THE INFLUENCE OF COMPARATIVE ADVERTISING ON CONSUMER-BASED BRAND EQUITY AMONG MOBILE PHONE TELECOMMUNICATION CONSUMERS IN NAIROBI

AOKO MAGERO

RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE MARKETING, FACULTY OF BUSINESS AND MANAGEMENT SCIENCE, UNIVERSITY OF NAIROBI

NOVEMBER 2021

DECLARATION

I declare that is research project is my original work and has not been presented to any other institution for any academic award other than the University of Nairobi.

Date: 23/11/2021 Signature:

Aoko Magero

D65/35031/2019

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

Signature Date: 15/11/2021

DR. MUYA NDAMBUKI

SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

UNIVERSITY OF NAIROBI

DEDICATION

This project is dedicated to my father Mr David Magero for believing in me and igniting in me the passion for knowledge and the pursuit of excellence in all that I do. And to my mother Angeline Oriedo for her invaluable support and encouragement. May God bless you

ACKNOWLEDGEMENTS

I would like to thank the Lord Almighty for His grace in granting me the ability to start and complete this project

I sincerely appreciate the guidance and assistance of my project supervisor Dr Muya Ndambuki who made this project a success. I am thankful for his insightful and timely feedback on the correct approach the study should follow. His dependability, extensive knowledge, and commitment to quality have been a great influence in shaping my thinking and an encouragement to emulate him.

I also extend my earnest gratitude to my moderator Dr Joseph Owino for his guidance and advice that helped shape this project.

I wish to acknowledge my parents, David Magero and Angeline Oriedo, for their constant inspiration, love, and invaluable support throughout my life and in my studies. This work would not have been possible without them. Thank you.

DECLARATIONii
DEDICATIONiii
ACKNOWLEDGMENTSiv
LIST OF TABLESviii
ABBREVIATIONS AND ACRONYMSix
ABSTRACTx
CHAPTER ONE: INTRODUCTION1
1.1 Background of the Study1
1.1.1 Comparative Advertising
1.1.2 Consumer-Based Brand Equity
1.1.3 Mobile Telecommunications Consumers in Nairobi
1.2 Research Problem
1.3 Research Objective
1.4 Value of the Study11
CHAPTER TWO: LITERATURE REVIEW13
2.1 Introduction
2.2 Theoretical Framework13
2.2.1 Consumer-Based Brand Equity Model
2.2.2 Hierarchy of Effects Model15
2.2.3 Cognitive Response Theory17
2.3 Comparative Advertising on Consumer-Based Brand Equity

TABLE OF CONTENTS

CHAPTER THREE: RESEARCH METHODOLOGY	24
3.1 Introduction	24
3.2 Research Design	24
3.3 Population	24
3.4 Sample Design	25
3.5 Data Collection	26
3.6 Data Analysis	26
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION	28
4.1 Introduction	28
4.2 Response Rate	28
4.3 Demographic Characteristics	29
4.3.1 Distribution of Respondents by Age	29
4.3.2 Distribution of Respondents by Education Level	29
4.3.3 Distribution of Respondents by Region	30
4.4 Descriptive Statistics for Comparative Advertising Strategies	31
4.5 Descriptive Statistics for Consumer Based Brand Equity	33
4.6 Regression Analysis	35
4.7 Discussion of Research Findings	39
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIO	NS 42
5.1 Introduction	42
5.2 Summary	42
5.3 Conclusions	43
5.4 Recommendations	43

5.5 Limitations	44
5.6 Recommendations for further studies	44
REFERENCES	45
APPENDICES	50
Appendix I: QUESTIONNAIRE	
Appendix II: List of telecommunication companies in Kenya	53
Appendix III: Distribution of Population in Nairobi county	54

LIST OF TABLES

Table 4.1 Response Rate	28
Table 4.2 Respondents Age	.29
Table 4.3 Respondents Education Level	30
Table 4.4 Respondents Region	31
Figure 4.5 SIM card Ownership	.31
Table 4.6 Mean and Standard Deviation for Comparative Advertising Strategies	32
Table 4.7 Mean and Standard Deviation for Consumer-based brand equity	33
Table 4.8 Correlation Analysis	36
Table 4.9 Regression Model Summary	37
Table 4.10 ANOVA for Comparative Advertising versus Consumer-based brand equity	37
Table 4.11 Regression coefficients	38

ACRONYMS AND ABBREVIATIONS

- **CBBE** Consumer Based Brand Equity
- CAK Communications Authority of Kenya
- SMS Short Message Service
- **HEM** Hierarchy of Effects Model
- SIM Subscriber Identification Module
- WDC World Data Centre
- SD Standard Deviation
- SPSS Statistical Package for Social Sciences
- **CBD** Central Business District
- **KPHC** Kenya Population and Housing Census

ABSTRACT

Advertising is the main communication strategy used by marketers to inform consumers of the value they offer and also persuade them to buy their products. Numerous literature exists examining the influence that advertising has on creating and sustaining brand equity. However, little research exists on comparative advertising and the effects that it has on consumer-based brand equity. This study aimed to examine the influence of comparative advertising on consumer-based brand equity among mobile telecommunication consumers in Nairobi. Mobile telecommunication consumers in Nairobi were the target population used in the study and a sample size of 384 respondents was chosen to represent them. The research methodology used was a descriptive survey, using structured questionnaires to collect primary data. The results were analysed using descriptive statistics, regression, and correlation analysis. A 5-point Likert Scale was used to measure the questionnaire items and the results showed a positive correlation between comparative advertising strategies and consumer-based brand equity. It was also established that comparative advertising strategies yielded varied influences on different aspects of consumer-based brand equity. The study recommends adopting comparative advertising strategies that help to build brand knowledge which aiding in consumer recall because of the creative content. Finally, the research has some limitations, one being that it was done in Nairobi only and results would have been different had the research been conducted in other towns in Kenya. The second is that data was collected at one point in time and results may differ had it been collected over some time. To mitigate the limitations, it was recommended that future research analyse the relationship between comparative advertising and consumer-based brand equity in other towns and industries as well as carry out a longitudinal research study.

Х

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

For brands to maintain their competitive advantage, they have to create and sustain brand equity. Keller (2013), states that the power of a given brand lies in the hearts and minds of its consumers. The success of a company is linked to its ability to meet the needs of its customers and also create a loyal customer base. Changing customer perceptions and attitudes in favour of a company are critical marketing activities, especially in a competitive industry. Advertising is one of the best ways that marketers can persuade consumers to buy their products, promote their brand and increase confidence in the use of their particular brand (Aaker & Biel, 2013). It is the primary means of communication that companies use to persuade their consumers and against another, showing the superiority of one over the other (Beard, 2018). According to Pechmann & Ratneshwar (2019), marketers utilize comparative advertising with a focus on educating consumers, building consumer-brand affiliation, and most importantly showing their superiority over competitors.

Consumer-based brand equity happens when customers think favourably of a brand and want to be associated with it (Keller & Lehmann, 2006). Gorn et al (1984), found that there was a strong positive association between comparative advertising and the perceptions and attitudes that consumers held for a brand. Consumers are prone to purchase and show loyalty to those brands that inform them and offer them value. According to Frusch & Engelen (2016), low market share brands benefit more from comparative advertising when done implicitly because it causes consumers to associate them with high-share brands, and in this way, they transfer their attributes to the low-share brand. Soscia et al. (2010) propose that brands use comparative advertising to change consumer perceptions by comparing themselves to competitors to show they are equally competent or even better. Changing consumer attitudes is the goal of persuasion because when done correctly it will lead to improved brand image and brand loyalty.

The theories underpinning this study are the Consumer Based Brand Equity theory (CBBE), the Hierarchy of Effects Model (HEM), and the Cognitive Response Theory. The hierarchy of effects model proposed by Lavidge & Steiner (1961) suggests the steps that consumers undergo from when they view a product through an advertisement and how persuasion can be used to ensure message acceptance. The cognitive response model proposed by Greenwald (1968), on the other hand, suggests that advertisers have to understand the cognitive responses that their audiences have towards persuasion as they create their advertisements. The CBBE model by Keller (2003), states that it is important to model the perceptions and feelings of consumers towards your brand to create a lasting brand. As such, it is crucial to change the perceptions and attitudes of consumers because it is they who hold the essence of brand equity.

Mobile telecommunications in Nairobi is indicative of the industry in Kenya, which has grown to become a crucial enabler to economic growth in the country. But with growth comes increased competition in the sector, with the five major players seeking to win the hearts of the 59.24million mobile subscriptions (CAK, 2021). Advertising is one way that these companies use to convince mobile subscribers as it helps them ascertain their value. The companies with a low share in the market have become very aggressive through their many offers in an attempt at acquiring market share. Most consumers subscribe to more than one network and this means that customers are now more than ever aware of different products and the value that they want to receive. Comparative advertising has been very useful to telecommunication firms because it allows them to highlight the benefits that their brand offers over their competitors while at the same time interacting with consumers.

