

**INFLUENCE OF BRAND EQUITY ON CONSUMER PURCHASE
CHOICES AMONG PAY TV SUBSCRIBERS IN NAIROBI, KENYA**

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DECLARATION

This research project is my original work and has not been presented for award of any degree in any university.

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This research project has been submitted for examination with my approval as the University Supervisor

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DEDICATION

To my dad the late Peter Andai, fondly remembered, always loved.

To my mum Pricilla Musanga Andai - Thank you for your unwavering support, wise counsel and prayers. May God bless you abundantly.

ACKNOWLEDGEMENTS

I take this opportunity to thank the Almighty God for his faithfulness in my life and throughout this project.

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To all those who assisted me in one way or the other during this research, I appreciate.

ABSTRACT

The competitive potential of any company is significantly influenced by the brands held in the company's portfolio. To firms, strong brands create competitive advantage, customer loyalty and attract premium prices for its products thus increasing profit margins. Consumers benefit from the added value that strong brands provide, leading to satisfaction, loyalty and re-purchases. This study was conducted to determine the influence of brand equity on consumer purchase choices among pay TV subscribers in Nairobi. The study adopted the Aaker (1996) brand equity model to determine the influence of brand awareness, association, perceived quality and loyalty on purchase choices among pay TV subscribers in Nairobi. The population of interest was pay TV subscribers drawn from two main strata in Nairobi CBD. The study employed cross-sectional design. Primary data was collected using structured questionnaires administered to 100 pay TV subscribers of DSTV, Go TV, Startimes, Zuku and Azam. Data was analyzed using descriptive statistics in form of frequencies and percentages. Pearson correlation was used to test association among variables and regression analysis was used to determine the relationship between dependent variable and independent variables. The study revealed that brand equity influenced consumer purchase choices among pay TV subscribers. The findings also revealed that among the brand equity properties, perceived quality had the highest influence on purchase choices, in addition, there was a significant relationship between brand equity properties and purchase choices among pay TV subscribers, $F=13.360$ $p=0.000<0.05$. The researcher recommended that in order to strengthen brand equity, pay TV service providers need to improve on all dimensions of brand equity. Pay TV service providers also need to pay more attention to subscribers' concerns regarding TV content, customer service efficiency as well as consistency in service provision. On the basis of the study, further studies can be carried out on individual pay TV service providers, since different providers have positioned and packaged their services differently hence factors influencing purchase may be varied.

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LIST OF ABBREVIATIONS

ADN	Africa Data Network
ANOVA	Analysis of Variance
BAV	Brand Valuator Model
CAK	Communications Authority of Kenya
CBBE	Consumer Based Brand Equity
CBD	Central Business District
DSTV	Digital Satellite Television
DTB	Digital Television Broadcasting
DVB-T2	Digital Video Broadcasting Technologies, Generation 2
FMCG	Fast Moving Consumer Goods
FTA	Free To Air
ITU	International Telecommunications Union
SPSS	Statistical Package for the Social Sciences
STB	Set Top Box
TV	Television
Y&R	Young and Rubicam

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Branding is an integral part in any marketing strategy. For many companies, their competitive prospects largely depend on the brands that they hold in their portfolio. The centrality of marketing activities largely relies on sound development and implementation of marketing strategies which includes building and maintaining brands. Strong brands act as a signal of quality, they also increase leverage with channel partners, attract pricing premium over competitors and improve customer loyalty and retention. Even with strong brands, the business environment is time and again affected by both internal and external factors. While internal factors can be moderated by the companies, external changes force businesses, firms and industries to make certain adjustments. These factors may be political, economic, social, technological, environmental and legislative - they are dynamic and thus result to changes in the market and businesses globally.

The study of branding has been based on different theoretical mechanisms and perspectives. According to Keller (2002) “consumer, psychology, economics or biology” are the main streams of academic research used in conceptualization of brand equity. Several brand equity researches have relied on numerous concepts and principles from these three approaches in developing models of consumer related decisions. Some of the models include Brand Asset Valuator (BAV) model, Consumer-Based Brand Equity (CBBE) model and Five Asset model of brand equity.

In Kenya digital television broadcast operates under two categories namely: Free to Air (FTA), in which viewers can watch local TV programs for free; and Pay TV where viewership attracts a monthly subscription. The Pay TV market is dominated by three major brands; DSTV, Startimes and Zuku. There are also other emerging pay TV service providers such as Azam TV among others. The advent of digital migration resulted in stiff competition and vigorous marketing strategies amongst Pay TV service providers, in bid to retain customers, attract more and stand out as the best brands.

1.1.1 Brand Equity Concept

Brand equity encapsulates a situation whereby a consumer is cognizant of a brand and has recollection of its positive, robust and exceptional aspects. The consumer is also able to make distinctions between their preferred brand and others, this influences how he or she responds to marketing of the brand (Keller, 1993). According to Aaker (1996) brand equity is a set of assets and liabilities that add to (or subtract from) the value provided by a product or service to a firm and/or the firm's customers. These assets include brand awareness, association, perceived quality and brand association. To manage brands properly, Keller (2002) emphasizes that marketers need to clearly comprehend the value and aspects of their brands "what makes them tick and what they are worth" as well as how they will measure and conduct valuation of brand equity at customer, product and financial levels. Most brand equity studies have been done for two main reasons one being the financial aspect and the other, for strategy motivation and improvement marketing productivity. As a result marketers need a better understanding of consumer behaviour (Keller, 2002). The importance of brand equity is underscored by different authors and scholars. Aaker (1991) states that its importance is based on value addition to both firms as well as customers.

1.1.2 Concept of Consumer Behaviour

Consumer behavior is demonstrated when individuals search, purchase, use and evaluate and goods and services (Shiffman and Kanuk, 2007). A similar assertion stated by Solomon (2006) explains consumer behaviour as a process that individuals or groups of people go through when they choose, buy and dispose of products. Survival of firms largely relies on in-depth understanding of the consumer. Given the current competitive business environment, producers have been forced to produce goods with the customer needs in mind. They also consider the processes involved in consumer decision making process. In the marketing context, the term 'consumer buying' means the purchasing act as well as activities that that go along with pre purchase and post purchase activities.

Consumer purchasing decision involves five stages. According to (Engel et al, 1995) these stages are; need recognition, research, evaluation of other similar products, decision to purchase and after purchase decisions. A deeper knowledge of consumer behavior

helps marketers understand why and how consumers buy certain brands and how those decisions are shaped by their environment. In addition to consumer decision making process, a marketer also needs understand the dynamics that affect the way individuals and groups buy goods and services.

1.1.3 Overview of Pay TV Service Providers in Kenya

Technological advancement in the broadcast media sector necessitated digital migration. Kenya migrated from analogue to digital television broadcasting technology in February 2015 in compliance with the world digital migration deadline of 17th June 2015, set by the International Telecommunications Union (ITU), to which Kenya is a signatory. As a result, all households that can access television are doing so on digital platform. Analogue technology required large amounts of bandwidth to transmit picture and sound, whereas digital signals require much less bandwidth and can carry more content, provide better quality pictures and sound as well as improved interactive applications (www.digitalkenya.go.ke).

There are two categories of digital TV operators namely; Pay TV and Free to Air (FTA). Pay TV operators are service provider brands that provide television broadcast services with offerings of local programs and international packages of entertainment, news and sports at a premium rate. The market leaders include South African company Multichoice Limited which owns Digital Satellite Television (DSTV) and Go TV, Chinese owned Startimes and Wananchi Limited which owns ZUKU brand. Free to Air operators on the other hand are suppliers who sell different models of digital decoders or Set Top Boxes (STB's) which are also referred to as Digital Video Broadcasting Second Generation Terrestrial (DVB-T2). FTA decoders allow customers to access to an array of local TV programs as well a few regional and international ones at no monthly subscription. FTA decoder models include Africa Data Network (ADN), Samutech and Hotpoint among others.

Nairobi's population stands at 3,138,369 million (Kenya Census report 2009). An estimated 1.2 million households in Nairobi County and its environs had analogue TV sets and 566,000 of those households had access to digital channels (Infotrack Digital Migration Survey Report, 2013). Communications Authority of Kenya press release as at

February, 2015 indicated that DSTV had 600,000 subscribers while StarTimes had 272,594 subscribers in Nairobi (Business Daily, 2015).

