

AN INVESTIGATION OF FACTORS IMPORTANT IN MEDIA USE AND STRATEGY BY SMALL SCALE BUSINESS ENTERPRISES: A CASE STUDY OF NAIROBI CENTRAL BUSINESS DISTRICT //

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BY

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DECLARATION

This project is my original work and has not been presented for the award of a degree in any other University.

Signature.....

Date : 27th October 2003

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This project has been submitted for examination with my approval as University Supervisor.

Signature.....

Date.....27/10/03.....

Dr. Ogutu Martin

(Supervisor)

DEDICATION

To

my parents

and

family with love

BUT

It belongs to
all those who
recognize with concern,
the central role of small scale
business enterprises in our Society.

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GOD BLESS YOU ALL

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ABSTRACT

The study sets out to analyse and investigate the important factors in media use and strategy by small scale business enterprises. The study focuses on small business enterprises operating within the Nairobi Central Business District.

The study critically examines the concept of media use and strategy. It lays emphasis on the classification of media. The main players in media use, the factors important in media use and strategy and the challenges in media strategy decisions.

The study concludes that media strategy is an integral part of the success of small scale business enterprises. Small business managers should take into consideration the cost of media the target audience, consumer purchase behaviour, Impact of media and sales potential as critical factors in media use and strategy. The study finally recommends that training, research, financial support, and strategic focus are critical ingredients for the success of small business enterprises.

CHAPTER ONE

1.1 INTRODUCTION

Kenya is experiencing an explosion in the growth of small entrepreneurial businesses.

Economic development is the primary goal of every nation. In this era global interaction of businesses is rapidly becoming a reality. Irrespective of the economic slowdown never before have more people been realizing or working so hard to realize their own dream of operating their own businesses. Studies indicate that more Kenyans are working to start their own businesses than ever before.

These heroes of the new economic development are rekindling an intensely competitive business environment. With amazing vigour, their businesses have introduced innovative products and services, pushed back technological frontiers, created new jobs, opened foreign markets and in the process provided a spark on the Kenyan economy. We can authoritatively borrow from united states congressman John J. Laface in paying tribute to the vital role these small businesses play.

“We are at crossroads in the economic history of this nation.....we can no longer rely on big business and big government to solve our problems, more than ever, small business is the key to our nations future prosperity and competitiveness”.

This conviction is supported by the Kenya government strong commitment at seeing the growth and development of small scale industries. Through the sessional paper No.

1 of 1986, the government has continued to put in place the necessary structures to encourage the growth and development of small scale enterprises in line with the main objective of seeing Kenya become an industrial nation by the year 2020.

The sessional paper No. 1 of 1986 defines small scale (Jua kali) enterprises as those business enterprises comprising of up to 50 employees and with a turnover of up to KSh. 5 million. It highlights the following as the major characteristics of small business enterprises

- Ease to entry and exit
- Low capital requirements for establishment and operation
- Dependence on local resources and recycled wastes
- Family ownership
- Employment of simple technologies that are easy to adopt
- Labour intensive production techniques
- Low cost skill acquisition mainly outside the formal school system; and
- Ability to operate under highly competitive market conditions.

The past few years have seen a good number of entrepreneurs launching businesses; and current conditions suggest that we may be in the crest of a new wave of entrepreneurial activity in Kenya. Kenya's largest companies have engaged in massive downsizing campaigns, dramatically cutting the number of managers and workers on their payrolls.

This phenomenon has resulted in a new wave of entrepreneurs, retrenched "castoffs" from large corporations in which many of these individuals thought they would be lifetime ladder – climbers with solid management experience and many productive years

left before retirement. This downsizing has all but destroyed the long standing notion of job security in large corporations. As a result people who once saw launching a business as being too risky now see it as the ideal way to create their own job security.

As Scarborough and Zimmerer (1996) notes, this downsizing trend among the large companies has created a more significant philosophical change. It has ushered in an age in which "small is beautiful".

Advertising media is the means by which media users reach their prospective customers with advertising messages. These includes channels like radio, television, newspapers, magazines, direct mail, point of purchase advertising, outdoor advertising, transit advertising, cinemas or film advertising and directory advertising. According to (Collin Gilleigan and Geoffrey Crowter (1975).

Media use is one of the major tools that companies use to direct persuasive communications to the public, and more specifically to target buyers. It is an essential part of the promotion mix for modern businesses. This is evidenced by the amount of money spent on media use. The need to use media seems to be part of human nature existing since ancient times. The recorded history of media use runs for a period of 5000 years to present day, but the most significant developments have been in the last century Russell and Kleppers (1988).

As a result of the liberalization of media, Kenya has experienced the setting up of several media channels such as radio and television. Media users are therefore faced with the problem of choosing the right media that will reach the right number of appropriate target

audience, the right number of times, in the right environment, at minimum cost to achieve their products and services marketing objectives. Small business enterprises have therefore to put in place good strategies to be able to effectively utilize the available media with the greatest impact.

Some small business owners believe that because of limited budgets, they cannot afford the 'luxury' of media use. They view media use as an expense to be undertaken only when the budget permits; a leftover expense, something to spend if anything remains after paying the other bills. These owners discover often too late that media use is not just an expense, it is an investment in a company's future. Without a steady advertising and promotional campaign, a small business customer base would soon dry up. Media use can be an effective means of increasing sales by informing customers of the business of its goods or services, by improving the image of the firm and its products; or by persuading customers to purchase the firm's goods or services.

A mega – budget is not a pre-requisite for building an effective media use campaign. With a little creativity and ingenuity a small company can make its voice heard above the clamour of its larger competitors and stay within a limited budget.

Developing an effective media use program has become more of a challenge for business owners in recent years. This is as a result of media overflow, overwhelming media use clutter, increasingly fragmented audience and more skeptical consumers. Companies have had to become more innovative and creative in their promotional campaigns.

Companies are learning to change their frequencies and trying out new approaches in different media.

This study seeks to explore how small business enterprises utilize the existing media and the important aspects of media strategy they consider in the face of increasing competition.

1.1 Statement of the Problem

In the last few years, there has been a proliferation of small business enterprises.

Likewise competition in the business sector has reached cut-throat proportions. Some big businesses have moved down the ladder to the category of small businesses. As a result there has been a relative increase in media use by small businesses to promote their activities.

In the same period there has been an increase in the number of different media choices available especially after the liberalization of the sector. Businesses have therefore found themselves in a dilemma over the choice of media that would enable them achieve a greater impact, reach a wider audience and stay ahead of competition. Studies have indicated that a relatively good number of small business enterprise owners do not possess the knowledge, skills, expertise and experience to carry out thorough media use and strategising.

This study seeks to establish how small business enterprises utilize the available media and the important aspects they consider in developing a media strategy to achieve their goals and objectives.

1.2 Objective of the Study

This study has the following as its main objective:

- To find out the important aspects of media strategy by small scale business enterprises.

1.3 Importance to the Study

It is expected that the findings of this research will be beneficial to the following:-

- The small business enterprises owners who will be able to determine how to effectively utilize available media.
- The small business enterprises owners who will be able to understand the important factors to consider in developing an effective media strategy and its impact on the success of the business.
- To the media owners who will be able to understand how small business enterprises use available media and the important aspects considered in media strategizing so that they can improve on their services.
- To scholars, academicians and researchers, this study is expected to contribute to the existing literature in the field of marketing specifically in effective small business management and also act as a stimulus for further research to refine and/or extend the present study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews the general trends of media use by small businesses in Kenya. It gives a critical look at how to effectively utilize the media for maximum reach and impact. The chapter also reviews literature on the concept of media strategy; its use, importance and the challenges of coming up with a media strategy.

2.1 Definitions

Media Strategy

Media strategy refers to the setting and allocation of advertising budgets. This is usually determined by such factors as the absolute and relative costs of various media, the number of target consumers reached by these media, the spending levels and patterns of competitive brands, the product life cycle stage and household penetration percentages for the product category. (Scarborough & Zimmerer (1996)

The media strategy describes how the advertiser will achieve the stated media objectives; which media will be used, where, how often and when.

Advertisers develop marketing and advertising strategies by blending the elements of the marketing mix and then the elements of the creative mix. Similarly an advertiser develops media strategy by blending the elements of the media mix.

2.2 Elements of Media Use

All business enterprises have in their arsenal a battery of various methods they can be able to use to utilize the available media. These include:

Advertising is one of the major tools that businesses use to direct persuasive communication to the public, and more specifically to target buyers. It is an essential part of the promotion mix for modern businesses. Bovee and Arens (1989) defines advertising as a non-personal communication of information usually paid for and usually persuasive in nature, about products, services or ideas by identified sponsors through various media.

Promotion – According to Scarborough and Zimmerer (1996), promotion is a broad term meaning any form of persuasive communication designed to inform consumers about a product or service and influence them to purchase these goods or services. It includes publicity, personal selling and advertising.

Publicity – In their study on how to effectively use publicity to promote small businesses Scarborough and Zimmerer (1996) sees publicity as any commercial news covered by the media that boosts sales but for which the small business does not pay. It is not advertising, rather it is telling your story to the people you want to reach – namely the news media, potential customers and community leaders. It is not haphazard. It requires regular and steady attention.

2.3 Classification of Media

According to Bovee and Arens (1994) the media can be categorized into three broad categories namely the print media, broadcast media, electronic media and display media.

