

**THE PERCEIVED EFFECTIVENESS OF MOBILE ADVERTISING IN
NAIROBI**

BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
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DECLARATION

STUDENT'S DECLARATION

I declare that this research project is my original work and has not been presented to any other university for the award of a degree.

Signature:

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SUPERVISOR'S DECLARATION

This research project has been submitted with my permission as the University Supervisor.

Signature

Supervisor's Name: **Dr. Raymond Musyoka**

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Date _____

DEDICATION

This research project is dedicated to my family without whose support and constant encouragement this work would not have been successfully accomplished. They constantly encouraged and supported me all through.

This research project is also dedicated to my parents who always believed in me and not forgetting the entire family and friends whose support was vital.

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I wish to register my sincere gratitude to some of the contributors including my Supervisor the light they shed on me and the encouragement since we met and all along, for the success of this research.

ABSTRACT

Mobile advertising is the communication of messages or media content to one or more potential customers who use mobile phone devices. Mobile advertising ranges from simple text messaging to intelligent interactive ad messages. The key parts of a mobile advertising system include the advertiser, a mobile ad network, mobile system operators, and mobile devices. Mobile telephony is one of the most important mode of telecommunications in Developing Countries, thus in Kenya indeed. Mobile (cell) phone communication has been suggested as a method to improve delivery of health services. This study therefore sought to find out the perceived effectiveness of mobile advertising to consumers as a promotional tool in Kenya. The research design for the study was a descriptive design. The Target population consisted of customers of the four mobile operators in Nairobi. A total sample size of 200 Individual customers who were subscribers from each of the four mobile operators was used. A sample of 50 subscribers from all the four mobile subscribers in Nairobi namely Safaricom, Airtel, Orange and Yu Mobile was used. Questionnaires contained both structured and unstructured questions. The questionnaires were self-administered. Data was analyzed using descriptive statistics. An effective mobile advertising is a combination of goals, statistics, creativity and an intuitive knowledge of the mobile consumer. The study recommends that there is need to customize mobile advertisements to particular customer segments or even specific individuals based on available information such as demographics, past behaviors, and interests. The study found that the mobile subscribers respond to mobile advertisements they receive. This they do by donating, going for the event as well as visiting the stores. The factors that determine the customers' decision to respond to the mobile advertisements include relevance, costs, intrusive nature, permissions and other reasons like security and compatibility. The study further established that involvement, feelings/interest to product, attitude, satisfaction, confidentiality, advert source, location & time, message appeal, risk factors, coverage motivation, permission/legality and interactivity affect mobile advertising effectiveness. As such the mobile advertising can be described as being mainly informative, entertaining and intrusive. The study recommends that there is need to customize mobile advertisements to particular customer segments or even specific individuals based on available information such as demographics, past behaviors, and interests

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Advertising and promotion refer to activities undertaken to increase sales or enhance the image of a product or business. Advertising is used primarily to inform the potential customer of the availability of products or services, when they are in season, where you are located and anything special about your product. Promotional activities are important for maintaining customer traffic throughout the market season—used early in the season to draw customers to your business and during the season to maintain customer traffic levels during slow periods. The type of advertising medium used depends on various factors such as the target market that the company wants to reach, the cost of the media used, legal and political factors that affect the media used, advancement in technology and most of all competition in the market that the company operates.

Advertising started to be the main tool and not-avoidable part of the market. Nowadays it has not only the informative transmission but can lead to the massive success of the brand or the massive failure. According to De Mooij (2003) the old myth about the global advertising usefulness could lead to the losses of consumers. Years ago there was an opinion that for example all young people around the world have similar preferences and personalities. Nowadays it is known that the successful advertising for youth in one country is not necessarily effective in the other.

Political and legal factors have changed how advertising is done. Cigarette companies are no longer allowed to advertise and must put large health warning signs on each packet to warn their consumers of the dangers of smoking. While alcohol adverts now have to give an age and health warning in every advertisement. These are some of the ways in which laws govern advertising.

Advertising has become a part of the life of all people around the world. According to Goodyear (1999) the advertising became an entertainment for people as well as the part of their personality. Socially also has seen the emergence of new forms of marketing through the social media such as facebook and Twitter. Technological advancements has changed advertising significantly from newspapers to TV, radio, billboards and now the internet to other mobile devices are used. According to Howe (2007) the advertising nowadays hits all media and channels to reach its target audience. It changed the channels as well as the way how it shows up in those. With Competition in all business areas growing and the embracing of technological advancements,

more and more companies are looking for new media of advertising in order to look different from their competitors and reach specific customers who have not yet been reached using other forms of media or maybe attracted by this new form.

The emergence of high speed wireless network technologies and the increasing market penetration of mobile phones the global advertising industry's interest in using this medium as a marketing communication tool is rising. In Consumer markets mobile advertising is expected to be a key growth area as it offers great opportunities for businesses. Mobile advertising allows companies to directly communicate with their consumers without time and location barriers. It also addresses customers with individualized advertising messages via mobile devices.

1.1.1 Perception

Kanuk & Shiffman (2003), define Perception as the process by which attribute meaning to incoming stimuli received through our senses. Perception is also defined as the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world. In simple terms we can say perception is "how we see the world". Marketers are interested in perception because it involves what customers believe. To provide satisfaction effectively in the market place, marketers must understand how all their marketing activities are perceived because perception greatly influences buyer behavior. Consumers are unique entities, wit unique experiences, wants, needs, wishes and expectations, it follows that each individual perceptions are also unique hence why no two people see the world in the same way.

Perception is the process by which people select, organize, and interpret information Perception has four major steps: Exposure - When a stimulus (like a billboard) comes within range of your senses (vision), Attention - Determined by the individual and the situation; Nerves pass the information onto the brain for processing. Interpretation - when marketing messages are assigned meaning and finally Memory which can be of two types Short-term for immediate decision making and Long-term for retention.

1.1.2 Mobile Phone Advertising

Harte (2008) defines Mobile advertising as the communication of messages or media content to one or more potential customers who use mobile phone devices. Mobile advertising ranges from simple text messaging to intelligent interactive ad messages. The key parts of a mobile advertising system include the advertiser, a mobile ad network, mobile system operators, and mobile devices.