1.2 Research Problem

Brand equity plays a very significant role on consumer purchase decisions. Marketers purpose to increase levels of brand equity of their products. This is because the increase influences consumer preferences as well as intentions to purchase products and services (Cobb-Walgren et al., 1995). Brand equity properties influence purchases in various ways. According to Hoyer and Brown (1990) brand awareness significantly influences selection of products, as awareness of a product elicits the foremost consideration when consumers decide to purchase a product. Brand association on the other hand helps consumers in processing and retrieving of information about a brand. Consumers who have associations with a particular brand would have positive attitudes about it and a reason to buy (Aaker, 1991). The manner in which buyers perceive brands give them validation to buy. Equipped with brand knowledge buyers are capable of distinguishing their favourite brands if presented with varieties notwithstanding how much they cost (Aaker, 1991).

In Kenya digitization of broadcast media prompted expansion and competition in the pay TV market. Pay TV service providers are therefore leveraging their brands, enhancing marketing strategies and providing an array of products and services in order to retain customers and attract more. As a result, there is a steady increase of pay TV consumers and stiff competition among operators. Previous studies on brand equity have been conducted both locally and internationally. Some of these studies focused on brand equity impact on Fast Moving Consumer Goods (FMCG), variety of products and services as well as organizations and firms. Some studies also investigated the impact of individual brand equity properties such as awareness or loyalty on consumer behavior. Macdonald and Sharp (2000) investigated how brand awareness affects buyer decisions focusing on common products among Australian undergraduate students. The Macdonald and Sharp (2000) study was similar to a previous one done by Hoyer and Brown (1990), but with a different product category (orange cordial drinks) and a bigger sample. The study revealed that brand awareness is significant in explaining routine buying patterns. In

addition, consumers maintained particular brand repertoires or selections from which a choice is made. Eser., et al, (2012) studied consumer-based brand equity in the television industry, focusing on Kanal B, a Television channel in Turkey and concluded that the TV channel needed to put more efforts on their branding strategies in order to improve the company's brand equity, further recommending that management needed to improve on brand equity dimensions.

Locally, Ogonje (2010) did a study on factors influencing perceptions of brand equity of liquid food packages among consumers in Nairobi's Buruburu area and recommended that brand equity properties should be the main facets used by any company or players in the liquid food packaging industry for success in brand equity management. Ngigi (2013) focused on service quality and performance of Pay TV services and confined the study to Zuku Company Limited. The researcher recommended that the Pay TV service provider reinforce all service quality dimensions for increased customer satisfaction.

While there are existing studies on brand equity, previous studies did not address brand equity in the context of Pay TV subscribers. In Kenya the growth of pay TV - both service providers and subscribers is largely attributed to digital migration which the Kenyan government implemented in February 2015. Digital migration in Kenya is a fairly recent development hence the limited brand equity studies in the in the pay TV context. This research sought to fill that gap by determining the influence of brand equity on consumer behavior, by attempting to answer the question, what is the influence of brand equity on consumer purchase choices among pay TV subscribers in Nairobi?

1.3 Objectives of the study

The main objective was to determine the influence of brand equity on consumer purchase choices among Pay TV subscribers in Nairobi. Specific objectives were to:

- i Establish the level of brand awareness and perceived quality on consumer purchase choices among pay TV subscribers in Nairobi.
- ii Determine the extent of brand association on consumer purchase choices among pay TV subscribers in Nairobi.

- iii Establish the level of brand loyalty on consumer purchase choices among pay TV subscribers in Nairobi.

1.4 Value of the study

Study results will contribute to the body of knowledge as an addition to existing literature on brand equity, consumer behavior and the pay TV market. This study will also provide information to researchers who would like to advance similar studies, use it as a source of reference or gap identification.

In practice this study will benefit marketers and brand strategists in the competitive pay TV sector by giving them better perspective of their brands from the consumer point of view. This information can be used to evaluate their brands, reinforce and/or build corrective strategies where necessary.

Findings of this study will also provide insights on brand equity and consumer behaviour to potential investors in Pay TV market. Policy makers and government departments charged with policy formulation, regulation and licensing of Pay TV service providers will also gain insights from this inquiry.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter explored theoretical review of brand equity and related literature published in the areas of brand equity properties and measurement, consumer behaviour and decision making process.

2.2 Theoretical Perspective of the Study

Different models have been used to explain brand equity. This study discussed Brand Asset Valuation (BAV) model, Consumer-Based Brand Equity model (CBBE) and Five Asset Brand Equity model.

2.2.1 Brand Asset Valuator (BAV)

Young and Rubicam (Y&R), an advertising company advanced brand equity model named Brand Asset Valuator (BAV). This model is built on the premise that customers' perceptions regarding universal brand characteristics can be used to determinate brand value. Brand Asset Valuation (BAV) model illustrates the evolving relationship between a brand and consumers. This relationship is built on four pillars, namely; differentiation, relevance, esteem and knowledge. Each pillar is formed and measured on the basis of different aspects of consumer perceptions about the brand. Collectively the pillars form the progression of development of a brand (Balbaki, 2012).

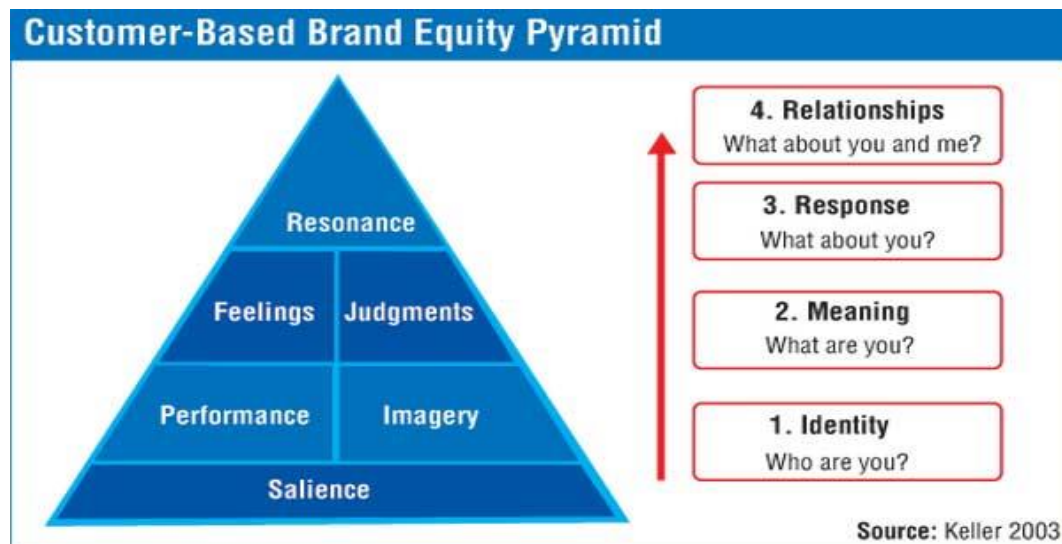
Differentiation relates to how distinct a brand is, how it is different from other brands. Such a brand should be unique that it cannot be confused with competitors' brands. Relevance is the perceived value and the ability of a brand's appropriateness to the user, while Esteem is brand likeability and how much it is respected. Knowledge entails how much is known about a brand that is, the awareness and familiarity levels of a brand among consumers. These four dimensions create a "pillar pattern" which can be used as an important analytical tool to determine the "brand's health" during its development stage, its capability to command a premium price and "fend off competitors" (Balbaki, 2012). According to Keller (2002) differentiation and relevance are two dimensions which form brand vitality or strength, while esteem and knowledge dimensions constitute to brand stature. A brand's growth depends on its stature for current growth and vitality for its future prospects.

2.2.2 Consumer Based Brand Equity (CBBE) Model

Keller (1998) used CBBE model to explain brand equity through the consumer angle. The CBBE model identifies four steps which are basically questions that customers ask when using or experiencing a brand. The steps are brand identity, brand meaning, brand responses and brand relationships. These steps are also referred to as the “branding ladder” and are further unbundled into six blocks or “brand building blocks” and together they form a pyramid structure (Keller, 1998).