2.3.1 The Print Media

The print media includes newspapers and magazines.

Newspapers

Traditionally local newspapers has been the medium many advertisers rely on to get their messages across to customers. In Kenya the predominant newspapers are the Daily Nation and its sister paper the East African, the Standard Newspaper and the People Newspaper.

Newspaper provide the following advantages to small business enterprises advertisers according to Olago Sam (1997).

- **Selected geographical coverage.** Newspapers are geared to a specific geographic region, and they reach potential customers across all demographic classes. They provide broad coverage in the firms trading area.
- **Flexibility** – Newspapers advertisements can be changed readily on very short notice. The owner can select the size of the advert and its location in the paper and the days and sections you want.
- **Timeliness** – Newspapers have short closing times, which is the publication deadline prior to which the advertising copy must be submitted.

- **Communication potential** – Newspapers adverts can convey a great deal of information by employing attractive graphics and copy. Adverts can be very effective in attracting attention and persuading customers to buy.
- **Low costs** – Newspapers normally offer advertising space at low absolute cost and because of their blanket coverage of a geographic area, at low relative cost.
- **Prompt responses** – Newspapers adverts typically produce relatively quick customer responses. A newspaper advert is likely to generate sales the very next day.

Of course, Newspapers advertisements also have disadvantages as Scarborough & Zimmerer (1996) notes. These are:

- **Wasted readership** – since newspapers reach a wide variety of people, at least a portion of an advert coverage will be wasted on those who are not potential customers. Such nonselective coverage makes it more difficult for newspapers advertisements to reach specific target markets than adverts in some other media.
- **Reproduction limitations** especially when compared to magazines and direct mail. Recent technological advances, however are rapidly improving the quality of reproduction in newspapers adverts.
- **Lack of prominence** because they carry so many adverts that the small firms message might be lost in the crowd.
- **Short life cycle.** The typical newspaper is soon discarded and as a result the adverts life is extremely short. Business owners can increase the effectiveness of their newspapers adverts by giving them greater continuity.

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Magazines

Another advertising media available to small business owner is the magazine. A great feature of the magazine is that they allow an advertiser to reach a select audience with high quality preservation. There are numerous magazines covering various disciplines such as gardening, motoring, family etc.

Magazines offer several advantages in advertising according to Sarborough and Zimmerer (1996).

- **Long life span** as they have a long readily life because readers tend to keep them longer than printed media.
- **Multiple readership** as they have a high “pass along” rate – they are handed down from reader to reader.
- **Target marketing** – by selecting the appropriate special interest periodical, a small business owner can reach those customers with a high degree of interest in his goods or service.
- **Advert quality** – Magazines adverts usually are of high quality. Photographs and drawings can be produced very effectively and colour adverts are readily available.

Magazines also have several disadvantages

- **Cost** – magazine advertising rates vary according to their circulation rates; the higher the circulation the higher the rate.

- **Long closing times** – they require relatively long closing times e.g for a weekly periodical, the closing date for an advert may be several weeks before the actual publication date.
- **Lack of prominence** – due to their popularity as an advertising vehicle. The effectiveness of a single advert is reduced due to lack of prominence.

Direct Mail

Direct mail has long been a popular method of small business advertising and includes such tools as letters, postcards, catalogs discount coupons, brochures, computer disks, and videotapes. Direct mail offer a number of distinct advantages to the small business owner as noted by Olago Sam (1997) such as:-

- **Selectivity** as they target a specific audience to receive the message. The manager advertises only to those people who are interested in the firms goods or service.
- **Flexibility** due to its capacity to tailor the message to the target. The advertisers presentation to the customer can be as simple or as elaborate as necessary.
- **Reader attention** as the advertisers message does not have to compete with other adverts for the readers attention.
- **Rapid feedback.** Direct mail advertisements produce quick results. In most cases the advert will generate sales 3 to 4 days after it is received.

Direct mail advertisements suffer from several disadvantages

- **Inaccurate mailing lists** – if the mailing list is inaccurate or incomplete, the advertiser will be addressing the wrong audience and alienating customers with misspelled names.

- **High relative costs.** They have a higher cost per thousand than any other advertising medium. Relative to the size of the audience reached, the cost of designing, producing and mailing an advertisement via direct mail is high.
- **High throw away rate** – often called junk mail, direct mail adverts become ‘junk’ when an advertiser selects the wrong audience or broadcast the wrong message.

Directories

According to Scarborough and Zimmerer (1996) directories are an important advertising medium for reaching those customers who have already made purchase decisions. The directory simply helps these customers locate the specific product or service they have decided to buy. Directories include telephone books, industrial or trade guides, buyer guides, annuals, catalog files, and year books that lists various businesses and the products they sell.)

Directories offer several advantages to the small advertiser

- **Prime prospects.** Directory listings reach customers who are prime prospects, since they have already decided to purchase an item. The directory just helps them find what they are looking for.
- **Long life-** directory listings usually have long lives. A typical directory may be published annually.

However there are certain disadvantages of using directories

- **Lack of flexibility** – listing and adverts in many directories offer only a limited variety of design features. The small business owner may not be as free to create unique adverts as in printed media.
- **Obsolescence** – because directories are commonly updated only annually, some of their listings become obsolete. This is a problem for the small firm that changes its name, location, or phone number.

When choosing a directory the small business owner should evaluate several criteria according to Olago Sam (1997).

Completeness. Does the directory include enough listings that customers will use it?

Convenience. Are the listings well organized and convenient? Are they cross referenced.

Evidence of use. To what extent do customers actually use the directory? What evidence of use does the publisher offer?

Age – is the directory well established and does it have a good reputation?

Circulation – does users pay for the directory or do they receive complementary copies?

Is there an audited circulation statement?

2.3.2 The Broadcast Media

The Broadcast media comprises of the radio and television.

The Radio

Newspapers offer blanket advertising coverage of a region but radio permits advertisers to appeal to specific audiences over large geographic areas. By choosing the appropriate station, program and time for an advert a small company can reach virtually any target market.

Radio advertising offers several advantages as noted by Olago Sam (1997)

- **Universal infiltration** – virtually every home in Kenya is equipped with a radio, which means that these advertising messages receive a tremendous amount of exposure in the target market.
- **Market segmentation** – radio advertising is flexible and efficient. Radio stations design their programming to appeal to specific types of audiences.
- **Flexible and timeliness** – radio commercials have short closing times and can be changed quickly.
- **Friendliness** – radio adverts are more “active” than adverts in printed media since they use the spoken word to influence customers.

Radio advertisements have a number of disadvantages

- **Poor listening.** Radio intrusiveness into the public life almost guarantees that customers will hear adverts but they may not listen to them. Listeners often are engaged in other activities while the radio is on and may ignore the message.
- **Need for repetition** – A listener usually will not respond to the radio message after a single exposure to it. Radio adverts must be broadcast repeatedly to be effective.

- **Limited message** – Since radio adverts are limited to one minute or less, the message must be brief.

Television

Television is widely used as an advertising medium by small business enterprises.

Television offer a number of distinct advantages according to Bovee and Arens (1989)

- **Broad coverage** – Television adverts provide extensive coverage of a sizeable region and they reach a significant portion of the population.
- **Visual advantage** – Television has the capacity to present the advertisers product or service in graphic, vivid manner. With television advert the manager is not restricted to a description of the product or service. Instead he can demonstrate use and illustrate its advantages.
- **Flexibility** – Television adverts can be modified quickly to meet the rapidly changing conditions in the market place. Advertising on television is the closest substitute of personal selling.
- **Design assistance** – few small business owners have the skills to prepare an effective television commercial. Some television stations are willing to offer design assistance very inexpensively.

Television advertising also have several disadvantages

- **Brief exposure** – most television adverts are on the screen for only a short time and require substantial repetition to achieve the desired effect.

- **Clutter.** The typical person is exposed to hundreds of messages a day with so many adverts beaming across the airwaves, a small business advertising message could easily become lost in the shuffle.
- **Costs** – television commercials are expensive to create. A 30 second advert may cost thousands of shillings to develop even before the owner purchases airtime.

2.3.3 Display Media

Outdoor advertising

Small firms especially retailers are using outdoor advertising more frequently. However very few small businesses rely on outdoor advertising; instead they supplement other advertising media with billboards. With a creative outdoor campaign, a small company can make a big impact even on a small budget notes Scarborough & Zimmerer (1996).

Outdoor advertising offers certain advantages to small businesses.

- **High exposure** as they reach the audience many more times. Most people tend to follow the same routes in their daily traveling and billboards are there waiting for them as they pass.
- **Broad reach** – the nature of outdoor adverts makes them effective devices for reaching a large number of potential customers within a specific area.
- **Flexibility** – outdoor advertising units can be bought separately or in a number of packages. Through its variety of graphics, design and unique features, outdoor advertising enables the small advertiser to match her message to the particular audience.

- **Cost efficiency** – outdoor advertising offers one of the lowest costs per thousand customers reached of all the advertising media. There are no national or local rates. All buyers are charged one price regardless of size.

Outdoor adverts have several disadvantages

- **Brief exposure** – because billboard are immobile, the reader is exposed to the advertisers message for only a short time typically not more than 5 seconds. As a result the message must be short and to the point.
- **Legal restrictions** – outdoor billboards' are subject to strict regulations and to a high degree of standardization.
- **Lack of prominence** – a cluster of billboards and signs along heavily travelled route tends to reduce the effectiveness of a single advert that loses its prominence among the crowd of billboards.

