact of e-commerce initiatives on the economies of nations. For instance, Kamel and Hussein (2002) observed that e-commerce provides exceptional opportunities for promoting investment, increasing trade, facilitating business transactions and offers a larger and more varied platform for marketing. However, the extent to which the development of e-commerce has affected the growth of nations particularly those in the third world (Nigeria inclusive) is not clear. It is pertinent to note that an

effective e-commerce implementation requires availability of e-commerce infrastructure and online security so as to reduce risks of financial loss for non-delivery of goods/services. In view of this, the present study investigated the impact of e-commerce infrastructure and online security and trust on Internet marketing implementation in Nigeria. The study employed cross section data generated through a survey of 300 respondents who were perceived to be online buyers, online sellers (e-vendors, e-tailers, online shops etc.), potential online buyers and sellers. Both descriptive statistics and econometrics technique of logit regression model were used to ascertain the impact of e-commerce infrastructure, online trust and security on e-marketing adoption in Nigeria.

5.1.1 Demographic Characteristics of the Respondents

Following the data analysis, the study found that majority of the respondents were male. This contradicts early study by Hoffman (2008) who found that women far exceed men in both the number and the time they spend on social media. The researcher is of the opinion that, although the unequal gender percentage of the sample could strongly support gender inequality as revealed in the study. On the age category of the respondents, the study found that most of them (86.4%) were below 40 years with over 64.4% of them unmarried. This is in line with the findings of Nielsen (2009) who observed that the mobile Internet audience has a higher concentration of younger users than the aged. Also, the analysis reveals that most of the respondents had HND/B.Sc educational qualification. This confirms the study by Perrin (2015) who noted that those

with at least some college experience have been consistently more likely than those with a high school degree or less to use social media over the past decade. On employment status, the study found that most of the respondents were employed with majority earning less than N100,000 per month.

In sum, the study concluded that Internet users in Nigeria are within the working age (less than 40years), more likely to be male, better educated, more likely to be single than married, and more of Christians with majority earning below N100,000 per month. Perrin (2015) argued that, people in higher-income households were more likely to use social media. Thus given the average monthly earnings of respondents, one would expect low e-commerce sales since new technologies are believed to be adopted first and most intensively by the rich which have the financial

resources. To Gibbs (2006) income is a key determinant of e-commerce diffusion rates across countries.

5.1.2 E-commerce Infrastructure Availability

To assess the availability of e-commerce infrastructure in Nigeria, the study focused only on the legal, network and hardware components of e-commerce infrastructure. To this end, information relating to network quality, network cost, access to Internet ready devices like phones and personal computers, legal issues in regulating e-commerce among others were sought. From the data analysis, the study gathered that all the respondents had access to phones while 67.8% of them had access to personal computers. This result confirms the observation made by NCC (2015) that most Internet users in Nigeria connect to Internet using mobile phones because it is cheaper and simpler since most of them already have a mobile phone

and in some cases, these mobile phones are Internet ready. This means that all one often needs to connect to Internet via a mobile operator is to subscribe to an Internet browsing bundle within his/her budget. And the finding is consistent with report by the Digital (2016) that Nigeria tops the list of key 30 economies when it comes to mobile's share of web traffic, with more than 80% of all web pages served in Africa's most populous nation going to mobile phones.

Furthermore, the study found that social media platforms like Facebook and WhatsApp were the major site visited by the respondents. This finding is consistent with the secondary data on social media active users presented above. Overall, the statistic provides information that the market leader among all the social media platforms

worldwide is Facebook with over 1.5 billion registered accounts.

On the number of friends on social media, the study found that on the average, the respondents have network of friends and relatives between 500 and 1000 people. It is pertinent to note that there are hidden motivations behind people's online behaviour. For instance, Bryant and Marmo (2012) noted that friends on social media have a significant impact on what people click, view, share, and like. Thus, the high rate of friendship creates an environment for Internet marketing since the friendship effect can lead to an exponential increase in popularity. What this means is that a marketing manager hoping to convince a consumer to take an action can leverage on the support of hundreds or thousands of "likes" from friends.