Mobile advertisers create ads and marketing campaigns that define demographic profiles for recipients of the ads (geographic territory, customer types). Mobile ad networks gather the ads and campaign information from the advertisers and send the ads to multiple mobile system operators that have customers that match the marketing campaign profiles. Mobile operators receive the ads along with their marketing requirements, and identify mobile devices that meet the marketing profiles and have the capability to display ads. The mobile devices receive the ads and display them to viewers at appropriate times such as when the user has selected a related information service (e.g. get ring tones).

As wireless handsets evolve into more sophisticated multimedia devices used for both work and play, advertisers are keen to explore opportunities for brand and product marketing delivered to mobile users. Right now, mobile advertising is still in the very early stages of development, but progress made to date has been impressive.

1.1.3 Mobile Advertising in Kenya

Mobile telephony is one of the most important mode of telecommunications in Developing Countries, thus in Kenya indeed. For a large part of the population mobile telephony results an “affordable” friendly technology, while Internet access is a reality for many businesses and public institutions, but it is still an expensive technology restricted to individuals with higher levels of education and incomes. The ICT community has witnessed the explosive growth of mobile telephony in Africa. Nowadays, mobile phone has become the first communication technology having more users in Developing Countries than in the Developed ones; in particular, looking at the mobile subscriber numbers, Africa is showing the highest growth rate worldwide. Kenya has four main mobile operators operating in Kenya. These are Safaricom which began

operations in 2000, followed by Airtel (which was formerly Zain-Celtel and Kencel) which began its operations also in the year 2000, then come in Orange in 2008 and the new kid in the block being YU which began operations in 2008.

Currently in Kenya the mode of mobile advertising used is via SMS (Short Message Service) this is where by the company concerned sends a message to people on their database regarding new stocks, price discounts or reminders of payments due. Another trend used is in the health care industry where H.I.V Patients in Nyanza province in Kenya under the FACES-KEMRI Program receive an SMS reminding them of their next hospital appointment. With Kenya's general election around the corner Safaricom Kenya's leading mobile operator in terms of numbers can come up with guidelines in regards to political Mobile advertising in terms of content, the process, law and guidelines of how it shall govern political mobile advertisements. (Sunday Nation June 2012).

1.2 Problem Statement

The growth of Mobile advertising highlights the role of the consumer in the determining the effects and effectiveness of advertising, while challenging traditional assumptions about how advertising works. The active role of the consumer in determining the effects of advertising has important implications for how the effects and effectiveness of advertising are measured and how various measures are interpreted.

Mobile advertising revenues are expected to grow tenfold over the next five years, with various estimates ranging from \$10 billion to \$15 billion for 2011. Kishore (2008) estimates a more conservative revenue growth for mobile advertising, but it is certainly true that service providers and technology companies are aggressively targeting this space.

A survey released by mobile advertising network InMobi shows that digital media will be a key platform for politicians keen on winning the March 2013 General Election. The challenge remains that only around 750,000 Kenyan homes actually have a TV, and using these two channels as a mouthpiece can prove costly. This leaves the gap wide open for mobile, which is catching up fast as the preferred method of communication from political parties. (InMobi 2012)

Africa has half a billion mobile users with Kenya having at least 28 million mobile subscribers according to a study carried out by communications commission of Kenya (2012) Given such a vast market, there is significant potential for mobile advertising across the continent. Africa is emerging as a great region with significant potential of mobile advertising across the content (InMobi 2011). They found that Africa(Kenya Included) was one of the highest monetize mobile markets in the world and that their consumers were more inclined to receive and respond to SMS advertising than their counterparts in the US or Europe. Nearly 70% of Africans (Kenyans Included) are comfortable with mobile advertising - the highest percentage in the world. This means that brands can really capitalize in this region through well executed SMS advertising.

With Kenya's general election in March 2013,Safaricom Kenya's leading mobile operator in terms of numbers can come up with guidelines in regards to political Mobile advertising in terms of content, the process, law and guidelines of how it shall govern political mobile advertisements. This form of advertising has however been quite effective for NGO campaigns such as UNEP's plant a tree campaign. The emotional element of such adverts makes them more effective, as they touch on social elements that we all share genuine concern for. Research on Mobile Advertising in Kenya is very scarce if available at all. Most of the researches done in Kenya are on mobile payments effectiveness. An example of this is a case study by Wambari (2009) which looked at mobile applications in such areas of mobile banking and business to business trading is mostly for local business people e.g. small-scale farmers in developing countries. According to Lester et al (2011) Mobile (cell) phone communication has been suggested as a method to improve delivery of health services. This study therefore sought to find out the perceived effectiveness of mobile advertising to consumers as a promotional tool in Kenya.

1.3 Objective of the study

This study aimed to find out the consumer perceptions on mobile advertising in Nairobi. More specifically the objectives of this study were:

- i. To determine the effectiveness of mobile advertising in Nairobi
- ii. To determine the trends of mobile advertising in Nairobi
- iii. To determine the reach of mobile advertising in Nairobi

1.4 Value of the Study

This research would be of benefit to consumer market companies as it would enable them increase value of their mobile adverts by reaching the relevant client base thus increasing their efficiency. They would also be able to know what their target market thinks of this mode of advertising.

Policy makers would also benefit from this research in that they shall be able to create new rules and regulations that will govern how mobile advertising is carried out. These include laws on privacy, accessibility, costs and content of the message.

On the other hand it would be of value to the customer who shall receive messages that are of value to them and shall not be considered as junk messages.

This research aimed to create value in mobile advertising and increase awareness of the various ways in which companies can enhance the use of mobile advertising using the various mediums it offers e.g. SMS, MMS and video. This would therefore benefit advertising agencies who are looking for new media of advertising.

It would also be of benefit to mobile operators who can use the information they have on their customers to segment them accordingly therefore assisting companies and advertising agencies to target the customers they want to communicate with.

