FACTORS INFLUENCING THE FUTURE OF ADVERTISING STRATEGY IN KENYA

BY

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DEDICATION

During my term as a graduate student in USIU, I have enjoyed enviable education support from staff, faculty and fellow students. The knowledge I have acquired is not only from lecturers but also from my friends in school, my colleagues at IBM and from my family who have provided continuous support in a variety of circumstances. In gratitude of this guidance, kindness, love and understanding, I dedicate this project to my siblings.
STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: [Signature] Date: 29/07/2013
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This project has been presented for examination with my approval as the appointed supervisor.

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ABSTRACT

The purpose of this study was to determine the factors that would affect the future of the advertising strategy in Kenya. In this regard, the study therefore attempted to answer three research questions. Firstly, what environmental factors influence advertising strategy in Kenya? Secondly, does globalization affect advertising strategies in Kenya? Lastly, how does innovation influence advertising strategy in Kenya?

A quantitative research design was used in this study. Quantitative research attempts to produce findings that are precise and generalizable. The study utilised a subtype of a quantitative research design, that is, an exploratory-descriptive design. Exploratory research is useful where the problem is relatively new and in studies where a little is known. The descriptive research design aims to facilitate the description and the exploration of new issues, and to explain why something happens. The scope of the study was limited to advertisers within the Nairobi region. The study used primary data that was collected using questionnaires. The sampling frame comprised of advertisers working for both local and multinational companies. In this study, census sampling technique was used. From the study, it is evident that advertising is influenced mostly by economic factors, globalization and mostly the new innovations especially in the social media. Results from the study helped to analyze the various environmental factors affecting or influencing advertising strategy. Most of them were in line with different studies that had been done previously.

These findings clearly illustrate the extent to which the environmental factors provided influence the advertising strategy in Kenya. Respondents from both the advertising agencies and the consumers were of the idea that a lot need to be done in providing adequate information of products and services to reinforce the existence of those products and services. According to the findings, consumer information about benefits of products about benefits of products and services, memory retention of advertising content among consumers and influence of advertising to consumers to spend more on goods and services were seen as the most critical factors influencing the environmental factors in advertising strategy in Kenya, exploration of how globalization affect advertising strategies in Kenya and explanation of how innovation is influencing advertising strategy in Kenya.
The least critical factor presented was that advertising was politically influenced. The study found out that consumers are directly affected by the factors that come along with the goods and service advertised. This is because of the presence of benefits, content, culture, strict regulations and politics as factors that were tested in the advertising environment. The study findings show that majority of the respondents categorized these aspects of age, marital status and form of organization as critical factors affecting consumer spending, government regulations and the duration of advertisement utilization.

The results of the study clearly indicate that there exists a relationship between advertising strategies in Kenya and globalization. According to the findings, all the factors analyzed were found to be significant to a great extent in influencing the effect of local cultures on consumer behavior, the necessity of local execution for success in advertising and the fact that consumers are more demanding and sophisticated proved to be the critical and influential. The findings in this study show that consumers in different areas do not share the same wants and needs.

Findings from this study reveal that there is a relationship between the type of sector and the environment provided by globalization. Most respondents reported to be working in environments that are not suitable for quality performance. Notably, there are marked differences in wants and needs. This is attributed to the use of standardized messages and pride in buying local brands that greatly resonate with them. It was also noted that technology is vital for the future of advertising.

With easy accessibility to technology, advertising will not be left behind in the technology space. Companies will use technology in advertising through developing the adverts or hosting their advertisements. Key influencers of technology will be the use of internet in advertising both as a medium and as a venue where customers can provide instant feedback to companies as compared to the traditional form.

Concerning economic factors, measures should be put in place by the government of the day and the organization to ensure that advertisement costs is reasonable and competitive enough to enable as many organizations as possible to access this facility. Advertising should be adapted to cater for the social needs of the target group. Considerations on cultural orientations and social groupings should be taken into consideration when
adapting any advertising strategies. Consequently, since it has been noted from this study that new technology is key to the future of advertisement in Kenya, organizations should therefore explore existing avenues of getting these new advertising models in place for instance internet advertising and social media.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

"Advertising can be traced back to the very beginnings of recorded history. Archaeologists working in the countries around the Mediterranean Sea dug up signs announcing various events and offers. The Romans painted walls to announce gladiator fights [...] during the Golden Age in Greece, town criers announced the sale of cattle, crafted items and even cosmetics [...]" (Kotler et al., 2012). Advertising is an activity of attracting public attention to a product or business, as by paid announcements in the print, broadcast, or electronic media.

Advertising is a paid form of a non-personal message communicated through the various media by industry, business firms, non-profit organisations, or individuals. Advertising is persuasive and informational and is designed to influence the purchasing behaviour and/or thought patterns of the audience. Advertising is a marketing tool and may be used in combination with other marketing tools, such as sales promotions, personal selling tactics, or publicity.

The annual advertising spend in Kenya in 2012 was 65.4 billion shillings ($77 million) and this was expected to rise to 100 billion shillings ($1.2 billion) in 2013 due to the March 2013 general elections (Ipsos Synovate Marketing and Social Research, 2012) The industry comprised of 10 Advertising Practitioners Association recognized advertising agencies and over 20 other agencies (APA). The industry has evolved from being a creative driven one to one that is now more focused on the bottom line. Given the changes in both micro and macro environment – the industry has experienced tremendous changes. 10 years ago, people relied on print media for their news and information and there were only two print newspapers in the country – Daily Nation and Standard Newspapers. Today, consumers are bombarded with information and there is information everywhere and anywhere. We also know that over ¾ of adult population own a mobile phone and radio penetration has increased to 98% according to ICT Facts and Figures 2013 by International Telecommunications Union (ITU Feb, 2013)

Advertising in the future will simply advance what marketers have always advocated: Firstly, ultra-targeted campaigns using customized messages that are highly relevant to
the interests of the audience. Secondly, it will advance the launching of initiatives that will build wide-spread buzz and natural viral recommendations amongst user networks and/or a broad general market. The only difference is the improvement of both strategies by using new technologies, which enhance the visibility, portability and impact of messages. Ideally, advertising campaigns must become favourable interruptions which pre-empt consumer needs by being exceedingly relevant. This is the ultimate result of an architecture which collects/analyzes consumer behaviour through the timeline plotting of individual data noodles (Advertising Age, 2012)

According to Mitchell (2012), it's the end of advertising as we know it. This time, the announcement comes from IBM Institute of Business Value report which predicts more will change in advertising in the next five years than over the past 50. We are now rushing towards a new era where spending on interactive, one-to-one advertising format surpasses traditional one-to-many advertising vehicles.

Leslie (2011) in her article Global Scan, argues that the growth of information about consumers both in North America and across the globe is of great concern. Sayer and Walker (1992, 91) argue that "the coin of producer-consumer intimacy has a darker side, the invasion of the home, the mind and the passions by the purveyors of products playing on unfilled spaces of personal desire." While the controlled nature of consumption dates back at least to the beginning of this century, we have seen a growth of these apparatus of power/knowledge and their further geographic extension. While the trans-nationalization of advertising is resisted, she concludes that, advertising agencies and clients develop and articulate notions of global advertising for multiple reasons: to rationalize their growing size and transnational structures, to gather business, to cut costs, and to increase profits. But in articulating notions of "world brands," they participate in constructions of globalism.

The undertaking is indicative of the challenges media companies and marketers face when trying to package a global mission into local experiences. For marketers with this strategy, technology is both help and hindrance. Sure, it gives marketers new opportunities to reach places where even TVs aren't found and to forge personal relationships with far-flung consumers. But it also requires them to be infinitely more
flexible, adapting to extreme variations in consumer behavior and technological capability and literacy (Klassen, 2009).

Globalization has induced some effect in changing the overall regulatory perspectives. With increasing interaction, learning and exposure to a wide range of environmental advocacy groups, scientific knowledge communities and political representatives, the principle of environmental protection, and its status as a matter of state responsibility was granted further impetus and international legitimacy (Sawhney, 2004).

Advertising standardization refers to utilizing the same or similar advertising messages across different countries or areas; international advertising adaptation is defined as using different advertising messages in separate markets (Kotler, 2008). When going international, firms must consider different degrees of two types of advertising strategies, that is, standardization and adaptation. This topic has attracted enormous attention during the last several decades (Buzell, 1968; Ghoshal, 1987; Levitt, 1983; Papavassiliou and Stathakopoulos, 1997; Solberg, 2001). Standardization of international advertising strategy is defined as utilizing the same, or common, advertising messages on an international basis, since the worldwide marketplace has become increasingly homogeneous, to the extent that international firms can market standardized products/services all over the world through identical advertising strategies, principally due to such influences as TV, movies, and the Internet (Jain, 1989).