On Internet cost and quality, the study found that even though some of the respondents expressed some level of satisfaction with Internet quality in their locality, majority of them lamented on high cost of Internet service. This finding confirms that of Ikin (2003) who investigated the impact of e-commerce and use of information and communication technology on promotion and development of trade in the OIC countries. The study concluded that factors such as low technological base, high Internet usage costs, low GDP per capita, lack of appropriate financial and legal frameworks and low education level as impediments to the growth of the Internet in developing countries.

It is common knowledge that competition in business helps to drive down the price of goods and services on one hand, and increases the quality of goods/services on the other

hand. This forms the basis for deregulating the communication sector in Nigeria. But the high cost of Internet service, despite the deregulation, suggests that competition alone, or the introduction of a particular number of players in the Internet market, is not a sufficient condition to ensure affordable access to broadband services in an emerging and developing country like Nigeria. This line of reasoning is in tandem with the observation of the Manufacturing Association of Nigeria (MAN) (2014), the body noted that the soaring price of commodity in Nigeria is partly explained by increasing cost of doing business in the country occasioned by erratic power supply (which made most companies to rely on independent power plants), insecurity (with incessant attacks on critical infrastructure such as telecommunication facilities such as transmission masts),

non-access to finance, rising exchange rate and a deplorable state of general infrastructure.

On the legal issues in regulating the e-commerce sub-sector in Nigeria, the study found that like most developing countries, not until 2015, the Nigerian digital economy had carried on without a legal framework. According to Alsmadi et al (2009), there are several types of legal issues which are required to exist when a business becomes involved in e-commerce transactions. As a result, laws should be made to regulate each section of those issues to ensure that online customers' transactions are effective and in the event of dispute, a judge can have clear regulations. The legal issues according to the authors include website development, content and hosting agreements, Internet service provider agreements, website usage and privacy policies, website and telephone sales

`terms and conditions among others. In Nigeria, prior to the enactment of the Cybercrime Act 2015, **Oluwatobi** (2016) noted that the regulation of the e-commerce subsector has practically been left to the architecture of the Internet and the ingenuity of the investors and technopreneurs, without any precise focal law to govern transactions and business behaviours on the Internet. During this period, the principal legal framework for consumer protection in Nigeria was over two decades, the Nigerian Consumer Protection Council Act, 1992 Cap C25 Laws of the Federation 2004. The thrust of this legal framework is the provision of a council to act as a mediator, negotiator and a conciliator between consumers and service providers. Despite the merit of the Act (Nigerian Consumer Protection Council Act), it is undisputedly clear that the Act cannot meet the challenges

of e-commerce transactions. Unlike the [Electronic Commerce Directive](#) 2000/31/EC and the Consumer Rights' Directive 2011/83/ EU in Europe which places duties on the service provider that specifies the intended level of protection the CPC Act in Nigeria placed supervisory duties on a council (**Oluwatobi, 2016**). It was in realization of the inadequacy of the Nigerian Consumer Protection Council Act to regulate the e-commerce which is fundamental to the national and economic development that the Cybercrime Act of 2015 was enacted. The Cybercrime Act 2015 is an act that provides a comprehensive legal, regulatory and institutional framework for the prohibition, prevention, detection, prosecution and punishment of cybercrimes in Nigeria (Cybercrime Act, 2015). This Act also ensures the protection of critical national information infrastructure, and promotes cybersecurity and the

protection of computer systems and networks, electronic communications, data and computer programs, intellectual property and privacy rights. A cursory review of the Cybercrime Act reveals that it covers seven parts. The first part discusses the objective and application of the Act, while Part II examines the protection of critical national information infrastructure, Part III analyses the offences and penalties of the Act, Part IV focuses on duties of financial institutions, Part V discusses administration and enforcement, Part VI discusses issues dealing with arrest, search, seizure and prosecution and finally Part VII deals with the issue of jurisdiction and international cooperation. Though the 2015 Cyber Crime Act was expected to make the Internet a safer place, however, legal professionals identify some loopholes in the Act. For instance, Emmanuel Edet, Head Legal Services and Board Matter Unit, National

Information Technology Development Agency (NITDA), cautioned against the definitions provided in the Act to be “too specific” as it may give room for offenders to devise other means of committing crimes outside the specific definitions of the law.

He further stressed that:

one of the challenges we had when going through the law was definitions. There is a danger of confusion when we use specific definitions. For example, if we say someone commits a crime with an ATM machine and in the future we have another machine that is not called ATM to commit fraudulent act, that means, by definition, the person has not committed any offence or done anything wrong (Daily Trust, 12/07/2016).