It shall also benefit researchers in that they would be able to know trends of mobile advertising in Kenya narrowing it down to Nairobi. It would also give them information of what other areas can be looked at for further research which may not be covered in this research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Mobile Advertising is a concept with a lot of potential as the mobile Subscriber reach in Kenya keeps on growing day by day. This Chapter looks at the definition of mobile advertising and past studies that have been done on it

2.2 History of Mobile Phone Advertising

Cooper (1973), when he was a project manager at Motorola, it was almost three decades after the idea of cellular communications was introduced by Bell Laboratories. Two decades later, cellular phones made a commercial debut in the mass market in the early 1990s. In the early days of cellular handsets, phone functionality was limited to dialing, and voice input/output.

When the second generation of mobile telecoms (2G) was introduced in Finland by Radiolinja (now Elisa) on the GSM standard (now the world's most common mobile technology with over 2 billion users) in 1991, the digital technology introduced data services. SMS text messaging was the first such service. The first person-to-person SMS text message was sent in Finland in December 1994. SMS (Short Message Service) gradually began to grow, becoming the largest data service by number of users in the world, currently with 74% of all mobile subscribers or 2.4 billion people active users of SMS in 2007.

One advantage of SMS is that while even in conference, users are able to send and receive brief messages unobtrusively, while enjoying privacy. Even in such environments as in a restaurant, café, bank, travel agency office, and so on, the users can enjoy some privacy by sending/receiving brief text messages in an unobtrusive way.

It would take six years from the launch of SMS until the first case of advertising would appear on this new data media channel, when a Finnish news provider offered free news headlines via SMS, sponsored by advertising. This led to rapid experimentation in mobile advertising and mobile marketing, and the world's first conference to discuss mobile advertising was held in London in 2000, sponsored by the Wireless Marketing Association (which later merged into the Mobile Marketing Association).

2.3 Mobile Phone Advertising

Harte (2008) defines Mobile advertising as the communication of messages or media content to one or more potential customers who use mobile devices. Mobile advertising ranges from simple text messaging to intelligent interactive ad messages. The key parts of a mobile advertising system include the advertiser, a mobile ad network, mobile system operators, and mobile devices.

Globally, mobile advertising revenues totaled roughly \$1.4 billion in 2007, the vast majority of which came from messaging. Short codes, also known as CSCs, are a major driver, but other formats and approaches, often incorporating multimedia content, are also being explored. Given the purpose-driven nature of mobile usage, we anticipate that highly personalized or location-based search is likely to be an important format for advertisers.

Similarly, venture capitalists are pouring funding into the mobile advertising sector, and established online giants such as Yahoo! and Google are increasingly becoming involved with mobile services. Yahoo! is showing mobile display ads in 16 countries today, working with leading carriers, while Google has adapted its search technology to be compatible with mobile phones and has launched its own platform for mobile devices, Android.

2.3.1 Mobile as a Media

This unobtrusive two-way communications caught the attention of media industry and advertisers as well as cell phone makers and telecom operators. Eventually, SMS became a new media - called the “seventh mass media channel” by several media and mobile experts - and even more, it is a two-way mobile media, as opposed to one-way immobile media like radios, newspapers and TV.

The immediacy of responsiveness in this two-way media is a new territory found for media industry and advertisers, who are eager to measure up market response immediately. Additionally, the possibility of fast delivery of the messages and the ubiquity of the technology, make it ideal for time- and location-sensitive advertising, such as customer loyalty offers, SMS promotions of events, etc. To leverage this strength of SMS advertising, timely and reliable delivery of messages is paramount, which is guaranteed by some SMS gateway providers.

Mobile media has begun to draw more significant attention from media giants and advertising industry since the mid-2000s, based on a view that mobile media was to change the way advertisements were made, and that mobile devices can form a new media sector. Despite this, revenues are still a small fraction of the advertising industry as a whole but are most certainly on the rise.

2.3.2 Mobile Advertising Operation

Harte (2008), shows in this example, how a company creates and submits a small banner ad to a mobile advertising network and selects location, time and category as the ad promotion criteria. The mobile advertising network submits these ads to multiple mobile networks and keeps track of the transmission, selection and response to these ads. The mobile system operators review the capabilities of the mobile devices in their network to determine which devices can receive and respond to mobile ads.

2.3.3 Previous Research on Mobile Advertising

Past research on modality of advertising media has mostly focused on traditional media formats. Different types of media (through various modality combinations) have been shown to differentially affect attention, vividness, comprehension, and decision-making. Chaiken & Eagly (1976) found that comprehension of an easy message did not differ as a function of whether the message was presented in written, auditory, or video form, however, comprehension of a difficult message was best in written form.

Jacoby, Hoyer, & Zimmer (1983) found similar results: print messages were better comprehended than television or audio messages. Conversely, research by Liu & Stout (1987) found that pictures and words, or pictures alone, were more effective than words alone in enhancing message recall and inducing positive thoughts and attitudes. Few researchers have examined these implications in a mobile advertising environment in particular, so predictions regarding directionality of various modalities on attitudes remain speculative.

Cognitive load theory (Sweller 1988; Sweller, Van Merriënboer, & Paas ,1998) addresses the limitations of working memory, in terms of both capacity to store and ability to process incoming information, and it provides guidelines for minimizing working memory overload. Initially, working memory was considered a unitary construct, but modern conceptualizations divide working memory into a "visual-spatial scratch pad" to hold and process visual information and a "phonological loop" to hold and process auditory information (Baddeley, 1992)

Chandler & Sweller (1991) found that subjects presented with both the diagram and the text performed worse on subsequent tasks than subjects who only viewed the diagram. Extending this idea to mobile advertising suggests that an advertisement presented on mobile device with both pictures and text that describes the pictures should be less effective than a mobile ad presented as just text.

Therefore, if a mobile phone can present video with audio, consumers may actually prefer redundant information rather than simply reading an SMS message presenting a mobile ad. Thus, behavioral intentions to use a wireless device to obtain commercial content should be higher for dynamic ads than static ads. In addition, recent research has found that including affective measures with cognitive measures provide much better prediction of intentions to use a wireless device than using cognitive factors alone (Bruner & Kumar 2005; Kulviwat et al. 2007).

Mobile industry stakeholders appear to agree that the key to a successful mobile advertising campaign is that it should not be intrusive, Andrews (2006). Barnes & Scornavacca (2004) stated that user permission is one of the variables affecting mobile advertising effectiveness. User permission occurs when individuals give consent to receive information from a company (Godin 1999).