1.1.1 Comparative Advertising

Advertising is the means through which marketers can inform, persuade and remind customers about their products and services (Aaker & Biel, 2013). Done effectively, advertising will achieve the goals of promoting a brand and boosting the confidence that consumers have towards its products and services (Harris et al., 2014). Advertising enables brands to establish a favourable image because consumers who have relatively little information on a brand associate the amount of advertising to the quality of a brand (Harris et al., 2014). Marketers have to ensure that they create memorable ads that resonate with their customers and still communicate the value they offer. Comparative advertising is the answer to memorability as it allows brands to showcase their differential advantage over competitors.

Comparative advertising is a persuasive advertising tactic where brands communicate their competitive advantage by comparing their product offerings with those of their competitors (Beard, 2018). Historically, comparative advertising was mainly used in political campaigns but over the years they have become increasingly popular among commercial brands. These

ads either mention the targeted competitors directly or indirectly, but consumers can often deduce the other brand being referred to. The effectiveness of comparative advertising is increased when a brand can show the flaw in their competitors while at the same time offering customers a solution for this (Gotlieb & Sarel, 1991). Comparative ads present consumers with both evaluative and factual information, the former helping to alter attitudes and the latter affecting purchase intentions (Shao et al., 2004). The other benefit that comparative ads offer is entertaining consumers through humour, and according to Clutch (2018), consumers are more likely to remember advertisements that have humour.

Grewal et al. (1997), group comparative advertisements into two, based on the direction that comparison is made and the intensity of the comparison with a particular competitor. Intensity refers to the degree to which a competitor is mentioned, and these ads compare brands offering similar products or services based on a particular attribute either implicitly or explicitly. Comparative advertisements that compare two identifiable brands are known as 'direct or explicit' while those that do not identify the brand being compared are called 'indirect or implied'. In terms of direction, there are two types namely 'associative' or 'differentiative.' Comparative ads that are associative focus on the similarities between the comparison brand and the advertised one, while differentiative comparative advertisements emphasize the superiority of the advertised brand over the other (del Barrio-García et al., 2020)

Williams & Page (2013), state that comparative advertising is more beneficial to brands that have low market share brands as opposed to those with high market share. This is because comparative ads help to generate consumer awareness, increase their attention to the low-share brand and create favourable brand attitudes. In addition to this, Barigozzi et al (2009) state that the best way to measure the effectiveness of a comparative ad is the fall of ratings of the compared competitor's products after the advertising campaign. This means that the main goal of comparative advertising is to change the competitive dynamic in favour of the advertised brand. The main elements that make comparative ads unique are content, humour, brand salience, and communicating favourable benefits and attributes of the advertised brand.

1.1.2 Consumer Based Brand Equity

Aaker (2009), states that brand equity is the commercial benefit that a brand gets as a result of the positive perception that consumers have towards its products as opposed to those of its competitors. According to Keller (2013), consumer-based brand equity is the differential outcome that brand knowledge and perceptions have on the responses consumers give to the marketing of a particular brand. It underscores therefore that brands have to establish a formidable foundation in the minds of their consumers to be able to create positive feelings and attitudes towards the brand. Brand awareness refers to when a consumer can recognize and recall a brand. Aaker & Biel (2013) state that when building brand equity, creating brand awareness is the first step that should be taken. Brand recognition occurs when consumers can relate previous exposure to a brand while brand recall means that consumers can identify a brand when it is marketed to them.

Brand recognition is better than brand recall according to Keller (1993) because consumers need no prompt to choose a brand, especially when making purchase decisions. The consumerbased brand equity model emphasizes that the only way to create brand equity is to design marketing strategies that will emanate positive feelings and a good relationship towards the brand. Value, trust, performance, commitment, and social image are the important elements that underlie the CBBE model and it means that brands have to first start by establishing a relationship with their customers. A positive response from consumers is when they can easily identify a brand from other competitors and also recall it when prompted (Keller, 2013). CBBE therefore directly correlates with the increased value of a brand because consumers believe it will offer them more benefits compared to others.

Aaker (1991), proposes five elements of brand equity which are brand awareness, brand loyalty, brand associations, perceived quality, and proprietary brand assets. Marketers have the task of creating, maintaining, and enhancing their brands by looking for ways to create positive brand associations for their products and services in addition to offering features that the final purchaser is looking for. This, therefore, means that the main concept of any given brand is to improve the ability of a customer to identify, remember and more importantly associate with it through any form of communication (Aaker, 2007). Customer-based brand equity is a framework that is very useful because it helps to understand consumer buying motives. This can be done by analysing customer responses, experiences, and attitudes towards the brand over time, and with this knowledge, they will be able to develop persuasive communication for them (Christodoulides & De Chernatony, 2010).

1.1.3 Mobile Telecommunications Consumers in Nairobi

According to the Communications Authority of Kenya (Communications Authority of Kenya, 2021), the mobile telecommunication industry in Kenya is a vibrant sector that is continually advancing and has become a key economic enabler. This is a result of the numerous

technological innovations that are geared towards efficient communication and improvements on the mobile phone (GeoPoll, 2021). It is because of these innovations that the sector has become very competitive, with each network provider wanting to be the most preferred. Consequently, there have been a lot of offers and customer-retention programs that end up favouring the consumer (Mfuko & Omido, 2020). The sector is governed by the CAK, which is tasked with ensuring compliance and equality through licensing, monitoring, and evaluating the operations of telecom companies.

There are three major telecom companies in the sector, namely Safaricom PLC, Airtel Network Limited, and Telkom Kenya Limited. There are also other companies such as Equitel that have a small customer base and those that specialize in the provision of internet services such as Wananchi Group Kenya and Jamii Telkom. Safaricom PLC holds the largest market share of 63.7% in terms of mobile subscriptions and it maintains the lead mainly because of the mobile money transfer service M-Pesa. Airtel holds 27.2%, Telkom Kenya and Equitel each holding 6.3% and 2.8% respectively (Communications Authority of Kenya, 2021). The telecoms offer different services such as voice calls, SMS, mobile money transfers, data, and the internet. The Kenya Digital Report (2021) reports that the increased surge in mobile phone penetration is attributed to the fact that 97% of Kenyans access the internet through their mobile phones.

Mobile penetration in Kenya grew by 11% between the period of January 2020 and January 2021 to a total of 59.24 million connections (Kenya Digital Report, 2021). Demand for ICT services has grown especially owing to the COVID-19 pandemic, CAK reported a 125.8% mobile penetration as of September 2020 from June 2020. There are 59.8 million active mobile

subscriptions, these are an additional 2.8million additional SIM cards from the previous period. This extra penetration was driven by consumers owning more than one SIM card to take advantage of different prices and product offers of the mobile network providers. For instance, a customer may use one SIM card for cheaper call rates, another one for affordable internet, and also have another one for mobile money transfers. During the period of July-September 2020, the market share of Safaricom PLC for both calls and data dropped by 0.5% while Airtel gained by 0.4% and Telkom Kenya also gained by 0.3%. The Kenya Digital Report found that all 97% of all internet users use their mobile phones to access the internet. (Communications Authority of Kenya, 2021). The Data/Internet service has also grown as a result of increased use of digital platforms for learning, working, and entertainment.

Nairobi has a total population of 4.9 million and this number is set to increase (WDC, 2021). The city is the major business hub and this is why most of the mobile subscriptions and mobile services are available in Nairobi. An example is that most of the M-Pesa agents are found in Nairobi as compared to anywhere else. The residents of Nairobi are also keen users of social media and this is why their needs are centred on the internet and mainly mobile data. The mass-market consumers use prepay services across the different network providers to meet their different communication needs. This increased penetration can be attributed to the affordability of the different mobile products such as voice and data tariffs as well as the need to use cashless payment which came as a government directive to curb the spread of COVID-19 (Communications Authority of Kenya, 2021)

1.2 Research Problem

Advertising is one of the key ways that marketers use to communicate their value to customers and create positive associations that will impact their buyer behaviour and build brand equity (Aaker & Biel, 2013). This means that companies must ensure that they craft advertising messages that not only relate to their consumers but also those that ascertain their superiority over other brands in the market. In a competitive environment, companies need to create a competitive advantage to stay ahead, and this can only be done through building customerbased brand equity. The most important thing in marketing communications is to assert that a brand is of high value to create positive associations and attitudes among consumers. Gotlieb & Sarel (1991), state that asserting value is especially important to companies that have little differentiation in terms of products being offered. When brands compare themselves with competitors they are thus able to create a name for themselves, then reap the benefits that come with being a highly-valued brand such as higher profits and increased market share.

While several studies have analysed the relationship between advertising and brand equity (Mutsikiwa, 2013; Shifa, 2019; Becker, 2017; Biel, 1992), they have failed to analyze the effect of different advertising strategies such as comparative advertising. Chowudhury (2012), asserts that differentiation in advertising is what helps brands build a sustainable competitive advantage and long-term profitability. Gorn et al. (1984) assert that consumer attitudes are easily swayed when brands can show that they are better than their competitors in communication that is comparative and informative. Companies with low market share have found that comparative advertising helps them to show that their brands are equally competent and also build on their intrinsic competitive advantage (Frusch & Engelen, 2016). There is still contention as to the

effect that comparative advertising has on brands, Socia et al. (2010) for example sought to investigate the effect that comparative advertising has on consumer perceptions and found that customers who perceived low differentiation between brands were the best targets for comparative advertising because companies can then distinguish their benefits over competitors. Conversely, Bostanci et al. (2019) state that in certain industries comparative advertising can lead to lower product differentiation as consumers fail to see what sets them apart.