In their study, Jiang and Wei (2012) demonstrate that MNCs are found to be more likely to adopt the glocal advertising strategy in culturally distinct markets, in which creative strategy is standardized and execution is localized. This is consistent with prior research that shows MNCs' advertising tended to standardize creative strategy more than execution. The popularity of the glocal strategy makes sense because it follows the contingency perspective – the best advertising strategy depends on the situation in which the most effective advertising combines the standardization and localization approaches.

According to McMillan (2004) and Hanafizadeh and Behboudi (2012), internet advertising has four key fundamental differences in comparison to traditional forms of advertising. First, internet advertising compresses the hierarchy of effects. Traditionally, there were different objectives for advertising and marketing. In this way, advertising works on the communication aspects of the hierarchy (like awareness and attitude) while
marketing works on the higher-level behavioural goals (like purchase and brand loyalty) (McMillan, 2004). But on the internet, all the borders become unclear and compressed. Banner ads might build awareness of a brand and simultaneously navigate users to a website that sells the products or services advertised on the banner. The second difference is interactivity. The internet is a hypermedia which allows advertisers to get a direct response from customers instantly. It also has formulated a new context in which users are able to create one-to-one communication with a website, expressing their real needs. Research on social media broadly classifies consumer activities as either contribution (posting) or consumption (lurking or observing) activities (Schlosser, 2005; Shao, 2009); it suggests that most users consume rather than contribute to social media (Jones et al., 2004). For example, about 53% of active social media users follow a brand (Nielsen 2009) rather than actively contribute content about the brand. A minority of users usually accounts for a large proportion of generated content (Bughin, 2007). However, over time, some less active consumers do become active (Hanna et al., 2011). Shao (2009) has noted that some social-media activities, which are conceptually distinct, may be difficult to differentiate – due to interdependencies as they unfold over time. In a survey of ten global markets, social networks and blogs are the top online destinations in each country, accounting for the majority of time online and reaching 60 percent or more of active Internet users (Nielsen 2009).

According to Michael (2000), in the future, if we learn to predict accurately changes in economic conditions, the law, social trends and technology, we may be in a position to predict future developments in the services offered by advertising agencies. To be sure, methods to forecast the future are still all too primitive and prediction is a hazardous endeavour. Nevertheless progress is being made, especially in predicting economic conditions, and to some extent in predicting social and cultural trends, and even in the area of forecasting future technological developments. As such forecasting methods are improved, the likelihood increases that future developments in advertising agency evolution may be anticipated accurately.

1.2 Statement of the Problem
The study sought to identify the future of advertising strategy in Kenya. According to Michael (2000), superficially it is obvious that an advertising agency provides services demanded by advertisers. But in reality the environment in which they operate influences
both the advertiser and advertising agency. Thus, we can say that the advertising agency's
activities to produce services are dictated by environmental factors. Viewed in this way,
an advertising agency is a dynamic system, which changes (is managed) in response to
external influences. As such forecasting methods are improved, the likelihood increases
that future developments in advertising agency evolution may be anticipated accurately.

Today, advertising is a multi-billion industry, employing hundreds of thousands of people
and affecting billions of people's lives worldwide. In 2000, international advertisement
spending exceeded $414 billion and according to Zenith Optimedia it is believed that
spending will maintain a 6 per cent growth rate for the next couple of years, increasing to
an estimated $427 billion this year and to $451 billion next year (Kotler et al. 2002).

However, as a consequence of long-term changes, such as the increase of a larger and
more diverse range of media, as well as the arrival of new technologies, particularly the
Internet, consumers have become better informed than ever, and as a result, some of the
traditional advertising methods are no longer as effective as they used to be
(www.economist.com).

The environment is changing drastically and so are the consumers. With the arrival of
fibre optic cable with the advantage of higher broadband connections, a more literate
population with a literacy level of over 70% and the availability of mobile phones, the
industry is indeed going to experience a number of changes. Globalization will also play
a part with the anticipation of future evolution of advertising strategy. As a result of
globalization, the use of advertisement across cultural borders has grown immensely, and
while one expert claims that the average person is daily exposed to 1,600 advertisements,
another expert estimates the total number to be as much as 5,000 a day from billboards to
bumper stickers to logos on caps and T-shirts (Armstrong et al., 2005).

The globalization effects on advertising as shown in the preceding paragraph are here
with us. It is not certain whether there will be more advances in future or the mutations of
the current advertising strategy. A review of the literature indicates that it is not known at
this stage what factors will influence the future of advertising in Kenya. This is the gap
that the study sorts to address.
1.3 General Objective
The general objective of this study is to determine the factors that would affect the future of the advertising strategy in Kenya. The primary purpose of this research will be to test these ideas in the advertising environment, globalization and innovation and how they affect advertising strategy. In this regard, the study therefore attempted to answer the following specific objectives:

1.4 Specific Objectives
1.4.1 To find out the environmental factors influencing advertising strategy in Kenya
1.4.2 To explore how globalization affect advertising strategies in Kenya
1.4.3 To explain how innovation is influencing advertising strategy in Kenya

1.5 Importance of the Study
The importance of the study was to identify the changes in the advertising strategy in the next era for the following:

1.5.1 Advertising Agencies
The study will enlighten the advertising agencies on the future of the industry. This will assist them in being more prepared and plan accordingly, so as to remain competitive and relevant to their clients. It will also assist in having a competitive edge over other competitors and maintain their relevance. The study will finally advise the advertising agencies on future growth strategies for the industry.

1.5.2 Advertisers
The study will assist the clients in their strategy development. It will also help them in predicting what the consumers will be expecting in the new era and how to remain competitive while still meeting their consumers’ needs. It will also assist them in their budgeting planning process for marketing communications budgets.

1.5.3 Investors
Investors will use to study to identify new investment opportunities within the industry. These could be new mediums of communication, new consumer segments, which will create an opportunity for investment.

1.5.4 The Academicians and Students
To the academicians, it will create focus on the next level of thinking in advertising strategy and the need for further research in order to at par with pace on industry
developments. To the students, it presents new findings to assist them in opening up to new frontiers of knowledge.

1.6 Scope of the Study
The study was conducted within Nairobi and Mombasa. In this study, both entrepreneurs and employees were interviewed on the factors that would influence the advertising industry. Major clients who consume most of the advertising strategy services were also interviewed. They included service industries such as airlines, banks, insurance companies, fast moving consumer goods companies and manufacturing companies. Other industry partners that were asked for their opinions, included the media, research institutions, consumer groups, and industry organizations such as Marketing Society of Kenya, Advertising Practitioners Association etc.

1.7 Definition of Terms

1.7.1 Advertising Agencies
An advertising agency may be viewed as a system of interrelated and interdependent components which, when organized and managed properly, can provide needed services at minimum cost. These services include planning and preparation of advertisements and commercials and selecting and buying media space and time among other related functions needed by advertisers (Armstrong et al. 2005).

1.7.2 Clients
Armstrong (2005) defines a client is the person who uses advertising agency services. Advertising strategy is a Business to Business (B2B) industry and a client would therefore usually be an organization/company. They are also referred to as advertisers (Armstrong et al. 2005).

1.7.3 Competitive advantage
Porter (1998) defines competitive advantage as an advantage that exists when a firm is able to deliver the same benefits as competitors but at a lower cost or deliver benefits that exceed those of competing products. Competitive advantage therefore enables a firm to create superior value for its customers and superior profits for itself.

1.7.4 Value
According to Porter (1998), a firm creates value by performing a series of activities that he identifies as the value chain. To achieve a competitive advantage, the firm must
perform one or more value creating activities in a way that creates more overall value than do competitors. Superior value is created through superior benefits to the consumer.

1.8 Chapter Summary

This research study is on the assessment of the factors that will influence the future of advertising in Kenya. Environmental factors will play a key role in influencing the future of advertising in Kenya. Globalization influences almost everything in the world. The world is becoming a global village and consumers are becoming global. This will indeed influence the future of advertising. Innovation plays a key role in the world today; changes in innovations will be the greatest factors influencing advertising in Kenya.

The literature review in the next chapter will address relevant theories, outcomes, suggestions and workable solutions that are in place. Chapter three will address the research organization and methodology that was applied to examine the assessment of teacher job satisfaction motivation and how they relate to teacher retention. Chapter four will include results and findings while chapter five will comprise of the conclusions and recommendations.
CHAPTER 2

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter reviews literature of what has been published on this topic by accredited scholars and researchers. It involved a critical look at the existing research that is significant to advertising in Kenya. It involved examining documents such as books, magazines, and journals that had a bearing on this study. It identified the different environmental changes that would affect the advertising strategy, globalization factors influencing advertising and innovations that will influence the advertising industry in Kenya.

