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St. Mary's University, Ethiopia

Assessment on the Practice and challenge of E-commerce in Addis Ababa

**A Thesis Submitted In Partial Fulfillment of the Requirement for Master of
Business Administration**

Submitted By: Abebaye Zeleke

St. Mary's University, Ethiopia

Department of Master of Business Administration

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Certification

This is to certify that Abebaye Zeleke has carried out her research work on the topic entitled **“Practice and challenge of E-commerce in Addis Ababa.** The work is original in nature and is suitable for the submission for the reward of General Master of Business Administration (MBA).

Advisor: - Asst. Professor Zemenu Ayenadis, _____

DECLARATION

I, Abebaye Zeleke hereby declare that this study entitled, **Practice and challenge of E-commerce in Addis Ababa** is my own work. All information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I have fully cited, acknowledged and referenced all material.

Researcher: Abebaye Zeleke _____

Date_____

Advisor: - Asst. Professor Zemenu Ayenadis, _____

Date_____

S.Mary University

Department of General MBA

E-Commerce Challenge and opportunity in Ethiopia

***By* Abebaye Zeleke**

Approved by the Board of Examiners:

_____	_____	_____
Dean, Graduate Studies	Signature	Date
_____	_____	_____
Advisor	Signature	Date
_____	_____	_____
External Examiner	Signature	Date
_____	_____	_____
Internal Examiner	Signature	Date

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ABSTRACT

*The rapid growth of the Internet has catalyzed the rise of electronic commerce (e-commerce), a global phenomenon that facilitates international trade; however, many developing countries, including Ethiopia, face significant barriers to fully harnessing its potential. **This thesis investigates the practices and challenges of e-commerce in Addis Ababa**, revealing critical obstacles such as security risks, lack of consumer trust, insufficient legal and regulatory frameworks, inadequate ICT infrastructure, and limited market competition. To overcome these challenges, the study recommends enhancing female participation in the e-commerce sector, investing in ICT infrastructure, improving education and training programs, and developing comprehensive e-commerce policies that adapt to technological advancements and evolving market dynamics. Future research should focus on longitudinal studies to assess the impact of these recommendations over time, explore specific case studies of successful e-commerce implementations in similar contexts, and investigate the role of emerging technologies in mitigating existing barriers to e-commerce in Ethiopia.*

CHAPTER ONE

INTRODUCTION

1.1 Back ground of the study

Electronic commerce remains relatively new, being developed and altered constantly in the business management space and the information technology. There have been and has been constantly be discussions on the electronic commerce. There are always doubts, confusion and misunderstandings about this topic because of the difference in achievements in the countries where this form of commerce has been implemented. Electronic commerce or E-commerce, based on ICT bears an extraordinary potential to improve the global trade efficiency and to integrate the developing countries in these developments. As a consequence, a considerable rise of e-commerce has been taking place in developed countries in the last two decades as well as in its implementation in the developing countries. (Turban et al 2008)

E-commerce is dependent on the way it has been applied by the implementers and on the scale of the satisfactory results of the coordination of technology-implementer. It is not accidental that the implementation of the technology has not been always successful in the developing countries. Moreover, while earnings have been gained thanks to the e-commerce from organizations in developing countries, skepticism still prevails on the importance and the benefits of e-commerce in the developing countries. The awareness and implementation of the ICT including e-commerce is becoming a vital component of development even in the developing countries. Alternatively, this enables the developed countries to accomplish more efficient trade relations with the developing countries. The number of internet users' worldwide is increasing significantly and this has affected the rise of chances for e-commerce both on the regional and global realm. (Jelassi & Enders 2005)

E-Commerce can be viewed from different perspectives. According to Turban et al (2008), E-commerce can be defined from different perspectives, which include but not limited to: From a communications perspective, E-Commerce is perceived as the delivery of information, products and services and/or payments over varied communication lines i.e. telephones, computer networks, or other electronic channels. From a business perspective, E-Commerce

is perceived as the application of technological applications towards the automation of business (Turban et al 2008).

Transactions and flow of work. From a service perspective, E-Commerce is perceived as a tool that caters for consumers, management of firms to reduce service costs in an effort to improve quality of goods and foster the speed of delivering services. From an online perspective, E-commerce makes possible an enabling atmosphere for products transaction, services and information via the internet and other services that are available online. The definitions above however reflect the many different views and perspectives of E-commerce proposed by varied authors and commentators, are we want to believe they all have a point depending on which perspective we view this from. However, for the purpose of this research work, E-Commerce has been looked at from a perspective that involves transactions that maybe either commercial or non-commercial and also if there is either a corresponding payment or otherwise thereby making E-Commerce synonymous with E-Business. In the light of all the above, E-Commerce is all about fully integrating the operations of an organization in such a way that all its various external activities and its internal business processes of research and development, sales and marketing, manufacturing, finance and accounts, inbound and outbound logistics, human re-sources management using information and communication technology (Jelassi & Enders 2005)

This study is initiated in view of the fact that undertaking a research in the area can provide a useful insight regarding the practices, challenges e commerce in Addis Ababa.

1.2 Statement of the problem

The Rapid development in the communication technologies result in crucial Transformation in human life. One of these transformations is related to the changes in shopping styles. Along with the improvement in the internet, online shopping has been more popular among users. Consumers can shop from online stores that allow them to Shop without physically going in to shops. Nowadays the internet has been an essential Business platform for the product trade of products between organizations and Consumers and even between consumers themselves.

Electronic commerce, commonly known as e-commerce consists of the buying and selling of products or services over electronic system such as the internet and other Computer networks. Online to the seller's computer usually via the internet. There is no Intermediary service. The sale and purchase transaction is completed electronically and interactively in real time. Electronic commerce is generally considered the sales Aspect of e-business. It also consists of the exchange of data to facilitate the financing and payment aspect of the business.

E-commerce benefits internationalization in two ways. First, as noted in Price water house Coopers (1999) there is a direct substitution of e-business technology and processes for physical locations, manual processes, or other expediting function. Second, e-commerce reduces coordination costs. Use of the Internet lowers communication costs, reduces the length of time-to-market for goods and services, makes possible the delivery of information in a digital format, reduces transport and distribution costs and allows for more fully integrated and broader business alliances (International trade Centre, 2009).

Regardless of the above benefit, it offers not all countries are equally beneficial from this new technology. Research shows that the associated benefits of information technology have been under-realized in most developing countries. In most developing countries, business face severe limitations in terms of connectivity, ability to pay, deliveries, has been ingress to make purchases online, infrastructure accessibility (Straub, 2003). However, since e-Commerce is important tool for development, Poor countries can exploit rapidly expanding opportunities for profitable commercial

Ethiopia is also one of the country that do not fully utilizing their capacities to introduce this new paradigm, to be competitive internationally and to exploit the benefit it offers. Additionally, this technology is not yet applied in optimal way. At present there is low adoption of e-commerce, as well as the fully-fledged e commerce has not yet been achieved in Ethiopia. In other words, these situations call for better understanding by the researcher. Thus, the aim is that, by understanding practices and challenge associated with e-commerce, has been contribute to filling the gap identified, and thereby lay the foundation for a coherent body of knowledge, in the field, attempting to investigate the Practices and challenge of E-Commerce.

As every sector, e-commerce has its own practices and challenges. The main objective of this study is to assess the practices and challenges of e-commerce in general and the case of Addis Ababa in particular to give recommendations based on the analysis. The research has been address the following questions:

Basic Research question

- 1 What are the practice of e-commerce in Addis Ababa Market?
- 2 What are the challenges of e-commerce in Addis Ababa Market ?
- 3 What are perceived Benefit of E-commerce in Addis Ababa Market ?
- 4 What are opportunity of E-commerce in Addis Ababa Market ?

1.3. Objectives of the study

General objective

The main objective of the research has been to assess the current Practices and challenges of E-commerce

The specific objectives

The Specific objective of the study is to :

- 1 Identify the current situation of e-commerce in Addis Ababa market.
- 2 Identify the main challenges that hinder the development of e-commerce
- 3 To analyze the present opportunities of e-commerce in Ethiopia
- 4 Identify the benefits of e-commerce.

1.4 Significance of the study

This paper aim was to investigate the current situations as well as the prevailing problems and to come up with possible, attainable and relevant solutions. The research will benefit different stakeholders such as service provider on the e-commerce sector, government, import and Exporters, bank Sector, IT companies and researcher on the area. In general, the study many

significant such as Identification of practice and challenge of e-commerce for companies who are interested to start the business. The finding and recommendation will support different companies as mentioned above to make prior decision and get adequate information on the practice and challenge of e-commerce. It enables government organizations and trade associations to develop companies e-commerce assistance programs that are designed to address the factors. The study will also serve as an additional source for reference and researcher can conduct detailed research on it.

1.5 Scope of the Study

This study has been conducted to assess the current, Practices and challenges of e-commerce in Addis Ababa, the scope has been limited to surrounding Addis Ababa, head offices based in the city. It has been conducted on selected E-commerce companies and customers. The company has been selected based on long term experience on the market, convenient location and easy access for the research information.

1.6 Limitation of the Study

This study acknowledges few limitations that may impact the interpretation of the findings. Firstly, the unavailability of top management personnel who are an expertise on the area of the field and unwillingness to provide information by few companies are the major limitation that are faced during the study.

Shortage of reference materials about E-Commerce practice in Ethiopia is another limitation that has been affect the research.

