

**MILLENNIAL CONSUMER PERCEPTION TOWARDS MOBILE
MARKETING IN NAIROBI CENTRAL BUSINESS DISTRICT, KENYA**

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D65/71037/2014

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF A
MASTER OF SCIENCE IN MARKETING DEGREE OF THE SCHOOL OF
BUSINESS, UNIVERSITY OF NAIROBI.**

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DECLARATION

This is my original work and has not been submitted in any University for the award of any degree.

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This research project has been submitted for examination with my permission as University supervisor.

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DEDICATION

I dedicate this work to my daughter Debra Imani Tindi. My prayer is that this will be her minimum level of education.

ACKNOWLEDGEMENT

I thank the Almighty God, for granting me health, resources, endurance and the will to complete my Master of Science in Marketing degree.

My sincere appreciation goes to my parents, Mr. and Mrs. Donald Odhiambo for their sacrifice to ensure that I went to school no matter how difficult it was and their constant encouragement to advance my studies after laying the foundation. I thank my wife Linda Were, for her constant encouragement, understanding, support and constructive criticism aimed at making me excel in my studies.

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TABLE OF CONTENT

| | |
|--------------------------------------------------------------------------|-------------|
| DECLARATION..... | ii |
| DEDICATION..... | iii |
| ACKNOWLEDGEMENT..... | iv |
| TABLE OF CONTENT..... | v |
| LIST OF TABLES | vii |
| LIST OF FIGURES | viii |
| ABSTRACT..... | ix |
| | |
| CHAPTER ONE: INTRODUCTION | 1 |
| 1.1 Background of the study | 1 |
| 1.1.1 The concept of Consumer Perception | 2 |
| 1.1.2 Mobile phone based Marketing | 4 |
| 1.1.3 Millennials in Nairobi CBD | 5 |
| 1.2 Research Problem | 6 |
| 1.3 Main Research Objective | 7 |
| 1.4 Value of the study | 7 |
| | |
| CHAPTER TWO: LITERATURE REVIEW..... | 9 |
| 2.1 Introduction..... | 9 |
| 2.2 Theoretical Foundation | 9 |
| 2.2.1 Theory of Reasoned Action | 9 |
| 2.2.2 The Unified Consumer Acceptance of Technology model..... | 10 |
| 2.3 Mobile Phone Based Marketing..... | 11 |
| 2.4 Factors influencing perception in mobile phone based marketing | 12 |
| 2.5 Empirical review on perception towards mobile marketing | 13 |
| | |
| CHAPTER THREE: RESEARCH METHODOLOGY | 15 |
| 3.1 Introduction..... | 15 |
| 3.2 Research Design..... | 15 |
| 3.3 Population of Study..... | 15 |
| 3.4 Sample Selection..... | 16 |
| 3.5 Data collection tools and techniques..... | 16 |

| | |
|-------------------------|----|
| 3.6 Data Analysis | 16 |
|-------------------------|----|

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND

INTERPRETATION18

| | |
|-----------------------------------------------------------------------|----|
| 4.1 Introduction..... | 18 |
| 4.1 Demographics | 18 |
| 4.1.1 Age of the Millennials | 18 |
| 4.1.2 Gender | 19 |
| 4.1.3 Education..... | 20 |
| 4.1.4 Employment Status..... | 21 |
| 4.1.5 Type of mobile phone..... | 21 |
| 4.2 Millennial Consumer most preferred form of mobile Marketing | 22 |
| 4.3 Millennial Consumer Perception towards mobile marketing | 28 |

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND

RECOMMENDATIONS35

| | |
|--------------------------------------------|----|
| 5.1 Introduction..... | 35 |
| 5.2 Summary | 35 |
| 5.2 Conclusion | 36 |
| 5.3 Recommendations..... | 37 |
| 5.4 Limitations of the study | 38 |
| 5.5 Implications..... | 39 |
| 5.6 Suggestions for further research | 40 |

REFERENCES.....41

APPENDICES44

| | |
|---------------------------------|----|
| Appendix 1: Questionnaire | 44 |
|---------------------------------|----|

LIST OF TABLES

| | |
|---------------------------------------------------------------------------------------------------------|----|
| Table 4.1: Gender distribution of millennials | 20 |
| Table 4.2: phone type used by millennials..... | 22 |
| Table 4.3: mean and std. deviations of various forms of mobile marketing..... | 24 |
| Table 4.4: age of millennials versus preference for mobile applications | 25 |
| Table 4.5: Mean and std deviations of various attributes of mobile marketing..... | 27 |
| Table 4.6: Millennial Gender versus preference for direct to the point..... | 28 |
| Table 4.7: age of millennials versus general perception towards mobile marketing ... | 29 |
| Table 4.8: gender of millennials versus general perception towards mobile marketing | 29 |
| Table 4.9: mean and standard deviation of millennial consumer perception towards mobile marketing | 30 |
| Table 4.10: cross tab between millennial age and attribute of direct to the point | 33 |
| Table 4.11: cross tab between gender of millennials versus attribute of entertainment | 33 |
| Table 4.12: Cross tab between gender of millennials and attribute of personalisation | 34 |
| Table 4.13: Cross ab between gender of millennials and attribute of informative | 34 |

LIST OF FIGURES

| | |
|----------------------------------------------------|----|
| Figure 4.1: Age of the Millennials | 19 |
| Figure 4.2: Education level of millennials | 20 |
| Figure 4.3: Employment status of millennials | 21 |

ABSTRACT

Increased time spent on smartphones amongst millennials and the decreased time spent watching television is a marketing game changer. Marketers are now exploring the use of mobile marketing which guarantees a higher, personalised reach compared to other forms of media. This study sought to find out the millennial consumer perception towards mobile marketing in Nairobi Central Business District. The millennial consumer was an interest in the study as they are currently the core target of many businesses and the most avid users of smartphone devices. This study adopted a descriptive cross-sectional survey research design. A sample of 100 millennials was selected using systematic sampling method, every fourth millennial was intercepted within Nairobi CBD. The research found out that millennial perception was neutral. Their mobile marketing positivity or negativity depended on how the various aspects of mobile marketing were implemented. The millennials held the attributes of information, entertainment, direct to the point and personalization very positively. The research also found out that the most preferred type of mobile marketing amongst millennials was mobile applications followed by social media marketing and banner advertisement. Further research is recommended to have a deeper understanding on why the various forms of mobile marketing are the most preferred. In conclusion, gender and age can be used as a key segmentation criteria when doing mobile marketing as they were found to have significant influence on millennial consumer perceptions. Marketers have the room to shape millennial consumer perceptions positively by adopting the appropriate mobile marketing efforts for each segment, the appropriate mobile marketing mix and the most preferred aspects of mobile marketing as these were determined to be key success factors. Personalization of messages and the use of humour were also determined to be better consumer acceptance drivers.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Perception is the process by which an individual selects, organizes and interprets stimuli into meaningful and coherent picture of the world (Schiffman, Kanuk & Hansen, 2008). Consumer perception towards a brand's marketing efforts is key in determining the uptake of the brand, product or service being marketed. Blythe (2006) notes that people's opinions of products and services depend heavily on what they perceive of its qualities, some of which have no objective reality; the major challenger for marketers is to be able to evaluate how their targeted groups that they intend to convert to be their users will look at their various marketing programs. Moreover, with the dynamic marketing environment, a new crop of consumers has emerged and has become one of the core target audiences for many businesses in the world. These are the millennials whose perception was analysed in this study. They are avid users of internet based technology and are smarter than any other consumer because of access to information on the go. Smartphones are the main source of internet access for young people aged 18-34. (Ofcom, 2015). Understanding how this group perceives the various mobile phone based marketing being implemented on their mobile phones will set apart the players who keep abreast as they become a core target for many businesses.

The study was anchored in the Theory of Reasoned Action. The Theory of Reasoned Action advanced by Fishbein and Azjen (1975) projects that behaviour is majorly determined by behavioural intention, an individual's attitude towards the act and the subjective social norms. Attitude towards the act is shaped by what the individual believes will be the outcome of taking a certain action and his evaluation of those consequences and whose weights vary from consumer to consumer and situation to situation. Subjective norms are as a result of what other people that the individual holds in high regard think about the behaviour. The model of Unified Consumer Acceptance of Technology is relevant to this study in measuring perception. This theory advanced by Kulviwat et al (2007) entails the following constructs: Perceived usefulness, perceived ease of use, relative advantage, pleasure, arousal, dominance. These constructs when summed up together in an individual creates an attitude towards adoption of technology. These constructs can also be used to measure consumer perception. More discussions on each construct will be discussed in the literature review.

Millennials in Nairobi have in many cases been referred to as a group after instant gratification. They are tech savvy, impatient and young. Recently, they have been the main target group of companies implementing mobile phone based marketing like banks and telecommunication companies. They use the internet as a means to express themselves and showcase their creativity with over 50% estimated to be accessing the internet using their mobile phones according to google statistics. With the control of the smartphones and internet, marketers therefore need to understand their perception on marketing efforts implemented through their mobile phones and the internet. They have brought a paradigm shift in demand, diversity and preferences compared to the earlier generations (Hass Consult, 2017). Such shifts call for a closer look at their perceptions in order to reach them effectively.

1.1.1 The concept of Consumer Perception

Various authors have defined perception in varied ways. However, most of them agree that it is a process that leads to the interpretation of stimuli to fit in to a personal frame of reference. Wright (2006) defines it as how people use their senses to get meaning out of their environment. It is the way sensations are selected, organised and interpreted as individuals attempt to make sense of everything out of them depending on their emotions and thoughts at hand. Shaping perceptions is a valuable art that marketers can use effectively to direct how consumers view their products and marketing activities. The more sights, sound, smells, taste and touches marketers can incorporate in a promotional message, the more powerful the audience reaction. This enhances memorability and familiarity. As highlighted by Schiffman, Kanuk and Hansen (2008), perception is how we see the world around us. Kotler (2017) points out that marketers were conditioned for a one-way communication. However, today's marketer ought to adapt to the changing digital consumer. It is therefore, important to understand how the new digital consumer perceives information they are exposed to. A close look at the Information processing model reveals four major steps: exposure, attention, interpretation and memory. The first three constitute perception. Both perception and memory are extremely selective. Consumers largely have control on the messages they will come across and give their attention to, as well as, the meaning they will assign to them (Hawkins, Mothersbaugh & Mookerjee, 2011).