The telecommunications industry in Kenya is very competitive because of the increased demand for its products from customers. This is the information age and customer switching between brands is very common because they have all the knowledge they need to compare and capitalize on the various promotional offers. Switching between brands is even more rampant in the mobile industry because customers have the option of owing and using different SIM cards at the same time. This means that competition continues to increase, with each company trying to outdo the other and be the most preferred network provider. Mudanganyi (2019) notes that for telecoms to succeed, they need to focus on building consumer-based brand equity which will ensure repeat purchase, customer retention, and increase their market share. In support of this, Mentz (2011) found that the ease to use of services was a major influence on customer-based brand equity among mobile network providers in South Africa. According to Kenya Digital Report (2020), mobile consumers in Nairobi have been seen to respond positively to advertising and offers given by network providers.

It appears that although scholars have given attention to advertising and its effects on brand equity, the relationship between comparative advertising and consumer-based brand equity has not been adequately discussed. This study, therefore, departs from past literature by delineating the role that advertising content plays in altering consumer preferences and building brand equity. Telecommunication companies have become increasingly competitive and the telecommunication consumers in Nairobi fluid and there is, therefore, a need to understand what factors have fuelled the changes in share value and customer preference. The current study sought to answer the research gap: what is the influence of comparative advertising on customer-based brand equity among mobile telecommunication consumers in Nairobi?

1.3 Research Objective

The objective of this research was to establish the influence of comparative advertising on consumer-based brand equity among mobile telecommunications consumers in Nairobi.

1.4 Value of the study

Understanding customers and knowing how to communicate with them is very important to all companies. The findings from this study will therefore help marketing managers and executives of mobile telecommunication companies in Kenya to determine the best advertising strategy that will resonate with their customers. Creating communication that seeks to meet the needs of consumers while creating value is what will ensure they stay ahead. This will help them create better advertising strategies that will improve the overall performance of their brands.

Knowledge obtained from this research will help to supplement available literature on comparative advertising and customer-based brand equity. The study findings will help to fill the knowledge gap that exists in regards to the effects that comparative advertising has on customer-based brand equity. In this way, this research will formulate foundational knowledge on the different kinds of advertising and the effects that they may have on customers

Regulators such as the Communications Authority of Kenya will be better able to monitor the industry and ensure that all fairness is maintained. Research institutes will also benefit from this study because it will help them understand industry statistics better and also be able to predict future trends.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explores available literature and knowledge relevant to the research problem. It analyses what other academics and scholars had to say about comparative advertising and how it influences consumer-based brand equity. The theoretical framework of the study, review of the study concepts, empirical review, and the research gaps identified are covered in this chapter.

2.2 Theoretical Framework

This section examines the theoretical frameworks that underpin the research. The theories that anchor this research are the Consumer Based Brand Equity theory (CBBE), the Hierarchy of Effects Model (HEM), and the Cognitive Response Model.

2.2.1 Consumer Based Brand Equity Model

The main premise of consumer-based brand equity is that brand equity resides in the minds of consumers regarding thoughts, feelings, and experiences that they have towards a brand. Keller (1993) defines consumer-based brand equity as the differential effect that brand knowledge has on the consumer responses to the marketing efforts of that brand. Consumer-based brand equity is built on value, trust, social image, performance, and commitment which are created when a brand links its offering to the consumer's needs (Keller, 2003). Analysing brand equity from the consumers' perspective helps to create better marketing strategies and decision-making that will elicit positive responses from consumers. Keller (1993), asserts that

consumer-based brand equity indicates perceptual dimensions and not behavioural dimensions such as usage intentions or loyalty.

According to the model by Keller (1993), the main dimension and goal of consumer-based brand equity is brand knowledge as it is the true measure of how consumers value brands. It is the various marketing communications a firm undertakes that mould the knowledge and perceptions that consumers have towards a brand. Brand awareness and brand image are the two aspects that constitute brand knowledge. Brand awareness includes brand recognition and brand recall, whether customers can distinguish a particular brand from other brands. The brand image refers to the perceptual concept that consumers hold towards a brand and various inputs lead to the creation of the image. These include brand attitudes, personality, associations, benefits, feelings, and attitudes towards any communication on the brand, which is viewed positively to make a brand superior (Keller, 2003). Awareness means how salient a brand is in consumers' memory while brand image refers to the associations consisting of benefits, attributes, and attitudes that consumers link to a brand (Christodoulides & De Chernatony, 2010; Keller 2009).

The CBBE model emphasizes the importance of creating brand awareness as the main means of convincing consumers of the value that a brand has to offer them. In line with this, Aaker & Biel (1992) posit that advertising is the principal communicative tool to provide awareness and knowledge that will influence consumer perception of a brand. Choudhury (2014) documents that companies that can create unique selling proposition over competitors through advertising will be able to give consumers a reason to purchase their products and even recommend them

to others. Submissions by Mudanganyi (2019) and Becker (2017) indicate that cultivating consumer-based brand equity offers a strong competitive advantage to companies in a crowded industry and allow them to command a greater market share. This can be achieved through effective brand communication of a brand's favourable associations and in this way increase salience.

Keller's CBBE model is relevant in this study as it offers a theoretical foundation on the relationship between comparative advertising and its impact on building consumer-based brand equity. Within the framework of this theory, brand knowledge and brand image are the key factors that affect the way a consumer views a brand. Therefore, great emphasis is placed on creating communication that resonates with the consumer as awareness is the prerequisite to creating positive brand associations in the consumers' minds. At the same time, the CBBE model clarifies that elements of consumer-based brand equity should be critically considered before crafting advertising messages because they impact how well the message will be received (Busen & Mustaffa, 2014). Chowudhury (2012) suggests that consumers will be willing to seek out and associate with brands that they are familiar with and have positive feelings towards. By delivering reliable performance and quality each time, a brand can ingrain itself in the mind of consumers and be top of mind.

2.2.2 Hierarchy of Effects Model

The Hierarchy of Effects Model, advanced by Robert Lavidge and Gary A. Steiner (1961), is an advanced advertising strategy that aims to explain the stages that consumers go through when exposed to an advertisement. It is grouped into three stages that depict consumer behaviour, and it is from these behaviours that the six steps of the model are derived. The three behaviour groups are Cognitive, Affective, and Conative. The Cognitive stage, also known as the thinking stage, is where consumers are rational as they gather knowledge about a product and assess its benefits and cons. This first step here is 'awareness' where consumers are made aware of a brand through an advertisement. The second step is 'knowledge', where consumers gather more information and compare it against other brands. Advertisers must give positive information about the brand in a way that is easily understood. The Affective stage is when consumers start to form feelings about a brand, and this is when advertisers should appeal to the emotions, values, and lifestyles of consumers to create a positive bond. The next three steps in the hierarchy model are liking, preference, and conviction, which are found in the affective stage.

'Liking' is where consumers build an emotional bond with a brand based on the knowledge that they have gathered and advertisers have to ensure that they focus on their brands' emotional benefits. 'Preference' is the next step where consumers are aware of their brands, even though they may be convinced to try the brand. Marketers, therefore, have to emphasize their unique selling points to ensure that consumers prefer their brand over others. The last step in this stage is 'conviction', where the desire that consumers have about the brand needs to be converted to action through either giving samples or creative marketing. When done correctly, this is the step that will ensure that consumers stick to that particular brand. The last behaviour stage is Conative, and this is where consumers take action on the information that they have gathered. The final step in the hierarchy is 'purchase', where consumers decide to buy the product and marketers need to ensure that it is an easy experience (Lavidge & Steiner, 1961).

The hierarchy of effects model approaches the sale of a product through a structured sequence of advertising message objectives and then builds on each of the successive objectives until a purchase is made for a particular product (Wijaya, 2015). According to this model, consumers move from being unaware of a brand, learning about the brand, forming attitudes about it, understanding what the brand is about, and eventually making a purchase. It is therefore relevant to this study as it explains that comparative advertising messages aimed at creating awareness and building a positive image will elicit a positive response from consumers. This point is further sustained by Chakravarty & Sarma (2018) who state that the model grounds advertising to ensure that creating awareness and improving brand image among consumers is the main goal of any communication. Even though this model is useful in advertising, it has been criticized for not factoring in that consumers are exposed to a wide range of information that may ultimately affect their purchase decision. In addition to this, the model fails to consider differentiation as it prescribes similar six stages for all types of advertising, yet sometimes consumers respond to advertising impulsively. (Chakravarty & Sarma, 2018).

2.2.3 Cognitive Response Theory

The cognitive response theory was proposed by Anthony Greenwald in 1968, and it postulates that consumers integrate the present knowledge they have about a brand with the persuasive communication presented on it. All persuasion is aimed at changing attitudes, and according to this theory attitude change is a result of the evaluative responses that consumers have when faced with attitude-relevant information. Cognitive responses refer to the emotional responses that consumers have when exposed to any type of information and it is what matters most when it comes to altering attitudes. The thoughts, reactions, and ideas generated in the minds of consumers when exposed to a message aid in persuasion. In this way, the cognitive response theory makes it is possible to understand the emotional responses such as assessments on the validity of information and inferences generated from the information that consumers have when exposed to communication.