2.2 Environmental Factors Affecting the Advertising Strategy
According to Miracle (2000), "superficially, it is obvious that an advertising agency provides services demanded by advertisers. But in reality the environment in which they operate influences both the advertiser and advertising agency. Thus, we can say that the advertising agency's activities to produce services are dictated by environmental factors. Viewed in this way, an advertising agency is a dynamic system, which changes (is managed) in response to external influences. As such forecasting methods are improved, the likelihood increases that future developments in advertising agency evolution may be anticipated accurately.

Advertising informs consumers about the existence and benefits of products and services, and tries to persuade consumers to buy them (Mackenzie, 2004). Moreover, Kotler et al. (2005), claim that advertising aims at attaining target consumers to either think or react to the product or brand. As a method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication. More specifically, it is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers (Royo-Vela, 2005).

Customer Retention is more complex than ever before and there has been a dramatic change in how selling takes place (Jacob, 1994). There is even strong evidence that reveals US corporations lose half their customers in five years (Ganesh, Arnold, and
Reynolds, 2000). Changes such as technological advances, a more frantic competitive climate, globalization, more demanding, sophisticated customers and even catastrophic crisis are some of the shifts in the business environment causing this (Stiglitz, 2003).

2.2.1 Economic Factors

The faster the economy changes, with new innovations and opportunities, creating more choices and options for customers, the harder it is to retain better informed and astute customers that can switch allegiance quickly, providing themselves with greater value and choice (Stiglitz, 2003).

For consumers, inflation is aggravating, but straightforward: We pay more for goods and services. As investors, inflation is more complicated. There are many definitions, sources and nuances. More important, inflation's surprising emergence across the globe has affected valuations and created significant challenges.

At the simplest level, price increases in food and energy have put pressure both on consumer spending and on corporate profit margins. In the United States, higher gas and grocery prices have imposed difficult lifestyle adjustments on consumers, with the falling dollar sharpening the pain. Still, the percentage of the average U.S. family's budget spent on energy and food is much lower than that spent by families in developing countries. Compounding the challenge for consumers in many developing countries, governments are rethinking or cutting back subsidies for food and energy. Central banks have also been indirectly subsidizing their citizenry by managing a favourable currency-exchange rate to encourage the jobs and export revenues that result from a weaker currency (Knepp, 2008).

2.2.2 Technological Factors

The undertaking is indicative of the challenges media companies and marketers face when trying to package a global mission into local experiences. For marketers with this strategy, technology is both help and hindrance. Sure, it gives marketers new opportunities to reach places where even TVs aren't found and to forge personal relationships with far-flung consumers. But it also requires them to be infinitely more flexible, adapting to extreme variations in consumer behavior and technological capability and literacy (Klassen, 2009).
Klassen proceeds to note that with 4 billion phones worldwide and only 1 billion internet users, mobile is especially perceived as a great enabler for global marketers. In many developing countries, for example, access to mobile phones is lapping online services, said Allison Mooney, VP-director of trends and insights at Mobile Behavior, Omnicom Group's mobile shop. And people's behavior changes depending on not only what kind of a phone they have-smart or "dumb"-but also on their other media-access points: Do they also have a landline or a TV or access to the PC web? Government policies about and investments in technology infrastructures can significantly affect advertising. For instance, South Korea has become one of the most technically advanced countries in terms of broadband penetration and Internet usage, thanks to the government's concerted efforts (Chung, 2012). In Brazil, government sponsored LAN - houses provide Internet access to the underprivileged (Horst, 2011).

2.2.3 Political Factors

Politically motivated brand rejection (PMBR) is the refusal to purchase and/or use a brand on a permanent basis because of its perceived association to a particular political ideology that the consumer opposes. There are three distinct sets of political ideologies that can lead to rejection of certain brands by some consumers. These ideologies include predatory globalization, chauvinistic nationalism, and religious fundamentalism. The target of PMBR can be both local and global brands and consumers who engage in PMBR do not expect any change in marketing practice (Sandikci and Ekici, 2009).

2.2.4 Social/Cultural Factors

Consumers' cultural values are regarded as governing ideas and principles for thought and action in a given society (Srikandath, 1991; Chan, 1999) and a powerful force shaping consumers' motivations, lifestyles and product choices (Tse et al., 1989). Zhang and Gelb (1996) write that people brought up in a particular culture become accustomed to that culture's value systems, beliefs and perception processes. Consequently, according to Zhang and Gelb, people would respond to advertisements congruent with their culture and culturally congruent appeals are generally more effective in terms of attitude towards both advertisements and brands (quoted in Hudson et a Government Regulations.)
2.2.5 Government Regulations

According to accepted economic theory, regulation should hurt firms, because it increases costs and constrains the choices available to managers (Berchicci and King, 2007). Nwabuzor (2005) states that advanced economies are more likely to have well-established laws and policies to address corporate behavior, while developing economies suffer from poorer investigative and enforcement mechanisms.

The other drawback of regulatory mechanism is the legal framework. Legal frameworks frequently measure compliance against “industry standards,” “business necessity,” and “the limits of current technology.” Most of the time, costs of compliance could be large enough to discourage firms with little investment capacity from investing in compliance equipment. A firm’s level of compliance is influenced by many factors. Positive incentives in the process of pollution reduction, like lowered per unit costs, tax breaks, investment subsidy, etc. could bring about greater compliance (Priyadarshini and Gupta, 2003). Globalization has induced some effect in changing the overall regulatory perspectives. With increasing interaction, learning and exposure to a wide range of environmental advocacy groups, scientific knowledge communities and political representatives, the principle of environmental protection, and its status as a matter of state responsibility was granted further impetus and international legitimacy (Sawhney, 2004).

On the other hand, regulations can be effective in inducing beneficial effects. Porter and Van der Linde (1995) proposed that “by stimulating innovation, strict environmental regulations can actually enhance competitiveness” and therefore “partially or more than fully offset the costs” of compliance (Porter and Van der Linde, 1995).

Government regulations play a key role in influencing the advertising strategies for a country. Although Russia’s identity will always be linked to vodka, it is also the world’s fourth-largest beer market, thanks to an influx of global brewers and a culture in which beer is often drunk on the street like soda. But according to Advertising Age, January 2012 issue marketers must now deal with hurdles resulting from a tough new law aimed at curtailing alcohol abuse. Starting in July, beer ads will be prohibited on television in Russia. And as of 2013, beer cannot be sold in Russian airports, bus stops, railway stations and certain other public places.
2.3 Globalization Influence on Consumers’ Choice

Leslie (Oct. 1995) in her article Global Scan underscores that the growth of information about consumers both in North America and across the globe is of great concern. Sayer and Walker (1992, 91) argue that "the coin of producer-consumer intimacy has a darker side, the invasion of the home, the mind and the passions by the purveyors of products playing on unfilled spaces of personal desire." While the controlled nature of consumption dates back at least to the beginning of this century, we have seen a growth of these apparatuses of power/knowledge and their further geographic extension. While the trans-nationalization of advertising is resisted, she concludes that, advertising agencies and clients develop and articulate notions of global advertising for multiple reasons: to rationalize their growing size and transnational structures, to gather business, to cut costs, and to increase profits. But in articulating notions of "world brands," they participate in constructions of globalism. Academics add their voices in negotiating these meanings. All these markets are so different, you need local expertise. You can have the same brand, focusing on same types of population, but you have to use different products.

Although globalization continues unabated across industries and organizations, it does not necessarily follow that consumers worldwide likewise are globalizing. Indeed, among theorists, there is widespread disagreement on this topic (Cleveland, Laroche, and Papadopoulos, 2009). On the one hand, capitalism, global transport, communications, marketing and advertising, and transnational cosmopolitanism are interacting to dissolve the boundaries across national cultures and economies (Ger 1999) and, in the eyes of many (Alden, Steenkamp, and Batra, 1999; Firat, 1995; Hannerz, 1990; Hofstede, Steenkamp, and Wedel 2009), accelerating the emergence of a homogeneous global consumption culture. On the other hand, the idea that societies around the world are inexorably converging has drawn skepticism (De Mooij 2004), under the counterargument that local cultures remain influential on consumer behaviour (or, indeed, that globalization leads to increasing entrenchment of local cultures, motivating people to resist global forces). A review of the literature indicate that consumer behaviour is increasingly the product of a transmutation of global and local cultural influences (Craig and Douglas 2006; Ger 1999; Howes 1996).
2.3.1 Standardization Versus Adaptation

Advertising standardization refers to utilizing the same or similar advertising messages across different countries or areas; international advertising adaptation is defined as using different advertising messages in separate markets (Kotler, 2008). When going international, firms must consider different degrees of two types of advertising strategies, that is, standardization and adaptation. This topic has attracted enormous attention during the last several decades (Buzell, 1968; Ghoshal, 1987; Levitt, 1983; Papavassiliou and Stathakopoulos, 1997; Solberg, 2001). Standardization of international advertising strategy is defined as utilizing the same, or common, advertising messages on an international basis, since the worldwide marketplace has become increasingly homogeneous, to the extent that international firms can market standardized products/services all over the world through identical advertising strategies, principally due to such influences as TV, movies, and the Internet (Jain, 1989). The rationale behind this position is that consumers in different countries or areas share the same, or very similar, wants and needs; therefore, they can be persuaded by universal advertising appeals (Buzell, 1968; Fatt, 1967; Killough, 1978; Levitt, 1983). Such an international advertising strategy can result in substantial media and production cost savings, because the multinational company needs only to develop a common advertising campaign across world markets.