Transit Advertising

Transit advertising includes advertising signs inside and outside very many vehicles, buses, trains etc. Transit advertising combines two media into one. Inside adverts reach transit riders, while outside adverts reach a substantial portion of the population along the transit routes. Transit advertising offers a number of advantages. Olago Sam (1997)

- **Wide coverage** or mass exposure to a variety of customers. The message literally goes to where the people are. The messages also reaches to people with a wide variety of demographic characteristics.

- **Repeat exposure.** They provide repeated exposure of messages. This gives an advertiser ample opportunity to present a continuous message to the mass transit public.
- **Low cost** – even a small business owner with a limited budget can afford transit advertising.
- **Flexibility** - transit adverts come in a wide range of sizes, numbers and durations. With transit adverts the owner can select the individual market or any combination of markets across the country.

Transit adverts also have several disadvantages

- **Generality** – the effectiveness of transit advertisements depends on the routes that public vehicles travel and on the people they reach, which unfortunately the advertiser cannot control.
- **Limited appeal** – unlike many media, transit adverts are not beamed into the potential customers residence or business. The result is that customers cannot keep them for future reference.
- **Brief message** – transit adverts do not permit the small advertiser to present a detailed description or a demonstration of the product or service for sales. Although inside adverts have a relatively long exposure, outside adverts must be brief and to the point.

Trade Shows

Trade shows provide manufacturers and distributors with a unique opportunity to advertise to a pre-selected audience of potential customers. Thousands of trade shows are sponsored each

year and carefully evaluating and selecting a few shows can produce profitable results for the small business owner. Olago Sam (1997).

Trade shows offer the following advantages

- **A natural market.** Trade shows bring together buyers and sellers in a setting where products can be explained demonstrated and handled. Comparative shopping is easy and buying process can be shortened.
- **Pre-selected audience.** Trade exhibits attract potential customers with a specific interest in the goods or services being displayed. There is a high probability that these prospects will make purchases.
- **Cost advantage** – as the cost of making a field sales call continues to escalate, more companies are realizing that trade shows are an economic method of making sales contacts and presentation.

There are however certain disadvantages associated with trade shows.

- **Increasing costs** – such as registration fees, travel and setup costs, sales salaries, and other expenditures may be a barrier to some firms.
- **Wasted effort** – a poorly planned exhibit ultimately costs the small business more than its benefits are worth. Too many firms enter exhibits in trade shows without proper preparations and they end up wasting their time, energy and money on unproductive activities.

Speciality Advertising

This involves customers gifts items, imprinted with the company's logo, name, address, telephone number, slogan etc. It is used as a reminder to supplement other adverts Olago (1997).

2.4 Main Players in Media Use

According to Collin Gilligan and Geoffrey Crowter (1976) for media use to be effective and successful it requires the effort of three institutions namely:-

- The advertiser
- The advertising agency
- The media owner

The advertiser passes the advertising problem for which he approaches the advertising agency to devise an advertising campaign. The advertising agency occupies the middle position in the relationship. The American association of advertising agencies defined advertising agency as an independent business organization composed of creative and business people who develop, prepare, plan and place advertising in advertising media for sellers seeking to find customers for their goods and services.

The media owner is one whose medium of communication is used to carry the advertising message to the target audience. Each of the major media, newspapers, magazines, radio, television, direct mail, outdoor advertising, and others has unique capabilities and unique audience characteristics. Each therefore appeals to the needs of the media user seeking to

reach specific target audiences. The media user and agency must plan which media to use to convey the message to those consumers identified in the target audience. Then the tasks of the media strategist is to select from these media the particular radio stations, TV programs, newspapers and so on that will reach the target audience most effectively. The media function therefore involves two basic processes: - media planning and media selection according to Bovee and Arens (1989).

2.5 Media Strategy an Overview

According to Bovee and Arens (1989), the purpose of media strategy is to conceive, analyze and select channels of communication that will direct the advertising message to the right people in the right place at the right time. It involves many decisions.

- Where should we advertise? (in what countries, regions, cities or parts of town).
- Which media vehicle should we use?
- When during the year should we concentrate our advertising?
- How often should we run the advertising?
- What opportunities are there for integrating other communications?

According to Shultz and Barnes (1995) states as media strategizing becomes more complex, the development of the campaign strategy has become increasingly important. Where once an advertiser could succeed in the market with a neat slogan, a nifty jingle or a clever play on words, it now takes much more than that. The days of mass marketing, mass media and mass advertising are far behind us. The consumer market place and media systems have changed; they have become more fragmented. Information overload has become intolerable. The consumer has become less and less involved in advertising.

Today, it is advertising campaign strategists, not just the clever wordsmith, who is critical to succeed in the market place. In our high tech world, it is the advertiser with the belt, consumer mounted plan and not the advertiser who spends the most money or wins the most awards, who dominates the market place.

According to Gordon Miller (1999) explains, good media strategies are good sales people and will unfailingly recognize the role of consumer or customer. They will recognize the need to constantly reassure clients that decisions taken represent the best options to meet the clients unique needs. A media strategy should always represent a specific answer to a specific advertising and marketing problem, and should provide solutions to that problem.

There are of course, a number of useful guidelines for the layout of a media strategy but what is more important than the rules are the exceptions to the rule. Every strategist will or should develop a unique style of documentation, which should concisely and clearly map out the sequence of logic (logic creativity), which has produced the specific recommendation.

Regardless of the presentation style, however, the critical point of reference should always remain the client.

In practice, this means that the media strategy is a living document that should constantly be revised to reflect development in the media and market place and to take into consideration the changing needs of the client. Advertising decision makers need to recognize that revised strategies and re-worked media schedules are the lifeblood of such documents and media strategizing. Therefore that such change is the transfusion without which the document will ultimately die.

2.5.1 The People Who Plan Media Strategy

According to Gordon Muller (1999), media planners work in several kinds of departments structures. The three most common include:-

1. Advertising Agency Media Department

Full service advertisement agencies have departments that perform various media functions for their clients. Many large agencies separate the media planning function from the media buying function. Media planners play a more strategic role, deciding where and how often advertisements will run. Media buyers execute the plans, negotiating price and placement, and buying space and time from print and electronic media.

2. Independent Media Buying Services

Volume media specialists often buy advertising space and time at lower bulk rates and then sell it, at a higher rate or for a handling commission, to advertisers and agencies that do not have a fully staffed media department.

3. In House Media Departments

Some advertisers have departments that plan and buy for the company or supervise the media work of an advertisement agency or independent media buying service.

2.6 The Challenge in Media Strategizing

In the recent past, media planning has become much more complicated than it was five or ten years ago. The reasons for as noted by Gordon Miller (1999) are:

- **Increasing media options** - there are more media to choose from today and each medium offers an increasing number of choices. Television is now fragmented into network, syndicated and local television as well as network and local cable. Specialized magazines now aim at every possible population segment. Even national magazines publish editions for particular regions or demographic groups. In addition, non traditional media from video-tape and theatre screen advertising, balloons and shopping carts widen the scope of choices.
- **Increasing fragmentation of audience** – audience fragmentation also complicates the media planners job. Readers and viewers now choose from many media options, essentially acting like programmers, selectively reading only parts of magazines or newspapers, watching only segments of programs and listening to many different radio stations. This makes it very difficult to find the consumer in the market place.
- **Increasing costs** – costs are increasing for almost all media. In the last few years the cost of exposing 1000 people to each of the major media (called cost per thousands and abbreviated as CPM) rose faster than inflation, rising cost make media planning more challenging than ever, especially for advertisers with small budgets. Advertisers today demand more proof that their money is wisely spent and put more pressure on the media planner to justify each decision.

- **Increasing Complexity in the Way Media buys are made** – Buying and selling media is not straightforward process it once was. In the battle for additional sales, many print and broadcast media companies developed “value added” programs to provide additional benefits. In addition to selling space or time at rate card price, these companies also offer reprints, special sections, even sponsorships and mailing lists.
To get a bigger share of the advertisers budget, larger companies now bundle the various stations, publications, or properties they own and offer them together as further incentives.

2.7 Development of Media Strategy: The Media Mix

The media strategy describes how the advertiser will achieve the stated media objective, which media will be used, where, how often, and when, Bovee and Arens (1989).

Advertisers develop marketing and advertising strategies by blending the elements of the marketing mix and then elements of the creative mix. Similarly, an advertiser develops media strategy by blending the elements of the media mix.

2.8 Elements of the Media Mix

Bovee and Arens (1989) notes that to develop an effective media strategy, media planners use the four Ms (4Ms) of the media mix-markets, money, media, and methodology.

Markets – As an element of the media mix, markets refers to the various possible targets of a media plan. The media plan may have to reach both trade and consumer audience; global, national, or regional audiences; or certain ethnic or socio-economic groups.

Money – The media planner will have to decide how much to budget and where to allocate funds; how much for print media, how much for electronic media and, how much to each geographic area. The media planner recommends spending more here and less there, using a combination of marketing survey and analytical skills.

