

**ASSESSMENT OF CONSUMER ATTITUDES TOWARDS  
CHINESE BRANDED SMARTPHONES IN NAIROBI, KENYA**

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## DECLARATION

This Research Project is my original work and has not been presented for a degree in any other university.

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This Research Project has been submitted for examination with my approval as appointed university supervisor.

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## **DEDICATION**

This project is dedicated to my family members, friends and employer in Kenya for the guidance and support that they gave during my Master of Business Administration degree program.

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I take this opportunity to thank my family members and friends who encouraged and guided me to fulfill my academic goal.

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## **ABBREVIATIONS AND ACRONYMS**

CAB	:	Cognitive, Affective and Behavioral Model
CAK	:	Communications Authority of Kenya
COO	:	Country of Origin
FMCG	:	Fast Moving Consumer Goods
IBM	:	International Business Machines Corporation
IT	:	Information Technology
KSH	:	Kenya Shilling
WTO	:	World Trade Organization

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## **ABSTRACT**

This study examined consumer attitudes towards Chinese branded smartphones in Nairobi, Kenya. The study adopted the Tricomponent attitude model to specifically examine the awareness, liking or disliking and purchase behavior of Chinese branded smartphones. The study used descriptive research design. A sample of 384 consumers from shopping malls in Nairobi were selected through multistage sampling method. Primary data were collected through filling of standardized questionnaire by the sampled respondents. Analysis of data was done by version 23 of Statistical Package for Social Sciences. Frequency tables, mean scores, standard deviations and regression analyses were computed where appropriate. The study results showed that the awareness of Chinese smartphone brands by Kenyan respondents was above average (60.19%) while Country of Origin awareness was at 48.83%. This implied that the brand was a key factor in determining consumer smartphone purchase behavior in Kenyan market while Country of Origin was not. Further, the study indicated that Kenyans do “like” smartphone quality and design of the Chinese brands. However, they were less satisfied with the price, brand advertisement and positioning strategy offered by distributors of the Chinese smartphone brands. The study results also revealed that continuous improvement of the above attributes will further attract and stimulate purchase behavior of the Chinese branded smartphones. Hence, it was concluded that there was potential in Chinese smartphone market if appropriate product design, quality control and price strategy are implemented. The sampled respondents for this study were limited within the City of Nairobi. Future research in this area could be conducted with a larger sample from more cities with the aim of getting divergent views of Kenyans and to enhance requisite knowledge.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Consumer attitudes are a critical concept in consumer behavior since they provide a series of cues to marketers which can be used to understand current and predict their future behavior. Accordingly, marketers can redesign the product, change the business model or develop marketing strategy to acquire more favorable attitudes from consumers and to receive better sales of their product (Khan, 2011). Both before and after sale, marketers should measure consumer attitudes towards their products to make decision for future actions regarding sales, market share and company policy adjustment. Brand plays a crucial role in establishing an organization's position and visibility in the market. From the point of intangible assets of a company, brand is very valuable as it presents consumers with image and value of the organization. Functionally, a brand helps consumers to differentiate a product or service from others by assessing various brand features (Kiefer & Steve, 2009).

Attitudes are outcomes of psychological processes. Therefore, marketers cannot directly observe consumer attitudes but have to infer them from what consumers say, choose or how they behave (Schiffman & Kanuk, 1994). Assessment of consumer attitudes is a major method for marketers to acquire product feedback from consumers. Scholars have developed several models to conduct attitudes surveys. The models that are frequently used are tricomponent attitudes model, multiattribute attitudes model, trying-to-consume model and attitude-toward-the advertisement model. Attitude scale

is the instrument used to capture consumers' evaluative data. The most often used attitude scales in marketing are Likert-type scale, behavior intention scale, semantic differential scale and rank order scale (George, 1998).

A smartphone enables consumers to conveniently access the internet through wireless connections thereby providing enhanced data transfer capability (Kahora, 2012). The technology was invented by International Business Machines Corporation (IBM) in 1993 and highly promoted by Information Technology (IT) giant like Apple and Samsung after 2008. Due to the stimulation of the giant market in China, the Chinese branded smartphones are becoming major players around the world. In 2017, according to Counterpoint's Market Monitor, the Chinese smartphone brands held 48 percent of global smartphone market share (Counterpoint, 2017). However, Nokia, which used to be the giant in phone market but finally declined into a dead-end on its phone business in 2014, has challenged the Chinese smartphone firms. The lesson from Nokia was that taking over the highland of technology development is critical; however, attention must also be paid to consumers' attitudes while their consumption behavior is the final purpose of developing and selling products.

In Kenya market, the Chinese smartphone firms should pay attention to and test the consumers' attitudes towards their products to acquire more enhanced market share.

### **1.1.1 Consumer Attitudes**

Schiffman and Kanuk (1994) define attitudes as the expression of favorable or unfavorable feelings that a consumer holds toward some object such as product or service. They assert that attitudes are a learned predisposition and are consequence of

behavior but not always synonymous with behavior. Secondly, attitudes may be consistent with the behavior, but not necessarily permanent. Thirdly, attitudes exist under a certain context. An unforeseen circumstance may change a person's previous attitudes towards a product or service. Attitudes also occur within a situation and may be affected by the situation. A slight change of situation may greatly influence or even reverse consumer attitudes and behavior. Marketers are therefore supposed to fully consider all the situations and environment in which the behavior takes place when measuring attitudes (Mwangi, 2011).

To explain the relationships between attitudes and social behavior, Katz, as reported by Solomon et al. (2010), developed the functional theory. The four functions of attitudes identified by Katz (1960) include knowledge function, value-expressive function, ego-defensive function and utilitarian function. Katz (1960) concluded that there is always one dominant function the attitude plays while it may serve more than one functions. The advantage of holding certain attitudes is that it will unconsciously guide consumers to behave in a fairly consistent manner when they deal with the same or similar products or services and thereby avoid expending more energy purchasing object for a second time. Because of this advantage, consumers prefer to maintain consistent attitudes and behavior pattern to save their time. The other difficulty of changing consumer attitudes is that it requires consumers to perform major adjustments in other attitudes to change a single attitude (Kotler, 1998).

### **1.1.2 Branding Practices**

The most common definition of brand is “the name associated with one or more items in the product line, which is used to identify the source of character of the item(s)” (Gruca et al., 2010). Brand is what consumers use to differentiate products and services and is a source of a firm’s differential advantage. In global markets, there appears to be an emerging trend that many multinational organizations are moving towards development of international brands since recognized international brands are usually regarded by consumers to be industry leaders. In the history of phone development, there are certain brands that marked their success in marketing management.

Nokia was once worldwide known Finland phone brand and firm. Judging from the 2013 revenue, it ranked the world’s 274<sup>th</sup> largest company. Nokia served customers in 130 countries with its classical phone products in the early time of phone history. Samsung is another famous phone brand with a shorter history than Nokia. With establishment in 1969 in South Korea, Samsung launched its mobile phone product in 1988. In the first quarter of 2012 (Mumbi, 2014), Samsung overtook Nokia with a sale record of 93.5 million phone units and became the top one in the field. However, the most successful phone company that utilizes branding strategy in creation of company image and value could be Apple, which was founded in 1976 in the United States of America. Currently, Apple was captured as the third largest company in Fortune 500 with a revenue of US\$ 215 billion, ranking first in the IT field. It is also the most profitable company with a profit of US\$ 45 billion in 2017 (Apple, 2017).