By contrast, adaptation of an international advertising strategy suggests that each market must be considered, for the most part, as a distinctly separate unit and adaptations must be made accordingly (Pratt, 1956) due to differences in culture, economic status, legal conditions, and foreign market media. In the 1960s, academicians gradually shifted towards the contingency approach when using international advertising, indicating that whether to standardize or not is not a dichotomous decision, and that there are various degrees of international advertising standardization and adaptation, depending on analysis of the factors relating to the particular situation or environment at hand (Buzzell, 1968; Miracle, 1968; Ryans, 1969).

How to standardize advertising messages has been a challenge to multinational corporations (MNCs) in the era of globalization. As a means of establishing a uniform global strategy and image, marketing managers of MNCs employ a standardized
advertising strategy designed to maximize the firm's profit potential and enhance its performance outcomes.

2.3.2 Cultural Differences

In their study, Jiang and Wei (2012) demonstrate that MNCs are found to be more likely to adopt the glocal advertising strategy in culturally distinct markets, in which creative strategy is standardized and execution is localized. This is consistent with prior research that shows MNCs' advertising tended to standardize creative strategy more than execution. The popularity of the glocal strategy makes sense because it follows the contingency perspective – the best advertising strategy depends on the situation in which the most effective advertising combines the standardization and localization approaches.

Although MNCs' advertisements are characteristic of the glocal strategy, the level of standardization in international advertising varies by level of convergence of external markets. EU-based MNCs are the most likely to pursue the standardized advertising approach, whereas North American MNCs tend to standardize less, and Asian MNCs are the least likely to standardize their international advertising. What accounts for these region-based differences? From the global marketing strategy (GMS) perspective, MNCs are more likely to follow a strategy if the environment is conducive to that strategy. As EU markets further integrate, the integration will lead to a higher level of standardization of advertising. Asian MNCs are less likely to pursue advertising standardization in the era of globalization as compared with their counterparts in other continents. Major markets in Asia, such as China, India, and Japan, remain distinctively different markets with no integration similar to the EU countries (Jiang and Wei, 2012).

2.3.3 Market Forces

A major driver of corporate environmentalism is competitive market pressure. The growing recognition by many business leaders of the importance of environmental protection to their international competitive advantage has led to new rounds of proactive voluntary standards emphasizing the integration of environmental management and corporate strategy (Malarvizhi and Yadav, 2008). Russo and Fouts (1997) found that environmental performance and economic performance were positively related, so to gain economic mileage, investing in environmental measures is profitable for corporations.
There are empirical studies that link corporate environmental performance with financial success (Orlitzky et al., 2003).

2.4 How Innovation Affects Advertising Strategies

According to Gordon Miracle (2000), superficially it is obvious that an advertising agency provides services demanded by advertisers. But in reality both the advertiser and advertising agency are influenced by the environment in which they operate. Thus, we can say that the advertising agency's activities to produce services are dictated by environmental factors. Viewed in this way, an advertising agency is a dynamic system, which changes (is managed) in response to external influences. As such forecasting methods are improved, the likelihood increases that future developments in advertising agency evolution may be anticipated accurately.

An article on ‘Changing Consumer Mindset’ published by Research and Advice for the Credit Union Executive, 31st August 2009, Volume 35, Number 15 argues that the main task, he argues, is to recognize that people normally have an unconscious, gut-level idea of where they and their company are at—and where they’re likely to go. What Zaffron calls “the default future” is deeply rooted in people’s assumptions, hopes, fears, and past experiences. There are three laws that affect performance influence that future: Performance is related to perception, Perception is based on language, Future-based language changes perception.

The first task of leadership is to identify the default future, discuss and analyze it, and then go about re-imagining and rewriting the future.

2.4.1 Internet Advertising

According to McMillan (2004) and Hanafizadeh and Behboudi (2012), internet advertising has four key fundamental differences in comparison to traditional forms of advertising. First, internet advertising compresses the hierarchy of effects. Traditionally, there were different objectives for advertising and marketing. In this way, advertising works on the communication aspects of the hierarchy (like awareness, attitude) while marketing works on the higher-level behavioral goals (like purchase, brand loyalty), (McMillan, 2004). But on the internet, all the borders become unclear and compressed. Banner ads might build awareness of a brand and simultaneously navigate users to a web...
site that sells the products or services advertised on the banner. The second difference is interactivity. The internet is a hypermedia which allows advertisers to get a direct response from customers instantly. It also has formulated a new context in which users are able to create one-to-one communication with a web site, expressing their real needs. Through the use of this model, advertisers can directly interact with their customers and learn about their needs. The third major difference is intrusiveness, or spawning. This advantage caused the creation of Rich Media, a powerful tool that has evolved internet advertising significantly because of its ability to use animating software. Pop-ups and pop-unders are examples of Rich Media advertisements. “Disabling mouse” and “Keeping the user on the main site (farming)” are two major techniques of intrusive or spawning advertising. The fourth key difference is the internet capability of personalized communication. By emerging the concept of “lead generation” (Hanafizadeh and Behboudi, 2012) and the companies that provide invaluable leads for marketers, the advertisement’s myth (put the right message at the right time for the right user) is now practicable.

Advertising on the internet has other advantages, such as personalization and customization, rapid update (Turban et al., 2006), decreased cost, high flexibility (Heiligtag and Xu, 2007; Heiligtag et al., 2010), acquisition of traffic, user tracing (IAB.net, 2007), measuring and tracing the results of advertising, and providing the appropriate ability to manage access and frequency (Hanafizadeh and Behboudi, 2012).

### 2.4.2 E-commerce Development

E-commerce development involves five infrastructures: e-commerce infrastructure, communication infrastructure, financial infrastructure, pricing and payment structure, and technology infrastructure (Kurnia, 2006; Olatokun and Kebonye, 2010). (Purcell and Toland, 2004; Kapurubandara, 2009), Anigan, 1999; Bingi et al., 2000; Marshall et al., 2000).

It can be considered that e-commerce development has a significant relationship with advertising adoption. One of the variables that differentiate online advertising from traditional advertising is the ability to become a kind of purchase (Hanafizadeh and Behboudi, 2012). When a customer is motivated to follow an advertisement, it is supposed to lead to a complete buying process. However, the customer who is just
redirected to a marketer's web site cannot finalize an online transaction and must switch to offline media.

2.4.3 User Type

The way the internet is used has a considerable effect on the users' interest and motivation to follow online ads and subsequently purchase. Internet users are divided into three groups: heavy users, medium users and light users (Korgaonkar and Wolin, 2002). A heavy user spends up to five hours per day on the web and usually visits three web sites in an hour. The heavy users believe web advertising to be entertaining, enjoyable, informative, trustworthy and helpful. They also feel that internet advertising decreases expenses and it is necessary. They have a very positive attitude toward internet advertisements.

The medium users are among the most educated and the highest income users of the internet. Compared to the heavy users, they are less likely to believe that web advertising is informative, entertaining, enjoyable, informative, trustworthy and helpful; rather, they believe that it is boring. Medium users spend up to three hours per day on the web, mostly visiting web sites of their own interest, and visit two or three web sites in an hour (Korgaonkar and Wolin, 2002; Doubleclick.com, 2006). The time spent by light users on the web is about an hour, and no clear-cut usage pattern exists for this group in terms of the time they spend each day on the web (Korgaonkar and Wolin, 2002).

2.4.4 Social Media

Research on social media broadly classifies consumer activities as either contribution (posting) or consumption (lurking or observing) activities (Schlosser, 2005; Shao, 2009); it suggests that most users consume rather than contribute to social media (Jones et al., 2004). For example, about 53% of active social media users follow a brand (Nielsen 2009) rather than actively contribute content about the brand. A minority of users usually accounts for a large proportion of generated content (Bughin, 2007). However, over time, some less active consumers do become active (Hanna et al., 2011). Shao (2009) has noted that some social media activities, which are conceptually distinct, may be difficult to differentiate – due to interdependencies as they unfold over time. In a survey of ten global markets, social networks and blogs are the top online destinations in each country, accounting for the majority of time online and reaching 60 percent or more of active
Internet users (Nielsen 2009). Social media usage behavior is developing and transforming at a rapid rate. Within many countries, the "digital divide" is quite pronounced (Castells et al., 2004) and largely mirrors inequalities on the basis of education, income, occupation, social class and neighborhood (Zhao et al., 2008). Internet access, identified as being important for overcoming the digital divide (Hargittai and Hinnant, 2008), varies considerably between low and high-income economies (Andres et al., 2010), and between urban and rural areas (Hargittai and Hinnant, 2008). In sum, affordability is an important predictor of penetration of social media use because it captures the ability to pay for devices and services within countries and markets.