Schiffman, Kanuk and Hansen (2008) advanced some concepts that help in understanding perception. Sensation occurs when the sensory organs respond to stimuli. As sensory input decreases, our ability to detect changes in input or intensity increases, to the point that we attain maximum sensitivity under conditions of minimum stimuli. This becomes an important concept to consider especially with the increasingly cluttered mobile phone based digital marketing. Absolute threshold is the minimum point at which a consumer can realize a sensation. Sensory adaptation is getting used to certain sensations. This is a problem for many advertisers. Differential threshold/ just noticeable difference is the minimum difference that can be detected between two similar stimuli. According to Weber's Law, when the initial stimulus is powerful, then the second stimulus needs even a more powerful intensity to be noticed as different. Subliminal perception has been defined as being able to perceive stimuli without being aware that one is doing so. In the next chapter, this paper will delve deep on other aspects of perception and how they impact mobile advertising.

In order to understand the concept better, Mital (2004) advanced some factors that shape perception. Stimulus characteristics is one of the factors and this is the nature of information that comes from the environment. With the current stimuli clutter in all media, Mital (2004) recommends the proper usage of the information component of a stimuli as a stimulus novelty to cut through the media noise. This helps in moving the perceptual process beyond sensation towards organisation and interpretation. Another factor is determining appropriately the setting in which the information is received. This is called context characteristics and includes the social, cultural and organisational setting. In mobile phone based marketing, the context in which a customer receives a marketing stimuli may determine how they perceive the information. For instance, a lingerie advert that pops up on a football mobisite may be misplaced and would easily be shunned by the viewer, compared to a lingerie advert that appears on a fashion blog. In addition, customer characteristics also shape perceptions. The knowledge, experiences and expertise of a customer on a particular topic of interest play a role in shaping perceptions as this forms their expectations. Customers tend to see what they expect to see. When a stimuli is not explicit and can be interpreted in varied ways and when the person receiving the stimuli does not have the knowhow to evaluate it in a manner that makes sense, then the dominant influence of prior expectations will occur.

1.1.2 Mobile phone based Marketing

Having worked in the digital marketing arena for some time now, the researcher would define mobile phone based marketing as marketing efforts enabled via a mobile phone. They include: Use of brand mobile applications, marketing on third party mobile applications, social media marketing targeted on mobile phone users only, use of mobisites, SMS promotions, Google mobile targeted advertisements, mobile friendly video marketing, QR codes, augmented reality enabled by mobile phones. Mobile phone based marketing according to Mobile Marketing Association (2003) is the use of the mobile phone medium as a communications and entertainment channel between a brand and a consumer. It is marketing that is executed through the mobile phone as an enabler. Chaffey (2017) confidently calls out that today, it is no longer about asking whether mobile marketing is important but it is about using available statistics to understand how the consumer behaves when using different kinds of mobile devices and their preferences. Strauss and Frost (2012) note that futuristic marketers are already keeping abreast and analysing the strides the mobile device market is taking.

According to Interactive Advertising Bureau (2017), mobile phone advertising industry observed a growth of 65% in 2014 i.e. from 19.3 Billion dollars in 2013 to 31.9 billion dollars in 2014. The changes are also coming with their own new challenges. One of the major concerns for mobile phone advertisers is ad blocking technology. Understanding the consumer perceptions towards the mobile phone marketing efforts being deployed by Kenyan marketers is important to minimise ad blocking. This means serving customers with advertisements they are likely to view as welcome and positive.

Smartphones have particularly revolutionised mobile marketing. Today, more people access the internet using smartphones compared to desktops with mobile phones accounting for over 50% of web traffic while desktop slowly falling towards 40% according to google analytics data. Stat Counter (2016) backs up this data by noting that mobile devices worldwide surpassed those using desktop. About 3.6 billion people globally are actively using their smartphones. It is estimated that over 75% of Facebook and 70% of Twitter advertising revenues comes from mobile platforms. In 2016, over 50% of Google's revenues came from mobile advertising. 80% of millennials use their smartphones in-store as part of their purchase process. In Kenya, 44% of the mobile phones in use are smartphones according to Google Barometer (2016). It also notes that

Kenya has approximately 22 Million internet users as at 2016 representing a 49% penetration level. With this, we cannot fail to notice the growth of mobile smartphone usage and the opportunity it presents to marketing oriented businesses and raises even a higher need for marketers to pay close attention and exploit the marketing opportunities that come with it.

Eyeballs and ears are increasingly being devoted to consumption of online media on smartphones and as noted by Shimp (2010), marketers are increasing portions of their advertising budgets to the new media platform while reducing spending in the traditional media. It is anticipated that mobile advertising spend will surpass spend on television commercials by 2020. Compared to traditional media, advertising on the internet makes use of individualisation and interactivity. Individualization enables marketers to personalize advertisements and promotions while interactivity enables marketers to build long term connections and trust with customers since marketers and consumers can talk to each other.

1.1.3 Millennials in Nairobi CBD

Howe and Strauss (2004) places millennials as those born from 1982 to 2004. Going by this definition, this group forms a major chunk of target consumers. According to the statistics from Kenya National Bureau of Statistics 2010, the age group 15-34 years forms the largest percentage of the total population. The Morris Creative Group (2017) highlights nine character traits of millennials. They are multitaskers thus it is important for mobile marketers to capture and retain their attention with appropriate content. They are also tech savvy thus they are captivated by various content within the digital ecosystem. They are also browsers and not buyers. They browse more about products rather than buying them thus the task is in converting them into buyers. They are also creative problem solvers meaning that they want to reach decisions fast and they dictate the terms. They are advise seekers whereby, before they make a purchase they consult their contacts. This calls for a higher task of building trust with them through relevant content. They are also outspoken and go for what they want, speak their minds and fight for their space.

Millennials also want to know everything so that nothing hinders their moves. They are also price conscious and do price comparisons and are socially conscious as they believe they can change the world and are pragmatic in supporting causes. All these traits call for very specific and deliberate mobile marketing strategies that will resonate with the millennials. Smartphones are the main source of internet access for millennials in Nairobi aged 18-34. (Ofcom 2015). According to a survey done by Bank of America in 2016, 39% of millennials are reported to have confirmed that they spend more time on their smartphones more than they do with their loved ones while 77% of millennials own smartphones. According to data released by Safaricom (2014), smartphones accounted for 67% of total mobile sales. A report by Nielsen (2015) indicates that smartphones are winning over television amongst the now lucrative target audience of 18 to 34 years.

1.2 Research Problem

While Mobile phone based marketing assures marketers of undebatable reach of all advertising platforms currently available as noted by Kumar and Meenakshi (2011), a number of businesses usually fail to bring the consumer in to the room when implementing mobile phone based marketing thus ending up with campaigns that do not necessarily appeal to their target audiences. With the distinct characteristics of millennials, proper application of mobile phone based marketing can enhance consumer exposure to a brand leading to a greater level of brand awareness (Masika, 2013). With the increasing shift from traditional media consumption to an increased smartphone usage with a wider array of mobile phone based marketing, there was need to understand the consumer perceptions towards the available mobile phone based marketing and implement the ones perceived positively and with the highest return on investment in order to reach this growing target audience on the go. As earlier mentioned, consumer perception towards a brand's marketing efforts is key in determining the uptake of the brand, product or service being marketed. A proper understanding of the millennial perception will enable proactive marketers to focus only on the appropriate methods that will increase uptake of the products and brands being marketed.

Several studies have been done on mobile phone based marketing. Masika (2013) studied the impact mobile advertising has on brand equity of Safaricom and concluded that indeed mobile advertising offers marketers with the ability to achieve high engagement levels with a brand. His study however, focused only on one element which is Short Message Service (SMS) marketing leaving out a wide array of other possible mobile phone based marketing brought about by the growth of smartphones and mobile browsing capabilities. Haghirian and Madlberger (2005) studied attitudes of Austrian consumers towards mobile advertising. With Kenyan consumers having been previously described as being peculiar, the study may not apply to the millennials in Kenya who are not so predictable nor easy to understand. Another study by Kamphuis, Ramnarain and Berndt (2012) focused on consumer attitudes towards mobile advertising amongst the Dutch youth which found out that originality, interactivity and entertainment levels were most important to them. The question that still lingers in mind after this study is whether the findings of this mature market can also be generalized to capture the millennials in the growing Kenyan market.

The Kenyan mobile advertising arena is relatively young with the internet enabled kind of mobile marketing picking in around the year 2011. Few studies have been conducted on the subject of mobile phone based marketing beyond SMS promotions for the Kenyan market thus leaving the local mobile marketers to rely on studies done for other markets mostly Europe and US assuming the difference that may exist between the local millennials and the millennials abroad. There was need to do a study that was focused on Kenyan millennials for a localised report. This study, therefore, sought to determine the perception of millennial consumers towards mobile phone based marketing in Kenya.

1.3 Main Research Objective

This study seeks to determine the perception of millennials towards mobile phone based marketing in Kenya.

1.4 Value of the study

The findings of this study contributed to a localised reference point for the growing number of digital marketers venturing into mobile marketing strategies and do not know the key strategies to focus on especially with their often limited budgets. It provided

the latest trends in mobile marketing and revealed that indeed consumer interests had shifted from SMS marketing preferences to mobile applications, social media and video marketing preferences unveiling new mobile marketing strategies. Practitioners can refer to this localized report that gives insights to millennial consumer perceptions who have increasingly become their main target audiences.

