

**EFFECTS OF LIBERALIZATION OF AIRWAVES ON TELEVISION
ADVERTISING IN KENYA**

MBUBA, JUNE KARIMI

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DECLARATION

This Research Project is my own original work and has not been presented for a Degree Qualification in any other University or Institution of learning.

SIGNED DATE

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D61/68140/2013

This Research Project has been submitted for Examination with my approval as the University Supervisor.

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DEDICATION

This paper is dedicated to my dad, Mr. Erastus Mbuba and my mum, Mrs. Agnes Nkirote who have been a source of inspiration and support in the course of my studies.

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ABSTRACT

Liberalization eliminates state control over economic activities. It consists of a process through which some restrictions, mainly on economic or social policy of the former government can be relaxed. In particular, the revision requires setting up what liberalization of airwaves entails, to examine how liberalization of airwaves has impacted on television advertising and decide the changes that have occurred in media houses and the government before and after liberalization of airwaves in relation to television advertising. The objective of the study was to examine the effects of liberalization of airwaves on television advertising in Kenya. This study did adopt a survey research design where questionnaires containing closed questions were administered to the Marketing Managers in the media houses registered under the Communication Authority of Kenya. To achieve this objective, data was collected from primary sources which involved a well structured questionnaire. The questionnaires evaluated their response on the effects of liberalization of airwaves on the media houses especially on the television advertising and the government and found out that there have been effects of liberalization of airwaves on media houses especially as shown by great extent of high attitude of creativity and expansion of viewers' options and there has been a high percentage of relaxation of entry barriers to the media industry by the government. It would therefore be safe to conclude that liberalization of airwaves has a semi strong relationship with television advertising.

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LIST OF ABBREVIATIONS

TV	Television
KBC	Kenya Broadcasting Corporation
NTV	National Television
KTN	Kenya Television Network
K24	Kenya 24-Hour Network
QTV	Quick Time Television
GBS	Good news Broadcasting System

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

According to Abuoga & Absalom (1988), liberalization is the loosening of government controls and is most often used as an economic term. In particular, liberalization refers to reduction in restrictions on international trade and capital that is the removal of state restrictions on business. The process of liberalization has become a driving force for modern economic development throughout the world. Both developed and the developing economies have been initiating suitable reform measures in order to make their economies more vibrant and strategically competitive which would lead to greater efficiency in the allocation of resources and promote savings hence maximize growth.

Hackley (2005), explained that some theories are influential in advertising practice. First, the Hierarchy-of-effects model where customers do not switch from being completely uninterested to become convinced to buy the product in one step. It is created to show the process that an advertiser assumes that customers pass through in the actual purchase process and is based on six steps which as with other models must be completed in a linear way (Barry & Howard, 1990). Second, DAGMAR model was created to encourage measurable objectives for each stage of the communication and does not deal purely with the message (Mackay, 2005). It focuses on the levels of the understanding that a customer must have for the organization and on how to measure the results of an advertising campaign (Belch & Belch 1995). Lastly, AIDA model is a behavioral model that has a purpose to make sure that an advertisement raises awareness, stimulate interest and leads the customer to desire and eventually action (Hackley, 2005).

According to Kutswa, (2001) Kenya Broadcasting Corporation being a quasi government organization had difficulties balancing its obligation in operating commercially and serving the public interest as a National Public Service Broadcaster in terms of programming. Broadcasting has undergone changes as the country migrated to digital broadcasting by 2012. In addition, the industry has been shaped by the convergence of technologies which has seen new media the mobile phone online merge as a new entertainment as stated by the Ministry of information of Kenya 2014. A rich field of players in media has created a vibrant communication market that attracts huge advertising from many organizations (Gawaya, 1999). A recent study of private broadcasters in Africa found what may be a general pattern all over Africa, to wit: Private broadcasting licenses are often granted to individuals with close connections to government, these new commercial stations broadcast a restricted diet of popular music and religion and since they are dependent on advertising revenue, it is often not worth their while to broadcast in the full range of national languages or to seek an audience outside the main cities (Carver, Article 19, 1995). Kenya's media landscape is fully liberalized and vibrant. Since the airwaves were liberalized in the 1990's, the number of television stations has grown tremendously. Kenya enjoys a more diverse and liberalized media scene than other African countries, with a large middle class providing a base for substantial advertising revenue to the media houses. According to the Communication Authority of Kenya 2014, there are 108 television licenses that have been issued to 46 companies of which 20 television stations are on air.

1.1.1 Concept of Advertising

Copley (2004) explained advertising as a form of non-personal communication about an organization, product, service or idea from an identified sponsor, using mass media to persuade or influence an audience. The purpose of advertising is to sell a product and/or a service for an organization. The real objective of advertising is effective communication between goods and clients and increasing awareness. Hackley (2005) has listed some specific objectives of advertising such as; making an immediate sale, building primary demand, introducing a price deal, building brand recognition, helping salesman by building an awareness of a product among retailers, creating a reputation for service, reliability or research strength and increasing market share.

Mackay (2005) advertising comes in hand with so many importance such as: Advertising is very cost effective method to communicate to a large audience, advertising creates awareness, interest, desire and drives the consumer to the shop and advertising helps create brand image and symbolic appeal for the brand which is a very important for companies selling product/ services that are difficult to differentiate on functional attributes.

Adler (1980) television advertising is a form of digital advertising which has topped the list among the media advertising with the rapid growth of information technology and electronic media, and has had the most effective impact as it appeals to both the eye and the ear. Popular advertising campaigns attract customer's attentions and can help generate sales. Advertising works in stages so as to be successful. It starts from creating

awareness, Comprehension, Conviction and Action. The liberalization of airwaves has resulted to more advertising by the media stations for organizations hence increase in their sales and more so the media stations generating more revenue (Longman, 1971).