2.5 Chapter Summary

There are many factors that affect advertising strategy ranging from environment factors, factors related to globalization and innovations as well. Many studies have been done on these factors and how they influence advertising strategy in other parts of the world. It may be difficult to establish the relationship between advertising and its results, especially in terms of sales and market share. This is because the effect of advertising is difficult to isolate from other elements of promotional mix such as price. Nevertheless, it is clear that especially in consumer goods market, advertising has a very important role to play. Well-presented advertising campaigns using carefully targeted media will always be a major part of the promotional activity in such markets.

Changes in advertising strategy like any other industry will be influenced by the key environmental changes. Economic factors will play a key role and advertisers must therefore adapt to the changes in these factors. Culture and social factors will also influence the industry into getting more sensitive to the specific cultures. Globalization will only apply to specific products and services however cultural and social differences will play a key role in going against globalization efforts.

The next chapter looks at the methodology used to collect data, research design, population and sampling, sampling design, data collection methods, research procedures and data analysis methods.
3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter reviews the methodology of the study. It discusses the research design especially with respect to the choice of the design. It also discusses the population of study, sample and sampling techniques, data collection methods as well as data analysis and data presentation methods employed in the study.

3.2 Research Design
A research design is defined as the blue print and a detailed plan of how a research study is to be conducted (Neuman, 1997). A quantitative research design was used in this study. Quantitative research attempts to produce findings that are precise and generalizable (Rubin and Babbie, 2001). In a quantitative research study the researcher’s emphasis is on measuring the variables and testing hypotheses that are linked to the general causal explanations (Neuman, 1997). The study utilised a subtype of a quantitative research design, that is, an exploratory-descriptive design. Exploratory research is useful where the problem is relatively new and in studies where a little is known (Rubin, 2001). This type of a research design is used in situations where the researcher wants to develop initial ideas and a more focused research question. It has a specific purpose of exploring and gathering new facts. The descriptive research design aims to facilitate the description and the exploration of new issues, and to explain why something happens (Neuman, 2000). This type of study attempts to describe one factor within a problem area, and ways in which this factor is related to other factors (Grinnell, 1997).

3.3 Population and Sampling Design

3.3.1 Population
Population defines the whole set of objects or events under investigation about which we wish to make inferences (Schindler & Cooper, 2003). The collection of all possible observation of a specified characteristic of interest is called a population while a collection of observation representing only a portion of the population is called a sample. The target population in the study comprised of 30 users of advertising services in Kenya and specifically in Nairobi.
3.3.2 Sampling Design

3.3.2.1 Sampling Frame

According to Cooper and Schindler (2000), a sampling frame should be a complete and correct list of population members only. The sampling frame for this study was a list of 30 consumers of advertising services in Nairobi. The sampling frame of this study was selected from the list of advertisers provided by the Advertisers’ Practitioner’s Association.

3.3.2.2 Sampling Technique

Sampling is defined as a selection of units to represent an entire population (Saunders et al., 2009). In other words, it is to gather data from participants within a given population and use that data as representative to describe the entire population. The primary purpose of sampling is to collect data about specific events; cases or actions that can clarify and deepen understanding of what is being studied (Neumann, 2000). This study did a census of all 30 elements in the sampling frame. This is the scientifically acceptable sampling techniques for such small population as observed by Saunders et al (2009).

3.3.2.3 Sample Size

A sample is a finite part of a statistical population whose properties are to be studied to gain information about the whole (Merriam, 2003). This study selected all the 30 elements in the sampling frame using census sampling technique.

3.4 Data Collection Methods

Data collection is the heartbeat of the research and the data collection methods consist of a detailed plan of procedures that aim to gather data for specific purposes, that is to answer a research question or to test hypothesis (Saunders, et al., 2009) and therefore allow us to systematically collect information about our objects of study (people, objects, phenomena) and about the settings in which they occur.

The data collection instrument used in this research was mainly a structured questionnaire with both closed and open ended questions. Structured questions were used because they offered an increased response rate and were easily coded and analyzed while unstructured questions were used because they provided more information as the respondents
expressed their thoughts freely and spontaneously Saunders et al., (2009). This method was used as it is mainly an inexpensive way of getting information. In addition questionnaires are frequently used in such surveys to answer descriptive questions.

Secondary data from published reports on advertising, newspaper articles, journals, magazines and company websites were also used to supplement the primary data from the questionnaires. Some clarifications of certain uses will be done by telephone to select number of respondents, who will be selected based on the need for clarification.

3.5 Research Procedures

A pilot study was conducted to pre-test the research instrument in order to reveal any gaps inconsistencies or contradictions that may have been overlooked. The respondents at this stage included two advertising agencies. The data obtained was used to fine-tune the research instrument and did not form part of data used for the final analysis. Once the instrument was fine-tuned, the survey was then initiated.

3.6 Data Analysis Methods

This study used the quantitative method of data analysis. This was in form of descriptive statistics while for the open ended questions content analysis was used to summarize the themes. To ensure ease of analysis, the questionnaire was coded according to each variable of the study to ensure the margin of error is minimized and ensure accuracy during analysis. Data was analyzed using Statistical Package for Social Sciences (SPSS) program tool. The analysed data was presented using tables and pie charts to give a clear picture of the research findings at a glance. The methods of analysis included: descriptive statistics; parametric and non parametric correlations and ANOVA for graphical presentations of means plots to elucidate the correlation coefficients.

3.7 Chapter Summary

This chapter focused on the methodology that was used in conducting the study. Firstly, the research design that was applied was descriptive. The population, the sampling frame, the sample size and the sampling technique used have been specified. The data collection method employed the use of a questionnaire that was both structured and unstructured. Data was analyzed using SPSS and summarized for presentation in tables and figures. The next chapter will present research findings in relation to the research questions.
CHAPTER 4

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter represents the results of the findings on factors affecting the future of advertisement strategy in Kenya. In the study both quantitative and qualitative research techniques were employed. Statistical Package for Social Sciences (SPSS) program was used for analysis and the results presented using graphs and pie charts. Descriptive statistics was employed in most cases in presenting the findings of the study. Data was gathered in a quantitative from using 30 respondents out of the targeted sample of 30. The response was 100 percent; the study population entailed advertising practitioners, organizations, firms and their employees both in public and private sectors. The study results were presented in form of frequencies, mean, percentages, parametric and non-parametric correlations, and one-way ANOVA plots.

The first part presents an analysis of the general information as provided by the respondents. It looks at the respondents in terms of their gender, age, profile, marital status, form of their organization, sector of operation, age of the business, time and duration of using advertisement tools and the products or services that are advertised. The second part explores the information designed to respond to the research questions as outlined in the study.

4.2 General Information

The general information is organized in the following areas: Gender; Age; Marital status; form of organization; Sector; age of business; and advertisement utilization.

4.2.1 Gender of Respondents

The study also sought to find out the gender of the respondents from the different sectors in advertising. Figure 1 below provides a summary of the population based on the gender that took part in this study. The gender distribution comprised 58% females and 42% males.
4.2.2 Age of Respondents

Figure 2 below sought to determine the age of the respondents. It provides a summary of the respondents' age that took part this study. Most the respondents were adults of 36-44 years of age accounting for 51.1%, followed by respondents aged between 28-35 taking up 26.7% of the respondents.
4.2.3 Age distribution of Responds

The sample selected was normally distributed with a standard deviation of less than one (Std. Dev. = 0.821). This is a very representative sample in the light of the general population.

Figure 3: Age Distribution of Respondents

4.2.3 Marital Status of Respondents

The researcher sought to find out the marital status of the respondents, the figure 4. The results from the figure 4 show that 67% of the respondents are married while 33% of the respondents are single.

Figure 4: Marital Status
4.2.3 Form of Organization

The study sought to get respondents from the categories of partnership, limited liability, sole proprietorship and public multinational company. Figure 4 below is a summary of the respondents in different organizations. It is evident that the majority of respondents at 42% are from Limited Liability, followed by partnerships at 29% which is slightly more than those practicing sole proprietorship. The least ventured activity in advertising is the Public Multinational Company.