Brand salience, the first building block of the brand pyramid relates to how familiar consumers are with a brand. Brand performance which is the second building block, refers to the level or degree to which a brand meets its intended purpose or the functional needs of a consumer. Imagery is the third block and has to do with the satisfaction of customer’s psychological needs, while judgments relate to how consumers think about a brand. Next, is brand feelings which relates to how the customers feel and react towards a brand. The final building block is brand resonance. It is the relationship or connection that customers develop with a brand and is the highest level of brand equity. Consumers attain brand resonance when they are fully aware of the brand and have positive attachments (Keller, 2002).

Figure 2.1: Keller’s Customer Based Brand Equity Model



Source: Keller, K. L (2003) Strategic Brand Management. Prentice Hall

2.2.3 Five Asset Model of Brand Equity

Brand equity comprises five properties namely; awareness, association, perceived quality, loyalty and proprietary assets such as patents and trademarks (Aaker,1992). Brand awareness is the capability of a prospective buyer to identify or remember a brand that belongs to a particular class of product, while association is the strength of brand name and can be measured by how consumers are familiar and “like” the brand. Association is also indicative of brand commitment and consideration during purchases. Perceived quality is the degree to which a brand is viewed as one to provide quality whereas brand loyalty is the degree to which people are dedicated to a brand. For firms, the hallmarks of loyalty to brands include trade leverage, reduced costs in marketing efforts and influx of new customers. Proprietary brand dimensions such as patents and trademarks are essential in sustaining the firm’s competitive edge and customer loyalty. Aaker (1992) asserts that the five assets model demonstrates that brand equity accords worth to the company and customer. In addition, customer value is significant for company’s value.

2.3 Brand Equity Properties and Consumer Buying Behaviour

Consumer buying behaviour is the user’s or buyer’s purchasing habits. Users are consumers that buy products and services for personal or household use (Pride & Ferrel, 1997). Awareness of a brand aids the consumer to link its proprietary assets such as brand name and logo to the association they attach with it. Brand awareness has three categories namely; “recognition, recall and top-of-mind” (Keller, 1998). The first which is recognition entails familiarity towards a brand. Recognition could be due to an earlier exposure to the brand. This happens when a consumer is able to remember and identify a brand among other similar brands. The second, brand recall regards to a brand that comes to mind at the mention of its product category. This happens in the absence of any cues. The last category which is top-of-mind relates to the brand that comes in mind whenever the product class is mentioned. It is also the highest awareness level (Keller 1998). More often than not brand awareness is often overlooked thus (Aaker, 1996) suggests that firms should continuously create visibility and awareness for their brands as well as memorable buying experiences for consumers.

Brand association is a representation of the cues and signals that a consumer links to a brand when exposed to it. Keller (2003) states that a brand's influence "resides in the minds of the customer" further adding that brand associations can be created, reinforced or changed when consumers experience or use the brands. Therefore associations will elicit favourable effects on brand equity if they are strong and unique. Keller (2003) identifies three types of association as attributes, benefits, and attitudes. These associations vary depending on their power and exceptional aspects. Attributes are brand features and may be product or non-product. Product attributes comprise of the physical and functionality aspects of a product while non-product are external aspects that affect purchase and consumption of the product or service such as price, user imagery and packaging (Keller, 1993).

Benefits are the second type of association. These are the values and meanings that consumers attach to products and services. Benefits can be functional which relate to the core purpose of a product; symbolic which is the underlying need that consumers get from the product; and experiential benefits which relate to feelings and sensations generated by brand experiences. Brand attitude which is the third type of association is basically consumer's brand appraisal. Attitudes form decisions and actions that consumers exercise as regards to brands such as choice of a particular brand. According to (Keller 1993, 1998) brand associations influence purchase decisions and brand loyalty. Aaker (1991) shares a similar perspective and points out that brand associations are indicative of consumer attitudes towards a brand and represent the reasons "for purchase and brand loyalty".

Perceived quality refers to the customer's overall quality assessment of a product. The product or service ought to be of superior quality, in tandem with its core function and distinct from others. Customers perceive brand qualities in different ways. Aaker (1996) highlights three levels of analysis. First level is where consumers perceive an absolute level of quality where, the perceived quality could either be low, medium or high. In the second level, consumers can perceive a product as relative in quality. Lastly perception can be based on consistency or inconsistency of a product or service. Consumers' perceived quality is rooted in their decision making process which is significantly

influenced by their perception process. Consumers are said to have a high perceived quality when they can identify and distinguish the difference and superiority of their preferred brand among alternative brands during purchase. This therefore means that high perceived quality would determine the consumer brand choice hence increase brand equity (Aaker 1996).

Brand loyalty is the degree to which a brand is preferred and selected over its competitors. According to Aaker (1996) the centrality and finality of brand management lies in brand loyalty. A firm can ascertain customer loyalty by determining if they still favour its products when compared with similar products. According to Yoo et al., (2000) marketers should understand brand equity attributes and the influence that brand properties exert on buying decisions. Yoo et al.,(2000) further notes that brand loyalty has the power to influence consumers to continue buying the same product and not opt for competitors' brands. There are two types of loyal customers; behavioural and the emotional. Behavioural customer loyalty is associated with consumers who make repeated purchases and are committed to buying a brand as their primary choice. Emotional or cognitive customers are those that will always buy a particular brand as their first choice. Keller (1998) suggests that marketers and firms should leverage their brands so that they become consumers' first choice and be purchased repeatedly.

2.4 Measurement of Brand equity

Brand equity measurement is explained through different approaches. According to Keller (1993) the methods used to measure brand equity, are direct and indirect approaches. Direct approach measures the added value of a brand while indirect approach identifies the prospects of brand equality. Indirect approach also measures the impact of consumer brand awareness and knowledge based on the outcome of a marketing program. According to Keller (1993) measures of brand knowledge include recall, top-of-mind and free associations. Aaker (1991) suggests that brand equity properties can be a basis for evaluation through use of levels of satisfaction, preference for brand, repurchase rates and switching costs among others.

Feldwick (1996) posits brand equity can be evaluated by use of attributes such as price and demand; awareness and salience measures as well as attitudinal and behavioral measures to measure loyalty. Feldwick (1996) further notes that to measure a brand's strength, price premium and elasticity can be used. In such a case, a strong brand will be signified by the customers' willingness to pay more. Brand loyalty can be measured using the Share of Category (SOC) concept where 1= Purchase of brand and 0= Purchase of a different brand. A high score or SOC will be indicative of a loyal customer. Attitudinal measures of brand loyalty can be done using "affective or liking" of a brand whereas association and attributes can be measured through brand descriptions (Feldwick,1996).

2.5 Consumer Behaviour Concept

There is significant interest in consumer behaviour as such, many companies and marketers are interested in gaining insights as to what consumers purchase, where, why, when and how they buy. This interest has generated due change in ideology and perception which was witnessed when consumer behaviour was viewed only as an interaction between consumers and producers during purchase. Now, marketers recognize consumer behaviour as an ongoing process (Solomon, 2006).

2.6 Factors that influence Consumer Buying Behaviour

According to (Kotler, 2003) factors that influence consumer buying behavior include cultural, social, personal and psychological factors. The first set of factors, culture comprises of "values, ideas, attitudes and symbols" that make it possible for humans to communicate as well as interact. Culture is also essential in interpretation and evaluation of situations and cues (Blackwell et al, 2001). Cultural factors affect and influence individuals significantly and are known to deeply impact the buying behaviour of individuals (Kotler, 2003).

Culture is divided into sub-culture which is a smaller part of culture. It is characterized by geographical regions, human characteristics such as age and ethnic backgrounds. Dibb et al.,(1997) state that sub culture is characterized by cultures, shared value systems and life experiences amongst groups of people and may include geographical regions, religions and racial groupings among other aspects. Kotler & Amstrong (1999) underscore the

importance of gaining knowledge of sub-cultures as it is a pivotal consideration while creating marketing programs.

The second set is social factors which include family, reference groups and roles and status and they do affect consumer buying behaviour. Family is deemed as one of the most important reference groups. Family plays a major role in an individual's buying behaviour. The interactions between family members can influence what individuals buy as well as why, when, where and how much they buy. Groups can also impact how people buy. Roles and status can be a basis of an individual's buying behaviour (Kotler, 1999). The third category is personal factors, which include occupation, economic situation, age and lifecycle. An individual's occupation may determine the type of products that they buy or can afford to buy. Age and lifecycle also influence buying behaviour. People do change what they buy over time. This is a consideration that marketers take into account and use it to define their target markets and develop products to suit each stage.