1.1.2 Concept of Liberalization

Rowland & Tracey (1990) states liberalization means elimination of state control over economic activities. It consists of a process through which some restrictions, mainly on economic or social policy of the former government can be relaxed. Liberalization can bring democracy in a country which has a big role in the economic reform in many countries. Liberalization implies greater autonomy to the business enterprises in decision-making and removal of government interference. Kutswa (2001) believed that the market forces of demand and supply would automatically operate to bring about great efficiency and the economy would recover. Liberalization often means economic liberalization or trade liberalization. Trade liberalization means relaxation of some restrictions like import-export tariffs, legislation barriers and quotas. Economic liberalization is characterized by low corporate tax rates, less restriction on foreign and domestic capital and labor market flexibility.

Ledergon (1992), states that liberalization is about encouraging growth of private sector, simplification of policy, regulation and structure, facilitating foreign direct investment, restructuring public sector for efficiency, providing incentives for exports and allowing more imports, putting emphasize on modernization of plants and equipment through liberalized imports of capital goods and technology, exposing the country's economy to competition by gradually reducing the import restrictions and tariffs and moving away from protection of small scale industries.

1.1.3 Advertising Industry in Kenya

The advertising industry in Kenya is rapidly developing and continues to attract both local and international players. The multibillion sector has seen exponential growth in the last few years up to 2012. Local advertising spend was estimated to be Ksh. 20 billion in 2008, which by 2011 had risen to Ksh 65.4 billion, exclusive of online and outdoor advertising. According to trend analysts, the political sector has the highest ad spend.

The Public Relations Society of Kenya represents the industry in the country and has affiliations to regional, continental and global PR bodies. It aims to promote the industry in the county to adhere to global standards of professionalization. The World Economic Forum's Global Competitiveness Report (2012-13) places Kenya 86th out of 144 countries in relation to the extent of marketing. It was given a value of 3.8 out of 7, below the world mean of 4.1, indicating that companies' use of sophisticated marketing tools and techniques is not yet extensive. This was reflected in terms of the buyer sophistication indicator, once again placing 86th, with a score of 3.3 out of 7. Coming just below the world mean of 3.5, this suggests that buyers are less likely to make purchasing decisions based on a sophisticated analysis of performance attributes, than based solely on price.

Historically, the airwaves in Kenya are foreign as opposed to indigenous in terms of their technology and structure, they are as such, not Kenyan although, and in their use they have become localized. The Kenyan media is now the most diverse in east Africa, with a

large middle class providing a base for substantial advertising revenue. The concept of airwaves is drastically changing.

Kutswa, (2001) on his study defines the relevance of liberalization of airwaves as that which try to deal with the contemporary issues in an objective manner and then into other areas such as advertising. He further argues that development interventions through the airwaves are part of the liberal approach to change in society that assumes that by raising people's consciousness about their situation, their enhanced state of awareness especially through advertising can bring the general dynamics of change. The content should include interviews which emphasize unknown people whose ideas are new, challenging and unique, and can promote or encourage others and should include advertising which creates awareness and encourages customers to buy more hence increasing sales volume and market share. In addition, there should be utility programs, which he says are useful in literacy, awareness, education and public enlightenment campaigns.

In Kenya, there is no overall communication policy that has been explicitly formulated. But Lederbogen (1992) argued, it is reasonable to assume that the media policy in Kenya should have at least three major concerns; National Integration: this is the integration of the individual into a supra ordinate political system, the reduction of separation and segregation strivings, building of national awareness, Cultural self-identification: preserving cultural identity by receiving the values of traditional culture and creating a national culture and Socio-economic modernization: this is the innovations of material and immaterial kinds like the dissemination of technical information.

1.2 Research Problem

Bagdikian (1985) says liberalization is a very broad term that usually refers to fewer government regulations and restrictions in the economy. The process of liberalization has become a driving force for modern economic development throughout the world. Countries have learnt how to specialize in what they can do best and yield maximum returns which has allowed consumers to benefit from lower prices and new services which are usually more efficient and consumer friendly than before (Barendt, 1995). Lavidge & Steiners (1961), states that the Hierarchy-of-effects model do not switch from being completely uninterested to become convinced to buy the product in one step. It was created to show the process that an advertiser assumes that customers pass through in the actual purchase process and is based on six steps which as with other models must be completed in a linear way (Barry & Howard, 1990). Mackay (2005) explained that DAGMAR model was created to encourage measurable objectives for each stage of the communication and does not deal purely with the message. It focuses on the levels of the understanding that a customer must have for the organization and on how to measure the results of advertising campaign (Belch & Belch, 1995). AIDA model which is a behavioral model that makes sure that an advertisement raises awareness, stimulate interest and leads the customer to desire and eventually (Hackley, 2005).

According to Barlow (2002) advertising adds value to brands by influencing perceptions. Effective advertising causes brands to be viewed as more elegant, more stylish, more prestigious and of higher quality which leads to increased market share and greater profitability. Advertising seeks to promote the seller's product by means of printed and

electronic media. This is justified on the grounds that messages can reach large number of people and make them aware and persuade and remind them about the firm's offerings. Advertising is an important strategic device for maintaining a competitive advantage in the market place (Parikh, 2004). Advertising industry has radically changed. Explosion in media has made the task of advertising planning and management more challenging and demanding. Through local and international pressure, the government took a bold step and liberalized the airwaves. In the process, it has released excess forces to compete in the marketplace and now the Nairobi County economy is more robust than it was before. Liberalization of airwaves fostered competition which in turn has spurred improvement in quality and efficient marketplace through advertising of organizations products and services (Robert, 1960).

