A SURVEY OF MEDIA CONSUMER MARKET SEGMENTATION PRACTICES USED BY TELEVISION STATIONS IN KENYA

BY:

JAMES NYAMWEYA MWAMBA

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Declaration

This research project is my original work and has not been submitted to any University for a degree award or anywhere else for academic purpose.

Signed__________ Date 19/11/08

JAMES NYAMWEYA MWAMBA

REG. No. D61/8856/04

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

Signed__________ Date 19/11/2008

Dr. Raymond M. Musyoka

Lecturer

Department of Business Administration

School of Business

University of Nairobi.

Dedication

To my beloved mother Mary Mogute who foresaw the future through God's guidance and did her best to prepare well for it. My only beloved wife Dr. Callen and my children for their love, encouragement, moral and spiritual support. God bless them.

Acknowledgement

I wish to extend my utmost sincere gratitude to the people who directly or indirectly contributed constructive ideas, opinions and feelings that led to the success completion of this project.

First and fore most I thank the Almighty God, who has given me free life, knowledge and wisdom to study.

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All my respondents, for their most precious time at their work stations, their cooperation and their appropriate responses.

Special thanks to my beloved wife Dr. Callen, who gave constant encouragement and emotional support. Thanks to my beloved daughter Vivian, Son, Meshack and my Triplets who gave me peace and good reading environment.

Abstract

This management project surveyed the consumer market segmentation practices used by television stations in Kenya. The project was to determine whether TV stations do segment their customers, and the variables they use as criteria for effective market segmentation to achieve their objectives. The research design used was descriptive .The population of interest was all commercial TV stations in Kenya. The sample consisted of this entire population hence a census study was carried out. Thirteen TV stations were targeted to respond but only eleven responded. One respondent from each TV station filled the questionnaire. This was either the Marketing manager or any senior person in the organization who handles marketing activities.

Primary data was collected using a structured questionnaire that was administered by "drop and pick" method and email method after prior arrangements. The data collected was analyzed using descriptive statistical methods like frequencies, percentages, mean scores and standard deviations. The results were presented by using tables for ease of understanding. The finding from the study demonstrates that all TV stations in Kenya do segment their consumer markets (viewers) and this makes them to develop different programmes for different target audiences. The study also reveals that demographics are the most widely used segmentation variable in consumer market segmentation.

The study recommends constant monitoring and analysis of various consumer market segments in order to cope with stiff competition and dynamic unique customers in the media industry. Similar study can be conducted in print media or in one television station only or in other countries. This is because the study covered only television stations in Kenya.
There were limitations in the study because most marketing managers were busy in meetings and sales presentations; therefore some managers were not able to fill the questionnaires. Out of 13 questionnaires only 11 were filled. Some managers were suspicious because they thought that the researcher had been contracted to work for competitors, the researcher had to take time to convince them that the project was only for academic purpose. The combination of marketing mix and segmentation strategies leads to customer satisfaction.

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CHAPTER ONE: INTRODUCTION

1.1 Background

The dynamic environment has forced many companies to change their strategies and tactics in order to achieve their objectives and maintain their competitive sustainable competitive advantage (Ansoff, 1987).The coming up of global competition has led to global village and has made a lot of opportunities for many multinational corporations to standardize their products or services and attracted many consumers through low costs that is brought by economies of scale. (Levitt, 1993).

The Chartered Institute of Marketing (2000), analyses that globalization of the markets leads to the universal demand of products or services and profits tend to become more standardized and competitions through industries reach a worldwide scale. Therefore it means globalization embraces cultural, social, economic, legal, technological and political changes, which make the world the single market, served with global brands. This leads to the facilitation of growth in global clients, suppliers, competition, financiers and even employees (Johnson et al 2002).

The Kenyan economy has not been left out by globalization and liberalization, for instance it has become more sophisticated with close substitutes, products or services, technological advancement and erosion on the purchasing habits of various clients. Therefore competition has made many firms to somehow differentiate their offering from competitors (Ng'ang'a 1991). Kwendo (2006) observed that with growth competition among media industry many clients have benefited because they have a choice of more attractive entertaining television programmes.

Many Kenyan companies have adopted several strategies when dealing with challenges that are brought by globalization and liberalization (Kibera et al 1998). For instance Kenya broadcasting Corporation Television (Channel 1) provides unique programmes that cue for information, education and entertainment (Steadman Media Report, 2005). Many companies need to form merges, alliances, acquisitions or partnerships as current strategies to gain the importance in a competitive environment.

1.1.1 An overview of broadcasting Media Industry in Kenya

The liberalization of Broadcasting Media Industry in Kenya ushered in new broadcasting stations that have impacted heavily on the industry thus leading to cutthroat competition. Despite the increase in the number of players, the level of development of the Kenyan Media Industry is incomparable to developed countries.

The industry still lacks clear guidelines on issuance of licenses and provision of legal parameters within which the stations need to operate. Currently, there is a pending media bill that is supposed to give clear policy guidelines and possibly consider provision for an independent media regulatory body. If enacted, this bill is expected to bring sanity by promoting professionalism in the media industry as a whole.

Currently the only available guideline is the Kenya Broadcasting Corporation (KBC) Act CAP 221 which does not address all media issues. This Act needs to be amended to incorporate changes that have taken place in the industry since liberalization. Many changes that have taken place are in the government, politics, and economy, technology, culture, competition and consumption patterns. For instance customer behaviour has changed, customers have been enlightened with a lot of information, and they have a lot of choice hence they will no longer accept slow services. A lot of media monitoring is taking place, Media buyers rely on media research report for media planning and bookings. Media broadcasting industry is changing slowly from the service to business. The current new commercial broadcasting houses have made Kenya Broadcasting Corporation to reduce its market share and profitability (KBC comparative sales figures from the year 1999 to 2003).

Television is a general term used in connection with equipment which receives and carries waves and changes item into visual and audio. The\ process by which television (TV) waves are sent through the air is called transmission. The carrier wave is a basic continuous wave that is produced by a television or radio and modulated to carrying information (Oranga 2005). In 1962, Television was introduced in Kenya. The first transmitting station was set on a farm house in Limuru and the station transmitted upto a radius of 15 miles. In 1970, a new station was opened in Mombasa to relay programmes and produce local dramas, music cultural and other programmes (Kenya Broadcasting Cooperation, strategic plan 2007 – 2012, Historical background).
According to the Kenya Communication Act 2, 1998 section 88, part 1 the dominance and monopoly of Kenya Broadcasting Corporation (KBC) ended with the coming up of airwaves liberalization. Television ownership and media regulation have since changed.

Now the fundamental regulatory functions, supervision and endorsement of broadcasting that used to be under the control of Kenya Broadcasting Corporation (KBC) Television has been transferred to communication Commission of Kenya (CCK).

Kenya Broadcasting Corporation television (KBC TV) was the only TV station until February 1990. Kenya television network Baraza (KTN) commenced broadcasting a free UHF television service (Steadman and associated 2000). Due to the liberalization of media industry several public and private TV stations have emerged as the sources of information, education and entertainment in the Kenyan market. According to Steadman and associates (November, 2007 Media diary report), and Communication commission of Kenya (CCK) registration of television stations report of April 2008, there are 13 commercial television stations in Kenya. The free to view TV stations are; KBC TV (Channel 1), KTN TV, Nation (NTV), Citizen TV, Channel 2, East Africa TV, K24TV, Aljazeera TV, Stellavision (STV), Sayare TV. Pay to view televisions are; Digitals TV (DSTV), Gateway cable (GTV) and Oxygen TV (ODTV). All these television stations target different consumer markets.

Liberalization of airwaves in Kenya has brought a more constructive hope in media regime in Kenya. This has created a cut throat competition in television broadcasting services. Therefore this calls for marketing programmes that will help TV stations to survive in the current stiff competition. The relevant marketing programmes should be able to satisfy the needs and wants of customers.

1.1.2 Market Segmentation

A company cannot serve all customers and satisfy them effectively. Customers are too numerous and diverse in their buying requirements. Therefore a company needs to identify the market segments it can serve better hence this makes mass marketing more difficult (Kotler 2003) Companies should focus on the buyers they have the greatest chance of satisfying. Market segmentation consists of a group of customers who share similar set of wants. Therefore market segmentation is the process of identifying and profiling distinct groups of buyers who differ in their needs and preferences.

The role of a marketer is not to create the segments but to identify the segments and decide which one to target. Market segmentation offer several benefits against mass- marketing.

For instance the company can be able to create a good product /service that has appropriate price for a specific target market segment. The company can also be in a good position to select easily a good distribution and communication channels .On the other hand the company that uses market segmentation can have a good picture of its competitors who go for the same market segment. Kenya Broadcasting Corporation that started a television station in 1962 used to operate on mass-marketing and it did not bother on market segmentation and because of that it has lost its market share to new modern media broadcasting houses like KTN and NTV who entered the Kenyan market with specific target market audience .

1.2 Statement of the Problem

It is important to note that this study will not be the only one to have been done in this area. Other studies have been done in both TV and Radio. Several studies have been carried out on segmentation in Kenya by Ng'ang'a (1991), Nzyoka (1993), Mshenga (2000), Kimandi (2002), they all focused on medium and large scale manufacturing firms, commercial banks and micro finance industries respectively. They all found that many of these firms do segment their consumer markets by using common variables like; demographics, psycho graphic, geographic and behavioural. Other studies on market segmentation were done by Kwendo (2006) who conducted a survey on consumer market segmentation practices of Radio stations in Kenya and Gacenga (2000) conducted "A benefit based segmentation of radio audiences in Nairobi – a case study of University of Nairobi Students". They found that many radio stations segment their consumer markets and they mainly use demographic and geographic to a great extent in segmenting their consumer markets.