Media – in this context, media includes all communication vehicles available to a marketer, including broad media classes and subclasses such as radio, TV, newspaper, magazines outdoor, direct mail, as well as various supplementary media and ancillary activities such as sales promotion, direct marketing, public relations, and publicity, special events, and collateral materials.

Media planners should encourage companies to integrate all their marketing communications. They should look at the media element, not just analytically, but creatively to achieve the campaigns objectives.

Methodology – methodology includes mechanical considerations (Size of time or space units, colour position in the medium, etc) and overtime scheduling strategy to achieve the reach, frequency, and continuity objectives. Here again the media planner faces a host of options and trade-offs within a limited budget.

2.8.1 Influencing Factors in Media Strategy Decisions

According to Bovee & Arens (1989), The 4ms are elements within the media planner's control. However, media decisions are greatly influenced by a variety of factors outside the

media planners control. These include, the scope of the media plan; the sales potential of different markets; competitive strategies and budget considerations, the availability of different media vehicles; the nature of the medium and the mood of the message; message size and length; and consumer purchase patterns.

Scope of Media Plan

The location and makeup of the target audience strongly influences the breadth of the media plan, thereby affecting decisions regarding the market, the money and the media elements.

A media planner normally limits advertising to areas where the product is available. A local plan may be used if the product is available in only one town or if the market has been chosen for introduction or test marketing. A regional plan may cover several areas, or entire state or province or several neighbouring countries and employ a combination of local media, regional editions, national magazine, TV and radio. The advertiser may have to accommodate sectional differences in taste or preference.

Catering the Sales Potential of Different Markets

The market and money elements of the media mix also depend on the sales potential of each area. Advertisers use this factor to determine where to allocate their advertising dollars.

There are several ways planners can determine an area's sales potential.

Brand development index (BDI)

It indicates the sales potential of a particular brand in a specific market area. It compares the percentage of the brands total sales in an area to the percentage total population in that area.

The larger the brand's sales relative to the area's percentage population, the higher the BDI, and the greater the brand's sales potential. BDI is calculated as

$$\text{BDI} = \frac{\text{Percentage of the brands total sales in the area}}{\text{Percentage of total population in the area}}$$

The Category Development Index (CDI)

$$\text{CDI} = \frac{\text{Percent of the product category total sales in the area}}{\text{Percent of total population in the area}}$$

Media buyers compare the brand development index (BDI) with the category development index (CDI) of their products to better understand which markets will respond best to advertising. Advertising can be expected to work well when BDI and CDI are both high, but probably not when both are low.

Competitive Strategy and Budget Consideration.

Advertisers always consider what competitors are doing particularly if they have larger advertising budget. By knowing the size of the competitors budgets, what media they are using, the regionality and seasonality of their sales, and any new product tests and introduction, advertisers can better plan a counter strategy.

The media planner should also analyze the company's share of voice in the market place. If an advertisers budget is much smaller than the competition, the brand could get lost in the shuffle. Advertisers should by pass media that competitors dominate and choose media that

offer a strong position. But it makes sense to use media similar to the competition if the target audiences are the same or if competitors are not using their media effectively.

Media Availability and Economics

Every country has communication media but they are not always available for commercial use especially radio and television. And coverage may be quite limited.

Lower literacy rates and education levels in some countries restrict the coverage of print media, where income levels are low, television ownership is also low. These factors tend to segment markets by media coverage.

Nature of Medium and Mood of the Message.

An important influence on the media element of the mix is how well a medium works with the style or mood of the message.

Advertising messages differ in many ways. Some are simple, dogmatic messages e.g.

“The right choice” other makes emotional appeals to peoples need for safety, security, social approval, love, beauty or fun “what a luxury car should be” (Lincoln). Many advertisers use a reason why approach to explain their products advantages “twice the room. Twice the comfort, twice the value Embassy suites. Twice the hotel.

Complex message require more space or time for explanation. Adverts announcing a new product or product concept are unfamiliar to consumers. Each circumstance affects the media reaction and the methodology element of the media mix. Messages may be complex to

understand at first. But once understood, pulsing advertising exposure at irregular intervals are often sufficient. Emotionally oriented messages are usually more effective spaced at regular intervals to create continuing feeling about the product.

Message Size, Length, and Position Considerations.

The mechanics of different media affect the methodology element of the media mix. For example, in print a full page advert attracts more attention than a quarter page advert and a full colour advert more than a black-and white one. With limited advertising budgets, colour and larger units of space or time cost dearly in terms of reach and frequency.

It is better for a small advertiser to run a full-page advert once a month or a quarter page advert once a week? Should television advertisers use 60 second commercial or a lot of 15 and 30 seconds ones? There are no simple answers. The planner has to consider the nature of the message, some simply require more time and space to be explained. Competitive activity often dictate more message units. The product itself may demand the prestige of a full page or full colour. The need for high frequency may mean smaller units. It is often better to several small advertisements consistently than one large advert occasionally.

Other considerations involve where to position the advert. Preferred positions for magazines adverts are front and back covers; for Television, sponsorship of prime-time shows, Special positions and sponsorships cost more, so the media planner must weigh the additional costs against loss of reach and frequency.

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Consumer Purchase Patterns

The customer product purchasing behaviour affects every element of the media mix. The media planner must consider how, when and where the product is typically purchased and repurchased. Products with short purchase cycles (convenience goods and paper towels) require more constant levels of advertising than products purchased infrequently (refrigeration and furniture). Short purchase cycles calls for relatively high frequency and high continuity.

2.9 Stating the Media Strategy

A written statement of the media strategy is an integral part of any media plan. Without one, it is difficult for a client and agency management to analyze the logic and consistency of the recommended media schedule. Sandage and Colt (1998).

Generally, the strategy statement should start with a brief definition of the target audiences (the market element) and the priorities for weighing them. And it should outline specific reach and frequency goals. It should explain the nature of the message and indicate which media type will be used, how and why (the media element) should provide a budget for each medium (the money element) including the cost of production and any collateral materials. Finally it should state the intended size of message units, any position or timing considerations (the methodology element), and the effect of budget restrictions.

2.10 The Impact of Media Use by Small Business Enterprises

According to Arens (1994), The economic effect of media use is like the opening shot in a game of pool. The moment a company begins to use media (advertise) a chain reaction of

economic effects takes places. The extent of the chain reactions, although hard to measure is definitely related to the force of the short.

The key questions about the effect of media use are? Does the media use affect the value of products? Does media use raise or lower prices? Does media use promote competition or discourage it? How does media use affect the total demand for a product category? Does media use make more consumer choices available or less? Does media use influence the business cycle? These are just some of the many frequently asked and difficult to answer questions related to the chain reaction of economic effects of media use as Arens (1994) observes.

Effects on the value of Products

Why do people prefer Coca-Cola to some other cola? Why do more people prefer Kimbo to some other unadvertised cooking fat? Are the advertised products functionally better? Not necessarily. But media use (advertising) can add psychic value to a product in the consumers mind.

In the mid-1960's , Ernest Dichter, a psychologist now known as the father of motivational research, supported the view that a products image which is produced partially by advertising and promotion, is an inherent feature of the product itself.

Subsequent studies concluded that even though an advert may say nothing verbally about the products quality, the positive quality, makes the product more desirable to the consumer and thereby add value to the product.

Advertising also creates the perception of added value by educating customers about new uses for products. Kleenex was originally advertised as a make-up remover; later it was promoted as disposable handkerchief.

Effects on Prices

If advertising adds value to products it follows that advertising also adds cost. Right? And if companies stopped all that expensive advertising, products would cost less. Right? Advertised products sometimes do cost more than unadvertised products. However, the opposite is also true. Sweeping statements about advertising, positive or negative effects in prices are likely to be too simplistic. But we can make important points.

- ◆ As one of the many costs of doing business, advertising is indeed paid for by the consumer who buys the product.
- ◆ Advertising is just one element of the mass-distribution system that enables many business manufacturers to engage in mass production. The long, uninterrupted runs used in mass production lower the unit cost of products. Their savings can then be passed on to consumers in the form of lower prices. In this indirect way, advertising helps to lower prices.
- ◆ In retailing, price is a prominent element in many adverts, so advertising tends to hold prices down. In manufacturing, companies use advertising to stress the features that make their products better, so advertising tends to support higher prices.

Effects on Competition

Some complain that small businesses or industry new comers cannot compete with large firms immense advertising budgets and eventually go out of business.

Intense competition does tend to reduce the number of businesses in an industry.

However, the firms eliminated by competition may be those that served the consumer least effectively.

In many cases, advertising by big companies has only a limited effect on small businesses because no advertiser is large enough to dominate the whole country. Independent oil companies for example compete very successfully with multi national oil companies on the local level.

Overly simplistic statements that attribute unreasonable power to advertising fail to acknowledge the importance of other influences on competition – such as product quality, price, convenience, and customer satisfaction – which are typically far more significant.

Effects on Consumer Demand

The question of media use effect on total consumer demand is extremely complex.

Numerous studies show that promotional activity does affect aggregate consumption, but they don't agree on the extent. Many social and economic forces, including technological advances, the population's educational level increases in population and per capital income, and revolutionary changes in lifestyle are more significant.

For example, the demand for CD players, microwave dinners, and personal computers has expanded at a tremendous rate, thanks in part to media use but more so to favourable market conditions. At the same time, media use has done little to slow sales declines for such items as men's and women's hats, fur coats and manual typewriters.