Oriare & Rose (2008) did a study to explore children's understanding of television advertising intent. The findings indicated that the participating children viewed advertising as serving interests including, but not limited to, the advertiser. The existence of other interested parties was suggested by the children, namely the agendas of the viewers and the television channels. The authors found that the children viewed advertising as being larger and more complex than the advertiser's perspective, which has been the traditional focus in the extant research. Mulwa & Murithi (2009) researched on impact of liberalization on efficiency and productivity of sugar industry in Kenya. They found out that in 1992 the Kenyan government liberalized the sugar industry and the role of the market increased, while the government's role with respect to control prices, imports and other aspects in the sector declined. University of Nairobi, school of

Journalism and Mass Communication (2011), did a research on the impact of liberalization of airwaves on television programmes. The findings were that foreign programmes had a larger share of airtime at KBC Channel One. That the station had put more emphasis on entertainment and information themes, while reducing the number of programmes on other thematic concerns like education, religious and political themes. A review of literature shows very few studies have been undertaken to assess the level of liberalization of airwaves in Kenya and the effects they have had on advertising. The aim of this study is to fill this gap by establishing the effects of liberalization of airwaves on television advertising in Kenya. What are the effects of liberalization of airwaves on television advertising in Kenya?

1.3 Objectives of the Study

The objective of the study was to examine the effects of liberalization of airwaves on television advertising in Kenya.

1.4 Value of the Study

The media houses may use the results of the study in providing appropriate services to the audience, hence promoting effectiveness in management of media services. The system of media industry and the ongoing management monitoring activities are well designed and operate effectively, efficiently and economically in managing the programmes according to the directions provided by the management. This ensures the timelines of programmes assignments and proper use and allocation of resources to programmes assignments.

The Ministry of Media may use the study results in policy issues that may be aimed at improving effectiveness of internal media which would ensure proper programming by the stations. The study results may be useful for planning and decision making in the Media Industry to improve effective performance of the local television programming in Kenya and most importantly in achieving vision 2030. The academicians and business researchers will be able to borrow from the findings of this research to be able to support literary citations as well as develop themes for further research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter examines the literature to develop a framework for this study. It gives a summary and, in this case, reviews thoroughly what other scholars have done on the subject. It includes: introduction, advertising, features of advertising, advertising theories, importance of advertising and challenges faced during advertising.

2.2 Theoretical Background

There are theories within advertising that have been highly influential in both textbooks and also in the professional advertising practice (Hackley, 2005).

2.2.1 Hierarchy-of-effects model

This model was published during the same period as DAGMAR. The model was named the hierarchy-of-effects model which is the same name as some authors used on the foundation theory and will therefore go under the name, Hierarchy-of-effects model. According to this model customers do not switch from being completely uninterested to become convinced to buy the product in one step. It is created to show the process, or steps, that an advertiser assumes that customers pass through in the actual purchase process (Barry & Howard, 1990) and is based on six steps, which as with other models must be completed in a linear way.

The big difference between this model and others is not only the steps, but also the view on how to pass them. Lavidge & Steiner (1961) wrote that the steps had to be completed in a linear way, but 'a potential purchases sometimes may move up several steps

simultaneously' (Ladvige & Steiner, 1961, P. 60) which is supported by Munoz (2002) who wrote that normally ultimate customers do not switch directly from being interested to become convinced buyers.

Lavidge & Steiner identify the six steps in the following order: Close to purchasing but still a long way from the cash register, are those who are merely aware of its existence, up a step are prospects who know what the product has to offer, still closer to purchasing are those who have favorable attitudes toward the product, those whose favorable attitudes have developed to the point of preference over all other possibilities are up still another step, even closer to purchasing are customers who couple preference with a desire to buy and the conviction that the purchase would be wise and finally is the step that translates this attitude into actual purchase (Lavidge & Steiner, 1961).

Lavidge & Steiner (1961) also wrote, that they are fully aware of the impulsive purchases that customers can make, but they mean that for higher economical goods these steps are essential for the advertiser to include. This model also has a promise that advertising occurs over a period of time, and may not lead to immediate response and purchase. It is rather a series of effects that has to occur, with each step fulfilled on the way towards the next stage (Lavidge & Steiner, 1961). This model has been criticized because there is no evidence on the fact that awareness of products leads to purchase and the steps are still unclear. Critics do not think that the model explains how the customers will go from one step to another and to point out the steps without explaining them further is not seen as enough (Palda, 1966).

2.4.2 DAGMAR Model

DAGMAR was created in preparation of a report for the Association of National Advertisers. This report was entitled Defining Advertising Goals for Measured Advertising Results, shortened down to DAGMAR and therefore, the name (Belch & Belch, 1995) and was later in 1996 published as a book with the same title (Mackay, 2005). DAGMAR was created to encourage measurable objectives for each stage of the communication and does not deal purely with the message (Mackay, 2005). DAGMAR focuses on the levels of the understanding that a customer must have for the organization and on how to measure the results of an advertising campaign (Belch & Belch, 1995).

The main conclusions on the DAGMAR theory were expressed in the following quotation. 'All commercial communications that weigh on the ultimate objective of a sale must carry a prospect through four levels of understanding which are; the prospect must first be aware of the existence of a brand or organization, the prospect must have a comprehension of what the product is and what it will do for him/her, the prospect must arrive at a mental suspicion or conviction to buy the product and the prospect must stir himself/herself to action' (Mackay, 2005).