Greenwald (1968), states that it is the valence of these responses that determines the significance of attitude change rather than the memory of the actual information. Within this framework, persuasion will only take place when consumers have fewer counterarguments in regards to the credibility of the source of the message. Petty et al. (2014), found that human beings remember the cognitive responses they had when exposed to information than the information itself. An effective advertising strategy should therefore consider the various factors that will enhance any positive cognitive responses from their target consumers. This includes the thoughts and feelings that consumers will have on seeing an ad based on their present knowledge, attitudes, and experiences. This is the reason why the cognitive response theory is potent to this stud because it helps determine responses consumers will have when exposed to advertising messages and how these responses impact a good attitude change towards the brand leading to purchase (Shen, 2020). In addition to this, Droge (1989) analysed the way information from comparative advertising is processed and found that it is done cognitively and this means that message-related responses which are emotional are a better way to predict attitude formation and persuasion. This is as opposed to source-related responses that consumers may have had in the past.

2.3 Comparative Advertising on Consumer-Based Brand Equity

Marketing literature (Aaker & Biel, 2013; Biel, 1992; Belch & Belch, 2004; Choudhury, 2014) acknowledges the influence that advertising has on consumer preferences and choices. Advertising allows consumers to gain more knowledge about different brands in a market and then make their choices based on the messages that resonate with their needs. According to Becker (2017), advertising is the main tool that all brands should use to build strong brands by creating positive relationships with their consumers to ensure that they are preferred over their competitors. The role of advertising has shifted from just informing and persuading consumers to be a key element that marketers use to create a distinct brand image, communicate their unique attributes and forge favourable associations (Belch & Belch, 2004). Advertising allows brands to create and reinforce associations in the mind of the consumers by communicating their emotional and functional values. Choudhury (2014), however, states that for this to happen, the advertising strategy chosen should be innovative, engaging, and well-executed to create memorability among consumers.

Extant literature suggests that being a positive association between advertising and building brand equity (Mutsikiwa, 2013; Shifa, 2019; Becker, 2017; Biel, 1992). These studies stipulate that advertising allows brands to create awareness and build a positive brand image, therefore becoming top-of-mind through the various advertising media. According to Aaker & Biel (2013), advertising aimed at building brand equity should choose the most appropriate media and be done repetitively to instil trust in consumers that the brand is good. For example, Mutsikiwa et al. (2013) found that advertising does have a positive impact on building brand equity among Zimbabwean universities. Television, internet, radio, and cell phones were the

main advertising media analysed and the study concluded that television is a favourable medium because it reaches a wider audience and enables consumers to create positive associations through attractive visuals that give the message credibility.

Similarly, Shifa (2019) studied the influence of advertising on brand equity among private universities in Ethiopia found that the media, especially television, had a greater impact on the enrolment decision of students as opposed to the message content. Conversely, Simiyu (2017), argues that although mass media of advertising enables persuasion, they need to be augmented by more personal means of promotion such as word-of-mouth. In itself advertising only informs but through personal testimonials and brand comparisons, consumers can create favourable perceptions about a brand. This can only be achieved when a brand communicates its high quality over competitors and ensures that it delivers superior performance.

Advertising also affects specific brand equity elements such as brand loyalty, as evidenced by the study by Bakator et al. (2017), who established that advertising positively influences brand loyalty through the dimensions of brand trust and perceived quality. They measured brand loyalty as the repeat purchase by consumers and the subjective opinion of their relationship to the brand as opposed to viewing it from the dimensions of behavioural and attitudinal loyalty as past studies have done. However, the authors note that brand loyalty is a complex element of brand equity but for this study, it was only taken as a subjective opinion of users of a specific brand. Advertising is also considered as the main determinant but (Choudhury, 2014), opines that other factors such as economic factors and the marketing environment may also affect brand loyalty. These studies consider the effect that advertising as a whole has on brand equity

but do not consider the possibility that different forms of advertising may have elicited different results.

According to Beard (2018), comparative advertising is the best strategy that brands can use to differentiate themselves in a competitive environment by showcasing their superior attributes and benefits over competitors. Pechmann & Stewart (2019) used thematic literature analysis to examine the psychology of comparative advertising in attitude, attention, and response. Their findings show that as opposed to other types of advertising, comparative ads have the added benefit of showing the unique selling points of a brand while comparing it to other brands. Consumer buying behaviour is influenced by what they see and learn about a brand, making comparative advertising a great tool in impacting the buying decision. This means that comparative advertising can be used to position brands, and empirical studies conducted by Pechmann & Ratneshwar (1991) concur that comparative ads are useful in positioning an unfamiliar brand or repositioning a familiar brand. They conclude that direct comparative ads augment the perceptions consumers have towards the brand being advertised through the associations made with the comparison brand on their perceived similarity.

Direct comparative ads allow brands to evaluate their key attributes on behalf of consumers and mould them in their favour, making them the most preferred. They also differentiate brands by lowering the perception consumers have of the compared brand based on a particular attribute and consequently reducing its rating. Further, del Barrio-García (2020), opines that consumers make preferences based on brand differentiation, and brands use comparative advertising to emphasize their uniqueness in quality, product reliability, and value in price. This outcome is supported by Demirdjian (1983), who states that by enabling consumer learning, brands are seen as reliable and consumers are grateful that a brand took time to inform them and this gratitude is converted to sales and brand loyalty. Bostanci et al. (2019), however, argues that comparative advertising lowers product differentiation in certain settings when the ads are negative. When brands paint their competitors in a bad light, consumers also associate them with the same characteristics since they offer similar products.

The other significant benefit that comparative advertising offers brands is addressed by Barigozzi et al. (2009), who propose that new brands can use comparative advertising as a penetration strategy because it will not only create awareness for them but will also make consumers view it as an alternative when seeking out the well-known brand that it compared itself to. The authors further clarify that comparative advertising is a flexible strategy that may be used to generate an immediate response from consumers in terms of sales and also build consumer-based brand equity. This view is shared by Smritishikha (2014), who states that the favourability of advertising positively influenced consumer-based brand equity because of the differentiation and brand associations that advertising allows. The author however notes that the relationship would depend on the type of advertising positioning strategy used and the type of product. More recently, Karugu (2018) established the value of differentiation when analysing the influence that pricing strategies have on consumer-based brand equity among telecommunication consumers in Nairobi. Similarly, Mudanganyi (2019) views consumerbased brand equity as having a major influence on the consumer buying process stage of information gathering and evaluating alternatives as evidenced in the South African mobile industry.

Prior research has focused on the influence that advertising in general has on building brand equity while those that have studied comparative advertising have only looked at the effects that it has on brand positioning and consumer choice. There is a great consensus on the positive role that advertising plays in building brand equity but little is known on the effect that various advertising strategies, in this case, comparative advertising and especially whether they influence consumer choice in a competitive industry. Considering that the telecommunications industry continues to expand with an increasing number of mobile subscribers, there is a need for further research to measure the factors that lead to success and the creation of competitive advantage. All advertising is aimed at creating awareness but the real measure of advertising success is the ability to increase sales or market share. The study will therefore investigate the influence of comparative advertising on consumer-based brand equity among telecommunication consumers in Nairobi.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section presents the methodology used to out carrying in this study. It provides information on the research design used, the population of the study, data collection methods used, data analysis, and interpretation.

3.2 Research Design

A descriptive cross-sectional research design was used for this study. The descriptive design was relevant for meeting the objectives of this study because it is structured and according to Cooper and Schindler (2014), it will help to establish the who; what; where, and how much. It will enable the quantitative testing of the hypothesis to establish if there are significant associations between the variables of the study. According to Mugenda and Mugenda (2003), a descriptive research design is appropriate as it allows for the quantitative definition of trends, attitudes, and precise estimation of the population including a subsequent generalization of data collected.

3.3 Population

The population refers to a group of individuals who have similar observable characteristics the researcher is interested in for data collection and analysis (Cooper & Schindler, 2014). For this study, the population was mobile telecommunication consumers in Nairobi County. Nairobi is the capital city and has a population of 4.4 million (KPHC, 2019), whose residents are homogenous in terms of their exposure to numerous comparative and competitive

advertisements through product campaigns, billboards, television, radio, and the internet. The population refers to those individuals who live and work in Nairobi and who also use and are exposed to various advertising media. This, therefore, made them a suitable population because they are more susceptible to advertising and according to the Communications Authority of Kenya most of the mobile subscriptions are in Nairobi (CAK, Sector Statistics Report Q1 2020-2021) Residents in Nairobi were a good population for this study because gave credible insights into the research topic.

3.4 Sample Design

A sample is representative of the target population. The unit of analysis for this study was both male and female mobile subscribers, of all telecommunication companies, in Nairobi. A multistage sampling procedure was used to select the respondents of this study because a complete list of mobile subscribers in Nairobi is unavailable. Cluster sampling was used to categorize Nairobi into its eleven sub-counties. Systematic random sampling was then applied to each cluster, considering the proportion of each to the total population and their average accessibility to advertising media. This is regarding the distribution of population as they are densely populated, have a good mix of socio-demographics, are accessible, and give a good representation of the county. The most densely populated sub-counties in Nairobi according to Kenya Population and Housing Census (2019) used were Dagoretti, Embakasi, Kamukunji (Nairobi CBD), Kasarani, and Westlands. According to Saunders et al. (2009), a sample size of 384 is appropriate for a population of 2.5million and above as it offers a 5% margin error with a 95% confidence level.