From this study, mobile marketers can be able to identify segmentation criterion based on demographics that have significant impact on millennial perception for example age and gender. They can also come up with optimal mobile marketing mixes that bring about higher customer engagements and higher return on investment. For web developers, this study was an indication for them to shift their focus from building websites to building utility mobile applications. For print advertisers, this study revealed that QR codes are less attractive to millennials and instead they should use easy to remember mobile friendly website links and applications.

It also formed a basis of further studies on mobile phone based marketing strategies as perceived by other demographics left out of this study. It is also meant to stir curiosity within Kenyan researchers to do more local studies on the subject of mobile marketing and millennial consumers in Kenya. More research can also be done to understand more about the various forms of mobile marketing that keep coming up with the continued advancement of mobile phone technology and the internet. For example, mobile video marketing comes in various formats and it would be important to understand the perceptions around each format.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter describes the theoretical literature, the conceptual framework that the study adopts and the empirical studies done in relation to the subject of perception towards mobile advertising. It discussed the theory of reasoned action, the unified consumer acceptance of technology model. It also expounded more on mobile marketing, factors influencing mobile marketing and the empirical review on perception towards mobile marketing.

2.2 Theoretical Foundation

This section delved into the theories appropriate for this study, the concept of perception and Mobile marketing.

2.2.1 Theory of Reasoned Action

Bauer et al (2005) noted that the success of mobile marketing strategies lied in the mobile phone users accepting the receiving of continuous mobile marketing content on their mobile devices. By measuring attitudes towards acceptance, then it will be possible to forecast overall acceptance. The Theory of Reasoned Action advanced by Fishbein and Ajzen (1975) mentioned by Kamphuis K, Ramnarian & Berndt (2012), elaborates the links between beliefs, attitudes, norms, intentions, and behaviours of individuals. According to this model, behaviour is determined by the intention to perform it. For instance, if a millennial consumer wants to watch an entertaining mobile advertising s/he has just spotted yet s/he does not have data bundles, then the absence of bundles to watch the video will be the hindrance. Intention is determined by the person's attitudes and his normative and subjective norms towards the behaviour i.e. what he thinks others would expect him to do and what other important persons think about the performance of the behaviour in question. For instance, if a friend shares an entertaining mobile advertisement video, the friend expects the millennial to watch it and share the fun with him/her. Failing to do so may be interpreted by the friend as being ignored. The millennial also knows that the friend expects him/her to watch it. Even though the millennial's attitude towards watching it may be negative, still the millennial will have to watch it as the norms are stronger.

The attitude of a person towards a behaviour was determined by his beliefs on whether performing an action will produce specific outcomes. In mobile marketing, the intention of a person for example may be to always be the first to know about an offer or know about new product launches. In such an instance, the subjective norms may be people coming to the target consumer to seek for his opinion about new products and whether his analysis is trusted or be despised. Fishbein and Ajzen (1975) also noted that external factors can indirectly influence the attitude or subjective norms. In the context of mobile marketing, these factors can be the characteristics of the tasks e.g. does it involve downloading huge content that consume bundles, the nature of an application user interface, the number of steps involved before completing consumption of the media content for instance filling in a long online form. This theory has limitations though, for instance not considering demographics which may affect how a person behaves. It also puts a lot of value in behavioural intentions which in marketing is of less value when the key objective of the marketer is to make sales and affect bottom lines positively. This means that more work has to be done in converting the intentions into actual behaviours.

2.2.2 The Unified Consumer Acceptance of Technology model

This model advanced by Kulviwat et al (2007) entails the following constructs: Perceived usefulness, perceived ease of use, relative advantage, pleasure, arousal, dominance. These constructs when summed up together in an individual creates an attitude towards accepting to behave in a certain way. For perceived Usefulness, the concern of a consumer is whether the type of mobile phone based marketing will enhance their well-being or knowledge or make them better than they were. The greater the perceived usefulness of the mobile phone based marketing, the higher the chances of acceptance. Perceived ease of use is the extent to which the consumer thinks interacting with the mobile marketing will be simple and not complicated. The higher the perceived ease of use, the higher the chances of acceptance and being perceived positively. Relative advantage is the evaluation of whether one choice of mobile marketing is better than the other form of mobile marketing. For instance, a video advertising may be perceived negatively compared to a Gif type of advertising since video consumes more bundles compared to a gif type of mobile advertising. In the construct of pleasure, the entertainment aspect of a mobile advertising may be regarded highly in forming a positive perception. This goes hand in hand with arousal which is

an excited feeling towards a mobile advertisement. Dominance refers to the feelings of a consumer being in control. The more they perceive that they are in control, the more the likelihood of their perceptions towards the form of mobile marketing being viewed becomes positive.

2.3 Mobile Phone Based Marketing

With the saturation of mainstream media, marketers are forced to shift their marketing communication efforts to platforms like mobile devices that have a higher reach and less marketing noise. Mobile marketing was pioneered by short message service (SMS), but advanced strategies have come into place after the onset of smart hand held communication devices where many other new mobile communication tools have emerged (Ammirkhanpour, Vrontis & Thrassou, 2014). Mobile advertising has opened opportunities for companies to reach target consumers by looking at age, gender and geographic regions and even type of mobile phone they are using. It also gives a higher read rate, redemption rate and return of investment if implemented properly. Being able to carry out very precisely targeted campaigns is an advantage for companies, but also bearing in mind how consumers view the mobile phone based marketing. The researcher therefore sought to highlight what consumers perceived of the various mobile phone based marketing employed in Kenya. It is also worth mentioning that the most basic step to making an entry into mobile marketing as noted by Ammirkhanpour, Vrontis and Thrassou (2014) is having a web presence. Additionally, mobile users are looking for relevant information instantly. They also want it personalized and interactive with some requiring marketers to seek for permission thus the concept of permission based marketing.

Salo et al (2004) have advanced the 5Cs model as a value chain for mobile marketing. According to this model, content, cross-media marketing, campaign management, customer database and carrier co-operation are key factors on value chain formation. Content is the key factor that attracts and engages a customer. Mobile marketers need to design customised content optimised for mobile that suits their target audiences. It has also been argued that mobile needs to be augmented with other media types to create a level of trusted awareness. This means that mobile marketing can be done as part of a major 360 degrees campaign to increase the chances of being trusted and perceived positively. Campaign management requires a proper campaign management

technology for implementing and analysing a mobile marketing campaign. Mobile phone based marketing makes use of target user data to even improve the campaign. The other important aspect of this model is the customer data base. The building of a customer data base to be used for a successful mobile marketing campaign require opt-in from the customer's side otherwise the campaigns may be treated as spam or intrusive creating a negative perception in the consumers mind. This more so, is required for e- mail campaigns, application based campaigns with push notifications and pop up banners on mobisites. Carrier co-operation helps the mobile marketer to utilise the expertise of the carrier, for example in executing location based campaigns, device specific campaigns and appropriate advertising formats for different types of devices. This is to ensure a proper user experience for the consumer which usually defines the nature of stimuli required to either form a positive or negative perception.

2.4 Factors influencing perception in mobile phone based marketing

Many studies have been done to show the factors that affect consumer perception towards mobile marketing. This paper shall explore a model advanced by Bauer et al (2005). Bauer's model captured Consumer based acceptance drivers and innovation based acceptance drivers. Consumer based acceptance drivers entailed aspects like innovativeness which looked at how receptive a mobile user is to new ideas and technological advancements. An innovator enjoys the finer things and is receptive to new products, technologies, distribution and even new methods of mobile phone based marketing. They can also be sceptical of advertising and are frequent readers of a wide variety of publications.

Information seeker portrays a user who is constantly looking for information. A consumer who actively searches for information and acts upon the findings is likely to respond positively to various forms of mobile marketing. For example, such a user may like search based advertisements that pop up on their mobile search results. Existing knowledge as a result of experience or recommendations and reviews also shape perceptions towards mobile marketing. Information that is learned and stored in memory only impacts consumer behaviour when it is searched and retrieved (Shimp, 2010) as he or she is already familiar with it. The more knowledge a millennial has on mobile marketing, the less difficult it will be for them to use the various mobile innovations thus improving their perceptions. Attitude toward advertising is also

another factor. Schiffman et al (2008) mentions that the consumer forms various attitudes and make their own conclusions as the result of exposure to a marketing communication. These feelings and judgements in turn affect the consumer's attitude towards the advertisement and beliefs about the brand and its activities. A person who believes that advertising is untrustworthy is more likely to churn mobile marketing and advertising in general.

In discussing innovation based acceptance drivers, Bauer (2005) looked at the perceived utility of the mobile marketing effort and broke it into three aspects of Information, entertainment, social and risk. In Perceived Utility of information, according to Kamphuis and Ramnarain (2012), a consumer perceives the advertising stimuli if its marginal utility exceeds the marginal utility that results from using an additional time unit to engage in an alternative activity. The use of entertainment, for example humour, helps in baiting customers, taking control of consumer understanding of product claims, shaping their view and perception, enhancing memorability and ultimately creating customer action. In terms of social, consumers tend to prefer mobile advertisements that factor in their social nature. Can they share the message in the online communities they belong to? Can they ask questions and be answered immediately? Can they seek views from other interested customers?

2.5 Empirical review on perception towards mobile marketing

Kapule (2013) did a study on the perceived effectiveness of mobile advertising in Nairobi. Even though this study was not particularly focused on millennials in Nairobi, it found out that there was need to customise mobile advertisements for different consumer audiences based on demographics like past behaviour and interests. This makes the mobile experience better for the customer as the marketing effort is more likely to suit them given their profiles. It also found out that relevance, costs, intrusive nature, permissions and other reasons like security and compatibility were key in shaping consumer perceptions. The more relevant the mobile marketing effort is, the less the cost involved for the consumer to engage with the advertisement, the less intrusive it is, the more secure it is and the more compatible the format is with their mobile phones, then the perceptions would be positive. The study further established that involvement, feelings/interest to product, attitude, satisfaction, confidentiality,

advert source, location and time, message appeal, risk factors, coverage motivation, permission/legality and interactivity affect mobile advertising effectiveness.