The communication has to be specific and measurable based on the above hierarchical model containing the four stages set out in the quotation (Mackay, 2005). DAGMAR reliance on the hierarchy-of-effects theory is one of its criticisms. Customers do not always pass through the stages in a linear way. Another criticism is that it focuses too much on strategies. Many creative people within advertising are looking for the great unique idea that can result in a successful campaign and feels that the DAGMAR

approach is too concerned with quantitative measurements on the campaign (Belch & Belch, 1995).

2.4.3 AIDA Model

AIDA was created by Strong in 1925 and is a behavioral model that has a purpose to make sure that an advertisement raises awareness, stimulate interest and leads the customer to desire and eventually action (Hackley, 2005). This model is seen as a highly persuasive and is said to often unconsciously affect our thinking (Butterfield, 1997). With the AIDA model Strong suggests that for an advertisement to be effective it has to be one that: commands attention, leads to interest in the product then desire to own or use the product and finally leads to action (Mackay, 2005). For the advertisement to contribute to success, it has to be designed so that the customer passes through all those four phases, with all being equally important. The model implies that advertising should inject memorable and believable messages that will make customers triggered to act in certain way (Brierley, 2002).

Advertising community, claim that there is no evidence that customers behave in this rational, linear way which means that mass media advertising in general fail to stimulate desire or action. The model ignores the role of context, environment and mediation in influencing the effectiveness of the advertisement. Another criticism is that the model represents only high-involvement purchases. According to AIDA customers always goes through this rational process when buying products, but many says that purchases more often are spontaneous (Hackley, 2005).

2.3 Advertising Planning

Brierley (2002) believed that there are various definitions of advertising: According to American Marketing Association, advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor, using mass media to persuade or influence an audience, advertising consists of all the activities involved in presenting to an audience a non-personal, sponsor identified, paid for message about a product or organization, advertising is the means of mass selling that has grown up parallel with and has been made necessary to mass production and Advertising is to give public notice or to announce publicity (Muoz, 2002).

Vakratsas & Ambler (1999) advertising is used to communicate the business information to the present and prospective customers in the target markets. Advertising usually provides information about the advertising firm, the product qualities and the place of availability of its products. Butterfield (1997) advertisement is indispensable for both the sellers and the buyers in the market. It is very important for the product sellers, in the modern age of large production and the product producers not to think of pushing sale of their products by advertising them. Advertisement usually supplements personal selling of products to a great extent. Advertising has in many ways acquired great importance in the modern world where tough competition in the market and fast trending changes in technology, where we find fashion and taste in the customers (Iyer & Sobermann, 2005).

Parante (2004) explained that a customer starts his/her buying process by processing the information sent out to him/her by different organization as mass communication like a media advertisement. The customers then build up brand knowledge and more so create a

stronger need for the product in question. When the customer later on after the advertisement feels they have need for more information then they reach out to the organization and it's usually a sales person so as to find out more about the offer. Henceforth, the organization has their chance to convince their customers by the relationship communications (Longman, 1971).

Adler (1980) said that for a product advertisement to be successful, it is not normally enough to send out a message and then hope for good results in regards to the product sales. Each day customers are exposed to more advertisements which can be annoying to them. In the market today, most customers tend to have a very high negative attitude towards advertising hence makes it very hard for organizations to reach their target audience. Advertising strategy is getting of higher significance and it is essential for organizations to have a clear strategy to follow (Zanot, 1981). Many advertisers believe that advertising is all about creating the ultimate message and choosing the perfect media channel, which not the case. There is need to create right strategies and an advertising plan has to be set in action.

2.4 Features of Advertising

Hackley, (2005) explained that effectiveness and persuasiveness of advertisements are closely linked. While different products often have different goals, the general intent of each is to persuade customers to think, feel or act in a certain way toward the organization brand. With this in mind, effective, persuasive advertisements have several common features like where advertising persuades where the advertiser expects to create a very favorable attitude from the advertisement which eventually will lead to favorable

actions. It is a process that attempts to convert the prospects in the market into customers of the products (Mackay, 2005).

Bearden & Laforge (2004) showed how advertising helps in profit maximization by promoting the product sales which would not lead to increase the price of the product hence higher sales approach rather than the higher-cost approach. Advertising is an art because it represents a large field of creativity, a science because it has a body of a well organized knowledge and a profession because it is now treated with its own professional bodies and code of conduct for its members. Advertising is an element of marketing mix has it has proved to be of great utility to sell goods and/or services. Another feature is that advertising is an element of creativity because a good advertising campaign involves a lot of imagination and creativity. A successful campaign takes place when the message of the advertiser matches the expectations of consumers (Jobber, 2004). Advertising informs the customers or buyers on the benefits they get on purchasing a particular product where the information given should be complete and true. More so, advertising facilitates communication where advertising is a non-personal communication because it is addressed to masses. It is a means of mass communication (Iyer & Sobermann, 2005). Advertising facilitates consumer choice as it enables consumers to purchase goods according to their budget choice and requirements that makes consumers satisfied and happy. Lastly, advertising is non-personal character as it is not meant for anyone individually but for all which leads to absence of personal appeal in it (Barlow, 2002).

2.5 Importance of Advertising

Vakratsas & Ambler (1999) advertising has become an essential marketing activity in the modern era of large scale production and serves competition in the market. It performs

the following functions: advertising facilitates large-scale production in an organization. Advertising encourages production of goods in large-scale because the business firm knows that it will be able to sell on large-scale with the help of advertising which will help cut costs and maximize profits (Robert, 1960). Mass production reduces the cost of production per unit by the economical use of various factors of production. Advertising stimulates research and development activities in a firm. Advertising has become a competitive marketing activity and every firm tries to differentiate its product from the substitutes available in the market through advertising. This compels every 5 business firm to do more and more research to find new products, modify existing products and their new uses. If a firm does not engage in research and development activities, it will be out of the market in the near future due to lack of competition (Zanot, 1981).