Information is very important to different types of people in the society. Television stations play a major role in dissemination of information to the citizens of any country. According to Kotler (2001) countries are not the same in terms of economic, political, social, natural, technological, legal and competition factors. Kotler carried out a study on automobile segmentation in the United States of America. Kotler established that macro environmental factors are different from one region to another.

Therefore the findings of his study cannot certainly be applied in the television sector in Kenya. This is because the practices of segmentation are likely to vary in different geographical locations.

The liberalization of the airwaves in Kenya in 1990s by communication commission of Kenya, has led to the emerging of many Television stations that are competing against each other. This is because they target the same customer service. Many customers are exposed to viewing of many TV programmes both locally and foreign hence freedom of choice (Migunde 2006). The customers' needs and wants are unique hence TV stations should design and develop marketing strategies that are responsive to the customers' needs and wants. This will help the TV stations to survive in the competitive environment. In order to operate effectively, efficiently and profitably the TV stations here in Kenya should segment their customer markets. Therefore it's important to study on the practices of market segmentations by TV stations in Kenya at this point in time.

Chepkwony (1992) conducted a research in Nairobi on segmentation of TV audience using demographic data. He found that demographic data is commonly used by television stations in Kenya. This study left out other variables like psychographic, geographic and behavioural. The period between 1992 up to 2008 there is a gap of 16 years hence many changes have taken place and many television stations have emerged and all these need to be studied. As such the findings of these studies cannot apply in the television- sub sector in the whole country of Kenya. Many television stations are unique and therefore the results cannot be generalized to apply to it.

Consumer market segmentation may be practiced by television stations in Kenya but they may not be doing it in the right way and sometimes some firms may not know how to segment their market. Therefore this study will seek to establish segmentation practices used by television stations in Kenya.

1.3 Objectives of the Study

This study sought to examine the consumer market segmentation practices of television stations in Kenya. There were two specific objectives of the study which were as follows:

(i)To determine whether TV stations in Kenya do segment their consumer market

(ii)To determine the segmentation criteria and the effectiveness of market segmentation the practices of Television stations in Kenya.

1.4 Importance of the Study

The findings of this study could be very important to various stakeholders like; Media companies, Researchers and Scholars, investors, Media buyers or advertisers.

The electronic (Television) media companies' management may use the knowledge of segmentation to design and produce and procure different programmes that may appeal to various segmented media audiences. Therefore all programmes that are produced or purchased locally or internationally will be for a specific target market segment audience. All television stations' marketing and sales team will get more knowledge about the importance of segmentation and this will enable them to segment their consumer markets and gain competitive advantage and increase their market share hence profitability to the company.

Researchers and Scholars will also benefit from this study. The findings from this study will form a base for future scholars and researchers who may want in future to study in the area of market segmentation practices in TV stations in Kenya.

Investors will also benefit from the findings of this study. The future investors in TV stations would use the results of this study to segment their TV audiences. This will enable them to utilize their available resources effectively by understanding how television stations in Kenya segment their customers. This will be a base for establishing new televisions stations in segmenting, targeting and positioning.

The findings of this study will also benefit media buyers or advertisers. The media buyers will use this study and understand the target market segmentation of various television stations in Kenya. This will enable them to match their services/ products towards a particular television station. The media buyers will be in a better position to know which television station they can use when advertising their products or services.

CHAPTERTWO: LITERATURE REVIEW

2.1 Introduction

Mass media firms' service portfolio target individuals of varied social cultural, political and economic perspectives. Kotler et al (1997) defines consumer markets as individuals and house holds that buy goods and services for personal consumption. Therefore, it is imperative that TV stations have to study actual consumer preferences to find out what programmers they prefer watching and why. This is mainly because media audiences are influenced by cultural, social, personal and psychological characteristics hence it implies that TV programmers have to be developed taking into account the varied consumer tastes and preferences.

Leader et al (1989) states that individuals or groups of individuals differ in terms of tastes and preferences. They select product which match their own personal expectations and evaluate the performance of a product in terms of benefits enjoyed. This implies that media audiences do not just watch any programmes, but are interested only in those programmes that add value to them. Furtrell (1996) argues that it is impossible to match up products benefits with a buyer's needs, if you do not know him or her. Therefore, media audience segmentations will be to address audience preferences.

According to Hood (1999), the best evidence of audience selectivity, can be derived from the consistent profiling of media behavior and types of content closes according to such familiar demographic variables as income, education, age or gender and evidence of the varying appeal of different kinds of content or genres. As such, the deliberate choice by users of media content in order to satisfy their needs is the core concern of the uses and gratification approach towards customers' satisfaction. Modern society is nearly in imaginable without the mass media like Television. Television as a mass media, do many things to the people and serve a variety of functions depending on the type of political and economic systems in which the media function, the stage of development of the society and the interest and needs of specific individuals. TV is the secondary source of information after radio in less developed countries.

Katz et al (1977), states that in many countries in sub-Saharan Africa there are several constraints that afflict TV transmission which ranges from lack of capital, poverty, library, apathy, many languages, lack of manpower skilled journalists / TV producers / TV engineers and several legal restructure. Hebert's (1999) argues that since deregulations of the media industry at the end of the twentieth century in USA, it was impossible to find a hard writing documentary anywhere on TV or radio even on public broadcasting. This was during President Reagan's administration (1980-88), with deregulation of the media industry, no limits at all were put on the number of TVs and individuals or a corporation can own. This created competition in the media industry. The challenges brought about by TV audience fragmentation and deregulation of TV sub sector world-wide, calls for TV stations to focus on marketing. That is why they will be able to understand audience diversity and develop TV programmes that can be tailored to their needs (Mc avail 2003). Hubs (1999) states that fragmented society exalt freedom expansion of consumer choice.

According to Kibera (1998) many companies in Kenya have adopted various strategies that dealwithchallengesthatarebroughtbyliberalizationandglobalization. For instance KBC TV station provides foreign and local programmes segmented in age, sex and income. The stiff competition has made many TV stations to form merger and acquisitions which are now gaining in the competitive environment. For instance acquisitions and mergers are the superior strategies firms use so as to create a large market share and ensure that it's cost effective through synergy.

2.2 The concept of segmentation

According to (Kibera 1998), you cannot talk of segmentation without discussing of mass marketing. Mass marketing refers to the treatment of the market as a homogeneous group and offer the same marketing mix to all customers. In mass marketing the seller involves in mass production, mass distribution and mass promotion of one product to all customers (buyers). Mass marketing provides the potential act which leads to its lowest costs hence may in turn provide lower prices.

The disadvantages of mass marketing are that customer's needs and wants are not the same. It is therefore difficult to satisfy all customers just by treating them to alike.

Kibera et al (1998) defines market segmentation as the subdivision of market into small homogenous submarkets which the organization might successfully satisfy. It is the act of dividing a market into distinct groups of buyers who might require separate products and / or marketing mixes. Customers differ according to income, sex, age, religion, occupation buying attitudes and geographical area. The need for market segmentation originates from the heterogeneity of supply and demand. Buyers are too numerous, widely scattered and varied in their needs and wants. Therefore it is important to focus on taste and preferences of every target market.

It's important to serve individual customer or group of customers being identified with similar behavioral patterns, this is important than competing in the whole heterogeneous market, where we have customers with varied needs and wants. Kotler et al (1999) a market segment consists of a large identifiable group within a market with similar wants, purchasing power, geographical location, buying attitudes or buying habits. For example an auto company may identify four broad segments car buyers who are primarily seeking basic transportations which performed or luxury or safety. Segmentation is an approach between mass market and individual marketing. Each segment's buyers are assumed to be quite similar in wants and needs, yet no two buyers are really alike.

The marketer does not create the segments, the marketer's task is to identify the segment and decide which one (s) to target. Segment marketing offer several benefits over mass marketing. The company can create a more fine – tuned product or service offering and price it appropriately for the target market. The company can more easily select the best distribution and communication channels and it will also have a clear picture of its competitors, which are companies going after the same market segment (Kotler, 2003).

Aaker et al (1996) defines market segmentation as a strategy that involves the development pursuit of marketing programs directed at subgroups of the population that an organization or firm could potentially serve. Products and services can be developed and positioned for particular segments of the population.

Distribution channels can be selected to reach certain groups, a pricing strategy can be designed to attract particular types of buyers. An advertising program can be created to appeal to certain types of consumers. A segmentation strategy is not limited to any one element of the marketing program.

Perreault et al (1990), defines marketing segmentation as a step process of: (1) naming abroad product markets and (2) segmenting these broad product markets in order select markets and develop suitable marketing mixes. So the naming disaggregating – step involves "brain storming" about very different solutions to various generic needs and selecting some broad areas product markets where the firm has some resources and experience. Disaggregating a practical rough – and – ready approach tries to narrow down the marketing focus to product – marketing areas where the firm is more likely to have a competitive advantage or even to find break through opportunities.

Market segmentation is the process of breaking down or building up of potential buyer into groups. These groups are typically termed as market segments. Each segment is thought of having some homogeneous characteristics relating to its purchasing or consumption behaviour which is ultimately reflected in its responsiveness to marketing programs (Perreault et al, 1996).