Kamphuis and Ramnarain (2012) carried out a study on Dutch youth attitudes towards mobile advertising. The study found out that Dutch youth hold originality, interactivity and entertainment of mobile advertisements in high regard and as a yardstick of great mobile marketing. The study also highlighted the fears of the youths to be the perceived risks like too many messages coming in. The general attitude of the youth was negative however, through further probing, it determined that the attitudes can be positive if mobile marketing is implemented properly. This study, however focused on Dutch youth only whom we'll be able to find out after this study if they differ from the millennials in Kenya.

Another study was done by Mibei (2013) on application of mobile marketing in commercial banks in Mombasa county, Kenya. This study, however, focused on the company side without looking at the consumer side. In terms of consumer attitudes, it however noted that indeed consumer perceptions towards mobile marketing and the characteristics inherent in the mobile phone affected the application of mobile marketing in the banking industry. The study also recommended that the banks needed to invest in optimising the use of mobile marketing in order to gain more. The findings of this study will contribute by highlighting the perceptions of millennials in Nairobi, who in most cases are pace setters to the rest of the millennials in Kenya

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the methodology used in the study in order to achieve the research objectives is discussed. The areas covered include research design, population of the study, data collection techniques and data analysis.

3.2 Research Design

The study was a descriptive cross-sectional survey. The advantage of this kind of survey is that it helps in approving or disapproving assumptions when doing actual marketing. Descriptive Cross sectional survey also enabled the researcher to gain an in-depth understanding of how millennials in Nairobi perceive of mobile phone based marketing and be able to make inferences from the sample taken. Understanding millennials in Nairobi deeply is important because they are the trendsetters in the Kenya's digital arena. Their perception of mobile phone based marketing is key in determining its eventual success in Kenya. Quantitative data was used to determine the millennial consumer perception towards mobile marketing in Nairobi CBD.

3.3 Population of Study

The population of the study comprised of millennials consumers between the age of 18 years to 34 years of age only within Nairobi's Central Business District. As earlier discussed, this forms the group of millennials which this study has focussed on. The millennials come to Nairobi CBD mainly to make purchases in the retail outlets, to study or to do business. The fact that they have come from elsewhere gives the population a broader perspective and representation from various residential areas within Nairobi.

The researcher divided the population into 11 quotas within the Nairobi CBD. Each quota was aimed at covering a section of the CBD to ensure a well spread out population. The quotas were along University way, Koinange Street around KEMU University, Moi Avenue around Kenya Cinema, Kenyatta Avenue around GPO, Kimathi street around Nation centre, outside Nakumatt Lifestyle, Outside city market, outside Alliance Francaise, area around Nakumatt Moi Avenue and around Charter Hall. These were areas with a high traffic of millennials.

3.4 Sample Selection

Systematic sampling was employed by the researcher. The sample was obtained by carrying out interceptions at retail outlets, restaurants, business centres and colleges within Nairobi CBD during the day within 2 weeks. During the interception, every fourth person passing by within the 18- 37 age bracket was interviewed. Since millennials are similar in many aspects, systematic sampling will ensure an acceptable level of representation. A sample size of 100 will be considered to represent the millennials in Nairobi CBD as the population size of millennials within Nairobi CBD is not readily available and also an increase in sample size will not affect the quality of results.

3.5 Data collection tools and techniques

Data was collected from the sample through self- administered questionnaires. The questionnaires were semi-structured to enable a more focused data collection that met the research objective. Respondents were intercepted and questionnaires administered for them to fill on their own. Every fourth person walking out of retail outlets, restaurants, business centres and colleges within Nairobi CBD was interviewed until the a hundredth person. Before administering the questionnaires, they were tested to remove any ambiguity in the questions asked. The researcher used quantitative techniques to collect data. Secondary data was obtained from books, journals, articles and reports. Most of the questionnaires were administered from mid-morning, lunch hour and late afternoon as these were the times determined to be most appropriate to engage the respondents compared to early morning and early afternoon.

3.6 Data Analysis

Data analysis was done using qualitative and quantitative techniques. Quantitative data was cleaned coded and entered into Statistical Package for Social Sciences (SPSS) for analysis. This is a computer software for data analysis into which the questions used to collect data were coded into and the responses as collected by the researcher were keyed in. Based on the input, the output mean scores, standard deviations, percentages and frequency distribution were used to summarize the responses and to show the magnitude of similarities and differences.

Results were presented in tables and charts drawn from SPSS data outputs further prepared using Microsoft excel files. Cross tabulations were also used to observe if there were any impacts of demographics on millennial perceptions. The findings on the effect of demographics on millennial perceptions were tabulated and interpreted and comparisons drawn from other empirical data from other related studies. The researcher also noted that 3 respondents did not complete some sections of the questions asked thus during the analysis, the skipped sections sample size was 97 instead of 100.

Analysis was done for each of the 3 parts of the questionnaire where in part one, the millennial demographics of age, gender, employment status, level of education and type of mobile phone used was analysed using percentages. Part two entailed analysing the most preferred and least preferred forms of mobile marketing amongst millennial consumers in Nairobi CBD and the most preferred mobile marketing attributes. The findings were analysed using means and standard deviations. Part 3 which was the last section analysed the overall perception towards mobile marketing and the findings were analysed using the mean and standard deviations. Cross tabs were done for demographics and the various forms of marketing, attributes of marketing and the perception towards mobile marketing and results presented in percentages and tabulations.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The researcher using the interception method distributed 100 self-administered questionnaires to be filled by millennials within Nairobi CBD. All the questionnaires were filled within a period of two weeks. Four respondents, however, skipped responding to some statements of the various sections. When keying in the data, such unfilled sections were left blank and did not form part of the analysis.

4.1 Demographics

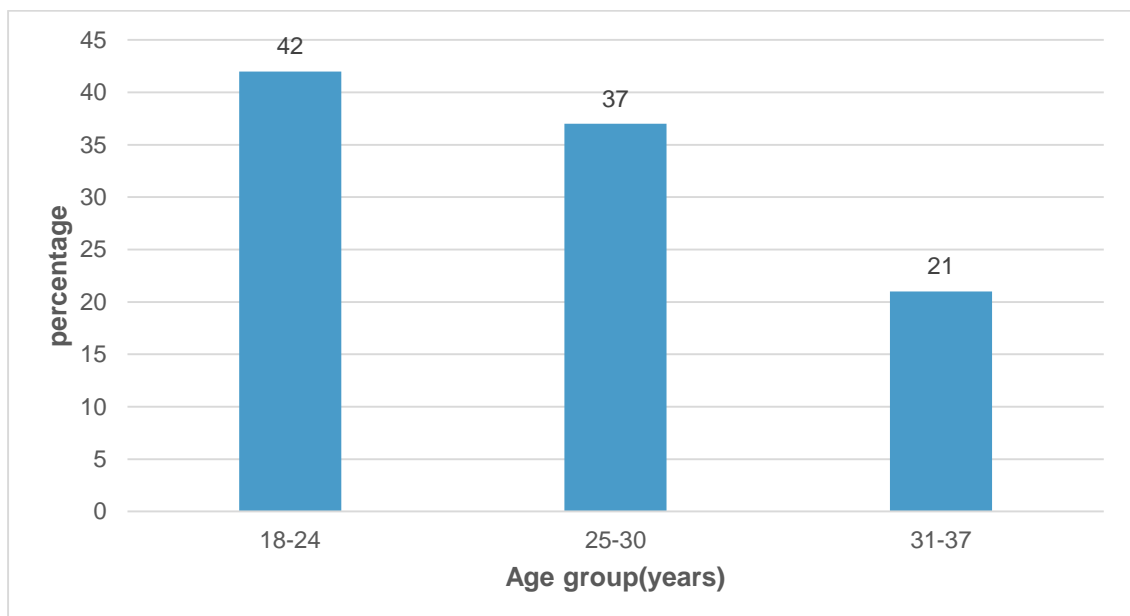
One of the key segmentation criteria marketers use is demographics. Different consumers have different tastes and preferences and for effective communication to take place between a brand and a consumer, marketers need to categorize their consumers into different homogenous groups while taking care of their specific interests and needs in order to meet a competitive edge. By doing consumer segmentation, mobile marketers are able to give their best efforts to the most profitable categories while nurturing promising categories and diverting resources from poor performing categories to the ones with the highest returns. There is a wide range of demographics that can be used in doing customer segmentation. However, this study focused on age, gender, employment status, level of education and type of phone used by the millennials.

4.1.1 Age of the Millennials

Section one of the questionnaire covered demographics starting with age of the respondents as shown in the below graph. Age analysis is important to know what different millennials in different age groups perceive of mobile marketing. Bauer et.al (2005) observed that teenagers like to personalise their mobile devices and regard it as part of their daily lives and likewise adults are catching up. Furthermore, Bauer et.al (2005) recommends that one has to look at variety of age brackets to have a full view of their effects on perception towards mobile marketing especially when testing behavioural intentions given the consumer based acceptance drivers.

In this study, the respondents between the age of 18-24 years were the majority representing 42% while those in the age group of 25-30 years represented 37%. Those within the age of 31 to 37 were fewer forming 21% of the respondents. The higher population of millennials aged 18-24 within Nairobi CBD can be attributed to various reasons such as the increased number of learning institutions within the study context and the willingness to participate in filling the questionnaires than the older generation of the millennials. The low percentage of respondents between age 25-37 years can be attributed to many offices being out of the Nairobi CBD and therefore were not captured during the research.

Figure 4.1: Age of the Millennials



4.1.2 Gender

The male respondents were the majority representing 55 percent while the female respondents represented 45 percent. The interception method was not as comfortable for the females as it was for the men. Also, upon introducing the topic of study to the millennials, more men agreed to participate than women and this could be due to the linkage between mobile marketing and mobile phone technology which is usually perceived to be technically complex and involving.