Yadin (2002) promotion of sales as it promotes the sale of goods and services by informing and persuading the people to buy them. A good advertising campaign helps in winning new customers both in the national as well as in the international markets. Advertising helps in introduction of new products in the market (Zanot, 1981). A business enterprise can introduce itself and its products to the public through advertising. A new enterprise can't make an impact on the prospective customers without the help of advertising. Advertising enables quick publicity of both the company and its products in the market (Adler, 1980).

Jobber (2004) support to press is also a major importance of advertising as it is an important source of revenue to the publishers and magazines. It enables to increase the

circulation of their publication by selling them at lower rates. People are also benefited because they get publications at cheaper rates. Advertising is also a source of revenue for television network. Advertising builds up the reputation of the advertiser (Belch & Belch, 1998). Advertising enables a business firm to communicate its achievements in an effort to satisfy the customers' needs and wants. This increases the goodwill and reputation of the firm which is necessary to fight against competition in the market. Finally, advertising educate the people about new products and their uses. Advertising message about the utility of a product enables the people to widen their knowledge. It is advertising which has helped people in adopting new ways of life and giving-up old habits. It has contributed a lot towards the betterment of the standard of living of the society (Zanot, 1981).

2.6 Challenges faced in Advertising

Yadin (2002) despite the fact that the advertising industry is looking up, challenges still exist. Many agencies have downsized or laid off employees while others moved to different industries because they were unsure about their jobs. Social media has dramatically changed the advertising game and presents many challenges for advertising agencies. Some of the hurdles include using social media to make money for clients, successfully integrating social media into overall campaigns and convincing clients that hiring experts in social media can be more effective than doing it themselves. “The broad social media phenomena is a game changer for the advertising industry and must be integrated with traditional campaigns,” Butterfield (1997) says. “One of the challenges is that virtually every individual with a Facebook page believes themselves to be experts

and hang out their shingle. Doing it right is hard work that requires a strategy for capturing followers, responders and a specific action beyond 'like'".

Barry & Howard (1990) the lack of communication and direction from clients can make agency life difficult and consequently this lack of information is something that gets passed on from agencies to publishers as well. The waiting game that results as agencies and publishers play as decisions are finalized ultimately leads to higher costs for the advertiser. The solution for clients is not just more data but simplified actionable data that arms them with the justification to ask for budgets within their own team and provides clear evidence why the course of action they're taking is the right course of action. According to Jobber (2004) another challenge is to measure advertisements exact results. It's an age-old question and it's still one that agencies are still actively trying to answer. There have been a multitude of companies that have sprung up on different variations of media attribution. Agencies have to answer the measurement question by providing a different answer for each client — each depending on the life stage and size of the brand and upon the points of data available at their disposal.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter defines the design of the study and the research method, which was used to get responses from the target population. It further highlights data collection procedures including data collection instruments that were used. The chapter concludes with highlighting how data was analyzed.

3.2 Research Design

This study did adopt a survey research design. A research design describes plan, structure and strategy of investigation to obtain answers to research questions and control variance (Ogula, 2005). This research design as defined by Orodho (2003) is a method of collecting information by interviewing or administering a questionnaire to a sample of respondents. This design was used because it can address the research topic.

3.3 Target Population

Target population is the specific population about which information is desired. Mugenda (1999), a population is a well defined set of people, services, elements event and group of things or households that are being investigated. This constituted of all television stations registered in Kenya which total up to 20 as estimated by the Communication Authority of Kenya in 2014. These television stations includes: KBC, NTV, KTN, Citizen , K24, Family TV, QTV, Sayare TV, Baite TV, Njata TV, Pwani TV, Kass TV, Bunge TV, Utugi TV, Kiss TV, GBS TV, Bazaar TV, Farmer TV, Youth TV and Hope TV. This means the researcher used Census as a method of data collection as data was collected from every respondent of the population being studied.

3.4 Data collection

Primary data was collected using a structured questionnaire. The questionnaire contained closed questions for easy analysis and to avoid respondents digressing from the real issue of the study. The questionnaire was administered to the Marketing Managers in the media houses and where it was possible, discussed the contents of the questionnaire with the respondent and left him/her to fill it at his/her own time as it was administered through ‘a drop and pick technique’. The questionnaire was divided into two sections. Section A aimed at gathering the personal information of the respondents. Section B was used to determine the effects of the liberalization of the airwaves on television advertising on the media houses and the government in Kenya.

3.5 Data Analysis

The data collected was analyzed by use of descriptive statistics namely the frequency, percentage, mean and standard deviation which was used to determine how the mean is representative of the observation.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter consists of data analysis and discussion of findings. It therefore presents findings on the effects of liberalization of airwaves on television advertising in Kenya. The study was carried out among twenty media houses registered with the communication Authority of Kenya. The findings have been presented into two main sections, background information of the marketing managers in media houses and the effects of liberalization of airwaves on television advertising on both the media houses and the government.

4.2 Response Rate

Questionnaires were distributed to twenty media houses registered under communication Authority of Kenya and eighteen of them responded through filling the questionnaires which were returned to the researcher. This formed 90% of the population of the study. According to Donald (2011) the response rate of the sample size should be more than half the sample size. Therefore the response rate was adequate for the study. The Table 4.1 contains the results.

Table 4.1 Response Rate

Response	Frequency	Percentage
Respondents	18	90
Non Respondents	2	10
Total	20	100

Source: Research Findings (2015)

4.3 General Information of Respondents

4.3.1 Gender

The respondents were asked to indicate their gender. The findings are contained in the Table 4.2

Table 4.2 Gender of Respondents

Gender	Frequency	Percentage
Male	12	67
Female	6	33
Total	18	100

Source: Research Findings (2015)

According to the findings, 67% of the respondents said that they were male and 33% indicated that they were female. The findings show that the media industry marketing managers is dominant of male gender.