2.3 Bases of Segmenting Consumer Market

Kotler et al, (2003) has highlighted various bases that are used to segment consumer markets and the most common variables include geographic, demographic, psychographic, and behavioral living standards measure segmentations. Geographic segmentation calls for dividing the market into different geographical units such as nations, states, regions, countries, cities or neighborhoods. An organization can operate in one or a few geographic areas or operate in all but pay attention to local variations.

An organization can operate throughout the country but modify the marketing mix to match variations in geographic needs and preferences. Climate is also commonly used in geographic segmentation variable because it has a broad impact on people's behaviour and product needs. It is especially important in those countries that experience big variations in climate (all non tropical countries). Many companies use mapping software to show the geographic locations of their customers.

Aaker et al (1996) found that geographic location can often provide the basis for an effective a prior segmentation strategy. A firm with modest resources can dominate if it is so chooses a small geographic area and its distribution within the limited area can be intense. For instance local media such as Television, radio or newspapers can be employed and it is possible to buy space in regional editions of major national magazines. Many advertisers often target markets geographically after developing indices for the per capita consumption of their brands in each market region, relative to the national average. Geographical segmentation assist the seller to position retail outlets in most appropriate locations as well as simply identifying the needs on the basis of the consumers own location.

In demographic segmentation, the market is divided into groups on the basis of variables such as age, family size, life cycle, gender, income, occupation, education, religion, race generation, nationality and social class. These variables are the most popular for distinguishing customer groups because most consumer wants, preferences and usage rates are often associated with demographic variables and they are also easier to measure.

Kibera et al have elaborated on how certain demographic variables have been used to segment marketing, these variables are as follows:

A very basic but useful a prior demographic segmenting variables is age. People often look for different features, values or benefits depending upon their age, their family life cycle stage. The consumer's wants and abilities change with age. Aaker et al (1996) states that people in different age groups often differ in which brands they prefer within a product category and sometimes it's possible to target particular brands at particular age groups.

Examples of products aimed at different age groups are many, and some examples are: Toys, books, clothing, music and magazines. Therefore the market should be segmented by age, for example, children, youths and mature and old people.

Men and women have different attitudinal and behavioral orientations which are based partly on socialization practices and partly on generic make up. Sex is used to segment a market which may include clothes, deodorants, cottons, magazines, soaps and hairstyles. Aaker et al (2005), states that much research suggests that men and women process information from advertisements differently. For instance it has been shown that women process more detailed information than do men possibly because they are more attuned to paying attention to external cues than men are. Therefore the market can be segmented either for men or women. For instance the automobile industry is beginning to recognize gender segmentation. Currently there are more women car owners, some manufacturers are defining features to appeal to women, although they step short of advertising the cars as women's cars.

According to Kibera (1998) the product needs of a household vary according to marital status and the presence and age of children. These variables can be combined into a single variable called the family life cycle which can be broken down into several different ways like, single, young married with no children, young married with pre-school age children, married with primary school age children, married with high school age children, married with university age children, older married with independent children living out of the home endowed.

The family life cycle presents opportunities for marketers who can help people cope with their major concerns. For instance products such as housing, house hold appliances, cars, vacations, food are normally segmented according to family life cycle stages.
Kibera et al (1998), explains that income is a useful segmentation and consumers income can be in different form – salaries, wages, dividends, interest and fees. However marketers are most interested in disposable income, the amount available for personal consumption after deductions of taxes.
On the other hand marketers are concerned on discretionary income, the amount that is left after basic tends to provided for i.e. clothing and shelter, transportation and utilities. For example those product markets segmented by income include furniture, food, clothing, cars, restaurants, housing and some goods and services for example golf.

Aaker et al (2005) income is another useful demographic variable. Higher income households tend to be less price sensitive, placing higher value on buying higher quality merchandise. This is not always because some people of higher income are of high price sensitive. But still marketers should segment the market according to the income distributions for example, income under Kenya shillings 5,000 per month, between five thousand and ten shillings per month, Ten thousand and twenty thousand per month, twenty thousand and fifty thousand per month, and fifty thousand and above per month. Kibera et al, a person's occupation leads to certain needs and wants for goods and services. For instance consider on how teachers, clerks farmers bankers marketers, house wives, secretaries, businessmen, Doctors, lawyers and students dress on a typical day. A company should choose to specialize in the production of products and services that are needed by particular occupational groups on the other hand people of the same occupations may dress costume product and services differently but the big number may have similar dressed consumptions patterns.

According to Kibera (1998) the level of education in Kenya, Africa and other parts of the world continue to rise and this has implications to marketers. Young people who have finished school have unique consumption patterns hence marketers should monitor them and provide them with relevant products and services. We have different levels of education which include; primary education, secondary education, college education and university education. Marketers must prepare for more sophisticated and discerning, consumers who have different needs and wants. Better educated people demand for higher quality goods and services. Product and services that are segmented through education include Radio / TV programs books magazines and restaurants, among others.

Religion is one of the variables that should be considered in market segmentation. For instance Muslim community will not purchase pigs meat or participate in the transaction of pigs' meat or participate in the transaction of pigs business. Christians may restrain buying pigs' meat, using family planning contraceptives like condoms. For example Seventy day Adventists (SDA) retrains them from taking meat and Tea leaves. Marketers should do research on religious holidays and festivities. For instance Christmas and Ramadan provide good opportunities for marketer products / services, catholic, protestants, Jewish, Muslim, Hindu provide unique market segmentation and this enables marketers to monitor the products and services that help them provide goods and services as per the needs and wants for different religious believes. (Kibera et al (1988). According to Kotler (2003), many researchers these days are turning to generation segmentation. Each generation is influenced by the times in which it grows up – movies, policies, music and also defining events of that period.

According to Kotler et al (2003) psychographic segmentation is the dividing of a market into different groups based on social class, lifestyle or personality characteristics. People in the same demographic group can have very different psychographic make-ups hence psychographics segmentation. Lifestyles segmentation divides a consumer market into segments according to how these people live (lifestyle).

Everybody has a lifestyle and there are Limited a number of lifestyles for instance people differ in attitudes, interest, opinion and activities all of which affect the consumption of their goods and services. These help a marketer to understand of how these markets think and buy specific products or services.

Lifestyles are normally shaped partly by whether the consumers are time – constrained or money – constrained. For example consumers who experience time famine are prone to multi-tasking, which is doing two or more things at the same time.

When preparing a marketing strategy for a product or service, marketers must attempt to determine which lifestyle groups are likely to find the product / service most appealing.

According to Churchill et al (1995) marketers have used personality variables to segment markets.

They try to endow their product / service with brand personalities, (brand images) designed to appeal to corresponding consumer personalities. For example a brand may wish to be sincere for instance gateway computer exciting (Nike), sophisticated (Lexus). Therefore brand personality may have several attributes and behaviors for example Levis suggests a personality that is youthful, rebellious, rugged, authentic and American. The company utilizes product features, services and image making to transmit the product's personality (Kotler et al 2003).

Social class has a strong influence on the person's preferences in a wide variety of products and services. Many companies do design their products and or services for specific social classes. The taste of various social classes change with years hence marketers should monitor these changes so that they can provide the right product or services. For instance they can features of the products to suit the current social class. Examples of social classes are the working class, middle class, upper middle, lower upper or upper. Kotler et al (2003). People move from one social class to another, home marketers focus on the relevant class.

In behavioral segmentation buyers are divided into various groups depending on how they behave in the market place, that is their knowledge of attitude toward use of or response to a product or service. According to Kotler (2003) many nuclear believed that there are several behavioural variables like occasions, benefits, user status, volume (usage rate), loyalty status, buyer - readiness stage and attitude. These are the self standing point of constructing market segments. Buyers can be distinguished according to occasions when they have a need to purchase a product or use the product. For example air travel is facilitated by occasion's related business, vacation or family. For instance more car planes will be allocated in a particular period of the year especially in more attraction areas in a given period of the year.

Occasion segmentation can help companies to increase product usage. For example tea is consumed at breakfast; in Kenya Ketepa (Kenya tea packers) is promoting tea to be taken at any time, for example midday, lunch or dinner. Marketers should consider specific occasions in order to know the capacity of production.
They should understand the occasions of initial like events or transitions – child birth, career change (graduation) relocation or marriage that may increase to new usage.

According to Aaker (1996), the market for most products or services can be segmented into usage rate (heavy mechanism and light users and non-users). Heavy users are often a small percentage of the market but account for a high percentage of total consumption. A particular market segment may be useful wherever the focus is on budding up the market. Each person is classified according to usage and a program is developed to increase the usage rate. The segments defined by usage usually require different marketing programs.

User status/ brand loyalty can be used to segment a market. Consumers have different degree of loyalty to specific brands. According to brand loyalty status buyers can be divided into regular users, first line users, potential users, ex-users or non-users. A company can analyze a great deal on brand loyalty. To many markets non-users provide an opportunity for heavy users. Efforts to convert non-users to users go to everyday, as do efforts to convert users to non-users. For instance the church concentrates telling the youth on the dangers of smoking or taking alcohol. But buyers who are loyal to another brand will be very difficult and very costly to attract them to a trial purchase. However once attracted there is an excellence chance of them becoming loyal buyers of the brand (Aaker et al (1996).