Furthermore, the Lagos Chamber of Commerce and Industry in a paper titled “Dealing with the Challenge of Cybercrime in Nigeria under the new Cybercrime Act 2015” averred that the impact of the Cybersecurity Fund as provided in the Act is doubtful. The body argued that there

was nothing that defines what those funds are made for. Other challenges identified by the body include, issues with compliance; possible constitutional challenge (the NSA Act) among others. In view of these challenges, it is apparent that the Act requires urgent amendment to make it more effective in achieving the desired goal. In general, the study concluded that while the legal component of e-commerce infrastructure in Nigeria requires urgent amendment to make it more effective towards e-commerce implementation, the network and hardware components of the general infrastructure are adequate for digital market implementation. This finding confirms those of Wresch (2003), UNCTAD (2004), Travica (2007) who noted that barriers to e-commerce efforts in developing countries are not those of hardware and network quality, but those of legal framework, branding and trust and

logistical networks for prompt and reliable delivery of products.

5.1.3 Trust and Risk Tolerance and their Impact on Online Transaction

On the issue of trust and security, the study found a positive and significant link between security assurance on transaction to be done via online and online buying of customers. Indeed, the respondents argued that many security risks such as theft or message content change, non-delivery of goods paid for threatened their decision to buy online. This suggests that Internet marketing requires trust and public confidence since the buyers and sellers do not recognize each other and cannot even see each other. This finding is consistent with that of Jenyo and Soyoye (2015) who noted that there is a significant relationship

between consumer purchase decisions and infrastructure of the Internet in Nigeria and between Internet security and consumer purchase behaviour.

A factor by factor analysis on how security and online trust affect online buying behaviour reveals that more people are involved in online sales than purchases. Further probing on online sales revealed that becoming a seller on online platform like Konga and Jumia was simple with low barriers of entry. Some of the respondents commented that all one need to be seller is to find a product with good demand and list it online. Despite this, some of the respondents lamented on the issue of delayed payment after a successful online transaction. Observations have shown that online marketing platforms like Jumia pay merchants for successful delivery on a weekly basis depending on their payment day of the week whereas others like Konga

pay merchants after successful delivery and the expiration of their return policy.

On how demographic factors like age and gender affect risk attitude, the study noted that youth and adults on one hand and women and men on the other hand differ in their propensity to choose a risky outcome. The difference in risk aversion may be explained in terms of innate preferences. The study found that men are more likely to take higher risks in online transactions than women.

Overall, the study found that continuing online shopping experiences has a positive effect on online buying behaviour. This is consistent with the findings of Kashiwagi (2004) and Center for Life Information (2006) who noted that online experience is a key determinant of online buying behaviour of consumers as previous experience of

online shopping reduces the perception of risk when shopping online. Other factors that affect online transaction behaviour of customers as identified by the study include content quality, experience and proficiency in Internet usage, having knowledge of physical location of the sellers, easy-to-use features and direct customers to their destinations, information quality, offline presence of e-vendors, reputation of e-vendors, size of e-vendor and security assurance on transactions to be done.

5.1.4 Prevalence of Internet scams in Nigeria: A Misconception

Nigeria is generally perceived as one of the leading world's countries perpetrating Internet scams and other forms of cybercrime. This perception is fuelled by the preponderance of information in the media which portrays Nigeria as such. It is against this backdrop that the fourth

hypothesis was formulated to test the validity of the popularly acclaimed perception of Nigeria as such. However, following the test of hypothesis, the study found that Nigeria is not among the world's leading countries perpetrating Internet scams. This contradicts the general impression about Nigeria on the cybercrime radar and the conclusion drawn by Botha et al. (2008) in their contribution to the book titled "*Managing E-commerce in Business, 2nd Edition*". The finding confirms the result of a survey on online trust carried out by PWC (2013) where Nigeria was missing out of the top 20 countries with the highest distrust on online payment. In another report of "Top 10 Countries Where Cyber Attacks Originate" by Bloomberg.com, Nigeria is conspicuously missing (www.govtech.com). The report however listed China, US and Turkey as number 1, 2 and 3 respectively.