Lastly, psychological factors include motivation, perception, learning and attitude. Motivation refers as a set of mechanisms for controlling movement towards goals (Pride et al, 1997). The marketplace perception of brands and firms impacts buying behavior as a result, both big and small companies take cognizance of the importance of the power of perception and strive to keep it positive. Learning entails gaining knowledge and experience and it applies in buying behavior.

Two basic approaches to learning are behavioural and cognitive learning. Behavioural learning is based on knowledge which individuals pick from their surrounding while cognitive happens as a result of engaging one's mental capacity. Individuals form attitudes on the basis politics, religion, music etc. A consumer's attitude can influence their buying behaviour (Shiffman and Kanuk, 2008). According to Hoyer and Deborah (2008) "Attitudes reflect our overall evaluations hence the reason why we have attitude towards brands". Marketers determine consumer attitudes towards their products and services and reinforce if it is positive. They also create certain attitudes around new products and plan on how to change negative attitudes (Hoyer and Deborah, 2008).

2.7 Consumer Purchase Decision Making Process

Engel et al., (1995) presented a consumer purchase decision-making model, which (Kotler, 1999) refers to as the “five stage model”. These stages are problem recognition, information search, alternatives evaluation, purchase decision and post purchase decision. In problem recognition stage, people feel the difference between their current and desired situations and so they try to resolve these differences by looking for information. The second stage, information search also called data collection, involves collection of information and searching stored information and experience to determine whether or not alternatives are known and have been satisfactorily evaluated. According to Solomon et al., (2006) information search is split into two; pre-purchase and ongoing search. While pre-purchase search happens whenever consumers recognize a need and seek information about it, ongoing search is the continuous search for information. In the third stage, alternatives evaluation, the consumers utilize the information collected to consider alternative brands among choices and narrow down their choices. The fourth stage of decision making process is purchase decision. During this stage a consumer either makes or doesn't make a buying decision. Finally, post-purchase stage is concerned with the buyer using a purchased product and is either satisfied or dissatisfied with the product. This stage gives results as to whether the consumer's expectations have been met or not. (Engel et al., 1995).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlined the methodology used in the research. This included research design, population, sampling design, data collection method and data analysis.

3.2 Research Design

This research adopted cross-sectional design. Cross sectional research provides a snapshot of what is happening in a group at a particular time and also gives a representation of the whole population with minimum bias. A cross sectional study is descriptive in nature and requires a clear specification of the who, when, where, what, why and how. According to Kothari (2004) the design is flexible. This enables the researcher to consider different facets of a problem and is able to gain new insights and ideas about a problem.

3.3 Population

The population of interest in the area of study was pay TV subscribers in Nairobi Central Business District. Nairobi city had a population of 3,138,369 as per the (Census report 2009) and TV penetration of 1.2 million before analogue to digital migration switch off date of February 2015 (Digital TV research 2015). The pay TV market in Kenya is dominated by five main players; DSTV, GoTV, Startimes, Zuku and Azam. According to Communications Authority of Kenya press release as at March 2015, pay TV service provider DSTV had 600,000 subscribers while Startimes had 272,594 subscribers. Zuku had 97,000 subscribers at the end of 2013 (www.dataaxis.com).

3.4 Sampling Design

The study adopted stratified sampling for its advantage of better representation through a subdivided structure that covers a wider and varied representation of the population. It is less likely to leave out important segments of the population under the study. The researcher selected 100 pay TV subscribers from Nairobi Central Business District (CBD) to be the representative of the population. Ruscoe (1975) proposed that in determination of a sample size, a sample of 30 - 500 is adequate for most academic studies. The population of interest was divided into two main strata namely; Public places and Pay TV retailer shops.

The first stratum was public places. These are areas where the public gather within CBD. The researcher mapped out two such areas in the city as; Public recreational parks and Bus terminus/ stations and randomly selected two recreational parks and two bus stations. The second stratum was pay TV retailer shops within the CBD. These are shops that sell, install and/or repair pay TV decoders. The researcher randomly selected five pay TV shops to represent the main pay TV service providers - DSTV, GoTV, Zuku, Startimes and Azam.

Figure 3.1: Sampling Design

Strata	Target Sample
Public places: Public Parks and Bus terminus: Public Parks within the CBD Bus stations within the CBD	50
Pay TV Retailer shops: DSTV, GO TV, Startimes, Zuku and Azam retailer shops within the CBD	50
TOTAL	100

Source: Researcher (2016)

3.5 Data Collection Method

Data collection was based on primary sources and was obtained through the use of structured questionnaires. According to Mugenda and Mugenda (1999) questionnaires provide in-depth answers to queries. Furthermore, they are widely used in data collection. Questionnaires are also instrumental in interpretation due to the ease with which they are created and distributed. The research questionnaires had two sections. Section one contained open and closed ended questions and addressed the demographic characteristics of respondents. Section two addressed the influence of brand equity properties on purchase choices among pay TV subscribers. In this section, the researcher

used the Five-point Likert scale questions to collect the information. This enabled respondents to indicate their level of agreement, neutrality or disagreement with the questions asked. With the help of assistants, the researcher approached prospective respondents, determined their willingness and suitability to take part in the study. Willing and eligible respondents were requested to complete questionnaires and hand them back to the researchers upon completion.

3.6 Validity and reliability

Validity indicates the degree to which an instrument measures that which it is intended to measure. To establish validity the researcher carried out a pilot test by distributing questionnaires to a small group of 5 respondents, who had the same characteristics as the one targeted in the study. This was done to test whether the aim of the study would be achieved in terms of relevance and clarity of questions. An instrument is deemed reliable if it yields consistent results when used to collect data more than once from different samples drawn from the same population (Mugenda and Mugenda 1999). To determine reliability, Cronbach alpha coefficient was used to determine internal consistency. Reliability analysis revealed that the alpha coefficient of brand awareness had an alpha value of 0.560, association was 0.609, loyalty was 0.601, perceived quality was 0.702 and purchase choices was 0.603. According to Cooper and Schindler (2003) an alpha value of 0.5 and above is an adequate confirmation that the data is reliable.

3.7 Data Analysis

Data collected was coded, edited and analyzed using Statistical Package for Social Science (SPSS). Descriptive statistics was used to analyze data by use of frequencies and percentages which were referenced in discussions. Overall mean scores and standard deviations of brand equity properties and purchase choices were also computed and evaluated. Regression analysis was used to show the relationship between the dependent and independent variables and Pearson correlation coefficient was conducted to determine the association among brand equity properties and purchase choices.

CHAPTER FOUR: DATA ANALYSIS INTERPRETATION AND PRESENTATION

4.1 Introduction

Data analysis was guided by the research objectives presented in chapter one. The main objective of the study was to determine the influence of brand equity on consumer purchase choices among pay TV subscribers in Nairobi. SPSS was instrumental in the analysis especially in correlation and regression.

4.2 Response Rate

A total of 100 questionnaires were administered to pay TV subscribers in Nairobi CBD. The response rate is summarized in table 4.1.

Table 4.1: Response Rate

Response	Frequency	Percentage
Responded	85	85.0%
Not responded	15	15.0%
Total	100	100%

Source: Researcher (2016)

Table 4.1 indicates that out of the targeted 100 respondents, 85 respondents successfully provided the necessary information leading to a response rate of 85%. According to Mugenda and Mugenda (2003) a 50% response rate is adequate, 60% good and above 70% very good. This therefore implies that the response rate of 85% is very good.

4.3 Demographic of respondents

The demographic information of respondents was analyzed in terms of gender, age, employment status, level of education and income as indicated in the tables below.

4.3.1 Gender

In the study, respondents were asked to indicate their gender. Results are captured in table 4.2.

Table 4.2: Gender

Gender	Frequency	Percentage
Male	46	54.1%
Female	39	45.9%
Total	85	100%

Source: Researcher (2016)

Table 4.2 shows that majority of those sampled were male with a percentage of 54.1% while female accounted for 45.9%. This implies that there were more males than females who took part in the study.

4.3.2 Age of respondents

Respondents were asked to indicate their age. Results are presented in the table below.