Media use can help get new products off the ground by stimulating demand for a product class. But in declining markets, media use can only hope to slow the rate of decline. In growing markets, media users generally compete for shares of that growth. In mature, static or declining markets, they compete for each others shares – “conquest sales”.

Effect on Consumer Choice

For businesses, the best way to beat the competition is to make their product different. For example, look at the long list of car models, sizes, colours and features used to attract different buyers.

The freedom to advertise gives businesses an incentive to create new brands and improve old ones. When one brand reaches market dominance, smaller brands may disappear for a time. But the moment a better product comes along and is advertised skillfully, the tables suddenly turn and the dominant brand rapidly loses to the new, better product.

Effect on the Business Cycle

Historically, when business cycles dip, worried executives cut media use expenditures that may help immediate short-term profits, but studies prove that businesses that continue to invest in media use during a recession fair considerably better after the

recessions. However, no study has ever shown that if somebody keeps advertising, the recessionary cycle will turn around.

We conclude that when business cycles are up, media use contributes to the increase.

When business cycles are down, media use may act as a stabilizing force.

Overall campaign objectives and strategy

According to (Bovee & Arens 1989) The media strategist must review the nature of the product and service, the intended objectives and strategies that have been developed and the primary and secondary target markets and audiences.

The nature of product itself may suggest the type for media to be used. For example, when a product such as a perfume has a distinct personality or image, it might be advertised in media that has personality traits that reinforce its image. Some magazines are regarded as feminist or masculine, high brow or low brow, serious or frivolous.

If one of the objectives of the marketing and advertising campaign is to gain greater product distribution, the media selected should be those that influence consumers and potential dealers. For example, if the goal is to stimulate sales of a nationally distributed product in certain isolated markets, advertisements should be concentrated in the local and regional media that penetrate those markets.

The price of the product and the pricing strategy may influence media choices too. Pricing is often a key consideration in product positioning, for example, a prestigious product may require the use of prestigious or “class’ media to support the market image adds. Bovee & Arens (1989).

Reviewing the product target market and the campaign target audience is another vital step in media selection. The more the media strategist knows about the market, the better the media selections are likely to be. Demographic profile, Such as age, sex, education, occupation, income and religion. Psychographic characteristics such as lifestyle, personality and attitudinal traits and behavioral characteristics, such as purchase circles, benefits sought and product use habits should be studied.

The task of the media strategists.

- To select from this data the characteristics relevant to the acceptance. purchase and use of the product.
- To match these data to the characteristics of the audiences reached by the specific media vehicles under consideration (Bovee & Arens 1989).

Characteristics of media audiences

When we speak of a mediums audience, we are referring to the total number of people reached by the medium. the media strategist needs to know how many people are reached by a station or a publication to make a realistic judgement of a medium’s potential effectiveness.

In addition, the strategist will want to know the degree of interest people have in the publication or programs and how closely the characteristics of the medium's audience match the profile of the target market Bovee & Arens (1989).

The content of a medium will also reflect the type of people in its audience.

For instance, some radio station emphasize in depth news or sports, others jazz or rock and still others symphonic music or opera. Each type of programming attracts a different audience, the character of which can be determined by analysis.

Geographic coverage

The geographic coverage of a medium is often the determining factor in selection - there is no point in advertising to people who don't live in an area where the product or service is sold.

Thus airlines select media that covers the cities they serve and quit media that are circulated in other areas.

Since many national brands face tougher competition in certain areas than others, extra advertising dollars are often concentrated in areas where competition is stiffer. Geographic consideration have also given rise to the popularity of regional editions of magazines, greater use of cable and spot Television instead of network Television and the use of local media for local advertisers instead of national media.

Exposure, Attention and motivational values

As pointed out earlier, the goal of the media strategist is to match the right media with the target audience so that the advertisements not only achieve the desired exposure but also attract attention and motivate prospective customer to act. This task is not easy but it is made even more difficult by the fact that little reliable data have ever been developed to accurately measure the relative strength of one medium over another in terms of exposure, attention or motivational value. However, there are still important issues that media strategies must consider everyday. Explains Bovee & Arens (1989).

Exposure

To understand the concept of exposure, think in terms of how many people see your advert. that is, if you place an advertisement in a magazine with 3 million people, how many of those 3 million will see your advert?

If a television program has an audience of 10 million viewers, how many people will see your commercial? Assessing the exposure value of one publication, radio station, or TV program over another is a very difficult task. And without statistics, it is up to the media strategist use his or her best judgement – based on experience.

Attention

The degree of attention paid advert by those exposed to them is another consideration.

If you are not interested in motorcycles or cosmetics, you probably do not even notice adverts for them when you see them.

Motivation

These same factors affect a medium's motivation than to attention and vice versa, for instance familiarity with the advertiser's campaign may affect attention significantly but motivation very little. on the other hand, good – quality reproduction and timeliness can be very motivating to someone interested in the product. Therefore attention value and motivation value should be considered separately when assessing alternative media Concludes Bovee & Arens (1989)

Cost Efficiency

The final step in determining what media to select is to analyse the cost efficiency of each medium. A common term used in media buying is “cost per thousand”. For example if a daily newspaper has 300,000 subscribers and charges \$5,000 for a full-page advert, then the cost per thousand is calculated as

$$\begin{aligned}\text{Cost per thousand} &= \$5,000 \text{ Divided by } 300 \\ &= \mathbf{16.67}\end{aligned}$$

CHAPTER THREE

METHODOLOGY

3.0 Introduction

3.1 The Population

The population of concern in this study consisted all small business enterprises operating within the Nairobi Central Business District. There are very many small scale business enterprises operating within the Nairobi central business district.

3.2 The Sample Design

The researcher collected data from a sample selected from a sample selected from the population. Cluster sampling was used to select a representative sample.

The Central Business District was divided into eight major streets namely, Moi Avenue, Kenyatta Avenue , Mama Ngina Street, Koinange street, Tom Mboya River Road street, Uhuru Highway and Ronald Ngara street .

Businesses along these streets which met the criteria of small scale enterprises were identified and then subjected to random sampling. A total of five businesses were selected from each street.

The personnel targeted to answer or fill in questionnaires was senior management staff whose job tasks are directly related to media use and strategizing in their organizations.

3.3 Data Collection

Primary data was collected using both questionnaires and personal interviews. The questionnaires were administered to the respondents by the researcher. Where not possible to be directly administered by the researcher, they were delivered to the respondents who filled them themselves and were later collected when fully completed. The targeted respondents were senior persons in charge of the enterprises for example the Managing Director, Marketing Manager and Finance Manager. To achieve the objective of the study, the questions were directly derived from the literature review and the objective of the study.

3.4 Data Analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency across respondents and to locate omissions. The questionnaires were analyzed using descriptive statistics to summarize the data. Factor analysis was also done to prioritize for example the factors important in media use and strategizing by small scale business enterprises. A statistical package for social science (SPSS) was used to perform the analysis.

CHAPTER FOUR

FINDINGS OF THE STUDY

4.0 Introduction

The study was carried out within firms in the Nairobi Central Business District. The study main objective was a to establish, the critical aspects of Media strategy adopted by small scale business enterprises, and the challenges, they face in developing a media strategy.

4.2 Sample Characteristics

The study categorised the businesses studied as either offering:-

- (i) Consumer goods
- (ii) Industrial goods
- (iii) Professional services

Out of the firms studied 52% were selling consumer goods, 30% professional services and 18% dealt on industrial goods. This is a clear reflection of the kinds of businesses that operate within the Nairobi Central Business District. Most firms dealing with industrial goods operate at the industrial area or outside the Central Business district.

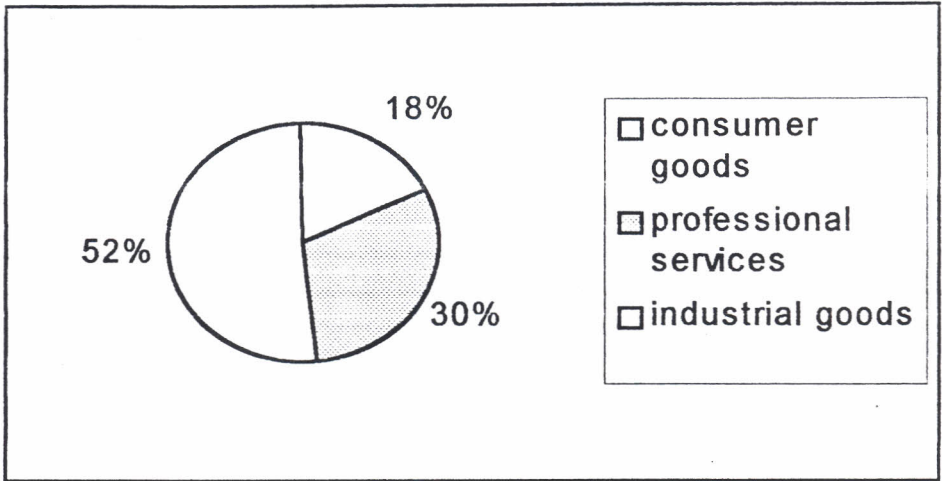


Fig 1. Nature of business

The study established that of the firms studied firms dealing with consumer goods had a higher advertising budget, followed by firms dealing with industrial goods and then professional services.