5.2 Implications of Findings for SMEs

Regarding managerial implications, the findings show that online trust is a significant factor affecting online marketing implementation in Nigeria. Thus, an important way for online marketers (vendors) to stimulate consumer trust is by sending signals of information quality, security assurance on transactions to be done, revealing information on their physical location, easy-to-use website among others. More importantly, given that websites can be created and abandoned at a moment's notice and coupled with the fact that the buyers and sellers do not recognize each other and cannot even see each other, strong legal and regulatory environments will facilitate the development of the necessary trust relationships and provide for redress when online transaction fails. In general, it is important for managers to achieve what

Dawson et al (2003) refer to as “total customer experience” in an online environment purchase. This includes service quality – warranty, customization, information provided, and delivery service.

However, the perception of this experience and the creation of trust depend on the type of buyer. Our study suggests that firms should take into account differences in age, gender, level of education, income status among others when dealing with different consumers.

CHAPTER SIX

SUMMARY, CONCLUSION, RECOMMENDATIONS, LIMITATIONS AND SUGGESTIONS.

6.0 Introduction.

This concluding chapter focuses on the summary of findings, conclusion, recommendations, limitations of the study and suggestion for further study.

6.1 Summary of Findings

This study investigated the impact of e-commerce infrastructure and online security and trust on the implementation of Internet marketing in Nigeria. The study employed cross section data generated through a survey of 300 respondents who were perceived to be online buyers, online sellers (e-vendors, e-tailers, online shops etc.), potential online buyers and sellers. The data obtained were

analysed using both descriptive statistics and econometrics technique of logit regression model.

The study found that Nigeria has the necessary e-commerce infrastructure proxied by hardware and network components for digital marketing implementation. However, the legal component of the e-commerce infrastructure requires amendment in the areas of technology-specificity, decentralized and distributed enforcement framework, compliance, Cybersecurity Fund among others so as to make the Act more effective towards e-commerce implementation. On how trust and security affect the implementation of the Internet marketing, the study found a positive and significant link between trust and online transaction. Essentially, online trust which is seen as consumer willingness to be vulnerable to a company and a belief that the firm will fulfil

promises and not exploit that vulnerability for its own benefit is been influenced by a number of factors primarily among them, as identified in the study, are content quality, experience and proficiency in Internet usage, having knowledge of physical location of the sellers, easy-to-use features and direct customers to their destinations, information quality, offline presence of e-vendors, reputation of e-vendors, size of e-vendor and security assurance on transactions to be done. On the prevalence of cybercrime in Nigeria overtime, the study found that most conflicting reports on the global ranking of Nigeria on cybercrimes were not justifiable as Nigeria was not among the world's top 20 countries on the radar cybercrime globally.

6.2 Conclusions

From the results of the investigations, the study concluded that:

- i. Nigeria has the necessary e-commerce infrastructure in terms of hardware and network for digital marketing implementation;
- ii. Security assurance on transactions to be done online significantly influences customers' online behaviour;
- iii. Content quality wins customers' online trust with regard to online buying behaviour. This, in turn, enhances online buying behaviour. Similarly, information quality, offline presence of e-vendors, reputation of e-vendors, size of e-vendors and the online trust have positive and significant effects on online buying behaviour of customers; and

- iv. Nigeria is not among the top twenty countries on cyber-crime radar globally. This nullifies the negative perception that Nigeria is amongst the world's leading countries in Internet scams.

6.3 Recommendations

Based on the findings and conclusion drawn from the study, the following recommendations are made.

- i. Given that online trust is a significant factor affecting online marketing implementation in Nigeria, there is the need for online marketers (vendors) to stimulate consumer trust. Thus, on the basis of signaling theory, we contend that trust in an online transaction is generated through the signals a firm sends to an online buyer. Consequently, efforts must be geared towards

sending signals like information quality, security assurance on transactions to be done, information on physical location, easy-to-use website among others in order to boost online buying behaviour.

- ii. **It has been established that a nation's reputation** is one of its valuable assets. The importance of a country's reputation stems from the fact that just like companies, the world's places — its countries, states and cities in a reputation economy. A reputable country for instance, attracts more foreign direct investments (FDI), increased exports and foreign knowledge and talents, makes visitors to feel good about the country, makes them to respect the country, and makes them to make positive comments about the country and its people. Thus, how countries are perceived by

stakeholders, tourists, investors, students, workers and consumers has significant impact on the overall economic performance. Consequently, this research work confirms the need to rebuild the image of Nigeria. With rapid advancements in technology and social media, managing reputation risk has become more important than ever before. A rapid and effective response to cybercrime committed within Nigeria can enhance and preserve the country's reputation.