Table 4.3: Age of respondents

Age	Frequency	Percentage
20-29 years	26	30.6%
30-39 years	31	36.5%
40-49 years	17	20.0%
50 years and above	11	12.9%
Total	85	100%

Table 4.3 shows the age of respondents. Majority of the respondents (36.5%) indicated that they were between 30 and 39 years, followed by 30.6% who were between 20 to 29 years. While 20% of the respondents were between 40 and 49 years, 12.9% of the respondents were 50 years and above. The results indicate a blend of different age groups in the study, the youth, middle aged and older respondents. This gives a balance in terms of age group of respondents.

4.3.3 Employment status

In the study, respondents were asked to indicate their employment status. The results are illustrated in table below.

Table 4.4: Employment Status

Employment	Frequency	Percentage
Self employed	39	45.9%
Employed	40	47.0%
Unemployed	4	4.7%
Part-time employment	2	2.4%
Total	85	100%

Source: Researcher (2016)

Table 4.4 illustrates the employment status of respondents, indicating that 45.9% of the respondents were self-employed, 47% were employed, 4.7% were unemployed and 2.4% were in part-time employment. This implies that majority of respondents (95.3%) were in some form of employment hence able to purchase segmented packages offered by pay TV providers.

4.3.4 Monthly income

Respondents were asked to indicate their monthly income. The results were captured in table 4.5.

Table 4.5: Monthly income

Monthly Income	Frequency	Percentage
Less than 20000	8	9.4%
21000 - 40000	21	24.7%
41000 - 60000	24	28.2%
61000 - 80000	14	16.5%
81000 and above	14	16.5%
No monthly income	4	4.7%
Total	85	100%

Source: Researcher (2016)

Table 4.5 shows that the majority of respondents (28.2%) earned between Ksh. 41,000 to 60,000 followed by 24.7% of the respondents who earned between Ksh.21,000 to 40,000. Respondents who earned between Ksh. 61,000 to 80,000 were 16.5% while another 16.5% earned Ksh. 81,000 and above. The remaining 9.4% earned less than Ksh. 20,000 while 4.7% of the respondents indicated that they were unemployed thus had no monthly income. This implies that 95.3% of the respondents earned an income, which is an indicator of purchase. Thus they were able to purchase pay TV services. The other 4.7% with no income may have purchased the services out of savings.

4.3.5 Level of Education

Respondents were asked to indicate their level of education. Results are presented in table 4.6

Table 4.6: Level of Education

Education level	Frequency	Percentage
Secondary	7	8.2%
Diploma	24	28.2%
Degree	38	44.7%
Post graduate degree	16	18.8%
Total	85	100%

Source: Researcher (2016)

Table 4.6 illustrates the respondents' level of education. As indicated, 44.7% and 18.8% of the respondents had degrees and post graduate degrees respectively. Diploma holders accounted for 28.2 % of the respondents while 8.2% had secondary education. This finding suggest that respondents were well educated and better informed on purchase choices.

4.4 Distribution of Pay TV Subscribers

The study sought to establish the distribution of the respondents across various pay TV services, results are presented in the table below.

Table 4.7: Distribution of Pay TV subscribers

Pay TV Service provider	Frequency	Percentage
DSTV	29	34.1%
GoTV	18	21.2%
Startimes	14	16.5%
Zuku	12	14.1%
Azam	12	14.1%
Total	85	100%

Source: Researcher (2016)

According to the research findings presented in table 4.7, majority respondents (34.1%) were DSTV subscribers while 21.2% were GoTV subscribers. Startimes subscribers accounted for 16.5% while Zuku and Azam subscribers had the same proportions of 14.1% each. It is noteworthy that Multichoice Limited owns both DSTV and GoTV brands, is the market leader in pay TV services. This may therefore explain why the majority (55.3%) of respondents were DSTV/GoTV subscribers followed by Startimes, Zuku and Azam.

4.5 Influence of Awareness on Purchase

The study sought to establish the level of awareness on consumer purchase choices among pay TV subscribers. Respondents were asked to indicate the extent to which various awareness variables influenced purchase of pay TV services. Results are presented in Table 4.8.

Table 4.8: Influence of Awareness on Purchase

Influence of Awareness on purchase	Very Great extent		Great extent		Some extent		Little extent		No extent	
	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid
Advertisement	35	41.2%	20	23.5%	16	18.8%	5	5.9%	9	10.6%
Family	30	35.3%	20	23.5%	21	27.4%	11	12.9%	3	3.5%

Retailer	12	14.1%	18	21.2%	17	20.0%	13	15.3%	25	29.4%
Promotion	14	16.5%	14	16.5%	30	35.3%	10	11.8%	17	20.0%
Program	35	41.2%	28	33.0%	16	18.8%	2	2.3%	4	4.7%
Subscription	34	40.0%	16	18.8%	24	28.2%	5	5.9%	6	7.1%
Social media	41	48.2%	14	16.5%	15	17.6%	3	3.5%	12	14.1%

Source: Researcher (2016)

Table 4.8 shows results of the influence of awareness on purchase among pay TV subscribers. According to the findings 41.2% of the respondents indicated that advertising influenced them to purchase/subscribe to pay TV service to a very great extent, 23.5% were influenced to a great extent and 18.8% to some extent. While 5.9% were influenced to a little extent, advertising did not influence 10.6% of the respondents. Family and friends influenced 35.3% of the respondents to purchase to a very great extent and 23.5% of respondents to great extent. While 27.4 % of the respondents were influenced to some extent, 12.9% were influenced to a little extent. Family and friends had no influence on 3.5% of respondents.

For 14.1% of the respondents, retailers influenced them to purchase, to a very great extent while 21.2% were influenced to a great extent. For 20% and 15.3% of the respondents, retailers influenced them to some extent and little extent respectively. The remaining 29.4% of the respondents were not influenced at all. Promotion influenced 16.5% respondents to a very great extent and another 16.5% to a great extent, while 35.3% were influenced some extent. For 11.8% of the respondents there was little influence while 20% were not influenced by promotion. For 41.2% of the respondents, the programs menu on pay TV platforms influenced them to purchase to a very great extent while for 33% and 18.8% of the respondents the influence of programs was to a great extent and some extent respectively. There was little influence of programs on 2.3% of the respondents and no influence to 4.7% of the respondents.

Subscription fee was considered to be of very great influence to 40% of the respondents towards purchase of decoders. While 18.8% were influenced to a great extent. Twenty eight percent (28%) were influenced to some extent and 6% to a little extent while, 7% were not influenced. A majority of the respondents (48.2%) indicated that information from social media platforms about pay TV brands influenced their decision to purchase decoders to a very great extent. For 16.5% and 17.6% of the respondents, social media influenced them to a great extent and some extent respectively. While 3.5% were influenced to a little extent, 14.1% were not influenced. Family and friends influenced subscribers the most followed by programs, subscription fee and advertisements and social media. Promotion and retailer information had the lowest influence on purchase. The overall mean score of brand awareness variables was 3.67 with a standard deviation of 0.636. The mean score of 3.67 is above the likert scale midpoint of 2.50. This implies that on average awareness variables; advertisements, family and friends, promotion, programs, subscription fee, social media and retailers influenced purchase of pay TV services among subscribers.

4.6 Influence of Brand Association on Purchase

The study also sought to determine the level of brand association on purchase choices among pay TV subscribers. Table 4.9 illustrates brand association variables and the extent of their influence on purchase of pay TV services among subscribers.

Table 4.9: Influence of Brand Association on purchase

Influence of Association	Most Significant		Very Significant		Significant		Least Significant		Not Significant	
	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid
Variety of channels	48	56.5%	19	22.4%	14	16.5%	3	3.5%	1	1.2%
Reliable services	32	37.6%	25	29.4%	22	25.9%	3	3.5%	3	3.5%
Decoder functions	11	12.9%	16	18.8%	18	21.2%	16	18.8%	24	28.2%

Country of origin	18	21.2%	9	10.6%	29	34.1%	12	14.1%	17	20.0%
No. of years in operation	14	16.5%	14	16.5%	18	21.2%	16	18.8%	23	27.1%
Consistency in service	23	27.1%	16	18.8%	30	35.3%	10	11.8%	6	7.1%

Source: Researcher (2016)

Table 4.9 shows that majority of respondents (56.5%) associated with variety of programs offered by pay TV service provider most significantly, while for 22.4% variety of programs was very significant. For 16.5% of the respondents their association was significant while 3.5% and 1.2% of the respondents association based on variety of programs was least significant and insignificant respectively. For 37.6% of the respondents reliable services most significantly influenced their association with pay TV service. While 29.4% and 25.9% of the respondents indicated that reliable services influenced them very significantly and significantly respectively, 3.5% found reliable services least significant while for the remaining 3.5% of the respondents, reliable services not significant.