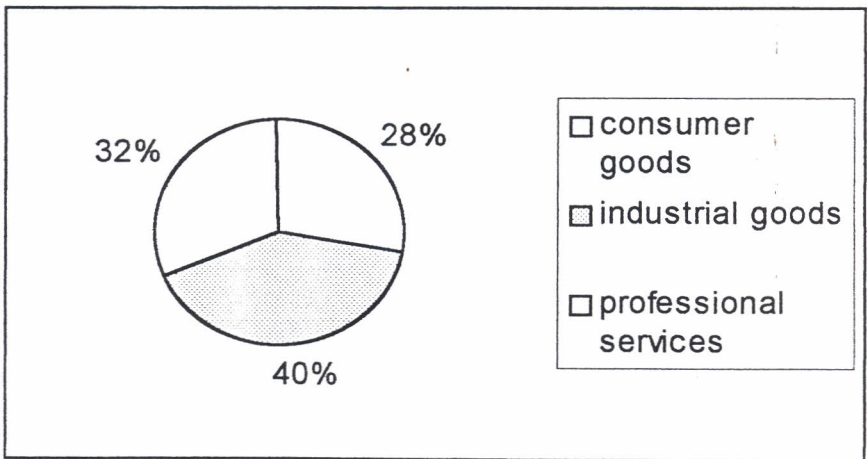


Fig 2. Advertising budget of small scale firms

The reasons for this is that the competition among firms dealing with consumer goods or fast moving consumer goods (FMCG'S) is much more than for firms dealing with industrial and professional services. However the advertising budgets among the firms studied was relatively low as compared to industry leaders as a result of the small size and turnover of the firms. The highest allocated budget for advertising was KShs 1. 2 million and the lowest was KShs 80,000. These figures represented a mere 14% of revenues in consumer based industries, 9% of revenues of industrial based companies and a mere 6% of revenues of professional services companies.

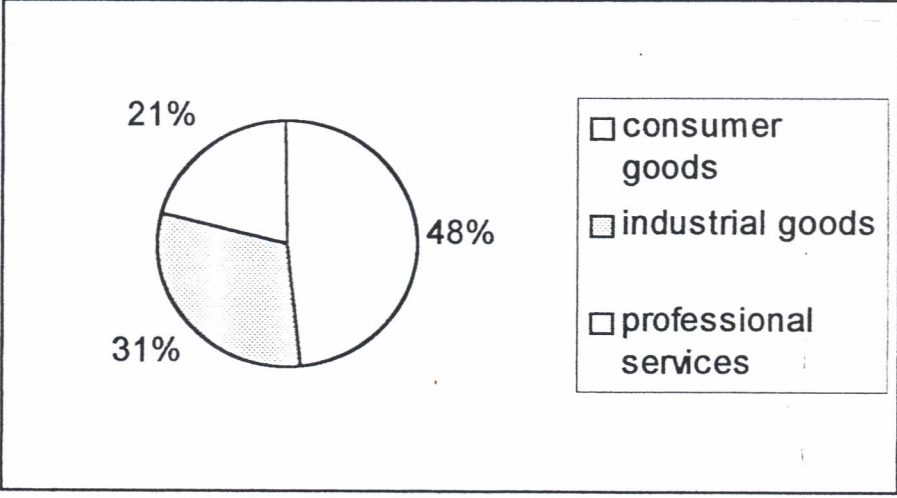


Fig 3. Advertising budget allocations.

The study noted that a large percentage of the businesses studied were established within the last six to ten years. This represented a figure of 41.75 %.Of the others 33.3% of the businesses were established between one to five years , 8.3% between eleven to fifteen years,

8.3% between 16-20 years and 8.3% were over twenty one years old. All the businesses studied used one or a combination of several media to promote their businesses.

Age of business (years)	Frequency	%
1 – 5	12	33.3
6 – 10	15	41.7
11 – 15	3	8.3
16 – 20	3	8.3
Over 21	3	8.3

Fig 4 Duration since the firm was established

It is important to note that there was clear – cut relationship between when the business started operating and the turnover of the business. Of the businesses studied 16.7% had a turnover of one million and were aged between one and five years, 32.6% had a turnover of 2-.3 million and were aged between 6 – 10 years; 8.3% had a turnover of over 3 million and had been operating between 11-15 years.

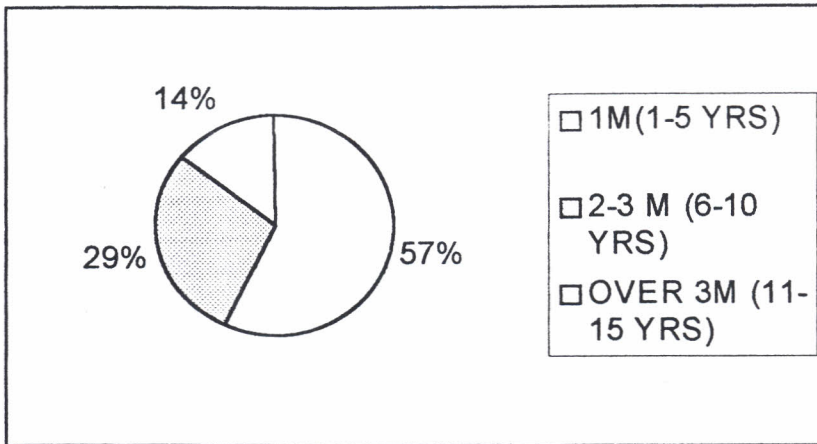


Fig 5. Turnover of business

However here was no clear-cut relationship between the turnover of the business and the number of years it had been in existence. This was more so determined by the sector in which the business was operating. Of the three sectors the consumer goods sector registered the highest growth in turnover with 67% of the businesses started between one to five years registering at between 2-3 million. It was followed closely by the professional services out of which 54% of the studied businesses registered a turnover of between 1-2 million in the first five years of operation. The industrial sector registered the least growth with 38% of the business registering a turnover of 1-2 million in the first five years of operation.

Industry	% Growth in turnover between 1- 5 years
Consumer goods	67
Professional Services	54
Industrial goods	38

Fig 6. Industry growth

In terms of the number of employees the consumer based firms registered the highest number of employees per business./ Most consumer based firms employed between 11-20 employees followed by Industrial firms which employed between 5-10 employees, but most professional firms had less than five employees on their payroll. Source Kenya Industrial Estate Magazine June edition year 2000.

4.3 MEDIA USAGE

As stated earlier all firms studied used one or a combination of several media to promote their businesses. The print media was the most widely used with 38% of businesses studied using it, 29% preferred electronic media, 21% used direct mail, outdoor, transit and supplementary media while 12% used other types of media. However it is important to know that most businesses used a combination of several media to support each other for maximum effectiveness and efficiency.

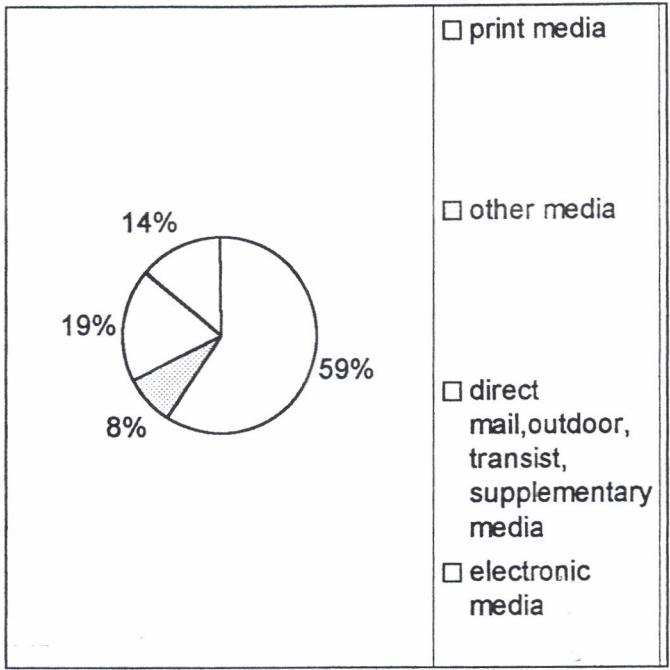


Fig 7. Media used by small scale businesses.

4.4 MEDIA DECISIONS

The study noted that of the firms studied the owner of the business was extremely important in making media choice decisions representing 76%, the finance manager was second in importance representing 10% ,the marketing manager followed with 8%, while the production manager was least important with only 5% of respondents saying he was involved in media choice decisions.

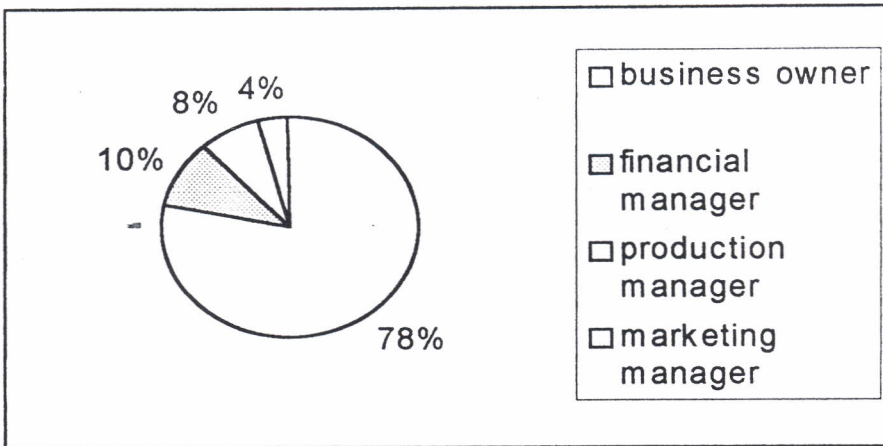


Fig 8. Important decision makers on media use

4.5 MEDIA STRATEGY

The study established that 86% of the firms studied had a written down or stated media strategy which had a strong bearing on the factors they considered important on media strategy development and media use. Out of the firms studied only 14% indicated that they did not have a stated media strategy. This means that a very high percentage of small scale business enterprises adopted media strategizing as a basis for achieving their goals and objectives.