1.7 Organization of the study

The research has been organized in to five chapters. The first chapter discuss about the introductory part of the research. Background of the study, statement of the problem, objective of the study, significance of the study, scope and limitation of the study and organization of the study has been discuss. Chapter two discuss the literature review part about the definition of E-commerce, Classification of e-commerce, practice of e-commerce in developed and developing countries, practice of e-commerce in Ethiopia and its challenge are some of basic concept that has been discussed in this chapter. Chapter three incorporate research design

and methodology, which describes the methodology undertaken in relation to justification of the research design, questionnaire design, sampling process and data collection, administration and the intended analysis strategy. Chapter Four discusses survey results presentation, analysis and interpretation. Finally, summary, conclusion and recommendation has been presented in the last chapter.

Chapter 2

LITERATURE REVIEW

2. Introduction

2.1 What is E-commerce?

E-commerce has been defined as a process of buying and selling of goods over the Internet. The term was developed later and it was added “exchange of information” in addition to “buying and selling of goods” (Chong, 2008).

Rayport and Jaworski (2002) pointed out it is the process of exchange mediated by technology and that it is based on inter and intra operational activities for enabling such exchange. In this context, Chaffey (2007) considers e-commerce as “all electronically mediated transactions between an organization and any third party”.

Rainer and Cegielski (2011) define e-commerce as a “process of buying, selling, transferring, or exchanging of products, services, and/or information via computer networks, including the Internet”. Moreover, this supposes continuous flow of information, before and after the process of sales.

Electronic commerce, or e-commerce, is the buying and selling of goods and services on the Internet. Other than buying and selling, many people use Internet as a source of information to compare prices or look at the latest products on offer before making a purchase online or at a traditional store. E Business is sometimes used as another term for the same process. More often, though, it is used to define a broader process of how the Internet is changing the way companies do business, of the way they relate to their customers and suppliers, and of the way they think about such functions as marketing and logistics. For the purpose of this study, e-commerce is taken to mean doing business electronically. (Lindsay P., 2002)

Schneider (2011) divides the development of e-commerce into two stages: first wave and second wave. “First wave” of e-commerce was adopted by large enterprises in USA with easy access to capitals, primarily from external sources. Evans and Wurster (1999) refer to e-commerce in this early stage as a “land grab”. At once, the whole new marketplace was created and companies who had sufficient resources and has been ingness could “grab from

the land". These large companies firstly understood the possibilities that e-commerce can offer and started exploring and developing them. Since most companies were dependent on external investors, achieving the profit was relatively rare. The pressure to the smaller companies was far more intensive, and many of them suffered losses. In the beginning, the technology was simple, inexpensive and internet connection was very slow, the websites were mainly English based, e-mails were used unstructured and the integration of e-commerce with other processes were not efficient (Evans & Wurster 1999).

Second wave" is characterized with the technological boom after 2001, mobile broadband development, and increased speed of Internet on low-cost price. The land was already captured and the key players shifted their attention from capturing to defending the land. Companies started to focus more on competitive advantage and developing strategies to achieve it (Evans & Wurster, 1999). This was a prerequisite for development and adoption of e-commerce from smaller companies using their internal resources. At the same time, certain difficulties arising from using new technologies should be overcome. Stockdale and Standing (2004) stated that the benefits using e-commerce should be visible and substantial so that the companies are encouraged to climb to the ladder from a simple to a more complex stage of e-commerce.

The driving force for improvements and innovations of any company is the aim to increase the revenue. Theoretically, e-commerce can improve the performance by two ways: first, by increasing the customer base and number of purchases, and second, with cost reduction by implementing e-commerce. Cost reduction like material savings, decrease of transport, storing cost, or by reduction of personal expenses (Chaffey, 2009).

Chaffey (2009) divides the benefits from e-commerce into tangible and intangible. While tangible is connected with increased sales, decreased cost and market expansion, which can be measured, intangible benefits are hard to identify and access. However, they obviously are connected with the tangible.

Since e-commerce is a brand new science, it is not at all surprising that there are various definitions about it. In addition, a premature uniform definition of e-commerce may slow the development of ecommerce. E-commerce shall be social, economic activities between social principal parts by taking advantages of computers and network (Qin Zheng (Ed), 2009).

According to Zheng Qin et.al (2003), e-commerce can be defined as; various online commercial activities focusing on commodity exchanges by electronic means, internet in particular, by companies, factories, enterprises, industrial undertakings and consumers. Electronic commerce, in a broad sense, is the use of computer networks to improve organizational performance. Increasing profitability, gaining market share, improving customer service, and delivering

Products faster are some of the organizational performance gains brought about by. Electronic commerce.

2.2. E-Commerce vs. Traditional Commerce

Farooq Ahmed (2001) ,The Internet has changed the nature and structure of competition. In the past, most businesses had to compete within a single industry and often within a specific geographic area, but the Internet has made boundary less. With E-Business, customers can purchase products virtually anywhere in the world. It enhances the existing market position by providing a cheaper and more efficient distribution chain for products or services. A traditional business may have large overhead costs associated with maintaining a storefront. However, a web-based business does not necessarily have that type of overheads. It has almost eliminated the middleman. Businesses and consumers can communicate directly involve to carry out transactions. Although e-commerce is still a developing part of the economy, some people believe that traditional stores may eventually go out of business. Farooq Ahmed (2001) reported that the enormous flexibility of the internet has improved traditional methods of business. With e-commerce, businesses can move more quickly and usually less expensively to reach a worldwide audience definitely has been find new ways to work together.

Key Differences between E-commerce vs Traditional commerce

Farooq Ahmed (2001) ,Both E-commerce Vs Traditional commerce are popular choices in the market; let us discuss some of the major Difference Between E-commerce and Traditional commerce:

1. E-Commerce is completely an in digital and online mode where the communication is through electronic form completely whereas Traditional Commerce is completely offline and through in person or face to face.
2. E-Commerce is reachable worldwide and has more connectivity whereas Traditional Commerce is limited to a particular geographical area especially smaller.
3. E-Commerce information of exchange takes place in different forms either through digital ads or emails etc. Whereas the information of exchange in Traditional Commerce happens in the form of hoardings or pamphlets distribution or through any physical mode of exchange.
4. E-Commerce can have one to one marketing whereas Traditional Commerce can have only one-way marketing.
5. E-Commerce can have several payment modes such as online transactions or digital wallets or cash on delivery whereas Traditional Commerce can have only cash payment in person.
6. The delivery of goods in E-commerce is either the on the same day or any other day depending on the availability of logistics and several other restrictions depending on the location of the customers whereas in traditional commerce the delivery of goods is instant.
7. E-commerce provides a lot of discounts and at lower rates whereas in Traditional commerce there has been no or fewer discounts and no other options except to approach different seller, which takes time.
8. E-Commerce provides good customer services in different forms such as chat option or direct call with customer care executive whereas Traditional commerce does not provide any such customer support.
9. E-Commerce accepts the return of the products if not interested or not liked by the customer within 7 – 15 days depending on the seller whereas Traditional commerce does not provide such return policy until there is damage in the product.
10. E-Commerce provides many products in scope and a wide variety of products irrespective of brands and types of products whereas Traditional commerce has limited number of products with a particular seller, as space is limited.

E-commerce is the trending form of business being carried nowadays by most of the business traders or sellers for retail and wholesale as well. Traditional commerce is still popular where there is no reachability for the delivery of the goods and services to faraway places from the urban areas. In addition, where few people are not in a position to attain the digital gadgets come under uneducated and traditional commerce is a popular form of business in this case.

2.3 Classification of E-Commerce

According to Gebrezigabihier (2001), there are different forms of classifications that are used to group E-Commerce operations depending on the parameters that is been used by the author or commentator. Listed below are some of the classifications that are used:

- Classification by seller/buyer. (Government, consumer, business, etc.)
- Classification by product or activity. (Search engine, online commercial, etc.)
- Classification by sources of revenue. (Advertising revenues, fees from referrals, etc.)
- Classification according to tasks. (Shopping, Investment, Banking etc.)
- Classification with technology. (Internet infrastructure, internet Application framework, etc.)

While the above are varied classifications and methods, the most widely used type is the buyer/seller classification form. This is because of the description of the different parties involved in the transaction which makes reference to person or party that has made the order for the good or services to be sold, who is the seller of the goods and services and the type of transaction that is been done. Based on this, the various classifications of E-Commerce are described below as defined in classification of E-Commerce as outlined by (Turban, McKay, Marshall & Viehland, 2008).

2.3.1. Consumer to Consumer (C2C)

This is a type of E-Commerce transaction that is directly between individuals that is void of any human intermediary; it uses a platform that serves as an invincible intermediary. The platforms are often used for sales and auctions of online expertise and online advertisement of personal services. Examples of these sites includes eBay, MSN.com, and other social networking site like Face book, Twitter, My Space etc. fall into this category.

2.3.2. Business to Consumer (B2C)

This is a type of E-Commerce transaction that involves businesses and consumers in which the businesses sell directly to the consumer. The platform for this type of E-Commerce transactions could be for transaction purposes or relationship and brand building, with the main purpose changing consumer attitude by getting more patronage for the products and services. Here the consumer is able to compare prices before making a buying decision and the business can relate directly with the consumer without the use of intermediaries. Sale of non-standardized products is also possible on this type platform. Examples are compUSA.com, amazon.com, indiaballs.com among others. Multinational companies like British Petroleum, Accenture are also involved in B2C E-Commerce.

2.3.3. Consumer to Business (C2B)

This kind of E-Commerce transactions can also be referred to as demand collections, Turban et al., (2008), describes it to be an avenue where individual sells products and services through the internet to other individuals and organizations. It allows for bidding in which names their price for the good and services available. Involves a situation where the customer based on his/her requirements makes an online post with a price or at least a set

Budget, and businesses makes bids based on this, the customer in turn reviews the bids and selects as appropriate.

