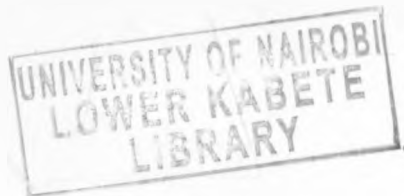


**THE USE OF INTERNET ADVERTISING BY THE KENYAN
MOBILE TELEPHONE INDUSTRY**

**BY
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D61/70073/2009**



**A Research Project Report Submitted In Partial Fulfillment of the
Requirement for the Award of the Degree of Master of Business
Administration, School of Business, University of Nairobi**


OCTOBER 2011

DECLARATION

This research is my original work and has not been presented for examination in any university.

Signed.  Date. 5/11/2011

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DEDICATION

I dedicate this project to my loving husband Benson Ochieng', and sons: Carl Benson and Larry Barrack; and my parents: Pius Otieno and Phelesia Otieno, for their support, inspiration, peace and patience and for when most of the time was in school; I could not help much at home but you were all there for me; I wouldn't have made it this far without you.

Above all, I thank the Almighty God for giving me good health; and to my entire family and friends for your motivation, support, encouragement and understanding throughout the research period.

I truly cherish you all for your unwavering moral and financial support.

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ABSTRACT

Advertising models are now changing from 'interruptive marketing' to 'engagement marketing', which promotes interactivity and dialogue between brands and audience. Companies use internet advertising, which allows for chats, emails, computer games and more. This interactivity now enables marketers to track communication trends and establish positive relationships between customers and their brands.

The mobile telephone industry today is characterized by an ever-changing operating environment and stiff competition among the major players as each seeks to establish itself in the market. This calls for players in the industry to constantly be innovative in advertising forms and other marketing strategies to keep up with competition.

The purpose of this study is to demystify internet advertising, find out if it is used by the mobile telephone industry in Kenya, the forms of internet advertising used and the successes and challenges faced with its use.

This research was conducted through a survey of the four mobile telephone companies in Kenya: Safaricom, Airtel, Orange and Yu. Both Primary and secondary data were used for the study. Questionnaires were administered to the marketing managers of the four companies to collect primary data. Being a descriptive study, SPSS and qualitative technique was used to analyze data.

From the study findings, the researcher concludes that the mobile telephone industry in Kenya uses internet advertising throughout the day. Search engine and viral advertising are the most prevalent forms of internet advertising. Video and affiliate advertising were least used. From the findings, internet advertising is most preferred because of its wider reach. Penetrating rural areas poses a major hindrance to internet advertising due to limited internet access. The study recommends that the mobile telephone companies should constantly build the capacity of their staff to put them in a better position to enable them effectively use internet advertising; The players should consider increasing budget allocations for internet advertising to increase its use as the world embraces internet as a basic communication medium.

CHAPTER ONE

INTRODUCTION

1.1. Background

The world is constantly changing in the socioeconomic, technological and cultural fronts. Effects of these rapid changes frequently manifest themselves in the business world in the form of hard competition and dynamic business environments (for example, the 2000-2009 economic crunch). Markets, products, technology and competitive conditions are rapidly changing. Organizations are set to achieve various targets within a stipulated time as outlined in their strategic plans. According to Kotler (2006) environmental dynamism and competitiveness, the struggle for survival and succeeding in the business has become more difficult and challenging. Therefore, all organisations must constantly develop effective marketing strategies-such as advertising. This will enable them adapt to these changes and sustainably deliver goods and services of value to their customers. Advertising has been used as a tool to assist consumers in the product decision-making process and by companies to communicate their product offer to customers. (Kotler 2006).

Different authors have defined advertising differently. Kotler (1988) defines advertising as any form of non personal presentation and promotion of ideas, or services by an identified sponsor. Churchill (1994) defines advertising as paid, non-personal communication through various media by organizations that are identified in the message and seek to inform and/or persuade members of a particular audience. An all encompassing one is by Engel (1991), who defines advertising as a paid, non personal communication through various media by business firms, non profit

organizations and individuals who are in some way identified in the advertising message and who hope to inform and/or persuade members of a particular audience; includes communication of products, services, institutions and ideas. Advertising can be done through traditional media (such as TV, radio, newspapers and outdoor media) or through the internet using forms such as websites, banner advertisements, SMS and blogs (Levine et al. 2000).