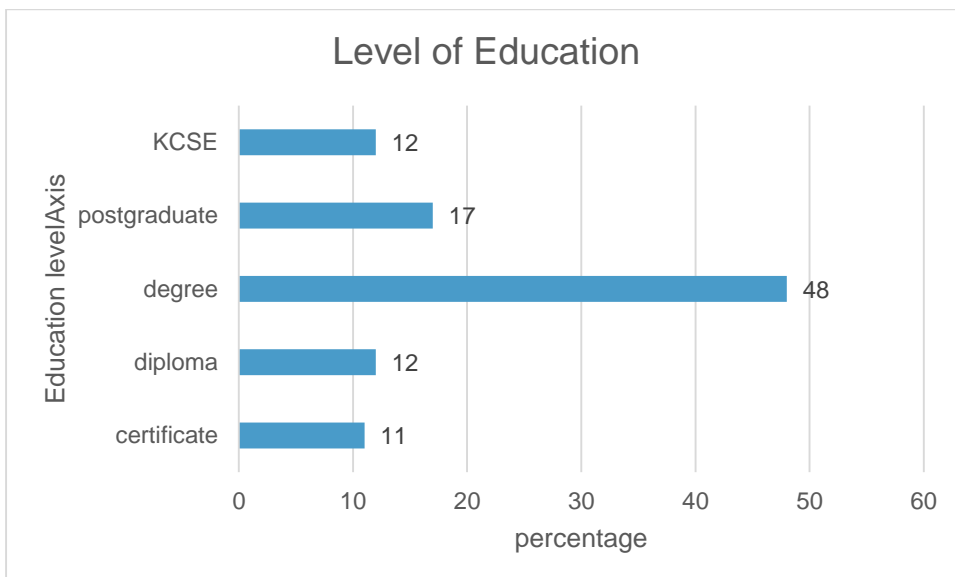
Table 4.1: Gender distribution of millennials

| Gender | Total | Percentage (%) |
|--------|-------|----------------|
| Male | 55 | 55 |
| Female | 45 | 45 |
| Total | 100 | 100 |

4.1.3 Education

The researcher also analysed the level of education of the millennials. The level of education increases the exposure of an individual and this would in turn shape their perceptions toward mobile marketing. Level of education also determines the level of existing knowledge about mobile marketing which can in turn influence the millennial perception. A majority represented by 48 percent had attained an undergraduate level of education as shown in the graph below. As mentioned earlier, one of the main reasons why millennials flock in the Nairobi CBD is to seek for higher learning within the numerous set up town campuses within the major streets of the CBD. This also confirms that the millennials are a knowledgeable lot.

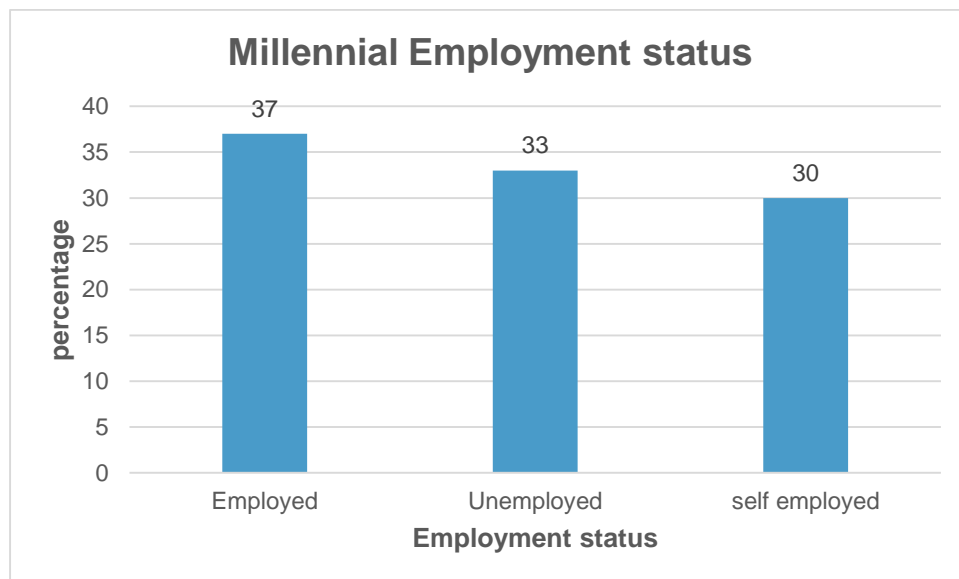
Figure 4.2: Education level of millennials



4.1.4 Employment Status

In terms of employment status, the research found out that 37 percent were employed while 30 percent were self-employed. The findings also show that 33 percent were unemployed. The researcher saw it important to analyse the employment status as it could have an impact on purchase intentions and the type of mobile phone in use which was part of what was to be measured in this study. In economics, employment status determines the purchasing power of a consumer. However, there was no significant impact of employment status to millennial consumer perception towards mobile marketing when asked if they were most likely to buy a product after seeing a mobile advertisement.

Figure 4.3: Employment status of millennials



4.1.5 Type of mobile phone

The type of phone in use can affect the perception towards mobile marketing. The research findings indicated that 89 percent had smartphones compared to other types of phones. This further confirms the point as observed by Safaricom data that over 60% of phones sold in their outlets are smartphones. This is also in line with a study that was done by Bank of America (2016) that revealed that 77 percent of millennials own smartphones. Ofcom (2015) also indicated that smartphones are the main source of internet access amongst millennials in Nairobi. The most advanced and most popular mobile marketing tactics are now being implemented on smartphones.

Having a smartphone, therefore, may determine the quality of user experience. Poor user experience with mobile marketing often leads to negative perceptions and vice versa. A millennial without a smartphone may also not know much about the advanced mobile marketing mixes. However, the findings did not indicate that type of phone affects the perception towards mobile marketing as those with feature phones and basic phones had positive intentions and perceptions towards most of the mobile marketing types. For instance, we would have expected that the ones with basic phones would prefer SMS advertising most, but a higher percentage of smartphone users said they preferred SMS advertising. See table 4.2 below.

Table 4.2: Phone type used by millennials

| Phone Type | Percentages of ownership(%) |
|-------------------|------------------------------------|
| Smart Phone | 89 |
| Feature phone | 5 |
| Basic phone | 6 |

4.2 Millennial Consumer most preferred form of mobile Marketing

Section two sought to measure the millennial perception towards the most common forms of mobile marketing and their likelihood to engage with them. They were presented with forms of mobile marketing which they were to rate on a scale of 1 to 5 with 1 being very unlikely and 5 being very likely. The options of mobile marketing given were mobile applications, mobile video advertisements, SMS advertisements, social media posts, banner advertisements, QR codes, blog posts and mobisites.

Mobile applications had the highest mean score of 4.46 meaning that the millennials were likely to use them. A majority of the millennials represented by 69 percent indicated that they were very likely to engage with mobile applications as a form of mobile advertising compared to the other forms of mobile marketing. This is in line with the published statistics of Chaffey(2017) in his report of consumer preference of mobile apps which showed that 90 percent of United States of America consumers' mobile usage is spent on applications. This has been brought about by the customisable and the refined nature of mobile applications according to the findings by

Chaffey(2017). This is unlike the studies done by Masika (2013) and Kamphuis, Ramnarain and Berndt (2012) which made the assumption that mobile marketing was majorly SMS driven. Even so, during the years of their studies, smartphone usage was not as widespread as it is today which could have led to the assumption. Facebook, messaging apps, games apps and utility apps are the most popular apps used by millennials. Therefore, even though applications are the most preferred form of mobile marketing amongst millennials in Nairobi CBD, caution needs to be taken when designing applications and when deciding which applications one needs to target using banner adverts or google text adverts.

QR codes had the lowest mean of 2.48 indicating that millennials were unlikely to engage with them. Of all the millennials who selected unlikely, 22 percent said that they were very unlikely to engage with QR codes. Quick Response codes are technology specific and this could be the barrier of usage as a user is required to download an application that makes use of a smartphone's camera to be able to scan the code to reveal the web based content embodied in the code. Other risks associated with QR codes include; erroneous placement, linkage with websites that are not optimised for mobile or web pages that are not updated. Asare (2015) notes that marketers are finding it difficult to put QR codes into effective marketing use as it is relatively new while other authors have argued that it is not an efficient tool for mobile marketing. Asare (2015) however, notes that with the right implementation, QR codes can help in increasing engagement and product awareness. Perceived benefits and informational value after scanning the QR code would determine the millennial perception towards them. Lack of scan knowledge has also been singled out as a major inhibiting factor for the usage of QR codes amongst millennial consumers. As pointed earlier, a number of millennial consumers inquired to be shown examples of QR codes confirming a lack of awareness on their usage. The table 4.3 below summarises the means of each form of mobile marketing and the likelihood of millennials to engage with them.

Table 4.3: Forms of mobile marketing as preferred by millennial consumers

| | N | Mean | Std. Deviation |
|--------------------------|-----|------|-------------------|
| Mobile Applications | 100 | 4.46 | .94 |
| Video advertisements | 99 | 3.71 | 1.03 |
| SMS advertisements | 99 | 3.68 | 1.23 |
| Social media posts | 98 | 3.99 | 1.00 |
| Banner advertisements | 97 | 3.09 | 1.14 |
| QR Codes | 99 | 2.48 | 1.12 |
| Blog posts | 99 | 3.06 | 1.20 |
| Mobile friendly websites | 99 | 3.24 | 1.17 |
| Valid N List wise | 97 | | |

Given the above results, millennials were likely to engage more with the forms of mobile marketing in the following order of priority which can help mobile marketers determine an appropriate mobile marketing mix. The most preferred form of engagement was through mobile applications which had the highest mean of 4.46 followed by Social media which had a mean of 3.9898. The third most preferred form of engagement was video advertising which had a mean of 3.7071. Fourth was mobile friendly websites with a mean of 3.2424 followed by Banner advertisements. The media time split between mobile applications usage and mobile friendly website usage according to a Nielsen (2014) report was 89 percent versus 11 percent respectively. Branded Mobile friendly websites are especially important during the mobile search process. Well branded, optimised and updated mobile friendly friendly websites make the search experience valuable for millennial consumers. Chaffey(2017) highlights that 48 percent of searches starts from web browsers which in most cases are linked to mobile friendly websites. The sixth most preferred form of engagement was blogposts and lastly QR codes.