Simple random sampling was applied to each sub-county is giving Embakasi 90 respondents, Kasarani 90 respondents, Dagoretti with 74 respondents, Westlands 65 respondents, and Kamukunji 65 respondents. This sampling method was unlikely to leave out crucial segments and gave a wider and varied representation of the population through its subdivided structure

3.5 Data Collection

Primary data was the main source of information for this research, and this was collected using questionnaires that were structured and administered in the form of an online survey sent to the target sample through email, social media, or embedded over websites to which they responded over the internet. The structured questionnaire was designed with closed-ended questions to get uniform responses and made data analysis from the sample easier. Structured questionnaires help guarantee the reliability of responses, ensuring that the research data collected will be adequate. A five-point Likert scale was used in ranking the responses. The instrument collected background information in Section A, Section B had questions on comparative advertising strategies and Section C had questions on the level of consumer-based brand equity based on the elements of brand awareness and brand image.

3.6 Data Analysis

Data analysis involved analysing and explicating the collected data to make it useful information for the study. There are three steps of data analysis which include organization of data, interpretation, and summarization of the findings (Ary et al., 2002). The online questionnaires were updated in real-time and the responses were processed using SPSS to examine the relationship between the independent and dependent variables. Descriptive statistics were in summarizing the findings including means frequencies, and percentages. Data

were presented using tables and figures. Correlation and regression analysis were used in determining the association of the variables under study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter includes the analysis of data, presentation of findings, and explanation of the data analysed. Data collection was through online questionnaires which were analysed through descriptive statistics by use of percentages, frequency distributions, mean and standard deviations to present the findings. Regression and correlation analysis was also done to establish the relationship between comparative advertising and consumer-based brand equity

4.2 Response Rate

Online questionnaires sent via email and also shared on social media were used to collect primary data was collected. This study aimed for a target of 384 respondents who are mobile telecommunication consumers in Nairobi. A total of 367 responses were filled and received, which translates to a 96% response rate. According to Mugenda and Mugenda (2003), a response rate of 70% and above is great to provide accurate data analysis, therefore the response rate is good and representative of the entire population. Therefore, 367 is the N for this study (N=367) as illustrated in Table 4.1

Table 4	4.1 R	esponse	Rate
---------	-------	---------	------

Feedback	Frequency	Percentage%
Questionnaires Responded	367	96%
Not Responded	17	4%
Total	367	100%

Source: Primary Data (2021)

A review of the responses shows that there were random incidences where some questions were not answered. These however did not affect the analysis of the study variables.

4.3 Demographic Characteristics

The demographic details of respondents considered relevant in this study included age, level of education, and the region they are from.

4.3.1 Distribution of Respondents by Age

The findings in Table 4.2 show that the majority of the respondents 48% (177) consist of the age bracket of 26-35 years, 19% (70) of the respondents indicated to be aged between 18-25 years, 17% (70) of the respondents are aged between 36-45, 12% (43) of the respondents indicated to be between 46-55 years. The respondents above 55 years were the least in number with 4% (14). The findings show the respondents are diverse in age and therefore a good representation of the mobile telecommunication consumers in Nairobi.

Age Bracket	Frequency	Percentage%
18-25 years	70	19%
26-35years	177	48%
36-45 years	63	17%
46-55 years	43	12%
Above 55years	14	4%
Total	367	100%

Table 4.2 Respondents Age

Source: Primary Data (2021)

4.3.2 Distribution of Respondents by Education Level

Findings from Table 4.3 show that a majority of the respondents, 67% (246) have a Bachelor's degree, followed by those who attained Tertiary education at 22% (84) with 6.7% (24) having attained a postgraduate degree. The least number of respondents came from the category of High School at 4% (12) and Primary School at 0.3%. This shows that the respondents have a

basic understanding of advertising and could therefore respond to the questions accurately. Their responses can therefore be relied upon to make study conclusions.

Level of Education	Frequency	Percentage%
Primary	1	0.3%
High School	12	4%
Tertiary College	84	22%
Bachelor's Degree	246	67%
Postgraduate Degree	24	6.7%
Total	367	100%
C		

Table 4.3 Respondents by Education Level

Source: Primary Data (2021)

Findings from Table 4.3 indicate that majority of the respondents, 67% (246) have attained a Bachelor's degree, followed by those who attained Tertiary education at 22% (84) with 6.7% (24) having attained a postgraduate degree. The least number of respondents came from the category of High School at 4% (12) and Primary School at 0.3%. This indicates that the respondents understand advertising and could therefore respond to the questions accurately. Their responses can therefore be relied upon to make study conclusions.

4.3.3 Distribution of Respondents by Region

The results of Table 4.4 highlight that the majority of the respondents were from Embakasi 25% (90), and Kasarani 24% (89) followed by Dagoretti 19%(72), Kamukunji (CBD) had 16%(59) while Westlands had 16%(57) respondents in total. This is a good response rate from all regions and an indication that the findings are a good representation of the chosen population in terms of distribution. Results also indicate that each region was well represented as per the required sample per region.

Table 4.4 Respondents Region

Region	Frequency	Percentage%
Kamukunji (CBD)	59	16%
Embakasi	90	25%
Kasarani	89	24%
Westlands	57	16%
Dagoretti	72	19%
Total	367	100%

Source: Primary Data (2021)

4.4 Descriptive Statistics for Comparative Advertising Strategies

Table 4.6 presents the descriptive statistics on comparative advertising strategies. A 5-point Likert scale was used to gauge the responses, where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, 5= strongly agree. The first question sought to find out whether the respondents have more than one SIM card and from the results presented in Figure 4.5 below, 88.6% of the respondents indicated that they use more than one SIM card from different telecom companies while only 11.4% indicated that they have one SIM card.

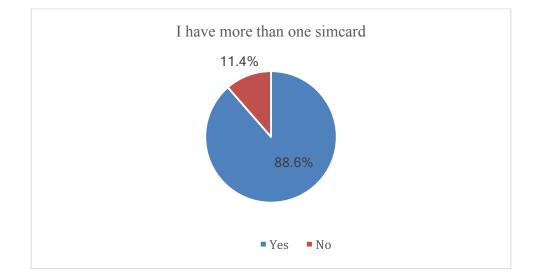


Figure 4.5 SIM card ownership

Comparative Advertising strategies	Ν	Mean	SD
I find comparative advertisements informative and entertaining	367	4.14	0.853
I prefer advertising messages that demonstrate the benefits of one service provider over others	367	4.18	0.812
I purchased the brand after seeing it compare itself with another brand	367	3.92	1.046
Ads that use humour influence my choice of a service provider	367	4.04	0.979
My confidence in the advertised brand has increased	367	4.03	0.927
Frequently played advertisements become believable to me	367	4.09	0.915
It is easy to recall brands that use emotional and creative ads over rational ones	367	4.33	0.703
Advertisements that compare brands give me pleasant feelings	367	4.14	0.927
Ads that compare brands are better than other forms of promotion	367	4.08	0.982
Average score		4.10	0.905

Table 4.6 Mean and Standard Deviation for Comparative Advertising Strategies

Source: Primary Data (2021)

Table 4.6 above shows the results of respondents' views on the comparative advertising strategies used by mobile telecommunication companies in Kenya. A 5-point Likert scale was used to gauge the responses, where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, 5= strongly agree. The average mean score for the question items is 4.10 with an average standard deviation of 0.905. This shows that on average consumers were well aware and respond favourably to comparative advertising. The ease of recalling brands that use emotional and creative ads over rational ones had the highest mean of 4.33 and SD of 0.703, showing that consumers prefer ads that have emotional appeal. Findings show that respondents found comparative advertising informative and entertaining (Mean = 4.14, SD = 0.853), further, the majority of respondents stated that they prefer informative advertising messages that demonstrate the benefits of one brand over another (Mean = 4.18, SD = 0.812). Unlike the first two questions, the fourth sought to find out whether consumers purchased a brand after seeing

it compare itself with other brands in advertising. It had the lowest score (Mean = 3.92, SD = 1.046), showing that though respondents preferred comparative advertising, there were lukewarm responses as to whether it influenced them to purchase. Respondents however agreed that their confidence in brands that use comparative advertising has increased (Mean = 4.03, SD = 0.927), as well as agreeing that frequently played advertisements become believable to them (Mean = 4.09, SD = 0.915). This implies that repetition in advertising is important to recall. Findings indicate that respondents agreed that advertisements that compare brands give them pleasant feelings (Mean = 4.14, SD = 0.927). Finally, results show that respondents found that ads that compare brands are better than other forms of promotion (Mean = 4.08, SD = 0.982)

4.5 Descriptive Statistics for Consumer-Based Brand Equity

The results in table 4.7 below represent the views that respondents had on aspects of consumerbased brand equity and comparative advertising. A 5-point Likert scale was used to gauge the responses, where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, 5= strongly agree. The average mean was 3.96 with a standard deviation of 0.849, for all questions responded showing that there were varied views to all questions. Respondents agreed that they can easily identify their mobile service provider (Mean = 4.37, SD = 0.613), as well as stating that they recall product information of their mobile service provider (Mean = 4.35, SD = 0.622). Results also show that comparative advertisements affect the brands that come first to the mind of respondents (Mean = 4.15, SD = 0.790). Similarly, results show that respondents strongly agree that visual advertisements have a lasting effect over audio (Mean = 4.34, SD = 0.607).