Association based on multiple decoder functions influenced 12.9% of respondents most significantly, while 18.8% were influenced very significantly. Whereas 21.2% of respondents were influenced significantly, the remaining 18.8% and 28.2% found multiple decoder function least significant and insignificant respectively. Country of origin of the service provider was considered most significant by 21.2% of the respondents who subscribed to pay TV services. While 10.6% deemed country of origin very significant, 34.1% indicated it was significant. For 14.1% it was least significant. The remaining 20% indicated that country of origin was not a significant consideration when they purchased pay TV services. The service providers' number of years in operation was most significant to 16.5% subscribers when they purchased decoders. For a similar proportion of 16.5% it was a very significant consideration while 21.2% of the respondents indicated it was a significant consideration. Whereas 18.8% of the

respondents found it least significant, for 27.1% of the respondents it was insignificant. Consistency in pay TV service provision was most significant to 27.1% of the respondents while for 18.8% it was very significant. For 35.3% it was significant, while least significant to 11.8%. The remaining 7.1% did not find consistency in service provision significant. Brand association variables had an overall mean score of 3.49 and standard deviation of 0.760. This implies that on average subscribers agreed that the association variables influenced them to purchase. Considering that the midpoint is of the five likert scale is 2.50, it can be said that subscribers agreed with the statements.

4.7 Influence of Perceived Quality on Purchase

The study also sought to determine the influence of perceived quality on purchase choices among pay TV subscribers. Table 4.10 below illustrates various perceived quality variables and their influence on purchase of pay TV services.

Table 4.10: Influence of Perceived Quality on Purchase

Influence of perceived quality on purchase	Very High perception		High perception		Relative perception		Low perception		Very Low perception	
	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid
Variety of programs	38	44.7%	26	30.6%	18	21.2%	3	3.5%	0	0%
Payment system	25	29.4%	36	42.4%	19	22.4%	2	2.4%	3	3.5%
Customer service	19	22.4%	33	38.8%	22	25.9%	8	9.4%	3	3.5%
Communication from provider	15	17.6%	29	34.1%	22	25.9%	13	15.3%	6	7.1%
Decoder quality	20	23.5%	29	34.1%	26	30.6%	7	8.2%	3	3.5%
Extra decoder functions	13	15.3%	12	14.1%	23	27.1%	13	15.3%	24	28.2%

Source: Researcher (2016)

According to findings presented in table 4.10, majority of respondents (44.7%) indicated that they had very high perception of the variety of programs that pay TV services offered. While 30.6% and 21.2% of the respondents had high and relative perceptions respectively, the remaining 3.5% indicated that they had low perception of variety of programs. For 29.4% and 42.4% of the respondents, their perception of the payment system was very high and high respectively. Whereas 22.4% of the respondents indicated relative perception, for 2.4% and 3.5% of the respondents their perception of payment system was low and very low respectively. For 22.4% of the respondents, their perception of pay TV customer service was very high. Majority of respondents (38.8%) indicated high perception of pay TV customer service while 25.9% and 9.4% of the respondents had relative and low perception respectively. The remaining 3.5% indicated that their perception of customer service was very low.

Respondents' perception of communication from service provider was indicated as very high and high by 17.6% and 34.1% of the respondents respectively. Perception of 25.9% was relative while 15.3% of the respondents indicated low perception. For 7.1 of the respondents, their perception of communication from service provider was very low. On decoder quality, 23.4% of the respondents' perception was very high while 34.1% had high perception. While 30.6% and 8.2% of the respondents had relative and low perception respectively, the remaining 3.5% had very low perception. Perceived quality on extra decoder functions was very high among 15.3% of the respondents while for 14.1% and 27.1% of the respondents, it was high and relative respectively. For the remaining 15.3% and 28.2% respondents their perception was low and very low respectively. Among variables used to measure perceived quality, variety of programs was highly rated as well as payment system and decoder quality. Extra decoder functions had the least ratings and this can be attributed to the functionality of the decoder whose main purpose is to facilitate TV viewership, additional functions are therefore secondary. The overall mean score of perceived quality was 3.76 with standard deviation of 0.708. This implies that on average respondents had positive perception of pay TV services.

4.8 Influence of Brand Loyalty on Purchase

The study further sought to establish the extent of loyalty on purchase among pay TV subscribers. Brand loyalty variables used were based on pay TV content as presented in table 4.11.

Table 4.11: Influence of Loyalty on purchase

Influence of Loyalty	Extremely loyal		Very loyal		Loyal		Least loyal		Not loyal	
	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid
News	51	60.0%	12	14.1%	17	20.0%	2	2.4%	3	3.5%
Movies	29	34.1%	27	31.8%	17	20.0%	3	3.5%	9	10.6%
Sports	38	44.7%	11	12.9%	8	9.4%	15	17.6%	13	15.3%
Reality shows	18	21.2%	12	14.1%	27	31.8%	18	21.2%	10	11.8%
Religious shows	26	30.6%	11	12.9%	22	25.9%	11	12.9%	15	17.6%
Documentaries	35	41.2%	16	18.8%	22	25.9%	4	4.7%	8	9.4%

Source: Researcher (2016)

Table 4.11 shows that majority of the respondents (60%) were extremely loyal to local and international news and 14.1% were very loyal. Twenty percent (20%) were loyal while 2.4% were least loyal. The remaining 3.5% were not loyal to local and international news. In the movie category 34.1% of the respondents were extremely loyal, while 31.8% were very loyal. Loyal respondents were 20% whereas 3.5% were least loyal. The remaining 10.6% were not loyal. In the sports category 44.7% of respondents indicated that they were extremely loyal to sports while 12.9% and 9.4% indicated that they were very loyal and loyal respectively. While 17.4% were least loyal the remaining 15.3% were not loyal. The low loyalty levels in this category can be attributed to the assumption that men prefer sports while women necessarily don't.

On determining the extent of loyalty to reality shows 21.2% of the respondents indicated that they were extremely loyal while 14.1% were very loyal. Majority in this category (31.8%) indicated that they were loyal while the remaining 21.2% and 11.8% were least loyal and not loyal respectively. According to the findings, 30.6% of the respondents indicated that they were extremely loyal to religious shows whereas 12.9% were very loyal and 25.9% were loyal. While 12.9% were least loyal, the remaining 17.6% were not loyal. In the last category documentaries, majority of the respondents (41.2%) stated that they were extremely loyal to documentaries aired by pay TV service providers. While 18.8% and 25.9% were very loyal and loyal respectively, least loyal respondents were 4.7% while 9.4% were not loyal. Overall, brand loyalty had a mean score of 3.63 and standard deviation of 0.698. Taking into account that scores were measured on a five point likert scale, the mean score is above the 2.50 midpoint. This therefore means that on average subscribers were loyal to pay TV programs.

4.9 Factors Influencing Purchase of Pay TV Services

The study also sought to determine the overall factors that influenced purchase of pay TV services. Results are presented in table 4.12.

Table 4.12: Factors influencing purchase (subscription) of pay TV services

Factors influencing Purchase	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid	Freq	Valid
Variety of channels	45	52.9%	18	21.2%	20	23.5%	1	1.2%	1	1.2%
Affordable price	29	34.1%	20	23.5%	24	28.2%	7	8.2%	5	5.9%
Ease in up/down grade	24	28.2%	20	23.5%	24	28.2%	12	14.1%	5	5.9%
Customer service	15	17.6%	26	30.6%	25	29.4%	15	17.6%	4	4.7%

Clear sound & pictures	35	41.2%	31	36.5%	15	17.6%	4	4.6%	0	0%
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Source: Researcher (2016)

As indicated in table 4.12, majority of respondents (52.9%) strongly agreed that they purchased their decoder brand because of variety of programmes offered by pay TV service providers. While 21.2% of the respondents agreed with the statement, 23.5% were indifferent while 1.2% disagreed and another 1.2% strongly disagreed. As to whether affordable price influenced purchase of pay TV service, majority of respondents 34.1% strongly agreed that they purchased because of affordable price whereas 23.5% agreed to the statement. While 28.2% of the respondents neither agreed nor disagreed, 8.2% of the respondents disagreed with the statement and the remaining 5.9% of the respondents strongly disagreed. As to whether the ease in upgrading and downgrading of bouquets (switching bouquets) was a reason for subscription or purchase, 28.2% of the respondents, strongly agreed that it was a basis for purchase and an additional 23.5% of the respondents agreed to the statement, whereas 28.2% neither agreed nor disagreed. There was disagreement with the statement for 14.1% and 5.9% of the respondents, who disagreed and strongly disagreed respectively.