Advertising in the last century was done through traditional media such as: Television, radio, print and outdoor-'out of home'. Though TV and radio have a broad audience, only a small percentage of that audience is usually part of the target audience for a specific brand's advert. In addition, newspapers have a broad audience but it is up to advertisers and editors to decide the section that would best appeal to the intended target audience. The result is expensive advertising costs to audience who could be reached through cheaper means.

Advertising models are now changing from what is called 'interruptive marketing', which includes radio and TV ads that interrupt your programs; print ads that interrupt your reading etc, to 'engagement marketing'. Engagement marketing promotes interactivity and dialogue between brands and audience, is much more geared towards customer satisfaction, and uses media that correlate with specific demographics' behavioural patterns (Egan, 2007). The internet has allowed this by being an interactive area which allows for chats, emails, computer games and more. Marketers now have to track communication trends and establish positive relationships between customers and their brands.

The internet is a worldwide network of computer links, which link hundreds of thousands of individual networks all over the world. This giant network of networks has become the primary infrastructure for both electronic commerce and electronic business. Converse et al (2006). The internet can be accessed through an Internet Service Provider (ISP)-a commercial organization with a permanent connection to the internet that sells temporary connections to subscribers.

The Internet can be regarded as a key technology, and as a general-purpose technology (GPT) (Malecki 2002) that can be applied across the global economies. Being a pervasive technology the internet represents not only a new industry itself, but new potential preconditions for social interaction, economic transactions and new approaches to production, marketing and for use by consumers to conduct pre-purchase information search (Fallows 2005; Peterson and Merino 2003). This search phase can both include becoming familiar with possible products on display, prices, and recommendations based on past purchases, but nonetheless also looking for good offers, being hit by or engaging with online advertising or by looking for other people's experience with given products or services. The convergence of internet and advertising has brought forth the concept of internet advertising which is now used by companies in their bid to remain relevant to their customers, who increasingly use internet communication platforms.

1.1.1 Internet Advertising

Internet Advertising is a form of promotion that uses the internet and World Wide Web to deliver marketing messages to present and potential customers (Pratt 2006). It utilizes the power of electronic commerce; combines still and moving images, text,

voice and music to sell goods and services to customers. (Cooke 2002; Pratt 2000). Common forms of internet advertising include: websites, banner adverts, pop-ups, spam mails, mail promotions, sponsored links (like goggle ads), and videos distributed on line such as you tube, MySpace, or through email. Internet advertising is also done through online social networks such as Skype, yahoo chats, face book, twitter and blogs. Mobile internet is a form of internet advertising which is done through mobile phones; advertising messages and pictures can now be shared through the telephone. (Alvesson and Köping 1993). Some of the products promoted through internet advertising include: software programs, auctions, stock, advertising space, matchmaking, products and information about products.

There are usually two or three parties involved in internet advertising namely: companies and end users or internet advertising companies and end users. If it is a two-party model, then companies themselves directly get revenue from the end users. If it is a three-party model then internet advertising service providers act as intermediate revenue provider for companies. Different factors influence companies to practice internet advertisement. (Bengtsson et al 2007) provides valuable information on factors that would drive different sizes of companies to adopt internet advertising. The drivers are: willingness to cannibalize, entrepreneurial drivers, management support, and market pressure. (Song et al 2006) in their work compares and contrasts between companies' motivation to choose between internet advertising channels and traditional channels. They suggest that the web would be a serious alternative to traditional advertising and proper pricing by internet companies is what attracts the consumer.