Consumer-Based Brand Equity	Ν	Mean	SD
I can easily identify my mobile subscriber in terms of logo, colour, and slogan	367	4.37	0.613
I can recall the product and service information of my mobile service provider	367	4.35	0.622
Comparative advertisements affect the brands that come up first in my mind	367	3.92	0.791
Visual ads have a lasting effect than audio or print to me	367	4.34	0.607
Advertising has made me more aware of different offers from other mobile service providers e.g. bundles, talk time	367	4.38	0.602
I am aware of the rates from each of the mobile service providers	367	4.17	0.812
The mobile service provider performs as advertised	367	4.02	0.830
I am happy to be associated with my present mobile service provider	367	3.89	0.904
I believe frequently played advertising messages associate with having a strong brand image	367	4.01	0.848
I find the quality of the brand to be just as it was advertised.	367	3.96	0.843
Mobile networks that use comparative advertising care about me	367	3.91	0.974
I am satisfied with the services and products of my preferred service provider	367	4.01	0.888
I trust brands that compare themselves with others	367	3.77	0.926
My preferred mobile subscriber improves how others perceive me	367	3.54	1.032
I am loyal to my preferred mobile service provider	367	2.81	1.099
I switched to another mobile subscriber after seeing it compare itself to another	367	3.74	1.188
Average score		4.10	0.905

Table 4.7 Mean and Standard Deviation for Consumer-Based Brand Equity

Source: Primary Data (2021)

The statement advertising has made them more aware of the different offers from mobile subscribers had the greatest mean overall (Mean = 4.38, SD = 0.602), and this shows the importance of advertising in informing consumers. Respondents also positively agreed that they are aware of the rates of the different mobile services provides (Mean = 4.17, SD = 0.812).

Respondents agreed that mobile service providers perform as advertised (Mean = 4.02, SD = 0.831), however, there are varied responses on whether respondents are happy to be associated with their present service provider (Mean = 3.89, SD = 0.904). Findings show that respondents believe advertising messages that played frequently associated with having a strong brand image (Mean = 4.01, SD = 0.848). Results also indicate that respondents gave varied responses as to whether they find the quality of the brand to be just as advertised (Mean = 3.96, SD = 0.843), as well as whether mobile networks that use comparative advertising care about them (Mean = 3.91, SD = 0.974). Respondents agreed that they are satisfied with the products, prices and services of their preferred service provider (Mean = 4.01, SD = 0.888). The other dimensions being investigated recorded a relatively lower score, respondents agree to a smaller extent than they trust brands that compare themselves with others (Mean = 3.77, SD = 0.926). Results show that respondents do not agree that their preferred mobile subscriber improves how others perceive them (Mean = 3.54, SD = 1.032). Similarly, respondents also gave varied responses to the question of switching to another mobile subscriber after seeing it compare itself with another in an advertisement (Mean = 3.74, SD = 1.187). Finally, findings indicate that respondents are not loyal to their preferred mobile service provider (Mean = 2.81, SD = 1.099). These results reveal that even though respondents are well aware of the advertising messages of their preferred mobile service provider, they are not loyal to one service provider and do not feel that they improve the way other people perceive them.

4.6 Regression Analysis for Comparative Advertising versus Consumer-based brand equity

This study sought to examine the relationship between pricing Consumer Based Brand Equity and Comparative Advertising Strategies. To statistically prove the significance of the variables a linear regression model was used and a 95% confidence level was observed. The model used is stated below:

$$Y = \beta_0 + \beta_1 X_1 + e$$

For:

Y= Consumer Based Brand Equity

X₁= Comparative Advertising Strategies

 β_0 and β_1 are the estimated co-efficient of regression

The results in the table below show the relationship between consumer-based brand equity and comparative advertising strategies is positive and statistically significant with r=0.347 at a 0.01

level of significance.

Variables		Comparative Advertising Strategies	Consumer-Based Brand Equity
Comparative Advertising Strategies	Pearson Correlation	1	.347**
	Sig. (2- tailed)		.000
	N	367	367
Consumer Based Brand Equity	Pearson Correlation	.347**	1
	Sig. (2- tailed)	.000	
	N	367	367

Table 4.8: Correlation Analysis

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data (2021)

The results in the table above show the relationship between consumer-based brand equity and comparative advertising strategies is positive and statistically significant with r=0.347 at a 0.01 level of significance.

Table 4.9: Regression Model Summary

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error for the Estimate		
1	.347a	.121	.118	.447		
a. Predictors: (Con	stant), Comparative	Advertising Strat	regies	1		

Source: Primary Data (2021)

A Liner regression was calculated to understand if Consumer Based Brand Equity could be predicted based on Comparative Advertising Strategies. A significant regression equation was found F-static value of F (5, 89) =50.202 with a p-value of 0.000 (p<0.0005) meaning there is a significant relationship between Consumer-based brand equity and comparative advertising strategies.

With an $r^2 of 0.121$ or 12.1% of its variation, the regression model is a good fit for the data

		AN	NOVA ^a			
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.026	1	10.026	50.202	.000 ^b
	Residual	73.094	366	.200		
	Total	83.120	367			
a. Depend	lent Variable: Con	sumer Based Brand E				

Table 4.10 ANOVA for Comparative Advertising versus Consumer-based Brand Equity

Source: Primary Data (2021)

Significance level of p-value was .000 meaning there was a significant relationship between

comparative strategies and consumer-based brand equity

Table 4.11 Regression Coefficients

		Coeffic	ients			
Model		Unstandardized Coefficients		Standardized Coefficients	Т	Sig.
		В	Std. Error	Beta	_	
1	(Constant)	2.761	.135	10.026	20.509	.000
	Comparative Advertising Strategies	.281	.040	.347	7.085	.000
	Total	83.120	367			

Source: Primary Data (2021)

HYPOTHESIS

H0: there is no supported relationship between Consumer Based Brand Equity and Comparative Advertising Strategies

H1: there is a supported relationship between Consumer Based Brand Equity and Comparative Advertising Strategies

From the results of Table 4. 11 above, the variables fall within the acceptable 95% confidence level as the highest standard of error was at 0.040. Using the p-value criterion, the null hypothesis that brand extension has no statistically significant effect on firm performance should be rejected if the p-value is smaller than the 5% and the 10% levels of significance. In this case, however, the p-value was greater than the 5% and 10% levels of significance, hence we reject the null hypothesis (H0) and conclude that there is a supported relationship between consumer-based brand equity and comparative advertising strategies. Findings indicate that consumer-based brand equity increases 0.281 units when comparative advertising strategies goes up by 1. This moderately positive relationship is attributed to the varied responses received because of the dimensions examined. As such, the overall regression analysis showed that

comparative advertising is a significant predictor of consumer-based brand equity among mobile telecommunication consumers in Nairobi.

The regression equation used to explain the influence of comparative advertising strategies on consumer-based brand equity is as below:

 $Y=2.761+2.81X_1$

Where:

Y= Consumer Based Brand Equity

X₁= Comparative Advertising Strategies

4.7 Discussion

The study established that comparative advertising strategies used by mobile telecommunication companies positively impacted consumer-based brand equity among mobile consumers in Nairobi. The study found that advertising helps to create awareness of the different products and rates of various mobile providers. This finding is consistent with Keller (2013) who states that advertising helps to create brand awareness and form unique associations about a brand. Findings also show that emotional and creative comparative advertisements give consumers pleasant feelings and aid in recall as compared to other forms of promotion. This is consistent with several studies (Beard, 2018; Clutch, 2018; Abdullah 2015; Gotlieb & Sarel, 1991) who postulate that creativity and humour aid in recall while still informing consumers about a brand's unique selling points. Further, the findings show that comparative advertising affects the brands that come up in the minds of consumers.

Visual advertisements were also preferred to audio and print and this is supported by the findings of Shifa (2019) who established that there was a positive relationship between media

usage and brand equity because visual advertisements combine video and audio which result in a more permanent message in the mind of the consumer. The study established that consumers are well aware of the different offers from the various mobile subscribers as a result of frequently played advertisements. This is in line with the conclusions of Simiyu (2017), who explained that advertising helps to introduce products and services by increasing awareness while giving more information about the quality of a brand. Findings show that consumers are content with the products of their preferred service provider, believing that using comparative advertising strategies shows that the companies care about them. This concurs with the submissions of Shao et al. (2004), who explained that comparative advertisements help to alter consumer attitudes by giving factual and evaluative information which may later influence purchase intention.

However, findings show there is little positive relationship when it comes to brand image, brand trust, and customer loyalty. Respondents did not particularly feel that their preferred mobile subscriber improves how others perceive them. In addition to this, most respondents stated that they are not loyal to their preferred mobile service provider. These findings are consistent with Mudanganyi (2019), who states that with increased competition in the mobile industry consumers are prone to switching to enjoy good rates. This poses a challenge to brand loyalty in the industry, meaning that companies need to create a sustainable competitive advantage that will ensure repeat purchases. These findings concur with Bakator et al (2017) and Choudhury (2014) who observed that brand loyalty is a complex dimension that may be affected by other factors in the marketing environment and not influenced by advertising only.