![Figure 5: Form of Organization](image)

4.2.4 Operational Sector for the Organization

The study sought to find out the different sectors that were in the advertising field, the sectors that were investigated included, manufacturing, financial services, healthcare, hospitality and services. As shown in figure 6, 35.6% of the respondents were from the service sector, 15.6% from the manufacturing sector and financial services, 22.2% from the Hospitality sector and 11.1% were from the healthcare sector.
4.2.5 Age of the Business

The study sought to find out the period of time the business has been in existence. Figure 7 provides a summary of the age of the business in terms of years: 46.7% of the respondents had their organizations both within the age brackets of 5-10 years; 10-20 years took up 20%; 8.9% of the respondents were in organizations that were between 20-30 years; 15.6% were in organizations which are under the age of 5 years; and 2.2% of the respondents belonged to organizations that are between the ages of 30-40 years as shown in the figure below.
4.2.6 Duration for Utilization of Advertisement.

Important to this study was the determination of the duration of utilization of advertisement from the various forms. Figure 8 below is a summary of the percentage representation of the period which advertising has applied in various forms. From the data, 44% of the respondents have used advertisement as a tool for between 5-10 years, 9% have been advertising for a period of between 20-30 years while 27% have advertised for a period of 10-20 years. Only 4% have unitized advertisement for 40 years and over.

![Figure 8: Duration for Utilization of Advertisement](image)

4.2.7 Why Firms Advertise

This study sought to find out the reasons why firms advertise. Table 1 below is a summary of the findings. When asked this question, 71.1% of the respondents indicated that they advertise for product awareness, 64.4% of the respondents indicated that they do advertise for publicity, 51.1% advertise for persuasion, and 48.9% advertise for product promotion.
Table 1: Why Firms Advertise

<table>
<thead>
<tr>
<th>Why Firms Advertise (^a)</th>
<th>Percentage of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persuasion</td>
<td>51.1%</td>
</tr>
<tr>
<td>Publicity</td>
<td>64.4%</td>
</tr>
<tr>
<td>Product Promotion</td>
<td>48.9%</td>
</tr>
<tr>
<td>Product awareness</td>
<td>71.1%</td>
</tr>
</tbody>
</table>

\(^a\) Dichotomy group tabulated at value 1.

4.3 Environmental Factors Influencing Future of Advertising Strategy in Kenya

One of the fundamental aspects that the study sought to examine was the environmental factors that influence the future of advertising strategy in Kenya. Nine factors were analyzed. Table 4.4 shows the results found after the analysis was conducted. A likert scale running from 1 to 5 was utilized where 1 represents Strongly Disagree, 2 represents Disagree, 3 represents Not Sure, 4 represents Agree and 5 represents Strongly Agree.

4.3.1 Factors Influencing Advertising Strategy

SPSS analysis was done in order to rank factors on a binary scale from the most preferred response to the least. The nine factors are shown in table 2 below.
Table 2: Factors Influencing Advertising Strategy

<table>
<thead>
<tr>
<th>Factors Influencing Advertising Strategy</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Yes</th>
<th>No</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising informs consumers about benefits of products and services</td>
<td>2.2%</td>
<td>4.4%</td>
<td>6.7%</td>
<td>53.3%</td>
<td>33.3%</td>
<td>87%</td>
<td>7%</td>
<td>1</td>
</tr>
<tr>
<td>Government regulations affect advertising industry</td>
<td>2.2%</td>
<td>6.7%</td>
<td>11.1%</td>
<td>24.4%</td>
<td>55.6%</td>
<td>80%</td>
<td>9%</td>
<td>2</td>
</tr>
<tr>
<td>Advertising content determines memory retention</td>
<td>8.9%</td>
<td>4.4%</td>
<td>17.8%</td>
<td>33.3%</td>
<td>35.6%</td>
<td>69%</td>
<td>13%</td>
<td>3</td>
</tr>
<tr>
<td>Advertising influences consumer spending</td>
<td>13.3%</td>
<td>8.9%</td>
<td>8.9%</td>
<td>44.4%</td>
<td>24.4%</td>
<td>69%</td>
<td>22%</td>
<td>4</td>
</tr>
<tr>
<td>People respond to advertising that resonates with their culture</td>
<td>11.1%</td>
<td>17.8%</td>
<td>2.2%</td>
<td>31.1%</td>
<td>37.8%</td>
<td>69%</td>
<td>29%</td>
<td>5</td>
</tr>
<tr>
<td>Strict regulation can enhance competitiveness</td>
<td>2.2%</td>
<td>13.3%</td>
<td>15.6%</td>
<td>33.3%</td>
<td>35.6%</td>
<td>69%</td>
<td>16%</td>
<td>6</td>
</tr>
<tr>
<td>Advertising agencies provide services that are dictated by the environmental factors</td>
<td>2.2%</td>
<td>8.9%</td>
<td>20.0%</td>
<td>31.1%</td>
<td>37.8%</td>
<td>69%</td>
<td>11%</td>
<td>7</td>
</tr>
<tr>
<td>Advertising informs consumers about existence of products and services</td>
<td>2.2%</td>
<td>2.2%</td>
<td>40.0%</td>
<td>55.6%</td>
<td>0.0%</td>
<td>56%</td>
<td>4%</td>
<td>8</td>
</tr>
<tr>
<td>Advertising is politically influenced</td>
<td>28.9%</td>
<td>24.4%</td>
<td>13.3%</td>
<td>24.4%</td>
<td>8.9%</td>
<td>33%</td>
<td>53%</td>
<td>9</td>
</tr>
</tbody>
</table>

4.3.1.1 Advertising Influences Consumer Spending by Age

There is a significant correlation between age and whether respondents think that advertising influences consumer spending and the likelihood to spend more on goods and services ($\tau = 0.256, p < 0.05$); ($p = 0.299, p < 0.05$). The older the respondents, the more they think that advertising influences consumer spending and the likelihood to spend more on goods and services as shown in figure 9 below.
4.3.1.2 Government Regulations Affecting Advertising Industry by Marital Status

There is a significant correlation between marital status and whether respondents think that government regulations affect advertising industry ($r = 0.349$, $p<0.05$); ($r = 0.318$, $p<0.05$); ($p = 0.338$, $p<0.05$). The married respondents think that government regulations affect advertising industry as compared with the unmarried respondents.

Figure 9: Advertising Influences Consumer Spending by Age
4.3.1.3 Advertising Is Politically Influenced by Form of Organization

There is a significant correlation between the form of organization and whether respondents think that advertising is politically influenced \((r = -0.304, p < 0.05)\) \((r = -0.283, p < 0.05)\) \((r = -0.319, p < 0.05)\). Respondents in sole proprietorship think that politics affect advertising industry. This is not the case with bigger companies (Partnerships, limited liability and public multinationals).
4.3.1.3 Advertising Content and Memory Retention by Advertisement Utilization

The findings of this study show that there is a significant correlation between the duration that an organization has utilized advertisement and whether respondents think that advertising content determines memory retention among consumers ($r = -0.304$, $p<0.05$) ($r = 0.269$, $p < 0.05$) ; ($p = 0.330$, $p < 0.05$). For the organizations that utilize advertising, the longer they have utilized advertising, the more they think that advertising content determines memory retention among consumers.

Figure 11: Advertising Is Politically Influenced by Form of Organization

4.3.1.3 Advertising Content and Memory Retention by Advertisement Utilization

The findings of this study show that there is a significant correlation between the duration that an organization has utilized advertisement and whether respondents think that advertising content determines memory retention among consumers ($r = -0.304$, $p<0.05$) ($r = 0.269$, $p < 0.05$) ; ($p = 0.330$, $p < 0.05$). For the organizations that utilize advertising, the longer they have utilized advertising, the more they think that advertising content determines memory retention among consumers.
4.4 How Globalization Affects the Advertising Strategy in Kenya

Table 3 below represents a tabulation of the effects of globalization on advertising strategy in Kenya. The likert scale was transformed on a binary scale and ranked accordingly. The results are shown in table 3.