The study also found out that most firms developed a media strategy on quarterly basis. This represented 60% of the total firms studied. 25% of the firms indicated that they review their media strategy on yearly basis. None of the firms indicated that they review their media strategy on half yearly basis while 15% indicated that they develop their media

strategy on monthly basis or periods exceeding one year. The reason given for developing a media strategy on quarterly and half yearly basis was that today's market environment is very dynamic. New competitors are entering the market and others leaving. Media houses have drastically increased and are more innovative. Customer tastes and preferences keep on changing and many channels of communication are being introduced into the market hence the need to develop a media strategy on frequent basis.

Of the total number of firms studied, 54% indicated that in-house media department played a significant role in developing a media strategy and in determining the important factors to be considered when developing the media strategy. 36% of the firms indicated that they hire advertising agencies to assist them develop media strategy whereas 10% indicated that the independent media buying service agencies assist in developing a media strategy. This is as shown in the table below.

Title	Frequency	%
In house media	19	54
Advertising Agencies	13	36
Independent media buying service	4	10

Fig 9. Main players in developing media strategy

This means that the in- house media department plays a significant role in developing a media strategy and in determining the most important factors that are considered in developing a media strategy.

4.6 FACTORS IMPORTANT IN DEVELOPING MEDIA STRATEGY

The study listed several factors that were considered important in developing a media strategy. The factors were categorised into four groups as being either market related, consume related , media related ,or message related. Respondents were then required to list the factors they felt were important in developing a media strategy in order of importance on a scale. The following were the findings of the study.

4.6.1 MARKET RELATED FACTORS

Among the market related factors the study found out that Target audience, Rapid feedback and prime prospect were rated as extremely important in developing a media strategy. However competitors actions and market segmentation were also important restrictions in developing their media strategy.

Factor	Frequency	%
Target audience	36	100
Rapid feedback	36	100
Prime Prospect	36	100
Competitors Actions	30	83.3
Market segmentation	25	77.8
Legal Restrictions	6	16.7

Fig 10. Market related factors important in developing a media strategy.

4.6.2 CONSUMER RELATED FACTORS

The Study established that among the consumer related factors ,consumer purchase behavior and consumer response were extremely important with 100% of firms rating them as extremely important in developing their media strategy.

Timing schedule and product characteristics were also rated as important with over 30% of firms considering them as important in developing a media strategy. However only 11% of the firms listed advertising perception as important in developing their media strategy.

Factor	Frequency	%
Consumer Purchase Behaviour	36	100
Timing schedule	19	54
Product Characteristics	20	56
Advertising Perception	4	11
Consumer Response	32	89

Fig 11. Consume related factors important in developing media strategy.

4.6.3 MEDIA RELATED FACTORS

The study noted that among the media related factors ,the cost of media, the sales potential and the impact of media were rated as the most important factors in developing media strategy. Over 90% of the firms listed these factors as extremely important.

The study also established that the reach, reliability, communication potential and flexibility of media were also important factors with over 40% of firms indicating that they were important in determining or developing their media strategy . All the other factors such as quality, life-span creative strategy, friendliness, visual advantage, design assistance and prominence varied in terms of importance ranging from 19% - 60%.

Factor	Frequency	%
Cost of media	36	100
Sales potential	36	100
Impact of media	36	100
Reach	15	10
Reliability	18	50
Quality	13	36
Life-span	12	33.3
Flexibility	15	41.7
Quality	13	36
Communication potential	15	41.7
Creative strategy	21	58
Friendliness	9	25
Visual Advantage	18	50
Design Assistance	21	58
Prominence	7	19.4

Fig 12. Media related factors important in developing a media strategy

4.6.4 MESSAGE RELATED FACTORS

The study established that the target audience is the most important factor in developing media strategy related to message with 100% of the firms listing it as extremely important.

The message size, length and position was rated by 70% of firms as important while the mood of message and the impressions created by the message were rated as important.

Factor	Frequency	%
Target Audience	36	100
Mood of message	8	23
Message size, length, position	25	70
Impression	7	18

Fig. 13 Message related factors important in developing a media strategy

Overall the study established that most firms considered, the target audience, rapid feedback, prime prospect, consumer purchase behaviour, cost of media, sales potential, impact of media and target audience as the most important factors in developing their media strategies.

Factor	Frequency	%
Target Audience	36	100
Rapid feedback	36	100
Prime prospect	36	100
Consumer purchase Behaviour	36	100
Cost of media	36	100
Sales potential	36	100
Impact of media	36	100
Competitors Actions	30	83
Market Segmentation	25	77.8
Legal restriction	6	16.7
Timing schedule	19	54
Product characteristics	20	56
Advertising perception	4	11
Consumer response	32	89
Reach	15	41.7
Reliability	18	50
Quality	12	33.3
Life - span	15	41.7
Creative strategy	21	58
Friendliness	9	25
Visual advantage	18	50
Design assistance	21	58
Prominence	7	19.4
Mood of message	8	23
Message size, length, position	25	70
Impressions	7	18

Fig 14. Summary of factors important in developing media strategy.

4.7 CHALLENGES IN DEVELOPING MEDIA STRATEGY

The study established that different firms faces different challenges in trying to develop their media strategy. Firms were required to rates the challenges listed on a scale of 1-5 starting with the ones they considered extremely important to the ones they considered not important at all. The following was the result of the study.

Factor	Frequency	%
Fragmented Audience	30	83
Media Proliferation	36	100
Increased costs	32	89
Insufficient media data	22	61
Time pressures	18	50
Measuring media effectiveness	14	38
Waste	6	17
Clutter	8	22
Economic environment	17	47
Creativity	3	8
Purchasing Cycle of buyers	16	44
Media budget constraints	28	78
Stage of product life cycle	24	67
Impact of media vehicle	13	36
Seasonality of products	9	25

Fig 15. Challenges faced by businesses in developing media strategy.

The results indicates that media proliferation in recent years, fragmented audience, increased costs, media budget constraints and stage of product life cycle are the most important challenges faced by small scale business enterprises in developing their media strategy.

However other important challenges include insufficient media data, time pressures and the economic environment.

The study established that the major impact of having a media strategy for business is that it helps in planning and executing a successful media campaign. This results in increased reach on the target audience, reduced costs and definitely increased volume of sales on the part of the company. It also helps the firm to maintain a competitive edge in an increasingly congested and competitive market. Firms that plan and execute a thorough media strategy are not only able to build a positive image of the company and its products , they are also able to meet and even exceed customer expectations by offering superior service and high quality products. However the bottom line is that firms are able to meet their overall goals and objectives.

CHAPTER FIVE

5.0 CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

Based on the objective of the research the study was able to draw several conclusions. It is important to note that small scale enterprises have played and continue to play a very significant role in the economic and Social development of this country. The small scale enterprises participate or are represented in all sectors of the economy. This alone makes them an integral part of the country's vision of becoming an industrial nation by the year 2020.

The study established that most small business enterprises used a combination of media. The media are meant to reinforce each other for maximum effectiveness and efficiency. Among the most popular media was the Broadcast and Print Media. However supplementary media like Outdoor advertising, Trade shows, Pamphlets and Inserts were also commonly used.

The study noted that there is no clear cut distinction between small scale and medium scale businesses based on the criteria defined by the Sessional paper No. 1 of 1996, the study noted that some businesses had very high turnover of over 5 million yet they employed very few staff and could be categorized as small scale businesses. This is as a result of the use of latest state of the art technology and the sector in which the business operated. Most businesses in the telecommunication sector had very few staff yet they have very high turnover.

The level of awareness among small scale business owners and manages was relatively high. This was attributed to an increased number of retrenches and voluntary retirees in the recent past. This group that left formal employment established small scale business enterprises. They had been trained in their respective positons and had the technical skills acquired over

their working life. However a good majority lacked skills in media use and strategy as this was not their main area of specialization.

The small scale business enterprise sector has also witnessed a relatively high number of failures. This has been as a result of several factors such as lack of credit facilities, poor economic performance, poor management, unfavourable competition and so on.

However failures could also be attributed to poor utilisation of media. Most businesses have failed to realise that media strategizing is an integral part of the overall marketing plan of the organisation,. To achieve good result there has to be synergy between all marketing activities touching on the product, price, place and promotion. However it was established that most a small business enterprises take time to develop and evaluate their media strategy on a frequent basis, but most did not take it as an integral part of the overall marketing plan. This has resulted in most media campaigns not being effective in delivering the desired results.