As to whether respondents purchased or subscribed on the basis of customer services efficiency, 17.6% of the respondents strongly agreed with the statement while 30.6% agreed. Whereas 29.4% were neutral, 17.6% disagreed. The remaining 4.7% strongly disagreed with the statement. On whether clear pictures and sound was a reason for purchase, 41.2% of the respondents strongly agreed with the statement while 36.5% agreed. Whereas 17.6% of the respondents neither agreed nor disagreed, the remaining 4.6% disagreed with the statement. Factors influencing purchase of pay TV brands had an overall mean score of 3.80 and standard deviation of 0.668. The mean score is above the five-point likert scale midpoint of 2.50. This therefore implies that on average subscribers agreed that they purchased pay TV services because of variety of channels, price, switching options, customer service and clarity of sound and pictures.

4.10 Pearson correlation

Pearson correlation was performed to determine the relationship between the variables in the study. Pearson correlation coefficient measures the magnitude and direction of the linear relationship between two metric (interval or ratio scaled) variables. Correlation results are presented in table 4.13.

Table 4.13: Pearson correlation

		Brand awareness	Brand association	Perceived quality	Brand loyalty	Purchase choices
Brand awareness	Pearson correlation	1.000	-.122	0.65	.190	.192
	Sig. (2 tailed)		.265	.554	.081	.074
	N	85	85	85	85	85
Brand association	Pearson correlation	-.122	1.000	.550**	0.44	.310**
	Sig. (2 tailed)	.266		.000	.690	.004
	N	85	85	85	85	85
Perceived quality	Pearson correlation	.065	.550**	1.000	.167	.612**
	Sig. (2 tailed)	.554	.000		.126	.000
	N	85	85	85	85	85
Brand loyalty	Pearson correlation	.190	0.44	.167	1.000	.183
	Sig. (2 tailed)	.081	.690	.126		.094
	N	85	85	85	85	85
Purchase choices	Pearson correlation	.192	.310**	.612**	.183	1.000
	Sig. (2 tailed)	.079	.004	.000	.094	
	N	85	85	85	85	85

**Correlation is significant to 0.01 level (2 tailed)

Source: Researcher (2016)

From table 4.13, Pearson correlation matrix shows that perceived quality and purchase choices positively and strongly correlate, $r = 0.612$, $p < 0.01$ thus the relationship is significant. Brand association and perceived quality also strongly and significantly correlate $r = 0.550$, $p < 0.01$. Another positive but moderate correlation is between brand association and purchase choices which correlate at 0.310 with significant level of 0.004. There was also negative association between brand awareness and brand association $r = -.122$ but the relationship is not significant.

4.11 Regression Analysis

In this study, multiple regression analysis was used as a statistical technique to analyze the relationship between dependent variable and independent variables. Multiple linear regression analysis was conducted to determine the relationship between dependent variable which is purchase choices and independent variables; brand awareness, brand association, perceived quality and brand loyalty.

The regression equation was:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where:

Y = Purchase choices

X₁ = Awareness

X₂ = Association

X₃ = Perceived Quality

X₄ = Loyalty

Table 4.14: Model summary

Model	R	R Square	Adjusted R square	Standard Error estimate
1	.633	.400	.370	.52968

a. Predictors: (constant), awareness, perceived quality, association, loyalty

b. Dependent variable: Purchase choices

Table 4.14 shows the model summary of regression analysis. R square, also called the coefficient of determination, shows how the purchase choices varied with awareness, association, perceived quality and loyalty. R square value indicates that 40% variance in purchase choices among pay TV subscribers is explained by factors of brand awareness, association, perceived quality and loyalty.

Table 4.15: ANOVA

Model	Sum of squares	Df	Mean square	F	Sig
Regression	14.993	4	3.748	13.360	.000
Residual	22.445	80	.281		
Total	37.438	84			

The study used Analysis of Variance (ANOVA) as shown in table 4.15, to establish the significance of the regression model. In this model the f-significance value of $p = 0.000$ is less than the critical value (alpha) α of 0.05. Therefore the model is statistically significant in predicting the relationship between the independent variables with the dependent variable, $F=13.360$ $p=0.000 < 0.05$.

Table 4.16: Coefficient Results

Model	Unstandardized Coefficient		Standardized Coefficient	T	Sig
	B	Standard Error	Beta		
(Constant)	.945	0.525		1.802	0.075
Awareness	0.152	.096	.142	1.582	0.118
Association	-0.002	.093	-.002	-.020	0.984
Perceived quality	0.560	.100	.594	5.602	0.000
Loyalty	0.054	.085	.057	.633	0.529

a. Dependent Variable: Purchase choices

Based on the output in table 4.16, the following equation was established:

$$PC = 0.945 + 0.142(AW) - 0.002(BA) + 0.594(PQ) + 0.057(BL)$$

The beta coefficient is used to determine independent variables that have the most influence on the dependent variable (Hair et al., 2006). The regression equation indicates that holding all factors (awareness, association, perceived quality and loyalty) constant, factors affecting purchase choices will be 0.945. Perceived quality has the strongest

relationship with purchase choices with a regression coefficient of 0.594. This means that one unit increase in perceived quality will increase purchase choices by 0.594. A unit increase in awareness will lead to a 0.142 unit increase in the purchase choices. A unit increase in loyalty will lead to 0.057 unit increase of purchase. There is a negative relationship between association and purchase choices with regression coefficient of (-0.002).

CHAPTER FIVE: SUMMARY AND CONCLUSION

5.1 Introduction

This chapter presents the summary of the research findings based on the objectives of the study. The chapter also draws conclusion, provides recommendations, presents limitations of the study and suggestions for further studies.

5.2 Summary of Findings

In this research the variables used to measure brand equity had significant levels of influence on consumer purchase among pay TV subscribers. On measuring awareness it is apparent that family and friends were the greatest influencers in creating awareness about pay TV products and services and that resulted to purchases. This is in tandem with (Kotler, 1999) assertion that family, a social factor can significantly influence buying behavior. Other awareness variables used such as advertisement, price and social media also showed significant levels of influence on purchase, with the least influence being awareness through information from retailers. Among the variables used to measure association, variety of programs offered by pay TV services providers influenced purchase most significantly. This can be explained by the fact that the prime objective of pay TV service is to offer an array of programs to their subscribers.

In measuring perceived quality, variety of programs was highly rated. Subscribers also had high perception on the payment methods used to subscribe to services and quality of decoders. Loyalty was measured along different categories of pay TV content and findings indicated that the array of local and international news influenced subscribers the most, followed by documentaries. Various factors influenced purchase of pay TV services. Majority of subscribers were influenced by programs offered, clarity of pictures and sound and subscription fee. Notably, research findings also illuminated on areas in all the aforementioned brand equity properties which may require more attention. These areas include; inadequate information about pay TV services from retailers, communication from service provider, customer service efficiency and consistency in service provision.

From the Pearson correlation coefficient analysis, perceived quality and purchase choices strongly correlate at 0.612, another strong correlation is between brand association and perceived quality at 0.550 and brand association and purchase choices which correlate at 0.310. In regression analysis, R square value indicates that 40% variance in purchase choices among pay TV subscribers is explained by factors of brand awareness, association, perceived quality and loyalty. This therefore means that other factors not included in this study contributed 60% of the variation in purchase choices. Analysis of Variance (ANOVA) indicated that the relationship between the dependent variable (purchase choices) and independent variables (awareness, association, perceived quality and loyalty) is statistically significant.

