

## Consumer Trust and Online Payment Options: Determinants of E-Commerce in the Least Developed Countries

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**Abstract :** Selling through the Internet is changing the norms of doing business globally. Today, selling and buying from the Internet is not only an option but the dominant form of shopping. But, this phenomenon is not thriving in the developing countries, mainly in Africa. Therefore, although previous studies focused on the e-retailers' side, this study investigates the effect of consumer trust and online payment options on the awareness and perception of e-commerce in Africa. We developed a five-construct model and empirically tested the model by targeting professionals and college students who reside in Somalia. We employed structural equation modeling (SEM) technique for path analysis to probe answers for the variables under study. The main findings of the study show that there is significant evidence that online payment option impacts both the awareness level and perception of e-commerce in Somalia. Consumer trust was also found to determine both the awareness and perception of online shopping in the country. Moreover, the current global payment options available ignore local technologies popular in Africa. For example, the inclusion of a mobile payment option alone would make a big difference in Africa. The paper also determined that consumer trust toward online retailers is very low and this can be solved if consumers are given assurances for their financial transactions. The paper concludes that increased online payment options are needed in Somalia and, in Africa, in general. Limitations and further research suggestions are also included at the end of this paper.

**Keywords :** Africa, consumer trust, e-commerce, online payment

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