### **1.1.3 Country of Origin**

Country of origin (COO) is the term frequently adopted to describe the originality of a product during the global trading era. In practice, this concept is normally referenced by the term of Made In, which denotes the manufacturing place and originality of the product (Huddleston et al., 2001). The phase of “Made in China” became worldwide known since China acquired the membership of World Trade Organization (WTO) in 2001 and turned into the world’s factory. COO effect represents a country-oriented attitudes and provides consumers with a simple and easy method of judging the quality and other features of a product (Samiee, 1994). Normally, consumers hold comparatively positive attitudes towards products originated from developed countries than from developing countries.

COO can also link consumers’ specific attitudes towards specific product from certain countries. Quality of products is determined by various factors and a country’s reputation. However, quality also varied from one brand to another. Consumers hold consistent attitudes regarding to all the products from the same country. For instance, Germany is good at industrial products, but consumers in the market may think all the products from Germany are of good quality. They make the judgement on the basis of their background knowledge, prejudice to the country, and past experience of using products from such a country. Attributes such as product quality, product design, technological superiority, value for money, after sale service and credibility of COO of a brand are normally considered during the process of consumers’ purchasing behavior (Jacqueline, 2014).

### **1.1.4 Chinese Branded Smartphones in Kenya**

Kenya is a fast growing economy in East Africa, which provides social and economic environment for smartphone sales in the country. According to statistics from Communication Authority of Kenya (CAK), by the time of fourth quarter of 2017, the number of mobile subscriptions stood at 40.2 million (CAK, 2017). A CAK report on Safaricom, the largest mobile service provider and the largest devices retailer in Kenya, revealed that consumer purchase of smartphone is currently at 67 percent over the total phone sales (Nyokabi, 2016). Again, according to Safaricom Annual Report (2015), it had 4.4 million 3G and 4G-enabled devices on its network. Goods and services purchased over mobile platform amounted to Kenya Shilling (KSH) 692.1 billion, which included Ksh 316.5 million mobile e-commerce transactions (CAK, 2017).

Due to the potential market of smartphone in Kenya, various firms around the world including Samsung, Apple, Sony, Tecno and Huawei have introduced their products to this market, where the most seen brand in advertisement is Samsung. However, the Chinese smartphone brands, typically represented by Tecno and Huawei also identified their market shares in Kenya. Tecno is a Chinese multinational telecommunication, networking equipment and services provider, which was started in Hong Kong in July 2006. According to Onyalo (2016), there are more than 60 operators in more than 20 African countries, including Kenya that have deployed Tecno technology solutions. Huawei is a private telecommunication equipment and service provider since 1987, which is based in Shenzhen City, China. In the past three

decades, Huawei has grown from a producer of exchange board and switchboard to the world's second largest telecom equipment supplier. It also extended its business to the smartphone area and became the top three smartphone producer in the third quarter of 2017 in terms of global market share (Counterpoint, 2017).

Apart from the above two brands, the other Chinese smartphone brands that exist in Kenya market are ZTE, Lenovo, Vivo, Oppo and Mi, which have taken different strategies. For instance, ZTE is cooperating with local communication operator such as Airtel and Telkom while Vivo and Oppo are trying to reach the consumers through wide advertisement and retailers. Although the seven Chinese smartphone brands take different strategies, target different consumers, enjoy different market share and sale, this study targeted them as a whole group with a label of Chinese Branded. The reason is because the researcher studied what, generally, are the Kenyan's attitude towards the smartphone with a label of Made In China since, according to the literature, country of origin usually influences consumer attitudes.

## **1.2 Research Problem**

Consumer attitudes are learned through various channels such as personal experience, exposure to mass media, increase of knowledge, influence of family and friends and so on (Schiffman & Kanuk, 1994). They play potential role in consumer decision making process. Although consumer attitudes are psychological expressions of consumers and cannot be observed directly, various models of consumer attitudes and scale rating methods have enabled marketers to assess consumer attitudes towards their products and therefore pursue appropriate strategies. In marketing, an



organization normally creates a unique image and perception in customer mind by usage of branding, as it helps consumers to easily recall the brand by name when they need such a product. However, the usage of brand will amplify both positive and negative feeling in the market. To take care of and ease any negative influence of product is the most critical task of marketers.

Business organizations operate in a certain market environment. In the Kenyan market, the Chinese smartphone firms may be able to control the internal environment but they have to align their strategies to fit the external environment since they have no control over it (Ntonjira, 2013). Consumer attitudes are a typical external factor that smartphone firms have no control over. Chinese smartphone marketers should therefore know when, what, why, where and how consumers react towards their products. Through assessment of consumer attitudes, the Chinese smartphone marketers can acquire critical information from consumers to update their product type, design, marketing strategies and thereby improve their market share.

Local studies by Mwanatena (2007), Mwangi (2011) and Nyarunda (2016) revealed the significance of consumer attitudes in marketing in different products. Kahora (2012) identified the factors that contribute to penetration and use of Smartphone in Westlands area of Nairobi, Kenya. Onyalo (2016) conducted a study to examine market entry strategies adopted by Tecno mobile. Mumbi (2014) conducted a study on consumer perception towards mobile phone brands performance of Nokia and Samsung. However, there was no study that examined the consumer attitudes towards smartphone, particularly the Chinese branded smartphones. This research focused on

assessment of consumer attitudes towards Chinese branded smartphones. The research question for the study was: What are the attitudes of Kenyans towards Chinese branded smartphones?

### **1.3 Research Objectives**

The major objective of the study was to assess attitudes of Kenyans towards Chinese branded smartphones. The specific objectives were to:

- i. Determine the level of Kenyan consumer awareness towards Chinese branded smartphones;
- ii. Assess the extent of consumer level of liking/disliking Chinese branded smartphones in Kenya;
- iii. Determine Kenyans' purchase behavior of Chinese branded smartphones.

### **1.4 Value of the Study**

Since there is no marketing research targeted the consumer attitudes towards smartphone, particularly Chinese branded smartphones in Kenya, the outcomes of the study may provide additional knowledge to either academician or business marketer. Findings from this research could be used as foundation for further research in consumer attitudes as well as smartphone business administration.

This study is significant to Chinese branded smartphone firms as they can identify consumers' preferred product attributes. Then, the firms will be able to adjust and improve their product design, quality control and so on. Marketers from these firms may adopt specific marketing strategies like positioning and pricing to deal with consumer's attitudes and purchasing behavior in Kenya. Accordingly, the future

consumers of Chinese branded smartphones will also be beneficiary following the smartphone firms' improvement in their product.

Further, the study may provide critical information for the smartphone industry as consumer preferences will be identified. Thus, the local smartphone retailer will also be beneficiary. Since this study determines consumers' like or dislike towards different Chinese smartphone brands, the retailer can make appropriate business decision on which brand or brands to engage with.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter focuses on the literature review related to the study. The main areas covered consumer attitudes models, influence of brand on consumer attitudes and influence of COO on consumer attitudes.