1.1.2 Overview of the Kenyan Mobile Telephone Industry

Mobile services in Kenya were pioneered with the launch of an ETACS network in 1993. The mobile Telephone Industry in Kenya comprises Safaricom, Airtel, Orange, and Yu/Econet Wireless Kenya. The industry, just like the rest of the world, is going through profound changes. In the past decade, technological advancement and regulatory restructuring have transformed the industry. Markets that were formerly distinct, discrete and vertical have coalesced across the old boundaries with a massive investment of capital. The result is new markets, new players, and new challenges. (www.cck.go.ke).

The number of operators providing mobile services in Kenya has now increased to four and with improving mobile infrastructure; there is coverage in all major towns and highways in the country. The price of handsets has reduced due to the duty being waived by the Government and the increase in operators has intensified competition leading to price competition in the market. Technological advancement and reforms in the industry continues to cause changes in the sector. The result is more benefit to subscribers, smaller operators and increased competition in the sector. The Communications Commission of Kenya is planning to introduce number portability, a move which will give mobile phone subscribers the option to switch between service providers without changing their phone number. Communications Commission of Kenya (CCK).

Safaricom, Ltd was started in Kenya in May 2000. The company offers mobile voice and data services, electronic cash service, kikozezi services, flash back services and update services, which range from weather to entertainment. Safaricom has a market

share of 69.9%, made up of 17,451,325 mobile subscribers. (Communications Commission of Kenya, 2010 statistics report).

Airtel was launched in Kenya in 2010, following the acquisition of Zain Group by Bharti Airtel Limited, a global telecommunications company. It has a market share of 15.2%, made up of 3,792,404 mobile subscriptions and 214,497 internet subscriptions. The company offers mobile voice, data services, fixed line, broadband, and turnkey telecom services (www.airtel.in).

Orange was formed in 2008 when the former Telkom Kenya partnered with France Telecom Group. (www.orange-tkl.co.ke). Orange provides landline phone services, voice and data services and internet. The company has a market share of 8.5% comprising of 2,133,462 mobile phone subscribers and 82,697 internet subscribers.

Yu was launched in Kenya in 2008 by Essar Telecom Kenya Limited; a unit of India based Essar Group. The company offers Voice, SMS, Mobile Data, Mobile Money Transfer, Electronic Mobile top-up, Caller Ring Back Tones, MMS and International dialing. (www.yu.co.ke). It has a market share of 6.4%, made up of 1,591,700 mobile subscribers and 680,494 internet subscribers

1.2 Research Problem

The internet has created new and innovative ways of passing information to large masses. More and more, the internet is used by companies, educational institutions and individuals in interpersonal communication. In Kenya, there are 24.9 million mobile subscribers. 98% of these subscribers access the internet through their

handsets and modems. (Communications Commission of Kenya, Quarterly Sector Statistics Report, 2nd quarter 2010/2011). These have created avenues for internet advertising as well as allowed consumers to take part in market conversations, rank, review and evaluate products and services based on their product experiences (Levine et al. 2000). This study, therefore, proposes to assess the use of internet advertising by the mobile telephone industry in Kenya.

Studies have been carried out in the past on the state of advertising in Kenya. Mwangi, (2001) researched on “The state of advertising practices by private hospitals in Nairobi”. He found that Trade journals and newspapers are the most common advertising media at 41% and the least popular medium is internet with 12.8% of hospitals using it. In 2011, internet subscriptions are 10.19 million; the growth has been attributed to mobile operators rolling out their 3G services. The mobile internet dominates internet subscriptions and accounts for 99% of the total subscriptions. (Communications Commission of Kenya, Quarterly Sector Statistics Report, 2nd quarter 2010/2011).

Fong, (2008) assessed the impact of ICTs (which includes the Internet, mobile phone, pager, personal computer, and telephone) on Gross National Income (GNI) per capita in developing countries in 2005. Internet Advertising is new in Kenya. The researcher is not aware of previous studies on the use of internet advertising by the Kenyan mobile telephone industry. This study is motivated to fill this gap in knowledge, by conducting a study on the use of internet advertising in the Kenyan mobile telephone industry. The study will therefore, seek to answer the question does the mobile telephone industry in Kenya practice internet advertising.