Consumers can be segmented according to the benefits they seek. Consumers vary different from the benefits they seek from the same product or service. In using benefit segmentation, the marketer's task is to determine the major benefits people are seeking for in a given product class, the kinds of people who might be looking, for a particular benefit and existing brands that come close to delivering each benefit. Different marketing programs should be created to emphasize on those benefits. For example in a toothpaste consumers / users may be looking for various benefits like, product appearance, flavour, brightness of teeth, price, decay prevention, and fresh breath. A competitor can search for different benefits than those one served and launch the brand by emphasizing on the different benefits.

Buyer- readiness stage in the market we have people who are different stages in readiness to buy its product / service. For example some people are aware, informed or interested, some desire the product and some intend to buy the product. Different marketing programs are created into different segments. For example if a pharmaceutical firm wants to introduce a family planning drug for women in the market, first the marketing effort should go into awareness building advertising campaign with a simple message. Later the advertising should dramatize the benefits of its drug and the risk of not taking it.

Attitude can also be used to segment a market. People in a market can be segmented according to their degree of enthusiasm for a product or service. There are five attitude groups that can be found in the market, these are Enthusiastic, positive, indifferent, negative and hostile.

For example door to door workers in a political campaign use voters' attitude to determine how much time to spend with that voter. For instance politicians thank enthusiastic voters and remind them to vote, reinforce those who are positively disposed; they try to win the votes of indifferent voters, they spend time to change the attitude of negative and hostile voters.

Living standards measure (LSM) is another method that is being used to segment a market. According to the research done by Steadman and associates prepared for Kenya audience research foundation (KARF) and Association of practioners advertising (APA) September – November, 2007, living standards measure is away of segmenting people based on their affordability, access to, and use of wide range of products and services. A composite index is derived, from a range of variables (products and services) that sum up the consumption and the living standard of an individual. Lsm offers an alternative way to measure wealth and development. Living standards measure is the most basic segment of any market commonly applicable to less developed countries. It is a new tool of market segmentation in Kenya, which was introduced on 3rd march,2008 by Kenya audience research foundation and association of practioners advertising., it is used to measure social economic class(ABCDE) (demographic),and it works as human development index or human power index.

In Kenya like any other poor countries it's difficult to measure factors like income this is because of irregular earnings and also other examples indicate that education of a person does not define living standard, hence LSM is a solution to these issues. Living standards measure is used because it's scientific- with authoritative data that is accurate and large sample. It's flexible, consistence, reliable and comparable for use across border.

Living standards measure is now commonly used in fourteen countries of Africa. For instance South African advertising research foundation (SAARF) LSM has become one of the most widely used marketing segmentation tool in South Africa. In South Africa advertising research foundation (SAARF), there are 10 LSMS (LSM1- LSM10) while in Kenya we have seventeen (17) LSMS from the lowest standard of living to the highest standard of living (LSM1 - LSM17). LSM is only one possible way of segmenting the market and there are many other ways which could and should be considered best for the definition of the target market (KARF report of Nov, 2007).

2.4 Criteria for Effective Market Segmentation

Market segmentation is not always the best strategy that is, not all market segmentation is useful. Many authors (Kotler et al 2001, Kibera et al 1998, Adcock et al 2001), states that the marketer has some useful criteria for evaluating the desirability of potential market segments. These include, size, or substantially, compatibility, measurability accessibility, responsiveness, differentiable and actionable. A marketer should take into account the following factors when evaluating the usefulness or effectiveness of a market segment:

The market segment should be large enough and profitable. Its size should be the largest possible with homogenous group so that a marketing program can be tailored to it.
For example it will be useless for an automobile manufacturer to make cars for people who are four feet tall. The market segment should be measurable and the marketer should be able to identify it in terms of purchasing power and its characteristics can be measured effectively. The consumers should have relatively homogenous buying habits.

The market segment should be accessible. Marketers should make sure that the market segment can be reached effectively and be served without any problem by using promotion media as well as distribution media. The market segment should be served with good transport and communication network and take into account of a scattered market segment in terms of geographic location; this may lead to wastage of promotional resources if it appeals to a small market that is not profitable. The responsiveness of the client is very important to effective market segmentation. Responsiveness is the degree to which segments respond differently to different marketing mix elements like product features or prices.

Therefore market segments must be defined in their willingness to purchase a product in response to variations in the market place. For example if the product feature is changed the target market may change in their purchase rate or usage rate, the same case may apply to price change, for instance if the price of a product or service is reduced the entire target market would increase their usage rate. Compatibility is one of the criteria of effective market segmentation.

Compatibility is the degree to which the organization's business strengths and marketing match with the present and expected competitive and technological state of the market. Therefore the market must be compatible with the organization's objectives and corporate image.

Stability and attainability should be considered when selecting a market segment.
Hence a market segment should be fairly stable for a long time so that the organization can divert its resources without fear and a specific long term marketing programs can be implemented within the market segmentation. Therefore effective marketing programs can be formulated for attracting and serving the segments.

According to Kotler (2001), not all market segments that have attractive opportunities for the company. Therefore marketers should prioritize the market segments according to their potential. Marketers should evaluate the market segments' future attractiveness by considering its company strength and capabilities. Hence all the above elaborated criteria for effective segmentation should address the issue.

2.5 Benefits of Market Segmentation

Several authors (Kibera et al (1998) Bearden et al (2001), acknowledge that if the requirements for effective marketing segmentation are met, several benefits accrue to the company. Sales opportunities are more likely to be effectively and fully exploited by staff when target audience is well defined. The mere attempt to segment customers it forces the marketer to become more attuned to the unique needs of the customer segments Secondly, knowing the needs of a particular market segments helps the marketer to focus on product development efforts, develop profitable pricing strategies, select appropriate channels of distribution, develop and target advertising messages.

Therefore marketing segmentation provides the foundation for efficient and effective business marketing strategies. Market segmentation helps to identify market gaps. Market segmentation involves marketing research. During the marketing research process, the marketer can engage in "Gap analysis"- this is a process which aims to seek out differences between what the market needs and wants and what is actually being supplied the gap.

Therefore gap analysis will uncover market needs for existing services not fulfilled and other needs where no services currently exist.

Market segmentation provides a marketer with valuable guidelines which helps to allocate marketing resources. Business to business firms often serve many market segments and must monitor their relative attractiveness and performance. Hence costs, revenues and profits must be evaluated in the given segment. When the market or competitive conditions change, adjustments may be required in the forms' market segmentation. Market segmentation leads to the analysis for marketing Planning and control.

Market segmentation enable a company to select a potentially most profitable segment and it may lead to better and improved services tailored to particular market segments and also it may enable a company to concentrate resources on the chosen resources. That is, proper utilization of resources in the right market segments chosen.

Market segmentation allows producers to avoid head on competition in the market place by differentiating their offerings through styling, packaging, promotional appeal and distribution methods.

2.6 The Process of Market Segmentation

According to Kotler (1988) there is a formal procedure for identifying the major market segments in a given market. Many research firms regularly conduct formal segmentation studies where major marketing segments are revealed systematically. The procedure consists of three stages, survey stage, analysis stage and profiling stage. Survey is the first stage of market segmentation process. At this stage, researchers conduct informal interviews with focus groups of consumers to find out about their motivation behaviour and attitudes. Based on these findings the market researcher conduct formal questionnaire, which is administered to a sample of consumers to collect data on, the importance and rating consumers to certain attributes of products or services. The extent to which people are aware on brands and brand rating, how, when, where and by whom the product is used, attitudes towards product category and demographic, psychographic, behavioral and geographic profiles of consumers of the product. The sample should be large enough so that the researchers can get enough data to profile each market segment accurately. According to Malcolm (2001) the survey stage entails addressing the questions: who buy and what is bought.

Analysis is the second stage of market segmentation which involves analyzing the data collected in the survey stage, in order to identify different market segments with isolated consumer behaviour. According to Kotler (1988) at this stage the researcher applies factor analysis to the data to remove highly correlated variables. After that the researcher uses cluster analysis to create a specified number of maximally different segments. Mac Donald argues that this stage entails answering the questions who buys what and why customers buy products and services. Each cluster is internally homogenous and externally different.

Profiling is the third stage of market segmentation process, where each cluster is profiled in terms of its different attitudes, behaviour, psychographics, demographics and media consumption patterns. Each segment can be given a number depending on dormant distinguishing characteristics.

Kotler (1988) argues that market segmentation procedure should be reapplied periodically because market segments change. At any point in time, the firms in an industry operate on an assumed segmentation. According to Walker (1996), market segmentation process is to divide the market into groups of prospective buyers of a product or service who are relatively homogeneous with regard to their demands. Market segmentation process must also describe these groups in order to identify members, determine the size and value of each group, and describe all the differences in consumers needs and wants.

Therefore, the first stage in the segmentation process is to determine whether and to what extend there are differences in the needs or benefits being bought by customers. The next stage would be the selection of meaningful descriptors in a given market situation. By looking at the differences in needs and wants, a firm can be able to identify these segments that are an attractive opportunity in view of customers' needs and a firm's competitive strengths and weaknesses. The firm will also be able to identify unsatisfied segments which will represent opportunities.

Kotler (2003), emphasizes that market segmentation can be divided in seven stages. The first stage is needs based segmentation: - group of customers are put into segments according to their similar needs and benefits sought by customer solving a particular consumption problem. Stage two is segment identification; it involves identification of dimensions that a firm might use in segmenting its markets depending on products or service portfolio. These dimensions may be demographics, lifestyles and usage behaviours all these make a distinct segment which is actionable. Stage three is segment attractiveness, here the marketer uses predetermined segment attractiveness criteria for example market growth, competitive intensity and market access, and all these determine its attractiveness of each segment.