The study also found that after seeing a brand compare itself to another brand, respondents were influenced to purchase, and this is consistent with the submissions of Barigozzi et al (2009) who postulate that the best way to measure the effectiveness of a comparative ad is an increase in purchase or better still the is the fall of ratings of the compared competitor's products after the advertising campaign.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The objective of this study was to examine the influence of comparative advertising on consumer-based brand equity. This section contains the summary, conclusions arrived at, recommendations, and suggestions for future studies. It also highlights the limitations of the study.

5.2 Summary

This study aimed to establish the influence of comparative advertising on consumer-based brand equity among mobile telecommunication consumers in Nairobi. It sought to address the literature gap that exists on the role that advertising content plays in building brand equity and altering consumer preferences. A sample size of 384 respondents was chosen for the population of mobile telecommunication consumers in Nairobi and primary data was collected using online questionnaires. Data were analysed using SPSS and a regression model demonstrated a correlation between comparative advertising strategies used and consumer-based brand equity. Comparative advertising was found to be preferred to other forms of advertising because it was creative and humorous aiding in recall of the advertising message. The study also found that comparative advertisements greatly helped consumers know the different rates and offers of the various mobile service providers as well as improve the brand image of the brand that compares itself to others. Furthermore, results showed that comparative advertising not only led to increased awareness of the brand but also influenced respondents to purchase it. However, the study showed that respondents were not loyal to their preferred mobile service providers and were also not particularly happy to be associated with them.

5.3 Conclusions

The study concludes that comparative advertising is a valuable strategy and has a positive influence on consumer-based brand equity. Advertising was seen as a major way of communicating and building a relationship with consumers. The main aspects of consumer-based brand equity that are affected by comparative advertising are brand awareness, brand image, and customer satisfaction. Consumers prefer visual advertisements that are entertaining and creative because they can easily remember this. This not only leads to brand awareness but also builds into brand knowledge and affects the brands that will come top of their minds when they want to make a purchase. Most of the respondents stated that they had more than one SIM card, showing that the mobile industry in Kenya is very competitive and consumers are bombarded with different offers to suit their different communication needs and this accounts for the low levels of brand loyalty and perception.

5.4 Recommendations

The key recommendation of this study is that telecommunication companies should use comparative advertising as a communication strategy because it is effective in building brand knowledge. In a competitive environment, it is important to be the first brand that comes to the consumers' mind and this is enhanced when consumers can remember the benefits a brand offers over its competitors. More visual advertisements should also be used as opposed to print because of their memorability especially if they contain humour. In addition to this, there are other factors other than advertising that may affect the choice of mobile service provider, and therefore telecommunication firms should incorporate more comparative advertisements to help build brand trust and create a sustainable competitive advantage.

Telecommunication companies should use comparative advertising to highlight their unique benefits and not tarnish the name of competitors because this will only ruin the way consumers perceive them. Comparative advertising should also be used as an entry strategy when introducing a new product or service because this will help to show its benefits over those offered by competitors. Comparative advertising should not be used as a long-term strategy, however, but be used as an intermittent strategy to ensure that consumers do not lose trust in the brand and see it as malicious for constantly comparing itself to competitors. This will reduce its credibility and competitive advantage.

5.5 Limitations

This study used a cross-sectional research design which was done for a particular point in time and not over a longer period and therefore did not measure changes over time. The other challenge was that the study looked at whether consumers have more than one SIM card, but the ownership of multiple SIM cards does not necessarily mean they are frequent customers of the particular mobile service provider. Consumer-based brand equity can be measured over a period of time as consumers respond to other marketing and behavioural factors. The research focused on the mobile industry and the results may therefore not apply to other sectors.

5.6 Recommendations for further studies

The findings and limitations of this study can be addressed by future studies and one of these is carrying out a similar study in other towns in Kenya such as Mombasa and Kisumu to see if the positive relationship would still be established. The effects of comparative advertising on consumer-based brand equity can also be tested among other industries. This study only analysed whether consumers have more than one sim card but it would also be important to examine Simcard usage and if this translates to being a customer of a particular service provider. Further studies can also examine what influences brand loyalty among consumers.

REFERENCES

- Aaker, D. A., & Biel, A. L. (2013). Brand equity & advertising: advertising's role in building strong brands. Psychology Press.
- Aaker, P. (1992). "The value of Brand Equity", *Journal of Business Strategy*, Vol. 13, No. 4, pp. 27-32
- Asuma, M. (2014) The influence of brand equity on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. *Doctoral Research paper*.
- Bakator, M., Borić, S., & Paunović, M. (2017). Influence of advertising on consumer-based brand loyalty. *Journal of Engineering Management and Competitiveness (JEMC)*, 7(2), 75-83.
- Barigozzi, F., Garella, P. G., & Peitz, M. (2009). With a little help from my enemy: comparative advertising as a signal of quality. *Journal of Economics & Management Strategy*, 18(4), 1071-1094.
- Beard, F. (2018). Comparative advertising: History, theory, and practice. Rowman & Littlefield.
- Belch, G. E., & Belch, M.A. (2004). Advertising and promotion: An integrated marketing communications perspective 6th. New York: McGraw-Hill I.
- Becker, M. (2017). *Advertising effectiveness: the role of content* (Doctoral dissertation, Universität zu Köln).
- Biel, A. L. (1992). How Brand Image Drives Brand Equity, *Journal of Advertising Research*, 32, (Nov.-Dec.) 6.
- Bostanci, G., Jerath, K., & Yildirim, P. (2019). Comparative Advertising and Product Positioning. *under review at Quantitative Marketing and Economics*.

- Busen, S. M.S., & Mustaffa, C. S. (2014). The role of interactive advertisements in developing consumer-based brand equity: A conceptual discourse. *Procedia-Social and behavioural sciences*, 155, 98-103.
- Chakravarty, R., & Sarma, N. N. (2018). Hierarchy of effects and consumer buying: findings from literature review.
- Communications Authority of Kenya. 2021. Sector Statistics Report Q1 2020-2021-Communications Authority of Kenya. [online] Available at: <u>https://ca.go.ke/document/sector-statistics-report-q1-2020-2021/</u> [Accessed 18 August 2021]
- Choudhury, S. (2014). Does Advertising influences on Enhancing Customer-Based Brand Equity? *International Proceedings of Economics Development and Research*, 79, 73.
- Chowudhury, R. A. (2012). Developing the measurement of Consumer Based Brand Equity in Service Industry: An Empirical Study on Mobile Phone Industry. *European Journal of Business and Management*, 4(13), 62-67.

Christodoulides, G., & De Chernatony, L. (2010). Consumer-based brand equity conceptualization and measurement: a literature review. *International journal of market research*, 52(1), 43-66.

Danger with comparative adverts. (2021). Retrieved 5 July 2021, from <u>https://www.businessdailyafrica.com/bd/lifestyle/personal-finance/danger-with-</u> comparative-adverts-2041800

- del Barrio-García, S., Muñoz-Leiva, F., & Golden, L. (2020). A review of comparative advertising research 1975–2018: Thematic and citation analyses. *Journal of Business Research*, 121, 73-84.
- Demirdjian, Z. S. (1983). Sales effectiveness of comparative advertising: An experimental field investigation. *Journal of Consumer Research*, *10*(3), 362-364.
- Digital in Kenya: All the Statistics You Need in 2021 DataReportal Global Digital Insights. (2021). Retrieved 8 July 2021, from https://datareportal.com/reports/digital-2021-kenya

Frusch, V., & Engelen, J. A. A. (2016). The effectiveness of different types of comparative advertising and different types of brands.

- Gotlieb, J. B., & Sarel, D. (1991). Comparative advertising effectiveness: The role of involvement and source credibility. *Journal of advertising*, *20*(1), 38-45.
- Gorn, G. J., & Weinberg, C. B. (1984). The impact of comparative advertising on perception and attitude: Some positive findings. *Journal of Consumer Research*, *11*(2), 719-727.
- Greenwald, A. G. (1968). Cognitive learning, cognitive response to persuasion, and attitude change. *Psychological foundations of attitudes*, *1968*, 147-170
- Grewal, D., Kavanoor, S., Fern, E. F., Costley, C., & Barnes, J. (1997). Comparative versus noncomparative advertising: a meta-analysis. *Journal of Marketing*, *61*(4), 1-15.
- How Comparative Advertisement Affects Brand Equity A Quick Look Contentilo. (2021). Retrieved 9 July 2021, from <u>https://contentilo.com/blog/how-comparative-advertisement-</u> affects-brand-equity/
- Karugu, C. M. (2018). Pricing Strategies And Consumer Brand Equity Among Mobile Telecommunication Consumers In Nairobi, Kenya (Doctoral dissertation, University of Nairobi).