1.3 Research Objective

The objective of the study is to establish the use of internet advertising by the mobile telephone industry in Kenya.

1.4 Importance of the study

The findings of the study would be significant to the mobile telephone industry players in Kenya because they will be able to understand the concept of internet advertising, whether internet advertising is used by competitors and the various forms of internet advertising. This knowledge will enable them realign their internet advertising strategies to fit the existing trends, borrow from the successes and deal with the challenges of internet advertising.

The study will be useful to the academicians and researchers as it will increase to the body of knowledge facts and use of internet advertising. The study would provide the background information to research organizations and individual scholars who would want to carry out further research in this area. This will facilitate individual researchers to identify gaps in the current research and carry out research in those areas.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

A large body of literature is available on business to business advertising focusing largely on the advertising content and its effectiveness (Levitt, 1983), comparisons and variations in advertising and promotional expenditures in consumer, industrial and service markets (Harris and Attour, 2003), the type of advertising such as copy, length and readership. Other works have reported on how business to business advertising can be improved and documented the state of a different advertising practices (Stevenson, and Swayne 1988) or making comparisons between practices in different media or markets (Solberg,2000).

Changes to advertising practice can occur in several ways. First and foremost it may be that the types of goods and services available to meet consumers' needs have changed through stages of the product life cycle. These can be the results of changes in technology, for example, there have been increased use of complex marketing research techniques that were previously unavailable (Burke, Raymond and Thomas 1988). There are also social cultural changes that impact on what is advertised, for example there has been an increase in the uses of environmental marketing appeals resulting from the increased importance placed on environmental issues (Denning, 2006). Of course, in the business to business context new marketing technology has also resulted in new goods and services, for example internet advertising is something that may be of interest to most organizations, but did not exist 15 years ago.

Whereas traditional advertising- radio, TV, newspapers, billboards; has often been based on mass marketing and push strategies, in which fixed one-way messages have been targeted at potential consumers; internet advertising is a fast and the first medium that allows for two-way mass communication (Evans and Wurster 1997). It becomes increasingly based on non-push or pull-strategies and allows consumers to take part in market conversations. Word of mouth (WOM) - a traditionally powerful way to persuade consumers; has been replaced by e-WOM on the internet. This has taken the form of videos of face-to-face conversations among consumers about their experiences with products and services. It has been found that negative reviews have an effect on consumer decisions regarding utilitarian products, whereas positive reviews have an effect on consumer decisions regarding hedonic products (Sen and Lerman 2007).

Most organizations now pass internal announcements through online media such as Skype, yahoo chats, teleconferences and websites, which now have links to social network sites where discussions on topical issues considered to be of interest to the target audience are interluded with adverts. For younger demographics, the internet is the most frequently used media, as more and more youths spend time on social network sites such as face book, twitter and blogs. This has led to increased internet advertising (Converse et al 2006).

Unlike Television which basically has one form-a short video clip either convincing people to use a product or at least forcing a customer to remember a product or service for the future; internet advertising has many forms, some of which are more effective than others. The basic kinds of internet advertising are blog-based

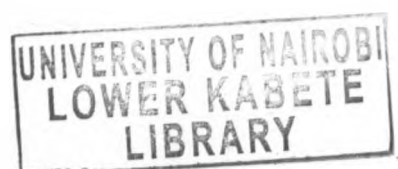
advertising, affiliate marketing, e-mail advertisements, social network advertisement, banner advertisements, search engine marketing and endorsements from other websites.