The study established that the most important factors in media strategy by small business enterprises include, the target audience, rapid feedback, prime prospect, consumer purchase behavior, cost of media, impact of media and sales potential. These factors were ranked as having the greatest impact when making the choice of media and developing a media strategy. However other factors like communication potential were also important.

Many small enterprises have also been experiencing a lot of challenges in their media use and strategizing. This has often resulted in many campaigns not achieving the desired result. Among the challenges noted as very critical include proliferation of media in the recent past. This has made it extremely expensive and difficult to decide which media to use. Other issues raised as important include fragmented audience, increased media costs, media budget constraint and the stage of the product life cycle. These challenges have been compounded by the fact that most personnel lack the technical skills and know-how on media use and developing of media strategies.

5.2 RECOMMENDATIONS

The following are some recommendations that the researcher feels should be addressed for the benefit of small scale business enterprises.

First the media owners should chip in to support small scale business enterprises through development of innovative products, reduced costs, technical knowledge and assistance in developing successful media campaigns.

It is important to note that small scale businesses do not have the resources to carry out research on media. This can only be done by media houses which together can marshall resources to commission such kind of research programs. The results of the research should be made available to small scale business owners. This would enable them make informed decisions, and develop effective media strategies.

Training is a vital component for the success of every individual and business alike. Small business owners should invest in themselves and their staff in terms of training. This would enable them acquire the right skills and technical know how to manage their businesses and make timely and informed decisions. The government and other concerned parties should also chip in to facilitate small business owners to acquire the right skills by providing resources, organising workshops, trade shows and so on.

It is important that small scale business owners and staff should possess knowledge on the available media, its advantages and disadvantages. Where possible small businesses should go for the media that yields maximum result at the lowest cost. They should consider publicity, public relations, road shows and trade shows and so on as effective ways of reaching a wider clientele with minimal costs.

Small business owners should realise that media strategy is an integral part of the wider marketing planning. All the marketing activities should to coordinated if success and growth is to be achieved.

Lastly small business owners should be strategic thinkers, they should focus ahead and determine their course through careful planning of their activities. In this way they would not only remain competitive but would also see their businesses grow to become big industries and resource providers.

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APPENDIX I

NOTE TO RESPONDENTS

Dear Respondent,

Research is core to resolving and understanding the challenges and problems that face small scale business enterprises. This can only happen if managers can access information to make right and timely decisions at all times. In order to build on this knowledge, this survey aims at studying the way small scale business enterprises use and strategise on existing media. This information will assist owners/managers of these businesses to make informed decisions that could propel them to greater success. It is towards this end that this questionnaire calls for your assistance in providing the necessary information.

Neither your name nor that of your company is required and you are assured that the information you provide will be treated in the strictest confidence. At your request a summary of the results will be sent to you.

Your cooperation in the exercise will be highly appreciated.

Thanking you in advance.

Yours Sincerely

MUTHANGA A. G

APPENDIX II

LICENCED AND ASSIGNED RADIO AND TELEVISION STATIONS

1. KTN Baraza Limited
2. Maritime Media Services
3. Sauti Ya Rehema (RTV)
4. Kitambo Communication Limited-(Family FM & TV)
5. Provisionally Assigned
6. Capital Group Limited (Capital FM)
7. IQRA Broadcasting Network
8. Universal Entertainment
9. Reciprocal Reach Broadcasting Ltd (Kameme)
10. Stellographics Ltd (STV)
11. Feba Radio
12. Nation Media Group (Nation FM & TV)
13. Stang Boyz Promotions
14. Royal Media Services (Citizen Radio & TV)
15. Bibilia Husema Studios
16. Sirwo Enterprises Ltd
17. BBC World Service
18. Pete Ariatio & Electronics
19. Sunrise Transmission Ltd
20. Nairobi Pentecostal Church
21. World Space Kenya Ltd
22. Kenya Broadcasting Corporation
23. Voice of America

SOURCES: COMMUNICATION COMMISSION OF KENYA

APPENDIX III

Number of large firms -1998

Foods	719
Beverages	2
Tobacco	1
Textiles	94
Garments	508
Leather products	31
Footwear	13
Wood products	201
Furniture	262
Paper	58
Printing	352
Industrial chemicals	37
Other chemicals	140
Petrol refineries	2
Rubber	63
Pottery	1
Glass	1
Non – metallic mineral production	43
Fabricated metal production	342
Non – electrical machinery	67
Electrical machinery	45
Transport equipment	140
Misc. manufacturing	241

Kenya has just over 3500 manufacturing units of which a sixth are large firms. After the build up in 1992, large firms declined significantly in 1995 due to economic slowdown and low priced imported goods.

Source: Kenya factbook 2000-2001

APPENDIX IV
QUESTIONNAIRE

Please answer the following questions according to the instructions

1. How long has your business been in existence?
 - less than one year
 - 1 – 5 years
 - 6 – 10 years
 - 11 – 15 years
 - 16 – 20 years
 - over 21 years

2. How many employees do you have in your organization?
 - 1 – 10 employees
 - 11 – 20 employees
 - 21 – 30 employees
 - 31 – 40 employees
 - 41 – 50 employees
 - over 50 employees

3. What is the nature of your business?
 - Consumer Goods
 - Industrial Goods
 - Professional Services
 - Any other (specify).....

4. What is the turnover of your business?

0 – 1 million

1 – 2 million

2 – 3 million

3 – 4 million

4 – 5 million

over 5 million

5. Do you use media to promote your business?

Yes

No

6. If yes which media do you most frequently use?

Print Media

Broadcast Media

Direct Mail, Outdoor, Transit, and Supplementary Media

Any Other Specify

7. What is the size of your advertising budget?

0 – 250,000

250,000 – 500,000

500,000 – 1,000,000

1 million – 1.5 million

8. To what extent are the following people important in media choice decision?

	Extremely important	Very important	Important	Little important	Not important
--	------------------------	-------------------	-----------	---------------------	------------------

- | | | | | | |
|---------------------------|-----|-----|-----|-----|-----|
| a) Owners of the business | () | () | () | () | () |
| b) The Marketing Manager | () | () | () | () | () |
| c) The Finance Manager | () | () | () | () | () |
| d) The Production Manager | () | () | () | () | () |

Any others (specify).....

9. Do you have a stated media strategy?

() Yes

() No

10. If yes, in question 9 above, to what extent are the following involved in planning and developing the media strategy for your firm?

	Extremely	Very	Important	Little	Not
	important	important		important	important

a) Advertising agency

media department	()	()	()	()	()
------------------	-----	-----	-----	-----	-----

b) Independent media

buying service	()	()	()	()	()
----------------	-----	-----	-----	-----	-----

c) In-house media

department	()	()	()	()	()
------------	-----	-----	-----	-----	-----

d) Any others (specify).....

11. How often does your firm develop a media strategy?

() Monthly

() Quarterly

() Half – yearly

() Annually

() Any others (specify).....

12. How important is each of the following factors in developing your media strategy?

	Extremely	Very	Important	Little	Not
<u>Market Related</u>	important	important		important	important
<u>Factors</u>					
Target audience	()	()	()	()	()
Rapid Feedback	()	()	()	()	()
Prime Prospect	()	()	()	()	()
Competitors Actions	()	()	()	()	()
Market Segmentation	()	()	()	()	()
Legal Restrictions	()	()	()	()	()

Consumer Related

Factors

Consumer Purchase

behaviour	()	()	()	()	()
Timing schedule	()	()	()	()	()
Product characteristics	()	()	()	()	()
Advertising perception	()	()	()	()	()
Consumer Response	()	()	()	()	()

Media Related

Factors

Cost of media	()	()	()	()	()
Sales potential	()	()	()	()	()

	Extremely important	Very important	Important	Little important	Not important
Impact of media	()	()	()	()	()
Reach	()	()	()	()	()
Reliability	()	()	()	()	()
Life span	()	()	()	()	()
Flexibility	()	()	()	()	()
Communication potential	()	()	()	()	()
Creative Strategy	()	()	()	()	()
Friendliness	()	()	()	()	()
Visual advantage	()	()	()	()	()
Design assistance	()	()	()	()	()
Prominence	()	()	()	()	()
<u>Message related factors</u>					
Target audience	()	()	()	()	()
Mood of message	()	()	()	()	()
Message size, length, position	()	()	()	()	()
Impressions	()	()	()	()	()

13. What do you consider as the major impact on media use and strategy on the performance of your business?

.....

.....

.....

14. Please rate the extent of the challenge that you encounter from each of the following factors in your media use and strategy. Use a 5 point scale where 5 = extremely, important 4 = very important , 3 = important , 2 = little important and 1= not important at all.

	5	4	3	2	1
a) Fragmented audience	()	()	()	()	()
b) Media proliferation	()	()	()	()	()
c) Increased costs	()	()	()	()	()
d) Insufficient media data	()	()	()	()	()
e) Time pressures	()	()	()	()	()
f) Measuring media effectiveness	()	()	()	()	()
g) Waste	()	()	()	()	()
h) Clutter	()	()	()	()	()
i) Economic environment	()	()	()	()	()
j) Creativity	()	()	()	()	()
k) Purchasing cycle of buyers	()	()	()	()	()
l) Media budget constraints	()	()	()	()	()
m) Stage of product life cycle	()	()	()	()	()
n) Impact of media vehicle	()	()	()	()	()
o) Seasonality of products	()	()	()	()	()