Stage four is segment profitability, the marketer should determine profitability of each segment, that is consider cost and profitability. The fifth stage is segment positioning, for each market segment a marketer should have a value proposition, for example product or price positioning depending on the customer needs and characteristics.

The sixth stage is segment "Acid test," here the marketer should create on segment story board" in order to test the attractiveness of each segment's positioning strategy. The last stage is marketing strategy; the marketer should expand the segment positioning by using all 4ps of marketing (marketing mix).

2.7 Summary

Market segmentation reveals the market segment opportunities that are open to the firm. The firm has to evaluate the various segments and decide how many and which one to serve.

In evaluating the segments the firm should consider the following; the size and growth of the segment, the segment structural attractiveness which can be determined by; the threat of intense segment rivalry, threat of new entrants, threat of close substitutes, threat of growing bargaining power of buyers and suppliers. Finally should consider company objectives and resources.

When selecting the market segments the firm can go for single market segment concentration, selective specialization that is select a number of segments, product specialization that is make one product and sells to a variety of customer groups, market specialization here a firm concentrates on solving many needs of a particular customer group or full market coverage that is a firm serves all customer groups with all the product that it might need.

There should be no doubt that bases of market segmentation are dependent on each other. Effective segmentation could make use of all of the categories and will usually require a combination of more than one type. Combining and the analysis of market segments make it possible to understand them in detail and one can easily follow the charges in the segments. All these provide a framework where the firm is able to answer a question like who is our customer?' it's also a basis of identifying potential customers and target effective marketing efforts and with the objective of developing new loyal customers Adcock et al (2001). Market segmentation should be done periodically; this is because segments change because of environmental dynamism for instance technological changes, competition, and consumer behaviour change.

To discover the new segments a marketer must investigate the attributes consumers examine when choosing a brand. Currently many companies use target marketing by distinguishing the major market segments. Here they target some market segments and develop products and marketing programs that are tailored to each segment. The current global competition has forced many companies to use market segmentation.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design:

The research design used was descriptive, which established the consumer market segmentation practices of television stations in Kenya. The aim of a descriptive study is to learn who, what, when, where and how of a topic, Copper et al (1994). The choice of descriptive research design depended on the research objectives and the nature of the questionnaire that was constructed to capture the characteristics of market segmentation practices.

3.2 Population

The population of interest for study comprised all commercial television stations in Kenya. In total, there were thirteen commercial television stations in Kenya (Communication Commission of Kenya report of April, 2008) and (Steadman and associates media report of November, 2007).The census study was carried out because of the small size of the population and most television stations' head offices were in Nairobi and its environment (see appendix 3 attached).

3.3 Data Collection Methods

Primary data was collected using a well structured questionnaire. To administer the questionnaire, 'drop and pick' method was used for all television stations in Nairobi and this was done through prior arrangements and appointments. Those televisions that were outside Nairobi, questionnaires were emailed to the respondents. Each questionnaire was accompanied by an introductory letter (see appendix 1), briefly explaining the purpose of the study. One respondent from each television station was required to fill the questionnaire. This included the Marketing Manager or any other senior person who handles marketing activities in the organization.

The questionnaire was pre-tested on a representative number of respondents to check whether it could be understood. The questionnaire was divided into four parts: Part A: To collect general information on television stations.

Part B: To establish whether television stations segment their consumer market and identify the criteria used to ensure that there is effective segmentation.

Part C: To identify the variables used to segment the consumer market by television stations in Kenya. Part D: To focus on generating information on market segmentation process and implementation of market segmentation by television stations in Kenya.

3.4 Data Analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data collected was analyzed using descriptive statistics. The analysis was done by determining frequencies, percentages, mean scores and standard deviations. For variables mean scores and standard deviations were computed from responses in order to determine segmentation practices of television stations in Kenya. The results were presented in tables for ease of understanding. This allowed for the interpretation of the findings and recommendations from the findings.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter comprises of comprehensive analysis and interpretation of collected data on consumer market segmentation practices used by television stations in Kenya. Tables are used to present the data analysis for ease of understanding. Descriptive analysis was done mainly to summarize the data by using frequencies and percentages, mean scores and standard deviations.

4.2 General information

4.2.1 Response Rate

Table 1: Response Rate

Response rate	Frequency	Percentage
Total response	11	84.6
Non response	2	15.4
Expected response	13	100.0

Source: Research data.

From table 1 above the study population target was of 13 (thirteen) respondents but only 11 (eleven) respondents responded and returned the questionnaires constituting of 84.6% response rate while the non response rate was 15.4%.

4.2.2 Job Title

On the job title of the respondents, it was found that the respondents held titles such Marketing manager, Assistant marketing manager, Sales manager, and Marketing executive as indicated in table 2.

Table 2: Job Title

Job title	Frequency	Percentage
Marketing manager	6	54.5
Assistant marketing manager	3	27.3
Advertising manager	1	9.1
Marketing executive	1	9.1
Total	11	100

Source: Research data.

From table 2 on the job title of the respondents, the study found that the majority of the respondents were Marketing managers as shown by 54.5% of the respondents, 27.3% were Assistant marketing managers, while Sales managers and Marketing executives were shown by 9.1% each.

4.2.3 Ownership of the television stations

Table 3: Ownership of the Television Stations

Ownership	Frequency	Percentage
public owned	1	9.1
private owned	10	90.9
Total	11	100.0

Source: Research data

The study also sought to find out the ownership of the television stations. From the findings, the study found that the majority of the TV stations were private owned as shown by 90.9%, while only one out of eleven respondents as shown by 9.1% reported that their television station was public(government) owned. This implies that liberalization of the airwaves in the media industry in Kenya since 1990s has attracted many private television stations.

4.2.4 Duration of operation of the Television Stations

The respondents were also requested to state the duration that their television stations had been in operation.

From the findings in the above table 4, the majority of the television stations as shown by 45.5% reported that they had been in operation for less than 5 years, while the television stations that had been in operation for 5-10 years, 10-15 years and for more than 15 years were shown by 18.2% in each case.

Table 4: Duration of the Operation of the Television Stations

Duration of operation	Frequency	Percentage
less than 5 years	5	45.5
between 5-10 years	2	18.2
between 10 and 15 years	2	18.2
more than 15 years	2	18.2
Total	11	100.0

Source: Research data.

4.2.5 Programmes Offered By Television Stations

Table 5: Programmes Offered By Television Stations

Programmes offered	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Music	11	100	0	0
Film	7	63.6	4	36.4
plays and comedy (local or foreign)	7	63.6	4	36.4
Soaps	9	81.8	2	18.2
News bulletins (local and international)	10	90.9	1	9.1
Sports (local and international)	9	81.8	2	18.2
Interactive programs (interviews)	9	81.8	2	18.2
Religious programs	6	54.5	5	45.5
Advertisements	10	90.9	1	9.1
Weather forecast reports	10	90.9	1	9.1
Commentaries/documentaries	9	81.8	2	18.2
Press reviews	7	63.6	4	36.4
Business reports (stock market, exchange rates)	10	90.9	1	9.1
Agricultural programmes	5	45.5	6	54.5

Source: Research data

In table 5, the study sought to find out the programmes offered by the television stations that were interviewed. From the study, all the TV stations offered music as shown by 100%, majority of respondents offered news bulletins (local and international), advertisements, weather forecast reports, and business reports (stock market, exchange rates) as shown by 90.9% in each case.

The study also revealed that majority of the TV stations offered soaps, sports (local and international) and commentaries/documentaries as indicated by 81.8% in each case. Majority of the TV stations were also offering film, plays and comedy (local or foreign) and press reviews as shown by 63.6% in each case and also religious programs as indicated by 54.5% of the respondents. The study further revealed that many TV stations were not offering agricultural programs as shown by 54.5% of the respondents.

4.3 Market Segmentation and the Criteria Used In Market Segmentation

4.3.1 Consumer Market Segmentation

The study aimed to establish whether or not TV stations in Kenya do segment their consumer markets. In relation to that the respondents were asked to state whether their companies segment their consumer market. From the study, it was found that all the TV stations segmented their market as was shown by all the respondents.

Table 6: Consumer Market Segmentation

Segmentation	Frequency	Percentage
Practiced	11	100
Not practiced	0	0
Total	11	100

Source: Research data

There is evidence from table 6 above that majority of televisions stations in Kenya do practice consumer market segmentation. This implies that programmes are designed, developed or procured by targeting specific market segments which have different needs and wants.

4.3.2Nature of the Individual Television Customers

The study wanted to establish the nature of the individual customers for various television stations in Kenya. Table 7 provides a summary of the findings from the collected data.

Table 7: Nature of the Individual Television Customers

Nature of customers	Yes		No	
	Frequency	Percentage	Frequency	Percentage
children	9	81.8.	2	18.2
youth	10	90.9	1	9.1
middle age	6	54.5	5	45.5
old aged people	2	18.2	9	81.8
married people	7	63.6	4	36.4
professional	8	72.7	3	27.3

Source: Research data

On the nature of the individual customers, the study revealed that the majority of the TV stations were youths as shown by 90.9%. Other customers in the majority of the TV stations included; the children as shown by 81.8%, professionals as indicated by 72.7%, married people as shown by 63.6% and middle-aged people as shown by 54.5%. Further, the study revealed that very few TV stations had old aged people as their individual customers as shown by 18.2% of the respondents.