#### **2.2 Theoretical Framework**

This section reviews the models of assessment of consumer attitudes related to the study. The models are tricomponent attitudes model, multiattribute attitudes model and attitude-toward-the advertisement model.

##### **2.2.1 Tricomponent Attitudes Model**

In consumer behavior, attitudes greatly influence behavior as they affect the way a person acts toward an object. Kotler and Keller (2009) argue that a consumer will take a quite some time to adjust in order to fit into a certain pattern of attitudes and this might be difficult to change the attitudes because new adjustments will have been made. Further, they suggest that a company should follow the existing pattern of attitudes and try not to change the attitudes unless it is unavoidable. In addition, Mwangi (2011), notes that attitudes perform a very critical role in consumer behavior theory as they determine consumers' preference and their actually buy behavior in the market.

The tricomponent attitudes model, also known as the CAB model, is the most frequently used model to assess the attitudes. It is consisted of three components which are Cognitive, Affective and Behavioral (Conative) component.

According to Schiffman and Kanuk (1994), cognitive component of consumer attitude is consumers' existed knowledge towards an object and the consumers acquire the knowledge from various sources. Affective component refers to the consumers' feelings or emotions towards an object whereas Conative (behavioral) component is the likelihood or the tendency of the consumers' action or behavior towards the said object. The accuracy of attitudes assessment is determined by the extent of information to which the consumer is exposed to. More information and knowledge about a product help the consumers to have authentic emotions influencing their purchasing decision.

### **2.2.2 Multiattribute Attitudes Model**

Another model in consumer attitudes is the Multiattribute attitudes model. This model according to Fishbein and Ajzen (1975) has three sub-models about the attributes. First, the attitude-toward-object model is normally adopted to measure the attitudes towards a product, service or brand (Schiffman & Kanuk, 1994). Secondly, attitude-toward- behavior model focuses on the measurement of individual's attitudes on their behavior or tendency towards an object. This model is important in predicting the actual behavior of consumers than the attitude-toward-object model. Finally, theory-of-reasoned-action model plays a comprehensive integration role of attitude

components, combines a better understanding of an object and prediction of behavior (Schiffman & Kanuk, 1994).

The multiattribute attitude model takes a different perspective to study attitudes as it separates to study an object and behavior with different sub-models. This model could have been more accurate and profound assessment of attitudes since attitudes towards an object do not absolutely lead to the same behavioral action.

### **2.2.3 Attitude-toward-the-Advertisement Model**

Attitude-toward-the-advertisement model is used to measure the impact of an advertisement on consumer attitudes towards a product, service or brand. When the consumers are exposed to an advertisement, certain feelings (affects) and judgements (cognitions) are formed in their mind, and in return they could influence the consumer's attitudes towards the advertised brand.

### **2.3 Influence of Brand on Consumer Attitudes**

A brand image enables a consumer to have an insight of which brand is more advanced and worth buying (Khan, 2011). According to Kotler and Keller (2009), a brand helps a consumer to identify a product enabling the consumer to have confidence on its performance. Brand equity is the added value created by marketers to their products and services. Brand equity reflects how consumers perceive, feel and behave towards brand pricing strategy, market share, profitability and brand reputation of the firm. In business, marketers create brand equity by delivering the appropriate brand image and knowledge to the right consumers (Kotler & Keller,

2009). Brand performance is the value a brand provides to the firm and customers and is measured by top-of-mind brand associations, attitudinal loyalty toward the brand, brand differentiation, price sensitivity, quality perceptions, value perceptions, accessibility perceptions and emotional connection (Keller, 1998).

Brand plays an invisible role in consumers' purchase intention and decision making (Chepchirchir & Leting, 2015). It plays no more supportive functions of marketing but has become a critical battle ground for marketers, providing firms with greater sale and financial rewards than unbranded products. When a new product is launched, the brand's first job is to distinguish it from other products and to create consumers' attention by providing them with more purchasing options. Consumer feelings towards a brand are directly or indirectly formed through advertising, consumption or past experience and these feelings vary in direction and intensity. The feelings could be negative or positive or could be strong or mild (Batra & Holbrook, 1990).

Co-branding or dual branding is a tool commonly used by marketers where more than one products are combined into a brand or more than one brands are presented in a same product. The major techniques include "same-company co-branding, joint-venture co-branding, multiple-sponsor co-branding and retail co-branding" (Kotler & Keller, 2009). The advantage of using co-branding includes enhancing brand image, reducing introduction cost, generating greater sales, introducing opportunities for new consumers and channels. The international organization usually uses branding strategy to enter into new country markets or when expanding the

product offered within an existing Country market. According to Kiefer and Steve (2009), the five branding strategies are corporate strategy, family name strategy, range strategy, individual names strategy and private strategy.

#### **2.4 Influence of Country of Origin on Consumer Attitudes**

Scholars have given certain suggestions on how consumers should use COO as a signal of forming their attitudes and infer their purchase decisions (Njuguna, 2014).

When COO is presented as one of the important attributes of a product, it produces several potential effects on the product evaluation. First, it activates the preconception the consumers have towards the country thereby affecting the interpretation of other product attributes. Secondly, it provides consumers a cue to know the quality of the product without considering any other product attributes. Thirdly, it could simply be treated as a product feature and be evaluated in the same way together with other attributes. Finally, it affects the attention of other attributes, thus influencing the evaluation of the latter attributes (Hong & Wyer, 1989). In general, the COO has profound effects on consumer's product evaluation since preconceptions provide certain information and basis for judgement (Bilkey & Nes, 1982). In addition, COO provides one of these cues to consumers as they tend to be unfamiliar with products originated from foreign countries. Further, as Opoku and Akorli (2009) asserts, products in economically underdeveloped countries are less preferred by consumers.

Studies have also examined the consumer ethnocentrism as a contrary perspective of COO. Elliott and Cameron (1994) argue that there are some exceptional situations



where brands or products from developing countries are favored and preferred by citizens. These situations happen in high patriotism, national pride, or consumer ethnocentrism places. As asserted by Opoku and Arkoli (2009), consumer ethnocentrism refers to the cases where consumers tend to prefer and purchase domestically manufactured products in the countries where the people have strong sense of patriotism and pride. Further, Klein et al., (1998) assert that this construct has to do with how consumers' negative attitudes or feelings towards a foreign country influences attitude towards brands or products originating from or associated with the hostile country.

## **2.5 Empirical Studies**

In marketing research, the significance of the concept of consumer attitudes is evident from several studies. A local study by Kiriinya (2009) examined consumer attitudes towards the Tobacco Control Act in Nairobi. The study found that consumers were well aware of the Act but had no prevalence or liking of the way the Act was enforced. In addition, Kong'ong'o (2000) studied consumer attitudes towards imported and locally manufactured products. The study analyzed ethnocentrism as an innate component of every society and individual as a result of their socialization and environment. Further, Brian (2014) studied consumer attitudes on television broadcasting technologies migration from analogue to digital in Nairobi City County. The study found that people were aware of the migration and had a higher favorability of digital technology over analogue technology.