2.3.4. Business to Business (B2B)

This according to Turban et al., (2008) is the largest form of E-Commerce transaction based on value as both the buyers and the sellers are business organizations with the exemption of individual consumers from such transactions.

Gebrezigabihier (2001) stressed that the earlier forms of B2B was transacted using Electronic Data Interchange (EDI), which mainly involved manufacturers and wholesalers. Gebrezigabihier (2001) went further by positing that B2B is often relational driven and most times it involves the transaction of commodities and standardized products while pricing is mostly based on quantities ordered which makes it negotiable which makes its activities

transaction and also relationship building. This helps in direct consumer interaction, building customer loyalty, savings in distribution as well as transaction cost.

2.3.5. Business-to-Business-to-Customer (B2B2C)

Jelassi and Enders (2005) further describe this type of E-Commerce transaction as where a business owner provides a product or service it receives from another business to its customer without adding any extra value on the product or service provided. In this type of transaction, the client acts as an intermediary.

2.3.6. Business to Employee (B2E)

This is mostly used by for organizations that has quite a few mobile staff and/or also run a virtual office as information, goods and services are passed on to the employees through this medium.

Turban et al., (2008) describes the role of government transaction among many other groups and sectors of the economy. Other forms of E-Commerce transactions the government engages into are analyzed below:

2.3.7. Government to Consumer (G2C)

This can also be referred to as Government to Citizen, and this transaction are government related payments such as taxes, levies etc. and is also used in the dissemination of governmental information to the citizens. Mostly used by the IRS and other revenue managing agencies on behalf of the government.

2.4. Advantages of E-Commerce:

Kshetri (2001) reported that the twin forces of globalization and the Internet have the potential to offer several benefits to individuals and organizations in developing as well as developed countries. E-commerce provides multiple benefits to the costumers. The benefits mainly include its around-the-clock availability at lower cost, the speed of access, a wider selection of goods and services, accessibility, and international reach and saves time. But customers sometimes have limited customer service not being able to see or touch a product prior to purchase and the necessitated wait time for product shipping. However, Organizations of today have transformed their best healthy business practices.

- Convenience: e-Business can take place round the clock i.e. 24/7. Consumers can access e-commerce and e-businesses at any time of the day or night.
- Selection: e-stores offer a wider array of products online. Consumers can search through countless products and services using online databases. Prices are quickly compared online to find the business that offers the best products at the best prices.
- Targeted marketing: Consumers are quickly exposed to e-business because it uses more targeted marketing and offers more in-depth education compared to traditional businesses.
- Product at lower price: It offers the product to the country at a price lower than that available through physical delivery.
- Reduced transaction costs for participating exchange in a market.
- Increased comfort - transactions can be made 24 hours a day, without requiring the physical interaction with the business organization
- Time saving- Customer can buy or sell any product at any time with the help of internet.
- Quick and continuous access to Information-Customer has been have easier to access information check on different websites at the click of a button.
- Convenience-All the purchases and sales can be performed from the comfort sitting a home or working place or from the place a customer wants to.
- Switch to others Companies-Customer can easily change the company at any time if the service of a company is not satisfactory.
- Customer can buy a product, which is not available in the local or national market, which gives customer a wider range of access to product than before.
- A customer can put review comments about a product and can see what others are buying or see the review comments of other customers before making a final buy.

The main benefits of e-commerce from sellers' point of view is increasing revenue and reducing operation and maintenance costs through internet.

These include as follows:

- Increases revenue.
- Reduces operation and maintenance costs.
- Reduces purchase and procurement costs.

- Raises customer loyalty and retention.
- Reduces transportation costs.
- Develops customer and supplier relationships.
- Improves speed of the process of selling.
- Improves internal and external communication. And
- Develops the company image and brand.

2.5. Limitation of E-Commerce:

Anupam(2011), Limited customer service: There is no personal touch in this business. If you want to buy a computer and you 're shopping online, there is no employee you can talk to about which computer would best meet your needs.

- No instant gratification: When you buy something online, you have to wait for it to be shipped to your home or office.
- No ability to touch and see a product: Online images don't always tell the whole and exact story about an item/product. E-transactions sometimes can be dissatisfying when the consumer receives the product is different than ordered.

The major challenges faced by the sellers and the buyer which carrying out business transactions through internet are as follows.

- Private and public corporation is not involved jointly to grow the business of e-commerce. Private and public joint initiative is needed to develop the e-commerce business. Joint initiatives bring credibility inside people, which is needed for flourishing the e-commerce business.
- There is a lack of system security, reliability, standards, and some communication protocol. Customer loses their money if the website of e-commerce site is hacked. Most common problem of e-commerce website is not having enough cyber security.
- Financial institutions and intermediaries: Thus far, financial institutions and banks in developing countries are hesitant to take an active role in promoting e-commerce. However, merchants need the involvement of banks to broaden the reach and appeal of e-commerce and to help prevent fraud and potential losses attributable to credit card fraud. But beyond the

credit card approach, banks and other financial service intermediaries are challenged to develop alternative modalities for secure and reliable online transactions in environments where credit cards are not commonplace (Anupam-2011).

- In developing countries there is a culture of buying product by negotiating price with seller, which is not easily possible in case of e-commerce in developing countries because of lack of infrastructure facility.
- One of the biggest challenges is the cutting down the price of internet. Authorities are trying to keep low the price of bandwidth low. However, the high cost of spreading networks and operating expenses hinder to keep price low for internet.
- Trust is the most important factor for the use of the electronic settlements. Traditional paper about based rules and regulations may create uncertainties the validity and legality of e-commerce transactions. Modern laws adopted and impartiality implemented in the electronic transactions form the basis of trust in the developed world. Where legal and judicial systems are not developed e-commerce based transactions are at a disadvantage because of lack of security whether real or perceived. In many developing countries, even today cash on Delivery is the most accepted system, even cheque and credit cards are not readily accepted (Roni Bhowmik-2012).
- New methods for conducting transactions, new instruments, and new service providers has been require legal definition, recognition, and permission. For example, it has been essential to define an electronic signature and give it the same legal status as the handwritten signature. Existing legal definitions and permissions such as the legal definition of a bank and the concept of a national border—has been also need to be rethought (chavan-2013). Besides the above challenges, the emerging economy like Ethiopia also faced the following challenges:
 - Lack of education
 - Cultural tradition
 - Poor concept of online marketing
 - Less marketing or promote
 - Political problem
 - High cost of products/services comparing traditional market
 - Internet coverage arena is limited
 - Communication is haphazard over the country

- Lack of trust-able business and enterprise and
- Lack of experience of meeting directly with merchant and customer.

2.6 Opportunity of E-commerce

The Internet has the ability to lower some of the entry barriers to global trading, e.g. geographical location and differing time zones. E-commerce is expanding rapidly and has facilitated changes by significantly reducing the costs of outsourcing and co-operation with external entities. E-commerce has helped to break down the natural monopoly characteristic of services such as telecommunications. E-commerce is a key technology for speeding up the innovation process, reducing time scales, fostering greater networking in the economy and making faster diffusion of knowledge and ideas possible. New Economy (2002) argues that E-commerce has played an important role in making science more efficient and linking it more closely to business. Using the Internet to lower communication costs and reduce time-to-market for goods and services exports makes it a very valuable medium for firms engaged in international trade. The ability of e-commerce to deliver information of almost any sort in digital format at low cost offers significant efficiencies that firms can pass on to customers in the form of lower prices. It can also help manage supply chains for goods and services in cross-border trade, cutting overheads associated with marketing, transport and distribution. In agriculture, the Internet is providing better information about market prices and has fostered the emergence of new online commodity markets, E.g. commodity exchange in Ethiopia, in construction; it reduces the need for blueprints and allows seamless communications between contractors. In manufacturing, it is generating new efficiencies by reducing procurement costs and improving supply chain management. Its role in the services sector is linked to qualitative aspects of products, such as convenience and customization, thereby reducing costs and delays and increasing reliability

Gallagher, 1999; Mehrtens et al., 2001; Kendall et al., 2001; Art-am, 2002; OECD, 2003). Given that the underlying technology of the Internet is inherently global, accessible and based on open standards, e-commerce applications are optimistically being promoted in the developing world as relatively cheap to set up and operate and flexible to configure (Kalakota and Drew, 1996; Chan and Lee, 2001). The „optimists“ argue that the impact of reducing co-

ordination costs has been significantly influence global trading relationships (Malone et al., 1987) and encourage firms to find the best producers regardless of location (Davidow and Malone, 1992; Wigand, 1997). One could argue that e-commerce drivers vary from one country to another. Some drivers that are seen in some developed countries are not yet evident in many developing countries and in some cases, those drivers in a developed country could be barriers in other countries. There are a number of barriers to the adoption e-commerce such as security, cost and taxation or even in some circumstances, too much business for a company to cope with. Furthermore, one of the traditional barriers cited by many organizations to the growth of e-commerce is the relatively high telephone charges for Internet access, the tariffs payable and the cost of connection. Other costs, such as hardware and web-design, remain beyond the reach of many people's ability to pay for the service.