This section also sought to also clarify the millennials' most preferred form of mobile marketing and the least preferred form of mobile marketing. Mobile applications ranked top being selected by 39 percent of the millennials as shown in the frequency

distribution table below. This further confirmed the findings in question 6 that indicated that millennials were most likely to engage with mobile applications compared to the other forms of mobile marketing. Looking at the age clusters, 18-24 year millennials with smartphones preferred mobile applications the most. This is as indicated in the cross tabulation in table 4.4 below:

Table 4.4: Age of millennials versus preference for mobile applications

| | | Mobile Applications | | | | |
|-------|-------|---------------------|----------|---------|--------|-------------|
| | | very unlikely | unlikely | neutral | likely | very likely |
| Age | 18-24 | 1 | 0 | 3 | 8 | 30 |
| | 25-30 | 1 | 1 | 3 | 9 | 23 |
| | 31-36 | 1 | 1 | 1 | 5 | 13 |
| Total | | 3 | 2 | 7 | 22 | 66 |

The least preferred form of mobile marketing was the use of QR codes having been selected by 50% of the interviewed millennials. This also confirms the findings in question 6 that reveals that millennials were very unlikely to engage with QR codes. While collecting the data, a good number of the millennials were not sure what QR codes were. The researcher therefore, had to walk around with a QR code sample for clarification purposes. Despite this effort, 50 % of the millennials still said that they least preferred to engage with QR codes out of a range of choices like mobile applications, mobile video advertisements, SMS advertisements, social media posts, banner advertisements, QR codes, blog posts and mobisites. Increase in mobile video usage can be attributed to the availability of high speed 4G internet usage which makes watching videos more enjoyable to watch as latency is reduced. This is also confirmed by e-marketer reports(2015) that showed that one in every three millennial consumers in the united states watch videos on their mobile phones.

In terms of attributes of mobile marketing, the Nairobi CBD millennials were required to rank a list of attributes in order of preference with 1 being most preferred and 11

being least preferred. The attributes were; direct to the point, entertaining, informative, interactive, witty, personalised, humorous, should have offers, creative banners, secure and photo oriented. Informative had the best mean of 3.21 while should have offers having the worst mean of 7.75. Even though by looking at the percentages, Direct to the point was ranked number 1 by the majority of the millennials represented by 37 percent with most of them being female. The findings are in line with Bauer et.al (2005) model of consumer acceptance to mobile marketing which notes that mobile marketing content should be entertaining and avail valuable information in order for consumers to develop a positive perception towards mobile marketing. This increases behavioural intention as per theory of reasoned action to use mobile marketing services.

The millennials ranked the attributes in the following order of priority going by the means, which was also confirmed by the percentages apart from the interchange between informative and direct to the point. The most preferred attribute was that the mobile advertisements ought to be informative with a mean of 3.21, direct to the point which had a mean of 3.52, entertaining which had a mean of 4.18, interactive which had a mean of 5.25, personalised which had a mean of 5.63, pictorial which had a mean of 6.70, humorous which had a mean of 6.9 and creative banners which had a mean of 7.43 respectively. Security with a mean of 7.6 was not a major attribute for the millennials. The top four attributes of mobile marketing were therefore determined to be informative, direct to the point, entertaining and interactive. These attributes generally apply to all the forms of mobile marketing discussed in this project report.

It, therefore, implies that if a mobile marketer chose to implement a mobile application marketing campaign, it ought to be first informative meaning that it has adequate information about what is being marketed whether it is a brand or a product. The message has to be direct to the point which may mean less usage of ambiguity when describing the content. The content of the campaign should also have aspects of entertainment and interactivity. All these attributes remain similar when implementing social media advertisements, video advertisements, SMS campaigns, mobile friendly websites and banner advertisements.

Table 4.5: Eleven Mobile Marketing Content attributes as ranked by millennials

| | N | Mean | Std. Deviation |
|---------------------|-----|------|-------------------|
| Direct to the point | 100 | 3.51 | 3.19 |
| Entertainment | 99 | 4.18 | 2.60 |
| Informative | 99 | 3.21 | 2.37 |
| Interactive | 99 | 5.25 | 2.56 |
| Witty | 99 | 7.49 | 2.67 |
| Personalised | 99 | 5.64 | 2.68 |
| Humorous | 99 | 6.86 | 3.19 |
| Should have offers | 99 | 7.76 | 2.91 |
| Creative banners | 99 | 7.43 | 2.71 |
| Secure | 99 | 7.70 | 2.71 |
| Pictorial | 99 | 6.70 | 2.50 |
| Valid N (listwise) | 99 | | |

A cross tabulation between gender and the attribute of mobile marketing preferred most, a majority of the female gender ranked “direct to the point” as the number one attribute they prefer in mobile marketing as shown in the table 4.6 below. Findings by Coursaris, Sung and Swierenga (2010) however, found that that women perceived informativeness and entertainment more than males while in this study, males perceived informativeness and entertainment more than females. This finding is key when doing gender based segmentation especially on social media advertisements. It highlights the appropriate areas to focus on for the different gender in order to increase engagement amongst the targeted millennials.

Table 4.6: Millennial Gender versus preference for direct to the point

| | Attribute of mobile marketing content | Direct to the point | | | | | | | | | | |
|--------------------------|---------------------------------------|---------------------|----|----|---|---|---|---|----|---|----|----|
| | Rankings | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Gender based percentages | Male | 29 | 25 | 4 | 5 | 4 | 7 | 2 | 13 | 2 | 4 | 5 |
| | Female | 46 | 20 | 13 | 2 | 2 | 2 | 2 | 2 | 0 | 2 | 7 |

4.3 Millennial Consumer Perception towards mobile marketing

The study also sought to determine the overall attitude towards mobile marketing. The first statement was: I enjoy seeing mobile advertisements on my phone. This was meant to measure the overall attitude towards mobile advertising. The mean score for this statement was 3.21 representing a neutral perception with a positive standard deviation of 1.26. A cross tabulation of age and the statement (I enjoy seeing mobile advertisements on my phone) in table 4.7 below shows that 30 percent of millennials aged 18-24 agreed with the statement while 27.5 percent strongly agreed. On the other hand, those 18- 24 years who disagreed were 5 percent while those who strongly disagreed were also 5 percent. Amongst millennials aged 25-30 years, 30.5 percent disagreed with the statement while 11 percent strongly disagreed with the statement. Age was therefore, observed to have an influence on attitude towards mobile marketing. The younger millennials aged 18-24 had a more positive perception compared to the older millennials aged between 25-30 years whose majority had a negative perception towards mobile marketing.

Table 4.7: Age of millennials versus general perception towards mobile marketing

| | | I enjoy seeing mobile advertisements on my phone | | | | |
|-------|-------|--------------------------------------------------|----------|---------|-------|----------------|
| | | Strongly disagree | Disagree | Neutral | agree | strongly agree |
| Age | 18-24 | 4 | 4 | 9 | 12 | 11 |
| | 25-30 | 5 | 11 | 7 | 9 | 4 |
| | 31-36 | 2 | 3 | 8 | 6 | 2 |
| Total | | 11 | 18 | 24 | 27 | 17 |

Also, a cross tabulation of gender and the statement (I enjoy seeing mobile advertisements on my phone) indicated that the male millennials had a more positive perception towards mobile marketing compared to their female counterparts as shown in the table 4.8 below.

Table 4.8: gender of millennials versus general perception towards mobile marketing

| | | I enjoy seeing mobile advertisements on my phone | | | | |
|--------|--------|--------------------------------------------------|----------|---------|-------|----------------|
| | | Strongly disagree | Disagree | Neutral | agree | strongly agree |
| Gender | Male | 6 | 6 | 13 | 17 | 12 |
| | Female | 5 | 12 | 11 | 10 | 5 |
| Total | | 11 | 18 | 24 | 27 | 17 |

22 percent of the males strongly agreed with the statement compared to 11 percent of their female counterparts. This could be due to the reasoning that men are more interested in technology than women as observed by the researcher.

Kamphuis, Ramnarain and Berndt (2012) in their study, found out a negative attitude towards mobile marketing by Netherlands youths. However, they also added that the perceptions of the youths was shaped positively by entertainment aspects and information aspects of mobile advertising. In the millennial consumer perception

towards mobile marketing in Nairobi CBD, some statements had higher means of 4 and above indicating a positive perception towards the aspects. The statement Every time I see an advertisement that makes me laugh on my phone, I share it with a friend had a mean of 4.214 with a standard deviation of 0.933. This emphasizes the importance of entertainment as a way of positively reinforcing mobile marketing. The shareability of a mobile advertisement creates virality which is usually referred to as word of internet which is an equivalent to word of mouth.

The statement When an advert comes to my mobile phone addressing me by name, I will definitely open it had a mean of 4.175 with a standard deviation of 1.172. This also emphasizes the importance of personalisation of mobile advertisements. A cross tabulation in age and gender in relation to this statement

The statement I read or listen to an advert because it features a product that I have been searching for had a mean of 4.163 with a standard deviation of 0.904. The statement I am likely to buy a product after viewing an advertisement on my mobile phone had a mean of 3.701 with a standard deviation of 1.032. Table 4.9 shows a summary of all the aforementioned statements and their means.