An empirical study by Chepchirchir and Leting (2015) on the topic of “brand quality and prestige on brand purchase intention of mobile phone brands in Kenya” concluded that the variables of brand quality and prestige were positively associated with consumers’ brand purchase intention. It suggested that firms engaged with marketing business of mobile phones in Kenya should improve the usage of brand quality and prestige. On consumer perception towards phone brands performance, a study by Mumbi (2014) revealed that a moderate association between brand perception and brand performance existed and concluded that change on price will have limited influence on brand performance.

A study in five West African countries by Ferguson et al. (2008) on COO effects on evaluation of service established that the individual ability or motivation may affect their understanding of COO in evaluating the service. The empirical experience suggested that products imported from developed countries are treated more favorably in developing economies. Jacqueline (2014) found that imported/foreign products were of better quality compared to local ones and consumers would often choose a foreign Fast-Moving Consumer Goods (FMCG) depending on the type of the product.

## **2.6 Chapter Summary**

This chapter has reviewed both theoretical and empirical literature. Theoretical review on the various models for assessment of consumer attitudes has been done. Influence of branding on consumer attitudes was examined through the perspectives of brand image, brand equity, brand’s role in consumers’ purchase intention and decision

making and branding strategies adopted by marketers. COO influences consumer attitudes by producing certain effects on the product evaluation process. Consumer ethnocentrism was also examined as it shows a contrary perspective of COO and affects consumer attitudes.

Empirical studies on the topic of consumer attitudes were examined from studies of Kiriinya (2009), Kong'ong'o (2000) and Brian (2014). Measurement of attitudes was conducted in various fields to acquire respondent feedback and to improve the organization operation. Influence of brand and COO on consumer attitudes was studied by various scholars. Brand quality and prestige were found to be positively associated with consumers' brand purchase intention. Further, COO effects on evaluation of service and product may be different, but an originality from developed country is more favorably preferred.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter describes the adopted methodology in the operationalization of the study. The section presents research design, population selection, sample design, data collection and data analysis respectively.

#### **3.2 Research Design**

Research design acts as the backbone of any study. It offers a plan, structure and strategy that are fundamental in obtaining the response and control variance. The major purpose of descriptive research design is focused on finding out what, who, where, how much and when (Cooper & Schindler, 2006). Therefore, the researcher used descriptive research design to guide the study.

#### **3.3 Population of the Study**

Target population of a study is the group of individuals, items or objects considered in any field of research. Orodho (2004) defines target population as items or people under consideration. The target population for this study were all consumers of Chinese branded smartphones in Nairobi City County. It targeted shopping malls as they were easy to reach.

### 3.4 Sample Design

The sampling method adopted ensured that data collection was low in cost and that the respondents were available. Due to the decentralized location of the shopping malls and infinite population, the multistage sample method was adopted.

First, the sampled shopping malls were selected using simple random sampling method. According to Georgina (2015) and Wikipedia (2017), there are 30 malls in Nairobi (Appendix 2). Ten (10) shopping malls were sampled based on their geographic distribution in different Sub-Counties of Nairobi. Then, the second sampling stage involved selecting the respondents by using judgment sampling method that allows a researcher to decide in picking the most appropriate respondent.

The sample size was affected by the variability of the population characteristics, degree of precision desired and degree of confidence factors. The three factors are captured by the following formula:

$$n = Z^2 * (P) * (1-P) / E^2 \quad \text{where:}$$

n = appropriate sample size;

Z = level of confidence expressed in standard deviations (Z=1.96 at confidence level of 95%);

P = proportion of the sample assumed to possess a characteristic or attribute (maximum value of P\*(1-P) was obtained when P=0.5, which was used in this case since it yields the maximum required sample size;

E = maximum sampling error the researcher was willing to accept in the results.

In marketing research, for 95% level of confidence, the allowable error is 0.05. Based on the above factors, the appropriate sample size for this study was 384 ( $1.96^2 * 0.5^2 / 0.05^2 = 384$ ). Therefore, 384 consumers from ten (10) shopping malls (Appendix 3) were interviewed during the data collection process.

### **3.5 Data Collection**

Primary data is collected by researchers for a specific purpose or reason (Nigel, 2007). For this study, the researcher intended to collect primary data and analyze it to determine the attitudes of Kenyans towards Chinese branded smartphones. Data was collected through questionnaire as it provided a standardized manner of asking questions and getting uniformed data from the respondents (Kombo & Tromp, 2009).

The tricomponent model of attitudes was adopted for this study. Thus, the questionnaire (Appendix 1) was structured as per the model and comprised four main sections. The sections were Section A that captured respondents' personal information. Section B contained questions on the cognitive component of attitude while Section C captured questions on the affective component of attitude (that is preference/liking, feelings, evaluations, believability and attractiveness of the Chinese branded smartphones). Finally, Section D sought to capture the behavioral component of attitude and behavioral intentions including trials, purchase and actual buying of Chinese branded smartphones. To collect the data, research assistants were deployed to the ten shopping malls during the working hours.

### **3.6 Data Analysis**

The data analysis produced results in terms of descriptive statistics such as frequencies, percentages and mean scores. The descriptive statistics were used to measure the attitudes of consumer towards the Chinese branded smartphones in terms of cognitive, affective and behavioral components. In addition, regression analysis was used to establish the relationship between the independent variable and the dependent variable. Further, a linear regression model was applied to identify the impact of affective information and price on consumers' purchasing behavior of Chinese branded smartphones.

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

#### **4.1 Introduction**

This chapter presents the study findings and discussions. The results have been presented in terms of demographic information of the respondents, frequencies, mean scores, standard deviation and coefficient of variation.

##### **4.1.1 Response Rate**

The study targeted 384 respondents. Out of the 384 respondents, 323 questionnaires were completed constituting a response rate of 84.1%. According to Mugenda and Mugenda (2003), “a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent”. Based on this assertion, the calculated response rate of 84.1% was acceptable for the study.

#### **4.2 Demographic Information**

##### **4.2.1 Respondents' Gender**

The respondents had been asked to indicate their gender. Their responses are summarized in Table 4.1.



**Table 4.1: Distribution of respondents by gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percent (%)</b>
Male	172	53.25
Female	151	46.75
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

The findings in Table 4.1 indicate that majority (53.25%) of respondents were male whereas 46.75% of respondents were female. This is an indication that both sexes participated in the study and thus no gender biasness on the findings of the study.

#### **4.2.2 Age of Respondents**

The age of respondents had been categorized into Up to 30 Years, 31-40 Years, 41-50 Years and Over 50 Years. Table 4.2 presents the relevant results.

**Table 4.2: Distribution of respondents by age**

<b>Age of Respondent</b>	<b>Frequency</b>	<b>Percent (%)</b>
Up to 30 Years	136	42.11
31-40 Years	110	34.05
41-50 Years	57	17.65
Over 50 Years	20	6.19
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

The results in Table 4.2 show that most of the respondents were below 30 years (42.11%) followed by those aged between 31-40 years (34.05%) and those aged between 41-50 years (17.65%). Only 6.19% were over 50 years. This implies that all

levels of age use smartphones. Of much interest is the high usage of smartphone by the relatively young consumers (below 40 years) and smartphone firms should focus intensively on these consumers.