4.3.2 Age Bracket

The respondents were asked to indicate their age bracket. The findings are contained in the Table 4.3

Table 4.3 Age Bracket

Age Bracket	Frequency	Percentage
18 – 30	2	11
31 – 40	10	56
41 – 50	5	27
Above 50	1	6
Total	18	100

Source: Research Findings (2015)

The findings show that, 56% of the respondents were in the age bracket of 31 – 40 years, 27% of the respondents were in the age bracket of 41 – 50 years, 11% of the respondents were in the age bracket of 18 – 30 years and 6% of the respondents were in the age bracket of above 50 years. The findings show that the respondents in the age bracket of 31 – 40 years are mature hence can contribute valuable response to the study.

4.3.3 Marital Status

The respondents were asked to indicate their marital status. The findings are contained in the Table 4.4

Table 4.4 Marital Status

Marital Status	Frequency	Percentage
Single	3	17
Married	14	78
Divorced	1	5
Widowed	0	0
Total	18	100

Source: Research Findings (2015)

According to Table 4.4, 78% of the respondents were married, 17% of the respondents were single, 5% of the respondents were divorced and none of the respondents was widowed. The findings show that most of the respondents were married; this implies that most of the respondents are in great position of making decisions.

4.3.4 Level of Education

The respondents were asked to indicate their level of education. The findings are contained in Table 4.5 below:

Table 4.5 Level of Education

Level of Education	Frequency	Percentage
Degree	9	50
Masters	8	44
PhD	0	0
Others	1	6
Total	18	100

Source: Research Findings (2015)

The study found out that, most of the respondents have a degree at 50%, 44% of the respondents have a masters, 6% of the respondents have other level of education like a diploma and none had a PhD. Most of the respondents had high level of education and training which is a key factor and ingredient in the determination of how successful television advertising will be.

4.3.5 Income

On the hand, the study sought to establish the income of the respondents. The findings are contained in the Table 4.6

Table 4.6 Income

Income	Frequency	Percentage
Below 20,000	0	0
21,000 – 40,000	0	0
41,000 – 60,000	3	17
Above 60,000	15	83
Total	18	100

Source: Research Findings (2015)

According to Table 4.6, 83% of the respondents earn above Ksh. 60,000, 17% of respondents earn between Ksh. 41,000 – 60,000 and none of the respondents earned below Ksh. 40,000. The results show that most of the respondents earn a high amount of money which implies that they are capable of managing high amounts of advertising expenses.

4.4 Effects of Liberalization of airwaves on the Media Houses

The respondents were asked to indicate the effects liberalization of airwaves has had on the media houses. The results are contained in Table 4.7

Table 4.7 Effects of Liberalization of airwaves on the Media Houses

Statement	Score					Mean	Std Dev.
	5	4	3	2	1		
Wider latitude of programming	10(56%)	8(44%)	0	0	0	3.6	4.98
Increased advertising potential	10(56%)	8(44%)	0	0	0	3.6	4.98
Higher attitude of creativity	14(78%)	4(22%)	0	0	0	3.6	6.07
Effectiveness and efficiency in programming	6(33%)	10(56%)	2(11%)	0	0	3.6	4.34
Increased job opportunities	12(67%)	4(22%)	2(11%)	0	0	3.6	4.98
Signals interference, overlap and jamming	2(11%)	7(39%)	6(33%)	2(11%)	1(6%)	3.6	2.70
Job satisfaction	1(6%)	12(66%)	4(22%)	1(6%)	0	3.6	4.93
Commercialization of news	4(22%)	10(56%)	2(10%)	1(6%)	1(6%)	3.6	3.78
Professionalism	2(11%)	10(56%)	2(11%)	4(22%)	0	3.6	3.85
Enhance practice of democratic ideal of freedom of expression	5(28%)	7(39%)	6(33%)	0	0	3.6	3.36
Expansion of viewers options	13(72%)	4(22%)	1(6%)	0	0	3.6	5.50
Audience confusion and apathy due to wide range of options on television stations	4(22%)	8(44%)	4(22%)	1(6%)	1(6%)	3.6	2.88
Improved technology	10(56%)	6(32%)	1(6%)	0	1(6%)	3.6	4.28
Healthy intra-industrial rivalry	7(39%)	8(44%)	2(11%)	1(6%)	0	3.6	3.65
More revenue generation from advertising activities	13(72%)	4(22%)	1(6%)	0	0	3.6	5.50
Spread and full utilization of Kenyan indigenous languages	11(61%)	5(27%)	1(6%)	1(6%)	0	3.6	4.56
Increased privately-owned commercial television stations	10(56%)	8(44%)	0	0	0	3.6	4.98
Unhealthy intra and inter media conglomerate rivalry	3(17%)	4(22%)	6(33%)	2(11%)	3(17%)	3.6	1.52
Increased media ethics	2(11%)	6(33%)	4(23%)	6(33%)	0	3.6	2.61
Conformation to the standards of journalism in Kenya	4(22%)	5(28%)	8(44%)	1(6%)	0	3.6	3.21
Better planning by media industry	0	8(44%)	9(50%)	1(6%)	0	3.6	4.51

Source: Research Findings (2015)

According to the results depicted in Table 4.7, majority of the respondents agreed that there have been effects of liberalization of airwaves on media houses especially as shown by great extent of 78% of higher attitude of creativity and 72% of expansion of viewers' options. Some respondents at 17% felt that the effects of liberalization of airwaves on media houses has had a negative effect where there have been unhealthy intra and inter media conglomerate rivalry and a few other effects at 6% like signals interference, overlap and jamming, commercialization of news, audience confusion and apathy due to wide range of options on television stations and improved technology.