2.1.1 Blog Based Advertising

A blog is a website that provides an individual's opinion on a particular subject. Some of the blogs act as personal diaries. A typical blog consists of text, images, and links to other blogs, web pages, and other media related to its topic. Some of the blogs consist of photos, video, audio and podcasts. The power of blog in the words of (Dawson et al 2007) shows how the trend of blogging will be. Companies can advertise on blogs through banner adverts or with the help of third party blog advertising networks. Blogs provide management a fast, effective and economic means of carrying out two-way communications with firm's many audiences. Blogs would work when they emphasize on candor, pithiness, urgency, utility, timelessness (Marken 2005)

2.1.2 Affiliate Marketing

An affiliate marketing scheme is also known as associate marketing scheme. This establishes a relationship in which a merchant pays the affiliate for links that are generated from the affiliate site to the merchant site. A simple example for this would be a merchant wanting to sell his products through affiliate marketing. It relies on other people to help market the products, may be another way to increase traffic. This is equivalent to the commercial model for advertising. Basically another person or website endorses the products and business and convinces customers to visit the company. Much like a celebrity selling a product through a commercial, the company



relies on endorsements from other websites. Social media is another form of advertising, where the company sets up something like a Face book account where it communicates with existing customers. The other option is paying social networks to advertise by placing ads on users' homepages.

2.1.3 E-Mail Advertising

This is a form of advertising which exploits the power of electronic mail. Emails are sent primarily to improve the relationship with the old/new consumers. Emails could include advertisements/newsletters which are meant to tempt new or older consumers to make purchases or inform them of new products/services. Spamming is one of the biggest problems and it is very difficult to distinguish between genuine email marketing and spamming. Many of the companies install spam filters but filters end up preventing even genuine emails from reaching. Most of the companies are taking all efforts to prevent Spam. Email marketing needs to be done carefully in order to be not treated as spam.

2.1.4 Social Network Advertising

Many sites have been responsible for creating social networks where people post their information and also connect to each other either for business networking or dating. Some of them make revenues through marketing. Linkedin.com provides banner based advertising which focuses on specific targets. Youtube.com can be treated as social media based advertising trendsetter. (Fernando, 2007) in his publication explains how social media marketing schemes are getting popular. He emphasizes the fact that consumer based content has importance which can be exploited by marketing

personnel. Social media advertising in his perspective means intersection of software marketing, media, information and entertainment.

2.1.5 Banner Advertisements

Banner advertisements have been used by programs like Google Ad sense which create hits to different companies' websites and they in turn pay by the click. The more popular your advertisement is, the more the advertiser pays. One of the more popular web browsers today, Mozilla Firefox, has add-on that blocks these advertisements. In case of banner advertising the company should be sure to place ads on website that are relevant to the business.

2.1.6 Search Engine Marketing

This is used to improve the quality of the traffic which arrives at a website from search engines. When users search for a particular key word and find a match, they see a few sites which are visible on the first page of search engine result. (Bonello 2006) explains how search engines actually helps establishing brand image for the company. Companies bid for the words, which people use when they search for products. Whenever the user clicks on that particular link, search engine charges the companies. This technique is efficient because users use search engines to search for products and don't type links always on the browser.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used to carry out the research. It covers the research design, data collection instruments and procedures and the method of data analysis.

3.2 Research Design

This research design is a survey targeting marketing managers from the mobile telephone providers in Kenya, namely: Safaricom, Airtel, Orange, and Yu/Econet Wireless. The survey sought to determine whether the mobile telephone companies in Kenya practice internet advertising.

3.3 Target Population

The target population of this study was all mobile telephone firms in Kenya. A population is a well defined set of people, services, elements and events, group of things or households that are being investigated. (Mugenda and Mugenda 2007). By population, the researcher means complete census of the sample frames.

3.4 Data Collection

Data was collected using a questionnaire as the primary data collection instrument. The questionnaires were structured and contain both open-ended and closed-ended questions; to give both qualitative and quantitative data.

The questionnaire was divided into two sections. Section one was designed to obtain general information of the organization, while section two bore questions on internet advertising. The questionnaire was administered through “drop and pick later” method.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter presents data analysis, findings, presentation and interpretation. The purpose of the study was to establish the use of internet advertising by the Kenyan mobile telephone industry. The study used both qualitative and quantitative method of data analysis. The completed questionnaires were first edited for completeness and consistency. To quantify the qualitative data, scales of 1 to 5 were used to rank, data, 1 being the most preferred 2 – preferred; 3 – used; 4 – rarely used; 5 – seldom used. Quantitative data was fed into the computer and analyzed using statistical package for social sciences (SPSS) version 17 program.