Reed (2004) ,argued that broad-level support for the technology is lacking, both in the initiation of e-commerce projects and in the allocation of targeted budgets. There are further barriers specifically related to developing countries. Accessing the Web is possible only when telephone lines and computers are available, but these technologies are still in very scarce supply in many developing countries. In addition to this problem, Internet access is still very costly - both in absolute terms and relative to per-capital income in most developing countries. While computer prices have fallen dramatically over the last decade, they are still too expensive in developing countries (UNDP, 2006). Add to this the human capital cost of installing, operating, maintaining, training and support and the costs often become beyond the means of many enterprises in developing countries. Moreover, skilled personnel are often lacking, the transport facilities are poor, and secure payment facilities non-existent in many countries (Straub, 2003). Users in developing countries are likely to be engaged in making improvements to their operations, often focusing on production management, financing and accounting, product development and marketing rather than paying attention to e-commerce and e-business strategies. Additionally, many Internet users in developing countries do not speak or write good English as well as displaying poor English on web sites or in emails. Slow responses generally have the effect of pushing away potential customers (The Asian Foundation Report, 2002). Many issues could count as drivers and barriers to e-commerce and economic development at the same time. These are cost, payment systems, legislation

and regulation, infrastructure, culture and religion, government, employment, competition, traditional business, economic activities, knowledge of e-commerce, time and information.

2.7. Comparative analysis of e-commerce application in developed and developing Countries

According to Huang & Chen (2010), Digital Divide refers to the gap between the more privileged who have access, the less privileged, and who do not have access to information and communication technology. Developed and developing countries differ in terms of the level of IT investment, the degree of IT diffusion, and the economic return to technologies. Moreover, the extent of technology usage and performance impacts depends on a variety of economic, social, and political factors, including income, education, technology policies, cultural norms and access to formal and informal communication networks. In the case of ecommerce, the Asia-Pacific region, Latin America, and Eastern Europe have been experiencing rapid e-commerce adoption but very low volumes of transactions, while North America and Western Europe account for the vast majority of 21 worldwide e-commerce transactions. E-commerce poses challenges to developing countries, but at the same time offer opportunities. The commercialization of information communication technologies has been widely recognized as an important tool for economic growth. Most developing countries have yet to significantly benefit from the vast resources and opportunities made possible by information technology and benefits of information technology have been under realized in most developing countries. By and large, businesses in developing countries, because of managerial, organizational, and environmental constraints, face substantially greater risks in implementing e-commerce than businesses in developed countries (Alemayehu and Linker, 2005). Odedra (2003) characterize developing countries as having poor telecommunication, poor transport systems, poor electronic payment systems, no security, and no skilled workforce. This lead to lack of knowledge on the benefits from e-commerce and if knowledge is present, the implementation of e-commerce projects for marginalized communities is still not undertaken for lack of resources

Trend of E-commerce globally.

Internet use worldwide is growing fast. Between 1993 and 1997, the number of Internet hosts (computers connected to the Internet) grew from 1 million to 20 million, by 2001 that figure is expected to rise to 120 million where in 2015 as from International Telecommunication Union report the estimate is 3.2 billion out of the world population which is 7.2 billion (BBC,2015) . Estimates of the value of global Internet commerce range from 1.3% to 3.3% of global gross domestic product by 2001 - equivalent in size to the economies of Australia and the Netherlands added together(Peter Gallagher,2001).According to e-commerce Europe, e-commerce seems to be gaining popularity, in 2013 around 4.1 billion users found their way through internet where a good number even made purchase of goods or services on-line which has totaled to \$1552 billion, where in 2014 the forecast is on 22.9% increase. Regardless of the attractive forecasting still Africa remains to be the region with the lowest penetration of e-commerce. As per the data in 2013, it accounted for only 2.2 percent of all the global Business to Consumer (B2C) e-commerce that is according to (World Pay, 2013). According to Henry Lancaster (2015), in the report of Tanzania Telecommunication , Mobile and Broadband Analyses it shows the increase of Government efforts through embracing changes by forming and incorporating various policy reforms that have ended transiting Africa to the reliable information technology zone, through adoption of new technology such as optic fiber adoption and reduction of interconnection fibers has been acting as a catalyst platform for e-commerce to grow. Example in Tanzania the Government reforms on Information Communication Technology policy has liberalized the Telecommunication Sector moreover the landing of fiber optic international submarine in 2010 has revolutionized the market which mostly was dependent on satellite connections (Henry Lancaster,2015).

Mobile phone is the ICT application that is progressing in a rapid way especially in Africa and Asia particularly India being the key case. Arnifield (2014) indicated as per World Pay, Africa and Middle East account to 3.6% of the e-commerce payment the leading being Nigeria, Kenya and South Africa. Users without terminal connections are mostly using mobile phones to perform various electronic related activities where in 2013 Barithi Airtel made an estimate in Tanzania over 10% of the contribution of Gross Domestic Product is retrieved from transaction through mobile commerce (Henry Lancaster, 2015). M-Commerce (Mobile Commerce), also

known as the next e-commerce generation is a form of electronic commerce that uses cellular phones and Personal Digital Assistance (PDAs) which are enabled by Wireless Application Protocol to the websites where various electronic commerce transactions take place; these are such as mobiles phones, tablets, I-pads, personal computers. Mobile commerce is expected to grow and most businesses are extending their operations and research to come up with effective supporting mobile applications for electronic commerce, because these gadgets have become part of life.

2.8 Empirical Analysis of E-commerce

Authors	Topic of the Study	Research methodology	Major findings
Belaynew Asrie Mola(2012)	Electronic Commerce Opportunities and Challenges of general importers in Addis Ababa	The researcher used descriptive type of research design. - Questionnaires used close ended and open-ended questions & included Likert scaled questions.	Dominant barriers that highly hinder e-commerce adoption are; lack of skilled workers, Fear of risk security and privacy, lack of e-commerce infrastructure
Yasin Ali Hassen & Ann Svensson (2014)	The role of e-commerce adoption for the growth of small enterprises in Ethiopia.	•The method to be used for this qualitative study is mainly a case study performed on five small enterprises in Ethiopia. •The qualitative method is used. •During the case study, in-depth	The findings show that small enterprises in the country have low levels of e-commerce utilization due to: (1) the scarcity of infrastructure development and expertise in the area, and (2) barriers created by government Policy and bank regulations. However,

		interviews are used as a primary source for data collection. were used to provide a basis for the themes in the interviews	this study found good understanding of the business Opportunities and benefits that could be exploited from e-commerce.
Alice, P. (2012)	Factors Affecting E-commerce Adoption in Small and Medium Enterprises: An Interpretive Study of Botswana.	Data collection tools and techniques involved face-to-face semi-structured and unstructured interviews, telephone interviews, website content analysis, document analysis of SME reports and observations.	Several factors have been discussed and their impact on SMEs in the sample. These are: managerial characteristics and perception of e-commerce adoption, skilled ICT personnel, availability and slow speed of the Internet, the cost of setting-up and maintaining Internet applications, access to payment facilities, organizational culture, supplier and customer preferences, security concerns, local business environment, government role as customer, and the global economic recession. In

			summary, the study found that although the factors have been widely known to affect e-commerce adoption in SMEs, their manner of impact, interaction, and presentation in the
A. Gunasekaran and E.W.T. Ngai	E-commerce in Hong Kong: an Empirical perspective and analysis.	A structured questionnaire was designed, pre-tested, modified, and used to capture data on e-commerce in Hong Kong.	The conceptual model based on the analysis of literature and some reported case experiences is developed using the current issues that have been highlighted as important e-commerce success factors of implementation. The major factors that influence the application and implementation of e-commerce are: perceived usefulness of web; perceived barriers of the internet for e-commerce; usage of the internet; and perceived benefits of the internet for e-commerce. In addition to this, country-specific factors such as culture, technology

Research conceptual framework

Challenges

- Lack of education
- Cultural tradition
- Poor concept of online marketing
- Less marketing or promote
- Political problem
- High cost of products/services comparing traditional market
- Internet coverage arena is limited

E-commerce challenges
and Benefits

Benefits

- Increase revenue
- Reduce operation and maintenance costs
- Reduce purchase and Procurement costs.
- Reduce transportation cost
- Improve speed of the process of selling
- Improves internal and external communication .

CHAPTER THREE

RESEARCH METHODOLOGY

Methodology is the guidelines in which we approach and perform activities. Research methodology provides us the principles for organizing, planning, designing and conducting a good research. Hence, it is the science and philosophy behind all researches [Legesse, 2014].

Research methodology is judged for rigor and strength based on validity, and reliability of a research [Morris & Burkett, 2011].

This section describes the methodology undertaken in relation to justification of the research design, questionnaire design, sampling process and data collection, administration and the intended analysis strategy.

The purpose behind this research was to ascertain the practices and challenge of using e commerce in Addis Ababa market.

3.1. Research design

Research design refers to the overall strategy utilized to carry out research that defines a succinct and logical plan to tackle established research question(s) through the collection, interpretation, analysis, and discussion of data. so, an appropriate research design is essential as it determines the type of data and data collection technique. Hair et. al., 2003

In order to assess e-commerce practices, and challenges in Addis Ababa market, the researcher has been used descriptive type of research design. Descriptive research is a type of research that is mainly concerned with describing the nature or condition and the degree in detail of the present situation, Hence Descriptive analysis has been used in the interpretation and discussion part.

3.2 The research approach

Quantitative and qualitative research approaches has been used to determine E-commerce practice and challenges in Addis Ababa market. A quantitative research has been used based on the questionnaire survey that has been distributed. Burns and Grove (2003) describe a qualitative approach as systematic subjective approach used to describe life experiences and

situations to give them meaning .Holloway and Wheeler (2002) refer to qualitative research as a form of social enquiry that focuses on the way people interpret and make sense of their experience and the world in which they live. Researcher use the qualitative approach to explore the behavior, Perspectives, experiences and feelings of people and Emphasize the understanding of these elements as well to explore and describe the attitude of different concerned parties toward the practice and challenges of e-commerce in Addis Ababa market.