- iii. There is no doubt, digital products can be sent anywhere once the network infrastructure is in place. For a successful Internet marketing, physical products need two more layers namely a delivery service and transportation infrastructure. In Nigeria, it has been acknowledged that the postal systems

are generally slow and very expensive. In addition, the road network in Nigeria is in deplorable shape thus making it difficult to transport goods. Thus, efforts must be made by Government to improve the transport infrastructure and postal system in order to ease delivery of goods/services.

- iv. It is a common knowledge that the core of e-commerce transactions are carried out with the involvement of the various financial institutions. By the nature of e-commerce transactions, these financial institutions have taken up roles as intermediaries, who now provide services beyond traditional financial services. These financial institutions should become liable for the losses recorded by a consumer arising from the improper functioning of their technologies. Contracts drawn

up by financial institutions to exempt obligations for the malfunctioning of technologically induced losses should be strongly regulated by the law. These financial institutions should be liable not just because they make revenues from such transactions but because they also have the wherewithal to prevent losses to the consumers.

- v. As a corollary to the second recommendation, the first step in building the country's reputation is for the government to strengthen the ability of National Orientation Agency towards orientating and re-orientating Nigerians and the world as a whole on issues that boil down to both Nation building and beyond.
- vi. It is clear that competition alone, or the introduction of a particular number of players in a

market, is not a sufficient condition to ensure affordable access to broadband services in Nigeria. Efforts should be made to ensure the availability of basic facilities like power supply and security. This will help in reducing the already high cost of doing business in Nigeria.

- vii.** Finally, it is noteworthy that broadband markets that price Internet access out of reach for the majority of people are neither socially nor economically efficient. Although there is a need for much more detailed research into the drivers of affordability in Nigeria.

6.4 Limitations of the Study

It is worth mentioning that the study only considered factors that influence buyers' trust and buying behaviour

without considering the opinion of company managers and e-vendors so as to ascertain factors that influence their decision to adopt Internet marketing. A further limitation is the lack of empirical data regarding the number of Internet scams in Africa over the years so as to situate Nigeria in the context of Africa region. Finally, the study population comprises large number of young people, which may reduce the generalization of the results to other age groups.

6.5 Suggestion for Further Study

Financial resources available to the researcher and time constraint did not permit for exhaustive research work on e-commerce infrastructure in Nigeria. Therefore, further study could be done to cover a broader scope of the subject matter on the following topics:

- i. The implication of Managing Nigerian Reputation in the cyberspace on E-commerce Implementation
- ii. Impact of E-payment/Banking on implementation of E-marketing in Nigeria
- iii. Impact of Transport infrastructure on e-commerce product delivery in Nigeria
- iv. Middleware component of e-commerce infrastructure and its implication for digital marketing implementation in Nigeria

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Appendix 1: Logit Model

Method: ML - Binary Logit (Quadratic hill climbing)

Date: 06/26/16 Time: 13:54

Sample: 1 236

Included observations: 236

Convergence achieved after 4 iterations

Covariance matrix computed using second derivatives

Variable	Coefficient t	Std. Error	z-Statistic	Prob.
CONTENT	0.087936	0.015906	5.528480	0.0000
INFO	0.422491	0.025404	16.63088	0.0000
OFF	0.032648	0.010619	3.074489	0.0342
REPUTE	0.257947	0.093417	2.761243	0.0101
SIZE	0.202341	0.091406	2.213651	0.0204
TRUST	0.218221	0.065246	3.344588	0.0443
C	0.898262	0.893784	1.005010	0.3149
McFadden R-squared	0.719056	Mean dependent var		0.415254
S.D. dependent var	0.593813	S.E. of regression		0.494018
Akaike info criterion	1.390882	Sum squared resid		55.88833
Schwarz criterion	1.493623	Log likelihood		157.1241
Hannan-Quinn criter.	1.432298	Deviance		314.2482
Restr. deviance	320.3530	Restr. log likelihood		160.1765
LR statistic	6.104804	Avg. log likelihood		0.665780
Prob(LR statistic)	0.011553			
Obs with Dep=0	82	Total obs		236
Obs with Dep=1	154			