This was used to derive percentages and frequencies. The data was analyzed with the aim of answering the research question. It establishes the use of internet advertising by the mobile telephone industry in Kenya, the modes used, successes and the challenges faced by the mobile telephone industry in using internet advertising. Presentation of data was done by use of tables and a pie chart. The researcher focused on the use of internet advertising by Safaricom, Airtel, Orange and Yu; forms of internet advertising and the benefits accruing from these forms in widening their customer base. The different forms of internet advertising were studied, the frequency of their use and the benefits accruing from them.

Table 1: Use of internet advertising by mobile service providers

| Mobile phone provider | Use of internet advertising | Total |
|-----------------------|-----------------------------|-------|
| YU | 1 | 1 |
| Airtel | 1 | 1 |
| Orange | 1 | 1 |
| safaricom | 1 | 1 |
| Total | 4 | 4 |

The above table shows that the Kenyan mobile telephone industry- which comprises Safaricom, Airtel, Orange and Yu, practice internet advertising.

Mwangi, (2001) posits that trade journals and newspapers are the most common advertising media at 41% and the least popular medium is internet. In 2011, internet subscriptions are 10.19 million. This study reveals that in 2011, the Kenyan mobile phone sector has successively embraced the use of internet advertising. The players now use the internet all day long and marketers get product feedback from day-long blogs and comments posted on their sites. The findings reveal that social websites play an important role in shaping products as per consumer needs.

Table 2: Frequency of internet advertising

| Mobile phone provider | regularity of internet advertising | Total |
|-----------------------|------------------------------------|-------|
| | Daily | |
| YU | 1 | 1 |
| Airtel | 1 | 1 |
| Orange | 1 | 1 |
| safaricom | 1 | 1 |
| Total | 4 | 4 |

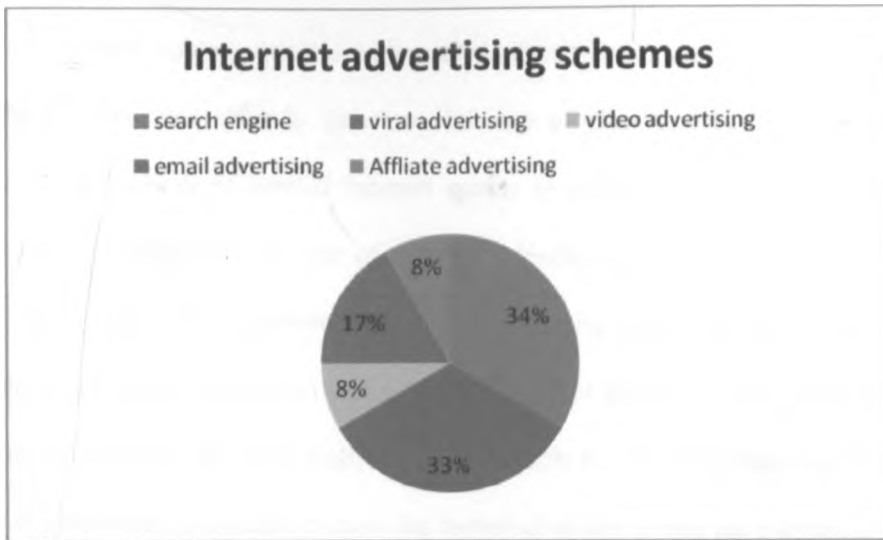
The internet advertising schemes used by the Kenyan mobile telephone sector are search engine, email advertising, viral advertising, video advertising and affiliate advertising.