Uganda released a report, a result of a study carried out in various media houses on media liberalization in Uganda, where they found out that media owners, have desire to maximize profits which resulted into reduced investment in training and remuneration for media practitioners, research and quality production with more concentration on entertainment and marketing which is a cost to the industry.

4.5 Effects of Liberalization of airwaves on the Government

The respondents were asked to indicate the effects liberalization of airwaves has had on the government. The results are contained in Table 4.8

Table 4.8 Effects of Liberalization of airwaves on the Government

Statement	Score					Mean	Std Dev.
	5	4	3	2	1		
Reduced revenues	1(6%)	6(33%)	5(28%)	4(22%)	2(11%)	3.6	2.07
Increased viewership	5(28%)	4(22%)	5(28%)	2(11%)	2(11%)	3.6	1.52
Cultural imperialism	0	6(34%)	8(44%)	2(11%)	2(11%)	3.6	3.29
Morality	0	5(28%)	8(44%)	4(22%)	1(6%)	3.6	3.21
Diversification for more investors	6(33%)	8(44%)	2(11%)	1(6%)	1(6%)	3.6	3.21
Increased regulation	5(28%)	10(56%)	3(17%)	0	0	3.6	4.16
Cultural pride	5(28%)	7(39%)	2(11%)	2(11%)	2(11%)	3.6	2.30
Relaxation of entry barriers	3(16%)	1(6%)	12(67%)	2(11%)	0	3.6	4.83
National integration	1(6%)	4(22%)	7(39%)	4(22%)	2(11%)	3.6	2.30
Political stability	1(6%)	1(6%)	10(55%)	6(33%)	0	3.6	4.28
Socio-economic modernization	1(6%)	6(33%)	10(55%)	1(6%)	0	3.6	4.28
Broad public arena	5(28%)	7(38%)	5(28%)	0	1(6%)	3.6	2.97
Cultural self identification	2(11%)	7(39%)	8(44%)	1(6%)	0	3.6	3.65
Social mobilization	6(33%)	4(22%)	6(33%)	1(6%)	1(6%)	3.6	2.51
Better communication	8(44%)	6(33%)	2(11%)	1(6%)	1(6%)	3.6	3.21

Source: Research Findings (2015)

From the results shown in the Table 4.8, there was an agreement from most of the respondents that there have been effects of liberalization of airwaves on the government. This is from the fact that a high percentage of 67% of the respondents are inclined to the fact there has relaxation of entry barriers to the media industry. The percentage ranging between 11% and 6% which is low indicates that few respondents felt that there have been few effects of liberalization of airwaves on the government especially on diversification for more investors and broad public arena. But Oketunmbi (2006 & 2007) did a study on impact of liberalization of broadcasting in Nigeria and found out that it had

great effects on the government where the government after liberalization stated that every person was entitled to own, establish and operate any medium for the dissemination of information, ideas and opinions provided that no person other than the Government of Federation shall own, establish or operate a television broadcasting station for any purpose whatsoever.

4.6 Future of Television Advertising

The respondents were asked to indicate their thoughts on the future of the television advertising. The results are contained in Table 4.9

Table 4.9 Future of Television Advertising

Statement	Frequency	Percentage
Advertisers will get value of their money	2	11
High Competition	2	11
Reduction of advertising rates	3	16
Market segmentation	1	6
Rise in creativity level	1	6
Growth in terms of revenue	5	28
Reduced media houses advertising budgets	4	22
Total	18	100

Source: Research Findings (2015)

Table 4.9 shows that most of the respondents at 28% indicated that in future the television advertising programs would lead to growth in terms of revenue for the media

houses, others at 22% indicated that there would be reduced media houses advertising budgets. Few respondents at 6% indicated that there would be market segmentation and rise in the creativity level.

CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter discusses the findings from the data that was analyzed and the conclusions made. The findings have been summarized alongside the objectives of the study. Conclusions have been drawn from the study and the recommendations for actions are given.

5.2 Summary of Findings

The main objective was to establish the effects of liberalization of airwaves on television advertising in Kenya. To achieve the objective the research interviewed twenty media houses registered under Communication authority of Kenya by 2014. The data was collected from their marketing managers. The findings of the study showed that out of a targeted population of 20 respondents, a total of 18 respondents participated and that both genders were presented in the study with 67% being male and 33% being female respectively. All the age brackets working in the industry were represented and that majority of the respondents were middle aged between ages 31-50 years.

The results indicate that all of the respondents have attained a minimum of a diploma level of education and therefore have an understanding of the liberalization of airwaves and television advertising that a majority have been in the organization for a duration long enough to be familiar with the effects the liberalization of airwaves has had on television advertising.

5.3 Conclusion

Liberalization is the loosening of government controls and is most often used as an economic term. In particular, liberalization refers to reduction in restrictions on international trade and capital that is the removal of state restrictions on business. From the findings it was revealed that liberalization of airwaves has taken place in Kenya since 1990s and it has affected our media houses especially in terms of television advertising and the government. On media houses it has lead to higher attitude of creativity, expansion of viewer options and more revenue generation from advertising activities. On the government it has lead to better communication, socio-economic modernization and increased regulation. It would therefore be safe given the above findings to conclude that liberalization of airwaves has a semi strong relationship with television advertising.