Mobile users said that they would accept mobile advertising provided that they had prior consent, Barwise & Strong (2002). Many users also insisted that they should have the right as with internet newsletters to opt out quickly and easily whenever they want to (Andrews, 2006). As a result, advertisers need to tread carefully in order to strike a balance between effective advertising and invading the privacy of mobile users (Kennedy, 2006)

2.4 Determinants of Effective SMS Advertising

Location & time are one of the determinants of effective SMS Advertising. Location-based advertising is regarded as one of the most interesting opportunities mobile commerce has to offer because of its impact on the perceived informational utility of the location-aware advertisement. Various studies have empirically verified an increase in advertisement effectiveness through spatial advertising (Andersson & Nilsson 2000; Gopal & Tripathi 2006).

Andersson & Nilsson (2000), evaluated location-sensitive SMS campaign effectiveness based on traditional communication effect measures, and showed that SMS campaigns were effective and did have a positive impact especially on brand awareness and purchase intention. In the current research, 'ad localization' is considered as sending information to consumers based on their location, in order to convince them to visit a local store. Furthermore, consumer behavior theory points to the interdependence of time and location (Kang, Herr, & Page 2003). Targeting prospects at the right time and place actually implies minimum perceived effort for the prospect in buying the advertised product.

Interactive elements of a mobile ad attempt to elicit cognitive responses by allowing the viewer to search for more information through the mobile device. By providing interactivity, the advertiser attempts to increase viewer involvement by creating a two-way communication in real time, instead of the usual one-way connection in media advertising (Lohtia, Donthu & Hershberger, 2003).

Individuals are interested in deriving some monetary benefit or an incentive from direct marketing programs (Milne & Gordon 1993). In a Nokia-sponsored survey, conducted by HPI Research Group, almost nine out of ten participants (86%) agreed that there should be a trade-off for accepting advertisements on their mobile devices (Pastore 2002). Prior research proposes that price discounts are particularly effective in inducing effects, such as purchase acceleration and product trial (Shi, Cheung, & Prendergast 2005). Previous studies have shown that retail price promotions change consumers' purchase decisions and that retailers use price promotions more frequently to boost store sales (Chen, Monroe, & Lou 1998).

The term "ad source" is used to refer to traits of the communicator (whether an individual or a company), and includes expertise, trustworthiness, attractiveness, and power. Mackenzie and Lutz (1989) found that credibility strongly influences attitude toward the advertiser, which in turn is an important predictor of attitude toward the advert. Corporate credibility is defined as "the extent to which consumers believe that a firm can design and deliver products and services that satisfy customer needs and wants" and has been found to have direct positive effects on attitude toward the ad, the brand, and purchase intent (Choi & Rifon, 2002).

Message appeals are usually divided into rational and emotional ones (Johar & Sirgy, 1991). Rational appeals are typically based on factual information and focus on product attributes. Emotional appeals, on the other hand, typically intend to create positive emotions and develop a brand personality. Emotional appeals have been found to be most effective when brand response involvement and advertising message involvement are low, whereas rational appeals are found to be relatively more effective when customers are highly involved with the brand and the advertisement (Baker & Lutz, 2000).

Johar and Sirgy (1991) have proposed that value-expressive advertising appeals are persuasive when the product is value-expressive, whereas utilitarian appeals are persuasive when the product is utilitarian. A series of studies by Shavitt (1990) yielded evidence about the attitude functions associated with different products, and showed that attitudes toward products that serve different functions respond to different types of advertising appeals.

When individuals base their purchase decision mainly on how they feel about the product, then the product is characterized as "feel"; when the purchase decision is based mainly on thoughts, then the product is characterized as "think" (Ratchford 1987). Laurent & Kapferer (1985) argue, the degree to which consumers process advertising communications and react to the message in an active or passive way depends on their involvement with the product.

The Elaboration Likelihood Model (Petty & Cacioppo 1986) suggests that involvement affects motivation to process information. People with high product involvement may be more likely to

explore more product-specific information. If advertisement arguments are strong, involved consumers may be more likely to form a positive attitude toward the advertised products

Tsang, Ho, & Liang (2004) also found that consumers have generally negative attitudes toward mobile advertising unless they have specifically consented to receive the advertising messages. Thus, it is possible that attitudes toward specific mobile advertisements are influenced by attitudes toward advertising via cellular phones in general.

2.5 Factors Leading to Mobile Phone Advertising

As consumers are increasingly exposed to mobile advertising, their acceptance is also increasingly regarded as a critical success factor (Amberg, Hirschmeier, & Wehrmann 2004; Heinonen & Strandvik 2003). Although academic research on mobile commerce and consumer acceptance of mobile advertising is relatively new and thus still scarce, a number of studies have been conducted in this field.

Consumers carry their mobile phones almost everywhere, which creates new opportunities for marketers. This can be useful to both marketers and consumers. It has been suggested that when using mobile services or receiving mobile advertising messages, consumers perceive value in relation to the utilization of time and place (that is, contextual information) (Heinonen & Strandvik 2003; Pura 2005). For example, with location-based mobile services, the location of a single consumer at a given time can be identified and mobile advertising made contextually valid (For Example a dinner offer when passing by a favorite restaurant in the evening), which in turn can provide more value for the consumer.

In many countries mobile advertising is permission-based by law in order to keep mobile phones clear of spam. Accordingly, mobile advertising basically follows the ideas of permission marketing (Godin, 1999). As mobile phones are very personal devices, consumer perceptions of controlling that permission as related to the mobile advertising (e.g., how many messages they receive in a given period) are considered important factors that might affect consumer acceptance of mobile advertising (Leppäniemi & Karjaluoto 2005; Nysveen, Pedersen, & Thorbjørnsen, 2005).

Consumers' risk perceptions can strongly determine their behavior (Mitchell 1999). This may also be the case with mobile advertising. Although consumers have given their consent to receive mobile advertising, what they actually get may not necessarily match their expectations. Therefore, they might perceive various risks (e.g., privacy, unsuitable content) or even feel irritated when receiving the communication (Bauer et al. 2005; Tsang, Ho, & Liang 2004). These risks and annoyances represent disadvantages (or sacrifices) that the consumers associate with mobile advertising. Consumers' trust in the use of their personal data and the laws protecting them might affect their acceptance of mobile advertising.