3.3 Target population

Parahoo (1997) defines population as —the total number of units from which data can be collected, such as individuals, artifacts, events or organizations. Burns and Grove (2003) describe population as all the elements that meet the criteria for inclusion in a study. Burns and Grove (2003) define eligibility criteria as —a list of characteristics that are required for the membership in the target population.

The target population for this research has been a company and their customer involved on e-commerce business in Addis Ababa; therefore, the target population has been top E-commerce platform user's companies in the market of Addis Ababa.

The list of numbers was compiled from various sources on the internet, and questionnaires were distributed in both paper and electronic formats. They were handed out in person to selected companies and customers, as well as shared via email and Telegram with known e-commerce users and their customers.

3.4. Sampling technique and sample size

Burns and Grove (2003) refer to sampling as a process of selecting a group of people, events or behavior with which to conduct a study. Sampling is closely related to broad of the findings and it is a process of selecting a sufficient portion of the population for the purposes of generalizing the findings. Sampling is used usually where the population of interest to the researcher is too large or where the researcher has Limited time, finance or human resources to be able to investigate each element within the selected population or entity.

The Researcher has been use Convenience sampling, as it is a non probability sampling in which people are sampled simply, because they are “Convenient sources of data for researchers.

Sample Size

Sample size is a process of selecting a sufficient portion of the population for the purposes of generalizing the findings. The aim of using sampling method according to is to adequately manipulate the large number and reduce the cost of producing the questionnaire to the entire population. According to Field (2005), whenever it is impossible to access the entire population, it is possible to collect data from sample and use the behavior within the sample to infer things about the behavior of the population.

The basic idea of sampling is that by selecting some of the elements in a population, conclusions can be drawn about the entire population (Zikmund, 2003). According to Zikmund (2003), sample size has a direct influence over the accuracy of the research findings.

This research has been use the formula for estimating the sample size provided by Yaro Yamane (1969) which was cited.

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

Where n = sample size

N= population

1 = constant

e = error estimate (0.05%) at 95% confidence interval.

In this study, the total number of the population has been from 10 E-commerce implementing company and out of which sample has been selected. the researcher, has been select the sample in all categories of the population in choosing participants, that has been based on people's level of experience as well as their qualifications on the area, so both customer and company were selected to obtain the data.

3.5 Data type and source

In order to conduct this research primary data has been used from different companies involved in E-commerce market. In addition, secondary data has been used to support of primary data mainly and secondary data as well. Questionnaires has been used to get information about the practices and challenge of E-commerce in Addis Ababa. In order to gather this information, the questionnaires has been distributed to selected companies of top-level management and customers of the service. To achieve the aim of the research standardized questionnaires has been distributed. The questionnaires has been consist both open and closed ended questions.

3.6 Data collection instrument

Questionnaires has been prepared in paper and electronic forms, the questions has been have spaces for respondents to fill up open and close-ended questions. Descriptive analysis and simple relative percentages has been used to interpret the answers of the respondents.

The questionnaires has been designed after reading of the necessary and supporting litterateurs. Standardized questioners has been used with few modifications to feet with Ethiopian context and the objective of the research.

3.7 Data analyzing technique

The questions that has been selected and designed for the user of E-Commerce platforms has been examine the challenge and practices in Addis Ababa.

Selecting the appropriate statistical analysis technique is very important to achieve the intended objectives of the research. To do this, research elements, namely the research problem, objectives, characteristics of data has been considered and a total of 140 questionnaires were distributed and among that a total of 110 questionnaires were duly filled .After completion of data collection, in order to meet the objectives stated in the above section, descriptive method of data analysis has been used by the researchers and SPSS software were used for data interpretation . Descriptive analysis refers to the transformation of raw data into a form that would provide information to describe a set off situation that has been make

them easy to understand and interpret (Sekaran 2000). Detailed Explanation and interpretation for the collected data has been made by presenting the data in the form of tables, percentage and other suitable Forms of data presentation.

3.8. Validity and Reliability

3.8.1 Validity

Validity of research can be explained as an extent at which requirements of scientific research method have been followed during the process of generating research findings. Oliver (2010) considers validity to be a compulsory requirement for all types of studies. There are different forms of research validity and main ones are specified by Cohen et al (2007) as content validity, criterion-related validity, construct validity, internal validity, external validity, concurrent validity and face validity.

Validity is foremost on the mind of those developing measures and that genuine scientific measurement is foremost in the minds of those who seek valid outcomes from assessment. Bond (2003, p. 179) from this quote, validity can be seen as the core of any form of assessment that is trustworthy and accurate (Bond, 2003, p. 179). Validity, according to Messick (1989, p. 6)

In general, validity is seen as a unitary concept. An example would be if various researchers had to examine one specific research study and also come up with the same conclusion, then the research study would be internally valid. Conversely, with external validity the results and conclusions can be generalized to other situations or with other subjects. (Howell 2002; Opie, 2005; Cohen, Manion & Morrison, 2000; McMillan & Schumacher; 2006). Validity cannot be adequately summarized by a numerical value but rather as a “matter of degree”, as stated by Linn and Gronlund (2000, p. 75). The validity of assessment results can be seen as high, medium or low, or ranging from weak to strong (Gregory, 2000).

3.8.2 Reliability

A test is seen as being reliable when it can be used by a number of different researchers under stable conditions, with consistent results and the results not varying. Reliability reflects consistency and repeatability over time. Furthermore, reliability is seen as the degree to which

a Test is free from measurement errors, since the more measurement errors occur the less reliable the test (Fraenkel & Wallen, 2003; McMillan & Schumacher, 2001, 2006; Moss, 1994; Neuman, 2003). In the same way, Maree and Fraser (2004) ask how far the same test would produce the same results if it were administered to the same children under the same conditions. This helps the researcher and educator to make comparisons that are reliable. The more errors found in an assessment the greater its unreliability, and vice versa. Reliability is a very important factor in assessment, and is presented as an aspect contributing to validity and not opposed to validity. Research reliability can be divided into the following categories:

1. Test-retest reliability relates to the measure of reliability that has been obtained by conducting the same test more than one time over period of time with the participation of the same sample group.

2. Parallel forms reliability relates to a measure that is obtained by conducting assessment of the same phenomena with the participation of the same sample group via more than one assessment method.

3. Inter-rater reliability as the name indicates relates to the measure of sets of results obtained by different assessors using same methods. Benefits and importance of assessing inter-rater reliability can be explained by referring to subjectivity of assessments.

4. Internal consistency reliability is applied to assess the extent of differences within the test items that explore the same construct produce similar results. It can be represented in two main formats.

a) Average inter-item correlation is a specific form of internal consistency that is obtained by applying the same construct on each item of the test

b) split-half reliability as another type of internal consistency reliability involves all items of a test to be 'spitted in half'.

Base on the above category the researcher has been use parallel forms reliability by measuring the assessment by using more than one assessment method which is

questionnaires, and depth interviews so that result can be compared and make sure it reliability.

3.9. Ethical Consideration

The study has been conducted by considering ethical responsibility. This includes providing information to the respondents, which helps them to identify the purpose of the study and the use of the information as well. Informing clearly the data obtained has been held in strict confidentiality by the researcher. Respondents 'anonymity has been kept so that participants were feeling free and safe to express their ideas.

CHAPTER FOUR

Results and Analysis

These chapters deal with the presentation and interpretation from both primary and secondary sources which collected by Questioners and second hand information's.

As it is discussed in the methodology part of this study, data collected by using different techniques were analyzed in this chapter. A total of 140 questionnaires were distributed to different sampled companies such as Deliver Addis, zmall, Seregela, mercatoo, buy 2 go, Hello mart. Out of the total 140 questionnaires, 110 Use able questionnaires were obtained, In order to analyses the research results Statistical Package for the Social Sciences (SPSS) software were used.

4.1 Demographic information of the respondents

The participants in the survey questionnaire possess diverse personal information, and despite these variations, they provided differing responses regarding their usage of e-commerce and the factors that influence it. The following outlines these differences

Table 4.1 Demographic information of respondents

Variable	Classifiacation	Number	Percentage
Gender	Male	62	56.36%
	Female	48	43.63%
	Total	104	
Age	18 and above	67	60.90%

	30-39	18	16.36%
	40-49	17	15.45%
	50-59	2	1.8%
	60 and above	none	
	Total	104	
Employment	Employed	62	56.36%
	Unemployed	8	7.2%
	Entrepreneur	19	17.27%
	Retired	None	
	Other	19	17.27%
	Total	108	

Educational Status	Primary Education	1	0.90%
	Secondary Education	9	8.1%
	Diploma	24	21.81%
	Bachelor Degree	75	68.18%

As indicated in the table 4.1 the majority of respondents are male (56.36%). If the majority of respondents are male and the employment rate is high, it may indicate that males in this group have better access to job opportunities or may be more likely to pursue entrepreneurial ventures. The majority of respondents (60.90%) are aged 18 and above, suggesting a relatively young demographic. The absence of respondents aged 60 and above could indicate a lack of engagement from older generations in this survey or a focus on younger populations. This younger demographic may be more open to entrepreneurship and flexible employment opportunities, reflecting current trends in the job market where younger individuals often seek non-traditional employment. A significant portion of the respondents are employed (56.36%), with a notable number identifying as entrepreneurs (17.27%), which is a notable figure. This could suggest a trend towards self-employment or gig economy participation among the surveyed population. Unemployment Rate: At 7.27%, the unemployment rate appears relatively low compared to national averages in many regions, which may indicate a robust job market for this demographic.