#### 4.2.3 Level of Education

The respondents were also asked to tick the highest education level that they had attained. The results are contained in Table 4.3.

**Table 4.3: Distribution of respondents by level of education**

Level of Education	Frequency	Percent (%)
University	147	45.51
College	129	39.94
Secondary	34	10.53
Primary	13	4.02
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

The results in Table 4.3 reveal that nearly half of the respondents (45.51%) had University degree, 39.94% had college education while 10.53% had secondary level qualification. Only a small number (4.02%) had primary level education. This means that respondents selected were well educated and were able to understand and respond to research questionnaire.

#### 4.2.4 Marital Status

The study also sought to investigate the respondents' marital status of. The results are presented in Table 4.4.

**Table 4.4: Distribution of respondents by marital status**

<b>Marital Status</b>	<b>Frequency</b>	<b>Percent (%)</b>
Yes	193	59.75
No	130	40.25
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

The results in Table 4.4 indicate that majority of the respondents (59.75%) were married while the rest (40.25%) were single. This means that married consumers highly visit shopping malls and the probability of owning a smartphone device is relatively high since they have stable family, work and social status.

#### **4.2.5 Ownership of Smartphone**

The study had sought to determine the rate of respondents who owned a smartphone.

The responses are shown in Table 4.5.

**Table 4.5: Ownership of a smartphone**

<b>Possession of Smartphone</b>	<b>Frequency</b>	<b>Percent (%)</b>
Yes	307	95.05
No	16	4.95
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

As shown in Table 4.5, a large number of respondents (95.05%) indicated that they possessed a smartphone while only 4.95% did not. This means that an absolute majority of the respondents were using smartphones thus providing a good research environment.

#### 4.2.6 Income of Respondents

The study further sought to establish the respondents' level of income. The results are as summarized in Table 4.6.

**Table 4.6: Income of respondents**

<b>Income (Ksh)</b>	<b>Frequency</b>	<b>Percent (%)</b>
10,001-30,000	107	33.13
30,001-50,000	76	23.52
50,001-70,000	48	14.86
70,001-100,000	40	12.38
Up to 10,000	39	12.07
Above 100,000	13	4.02
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

The results in Table 4.6 reveal that most of the respondents earned between Ksh 10,001-30,000 and 30,001-50,000 (33.13% and 23.52%) respectively. Only 14.86% earned between Ksh 50,001-70,000 while 12.07% earned up to Ksh 10,000. The results indicate that most of the respondents are financially sound and can afford a smartphone.

#### 4.3 Cognitive Information

The accuracy of attitudes assessment is determined by the extent of cognitive information that the consumer is exposed to. Therefore, the study sought to assess the degree of respondents' exposure to various cognitive information of smartphone.

Their responses are presented in Table 4.7.

**Table 4.7: Smartphone information acquisition channel**

<b>Information Channel</b>	<b>Frequency</b>	<b>Percent (%)</b>
Online search	115	35.60
Friend or family recommendation	77	23.84
Advertisement	69	21.36
Shop adviser	30	9.29
Others	32	9.91
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

A majority of the respondents (35.60%) in Table 4.7 indicated that they sought information through online search followed by friend or family recommendation (23.84%) and through advertisement (21.36%). This means that the channels of online information, friend or family recommendation and advertisement play crucial roles in smartphone information delivery and therefore smartphone firms should focus their marketing strategy on these information delivery channels.

Further, the research sought to determine the market price at which respondents were willing to pay for a smartphone. The results are as summarized in Table 4.8.

**Table 4.8: Price the respondents were willing to pay for a smartphone**

<b>Price (Ksh)</b>	<b>Frequency</b>	<b>Percent (%)</b>
Up to 10,000	136	42.10
10,001-20,000	110	34.06
20,001-30,000	47	14.55
30,001-40,000	25	7.74
40,001-50,000	3	0.93
Above 50,000	2	0.62
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

As shown in Table 4.8, many respondents (42.10%) indicated that they were willing to buy a smartphone for a price not exceeding Ksh 10,000; with 34.06% indicating that they were willing to spend between Ksh 10,001-20,000 while 14.55% were willing to pay between Ksh 20,001-30,000. Only 0.62% of the respondents indicated that they were willing to spend above Ksh 50,000. This indicates that majority of respondents' expectation for a smartphone price is below Ksh 20,000, which is a reflection of income levels in Kenya.

The other set of questions for cognitive information were structured in multiple dichotomy set with each variable having more than two values.

The study sought to establish the most important concerns regarding a smartphone.

The results are as shown in Table 4.9.

**Table 4.9: Concerns about smartphone**

<b>Concerns about smartphone</b>	<b>Responses</b>	<b>Percent (%) of Mentions</b>
Price	226	22.62
Function	226	22.62
Brand	171	17.12
Operating system	121	12.11
Size	106	10.61
Country of origin	70	7.01
Color	60	6.01
Others	19	1.90
<b>Average</b>	<b>125</b>	<b>12.5</b>
<b>Total</b>	<b>999</b>	<b>100.0</b>

Source: Primary Data

As shown in Table 4.9, a majority of the respondents indicated that price and function were the biggest concerns (22.62%) followed by brand (17.12%), operating system (12.11%) and size (10.61%). The COO and color appeared not to have a significant effect with 7.01% and 6.01% respectively. This implies that consumers are concerned more on price, function and brand of smartphone. Therefore, smartphone firms and retailers should pay more attention to these factors in order to achieve higher market penetration.

The respondents' awareness of market existence of listed smartphone brands is shown in Table 4.10.

**Table 4.10: Smartphone brand awareness in Kenyan market**

<b>Smartphone brands awareness in Kenya market</b>	<b>Responses</b>	<b>Percent (%) of Mentions</b>
Tecno	323	23.73
Huawei	310	22.78
Oppo	238	17.49
Lenovo	175	12.86
Vivo	122	8.96
Mi	97	7.13
ZTE	96	7.05
<b>Average</b>	<b>170</b>	<b>12.50</b>
<b>Total</b>	<b>1361</b>	<b>100.0</b>

Source: Primary Data

As shown in Table 4.10, all the respondents (23.73%) knew the existence of Tecno brand in the market followed by Huawei (22.78%) and Oppo (17.49%). The brands of Vivo, Mi and ZTE were the least recognized brands in the market at 8.96%, 7.13% and 7.05% respectively. Although these smartphone brands attained different awareness in the market, the result (an average response of 170) shows that Chinese smartphone brands in Kenya are highly recognized.

Additionally, the study sought to determine among the listed smartphone brands if the respondents were aware which brands were originated from China. Their responses are shown in Table 4.11.