2.6 Perception

Perception is the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture. It is generated when a person views scenes from a famous act, sniffs a favorite food or hears the voice of a friend which makes recognition instant. Perception is the process by which we attribute meaning to incoming stimuli received through our senses, (Kanuk and Shiffman 2003).

Perception is the process of attaining awareness or understanding of the environment by organizing and interpreting sensory information. All perception involves signals in the nervous system, which in turn result from physical stimulation of the sense organs. It thus describes the process through which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture. (Pomerantz, James R, 2003)

Perception is the process by which people select, organize, and interpret information Perception has four major steps: Exposure - When a stimulus (like a billboard) comes within range of your senses (vision), Attention - Determined by the individual and the situation; Nerves pass the information onto the brain for processing. Interpretation - when marketing messages are assigned meaning and finally Memory which can be of two types Short-term for immediate decision making and Long-term for retention.

Marketers are interested in perception because it involves what customers believe. To provide satisfaction effectively in the market place, marketers must understand how all their marketing activities are perceived because perception greatly influences buyer behavior. Consumers also

perceive the same situation differently. People emerge with different perception characteristics and the first one is consumer perception which is subjective, secondly, perception of the consumer is selective, thirdly, perception of the consumer is time related, and finally consumer perception is summation. Consumers take many sensations that reach their awareness almost simultaneously. The summations are summed up into a complete and unified whole before a consumer can react to them. There are four main consumer perception characteristics namely subjective, selective, time related and summation. Therefore, it is difficult to conceive how consumers could ever make their minds to buy if it were not for the fact that perception is summative, (Kibera & Waruingi (1988)

2.7 Summary of Literature Review

Dross (2006), Mobile advertising is one of the most popular applications of mobile commerce, particularly in the form of SMS advertising. However, little is known regarding the effectiveness of such campaigns and the factors contributing to their success.

The rapid proliferation of mobile phones and other mobile devices has created a new channel for marketing. The use of Short Messaging Service to access customers through their handheld devices is gaining popularity, making the mobile phone the ultimate medium for one-to-one marketing. Tsang (2004) indicated that (1) consumers generally have negative attitudes toward mobile advertising unless they have specifically consented to it, and (2) there is a direct relationship between consumer attitudes and consumer behavior. Thus it is not a good idea to send SMS advertisements to potential customers without prior permission.

This study aims to find out what makes mobile advertising effective in Nairobi. This will look at what factors should be satisfied in order to have a effective mobile advertisement then look at the what things make the advert itself more appealing to the customer and make them respond to the advert. This elements are the determinants to effective advertising; if the research finds them available then mobile advertising in Nairobi is effective, if this elements are missing then mobile advertising is not effective in Nairobi therefore seek ways of making it more effective to the consumer.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides information on the data collection instruments, the target population, sampling method used and data techniques employed to find out the perceived effectiveness of mobile advertising in Nairobi.

3.2 Research Design

The research design for the study was a descriptive design method because it determines and reports the way things are. It describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, where, when, and how. Although the data description is factual, accurate and systematic, the research cannot describe what caused a situation.

3.3 Population of the study

The Target population consisted of customers of the four mobile operators in Nairobi. The customers were gathered from mobile subscriber customer care points as it eased the identification process.

3.4 Sample of the Study

A total sample size of 200 customers who were subscribers from each of the four mobile operators was used. A sample of 50 subscribers from all the four mobile subscribers in Nairobi namely Safaricom, Airtel, Orange and Yu Mobile was used. This enabled the assessment of the perception of mobile advertising in Nairobi across the board. Random sampling was used to collect data as collection of data was from customer care shops of the different mobile subscribers. Every third individual in the queue was chosen to fill in the questionnaire. The Sampling unit used was mobile subscribers in the city of Nairobi. This process was carried out in a period of one week.

3.5 Data Collection

The data collected sought to find out the perceived effectiveness of Mobile advertising in Nairobi. As the data was primary use of questionnaires was the method of data collection. Questionnaires contained both structured and unstructured questions. The questionnaires were self-administered as the respondents were given questionnaires to fill without supervision by the

researcher at the time of distribution. The researcher then collected the questionnaires immediately they finish as it was hard to trace the respondents later. Research assistants were used in order to assist in collection of data from the respondents.

3.6 Data Analysis Technique

The data was first edited in order to remove any unnecessary information that was supplied by the respondents. This mainly involved data collected as primary data from the respondents directly. While editing, the researcher tested the data for validity, consistency, accuracy and uniformity.

Data was analyzed using descriptive statistics. Data in section A of the questionnaire was analyzed using frequencies and percentages. Section B, Which sought to establish the perception of consumers was analyzed using mean and standard deviation.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATIONS

4.1 Introduction

This chapter presents the analysis and interpretations of the data from the field. It presents analysis and findings of the study as set out in the research methodology on the perceived effectiveness of mobile advertising in Nairobi. Having identified the problem of study in chapter one, reviewed existing literature and shown gaps of knowledge in chapter two, chapter three explained the methods that the study used to collect data.

The study sampled 200 respondents from the four mobile telecommunication providers in Kenya where 50 customers from each were selected to participate in the study. From the study, all the 200 respondents sampled participated in the study by filling the questionnaires satisfactorily. This commendable response rate can be attributed to the data collection procedure, where the researcher personally administered questionnaires and waited for respondents to fill in.

4.2 Demographic Characteristics of the Respondents

The study targeted subscribers from all the four mobile subscribers in Nairobi namely Safaricom, Airtel, Orange and Yu Mobile who were seeking services from the various customer care points in Nairobi in one week. As such the results on demographic characteristics of these respondents were investigated in the first section of the questionnaire. They are presented in this section under gender distribution of the respondents, age of the respondents, working experience in the hospitals, highest academic qualifications.

The study sought to find out the gender of the respondents. In this study the respondents sampled were expected to comprise both male and female respondents. The respondents' distribution in terms of gender is shown in Table 4.1.