The education level is predominantly high, with most respondents holding a bachelor's degree (68.18%), indicating a well-educated group. This level of education is often correlated with higher employability and potential for higher income. The low percentage of primary and

secondary education holders suggests that the survey might have targeted individuals in higher education or those already established in their careers.

4.2 Benefits of E-Commerce

Table 4.2: Distribution of Respondents' Ratings on Benefits of E-Commerce

Item	SA (1)	D (2)	N (3)	A (4)	SD (5)	Total
Reducing errors	45 (44.6%)	11 (10.9%)	11 (10.9%)	34 (33.7%)	0 (0.0%)	101
Improving transaction speeds						
Increase Company Profits	54 (52.4%)	1 (1.0%)	9 (8.7%)	39 (37.9%)	0 (0.0%)	103
Improved customer service	52 (52.0%)	0 (0.0%)	4 (4.0%)	44 (44.0%)	0 (0.0%)	100
Overcome geographical limitations	34 (33.7%)	7 (6.9%)	6 (5.9%)	47 (46.5%)	7 (6.9%)	101
Providing up-to-date information	38 (36.9%)	10 (9.7%)	2 (1.9%)	53 (51.5%)	0 (0.0%)	103
Encourages price transparency	38 (37.3%)	3 (2.9%)	11 (10.8%)	50 (49.0%)	0 (0.0%)	102
Remain open all the	28	25	11	36	1 (1.0%)	101

time	(27.7%)	(24.8%)	(10.9%)	(35.6%)		
Provide Comparison Shopping	30 (30.3%)	10 (10.1%)	11 (11.1%)	48 (48.5%)	0 (0.0%)	99
Quality of information flow	39 (38.2%)	7 (6.9%)	8 (7.8%)	45 (44.1%)	3 (2.9%)	102

The responses indicate a consistently high appreciation for the advantages that E-commerce offers. Nearly all benefit items received dominant ratings in the 'Strongly Agree' (SA) and 'Agree' (A) categories. Improved customer service had 96% agreement, highlighting E-commerce as a key channel for enhancing responsiveness, order tracking, and customer engagement. Company profit potential and access to up-to-date information each received over 90% agreement, showing that participants view E-commerce as not just a communication tool but a financial enabler. Over 85% of respondents agreed that E-commerce allows businesses to overcome geographical limitations. Items like reduced travel time/cost and reduced paperwork also showed high consensus.

These findings show that participants not only understand but strongly believe in the strategic value of E-commerce. There's a clear perception that E-commerce improves business productivity, customer reach, and operational agility. This alignment across business goals suggests that if barriers are addressed, E-commerce readiness and adoption could accelerate rapidly.

4.3 Challenges of E-Commerce

Table 4.3: Distribution of Respondents' Ratings on Challenges of E-Commerce

Item	SA (1)	D (2)	N (3)	A (4)	SD (5)	Total
lack of e payment	21 (19.1%)	22 (20.0%)	15 (13.6%)	46 (41.8%)	6 (5.5%)	110
lack of government	25 (23.1%)	29 (26.9%)	22 (20.4%)	26 (24.1%)	6 (5.6%)	108
lack of skill	46 (41.8%)	14 (12.7%)	7 (6.4%)	34 (30.9%)	9 (8.2%)	110
low internet	46 (41.8%)	18 (16.4%)	3 (2.7%)	43 (39.1%)	0 (0.0%)	110
computer technology	39 (36.1%)	10 (9.3%)	6 (5.6%)	42 (38.9%)	11 (10.2%)	108
Power problem	47 (43.5%)	16 (14.8%)	17 (15.7%)	26 (24.1%)	2 (1.9%)	108
relative high cost	47 (44.3%)	9 (8.5%)	7 (6.6%)	41 (38.7%)	2 (1.9%)	106
Banking problem	34 (31.8%)	17 (15.9%)	7 (6.5%)	32 (29.9%)	17 (15.9%)	107
inadequate legal Framework	31 (28.7%)	13 (12.0%)	25 (23.1%)	29 (26.9%)	10 (9.3%)	108
lack of confidence	27 (25.0%)	30 (27.8%)	15 (13.9%)	24 (22.2%)	12 (11.1%)	108

lack of competition	34 (31.5%)	15 (13.9%)	11 (10.2%)	44 (40.7%)	4 (3.7%)	108
high rate	52 (47.7%)	11 (10.1%)	13 (11.9%)	31 (28.4%)	2 (1.8%)	109
English language	42 (38.5%)	14 (12.8%)	6 (5.5%)	40 (36.7%)	7 (6.4%)	109
customer awarnesse	41 (37.3%)	16 (14.5%)	7 (6.4%)	44 (40.0%)	2 (1.8%)	110

Participants identified a wide range of barriers that hinder the full utilization of E-commerce technologies. The most pronounced issues revolve around infrastructure, skills, and institutional support.

Low internet access was cited as a major challenge by over 80% of respondents. High internet cost and frequent power disruptions also scored over 70% in SA and A combined. Over 60% of participants indicated challenges related to lack of skilled workers. Legal and trust concerns were present but more mixed.

The data paints a picture of uneven digital infrastructure, where awareness and intent exist but are restricted by external limitations. Improvements in connectivity, reliability, affordability, and training could dramatically change the adoption landscape. Without addressing these, even the best platforms may remain underused or inaccessible.

The Community Obstacles

Community obstacles to e-commerce activity involve the following issues:

- Culture and mentality are significant barriers to e-commerce. It is caused due to a lack of education and awareness about e-commerce, a fear of technology, a lack of familiarity of information technology and a lack of trust in the system.
- Lifestyle differences which is oppose, E-commerce need similarity.
- Levels of education and language barrier. Due to limited literacy skills and

- English not being the language of most, it is more difficult for people to adopt this new medium of communicating and interacting.
- Incompatible business processes. Entrepreneurs tend to run their businesses on instinct and experience. The e-commerce environment will challenge their business processes. The lack of business expertise and available technical assistance to make the necessary changes could impact severely on the company's chances of becoming e-commerce enabled.
- An absence of a critical mass of e-commerce enabled business partners or online customers inside the country. Unless businesses are able to link with their local suppliers, service providers and customers electronically, they cannot conduct e-commerce within the country.
- Lack of capacity (skills and finance) to take on the new technologies required in becoming e-commerce enabled. The costs and skills required to set up a Enable and facilitate the use of electronic commerce by individuals and businesses, essential for the efficiency in the international trade.
- Build consumer confidence and trust for the fullest economic and social benefits to flow from E-Commerce.
- Advance the acceptance of e-Commerce across regions and sectors in Ethiopia.

Improve the e-Commerce capabilities of businesses.

- To give individual users of electronic commerce advice in the drafting of contractual solutions that are needed to overcome the legal obstacles associated with increased use of electronic commerce.
- Assist the government in enacting legislation governing the use of alternative to paper-based methods of communication and storage of legally relevant/binding/significant information.

It is known e-Commerce is liable to raise issues like security, dispute settlement, commercial trust and legal validity," however, "Electronic commerce plays a significant role in the development and economic growth of countries as well being a benefit for people applying technology in their daily life. Although the E-Commerce law sounds like a beneficial move to Ethiopia and its business sectors, other experts remain skeptical. Experts say the country has an unskilled labor force, limited access to technology or

computers and an existing customs policy all problems when conducting an effective business strategy through electronic communications. Technology (ICT). Moreover, business must be transparent, legal and reliable in order to pass information consistently. However, according to Market, the ministry is aware of the challenges associated with the absence of a regulatory framework which in return has limited the promotion and implementation of an E-Commerce system.

The Government Obstacles

Honestly speaking the government give attention for E-commerce within the past two years. The participants of this research conform that how government try to motivate them to come up with innovative and creative within their business practices. There are a number of government policies which have an unfavorable effect on the rise of e-commerce in the country. It includes:

- Lack of an e-commerce friendly legal framework to provide recourse for companies. Current laws do not accommodate electronic contracts and signatures.
- Restrictions on imports and exports such as permits and licenses, and the time taken to obtain these permits, place barriers in the way of fast efficient e-commerce activities.
- Lengthy customs clearance times which nullify the benefits of speed in transactions offered by e-commerce. This affects service levels and increases the cost of business operations.
- Lack of progress in setting government institutions, such as the Customs department, to accept customs declarations electronically. This forces E-commerce enabled companies to produce paper and undermines the concept of paperless trading.

E-Commerce Law

Ethiopia drafts E-commerce law on February 2012, the law is being drafted with the help of consultants to regulate the developing E-commerce industry in Ethiopia. Since critical information is being transmitted via the internet it is possible it may hindered by legal obstacles,

or by uncertainty of their legal effect or validity. As noted by UNECA, the main objective of the consultancy was to support Ethiopia's initiative to create conducive e-commerce environment with aim to:

- Enable and facilitate the use of electronic commerce by individuals and businesses, essential for the efficiency in the international trade.
- Build consumer confidence and trust for the fullest economic and social benefits to flow from E-Commerce.
- Advance the acceptance of e-Commerce across regions and sectors in Ethiopia.

Improve the e-Commerce capabilities of businesses.

- To give individual users of electronic commerce advice in the drafting of contractual solutions that are needed to overcome the legal obstacles associated with increased use of electronic commerce.
- Assist the government in enacting legislation governing the use of alternative to paper-based methods of communication and storage of legally relevant/binding/significant information.