**Table 4.11: Chinese smartphone brand awareness**

<b>Chinese Smartphone Brands Awareness</b>	<b>Responses</b>	<b>Percent (%) of Mentions</b>
Oppo	254	23.01
Tecno	230	20.83
Huawei	211	19.11
Lenovo	139	12.59
Vivo	108	9.78
Mi	87	7.88
ZTE	75	6.79
<b>Average</b>	<b>138</b>	<b>12.5</b>
<b>Total</b>	<b>1104</b>	<b>100.0</b>

Source: Primary Data

The results in Table 4.11 reveal that more than half of the respondents recognized the Chinese originality for the brands of Oppo, Tecno and Huawei at 23.01%, 20.83% and 19.11% respectively. The originality of Lenovo and Vivo were recognized at 12.59% and 9.78% respectively. Mi and ZTE were the least recognized at 7.88% and 6.79% respectively. The result (an average response of 138) implies that the consumers recognized the brands' Chinese originality with a relatively low rate, particularly compared to their brand awareness.

With respect to the current usage among the listed smartphone brands, the respondents gave the responses as shown in Table 4.12.

**Table 4.12: Current use of listed smartphone brands**

Current use of listed smartphone brands	Responses	
	N	Percent (%)
Tecno	91	28.17
Huawei	63	19.50
Oppo	40	12.38
Lenovo	32	9.91
Vivo	15	4.64
ZTE	11	3.41
Mi	10	3.10
None	61	18.89
<b>Total</b>	<b>323</b>	<b>100.0</b>

Source: Primary Data

The results in Table 4.12 reveal that 28.17% of the respondents were currently using Tecno smartphone followed by Huawei (19.5%) and Oppo (12.38%). However, 18.89% of the respondents admitted that they were not using any of the listed Chinese branded smartphones. The findings show that the usage for each Chinese brand is very low. However, considering that this study targeted all the Chinese brands as the research subject, an accumulated rate of 81.11% of the respondents are currently using Chinese branded smartphones, which implies the market penetration of Chinese branded smartphones in Nairobi is at high level.

#### 4.4 Affective Information

With regard to affective information, the study sought to establish the level of agreement on dimensions of consumers' affective attitudes towards the Chinese smartphone brands such as Huawei, ZTE, Tecno, Lenovo, Oppo, Vivo and Mi by using a rating scale ranging from 1 to 5 where 1 = Strongly Disagree and 5 = Strongly Agree. The respondents' responses are summarized in Table 4.13.

**Table 4.13: Affective information**

Statements	Mean Score	Standard Deviation	Coefficient of Variation (%)
The phone is of good quality (functional)	4.49	2.92	65.03
The overall satisfaction for the phone is acceptable	4.39	.79	18.00
The phone is of good design	4.37	.58	13.27
The after-sale service is acceptable	4.15	.74	17.83
The spare part for the phone is widely available	4.11	.77	18.73
The phone is of fair price	4.07	3.05	74.94
The advertisement of the brand is effective	4.03	1.85	45.91
There are various options in color, model for the brand	4.02	2.44	60.70
The brand is well known and operated in Kenya	3.93	.87	22.14
The consumer positioning of the brand is clear	3.91	.82	20.97
<b>Average</b>	<b>4.15</b>	<b>1.48</b>	<b>35.75</b>

Source: Primary Data

The results in Table 4.13 reveal that a majority of the respondents strongly agreed that the “phone is of good quality (functional)” with a mean score of 4.49 and a coefficient of variation of 65.03%, followed by the “overall satisfaction for the phone is acceptable” (mean score=4.39 and coefficient of variation of 18%) and the “phone is of good design” (mean score=4.37, and coefficient of variation of 13.27%).

In addition, majority of the respondents agreed that “after-sale service is acceptable” with a mean score of 4.15 and coefficient of variation of 17.83%, followed by the “spare part for the phone is widely available” (mean score=4.11 and coefficient of variation of 18.73%) and the “phone is of fair price” (mean score=4.07 and coefficient of variation of 74.94%).

The major finding in Table 4.13 indicates that Chinese branded smartphones enjoy a high satisfaction as consumers like their product quality and design. However, the branding and positioning of smartphones are among the least satisfied by consumers and left future improvement for the firms.

#### **4.5 Behavioral Information**

The respondents were requested to indicate the extent to which they agreed or disagreed with dimensions of consumers’ behavioral expectation towards the Chinese smartphone brands. Their responses are summarized in Table 4.14.

**Table 4.14: Behavioral information**

<b>Statement</b>	<b>Mean Score</b>	<b>Standard Deviation</b>	<b>Coefficient of Variation (%)</b>
Chinese branded phones could perform better in future	4.60	.66	14.35
Quality (functional) of the phone should be improved	4.56	2.90	63.60
Design of the phone should be improved	4.38	.70	15.98
Price of the phone should be improved (reduced)	4.33	.77	17.78
The after-sale service should be improved	4.16	.79	18.99
The advertisement activity should be improved	4.15	.74	17.83
I will continue to buy phone from one of the brand	3.81	2.52	66.14
I will consider to buy/try phone from one of the brand	3.68	.90	24.46
I prefer to buy similar phone from another brand if at the same quality	3.34	1.26	37.72
I prefer to buy similar phone from another brand if at the same price	3.28	1.22	37.20
<b>Average</b>	<b>4.03</b>	<b>1.25</b>	<b>31.40</b>

Source: Primary Data

The results in Table 4.14 indicate that a majority of the respondents strongly agreed that “Chinese branded phones could perform better in future” (mean score =4.60 and coefficient of variation of 14.35%) followed by “quality (functional) of the phone should be improved” (mean score=4.56 and coefficient of variation of 63.60%), and

that “design of the phone should be improved” (mean score=4.38 and coefficient of variation of 15.98%) followed by “price of the phone should be improved (reduced)” (mean score=4.33 and coefficient of variation of 17.78%). In addition, majority of the respondents agreed that the “after-sale service should be improved” (mean score=4.16 and coefficient of variation of 18.99%) followed by “the advertisement activity should be improved” (mean score=4.15 and coefficient of variation of 17.83%).

The results in Table 4.14 reveal that most consumers had high expectations of Chinese smartphone firms to improve their product quality, design and price. They had high purchase intention for the smartphones in the future as they had no apparent tendency to switch to another brand even if offered at same price or quality. Hence, consumers believed these Chinese smartphone firms will have better performance in their future operation in Kenya.

#### **4.6 Regression Analysis**

Regression analysis was used to establish the relationship between the independent variable, the control variables and the dependent variable. It was performed with the assumption that there is a normal distribution among variables, and that there is a linear association between the dependent and independent variables for estimation accuracy. The analyses produced both the Analysis of Variance (ANOVA) and coefficients of determination. ANOVA was conducted to indicate whether a significant mean difference exists between independent and dependent variables.

Further a linear regression model was applied to identify the impact of affective information and purchasing price on consumers' purchasing behavior of the Chinese branded smartphones respectively.

#### 4.6.1 Affective Information and Purchasing Behavior

The study sought to assess the association between affective information and the purchasing behavior of Chinese branded smartphones. The results are summarized in Table 4.15.

**Table 4.15: Model 1 summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	.724 <sup>a</sup>	.524	.522	1.30162
a. Predictors: (Constant), Affective information				

Source: Primary Data

The findings in Table 4.15 show that the independent variable (affective information) had a medium significant influence on the dependent variable (Adjusted R Square=0.522). Therefore, the independent variable (affective information) could account for 52.2% of the variation in the purchasing behavior of Chinese smartphones. This means there are other factors that affect purchasing behavior that are not included in this study that accounts for 47.8%.