Table 4.1: Gender Distribution of the Respondents

Gender	Frequency	Percent
Male	114	57
Female	86	43
Total	200	100.0

Source: Author, 2012

From the study, majority of the respondents were male, shown by 114 (57%), of the men studied while 86 (43%) of them comprised of female respondents. The findings show that the mobile subscribers in Nairobi namely Safaricom, Airtel, Orange and Yu Mobile who were seeking services from the various customer care points in Nairobi are both male and female members; however the majority of them are males. The findings imply that the views expressed in this findings are gender sensitive and can be taken as representative of the opinions of both genders as regards to the perceived effectiveness of mobile advertising in Nairobi.

The respondents involved in this study people from various employment statuses. The study therefore sought to establish the distribution of the respondents in terms of employment statuses.

Table 4.2: Distribution of the Respondents in Terms of Employment Statuses

Employment status	Frequency	Percent
Employed	84	42
Unemployed	14	7
Business/Self Employed	102	51
Total	200	100

Source: Author, 2012

According to the results depicted in table 4.2, 102 (51%) of the respondents indicated that they were business persons or self-employed, 82 (42%) who re employed of them reiterated that they were employed and 14 (7%) of them were unemployed, These findings imply that majority of the clients seeking services from the customer care points in Nairobi are entitled to certain forms of income from their employers or from their businesses. As such they are in positions to afford various services that are offered by the mobile services providers.

The target respondents are distributed in various age brackets hence their marital status are likely to be different. As such the study sought to establish the marital statuses of these respondents since marital status or family responsibilities are factors that can affect one's perception of mobile advertisings by the mobile service providers.

Table 4.3: Marital Status of the Respondents

Status	Frequency	Percent
Single	80	40
Married	90	45
Widowed	8	4
Separated	22	11
Total	200	100

Source: Author, 2012

Majority of the respondents, comprising 45 % (90 Respondents) reiterated that they were married, 40% (80 respondents) of the respondents were single, 11% (22 respondents) of the respondents were separated, while 4% (8 respondents) of them were widowed. The findings imply that the respondents are mainly married or had at one been in a family relationship. Their statuses are an indication that they have commitments and responsibilities which to some extent they are expected to affect their perceptions of mobile advertisements by the mobile service providers. However it is worth noting that the proportion of the single employees in the division is significantly high implying that they are likely to be having a different view on the mobile advertisements by the mobile service providers. The results in general indicate that there are mobile subscribers in various marital statuses.

The level of subscribers' perceptions of mobile advertisements by the mobile service providers may vary with the age of the respondents. In order to avoid biasness, this study thus had to investigate the composition of the respondent in terms of age brackets to understand their familiarity with the mobile advertisements by the mobile service providers. Table 4.3 shows the results of the findings on the age brackets of the respondents.

Age	Frequency	Percent
18-28	10	5
29-38	58	29
39-40	110	55
49-59	16	8
Over 60	6	3

Source Author, 2012

Figure 4.1: Age Bracket

From the study, an overwhelming majority (55% i.e. 110) of the respondents were aged between 39-40 years, 29% (58 respondents) of them indicated that they were aged between 29-38 years, 8% of the respondents were aged between 49-59 years, 5% (10 respondents) of them indicated that they were aged between 18-28 years, while only 3% (6 respondents) of them were aged over 60 years. From these results it is clear that the respondents were well distributed in terms of age and that they are active in technological advancements and productivity and hence can contribute constructively in this study about the perceived effectiveness of mobile advertising in Nairobi.

The customers seeking customer care from the customer care points in Nairobi are likely to be drawn from people with different academic qualifications. This difference might contribute to differences in their perceived effectiveness of mobile advertising and in the responses given by the respondents. The study thus sought to establish the highest academic qualifications attained by the respondents. The responses on this question are depicted in table 4.4.

Table 4.4: Level of Education

Level of Education	Frequency	Percent
Primary	16	8
Secondary	40	20
College	64	32
University	80	40
Total	200	100

Source: Author, 2012

The study results reveal that, 40% of the respondents unanimously indicated that they had acquired Bachelors' or undergraduate degrees level of education, 32% of them indicated that they had acquired college education as their highest level of education, 30% of the respondents had acquired a secondary level of education, while 8% of the respondents indicated that they had acquired secondary education as their highest level of education. This results imply that majority of the respondents had at least a college level of education and hence understood the information sought by this study. These findings further imply that all the respondents were academically qualified and also familiar with their duties and could dispense them effectively in terms of professional work ability and performance.

The study further sought to establish the distribution of the respondents in terms of religion. The religion of the respondents is a factor that is likely to affect their perceptions about mobile advertising.

Table 4.5: Distribution of the Respondents by Religion

Religion	Frequency	Percent
Christian	96	48
Muslim	80	40
Hindu	16	8
Traditionalist	8	4
Total	200	100

Source: Author, 2012

Accordingly, 48% of the respondents collectively indicated that they were Christians, 40% of them were Muslims, 8% of the respondents were Hindu, while 4% of them indicated that they were traditionalists. These findings imply that the subscribers are distributed across various mobile phone service providers hence representative of the influence of this social aspect on their perceptions.

4.3 Perceived Effectiveness of Mobile Advertising

This theme comes from the main objective of the study which sought to investigate the perceived effectiveness of mobile advertising in Nairobi. The study collected views from equal numbers of respondents across the four mobile providers in Kenya comprising of Safaricom, Airtel, Orange and Yu.

The respondents were required to indicate the frequency at which they receive mobile advertisements. The results are shown by table 4.6.

Table 4.6: Frequency of Receiving Mobile Advertisements

Duration	Frequency	Percent
Daily	140	70
Weekly	52	26
Monthly	8	4
Rarely	0	0
Total	200	100

Source: Author, 2012

The results depicted in table 4.6 show that an overwhelming majority of the respondents (comprising 70%) indicated that they receive mobile advertisements on daily basis, another 26% of the respondents received mobile advertisements weekly, while 4% of them indicated that they receive mobile advertisements monthly.

The study further sought to establish the type of mobile advertisements received by the respondents. Table 4.7 shows the study results.