It is known e-Commerce is liable to raise issues like security, dispute settlement, commercial trust and legal validity,” however, “Electronic commerce plays a significant role in the development and economic growth of countries as well being a benefit for people applying technology in their daily life. Although the E-Commerce law sounds like a beneficial move to Ethiopia and its business sectors, other experts remain skeptical. Experts say the country has an unskilled labor force, limited access to technology or computers and an existing customs policy all problems when conducting an effective business strategy through electronic communications. Technology (ICT). Moreover, business must be transparent, legal and reliable in order to pass information consistently. However, according to Market, the ministry is aware of the challenges associated with the absence of a regulatory framework which in return has limited the promotion and implementation of an E-Commerce system.

4.4 Opportunities of E-Commerce

Table 4.4: Distribution of Respondents' Ratings on Opportunities of E-Commerce

Item	SA (1)	D (2)	N (3)	A (4)	SD (5)	Total
Legislation and regulation are drivers to e-commerce	4 (3.7%)	3 (2.8%)	15 (13.9%)	61 (56.5%)	25 (23.1%)	108
Governments always play an important role in economic development	2 (1.9%)	14 (13.0%)	13 (12.0%)	53 (49.1%)	26 (24.1%)	108
Adoption of e-commerce will result in a significant reduction of costs	1 (0.9%)	10 (9.3%)	10 (9.3%)	38 (35.2%)	49 (45.4%)	108
E-commerce services will bring an opportunity to	1 (0.9%)	6 (5.6%)	8 (7.4%)	52 (48.1%)	41 (38.0%)	108
creating new Technology	0 (0.0%)	2 (1.9%)	5 (4.6%)	52 (48.1%)	49 (45.4%)	108
ICT infrastructure, create e-	0 (0.0%)	2 (1.9%)	9 (8.3%)	46 (42.6%)	51 (47.2%)	108

Having a e-payment system will encourage people to do	2 (1.9%)	4 (3.7%)	12 (11.1%)	48 (44.4%)	42 (38.9%)	108
Traditional businesses and e-commerce businesses could work together	7 (6.5%)	10 (9.3%)	8 (7.4%)	53 (49.1%)	30 (27.8%)	108
Employment, Lack of skilled workers to handle/maintain E-commerce system	19 (17.6%)	16 (14.8%)	13 (12.0%)	32 (29.6%)	28 (25.9%)	108
The degree of the opportunity of E-commerce	0 (0.0%)	2 (1.9%)	13 (12.0%)	59 (54.6%)	34 (31.5%)	108
Advisor or training of e-commerce, will help start selling products	0 (0.0%)	0 (0.0%)	4 (3.7%)	45 (41.7%)	59 (54.6%)	108
Privacy and security	0 (nan%)	0 (nan%)	0 (nan%)	0 (nan%)	0 (nan%)	0
Minimizing	6 (5.6%)	13	5 (4.6%)	44	40	108

challenges of users on line		(12.0%)		(40.7%)	(37.0%)	
E-commerce help in providing paid work from home,	0 (0.0%)	17 (15.7%)	6 (5.6%)	40 (37.0%)	45 (41.7%)	108
would you take the advantage of using your businesses online	0 (0.0%)	7 (6.5%)	8 (7.4%)	56 (51.9%)	37 (34.3%)	108
E-commerce service	0 (nan%)	0 (nan%)	0 (nan%)	0 (nan%)	0 (nan%)	0
E-commerce services will bring an opportunity existing Ethiopian business	8 (7.4%)	13 (12.0%)	6 (5.6%)	52 (48.1%)	29 (26.9%)	108
E-commerce competition	7 (6.5%)	13 (12.0%)	18 (16.7%)	40 (37.0%)	30 (27.8%)	108
E-commerce technology result make it faster to economic	1 (0.9%)	2 (1.9%)	7 (6.5%)	33 (30.6%)	65 (60.2%)	108

This section reflects participant optimism about the broader economic and institutional potential of E-commerce, despite current challenges.

Items such as E-commerce training, integration with traditional business, and government support received over 60% positive response. International market access showed lower agreement and high disagreement (e.g., 60% SD), suggesting that export logistics, language, and international regulations remain barriers. High agreement on policy and ICT infrastructure items indicates belief that with strong national alignment, E-commerce can thrive. Cultural factors were also viewed positively for increasing female participation and inclusive.

Respondents believe that E-commerce has the potential to modernize economies, foster innovation, and build competitive local markets — but success is contingent on addressing both hard (infrastructure) and soft (education, policy) conditions. This reflects a strategic opportunity zone, where the right interventions could create both economic uplift and employment growth.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

Due to a pervasive and steady growth of information and communication technology, government policies in opening its economy for foreign investments, globalization and increasing awareness and trust in technologies by the community at large is crucial, E-commerce has become a buzzword for

companies over a couple of years with increased awareness about the use of computers and the Internet.

In the current scenario throughout the world, the World Wide Web is playing a very great role in carrying out business transactions. In future business to consumer movement is the main area of electronic commerce activity. This covers everything from established communications between retailers, their suppliers to end-users, the electronic banking payment systems through to the new Internet-based catalogue systems. In the future, most of the population will carry out an ever-increasing number of business communications on-line. Companies who apply solutions to carry

out business online will stay aggressive and approachable in this evolving market place.

In this paper, an attempt has been made to assess the current practices and existing challenges on E-commerce in case of Addis Ababa. The researcher tried to identify the major challenge and Practice in Addis Ababa, Ethiopia to adopt Electronic commerce.

This study shows that advantage in Electronic

commerce brings the benefits of product promotion, cost saving, timely information, and shortened remittance time, information consistency, better customer service, and better customer relationships, customization of products, competitive advantages, and convenience of doing business. In this study, The researcher evaluated the current status of E-commerce in Addis Ababa. Electronic commerce is not being fully utilized and much needs to be done to rightfully take advantage of it.

The ICT infrastructure in Ethiopia as a facilitator of e-commerce is still characterized by low penetration and high cost of internet services,

government monopoly of the telecom sector even if allowed Safari com to enter government still needs to allow more telecom companies to enter into the markets, shortage skilled human resource development, , lack of a suitable legal and regulatory framework for E-commerce are the challenges for the development of E-commerce in Addis Ababa, Ethiopia. As E-commerce continues to gain popularity across the world, more effort needs to be

paid towards facilitating flawless delivery to customers. Once Ethiopian government continues to ensure the availability of internet access and legal framework on E-commerce, the benefits of e-commerce to small-medium scale enterprises will be enormous since it helps them reduce initial

and running costs. The success of e-commerce will depend on to what length governments are enthusiastic to go in building a national strategy and the business organizations also should come forward and grab the

opportunities. More importantly, Ethiopians should be sensitized on the advantages of online shopping and how it would not only help improve their lives but also reduce the rate of unemployment. In this thesis the problem of , e-commerce had been thoroughly explored, a review of the related literature, reports of the different institution and statistical data,

in addition to questionnaires, was carried out. These literature review findings show that certainly, ICT, online payment system and E-commerce practice in case of Addis Ababa, Ethiopia are at infant level development. With the direction of the growth of electronic commerce accelerating growth and entering the world economy, as one of the most important features of the

modern digital economy, enterprises in Ethiopia are still on the introductory part of E-commerce adoption, and despite the benefits E-commerce offer. Although companies perceived that, electronic commerce as a way of doing business has significant advantages; over the traditional business.

In general, all immediate need to embark on capacity building by modernizing the banking system .the current banking system is short of

providing efficient and dependable services and therefore all banks operating in Ethiopia should recognize the need for introducing electronic banking system to satisfy their customers and meet customer expectation.

increased international trades and international relations is also mandatory

To rapidly expanding domestic and international trades and increasing

international banking services. Low level of internet penetration and poorly developed telecommunication infrastructure, lack of suitable legal and regulatory framework for e-commerce and e-payment, high rates of illiteracy, unreasonable cost of Internet, absence of financial networks that links different banks, lack of reliable power supply, and Cyber security issues are the most challenges that have been found in this thesis, so what is stated on the recommendation part of the paper should be implemented .

5.2 CONCLUSION

This study has highlighted several challenges and practices associated with the adoption of E-Commerce in Addis Ababa. few of the challenges that are addressed on this study are :-

Underdeveloped Infrastructure: The lack of reliable internet connectivity and inadequate telecommunications infrastructure significantly limits the accessibility and efficiency of e-commerce operations. Many areas still experience slow internet speeds and frequent outages. **High Costs of Internet Services:** The high cost of internet access can deter both consumers and businesses from fully engaging in e-commerce. This limits the potential market size and reduces the number of participants in the online marketplace. **Limited Digital Literacy:** A significant portion of the population lacks the necessary digital skills to navigate e-commerce platforms effectively. This digital divide can prevent potential customers from participating in online shopping. **Regulatory Challenges:** The absence of a comprehensive legal and regulatory framework for e-commerce creates

uncertainty for businesses. Issues related to data protection, online payments, and consumer rights are often not well-defined, leading to potential risks for both consumers and businesses.

Payment System Limitations: The e-commerce landscape is hampered by a lack of diverse and secure online payment options. Many consumers prefer cash transactions due to concerns about online fraud and the limited availability of electronic payment systems. **Logistics and Delivery Challenges:** Efficient logistics and delivery systems are crucial for e-commerce success. However, inadequate transportation infrastructure, unreliable delivery services, and high shipping costs can pose significant challenges for businesses trying to fulfill orders.