4.3.3 The Criteria used in segmenting the Consumer Market

The study wanted to establish the criteria used for effective market segmentation. The respondents were required to indicate whether they use various criteria to evaluate each market segment.

Table 8: Criteria Used In Segmenting the Consumer Market

	Yes		No	
Criteria	Frequency	Percent	Frequency	Percent
Size of the audience	8	72.7	3	27.3
Growth potential	9	81.8	2	18.2
Viewers characteristics	9	81.8	2	18.2
Ability to identify target market	10	90.9	1	9.1
How to reach target audience (viewers) with programs	8	72.7	3	27.3
Whether the target market do view the programs	10	90.9	1	9.1
Reactions of viewers to programs	10	90.9	1	9.1
Differentiating viewers	8	72.7	3	27.3

Source: Research data

Table 8 provides the findings from the data collected and analyzed. The findings in the table 8 show the criteria used by television stations in segmenting their consumer market. From the findings, the criteria used by the majority of the TV stations in segmenting their market was ability to identify target market, whether the target market do view the programs and whether the target market do view the programs as shown by 90.9% of the respondents in each case, growth potential and viewers characteristics as shown by 81.8% in each case and also size of the audience, how to reach target audience (viewers) with programs and differentiating viewers as indicated by 72.7% of the respondents in each case.

4.4 Variables of Market Segmentation.

The study also sought to find out the variables that the TV stations used to segment their market. The respondents were therefore required to rate the extent that the variables in the tables on the basis of demographics, geographic, behavioural, psychographics and living standards measure were used in segmenting the market. The respondents were required to tick the appropriate number of the scale (1-5)- where 5 is for to very great extent, 4 is for to great extent, 3 for to moderate extent, 2 is for to a small extent and 1is for to no extent.

4.4.1 Demographics

On demographics variables the study segmented the market into; age, gender, family life cycle, income, education, occupation, religion, language, ethnic groups and nationality. The findings are analyzed on table 9, which gives a summary by using mean scores and standard deviation.

Table 9: Demographics

Demographics	Mean	Std. Deviation
Age :Infants	2.6364	1.50151
Youth	4.0000	1.18322
Adults	3.8182	1.47093
Old aged	2.1818	1.47093
Gender: Male	3.7273	1.55505
Female	3.8182	1.40130
Family life cycle: single	2.2727	1.34840
Newly married	2.6364	1.50151
Married with children	3.6364	1.74773
Income: low income	2.9091	1.30035
Middle income	4.1818	1.32802
high income	3.3636	1.56670
Education: primary	2.6364	1.43337
Secondary	3.5455	1.12815
College	4.0000	1.26491
University	4.0000	1.26491
Occupation: professionals	3.5455	1.43970
Managerial	3.4545	1.50756
Technical	3.1818	1.66242
semi-skilled	2.1818	.87386
non-skilled	1.8182	.75076
Religion: Christians	3.7273	.90453
Muslims	3.3636	.80904
Language: Kiswahili	3.8182	1.32802
English	4.1818	1.25045
Vernacular	1.2727	.46710
Ethnic groups: Luos	1.0000	.00000
Kikuyus	1.0000	.00000
Luhyas	1.0000	.00000
Kalenjins	1.0000	.00000
Nationality: Kenyan	4.0000	1.18322
Non-Kenyan	2.2727	1.27208

Source: Research data

On the age of the respondents, the study revealed that the variables that were applicable to a great extent for segmentation were youths as shown by a high mean score of 4.0 and adults a shown by a mean score of 3.8 and a standard deviations of 1.1 and 1.4 respectively. Infants were considered to a moderate extent by a mean score of 2.6, the old aged people were considered to a small extent by a mean score of 2.2 and both had standard deviations of 1.5 and 1.47 respectively.

On the gender both the males and females were considered in market segmentation to a great extent as shown by a mean score of 3.7 and 3.8 respectively and their standard deviations were 1.6 for male and 1.4 fore female. On family life cycle the married with children were considered to a great extent as shown by a mean score of 3.6, newly married were considered to a moderate extent with a mean score of 2.9, while the single people were considered to a small extent as indicated by a mean score of 2.3, the standard deviation for single, newly married and married with children were 1.3, 1.5 and 1.7 respectively.

On the income of the customers, the majority of the TV stations considered the middle income earners to a great extent as shown by a mean score of 4.2. High income earners and low income earners were considered by the majority of the TV stations in market segmentation to a moderate extent as shown by a mean score of 3.4 and 2.9 respectively. The standard deviations for low income, middle income and high income were 1.3, 1.3, and 1.5 respectively. On education the study revealed that the majority of the customers considered to a great extent were the university and college level customers as shown by a mean score of 4.0 in each case and also the secondary level as shown by a mean score of 3.5. Primary level customers were considered in market segmentation to a moderate extent as shown by a mean score of 2.6.The College and university education levels had the same standard deviations of 1.2 each while the primary had a standard deviation of 1.4 as indicated in the table.

On occupation, the majority of the television stations considered the professionals to a very great extent as shown by mean score of 3.5 and the managerial customers were considered as great extent as shown by mean score of 3.4. Technical customers were considered to a moderate extent by the majority of the TV stations as shown by a mean score of 3.2, while the customers who were semi-skilled and those who were non-skilled were considered in market segmentation to a small extent with mean score of 2.0 each. On religion, both the Christians and the Muslims were considered by most TV stations during market segmentation to a moderate extent as shown by mean score of 3.7 and 3.4 respectively.

On languages of the customers, English and Kiswahili languages were considered during market segmentation to a great extent as shown by mean scores of 4.2 and 3.8, while vernacular language was considered to a small extent as shown by a mean score of 1.3, the standard deviations for English and Kiswahili were the same at 1.3 each while vernacular had 0.5 as indicated in table 9. Ethnic groups such as Luos, Kikuyus, Luhyas and Kalenjins were not considered at all when segmenting the market by all the TV stations. On the nationality, Kenyans were considered to a great extent as shown by a mean score of 4, while non-Kenyans were considered to a small extent as shown by a mean score of 2.3.

The analysis from table 9, the mean score of between 3.5 - 4.2 indicates that demographic variables are used to a great extent by television stations to segment their consumer market. Those variables of age, income, education, occupation and religion had a mean score of between (2.5 - 3.4) this implies moderate use of demographic sub- variables. These variables include; infants, high income, primary education, and Muslims. Those variables with mean score between 1.5 - 2.4 shows that they are used to small extent but those with mean score of between 0- 1.4 are rarely used to segment television viewers.

The significant variability in responses is indicated by a standard deviation of more than 1.This implies that the extent of use of demographic variables is unique among television stations in Kenya. These variables are; infants, adults, old aged, male and female, single, newly married, married with children, low income, middle income, high income, primary education, professionals, managerial, technical, Kiswahili language and non- Kenyan.

4.4.2 Geographic

Table 10: Geographic

Geographic	Mean	Std Deviation
Region	3.2727	1.48936
Country	3.8182	1.83402
Cities/Towns	3.9091	1.70027
Rural areas	3.1818	1.47093

Source: Research data

On geographic segmentation from table 10 above, the majority of the TV stations considered the customers in cities/towns and the country of the customers to a great extent as shown by mean score of 3.9 and 3.8. Region and the rural areas customers were considered to a moderate extent as shown by mean scores of 3.3 and 3.2 respectively.

Therefore, it is clear from table10 that most television stations develop programs targeting people living in urban areas. Hence, television stations should develop programs to fit various cities/towns.

4.4.3 Behavioural

Table 11: Behavioural

Behavioural	Mean	Std. Deviation
Benefits sought: Entertainment	4.0909	1.22103
News	4.1818	1.40130
Sports	3.8182	1.53741
Brand loyalty: Non-loyal viewers	3.5455	1.43970
Loyal viewers	4.6364	.50452
Ex-loyal viewers	3.2727	1.10371
Usage rates: High viewer ship	4.7273	.46710
Light viewer ship	4.5455	.82020
Low viewer ship	4.5455	.93420
Non viewer ship	4.2727	1.27208

Source: Research data

On behavioural segmentation in table 11 above, the variables were divided in terms of benefits sought, brand loyalty and usage rates. On benefits sought, most television stations considered the news as shown by a mean score of 4.2, entertainment as shown by a mean score of 4.1 and also sports as shown by a mean score of 3.8.

The standard deviations of entertainment, news and sports were 1.2, 1.4 and 1.4 respectively. On brand loyalty the loyal viewers were considered to a very great extent as shown by a mean score of 4.6, non-loyal viewers were considered to a great extent as shown by a mean score of 3.5, while ex-loyal viewers were considered to a moderate extent as indicated by a mean score of 3.3.On usage rates, the high viewer ship, light viewer ship and low viewer ship were considered to a very great extent as shown by mean score of 4.7, 4.5 and 4.5 respectively, while the non-viewer ship was considered to a great extent. This shows that many media companies are concerned with customer retention than going for more customers. Television stations make sure that their current customers are satisfied before going for non-loyal customers or new customers.