Table 4.7: Type of Mobile Advertisements Received by the Respondents

Mobile advertisement	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Entertainment	160	80	40	20
Retail shop sales	48	24	152	76
Charity events	90	45	110	55
Wallpapers, ringtones	100	50	100	50
Political	30	15	170	85

Source: Author, 2012

From the study, 80% of the respondents indicated that they receive entertainment advertisements, 50% of them receive wallpapers, ringtones advertisements, 45% of them indicated that they receive charity events advertisements, 24% indicated retail shop sales, while 15% of them receive political advertisements.

The respondents were required to indicate whether they respond to mobile advertisements they receive. Figure 4.2 depicts the results.

Response to Mobile Advertising	Frequency	Percent
Yes	146	73%
No	54	27%

Figure 4.2: Whether they respond to Mobile Advertisements Received

Majority of the respondents indicated that they respond to mobile advertisements they receive as indicated by 73% (146 respondents) of them, while 27% (54 respondents) of the respondents indicated that they do not respond to mobile advertisements they receive.

The study sought to find out the various ways in which the respondents respond to the mobile advertisements they receive.

Table 4.8: The Ways of Responding to the Mobile Advertisements

Responding to the Mobile Advertisements	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Donating	102	70	44	30
Going for the event	44	30	102	70
Visiting the store	15	10	131	90
Other	22	15	124	85

Source: Author, 2012

From the study 70% of the respondents indicated that they respond to the advertisements by donating, 30% of them respond by going for the event, 15% of the respondents respond by other, while only 10% of them reiterated that they respond to the mobile advertisements by visiting the stores.

4.4 Reasons influencing Consumer Response to Mobile Advertisements

The study sought to establish some of the reasons that influence the consumers' response to mobile advertisements. The results are shown in figure 4.3.

Reasons influencing consumer Response	Frequency	Percent
Permission	80	40
Relevance	176	88
Intrusive Nature	96	48
Costs	152	72
Other	40	20

Figure 4.3: Reasons that Influence the Consumers' Response to Mobile Advertisements

From the study, an overwhelming majority of the respondents (shown by 88%) indicated that relevance influences their response to mobile advertisements, while 72% of them indicated costs, 48% of the respondents indicated intrusive nature, 40% indicated permissions, while 20% of them indicated that other reasons like security and compatibility influences their response to mobile advertisements.

The standard deviation is a statistic that tells you how tightly all the various examples are clustered around the mean in a set of data. When the examples are pretty tightly bunched together and the bell-shaped curve is steep, the standard deviation is small. When the examples are spread apart and the bell curve is relatively flat, that tells you you have a relatively large standard deviation. (Niles, Robert 2013)

The respondents were required to indicate the extent to which various aspects affect mobile advertising effectiveness.

Table 4.9: Extent to which Various Aspects affect Mobile Advertising Effectiveness

Aspects that affect Mobile Advertising Effectiveness	Mean	Std. Dev.
Coverage	3.4545	.83258
Confidentiality	3.6667	.73598
Risk factors	3.5152	.87039
Location & time	3.5758	.83030
Interactivity	3.3636	.69903
Ad Source	3.6061	.60927
Message appeal	3.5455	1.36079
Feelings/interest to product	3.9697	1.20217
Involvement	4.0000	1.1897
Motivation	3.3939	1.28756
Attitude	3.9394	0.89234
Permission/Legality	3.3939	1.28756
Satisfaction	3.7576	1.2411

Source: Author, 2012

According to the results depicted in table 4.9, majority of the respondents agreed that involvement affect mobile advertising effectiveness as shown by a mean score of 4.0000, as well as feelings/interest to product as shown by a mean score of 3.9697, attitude as shown by a mean score of 3.9394, satisfaction as shown by a mean score of 3.7576, confidentiality as shown by a mean score of 3.6667, advert source as shown by a mean score of 3.6061, location & time as shown by a mean score of 3.5758, message appeal as shown by a mean score of 3.5455 and risk factors as shown by a mean score of 3.5152. They further indicated neutrality that coverage

motivation, permission/legality and interactivity affect mobile advertising effectiveness as shown by mean scores of 3.4545, 3.3939, 3.3939 and 3.3636 respectively.

The study requested the respondent to indicate their perception of mobile advertising generally. These results are depicted in table 4.10.

Table 4.10: Describing the Perception of Mobile Advertising

Perception	Frequency	Percentage
Entertaining	140	70
Political	40	20
Informative	168	84
Intrusive	112	56

Source: Author, 2012

From the study, 84% of the respondents described the mobile advertising as being informative, 70% of them indicated that mobile advertising is generally entertaining, 56% indicated intrusive, while 20% of the respondents described the mobile advertising as being political.

CHAPTER FIVE: SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four, and also it gives the conclusions and recommendations of the study based on the objectives of the study. The objectives of this study were to determine the effectiveness of mobile advertising in Nairobi, to determine the trends of mobile advertising in Nairobi and to determine the reach of mobile advertising in Nairobi.

5.2 Summary of the Findings

Mobile advertising comes in a variety of forms, including display, SMS/text message, location-based, and rich media. These mobile advertisements are common in all the mobile service providers in Kenya. From the study 140 respondents (comprising 70%) indicated that they receive mobile advertisements on daily basis, another 52 (26%) of the respondents received mobile advertisements weekly, while 8 (4%) of them indicated that they receive mobile advertisements monthly. They range from entertainment advertisements, wallpapers, ringtones advertisements, charity events advertisements, retail shop sales to political advertisements.

The study found that the mobile subscribers respond to mobile advertisements they receive. This they do by donating, going for the event as well as visiting the stores. The factors that determine the customers' decision to respond to the mobile advertisements include relevance, costs, intrusive nature, permissions and other reasons like security and compatibility.

The study further established that involvement, feelings/interest to product, attitude, satisfaction, confidentiality, advert source, location & time, message appeal, risk factors, coverage motivation, permission/legality and interactivity affect mobile advertising effectiveness. As such the mobile advertising can be described as being mainly informative, entertaining and intrusive.

5.3 Discussions

New solutions are emerging for tracking consumer behaviors on mobile devices, between apps and the mobile web and across multiple devices. Mobile campaigns are also offering unprecedented reach in emerging markets, reaching the next 1B consumers that are coming online for the first time through their mobile devices.