APPENDIX 2: (Hypothesis One)

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q24B	39.503	235	.000	3.33051	3.1644	3.4966
Q25B	46.521	235	.000	3.58475	3.4329	3.7366
Q30B	64.731	235	.000	3.86441	3.7468	3.9820
Q31B	65.028	235	.000	3.81780	3.7021	3.9335
Q27B	45.831	235	.000	3.23729	3.0981	3.3764

APPENDIX 3: (Hypothesis two)

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Q27B	45.831	235	.000	3.23729	3.0981	3.3764
Q35C	71.226	235	.000	4.15254	4.0377	4.2674
Q37C	78.080	235	.000	4.08051	3.9775	4.1835
Q41C	67.234	235	.000	4.08898	3.9692	4.2088
Q44C	49.421	235	.000	3.60169	3.4581	3.7453

Appendix 4: Questionnaire

St Clements University Dual Degree



Reg. No. E14905

Dear Respondent

Questionnaire

Thank you so much for agreeing to support this research effort by completing this questionnaire. You are highly appreciated.

INTRODUCTION

This survey is part of research thesis to investigate *e-commerce infrastructure, online trust and security as necessary pre-conditions for effective digital marketing implementation*. You are kindly requested to be one of the respondents. You are expected to answer each question by ticking the appropriate box (es). This survey is meant for academic purpose only and every response shall be treated confidentially in strict confidence.

SECTION A: Demographic Information of Respondents

1. You are:
Male ☐ Female ☐
2. Indicate your Age bracket:
18-24 ☐ 25-31 ☐ 32-38 ☐ 39-45 ☐ 46-52 ☐ 53-59 ☐
60 and Above ☐
3. Indicate your marital status:
Married ☐ Single ☐ Divorced ☐ Widow/Widower ☐
4. What is your Religious faith?
Christianity ☐ Islam ☐ Others (Please Specify).....
5. What is your highest educational qualification?
Primary School Certificate/SSCE ☐ Diploma/NCE ☐ First degree/HND ☐
Master/PhD ☐
6. I am: Employed ☐ Self employed ☐ unemployed ☐
7. If employed/self employed, what is your monthly income range?
Below N10,000 ☐ N10,000-50,000 ☐ N50,000-100,000 ☐ N100,000-150,000 ☐
Above N150,000 ☐
8. How much do you spend on recharges card and data bundle purchases monthly? N.....

SECTION B: E-Commerce Infrastructure Assessment

9. Do you have a phone?
Yes ☐ No ☐
10. Tick the one(s) that apply
I have a smart phone ☐
I have an ordinary phone ☐
I have both ☐
11. What brand of phone(s) do you have?
Nokia ☐
Samsung ☐
Blackberry ☐
Tecno ☐
Apple Tablet ☐
Others (Please specify).....