Figure 12: Content and Memory Retention by Advertisement Utilization
<table>
<thead>
<tr>
<th>Globalization Factors Affecting the Advertising Industry</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Binary Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local cultures remain influential on consumer behavior</td>
<td>0.0%</td>
<td>2.2%</td>
<td>4.4%</td>
<td>64.4%</td>
<td>28.9%</td>
<td>93% 2% 1</td>
</tr>
<tr>
<td>Globalization is a global mission but local execution is necessary for the success</td>
<td>0.0%</td>
<td>6.7%</td>
<td>2.2%</td>
<td>35.6%</td>
<td>55.6%</td>
<td>91% 7% 2</td>
</tr>
<tr>
<td>All markets are different for example China and Africa are different</td>
<td>8.9%</td>
<td>0.0%</td>
<td>2.2%</td>
<td>35.6%</td>
<td>53.3%</td>
<td>89% 9% 3</td>
</tr>
<tr>
<td>Consumers are more demanding and sophisticated</td>
<td>4.4%</td>
<td>2.2%</td>
<td>6.7%</td>
<td>33.3%</td>
<td>53.3%</td>
<td>87% 7% 4</td>
</tr>
<tr>
<td>There are more choices and options for the consumers</td>
<td>2.2%</td>
<td>8.9%</td>
<td>2.2%</td>
<td>26.7%</td>
<td>60.0%</td>
<td>87% 11% 5</td>
</tr>
<tr>
<td>People would respond to advertisement that is customized better than standardized ones</td>
<td>2.2%</td>
<td>6.7%</td>
<td>6.7%</td>
<td>48.9%</td>
<td>35.6%</td>
<td>84% 9% 6</td>
</tr>
<tr>
<td>Consumers are more exposed to global brands</td>
<td>4.4%</td>
<td>8.9%</td>
<td>4.4%</td>
<td>44.4%</td>
<td>37.8%</td>
<td>82% 13% 7</td>
</tr>
<tr>
<td>Mobile telephony is a great enabler of global markets</td>
<td>2.2%</td>
<td>11.1%</td>
<td>6.7%</td>
<td>26.7%</td>
<td>53.3%</td>
<td>80% 13% 8</td>
</tr>
<tr>
<td>You need local expertise in global advertising</td>
<td>4.4%</td>
<td>13.3%</td>
<td>4.4%</td>
<td>17.8%</td>
<td>60.0%</td>
<td>78% 18% 9</td>
</tr>
<tr>
<td>Consumer behaviour is an alteration of global and local cultural influences</td>
<td>6.7%</td>
<td>6.7%</td>
<td>11.1%</td>
<td>33.3%</td>
<td>42.2%</td>
<td>76% 13% 10</td>
</tr>
<tr>
<td>Consumers in different areas can be persuaded by universal advertising (e.g. Coke’s global advertising in Kenya)</td>
<td>11.1%</td>
<td>6.7%</td>
<td>13.3%</td>
<td>26.7%</td>
<td>42.2%</td>
<td>69% 18% 11</td>
</tr>
<tr>
<td>Consumers are proud to buy Kenyan brands since they resonate with them</td>
<td>13.3%</td>
<td>17.8%</td>
<td>4.4%</td>
<td>33.3%</td>
<td>31.1%</td>
<td>64% 31% 12</td>
</tr>
<tr>
<td>Standardised messages resonate better with the consumer</td>
<td>26.7%</td>
<td>8.9%</td>
<td>4.4%</td>
<td>13.3%</td>
<td>46.7%</td>
<td>60% 36% 13</td>
</tr>
<tr>
<td>Consumers in different areas share the same wants and needs</td>
<td>26.7%</td>
<td>11.1%</td>
<td>20.0%</td>
<td>20.0%</td>
<td>22.2%</td>
<td>42% 38% 14</td>
</tr>
</tbody>
</table>
4.4.1 Market Differentiation by Marital Status

The findings of this study show that there is a significant correlation between marital status and whether respondents think that all markets are different ($r = -0.345, p<0.05$) ($\tau = -0.379, p < 0.01$); ($\rho = -0.395, p < 0.01$). Married respondents are less likely than the single ones to think that all markets are different.

![Market Differentiation by Marital Status](image)

**Figure 13: Market Differentiation by Marital Status**

4.4.3 Globalization Factors by Organization Type

There is a significant correlation between the organization type and whether the respondents think that: Consumers are more demanding and sophisticated; Globalization is a global mission but local execution is necessary for the success; Local cultures remain influential on consumer behaviour; Consumers in different areas can be persuaded by universal advertising; and Standardized messages resonate better with the consumer.
Table 4: Globalization Factors by Organization Type

<table>
<thead>
<tr>
<th>Globalization Factor</th>
<th>Pearson (r)</th>
<th>Kendall's tau-b (τ)</th>
<th>Spearman's rho (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers are more demanding and sophisticated</td>
<td>0.314*</td>
<td>.289*</td>
<td>.328*</td>
</tr>
<tr>
<td>Globalization is a global mission but local execution is necessary for the success</td>
<td>0.300*</td>
<td>.290*</td>
<td>.315*</td>
</tr>
<tr>
<td>Local cultures remain influential on consumer behavior</td>
<td>-0.281</td>
<td>-.299*</td>
<td>-.340*</td>
</tr>
<tr>
<td>Consumers in different areas can be persuaded by universal advertising (e.g. Coke’s global advertising in Kenya)</td>
<td>-0.266</td>
<td>-.281*</td>
<td>-.347*</td>
</tr>
<tr>
<td>Standardized messages resonate better with the consumer</td>
<td>-0.443</td>
<td>-.373**</td>
<td>-.416**</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)**  
*Correlation is significant at the 0.05 level (2-tailed)**

4.5 Innovation Factors Influencing Advertising Strategy

Table 5 below represents a tabulation of the effects of innovation factors influencing advertising strategy in Kenya. The likert scale was transformed on a binary scale and ranked accordingly. The results are shown in table 5.
Table 5: Innovation Factors Influencing Advertising Strategy

<table>
<thead>
<tr>
<th>Innovation factors influencing advertising strategy</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Binary Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology changes are allowing suppliers to reach consumers that they were not able to reach before</td>
<td>6.7%</td>
<td>4.4%</td>
<td>0.0%</td>
<td>24.4%</td>
<td>64.4%</td>
<td>Yes: 89%, No: 11%, Rank: 1</td>
</tr>
<tr>
<td>Internet is a hyper media that allows advertisers to get direct response from consumers instantly</td>
<td>4.4%</td>
<td>6.7%</td>
<td>0.0%</td>
<td>24.4%</td>
<td>64.4%</td>
<td>Yes: 89%, No: 11%, Rank: 2</td>
</tr>
<tr>
<td>Internet provides personalized communication</td>
<td>2.2%</td>
<td>2.2%</td>
<td>6.7%</td>
<td>57.8%</td>
<td>31.1%</td>
<td>Yes: 89%, No: 4%, Rank: 3</td>
</tr>
<tr>
<td>Advertisers are able to interact directly with the consumers and learn about their needs through internet</td>
<td>4.4%</td>
<td>11.1%</td>
<td>2.2%</td>
<td>24.4%</td>
<td>57.8%</td>
<td>Yes: 82%, No: 16%, Rank: 4</td>
</tr>
<tr>
<td>Regulations encourage competitors to be innovative</td>
<td>22%</td>
<td>6.7%</td>
<td>8.9%</td>
<td>46.7%</td>
<td>35.6%</td>
<td>Yes: 82%, No: 9%, Rank: 5</td>
</tr>
<tr>
<td>Advertising agencies is a dynamic system with changes which changes in response to external influences</td>
<td>8.9%</td>
<td>8.9%</td>
<td>2.2%</td>
<td>51.1%</td>
<td>28.9%</td>
<td>Yes: 80%, No: 18%, Rank: 6</td>
</tr>
<tr>
<td>Internet advertising is cheaper compared to traditional forms of advertising</td>
<td>13.3%</td>
<td>8.9%</td>
<td>0.0%</td>
<td>20.0%</td>
<td>57.8%</td>
<td>Yes: 78%, No: 22%, Rank: 7</td>
</tr>
<tr>
<td>E-commerce development has a significant relationship with advertising adoption</td>
<td>2.2%</td>
<td>17.8%</td>
<td>6.7%</td>
<td>48.9%</td>
<td>24.4%</td>
<td>Yes: 73%, No: 20%, Rank: 8</td>
</tr>
<tr>
<td>Affordability is a key contributor to social media consumption</td>
<td>8.9%</td>
<td>6.7%</td>
<td>17.8%</td>
<td>40.0%</td>
<td>26.7%</td>
<td>Yes: 67%, No: 16%, Rank: 9</td>
</tr>
<tr>
<td>Social media users mostly consume than contribute to the discussions</td>
<td>8.9%</td>
<td>22.2%</td>
<td>37.8%</td>
<td>11.1%</td>
<td>20.0%</td>
<td>Yes: 31%, No: 31%, Rank: 10</td>
</tr>
</tbody>
</table>

4.5.1 Technology Changes by Age and Marital Status

The results of this study demonstrate that younger people feel that technology changes allow suppliers to reach consumers that they were not able to reach before ($\tau = -0.293, p < 0.05$); ($\rho = -0.326, p < 0.05$). This was the same trend with the marital status ($\tau = -0.329, p < 0.05$); ($\rho = -0.343, p < 0.05$) where single people (who were also younger in the sample) felt that technology changes allow suppliers to reach consumers that they were not able to reach before.
4.5.2 Internet Utilization by Form of Organization

The results of this study show a greater variance in how different forms of organizations view internet as a hyper media that allow advertisers to get direct response from consumers instantly ($r = 0.375$, $p < 0.05$) ($r = 0.365$, $p < 0.01$); ($\rho = 0.422$, $p < 0.01$). Limited liability businesses highly view the internet as a hyper media that allow advertisers to get direct response from consumers instantly. The variance in this view was statistically significant at 0.01 level of significance.