The results of ANOVA are presented in Table 4.16.

**Table 4.16: ANOVA for affective information and purchasing behavior**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	596.504	1	596.504	352.081	.000 <sup>b</sup>
	Residual	542.152	321	1.694		
	Total	1138.656	322			
a. Dependent Variable: Purchasing behavior						
b. Predictors: (Constant), Affection information						

Source: Primary Data

The results in Table 4.16 indicate that the model is statistically significant in predicting how consumers' affective information influences the purchasing behavior of Chinese branded smartphones as the significance value 0.000 is less than 0.05.

The regression function extracted using the unstandardized betas is as follows:

$$(Y = \beta_0 + \beta_1 X_1 + \varepsilon):$$

The results are presented in Table 4.17.

**Table 4.17: Model coefficients of affective information and purchasing behavior**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.348	.197		27.163	.000
	Affection	1.014	.054	.724	18.764	.000
a. Dependent Variable: Purchasing behavior						

Source: Primary Data



The results in Table 4.17 indicate that affective information had a significant influence on the purchasing behavior ( $\beta = 0.724$ , P-value ( $0.000 < 0.05$ )).

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

Now becomes  $Y = 5.348 + 1.014X_1$

#### 4.6.2 Price and Purchasing behavior

The study also sought to assess the association between the price the respondents were willing to pay for a smartphone and the purchasing behavior of Chinese branded smartphones. The results of the linear regression are presented in Table 4.18.

**Table 4.18: Model 2 summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786 <sup>a</sup>	.618	.617	1.16533
a. Predictors: (Constant), Purchase Price				

Source: Primary Data

The results in Table 4.18 show that the independent variable (price of the phone) had a significant influence on the dependent variable (Adjusted R Square=0.617). Therefore, the independent variable (price of the phone) accounted for 61.7% of variation in the purchasing behavior of Chinese branded smartphones based on the responses gathered in the study.

The results of ANOVA are presented in Table 4.19.

**Table 4.19: ANOVA for price and purchasing behavior**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	704.099	1	704.099	518.485	.000 <sup>b</sup>
	Residual	434.557	321	1.358		
	Total	1138.656	322			
a. Dependent Variable: Purchasing behavior						
b. Predictors: (Constant), Price						

Source: Primary Data

The results in Table 4.19 show a statistically significant value (Sig.=0.000) of predicting how price influenced the purchasing behavior of Chinese branded smartphones. The results of the model confidents on price and purchasing behavior are presented in Table 4.20.

**Table 4.20: Model coefficients of price and purchasing behavior**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.153	.298		7.218	.000
	Purchase Price	1.615	.071	.786	22.770	.000
a. Dependent Variable: Purchasing behavior						

Source: Primary Data

From the results summarized in Table 4.20, price was found to have a significant influence on the purchasing behavior (P-value (0.000<0.05)).

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

Now becomes  $Y = 2.153 + 1.615X_1$

Therefore, the regression analyses found that affective information and purchasing price were significant and could predict the purchasing behavior of consumers towards Chinese branded smartphones.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the study findings, draws relevant conclusions and offers recommendations focusing on addressing the objectives of the study.

#### **5.2 Summary of Study Findings**

The key findings are presented under each objective of the study.

##### **5.2.1 Cognitive Information**

The study revealed that most of the consumer used online search (35.6%), friend or family recommendation (23.84%) and advertisement (21.36%) to acquire smartphone information. The study also established that majority (76.16%) of the consumers are willing to buy Chinese branded smartphones for a price not exceeding Ksh 20,000. The consumers' major concerns when making a purchasing decision were price, functionality and brand of the smartphone. Further, the study revealed that Tecno, Huawei and Oppo had high brand awareness in the Kenyan market as compared to the other brands. It was found that the average awareness rate of Chinese branded smartphone was 60.19% while the average COO awareness rate for these smartphones was 48.83%. The study established that a total of 81.11% of the respondents were currently using the listed Chinese branded smartphones.

In assessing the association between purchasing price and the purchasing behavior of Chinese branded smartphones, the study established that the price was statistically significant in predicting the purchasing behavior of Chinese branded smartphones.

### **5.2.2 Affective Information**

The study revealed that consumers' overall satisfaction towards Chinese branded smartphones was shown by a mean score of 4.39. Their most satisfied attributes of the Chinese branded smartphones were product quality and design. However, price strategy and advertisement activity offered by the firms were not to consumers' satisfaction and liking. Further, the branding and positioning of Chinese branded smartphones were among the least satisfied by consumers and left future improvement for the firms.

In assessing the association between consumers' affective information and the purchasing behavior of Chinese branded smartphones, the study established that the association was statistically significant in predicting the purchasing behavior of buyers.

### **5.2.3 Behavioral Information**

On behavioral information, consumers believed, with the mean score of 4.60, these Chinese smartphone firms will have better performance in their future operation in Kenya. Their expectations were that product quality, design and price of Chinese branded smartphones should be improved in order to attract their future purchasing behavior. Meanwhile, most consumers admitted that they will continue to buy and use

the Chinese smartphones as they indicated no apparent tendency to switch to another brand even if offered at same price or quality. This was established that smartphone users in Nairobi have certain customer loyalty to the Chinese brands.

### **5.3 Conclusion**

From the findings, the study concluded that the brand awareness of Kenyans towards Chinese branded smartphones was at high level (60.19%) as the current usage of these brands was at a rate of 81.11%. Brand was considered to be a critical factor in influencing Kenyans' smartphone purchasing behavior while the COO was not.

The findings indicated that Kenyans have a high overall satisfaction towards Chinese branded smartphones. They especially like the product quality and design of Chinese branded smartphones in the market. However, they are less satisfied with the smartphones pricing, brand advertisement and positioning which gives out the future improvement of the Chinese firms.

The findings further indicated that continuous improvement of the smartphone quality, design and price will improve Kenyans' future purchasing behavior towards Chinese branded smartphones, because the affective information and price were found to be statically significant in predicting the smartphone purchasing behavior. Further, certain customer loyalty was identified by consumers towards Chinese smartphone brands. Overall, it can be concluded that there is a lot of potential in Kenyan market on purchasing Chinese branded smartphones if appropriate practices on quality control, product design and pricing strategy are implemented.

#### **5.4 Recommendations**

For the Chinese smartphone companies that are interested in establishing their firms in Kenya or those who have already established should introduce smartphone products through wide brand advertisement and clear positioning and more importantly focusing on their product quality, design and price to attract consumers, especially the younger audience.

Since smartphone firms have no direct control over friend or family recommendation, the firms should focus more attention on online marketing since social network has connected all the internet users and it help marketer to reach each specific group of consumers. Internet, as an efficient and modern tool, should be widely adopted to play its various marketing roles. Meanwhile, advertisement through different media should be specifically positioned and widely covered to attract more consumers.