- Keller, K. (1993). Conceptualizing, measuring, and managing customer-based brand equity. the Journal of Marketing,3(1), 1-22.
- Keller, K. (2003). Understanding brands, branding and brand equity. Interactive Marketing, 5(1), 7-20.
- Keller, K. L. (2009). Building strong brands in a modern marketing communications environment. Journal of marketing communications, 15(2-3).
- Keller, K., & Lehmann, D. (2006). Brands and branding: Research findings and future priorities. Marketing Science, 25(6), 740-759.
- Kotler, P. & Keller, KL. (2009). Marketing management, 13th Ed, Prentice-Hall, Pearson. International Edition, 59-60.
- Mfuko, M., & Omido, K. (2020). Mobile subscription, penetration and coverage trends in Kenya's telecommunication sector: A critique. *International Journal of Advanced Research in Management and Social Sciences*, 9(1), 127-133.
- MUDANGANYI, M. (2017). THE INFLUENCE OF CONSUMER-BASED BRAND EQUITY ON CUSTOMER SATISFACTION AND BRAND LOYALTY IN MOBILE CELLULAR SERVICES (Doctoral dissertation, Vaal University of Technology).

Mugenda, & Mugenda. (2003). Research methods. Quantitative and qualitative

approaches. Nairobi.

- Mutsikiwa, M., Dhliwayo, K., & Basera, C. H. (2013). The impact of advertising on building brand equity: A case of Zimbabwean universities. *European Journal of Business and Management*, 5(9), 197-210.
- Oduori, K. E. (2020). Consumer Sales Promotions and Brand Equity of Selected Toothpaste Brands in Nairobi, Kenya. (Doctoral dissertation, University of Nairobi).

- Pechmann, C., & Ratneshwar, S. (1991). The use of comparative advertising for brand positioning: Association versus differentiation. *Journal of Consumer Research*, *18*(2), 145-160
- Pechmann, C., & Stewart, D. W. (2019). The psychology of comparative advertising. In *Attention, attitude, and affect in response to advertising* (pp. 79-96). Psychology Press.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students*. Pearson education.
- Shao, A. T., Bao, Y., & Gray, E. (2004). Comparative advertising effectiveness: A cross-cultural study. *Journal of current issues & research in advertising*, 26(2), 67-80.
- Shifa, A. (2019). Effect of Advertisement on brand equity: The Case of Private Universities Advertising Practice in Ethiopia.
- Soscia, Isabella & Girolamo, Simona & Busacca, Bruno. (2010). The Effect of Comparative Advertising on Consumer Perceptions: Similarity or Differentiation? Journal of Business and Psychology. 25. 109-118. 10.1007/s10869-009-9130-4.
- Wijaya, B. S. (2015). The development of hierarchy of effects model in advertising. *International Research Journal of Business Studies*, *5*(1).
- Williams, K. C., & Page Jr, R. A. (2013). Comparative advertising as a competitive tool. *Journal* of Marketing Development and Competitiveness, 7(4), 47-62.

APPENDIX I: QUESTIONNAIRE

I am conducting a study on the Influence of Comparative Advertising on Consumer-Based Brand Equity among mobile telecommunication consumers in Nairobi, Kenya.

Kindly respond to this questionnaire which will not take more than 3-5 minutes. Your responses are for academic purposes and will be treated with the utmost confidentiality.

SECTION A: BACKGROUND DETAILS

1. What is your age bracket?

a.	18-25 yrs.	[]
b.	26-35 yrs.	[]
c.	36-45 yrs.	[]
d.	46-50 yrs.	[]
e.	Above 55	[]

2. What is your highest level of education?

a. Primary School	[]
-------------------	----

- b. High school []
- c. Tertiary college []
- d. College/Bachelor's degree []
- e. Post-graduate degree []
- 3. Which is your region?

Dagoretti	[]	Embakasi []	Kamukunji(CBD)	[
Kasarani	[]	Westlands []		

]

SECTION B: COMPARATIVE ADVERTISING STRATEGIES

Comparative advertisements are those that compare one Mobile service provider to another in terms of the services and products they offer. For example, 'Switch to Airtel #GetWhatYouPayFor' and Telkom's 'Pause the Mental Mazematics' Advertising campaigns In the following sections, kindly indicate the extent to which you agree/disagree with the following statements based on the following rating: Use 1= Strongly disagree, 2=Disagree, 3=Neutral,

4= Agree, 5- Strongly agree.

NO	STATEMENTS		RATING				
		1	2	3	4	5	
1.	I have more than one SIM card						
2.	I find comparative advertisements informative and entertaining						
3.	I prefer advertising messages that demonstrate the benefits of one service provider over others						
4.	I purchased the brand after seeing it compare itself with another brand						
5.	Ads that use humour influence my choice of a service provider						
6.	My confidence in the advertised brand has increased						
7.	Frequently played advertisements become believable to me						
8.	It is easy to recall brands that use emotional and creative ads over rational ones						
9.	Advertisements that compare brands give me pleasant feelings						
10.	Ads that compare brands are better than other forms of promotion						

SECTION C: CONSUMER-BASED BRAND EQUITY

Please indicate the extent to which you agree with the following statements. Use 1= Strongly

disagree, 2=Disagree,	3=Neutral, 4=Agree	, 5=Strongly agree.
-----------------------	--------------------	---------------------

Statement		Rating				
	1	2	3	4	5	
I can easily identify my mobile subscriber in						
terms of logo, colour, and slogan						
I can recall the product and service						
-						
*						
I am satisfied with the products, services,						
and prices of my preferred service provider						
I trust brands that compare themselves with						
others						
My preferred mobile subscriber improves						
how others perceive me						
I am loyal to my preferred mobile service						
provider						
I switched to another mobile subscriber after						
seeing it compare itsen to another						
	I can easily identify my mobile subscriber in terms of logo, colour, and slogan I can recall the product and service information of my mobile service provider Comparative advertisements affect the brands that come up first in my mind Visual advertisements have a lasting effect on me than audio or print Advertising has made me more aware of different offers from other mobile service providers e.g. bundles, talk time I am aware of the rates from each of the mobile service providers The mobile service provider performs as advertised I am happy to be associated with my present mobile service provider I believe frequently played advertising messages associate with having a strong brand image I find the quality of the brand to be just as it was advertised. Mobile networks that use comparative advertising care about me I am satisfied with the products, services, and prices of my preferred service provider I trust brands that compare themselves with others My preferred mobile subscriber improves how others perceive me I am loyal to my preferred mobile service	II can easily identify my mobile subscriber in terms of logo, colour, and sloganI can recall the product and service information of my mobile service providerComparative advertisements affect the brands that come up first in my mindVisual advertisements have a lasting effect on me than audio or printAdvertising has made me more aware of different offers from other mobile service providers e.g. bundles, talk timeI am aware of the rates from each of the mobile service providersThe mobile service providersThe mobile service provider performs as advertisedI am happy to be associated with my present mobile service providerI believe frequently played advertising messages associate with having a strong brand imageI find the quality of the brand to be just as it was advertised.Mobile networks that use comparative advertising care about meI am satisfied with the products, services, and prices of my preferred service providerI trust brands that compare themselves with othersMy preferred mobile subscriber improves how others perceive meI am loyal to my preferred mobile service providerI switched to another mobile subscriber after	12I can easily identify my mobile subscriber in terms of logo, colour, and sloganII can recall the product and service information of my mobile service providerIComparative advertisements affect the brands that come up first in my mindIVisual advertisements have a lasting effect on me than audio or printIAdvertising has made me more aware of different offers from other mobile service providers e.g. bundles, talk timeII am aware of the rates from each of the mobile service providersIThe mobile service providerII am happy to be associated with my present mobile service providerII believe frequently played advertising messages associate with having a strong brand imageII find the quality of the brand to be just as it was advertised.IMobile networks that use comparative advertising care about meII am satisfied with the products, services, and prices of my preferred service providerII trust brands that compare themselves with othersIMy preferred mobile subscriber improves how others perceive meII am loyal to my preferred mobile service providerII switched to another mobile subscriber afterI	IZ3I can easily identify my mobile subscriber in terms of logo, colour, and sloganI can recall the product and service information of my mobile service providerComparative advertisements affect the brands that come up first in my mindVisual advertisements have a lasting effect on me than audio or printAdvertising has made me more aware of different offers from other mobile service providers e.g. bundles, talk timeI am aware of the rates from each of the mobile service providersThe mobile service providerI am happy to be associated with my present mobile service providerI find the quality of the brand to be just as it was advertised.I find the quality of the brand to be just as it was advertising care about meI am satisfied with the products, services, and prices of my preferred service providerI am satisfied with the products, services, how others perceive meI am loyal to my preferred mobile service providerI am loyal to my preferred mobile service providerI awitched to another mobile subscriber after	I234Ican easily identify my mobile subscriber in terms of logo, colour, and slogan	

Thank you very much for taking the time to answer this questionnaire.

Appendix II: List of telecommunication companies in Kenya

- 1. Safaricom PLC
- 2. Airtel Network Limited
- 3. Telkom Kenya Limited
- 4. Equitel
- 5. Jamii Telkom

Appendix III: Distribution of Population in Nairobi county

Nairobi City	4,397,073	
Sub-Counties		
Dagoretti	434,208	
Embakasi	988,808	
Kamukunji	268,276	
Kasarani	780,656	
Kibra	185,777	
Lang'ata	197,489	
Makadara	189,536	
Mathare	206,564	
Starehe	210,423	
Westlands	308,854	