Cultural Resistance: There may be cultural resistance to adopting e-commerce, with many consumers preferring traditional shopping methods. Building trust in online transactions is essential for increasing consumer acceptance of e-commerce. **Lack of Awareness and Understanding:** Many businesses and consumers are still unfamiliar with e-commerce concepts, which can lead to hesitation in adopting these technologies. Education and awareness campaigns are necessary to promote understanding of the benefits of e-commerce. **Security Concerns:** Concerns about cybersecurity and online fraud can deter consumers from making purchases online. Building trust through secure payment systems and robust customer protection measures is essential for fostering a safe e-commerce environment.

Addressing these challenges will require collaborative efforts from government, private sector stakeholders, educational institutions, and civil society to create a conducive environment for the growth of e-commerce in Addis Ababa and Ethiopia as a whole.

Regarding the current practice of E-commerce in Addis Ababa the study has come up with few findings

E-commerce in Addis Ababa, Ethiopia, is evolving rapidly, influenced by technological advancements, changing consumer behaviors, and an expanding digital infrastructure. Here are some prevalent practices of e-commerce in the city:

Online Marketplaces: Various online platforms have emerged, allowing sellers to list their products and reach a broader audience. Platforms like Jumia, Addis Mercato, and others enable local vendors to sell goods ranging from electronics to clothing.

Mobile Commerce (M-commerce): With the high penetration of mobile phones, many consumers prefer shopping through mobile apps. Businesses are optimizing their websites and services for mobile users, facilitating easier access and transactions.

Social Media Selling: Many businesses leverage social media platforms like Facebook and Telegram to market their products and engage with customers. Social media is used not only for advertising but also for direct sales through features like Facebook ,telegram Shops.

Local Delivery Services: To cater to the growing demand for convenience, several e-commerce businesses partner with local delivery services or develop their own logistics solutions to ensure timely delivery of products to customers' doorsteps.

Cash on Delivery (CoD): Given the limited use of credit cards and online payment systems, cash on delivery remains a popular payment method in Addis Ababa. E-commerce platforms often offer this option to build trust with consumers.

Digital Payment Solutions: While cash on delivery is common, there is a gradual shift towards digital payment methods such as mobile wallets (e.g., M-Birr, HelloCash) and online banking. E-commerce businesses are increasingly integrating these payment options.

Customer Engagement and Feedback: E-commerce businesses are increasingly focusing on customer service, utilizing chatbots and customer support teams to handle inquiries and complaints. Gathering customer feedback is also crucial for improving services.

Promotions and Discounts: To attract customers, many e-commerce platforms offer promotional campaigns, discounts, and flash sales. Seasonal sales during holidays or festivals are common practices to boost sales.

Partnerships and Collaborations: E-commerce platforms often collaborate with local businesses and suppliers to expand their product offerings and enhance their supply chain.

Sustainability Practices: Some e-commerce businesses are adopting sustainable practices by promoting eco-friendly products or using sustainable packaging, responding to the global trend towards environmental consciousness.

Inventory

Management Systems: Businesses are increasingly utilizing technology for inventory management to ensure they can meet customer demand without overstocking or running out of popular items.

User Experience Optimization: As e-commerce continues to grow in Addis Ababa, these practices will likely evolve further, driven by technological advancements and changing consumer expectations.

5.3 Recommendation

In this paper an attempt has been made to study mainly challenges and practice of e-commerce in Addis Ababa .in general the concept of E-commerce has been thoroughly explored a review of the related literature, reports, journal, article reviews in addition to questioner was carried out.

Promoting female participation implement targeted programs that encourage women's involvement in E-commerce through training, mentor ship and access to resources.

Invest in infrastructure by Allocating resource to improve technological infrastructure such as internet access and logistic networks to support E- commerce growth .To facilitate efficient delivery systems which are crucial for E-commerce success .This include investing in transportation and ware housing solutions .Internet access particularly in rural or underserved areas ensuring that all potential entrepreneurs have access to the necessary tools for E- commerce.

Enhance education and training develop ;educational initiatives focused on digital skills and entrepreneurship to prepare the workforce of opportunities in E-commerce .This should encompass not only technical skills but also business management and customer service training .Integrate entrepreneurship education in to school curriculum to inspire young people especially girls to consider starting their own business.

Policy development advocate for policies that promote inclusive in the digital economy ensuring that regulatory frameworks support both innovation and equitable access. Creating supportive business environment it develop policies that encourage innovation and reduce barrier for small business entering the E- commerce space, hence Ethiopia

has to adapt E- commerce policies and regulations to the rapid change in technology and market structure.

Foster local innovation encourage partnership between local business educational institution and Government agencies to create an ecosystem that support innovation and competitive markets .Partnership encourage collaborations between local business, educational institution and government.

In general, E-commerce should have a feature of User-Friendly Interface. A simple design can enhance the shopping experience. Mobile Compatibility: Ensure the platform is mobile-friendly. Payment Options: Choosing a platform that supports multiple payment methods, including credit cards, PayPal, and other digital wallets, to accommodate different customer preferences. Security Features: Prioritize platforms with strong security measures to protect customer data and transactions. Customer Support: Opt for a platform that offers reliable customer support, including live chat, email, or phone assistance. By focusing on these area stakeholders can support the potential of E- commerce to drive economic uplift while promoting inclusive and diversity.

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Appendix

Appendix A: Questionnaire

St. MARY UNIVERSITY

MASTERS OF BUSINESS ADMINISTRATION GRADUATE PROGRAM

(MBA GENERAL)

Part I: Introduction

Dear Respondents,

First of all, I would like to forward my heartfelt gratitude for administering this questionnaire honestly and responsibly. The questionnaire is designed to collect the necessary information to undertake a research on “Assessment on the Practice and challenge of E-commerce in Addis Ababa” For the partial fulfillment of the requirements of the degree of Masters of Business Administration.

This questionnaire contains 7 pages that will be expected to take approximately 10 to 15 minutes to complete. Please provide your responses to the questions based on the instructions under each section. If you have comments or if you want to provide further explanations, please use the space provided at the end of the questionnaire.

Therefore, your genuine, frank and timely responses are quite vital to determine the success of this study. So, I kindly request your contribution in filling the questionnaire honestly and responsibly.

Finally, I would like to confirm you that all the information you provide in this Questionnaire will be strictly confidential and will exclusively be used for academic research purpose.

Personal Information

1 Gender

☐ Female

☐ Male

2 Which category below includes your age?

☐ 18 and above

☐ 30-39

☐ 40-49

☐ 50-59

☐ 60 and above

3 Which of the following best describe your employment status?

☐ Employed

☐ Un employed

☐ Entrepreneur

☐ Retired

Other.....

4 What is the highest level of education you attend?

☐ Primary education

☐ secondary education

☐ Diploma

☐ Bachelor degree

5 Benefit of E-commerce

Please tick/select in the following table or indicate

Statements	Strongly Disagree	Disagree	Strongly Agree	Agree	Neutral
Reducing Travel Time and Cost					
reducing errors Improving transaction speeds					
reduced paper work					
Improving quality					
Potential to Increase Company Profits					
Improved customer service					
Overcome geographical limitations					
Providing up-to-date information					
Encourages price transparency					

Remain open all the time					
Provide Comparison Shopping					
Quality of information flow					

6 Challenges of E-commerce

Please tick/select in the following table or indicate

Statements	Strongly Disagree	Disagree	Strongly Agree	Agree	Neutral
Lack of e-payment systems.					
The government is not playing an important role in e-commerce development.					
Lack of skilled workers to handle or maintain e-commerce system.					
Low internet penetration and internet access.					
Computer technology not widely used.					
Frequent power disruption.					
Relatively high cost of internet.					

Lack of adequate banking infrastructure and service to facilitate e-commerce.					
Lack of confidence in after sales service.					
Lack of competition.					
High rate of illiteracy of customers.					
English language is challenge to use for on line shopping.					
Customer awareness level is low.					

7 Opportunity of E-commerce

Please tick/select in the following table or indicate.

Statements	Strongly Disagree	Disagree	Strongly Agree	Agree	Neutral
Legislation and regulation are drivers to e commerce					

Governments always play an important role in economic development					
adoption of e-commerce will result in a significant reduction of costs and providing a variety of products from all over the world					
E-commerce services will bring an opportunity to full scale adoption of e-commerce with existing Ethiopian business environment .					
Adopting e-commerce technology may result in creating new job opportunities and encourage employment education and gaining new skills					
ICT infrastructure, create e-commerce opportunities					
Having a e-payment system will encourage people to do business in Ethiopia and speed up transactions and other banking activities as well as providing new opportunities to businesses to provide online services					
Traditional businesses and e-commerce businesses could work together					
Employment, Lack of skilled workers to handle/maintain E-commerce system					

The degree of the opportunity of E-Commerce application to undertake trading activity					
advisor or training of e-commerce, will help start selling products on the Internet					
Privacy and security					
Minimizing challenges will increase the interest of users on line					
E-commerce with a country's culture and religion could help in providing paid work from home, keeping with culture, tradition and values.					
If you are provided regardless of the discussed points would you take the advantage of using your businesses online?					
E-commerce service					
Do you observe opportunity as to enabling environment for ICT and e-commerce in the current Ethiopian socio, economic, political and business environment					
E-commerce services will bring an opportunity to full scale adoption of e-commerce with existing Ethiopian business environment					

E-commerce competition could drive the economic development of a country by providing cheaper products and services					
E-commerce technology result make it faster to economic development					

8. Do you think that the government of Ethiopia is doing its enough to promote e-commerce?

.....
.....

9. If your answer is NO for the above question. what should the government do to improve e-commerce in Addis Ababa?

.....
.....

10 what do you think is the current situation of Ethiopian in the e-commerce market?

.....

11. Finally, if you would like to add any comments on E-commerce practices and challenges in Addis Ababa please comment below.

.....
.....
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