#### **5.5 Suggestions for Further Research**

Smartphone market in Kenya is constantly evolving which means new consumers are emerging. However, this study only focused on the consumers in Nairobi City County. Therefore, future study can be conducted with a larger sample from more cities with the aim of getting divergent views of all Kenyans.

This study examined seven Chinese smartphone brands as one target. Future study focusing on one specific brand will provide more concrete guidance for marketers of that brand. In addition, a research on the impact of gender in relation to purchasing

behavior is highly suggested in order to examine how decision making varies among the genders.

Furthermore, this study only examined consumers purchasing behavior towards Chinese smartphones. Consumer's attitudes and behaviors can be explored in details with a longitudinal study as this would aid to formulate a more complete conceptualization of attitudes, expectations and factors influencing smartphone purchasing behavior.



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## APPENDICES

### Appendix 1: Questionnaire

#### Section A: Demographic Information

1. Gender: Male ( ) Female ( )
2. Age: Up to 30 years ( ) 31-40 years ( ) 41-50 years ( )  
Over 50 years ( )
3. Education level: Primary ( ) Secondary ( ) College ( )  
University ( )
4. Marital status: Married ( ) Single ( )  
Others specify \_\_\_\_\_
5. Do you possess any Smartphone (generally meaning a phone that have access to internet) currently?  
Yes ( ) No ( )
6. Please indicate your earnings per month (Ksh)  
Up to 10,000 ( ) 10,001-30,000 ( ) 30,001-50,000 ( )  
50,001-70,000 ( ) 70,001-100,000 ( ) Above100,000 ( )

#### Section B: Cognitive Information

7. What is the most common channel that you acquire information about Smartphone?  
Advertisement ( ) Online search ( ) Shop adviser ( )  
Friend or family recommendation ( ) Others specify \_\_\_\_\_
8. How much are you willing to pay for a Smartphone (Ksh)?

Up to 10,000 ( ) 10,001-20,000 ( ) 20,001-30,000 ( )  
30,001-40,000 ( ) 40,001-50,000 ( ) Above 50,000 ( )

9. What is your biggest concern about a Smartphone (Please tick the top 3)?

Price ( ) Size ( ) Color ( ) Operation System ( ) Function ( )  
Brand ( ) Country of Origin ( ) Others specify \_\_\_\_\_

10. Please tick the following listed Smartphone brand that you are aware of in Kenya (multiple choice).

Huawei ( ) ZTE ( ) Tecno ( ) Lenovo ( ) Oppo ( )  
Vivo ( ) Mi ( ) None ( )

11. Please tick the following listed Smartphone brand that you are aware of that are Chinese brand (multiple choice).

Huawei ( ) ZTE ( ) Tecno ( ) Lenovo ( ) Oppo ( )  
Vivo ( ) Mi ( ) None ( )

12. Are you currently using any of the listed Smartphone brand (multiple choice)?

Huawei ( ) ZTE ( ) Tecno ( ) Lenovo ( ) Oppo ( )  
Vivo ( ) Mi ( ) None ( )

### **Section C: Affective Information**

13. If you have bought or used any Smartphone from the listed Chinese brands, please rate the following dimensions of your ATTITUDES towards the Chinese smartphone brands Huawei, ZTE, Tecno, Lenovo, Oppo, Vivo and Mi on a scale between 1 and 5 where; 1= Strongly Disagree and 5= Strongly Agree. (Tick the appropriate).

<b>Questions/Rates</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The brand is well known and operated in Kenya					
The consumer positioning of the brand is clear					
The advertisement of the brand is effective					
There are various options in color, model for the brand					
The phone is of good design					
The phone is of good quality (functional)					
The phone is of fair price					
The spare part for the phone is widely available					
The after sale service is acceptable					
The overall satisfaction for the phone is acceptable					

**Section D: Behavioral Information**

14. If you are about to buy or change to any Smartphone from the listed Chinese brands, please rate the following dimensions of your EXPECTATION towards the Chinese smartphone brands Huawei, ZTE, Tecno, Lenovo, Oppo, Vivo and Mi on a scale between 1 and 5 where; 1= Strongly Disagree and 5= Strongly Agree. (Tick the appropriate).



<b>Questions/Rates</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I will consider to buy/try phone from one of the brand					
I will continue to buy phone from one of the brand					
The advertisement activity should be improved					
Design of the phone should be improved					
Quality (functional) of the phone should be improved					
Price of the phone should be improved (reduced)					
The after sale service should be improved					
I prefer to buy similar phone from another brand if at same price					
I prefer to buy similar phone from another brand if at same quality					
Chinese branded smart phone could perform better in future					

Thank you for your time and patience.

**Appendix 2: List of Shopping Malls in Nairobi City County**

The Junction Mall	Adlife Plaza
Capital Centre - Mombasa Road	Galleria Mall - Karen-Langata Road
The Crossroads Mall - Karen	Comesa Mall - Eastleigh
Shujaa Mall - Spine Road	Lavington Mall
The Green House Mall - Ngong Road	Greenspan Mall Donholm
Highway Mall - Mombasa Road	The Hub Karen - Karen
Karen Shopping Centre - Karen	The Waterfront Karen
The Mall - Westlands	Nakumatt Lifestyle
Mountain Mall - Kasarani	The Point - Buruburu
Prestige Plaza - Ngong road	Sarit Centre - Westlands
T-Mall - Nairobi West	Taj Shopping Mall - Embakasi
Thika Road Mall - Roysambu	The Village Market - Gigiri
Nextgen Mall - Mombasa Road	Westgate Shopping Mall
Garden City Shopping Complex - Kasarani	K-Mall - Komarock (off Kangundo Road)
Yaya Centre - Kilimani	Tuskey – Luthuli Ave

Source: Wikipedia (2017). List of shopping malls in Kenya.

### Appendix 3: Sample Distribution

Nairobi Sub-County	No. of Malls	Sample of Malls	Sample of Consumers
Dagotetti North	3	1	38
Dagotetti South	4	2	76
Embakasi Central	1	0	0
Embakasi East	0	0	0
Embakasi West	4	2	76
Embakasi North	0	0	0
Embakasi South	0	0	0
Kamukunji	1	0	0
Kasarani	2	1	38
Kibra	3	1	38
Langata	3	1	38
Makadara	1	0	0
Mathare	0	0	0
Roysambu	1	0	0
Ruaraka	0	0	0
Starehe	3	1	38
Westlands	4	1	42
<b>TOTAL</b>	<b>30</b>	<b>10</b>	<b>384</b>

#### **Appendix 4: Letter of Introduction**

Dear Respondent,

I am an MBA student from School of Business, University of Nairobi. In fulfillment of the course objective, I am undertaking a study entitled “Assessment of Consumer Attitudes towards Chinese branded smartphones in Nairobi, Kenya”. The study will provide valuable information about consumer’s attitudes to various Chinese Smartphone firms and help them make better products available to consumers.

The study is designed to collect data from 384 respondents in sampled ten shopping malls in Nairobi City County. You have been randomly selected as the respondent and you are kindly requested to fill the questionnaire form.

Your response will be treated with utmost confidentiality and anonymity and the data collected will be used solely for academic purpose.

Thanks for your cooperation.