5.4 Recommendation for Policy and Practice

To achieve an effective liberalization of airwaves it is recommended the media industry comes up with proper plans linked to the media houses, the customers and the government and subsequent implementation to facilitate achievement of positive effects in Kenya. It is also recommended that the media industry policy framework is reviewed and implemented to ensure they are comprehensive to provide proper guidance to the industry. Media houses should consider a comprehensive review of the programming policy and system to ensure it is focused on offering appropriate and efficient services.

The government should also have a comprehensive review of the media industry policy which will ensure that all media houses offer services as per the policy. From the findings and the conclusion, the study recommends the need for effective liberalization of

airwaves. This will ensure that there are positive effects to both the media houses and the government.

5.5 Limitations of the Study

The researcher faced difficulties in pursuit of information concerning liberalization of airwaves shared information on assurance of anonymity and that the information was only intended for academic purposes. They claimed that their work had hourly targets hence being too busy for the researcher to engage them. Reliability of the accuracy of the information in the data collection instrument also depended purely on the respondent's goodwill. It was at the respondent's discretion either to give the right information or not. The researcher interviewed the Marketing Managers at the media houses. This presented a limitation of the study as it left out other employees and other stakeholders whose inputs could have been of benefit to the study.

Another limitation is timing constraint, the researcher had a deadline to meet and hence could not interview all the Marketing Managers who were busy during the time of data collection, and this was delegated to their assistants hence this in itself could affect the quality of information gathered and therefore compromised the outcome of the study.

5.6 Recommendations for further Study

Not so many studies have been done on this area of research here in Kenya, therefore its still a raw field and there are so many which further studies can bridge it. A study could be carried out to establish the effects of liberalization of airwaves on radio advertising.

Further study may be directed in comparing the findings of this study with findings of media houses in other developing countries of Africa.

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APPENDIX I: QUESTIONNAIRE COVER LETTER

LIBERALIZATION OF AIRWAVES AND ADVERTISING

University of Nairobi

Department of Business Administration,

Faculty of Business,

P.O BOX 30197-00100

NAIROBI

Dear Participant

I am a Masters student at University of Nairobi, Faculty of Business. In order to fulfill the degree requirements, I am undertaking a management research project on “effects of liberalization of airwaves on advertising in Nairobi County”.

To this end, I kindly request you that you complete the following questionnaire regarding your perception on effects of liberalization of airwaves on advertising.

Your response is of the utmost importance to me and will be used exclusively for academic purposes.

Should you have any enquiries or comments regarding this project, you are welcome to contact me directly on 0729-941-894. E-mail: june.mbuba@yahoo.com

Yours Sincerely,

June Karimi Mbuba.

APPENDIX II: QUESTIONNAIRE

Please answer all the questions honestly and exhaustively. All the information given will strictly be used for academic purpose/research only and will be treated with the utmost confidentiality.

SECTION A: BACKGROUND INFORMATION

This section of the questionnaire refers to background information. Although I am aware of the sensitivity of the questions in this section, the information will allow me to compare group's respondents. Once again I assure you that your response will remain anonymous. Your co-operation is much appreciated.

Demographic Data

1. Gender

a) Male []

b) Female []

2. Age Bracket

a) 18 – 30 years []

c) 41 – 50 years []

b) 31 – 40 years []

d) Above 50 years []

3. Marital Status

a) Single []

c) Divorced []

b) Married []

d) Widowed []

4. Level of Education

a) Class 8 []

c) Degree []

b) Form 4 []

d) Other (Specify) [].....

5. Profession

- | | |
|-------------------|-----------------------------|
| a) Accountant [] | c) Lecturer [] |
| b) Marketer [] | d) Civil Servant [] |
| c) Doctor [] | e) Engineer [] |
| d) Lawyer [] | f) Other (Specify) []..... |

6. Income

- | | |
|-------------------------|------------------------|
| a) Less than 20,000 [] | c) 41,000 – 60,000 [] |
| b) 21,000 – 40,000 [] | d) Above 60,000 [] |

SECTION B: EFFECTS OF LIBERALIZATION OF AIRWAVES ON TELEVISION ADVERTISING

Kindly fill in the questions according to the options given;

1. Tick according to how great the effects of liberalization of airwaves were on the Media house. (Tick on a scale of 5 for Very Great and 1 for Less Great)

	Effects	5	4	3	2	1
a.	Wider latitude of programming					
b.	Increased advertising potential					
c.	Higher attitude of creativity					
d.	Effectiveness and efficiency in programming					
e.	Increased job opportunities					
f.	Signals interference, overlap and jamming					
g.	Job satisfaction					
h.	Commercialization of news					
i.	Professionalism					
j.	Enhance practice of democratic ideal of freedom of expression					
k.	Expansion of viewers options					
l.	Audience confusion and apathy due to wide range of options on television stations					
m.	Improved technology					
n.	Healthy intra-industrial rivalry					
o.	More revenue generation from advertising activities					
p.	Spread and full utilization of Kenyan indigenous languages					
q.	Increased privately-owned commercial television stations					
r.	Unhealthy intra and inter media conglomerate rivalry					
s.	Increased media ethics					
t.	Conformation to the standards of journalism in Kenya					
u.	Better planning by media industry					

2. Which of the following would you say were the most profound effects of the Government? (Tick on a scale of 5 for Very Profound and 1 for Less Profound).

	Effects	5	4	3	2	1
1.	Reduced revenues					
2.	Increased viewership					
3.	Cultural imperialism					
4.	Morality					
5.	Diversification for more investors					
6.	Increased regulation					
7.	Cultural pride					
8.	Relaxation of entry barriers					
9.	National integration					
10.	Political stability					
11.	Socio-economic modernization					
12.	Broad public arena					
13.	Cultural self identification					
14.	Social mobilization					
15.	Better communication					

3. What do you think about the future of the television advertising in Kenya?

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