Table 3: Rank of most preferred

| Mode | YU | Airtel | Orange | Safaricom |
|---------------------------|----|--------|--------|-----------|
| Search engine advertising | 1 | 2 | 3 | 1 |
| Viral advertising | 2 | 1 | 1 | 2 |
| Video advertising | 4 | 4 | 2 | 5 |
| Email advertising | 5 | 3 | 4 | 4 |
| Affiliate advertising | 3 | 5 | 5 | 3 |

In the ranking system, 1 represented the most preferred, 2-preffered, 3-used, 4-ocassionally used and 5-seldom used. Search engine and viral advertising are the most prevalent forms of internet advertising. Video and affiliate advertising were least used. Search engine advertising is prevalent because customers search for information using search engines, such as Google, as opposed to typing links on the browser. When users search for a particular key word and find a match, they see a few sites which are visible on the first page of search engine result. (Bonello 2006)

Figure 1: Percentage use of internet advertising by mobile service providers



From the findings, internet advertising is preferred by the Kenyan mobile telephone sector because it has wider reach. In social websites for instance, the information is accessed by a large number of people.

Table 4: reasons why internet advertising is preferred

| Reason for preferring internet advertising | Frequency | Percentage (%) |
|--|-----------|----------------|
| Wider scope | 3 | 75 |
| Additional revenue | 0 | 0 |
| To counter market pressure | 1 | 25 |
| Management policy | 0 | 0 |
| Total | 4 | 100 |

From the findings, the companies acknowledged benefiting from internet advertising, as well as being faced with technological challenges. The dynamic ICT environment presents both opportunities as well as challenges to the sector. Internet advertising has enabled the companies to increase visibility of their brands. Penetrating the rural areas, as a result of limited internet access in these areas is a major hindrance to internet advertising. The use of internet advertising by the four mobile telephone providers calls for hardware (such as computers, smart phones, iPods and other telecommunication targets) and unlimited internet access by both the implementing company and the targeted audience. It also calls for the marketing and IT personnel in the different companies to have the technical ability to use the internet as well as to closely monitor online campaigns, customer feedback and the benefits that accrue from their use.

CHAPTER FIVE

CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the conclusion, the limitations of the research, which gives the limitations the researcher faced and the limitations of the findings. The final part of this chapter gives suggestions for further research. The research has been able to achieve the objective it set out to establish. The research was able to establish the use of internet advertising by the mobile telephone industry in Kenya.

5.2 Summary

The researcher concludes that the mobile telephone industry in Kenya uses internet advertising throughout the day. Search engine and viral advertising are the most prevalent forms of internet advertising. Video and affiliate advertising were least used. From the findings, internet advertising is most preferred because of its wider reach. Penetrating rural areas poses a major hindrance to internet advertising due to limited internet access. The study recommends that the mobile telephone companies should constantly build the capacity of their staff to put them in a better position to enable them effectively use internet advertising; The players should consider increasing budget allocations for internet advertising to increase its use as the world embraces internet as a basic communication medium.

5.3 Recommendations

Internet advertising is a relatively new phenomenon in Kenya. Though its active use began in the year 2000, most companies are still faced with technological challenges associated with its use. As is evident in the study findings, the Kenyan mobile telephone providers, which have adopted the use of internet advertising can now benefit from day-long adverts in the form of blogs and customer comments, which is used to respond to the ever-changing consumer needs and wants.

The study recommends that the mobile telephone companies should constantly build the capacity of their staff to put them in a better position to communicate through the internet to customers, suppliers and other stakeholders, since all external communication is potential advertising strategies for the company.

The players in the mobile telephony sector should consider increasing budget allocations for internet advertising. This will go a long way in enhancing constant customer feedback and consequently product re-engineering to suit customer needs and in the long run attract and retain customers.

5.4 Limitations of the study

The study was constrained by time and unavailability of marketers, who were always in meetings. As a result of this, the researcher selected one respondent (the marketing manager) from the four mobile telephone industries. It is however, important to note that the marketing managers make all marketing decisions, including advertising. Therefore, this does not limit the replication of the findings to the entire company.

The study only focused on internet advertising where as the mobile telephone companies also use traditional advertising media such radio, TV, newspapers, billboards and others. The results should be generalized to entire advertising by the Kenyan mobile telephone industry. However, this should not curtail the use of this study. Results obtained in this research provide useful information regarding the concept of internet advertising, its forms, use, success and challenges faced.