5.3 Conclusion

Brand equity plays a very significant role on consumer purchase decisions. High levels of brand equity have an impact on consumer preferences and purchase intentions (Hoyer & Brown, 1990). In this study, overall, variables used to measure of brand equity on purchase choices showed influence on purchase choices albeit at different levels. The study also highlighted low impact in some variables used to measure awareness such as information from retailers about the brand(s) and those measuring association such as consistency in service provision. In measuring perceived quality, the findings showed low perception of communication from service provider and customer service efficiency. A look at correlation analysis indicated strong correlation between perceived quality and purchase choices, followed by brand association and perceived quality. There was also strong correlation between brand association and purchase choices. In regression analysis, Analysis of Variance showed that the relationship between the dependent variable (purchase choices) and independent variables (awareness, association, perceived quality and loyalty) was statistically significant.

5.4 Limitations of Study

The researcher experienced some limitations during the research. First, collection of data from the different strata within the CBD took quite some time and required more human resource than what the researcher had anticipated. The sampling design had two main

strata: Public places and Pay TV retailer shops. Public places comprised of two bus stations and two recreational parks, while Pay TV retailer shops comprised five outlets of DSTV, Startimes, Go TV, Zuku and Azam within the CBD. Mobility and coordination between the researcher and assistants from one location to another was taxing and time consuming. In addition, some retail shop owners took long to approve distribution of questionnaires to customers which also affected the researcher's timelines in as far as commencement of data collection, collation, cleaning, reviewing and analysis of data. Cost was also a constraint given that the entire process of data collection through to preparation of final report had financial implications.

5.5 Recommendations

The primary function of pay TV is value addition in terms of TV experience that service providers offer subscribers. Other aspects such as performance of decoders from respective providers and quality of transmission are also important. Based on findings of this study it is recommended that pay television service providers improve on all dimensions of brand equity. Pay TV service providers need to strengthen their efforts in creating more awareness and visibility for their services, using both above-the-line and below the line strategies and tactics so as to expand the scope of awareness. They also need to provide and equip their agents in retailer shops with adequate and up-to-date information on their products and services. This is because retailers and agents play a critical role of information dissemination between pay TV providers and subscribers. In addition, Pay TV service providers should develop strategies that will improve brand association with subscribers. They need to develop mitigating efforts that would address areas of concern such as consistency in pay TV content, communication with subscribers and customer service efficiency, for subscribers to build positive associations with the brands. Perceived quality which generally had high impact among pay TV subscribers should be enhanced. To strengthen loyalty, more effort in re-energizing TV content through a robust array of programs is necessary.

5.6 Suggestions for Further Studies

This study focused on influence of brand equity on consumer purchase choices among pay TV subscribers in Nairobi. Future studies can target individual service providers

since different providers have positioned and packaged their services differently hence factors influencing purchase may be varied. To broaden the scope of study, similar studies can be carried out at national level. Studies can also adopt other brand equity models such as brand resonance model, to investigate the influence of brand equity on consumer behavior.

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APPENDICES

APPENDIX 1: LIST OF PAY TV FIRMS

PAY TV FIRMS		PAY TV BRANDS
1. Multichoice Limited	-	DSTV and GO TV
2. Startimes Media	-	Startimes
3. Wananchi Limited	-	Zuku TV
4. Azam Media	-	Azam TV

APPENDIX 2: LETTER OF INTRODUCTION

Jacqueline T. Andai
University of Nairobi
School of Business
P.O Box 30197
NAIROBI.
July, 2016

Dear Respondent,

RE: COLLECTION OF SURVEY DATA

I am a Master of Business Administration student at the University of Nairobi, School of Business. In order to fulfill the degree requirements, I am undertaking a research project on ‘**The Influence of Brand Equity on Consumer Purchase Choices Among Pay TV Subscribers in Nairobi CBD**’.

You have been selected to form part of this study. This is kindly to request you to assist me to collect the data by filling out the accompanying questionnaire. The information you provide will be used exclusively for academic purposes and will be treated with confidence.

Your co-operation will be highly appreciated and thank you in advance.

Yours faithfully,

Jacqueline Andai
MBA Student School of Business
University of Nairobi

Prof. Justus Munyoki
University of Nairobi

APPENDIX 3: QUESTIONNAIRE

INFLUENCE OF BRAND EQUITY ON CONSUMER PURCHASE CHOICES AMONG PAY TV SUBSCRIBERS IN NAIROBI.

SECTION ONE: BACKGROUND INFORMATION OF RESPONDENT

Please Tick Where Applicable

1. Please indicate your gender

- a) Male () b) Female ()

2. Please indicate your age

- a) 20 – 29 years ()
b) 30 – 39 years ()
c) 40 – 49 years ()
d) 50 and above ()

3. Please indicate your employment status

- a) Self Employed ()
b) Employed ()
c) Unemployed ()
d) Part-time/ contract ()

4. If employed please indicate your monthly income in Kenya Shillings

- a) Less than 20,000 ()
b) 21,000 – 40,000 ()
c) 41,000 – 60,000 ()
d) 61,000 – 80,000 ()
e) 81,000 and above ()
Any other (Kindly indicate).....

5. Please indicate your level of education

- a) Primary ()
- b) Secondary ()
- c) Diploma ()
- d) Degree ()
- e) Post graduate ()
- Others (Kindly specify).....

SECTION TWO: INFLUENCE OF BRAND EQUITY PROPERTIES ON CONSUMER BEHAVIOUR AMONG PAY TV SUBSCRIBERS IN NAIROBI.

6. Are you a Pay TV subscriber? Yes () No ()

7. If yes which of the following TV decoder brand(s) are you currently using to access TV

DSTV () GO TV () Startimes () ZUKU () AZAM ()

8. To what extent did the following factors influence your awareness of the TV decoder you purchased

- Where: 5 = To a very great extent**
4 = To a great extent
3 = To some extent
2 = Little extent
1 = No extent

	5	4	3	2	1
Advertisements	()	()	()	()	()
Recommendation from friend(s) and family	()	()	()	()	()
Recommendation from retailer	()	()	()	()	()
Promotional materials and events	()	()	()	()	()
Programs offered	()	()	()	()	()
Subscription fee	()	()	()	()	()

Social media and internet () () () () ()

Others: state.....

Rate: 5() 4() 3() 2() 1()

9. Please indicate by ticking the extent to which the following factors influence your association to your choice of TV decoder

Where: 5 =Most significant, 4= Very significant 3 = Significant

2= Not significant, 1= Very insignificant

	5	4	3	2	1
Variety of channels and programs	()	()	()	()	()
Reliable services	()	()	()	()	()
Multiple functions of decoder	()	()	()	()	()
Country of origin of service provider	()	()	()	()	()
Number of years in operation	()	()	()	()	()
Consistency in service provision	()	()	()	()	()

10. What is your perception of the services provided by the pay TV you subscribed

Where:5= Very high perception 4= High perception 3=Medium perception

2= Low Perception, 1= Very low perception

	5	4	3	2	1
Variety of Programs offered	()	()	()	()	()
Payment system	()	()	()	()	()
Customer service	()	()	()	()	()
Communication from service provider	()	()	()	()	()
Quality of decoder	()	()	()	()	()
Extra functions of decoder	()	()	()	()	()

11. Statement:

To what extent do you agree with this statement : **I subscribe/purchased my Pay TV decoder brand because of :**

Where; **5 = Strongly Agree 4 =Agree 3=Neutral**
2 = Disagree 1=Strongly Disagree

	5	4	3	2	1
Variety of channels	()	()	()	()	()
Affordable price	()	()	()	()	()
Ease in upgrading and down grading bouquets	()	()	()	()	()
Customer service efficiency	()	()	()	()	()
Clear pictures and sound	()	()	()	()	()

Others.....()

12. Please rank the extent of your loyalty to programs offered by your pay TV service provider.

5= Extremely loyal 4= Very loyal 3 = Loyal 2 = Least loyal 1= Not loyal

	5	4	3	2	1
Local and international news	()	()	()	()	()
Movies	()	()	()	()	()
Sports	()	()	()	()	()
Reality shows	()	()	()	()	()
Religious shows	()	()	()	()	()
Documentaries	()	()	()	()	()

Others.....

Rank 5() 4() 3() 2() 1()

Thank you for your cooperation