Table 4.9: Millennial consumer perception towards mobile marketing

| | N | Mean | Std Deviation |
|------------------------------------------------------------------------------------------------|----|------|------------------|
| I enjoy seeing mobile advertisements on my phone | 97 | 3.22 | 1.26 |
| Every time I see an advertisement that makes me laugh on my phone, I share it with a friend | 98 | 4.21 | 0.93 |
| I am likely to buy a product after viewing an advertisement on my mobile phone | 97 | 3.70 | 1.03 |
| I prefer mobile applications to mobile friendly websites | 98 | 3.55 | 1.03 |
| I prefer mobile websites to mobile applications | 96 | 2.92 | 1.08 |
| I view any advert on my mobile phone because it is from a brand I know | 98 | 3.59 | 1.21 |
| I view any advert on my mobile phone because it is from a brand I don't know | 98 | 2.81 | 1.15 |
| I read or listen to an advert that comes to my mobile phone because it has a new product offer | 97 | 3.61 | 1.01 |
| When an advert comes to my mobile phone addressing me by name, I will definitely open it | 97 | 4.18 | 1.17 |
| I read or listen to an advert because it features a product that I have been searching for | 98 | 4.16 | 0.90 |
| There is a risk of personal data being misused by mobile marketers | 97 | 3.16 | 1.07 |
| I am likely to use mobile ad blocking technology when available | 97 | 3.30 | 1.12 |
| Valid N (listwise) | 92 | | |

A reinforcement of the statement “Every time I see an advertisement that makes me laugh on my phone, I share it with a friend” however, showed a positive attitude towards mobile advertising that is entertaining, humorous or funny as it achieved the highest mean score of 4.21 with a positive standard deviation of 0.93. The behavioural intention

and the attitude towards the object was high increasing the chances of a positive perception according to the theory of reasoned action. This aspect also in line with one of the innovation based acceptance drivers advanced by Bauer(2005) which vouched for Perceived Utility social. Shareability functionality enabled by smartphones gives millennials an opportunity to seek the opinions of their peers and even discuss a campaign. Whenever such a functionality is available, it boosts consumer acceptance.

The findings in the table above also revealed that the millennials were neutral to pay attention to mobile advertisements that feature new products. The statement I read or listen to an advert that comes to my mobile phone because it has a new product offer had a mean of 3.608 with a positive standard deviation of 1. This implies that a new product offer is not strong enough to make millennials engage with a mobile marketing campaign. The other findings in this study that indicated that information, direct to the point and entertainment are stronger acceptance drivers can therefore be combined to reinforce a new product offer to millennials.

The statement Statements like I view any advert on my mobile phone because it is from a brand I don't know and I prefer mobile websites to mobile applications had very low means of 2.806 and 2.917 respectively indicating that the statements were not significant. The former statement confirms that millennials had a positive perception towards a known brand compared to unknown brands. The later statement further confirmed the millennial consumer preference for mobile applications above mobile friendly websites.

A cross tabulation of age and the various aspects of mobile marketing covered in the questionnaire revealed that age affected the perception towards mobile marketing in any way. In the below table, the millennials aged 25 to 30 years prefer adverts that are direct to the point the most compared to the other age brackets.

Table 4.10: cross tab between millennial age and attribute of direct to the point

| | Attribute of mobile marketing content | Direct to the point | | | | | | | | | | |
|--------------------------|---------------------------------------|---------------------|----|----|---|---|---|---|----|---|----|----|
| | Rankings | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Percentage of Age groups | 18-24 | 31 | 24 | 5 | 2 | 0 | 7 | 5 | 12 | 0 | 5 | 10 |
| | 25-30 | 43 | 22 | 14 | 8 | 5 | 3 | 0 | 3 | 0 | 3 | 0 |
| | 31-36 | 38 | 24 | 5 | 0 | 5 | 5 | 0 | 10 | 5 | 0 | 10 |

The male millennials preferred the entertainment feature more than their female counterparts as shown in the table below. Marketers can therefore, apply more entertainment in their mobile advertisements to millennials as an enhancer to male millennial consumer acceptance. Gender was found to have a significant impact on the millennial perceptions in several aspects making it a key consideration for demographic segmentation.

Table 4.11: cross tab between gender of millennials versus attribute of entertainment

| | Mobile Marketing Content attribute | Entertainment | | | | | | | | | | |
|-------------------|------------------------------------|---------------|----|----|----|----|----|---|---|---|----|----|
| | Rankings | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Percentage Gender | Male | 22 | 18 | 11 | 15 | 7 | 9 | 7 | 2 | 4 | 5 | 0 |
| | Female | 11 | 16 | 9 | 11 | 18 | 23 | 0 | 2 | 5 | 2 | 2 |

The female millennials also preferred personalisation more than their male counterparts as shown in the table below. Chang(2014) notes that researchers have shown that the response rates of personalised advertisements are higher compared to those that are not personalised. Personalisation can take the form of name e.g. referring to the millennial consumer by their real names; it can also take the form of localisation, for example, showing mobile advertisements that are in line with the geographical location of the

consumer or showing advertisements that are in line with the most recent mobile searches the consumer has made on their mobile phones. This tactic of showing advertisements in relation to what the consumer has searched recently makes use of browser cookies to detect the searches.

Table 4.12: Cross tab between gender of millennials and attribute of personalisation

| | Mobile content Attribute | personalised | | | | | | | | | | |
|-------------------|--------------------------|--------------|---|----|----|----|----|---|---|----|----|----|
| | Rankings | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Percentage Gender | Male | 0 | 3 | 10 | 16 | 16 | 13 | 9 | 7 | 9 | 11 | 4 |
| | Female | 9 | 7 | 20 | 18 | 9 | 7 | 9 | 2 | 11 | 5 | 2 |

Both genders valued informativeness in almost equal measure as indicated in the table 4.13 below. Bauer et al (2005) in a study found that mobile marketing campaigns with high information value led to a positive attitude towards mobile marketing. The researcher also confirmed this from this study.

Table 4.13: Cross tab between gender of millennials and attribute of informative

| | Mobile Marketing Content attribute | Informative | | | | | | | | | | |
|-------------------|------------------------------------|-------------|----|----|----|---|---|----|---|---|----|----|
| | Rankings | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| Percentage Gender | Male | 20 | 22 | 20 | 11 | 9 | 4 | 5 | 2 | 2 | 4 | 2 |
| | Female | 25 | 36 | 18 | 9 | 5 | 0 | 11 | 0 | 0 | 5 | 0 |

These findings also portray millennials as information seekers. Google advertising offers search advertising which can be used to give information to target consumers. The algorithms are also designed to only favour websites with quality information to be discovered quickly by information seekers.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter captured a summary of the research findings, conclusions drawn and recommendations made to users of this report based on the findings. It also highlighted how the findings can be applied effectively to ensure successful mobile marketing to millennial consumers in Nairobi. This chapter also detailed how the objective of the study has been met by the findings giving an answer to the research question.

5.2 Summary

The study found that Millennials have a neutral perception towards mobile marketing. However, their perception is largely shaped by age, gender, form of mobile marketing and attributes of mobile marketing employed. Mobile applications, social media and video advertisements were the highly ranked forms of mobile marketing amongst millennials in Nairobi Central Business District. Information, direct to the point(precision), entertainment and personalisation were the highly ranked attributes that increased positive perceptions. Millennials are very willing to share humorous mobile marketing messages and whenever possible, mobile marketers should ride on this wave to create virality. These formed the main consumer acceptance drivers as revealed by the study amongst millennial consumers in Nairobi. The younger millennials aged between 18 to 24 years have a more positive perception compared to their counterparts in 25 to 37 age bracket. Special attention and deliberate cues need to be employed when marketing to the older millennials in order for campaigns to be successful. A proper application of the aforementioned consumer acceptance drivers will set keen mobile marketers ahead in gaining acceptance across the millennial consumers. QR codes and blog posts are least ranked indicating areas that marketers should not spend most of their time and resources on.

With proper implementation, therefore, mobile marketing has a great potential of increasing millennial consumer engagement levels with a brand. With most of them

likely to make a purchase after viewing a mobile advertisement, it means that a properly implemented mobile marketing campaign can drive sales and revenues and eventually impact bottom lines of companies positively. An effort to create familiarity for a brand is also necessary to increase mobile marketing campaign uptake as millennial consumers noted that they are very likely to engage with known brands compared to unknown brands.

5.2 Conclusion

The rapid growth of smartphone usage and the continuous improvement of the smartphone device and internet technology has opened up a whole new medium that enables mobile marketing. According to this study, 89 percent of millennial consumers had smartphones. Mobile Marketers have a great opportunity to implement mobile marketing efforts perceived positively by millennials in order to engage with them more. The overall positive perception towards properly implemented mobile marketing is a good starting point for a marketer who wish to engage more with the millennials.

Understanding that the millennials prefer mobile applications the most over the other forms of mobile marketing is important. In this study, mobile applications had a mean of 4.46 indicating that the millennial consumers were likely to engage with them. This was the view of 69 percent of the sample. Through mobile applications, marketers can come up with campaigns that are informative which had the best mean of 3.21, direct to the point which had the second best mean of 3.52, entertaining which was third most valued with a mean of 4.18, interactive which had a mean of 5.25 and personalised with 5.63 mean when the millennial consumers were asked to rank them in order of preference. This further explains why even banner adverts and text adverts placed within popular applications like game apps usually have a higher click through rate. When placing such banner adverts, marketers ought to pay close attention to the characteristics of mobile marketing that millennials regard highly e.g. provision of useful information, direct to the point and entertainment. If possible, they also ought to look for opportunities of personalising the adverts as much as possible e.g. using cookies to detect previous searches and serving appropriate advertisements, making humorous adverts that millennials will be obliged to share with other friends to create

a viral nature which brings about a higher reach at a low cost. Security was not significant in the list of attribute priorities.

It is also important to note the aspects that millennials perceive negatively. QR codes are least popular with millennials in Nairobi. From this study, QR codes had the least mean of 2.4848 indicating that on a scale of 1 to 5 with 1 being very unlikely and 5 being very likely, a majority of the interviewed millennials were unlikely to engage with QR codes. Even though they cost almost nothing to have, they take valuable advertising space on print media that could otherwise be used to market brand applications instead where millennials can go to further engage with a brand. As per the findings of this study, millennials are also likely to pay less attention to brands with low levels of recognition. This calls for smaller brands being aggressive both offline and online to create familiarity and recognition to increase the chances of engagement. Such brands may also need to employ the use of celebrity endorsements to increase likeability and engagement.