12. Tick all the functions you perform with your phone?
- | | |
|--------------------------------------|--------------------------|
| Calls | <input type="checkbox"/> |
| Texting | <input type="checkbox"/> |
| Browsing | <input type="checkbox"/> |
| E-mailing | <input type="checkbox"/> |
| Social media e.g. facebook, WhatsApp | <input type="checkbox"/> |
| Others (Please specify)..... | |
13. Do you have access to a personal computer that is often or sometimes connected to the internet? Yes ☐ No ☐
14. Which of these other social media do you use?
- | | |
|------------------------------|--------------------------|
| Twitter | <input type="checkbox"/> |
| WhatsApp | <input type="checkbox"/> |
| MySpace | <input type="checkbox"/> |
| BB messenger | <input type="checkbox"/> |
| Pinterest | <input type="checkbox"/> |
| Skype | <input type="checkbox"/> |
| All of the above | <input type="checkbox"/> |
| Others (Please specify)..... | |
15. How often do you check your phone for calls, e-mails, facebook, whatsapp etc?
- | | |
|------------------------------|--------------------------|
| Every 10 minutes | <input type="checkbox"/> |
| Every 20 minutes | <input type="checkbox"/> |
| Every 30 minutes | <input type="checkbox"/> |
| Every 1 hour | <input type="checkbox"/> |
| Others (Please specify)..... | |
16. How Many friends do you have on facebook?
- | | |
|------------|--------------------------|
| Below 500 | <input type="checkbox"/> |
| 500-1000 | <input type="checkbox"/> |
| 1000-2500 | <input type="checkbox"/> |
| 2500-3500 | <input type="checkbox"/> |
| 3500-4500 | <input type="checkbox"/> |
| Above 4500 | <input type="checkbox"/> |
17. How satisfied are you with internet services provided in your locality?
- | | |
|------------------------|--------------------------|
| Extremely satisfied | <input type="checkbox"/> |
| Satisfied | <input type="checkbox"/> |
| Neutral | <input type="checkbox"/> |
| Dissatisfied | <input type="checkbox"/> |
| Extremely Dissatisfied | <input type="checkbox"/> |
18. If you are not satisfied with internet services provided in your locality, which of the factors below most account for your dissatisfaction? (Tick one only)
- | | |
|------------------------------|--------------------------|
| Cost of Internet access | <input type="checkbox"/> |
| Poor Internet Connections | <input type="checkbox"/> |
| Others (Please specify)..... | |
| | |
19. How do you view the cost of internet access charged by Mobile Networks (such as MTN, Glo, Etisalat)?
- | | |
|----------------|--------------------------|
| Too expensive | <input type="checkbox"/> |
| Very expensive | <input type="checkbox"/> |
| Moderate | <input type="checkbox"/> |

- Cheap []
Free []
20. Do you sell goods/services online?
Yes []
No []
21. Do you buy goods/services online?
Yes []
No []
22. Indicate the number of years of your online transaction
Less than 5 years []
5 to 10 years []
10 to 20 years []
Above 20 years []
23. Which Online Shop(s) or e-vendor do you use for your online transactions?
Konga []
Jumia []
Cheki.com []
Carmudi []
Jovago []
Others (Please specify).....
.....
.....

S/N	<p style="text-align: center;">Questions</p> <p>Please answer the following questions using the Response Guide provided on your right</p>	<p><u>Response Guide</u></p> <p>SD = Strongly Disagree D = Disagree U = Uncertain A = Agree SA = Strongly Agree</p>				
		SD=1	D=2	U=3	A=4	SA=5
24	I am ever willing to sell online					
25	I am ever willing to buy online					
26	On scale of 1-5 my risk level is					
27	Information provided for online transaction are always accurate and reliable					
28	Youths are more likely to take higher risks on online transactions than adults					
29	Men are more likely to take higher risks on online transactions than women					
30	There are more reliable buyers online nowadays in Nigeria than before					
31	There are more reliable sellers online nowadays in Nigeria than before					
32	Young men are more likely to take risks online than do their young women counterpart					
33	Face-to-face transactions would always be preferred by all					
34	The level of experience and proficiency in internet usage by one has great influence on online transaction					

SECTION C: Risk and Tolerance Assessment Continued

S/N	<h2 style="text-align: center;">Questions</h2> <p style="text-align: center;">Please answer the following questions using the Response Guide provided on your right</p>	Response Guide				
		SD=1	D=2	U=3	A=4	SA=5
35	If I know the seller's physical location, I feel safer to do transactions					
36	Propensity to trust has a significant impact on and tendency to engage in internet based exchanges/transactions					
37	Information quality is a key consideration for online trust and it influences the level of risk to be taken					
38	Electronic vendors whose websites have easy-to-use features and direct customers to their destinations can easily gain trust					
39	Perceived size of e-vendors is a significant factor that induces trust and risk to be taken by customers					
40	Reputation of e-vendors is a significant factor that induces trust and risk to be taken by customers					
41	Security assurance on transactions to be done greatly influence customers online buying behavior					
42	Website appearance is one of the factors that wins customer trust online					
43	Content quality are also a factor that wins customer trust online					
44	Offline presence of an e-vendor will influence trust positively and induce customers to buy					

45. What are the internet (online) scams known to you (Tick all that apply)

- Advance fee fraud ☐
 Dating Scams ☐
 Non delivery of goods bought online ☐
 Non-payment for goods sold online ☐
 Spams ☐
 Impersonation (Identity theft) ☐
 Others please specify.....

46. Which among the online scams above is (are) more prevalent in Nigeria?

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Thank you very much for your time and cooperation.