4.4.4 Psychographics

Table 12: Psychographics

Psychographics	Mean	Std. Deviation
Lifestyle	4.0909	1.37510
Personality	3.6364	1.62928
Social class-lower	2.9091	1.04447
Middle	4.6364	.50452
Upper	3.4345	1.36848

Source: Research data

On psychographic segmentation, the findings in table 12 above indicates that lifestyle and the personality of the customers were considered to a great extent as shown by mean score of 4.1 and 3.6 respectively. On social class of the customers, middle class customers were considered to a very great extent as shown by a mean score of 4.6, while the upper class and the lower class were considered to a moderate extent as shown by mean score of 3.4 and 2.9 respectively. This implies that many TV stations target mostly middle management people than upper or lower classes.

4.4.5 The living standards measure (LSM)

Table 13: Use of living standards measure to segment the market

LSM	Frequency	Percentage
Yes	3	27.3
No	8	72.7
Total	11	100.0

Source: Research data

The study also sought to find out whether the television stations use the Living Standards Measure (LSM) to segment their market. From the findings in table 13 above, the majority of the TV stations as shown by 72.7% reported that they did not use Living Standards Measure to segment their market, while 27.3% of the TV stations reported that they use the living standards to segment their consumer markets.

Table 14: Nature of the Individual Customers in LSM

Nature of LSM customers	Yes		No	
	Frequency	Percentage		Percentage
LSM 4-6	2	18.2	1	9.1
LSM 7-11	1	9.1	2	18.2

Source: Research data

The respondents who reported that their TV stations were segmenting their market using Living Standards Measure were requested to indicate the nature of their individual customers. From the findings in table 14, 18.2% of the respondents reported that the nature of their individual customers was LSM 4-6, while 9.1% of the respondents said that the nature of their individual customers was LSM 7-11.This shows that those television stations that use living standards measure to segment their they do not bother on the poor people in LSM 1-3 which is one of the biggest portion of Kenyan population.

On the other hand it seems that many television stations do not target so much on the richest portion of Kenyan population which is between LSM12- 17, all these are niche markets to be tapped.

Table 15: Reasons of Not Segmenting the Customers by Use of Living Standards Measure (LSM)

Reasons for not using LSM	Frequency	Percentage
Have little knowledge about LSM	7	63.6
It is expensive to use LSM in market segmentation	1	9.1
Total	8	72.7

Source: Research data

The respondents who said that their TV stations did not segment their market using LSM were requested to state their reasons. From the findings in table fifteen, the majority of the respondents said that they did not segment their market because they had little knowledge on LSM as shown by 63.6%, while 9.1% of the respondents said that it was expensive.

4.5 Market Segmentation Process and Implementation.

In order to show the procedures followed by TV stations in segmenting their consumer markets the respondents were required to state whether they conduct a survey to identify potential viewers, do they analyze data on why people viewer their programmes and finally divide their customers into unique groups that have the same needs and wants. Hence achieve superior customer responsiveness.

4.5.1 Use of Survey to identify Potential Viewers

Table 16: Use of Survey to Identify Potential Viewers

Survey	Frequency	Percentage
yes	10	90.9
no	1	9.1
Total	11	100.0

Source: Research data

From the findings in table 16, the study revealed that majority of the television stations used survey to identify potential viewers as shown by 90.9% of the respondents, while a small proportion of respondents as shown by 9.1% reported that they did not use survey to identify their potential viewers.

4.5.2 Compilation of Data

Table 17: Compiling Data

Compiling data	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Who view the programs	10	90.9	1	9.1
What programs do they view	10	90.9	1	9.1
Why do they view those programs	10	90.9	1	9.1

Source: Research data

From the findings of table 17, most TV stations compiled their data on the basis of who viewed the programs, what programs did they view and also why did they view those programs as shown by 90.1% of the respondents.

The respondent who did not compile their data on the above basis i.e. 9.1% in every case were the ones who did not do survey to identify potential viewers. Therefore, it is important for all television stations to get more information on who view their programs and why. This will enable them to offer relevant programmes that are tailor-made to specific target markets.

4.5.2 Implementation of market segmentation

Table 18: Segmentation of Market Viewers into Various Groups

Segmentation	Yes		No	
	Frequency	Percentage	Frequency	Percentage
Age	90.9		9.1	
Sex	90.9		9.1	
Income	90.9		9.1	
Religion	18.2		81.8	

Source: Research data

From table 18 the respondents were also asked to indicate the groups of market viewers segmented after the analysis was done. From the findings, the majority of the stations segmented their market viewers in groups of age, sex and income as shown by 90.9% of the respondents in each case. Religion was not considered by most TV stations as shown by 81.8% of the respondents. Therefore, advertisers should consider specific programmes that are targeting unique viewers in terms of age, sex, income and religion. Advertisers should book commercial spots targeting various viewers.

It is therefore clear that most television stations develop or procure programs targeting in cities/towns. This may imply that people who live in major towns or urban areas appreciate TV programmes than people who live in rural areas. Therefore, because of different tastes and preferences of consumers, companies should localize their products or service to fit the needs and wants of various customers in towns and cities.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter comprises of the summary, conclusions, recommendations, limitations and suggestions for further research of the analyzed data of the study. The response was based on the objectives of the study.

5.2 Summary

From the analysis and data collected the following discussions, conclusions and recommendations were made. The response was based on the objectives of the study. The first objective of the study was to determine whether TV stations in Kenya do segment their consumer market. The results of the study showed that all television stations (100%) do segment their consumer market. This implies that market segmentation is a critical factor for the success of a firm. As well as the main factor for sustainable effective marketing in TV sub- sector of the media Industry. Therefore market segmentation strategy is crucial for all TV stations to gain sustainable competitive advantage. From the study the researcher found that the television stations were segmenting their market and the nature of the individual customers were children, the youths, professionals, married people and middle aged people.

The research found that television stations used various variables such as demographics, behavioural, living standards measure and psychographics in segmenting their consumer market. On demographics the TV stations considered the youths and the adults in terms of the age, on gender; both males and females were considered for market segmentation, on family life cycle, married with children were the ones most considered while segmenting the market. On income the TV stations mostly considered the middle income earners, on education the university, college and the secondary level were the most considered, on occupation, the TV stations mostly considered professionals and managerial customers. Religion was only considered to a moderate extent. On languages English and Kiswahili were the languages most considered in market segmentation. TV stations did not consider the ethnic groups while segmenting their market, while on nationality Kenyans were considered more than non-Kenyans. On geographic segmentation countries, cities/towns were considered most while segmenting the market.

On behavioural segmentation entertainment, news and sports were considered most as benefits sought, on brand loyalty, the stations considered loyal and non-loyal viewers, on usage time rates, the TV stations considered the high viewer ship, light viewer ship, low viewer ship and non-viewer ship. On psychographics, the stations considered lifestyle and personality and also the middle class people in social class. The study also found that most TV stations did not use living standard measures (LSM) to segment their market and this was mainly because they had little knowledge about LSM.

The study also found that most TV stations did survey in identifying their potential viewers and they also compiled their data in terms of who viewed the programs, what programs did they view and also why did they view those programs. Once the analysis was done, it was found that most TV stations segmented their potential viewers into various groups such as age, sex and income of the potential viewers.

The second objective of the study was to determine the criteria of the effective market segmentation. The study sought to establish whether TV stations appreciate the size of the audience, growth potential, viewers characteristics, reactions of viewers to programmes, ability to identify target market, how to reach target market and differentiating of viewers.
The study found that the criteria that was used by most TV stations in segmenting their market was ability to identify target market, whether the target market do view the programs, growth potential, viewers characteristics, size of the audience, how to reach target audience (viewers) with programs and differentiating viewers. The same findings were realized by Nzyoka (1993) in his study on market segmentation. The study indicated that banks use these criteria when doing analysis of effectiveness in their consumer market.

5.3 Conclusions

From the study, the researcher concluded that television stations were segmenting their consumer market which helps the TV stations to identify their potential customers. The segmentation criteria that the television stations used were the ability to identify target market, whether the target market do view the programs, growth potential,

Viewers characteristics, size of the audience, how to reach target audience (viewers) with programs and differentiating viewers.

This market segmentation criterion was very effective as it helped the TV stations to know who their potential customers really are demographically, geographically, their behaviour and also their psychographics.

5.4 Recommendations

From the study, it was recommended that in order for the television stations to remain competitive in the market, they should embrace market segmentation strategy and produce or develop and procure programs that are very appealing to their segmented media audiences. There should be constant monitoring of customers (viewers) on specific programmes, for instance the degree of viewer ship loyalty, customer retention and defectors should be analyzed.

5.5 Limitations

The target respondent from each TV station was the marketing manager, but it was not possible because many marketing managers were too busy in their daily marketing activities, this reduced the response from 100% to 84.6%.For example some managers did not fill the questionnaire instead they referred them to their assistants. Out of 11 respondents 5 were assistants while 6 were marketing managers. Some marketing managers were not cooperative because they thought the researcher had been contracted to work for competitors, even though there was an introduction letter, a lot of time was wasted to convince the respondents that the study was purely for academic purposes.

5.6 Suggestions for Further Research

Further research should also be conducted in different industries e.g. the radio stations to establish whether they segment their market, the criteria for market segmentation and also the effectiveness of market segmentation. The response rate should also be broadened and more than one questionnaire should be dropped in each television station in order to have a broader, response rate for better generalization of the results. For instance the questionnaire should be filled by senior marketing officers plus TV production managers from each TV station.

Further research should be done on print media this is because the study was mainly on TV stations. The same studies may be done in some regions of Kenya or be conducted in other countries. This is because we have different tastes and preferences from one county to another. Further research may also be done on one television station this is because the study covered all commercial TV stations in Kenya.