5.5 Suggestions for Further Research

A replica study should be done on other advertising media used by the mobile telephone industry. This will give wholesome information on the industry's advertising practices.

The study was an exploratory which focused on internet advertising; its use by the Kenyan mobile telephone industry; the successes; challenges and the various forms.

It would be important that a research be done to determine the extent to which the various forms of internet advertising are used by the Kenyan mobile telephone sector.

A study should be done to quantify the benefits of internet advertising to the various mobile telephone companies in Kenya and if there is variation, it would provide room for further research.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH PROPOSAL DATA

I am a student undertaking a degree in master of business administration (MBA) at the University of Nairobi. I'm carrying out a research project proposal in partial fulfillment of the degree requirements. Research proposal topic: **Use of internet advertising by the Kenyan mobile telephone industry.**

I kindly request you to fill the attached questionnaire. The information you will provide will be treated with utmost confidentiality and will be used purely for academic purposes.

I will pick the questionnaire from your office after you have completed filling it.

Thank you for your cooperation.

Yours faithfully,



Everlyne Otieno.

APPENDIX II: QUESTIONNAIRE

The information provided here will be used solely for academic purposes and will be treated with maximum confidentiality.

INSTRUCTIONS:

1. Please answer all questions in order
2. The accuracy of your description depends on your being straight forward in answering this questionnaire.
3. You will not be identified by your answer.

PART 1: DEMOGRAPHIC INFORMATION

1. Name of the respondent (optional).....

2. Gender

3. Age group

30 years and below []

31-40 years []

41-50 years []

51-60 years []

61 years and above []

4. Designation/job title.....

5. Does your company advertise its products and services?

Yes []

No []

6. If no, which other means do you employ to market/sell your products and services?

.....
.....
.....

PART 2: SPECIFIC INFORMATION

1. Does your company use Internet Advertising? Please tick

Yes []

No []

2. If no, which advertising medium(s) does your company use?

- Television
- Radio
- Bill boards
- Street
- Internet
- Press and posters
- Celebrity branding
- Other

3. How often does your company use Internet in advertising?

- Daily (If so, how many hours/minutes/seconds in a day?)
- Weekly (If so, how many days a week?)
- Monthly (If so, how many days in a month?)
- Quarterly
- Semi annually
- Yearly
- Other

4. How successful has your company been in embracing ICT and internet advertising?

.....

.....

.....

5. Has your company been faced with technological challenges in the use of internet advertising?

Yes []

No []

6. If yes, what were the challenges?

.....

.....

.....

7. How has your company benefited from internet in advertising?

.....
.....
.....
.....

8. Does the dynamic Internet/ICT environment present advertising challenges or opportunities to your company?

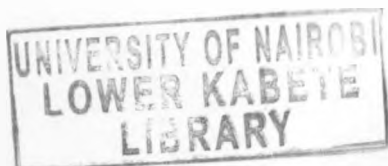
.....
.....

9. How do you deal with the situation in (8) above?

.....
.....

10. Companies may use one or a combination of the following internet advertising schemes. Please tick the one(s) used by your company.

- 1. Search engine advertising []
- 2. Viral advertising/ Blog advertising []
- 3. Video advertising []
- 4. Email advertising []
- 5. Affiliate marketing []



11. Please rank the advertising schemes in (10) above, according to order of your company's preference, (with number one being the most preferred). If you think none of them are successful approaches please mention others that your company prefers.....
.....
.....

12. Why does your company use internet advertising as opposed to other marketing tools? Please tick.

- Wider reach
- Additional revenue
- To counter Market pressure
- Management policy
- Other.....
.....

10. Internet advertising will grow due to one or more of the following reasons;

1. Internet and mobile users are growing
2. Television will also be internet based
3. Everything going the personalized marketing way
4. Traditional marketing costs are growing
5. Ease of tracking success of failure
6. Easy accessibility to products from any part of the world

Rank them according to order of preference (with number one being the most preferred). If you think none of them are the reasons please mention other reasons.....

.....

.....

Thank you for taking your time to fill the questionnaire, your cooperation and input was highly appreciated.