EFFECTS OF E-COMMERCE ON BUSINESS PROFITABILITY IN THE COMMUNICATION SECTOR IN KENYA: A CASE OF SELECTED COMPANIES IN NAIROBI COUNTY

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DECLARATION

This research report is my original work and has not been presented for a degree or course in any other institution.

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Selling and buying through electronic media is one of the fastest growing methods of trading worldwide. Organizations are engaging in Business to business (B2B) trading where companies trade and exchange information using the World Wide Web. Organizations and consumers are transacting through Business to consumer (B2C) or Consumer to Consumer (C2C) where companies deal directly with customers through electronic media e.g. web pages where ordering is carried out online. This study sought to determine the effect of e-commerce on business profitability in the communication sector. The population of the study was 218 firms as listed by CCK. The data was gathered using a questionnaire and this analyzed using a combination of descriptive, inferential and relational statistics. The findings of the study indicate that e-commerce leads to an increase in turnover and customers which ultimately leads to an increase in profitability. Further the studies pointed out that focus on having an online presence, online lead generation and online sales led to increased business profitability. This information is useful to both the Government and businesses keen on adopting e-commerce. The study further recommends faster adoption of 4G network and also laying of sea cables to make internet charges competitive and affordable to both businesses and consumers.