This study has also revealed that the older millennials aged between 25 to 37 have a more negative perception towards mobile marketing compared to the younger millennials aged between 18 to 24 years. A majority of the millennials however, indicated that they are likely to do two things: share mobile adverts that make them laugh and open adverts that address them by name. Mobile marketers can employ the use of entertainment, humour, information and personalisation to increase chances of engaging with the older lot of millennials and creating consumer acceptance towards mobile marketing. The use of relevance will also help as millennials indicated that they are likely to open an advert that features a product that they have been searching for.

5.3 Recommendations

The findings of this research indicate that the general perception of the millennial consumer in Nairobi CBD towards mobile marketing is neutral. This gives room for mobile marketers to be able to shape the perception in favour of their brands and products. From the findings of the demographics of this study, segmentation of mobile marketing can be done along the lines of age brackets and gender which were found to

have a significant impact in determining the millennial perception towards mobile marketing.

After segmentation, the appropriate mobile marketing mix needs to be determined. Based on the findings of this study, the top preferred platforms were mobile applications, social media, video marketing, SMS marketing, mobile friendly websites, banner advertisements, blog posts and lastly QR codes respectively. Given the limited marketing resources available for marketing and the need to give return on investment, an optimal mix of the above platforms can be determined for instance taking the first three and concentrating to achieve more engagement with them.

Once the segmentation and the appropriate mobile marketing mix has been determined for each of the segments, the other important point would be to determine the attributes of mobile marketing to use for each of the segments and each of the settled-on marketing mix. From this study, the key attributes that stood out were informative, direct to the point, entertaining and interactive. Moreover, other key acceptance drivers that can be leveraged on included use of humour, personalisation and leveraging on known brands. The question the marketer ought to ask oneself is, Is my mobile marketing campaign or message informative? Is it direct to the point? How entertaining is it? To what extent does it elicit humour? How have I personalised the messaging? Choosing the appropriate platform, the appropriate attributes of mobile marketing that are likely to bear the best results is highly encouraged instead of just doing random adverts.

5.4 Limitations of the study

This study was only done within Nairobi Central Business District which is just a section of Nairobi county. A scale up of the study to all county headquarters in Kenya would give a more national outlook of the millennial consumer perception towards mobile marketing in Kenya. This was not possible due to limited resources and time. Also, the researcher noted that female respondents were reluctant to take part in the study due to the perception that filling in the questionnaire along the road would take a lot of their time. Some of the female respondents were also not comfortable with the interception method of getting respondents employed by the researcher. Millennials, given their general characteristic of impatience also felt reluctant to take part in the

survey. This led to the researcher choosing times deemed for breaks e.g. tea breaks, lunch breaks and in the evening when millennials are more relaxed. During the morning hours, it was difficult to get audience as most of them were in a hurry either rushing to work or for lessons.

Some of the millennials were not conversant with the term mobile marketing thus before they participated in the research, the researcher had to elaborate what mobile marketing meant in layman's terms. In some instances, the researcher had to refer respondents to popular applications and websites and give other examples of the various forms of mobile marketing to ensure understanding amongst some millennial consumers. The most asked about was the QR codes of which the researcher had to carry a sample QR code placed on a daily newspaper to showcase. Most of them were familiar with the forms after description only that they were not familiar with the industry names and jargons.

5.5 Implications

This study was aimed at addressing the almost total lack of research evidence on millennial consumer perception towards mobile marketing in Nairobi CBD. It aimed at removing assumptions being made by mobile marketers in Nairobi and create a localised report away from the international reports that come from established markets in Europe and United states of America. This has been achieved by studying 100 millennials in Nairobi with special attention to their most preferred forms of mobile marketing, their most preferred attributes of mobile marketing and their perceptions towards key aspects of mobile marketing.

This research therefore, provided a point of reference and empirical data for local mobile marketers and local mobile marketing scholars on millennial consumer perception towards mobile marketing in Nairobi CBD. This information is important given that it is the only local study about mobile marketing carried out amongst millennials in Nairobi. Other comparable studies about mobile marketing did not focus solely on millennials and their perceptions but looked more on its application on the brand side without taking into consideration the consumer perception side. This study also responds to a recommendation made by Kamphuis, Ramnarian and Berndt(2012) on the need to study different age groups perception and the role of demographics in

shaping perceptions. This research is therefore timely especially with the rise of mobile marketing efforts in Kenya and will form a basis of further research in the field of mobile marketing amongst the growing population of millennials in Kenya.

This study also revealed that SMS marketing is no longer the most preferred form of mobile marketing especially amongst millennials as some studies revealed. The increasing popularity of mobile applications as highlighted in the findings of this study sets a new area that requires more focus and effort to ensure success in brand engagement through mobile phones. The task of the marketers now goes to determining how they can leverage on this and also how they can make their applications to be part of the consumer's lifestyle. The question remains, how can marketers make their branded applications become utility apps?

5.6 Suggestions for further research

This study has investigated the general overview of millennial consumer perception towards mobile marketing in Nairobi CBD. There is room for further research to upscale this to the whole of Kenya. Also, further studies need to be conducted to detail the various forms of mobile marketing and to get to understand the special attributes, their key consumer acceptance drivers and perceptions towards each of them. This will help in revealing insights in the various forms of mobile marketing. A deeper analysis of mobile applications, especially those owned by brands for marketing purposes needs to be done to further promote the growth of mobile application marketing. As it is, the main mobile applications mostly used by millennials are social media applications like facebook and Instagram; messaging applications like Whatsapp, Telegram and Snap Chat. There is need to understand how branded applications can find traction and increase utility amongst millennial consumers.

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APPENDICES

Appendix 1: Questionnaire

Introduction

Hello, I am Mark Tindi, a Master of Science in Marketing student at the University of Nairobi, School of Business. I am conducting a study on millennial consumer perception towards mobile marketing in Nairobi Central Business District, Kenya. I would like to ask you a few questions which will take about 7 minutes of your time. The information gathered is for academic purposes only.

SECTION ONE: DEMOGRAPHICS

1. How old are you? (tick your range)

| | |
|--------------|--|
| 18- 24 years | |
| 25-30 years | |
| 31-37years | |

2. What is your gender?

| | | |
|----|--------|--|
| 1. | Male | |
| 2. | Female | |
| 3. | Other | |

3. What is your education level?(tick one, the most recent)

| | | |
|----|--------------|--|
| 1. | Certificate | |
| 2. | Diploma | |
| 3. | Degree | |
| 4. | Postgraduate | |
| 5. | K.C.S.E | |

4. What is your employment status?

| | | |
|----|---------------|--|
| 1. | Employed | |
| 2. | Unemployed | |
| 3. | Self employed | |

5. What type of phone do you have?

| | | |
|----|--------------------------------|--|
| 1. | Smartphone | |
| 2. | Feature phone | |
| 3. | Basic Phone (without internet) | |

SECTION TWO- MOBILE PHONE BASED MARKETING

6. To what extent are you likely to engage with the following forms of mobile advertising?

(5-very likely 4- Likely 3- neutral 2- unlikely 1- very unlikely)

| | 5 | 4 | 3 | 2 | 1 |
|-----------------------|---|---|---|---|---|
| Mobile Applications | | | | | |
| Video advertisements | | | | | |
| SMS advertisements | | | | | |
| Social media posts | | | | | |
| Banner advertisements | | | | | |
| QR Codes | | | | | |
| Blog posts | | | | | |

| | | | | | |
|--------------------------|--|--|--|--|--|
| Mobile friendly websites | | | | | |
|--------------------------|--|--|--|--|--|

7. Which form of mobile advertising do you most prefer to engage with on your mobile phone? (Tick one)

| | |
|--------------------------|--|
| Mobile Applications | |
| Video advertisements | |
| SMS advertisements | |
| Social media posts | |
| Banner advertisements | |
| QR Codes | |
| Blog posts | |
| Mobile friendly websites | |

Other:.....

8. Which form of mobile advertising do you least prefer on your mobile phone? (Tick one)

| | |
|--------------------------|--|
| Mobile Applications | |
| Video advertisements | |
| SMS advertisements | |
| Social media posts | |
| Banner advertisements | |
| QR Codes | |
| Blog posts | |
| Mobile friendly websites | |

Other:

9. Rank the following mobile marketing content attributes in order in which you would prefer them. (insert a number besides each attribute e.g. 1 for the most preferred and 11 for the least preferred. Do not repeat the same number twice)

| | |
|--------------------------|--|
| Direct to the point | |
| Entertaining | |
| Informative | |
| Interactive | |
| Witty | |
| Personalised | |
| Humorous | |
| Should have offers | |
| Creative banners | |
| Secure | |
| Photo oriented/pictorial | |

10. To what extent do you agree with the following statements?
(5-strongly agree; 4- agree; 3- neutral; 2- disagree; 1- strongly disagree)

| | 5 | 4 | 3 | 2 | 1 |
|---------------------------------------------------------------------------------------------|---|---|---|---|---|
| I enjoy seeing mobile advertisements on my phone | | | | | |
| Every time I see an advertisement that makes me laugh on my phone, I share it with a friend | | | | | |
| I am likely to buy a product after viewing an advertisement on my mobile phone | | | | | |
| I prefer mobile applications to mobile friendly websites | | | | | |
| I prefer mobile websites to mobile applications | | | | | |
| I view any advert on my mobile phone because it is from a brand I know and trust. | | | | | |

| | | | | | |
|------------------------------------------------------------------------------------------------|--|--|--|--|--|
| I view an advert on my mobile phone because it is from a brand I do not know | | | | | |
| I read or listen to an advert that comes to my mobile phone because it has a new product offer | | | | | |
| When an advert comes to my mobile phone addressing me by name, I will definitely open it | | | | | |
| I read or listen to an advert because it features a product that I have been searching for | | | | | |
| There is a risk of personal data being misused by mobile marketers | | | | | |
| I am likely to use mobile ad blocking technology when available. | | | | | |

Thank you for your precious time and assistance.