Mobile advertising networks and advertisers are learning more and more about our users and the best way to reach them, but the challenge is, what do we do with all of that data once we've got it? The next phase in mobile advertising is yield optimization – using the glut of data available with every ad request in order to serve the right ad to the right people. Location and time of day are going to become increasingly critical factors in mobile ad yield optimization. If you can put an ad in front of users at the right time of day when they are thinking about making a purchase or a download, and do it in a way that is relevant to their geographic location, you have unlocked a new universe of possibilities.

5.4 Conclusions

The study concludes that mobile advertising has the ability to spur a dialogue between a consumer and the advertising institution/marketer. This is infinitely more valuable since it creates a personal connection between the mobile user and the brand and helps marketers optimize their messages by ensuring the content caters to the characteristics of each individual end-user.

The study also established that an effective mobile advertising is a combination of goals, statistics, creativity and an intuitive knowledge of the mobile consumer. From the study, involvement, feelings/interest to product, attitude, satisfaction, confidentiality, advert source, location & time, message appeal, risk factors, coverage motivation, permission/legality and interactivity affect mobile advertising effectiveness.

The study further concludes that by utilizing mobile advertising, companies can run marketing campaigns targeted to tens of thousands of people with a fraction of the costs and time compared to other direct marketing mediums. The effect of perceived usefulness on involvement, relevance, costs, intrusive nature, permissions and other reasons like security and compatibility greater among the proposed factors.

The study concludes that the main advantage of mobile advertising is that it can reach the target customers anywhere anytime. In order to promote the selling of products or services, all the activities required to communicate with the customers are transferred through mobile devices. Combining with the customers' user profile and context situation, advertising companies can provide the target customers exactly the advertisement information they desire.

5.4 Recommendations of the Study

The study recommends that there is need to customize mobile advertisements to particular customer segments or even specific individuals based on available information such as demographics, past behaviors, and interests. While mobile advertising offers many potential opportunities for marketers, it is not clear that all types of products are naturally suited to this advertising medium. Marketers can expect the best performance out of mobile display advertising campaigns when their brands are perceived by consumers as more utilitarian and higher involvement. It may be advisable to use the mobile advertisement channel earlier than other channels as prior recent exposure to products reduces the effectiveness of mobile advertisements.

According to the results, purchase decisions are more personally relevant and therefore of higher involvement to consumers the closer they are to the moment of truth when they need to make a choice. Mobile display advertisements may be more effective even for products that are lower involvement when they are served to consumers who are closer to making a purchase decision. The study therefore recommends that a related aspect that could also improve the effectiveness of mobile advertisements for products not inherently higher involvement and utilitarian is to take advantage of the physical context in which advertisements are served. Similar to the above point about timing, customers in a store environment are more likely to be in an active purchase decision-making mindset. This could potentially make them perceive the products they are physically examining in the store as higher involvement. Mobile location-based advertising, which targets mobile advertising messages based on where a consumer is, could therefore be very effective in this regard.

5.5 Suggestions for Further Studies

The study has investigated the perceived effectiveness of mobile advertising to consumers as a promotional tool in Kenya where the focus was on Nairobi. The mobile telecommunication services and hence mobile advertisements in Kenya however are consumed in various other areas in the country which differ in cultures, infrastructure, competition and levels of income and hence have different settings all together. This warrants the need for another study which would ensure generalization of the study findings for the whole Country and hence pave way for new policies. The study therefore recommends another study be done with an aim to investigate the

perceived effectiveness of mobile advertising to consumers as a promotional tool in the Kenyan counties.

5.6 Limitations of the Study

The researchers encountered various limitations that were likely to hinder access to information that the study was looking for. The main limitation of study was its inability to include more areas across the Country. This was a study focusing on the perceived effectiveness of mobile advertising to consumers as a promotional tool in Nairobi. The study could have covered more areas across the Country so as to provide a more broad based analysis however time and resource constraints placed this limitation. The researcher countered this problem by carrying a study where mobile subscribers across the four mobile telecommunication companies were involved and serve as a representative.

The respondents approached were likely to be reluctant in giving information fearing that the information sought would be used to intimidate them or print a negative image about their mobile operator. The researcher handled the problem by carrying with them an introduction letter from the University and assured them that the information they gave would be treated confidentially and it would be used purely for academic purposes.

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APPENDICES

Appendix I: Research Questionnaire

I am carrying out my research for my Postgraduate degree at the University of Nairobi on the perceived effectiveness of mobile advertising in Nairobi. You have been chosen as one of my respondents. Kindly fill the following questions and tick where appropriate.

(Kindly fill the relevant response to the question)

PART A: BIO-DATA

1. Gender

Male Female

2. Employment Status

Employed Business/Self Employed
Unemployed Other

3. Marital Status

Single Separated
Married Widowed
Other

4. Age

18-28 29-38
39-40 49-59
Over 60

5. Education level

Primary Secondary
College University

6. What religion do you belong to?

Christian Hindu
Muslim Traditionalist

PART B: PERCEIVED EFFECTIVENESS OF MOBILE ADVERTISING

1. What mobile subscriber do you belong to?

Safaricom Airtel
Orange Yu

2. How often do you receive mobile advertisements? (pick one)

Daily Weekly
Monthly Rarely

3. What type of mobile advertisements do you receive? (you may select more than one)

- Entertainment Retail shop sales
 Charity events Wallpapers, ringtones
 Political
 Other (*Specify*).....

4. Do you respond to Mobile Advertisements

- Yes No

5. If you responded yes to the above question how to you respond

- Donating Going for the event
 Visiting the store Visiting the store
 Other (*specify*).....

6. What are your reasons may influence your response to mobile advertisements

- Permission Irrelevant to you
 Intrusive nature Costs
 Other (*specify*).....

7. To what extent does following aspects affect mobile advertising effectiveness

	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
Coverage					
Confidentiality					
Risk factors					
Location & time					
Interactivity					
Ad Source					
Message appeal					
Feelings/interest to product					
Involvement					
Motivation					
Attitude					
Permission/Legality					
Satisfaction					

8. What is your perception of mobile advertising generally (*you may select more than one*)

- Entertaining Political
 Informative Intrusive
 Other (*Specify*).....

Thank you for taking time to fill this Questionnaire