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APPENDICES

APPENDIX 1: Letter of Introduction

University of Nairobi

Department of Business Administration,

School of Business

P.O.Box, 30197

September, 2008,

NAIROBI

Dear Sir/Madam,

REF: SURVEY OF MEDIA CONSUMER MARKET SEGMENTATION PRACTICES USED BY TELEVISION STATIONS IN KENYA

I am a student undertaking a Master of Business Administration (MBA) degree at the University of Nairobi. As part of the academic requirements towards the completion of this course, I am conducting a survey of media consumer market segmentation practices used by Television stations in Kenya.

In view of this, I therefore kindly request you to take a few minutes of your busy schedule and complete the attached questionnaire to the best of your knowledge as it applies to yourself and your organization.

The information you provide will be treated strictly confidential. Neither your name nor that of your business will be recorded. The findings of the study can be availed to you upon completion in case you may need them.

Your support will be highly appreciated.

Thank you in advance.

Yours faithfully

JAMES MWAMBA — DR. MUSYOKA

STUDENT — SUPERVISOR

Appendix 2: Questionnaire

On behalf of your organization, I kindly request you to spare some of your time and answer the following questions to facilitate completion of this study, your response will be treated purely for academic purpose.

Part A:

General information

1. Your name (optional) ....
2. Your job title ....
3. Name of your Television station ....
4. Please indicate the ownership of your TV station
   i. Public owned .... ( ) Private owned .... ( )
   (Tick where appropriate)
5. How long has your station been in operation?
   i. Less than 5 years ....( ) (ii) Between 5-10 years .... ( )
   (iii) Between 10 – 15 years...... ( ) (iv) More than 15 years .... ( )
   (Tick where appropriate)
6. Which of the following programmes are offered by your TV station? (Tick appropriate boxes)
   i. Music .... ( ) (ii) Film .... ( )
   (iii) Plays & Comedy (local or foreign)......... ( ) (iv) Soaps .... ( )
   (v) News bulletins (local & international)........................ ( )
   (vi) Sports (local & international)................................ ( )
   (vii) Interactive programs (interviews)........................... ( )
   (viii) Religious programmes... ( )
   (ix) Advertisements........... ( ) (x) Weather forecast reports .... ( )
   (xi) Commentaries / Documentaries ... ( ) (xii) Press reviews .... ( )
   (xiii) Business reports (stock market, exchange rates,)................ .( )
   (xiv) Agricultural programmes.............. ( ) Others (specify)..................... ( )

Part B

1. Do you segment your market?
   a) Yes ( ) No ( )
   If your answer is yes, go to number 2, 3, 6 and 7, but if no, go to number 4 &5
2. Indicate the nature of your individual customers ticking the appropriate boxes
   a) Children ( ) (b) Youth ( ) (c)Middle age ( )
   (d) Old aged people ( ) (e) Married people ( ) (f) Professional ( )
   b) Others (specify) ( )
3. When segmenting your market do you use the following criteria;

	Yes	No
a) Size of the audience	( )	( )
b) Growth potential	( )	( )
c) Viewers characteristics	( )	( )
d) Ability to identify target market	( )	( )
e) How do reach target audience (viewers) with programs	( )	( )
f) Whether the target market do view your programs	( )	( )
g) Reactions of viewers to your programs	( )	( )

h) Differentiating viewers ( ) ( )

4. Why do you not segment your market?
(Tick where appropriate).
a) Have little knowledge about segmentation .... ( )
b) The firm is too small .... ( )
c) All our customers have similar needs................................ ( )
d) The market is not accessible .... ( )
e) It is expensive to segment the market .... ( )

5. Without formalized market segment
a) How do you ensure that you services are suitable for all viewers?
____
____
____

b) How do you prospect for viewers?
____
____
____

c) How will you know the specific requirements of your viewers?
____
____
____

d) How will you know if viewers are satisfied or not?
____
____
____

Part C

6. To what extent has your TV station used the following variables to segment the market? Please tick the applicable variables to your organization on the scale of 1-5, where;
(5) To a very great extent (4) To a great extent (3) To a moderate extent
(2) To a small extent (1) To no extent

Market segmentation variables	scores				
	1	2	3	4	5
Demographics:	( )	( )	( )	( )	( )
i.Age :(a) infants	( )	( )	( )	( )	( )
(b) Youth	( )	( )	( )	( )	( )
(c) Adults	( )	( )	( )	( )	( )
(d) Old aged	( )	( )	( )	( )	( )
ii.Gender (a) Male	( )	( )	( )	( )	( )
(b) Female	( )	( )	( )	( )	( )
iii. Family life cycle					
(a) Single	( )	( )	( )	( )	( )
(b) Newly married	( )	( )	( )	( )	( )
(c) Married with Children	( )	( )	( )	( )	( )
iv. Income:					
(a) Low income	( )	( )	( )	( )	( )

(b) Middle income	( )	( )	( )	( )	( )
(c) High income	( )	( )	( )	( )	( )
v. Education:					
(a) Primary	( )	( )	( )	( )	( )
(b) Secondary	( )	( )	( )	( )	( )
(c) College	( )	( )	( )	( )	( )
(d) University	( )	( )	( )	( )	( )
vi. Occupation:					
(a)Professionals	( )	( )	( )	( )	( )
(b) Managerial	( )	( )	( )	( )	( )
(c)Technical	( )	( )	( )	( )	( )
(d)Semi- skilled	( )	( )	( )	( )	( )
(e)Non- skilled	( )	( )	( )	( )	( )
vii. Religion:					
(a) Christians	( )	( )	( )	( )	( )
(b) Muslims	( )	( )	( )	( )	( )
(c) Others	( )	( )	( )	( )	( )
viii. Language:					
(a) Kiswahili	( )	( )	( )	( )	( )
(b) English	( )	( )	( )	( )	( )
(c) Vernacular	( )	( )	( )	( )	( )
(d) Others	( )	( )	( )	( )	( )
ix. Ethnic groups					
(a) Luos	( )	( )	( )	( )	( )
(b) Kikuyus	( )	( )	( )	( )	( )
(c) Luhyas	( )	( )	( )	( )	( )
(d) Kalenjins	( )	( )	( )	( )	( )
(e) Others	( )	( )	( )	( )	( )
x. Nationality					
(a) Kenyan	( )	( )	( )	( )	( )
(b) Non – Kenyan	( )	( )	( )	( )	( )
<u>Geographic:</u>					
i. Region	( )	( )	( )	( )	( )
ii. Country	( )	( )	( )	( )	( )
iii. Cities/Towns	( )	( )	( )	( )	( )
iv. Rural areas	( )	( )	( )	( )	( )
<u>Behavioral:</u>					
i) Benefits sought:					
(a) Entertainment	( )	( )	( )	( )	( )
(b) News	( )	( )	( )	( )	( )
(c) Sports	( )	( )	( )	( )	( )
ii) Brand Loyalty					
(a) Non-loyal viewers	( )	( )	( )	( )	( )
(b) Loyal viewers	( )	( )	( )	( )	( )
(c) Ex-loyal viewers	( )	( )	( )	( )	( )

(iii)Usage time rate

(a) High viewer ship	( )	( )	( )	( )	( )
(b) Light viewer ship	( )	( )	( )	( )	( )
(c) Low viewer ship	( )	( )	( )	( )	( )
(d) Non viewer ship	( )	( )	( )	( )	( )

Psychographics

i) Lifestyle	( )	( )	( )	( )	( )
ii) Personality	( )	( )	( )	( )	( )
iii) Social class:(a) Lower	( )	( )	( )	( )	( )
(b) Middle	( )	( )	( )	( )	( )
(c) Upper	( )	( )	( )	( )	( )

Living Standards Measure:

Living Standards Measure (LSM) is away of segmenting people based on their affordability, access to and use of wide range of products and services.

Do you use living standards measure to segment the market?

Yes ( ) No ( )

If your answer is yes, go to section 1, but if no go to section 2.

Section 1

Indicate the nature of your individual customers by taking the appropriate boxes

a) LSM 1-3 b) LSM 4-6 (c) LSM 7 -11 (d) LSM 12-17

Section 2

Why do you not segment your customers by using Living Standards Measure (LSM)?

Have little knowledge about LSM .... ( )

We have similar customers .... ( )

It is expensive to use LSM in market segmentation .... ( )

Part D

7. The process of market segmentation involves three stages;

a) Do you do some survey to identify potential viewers Yes ( ) No ( )

b) Do you compile data on the following:

(i) Who view your programs Yes ( ) No ( )

(ii) What programs do they view Yes ( ) No ( )

(iii) Why do they view those programs Yes ( ) No ( )

c) Once you have done the analysis, do you segment your market viewers into various groups? Such as:

	Yes	No		Yes	No
Age	( )	( )	Sex	( )	( )
Income	( )	( )	Religion	( )	( )
Others	( )	( )			

Thank you for your sincere cooperation in this exercise.

Appendix 3: List of television stations in Kenya:

1) Kenya Broadcasting Corporation Television (KBC/ Channel 1 TV)
2) Kenya Television Network(KTN)
3) Nation Television (NTV)
4) Sayare Television
5) Citizen Television
6) Digitals Television (DSTV)
7) East Africa Television/ Channel 5
8) Channel 2 Television
9) K24 Television
10) Aljazeera Television
11) Oxygen Digital Television (ODTV)
12) Stellavision (STV)
13) Gateway Television (GTV)