Figure 14: Technology Changes by Age
The results of this study show a greater variance in how different sectors regard internet advertising as cheaper compared to traditional forms of advertising ($r = 0.400, p < 0.01$) ($\tau = 0.349, p < 0.01$); ($\rho = 0.399, p < 0.01$). Organizations in the services sector highly regard internet advertising as cheaper compared to traditional forms of advertising compared with the other sectors. The variance in this view was statistically significant at 0.01 level of significance.
4.5.3 Innovation Factors by Age of Business

There is a significant correlation between Age of Business and whether the respondents think that: advertising agencies is a dynamic system with changes which changes in response to external influences; internet provides personalized communication; and regulations encourage competitors to be innovative.

**Table 6 : Innovation Factors by Age of Business**

<table>
<thead>
<tr>
<th>Innovation Factor</th>
<th>Pearson (r)</th>
<th>Kendall’s tau-b (τ)</th>
<th>Spearman’s rho (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising agencies is a dynamic system with changes which changes in response to external influences</td>
<td>.265</td>
<td>.288*</td>
<td>.333*</td>
</tr>
<tr>
<td>Internet provides personalized communication</td>
<td>-.413**</td>
<td>-.273*</td>
<td>-.304*</td>
</tr>
<tr>
<td>Regulations encourage competitors to be innovative</td>
<td>.259</td>
<td>.289*</td>
<td>.328*</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)**

**Correlation is significant at the 0.05 level (2-tailed)**
4.5.4 Innovation Factors by Duration of Advertisement

There is a significant correlation between duration of advertisement and whether the respondents think that: technology changes are allowing suppliers to reach consumers that they were not able to reach before; advertising agencies is a dynamic system with changes which changes in response to external influences; and regulations encourage competitors to be innovative.

Table 7: Innovation Factors by Duration of Advertisement

<table>
<thead>
<tr>
<th>Innovation Factor</th>
<th>Pearson (r)</th>
<th>Kendall's tau-b (τ)</th>
<th>Spearman's rho (ρ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology changes are allowing suppliers to reach consumers that they were not able to reach before</td>
<td>0.269</td>
<td>0.297*</td>
<td>0.339*</td>
</tr>
<tr>
<td>Advertising agencies is a dynamic system with changes which changes in response to external influences</td>
<td>0.308*</td>
<td>0.272*</td>
<td>0.291</td>
</tr>
<tr>
<td>Regulations encourage competitors to be innovative</td>
<td>0.219</td>
<td>0.261*</td>
<td>0.29</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)**

*Correlation is significant at the 0.05 level (2-tailed)
CHAPTER 5

5.0 DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of findings of the study, the conclusions, implications, and recommendations following that order. The initial section provides a summary of the important elements of the study that includes the study objectives, methodology, and the findings. The subsequent section discusses the major findings of the study with regards to the specific objectives. Section three discusses the conclusions based on the specific objectives, while using the findings and results that are obtained in the fourth chapter. The last sub-section provides the recommendations for improvement based on the specific objectives. It also provides the recommendations for further studies.

5.2 Summary

The purpose of this study was to determine the factors that would affect the future of the advertising strategy in Kenya. In this regard, the study therefore attempted to answer three research questions. Firstly, what environmental factors influence advertising strategy in Kenya? Secondly, does globalization affect advertising strategies in Kenya? Lastly, how does innovation influence advertising strategy in Kenya?

A quantitative research design was used in this study. Quantitative research attempts to produce findings that are precise and generalizable. The study utilised a subtype of a quantitative research design, that is, an exploratory-descriptive design. Exploratory research is useful where the problem is relatively new and in studies where a little is known. The descriptive research design aims to facilitate the description and the exploration of new issues, and to explain why something happens. The scope of the study was limited advertisers within the Nairobi region. The study used primary data that was collected using questionnaires. The sampling frame comprised of advertisers working for both local and multinational companies. In this study, census sampling technique was used. From the study, it is evident that advertising is influenced mostly by economic factors, globalization and mostly the new innovations especially in the social media. Results from the study helped to analyze the various environmental factors affecting or
influencing advertising strategy. Most of them were in line with different studies that had been done previously.

These findings clearly illustrate the extent to which the environmental factors provided influence the advertising strategy in Kenya. Respondents from both the advertising agencies and the consumers were of the idea that a lot need to be done in providing adequate information of products and services to reinforce the existence of those products and services. According to the findings, consumer information about benefits of products about benefits of products and services, memory retention of advertising content among consumers and influence of advertising to consumers to spend more on goods and services were seen as the most critical factors influencing the environmental factors in advertising strategy in Kenya, exploration of how globalization affect advertising strategies in Kenya and explanation of how innovation is influencing advertising strategy in Kenya.

The least critical factor presented was that advertising was politically influenced. The study found out that consumers are directly affected by the factors that come along with the goods and service advertised. This is because of the presence of benefits, content, culture, strict regulations and politics as factors that were tested in the advertising environment. The study findings show that majority of the respondents categorized these aspects of age, marital status and form of organization as critical factors affecting consumer spending, government regulations and the duration of advertisement utilization.

The results of the study clearly indicate that there exists a relationship between advertising strategies in Kenya and globalization. According to the findings, all the factors analyzed were found to be significant to a great extent in influencing the effect of local cultures on consumer behavior, the necessity of local execution for success in advertising and the fact that consumers are more demanding and sophisticated proved to be the critical and influential. The findings in this study show that consumers in different areas do not share the same wants and needs.

Findings from this study reveal that there is a relationship between the type of sector and the environment provided by globalization. Most respondents reported to be working in environments that are not suitable for quality performance. Notably, there are marked
differences in wants and needs. This is attributed to the use of standardized messages and pride in buying local brands that greatly resonate with them. It was also noted that technology is vital for the future of advertising.

5.3 Discussion

A discussion on the basis on the research specific questions is provided in this section. The section also compares the literature review with the research findings.

5.3.1 Environmental Factors Influencing Advertising Strategy

Results from the study helped to analyze the various environmental factors affecting or influencing advertising strategy. Most of them were in line with different studies that had been done previously. From the study, it is evident that advertising is faced with inadequate information about the existence and robust advertising strategies and therefore there is need for this issue to be seriously reviewed constantly as it poses a great danger in the attainment of quality advertisement strategies. Significantly, information about the benefits of products and services, government regulations and the influence of culture are very essential to the continuing growth of the advertising sector around the world and Advertising informs consumers about the existence and benefits of products and services, and tries to persuade consumers to buy them (Mackenzie, 2004).

These findings clearly illustrate the extent to which the environmental factors provided influence the advertising strategy in Kenya. Respondents from both the advertising agencies and the consumers were of the idea that a lot needed to be done in providing adequate information of products and services to reinforce the existence of those products and services. According to the findings, consumer information about benefits of products about benefits of products and services, memory retention of advertising content among consumers and influence of advertising to consumers to spend more on goods and services were seen as the most critical factors influencing the environmental factors in advertising strategy in Kenya, exploration of how globalization affect advertising strategies in Kenya and explanation of how innovation is influencing advertising strategy in Kenya.
The least critical factor presented was that advertising was politically influenced. The study found out that consumers are directly affected by the factors that come along with the goods and service advertised. This is because of the presence of benefits, content, culture, strict regulations and politics as factors that were tested in the advertising environment. Although the respondents were drawn from different sectors they both seemed to agree on the some specific aspects. For instance, the older the older the responds the more they think that advertising influences consumer spending and the likelihood to spend more on goods and services.

The study findings show that age, marital status and the form of organization are critical factors affecting consumer spending, government regulations and the duration of advertisement utilization. These findings are in line with the argument put forward by Miracle (2000), that advertising agency's activities to produce services are dictated by environmental factors. After the grouping of all the factors affecting advertisement strategy advertisement, it showed that the factors pertinently affect the advertisers and consumers.

These findings corroborate Kotler et al. (2005) finding that advertising aims at attaining target consumers to either think or react to the product or brand. Acknowledging the respondents reaction information about consumers benefits of products and services was one of the major aspects that was analyzed and proved to offer great contribution towards the influence of advertising strategy in Kenya.

5.3.2 Globalization as a Factor Influencing Advertising Strategy

The results of the study clearly indicate that there exists a relationship between advertising strategies in Kenya and globalization. According to the findings, all the factors analyzed were found to be significant to a great extent in influencing the effect of local cultures on consumer behavior, the necessity of local execution for success in advertising and the fact that consumers are more demanding and sophisticated proved to be the critical and influential. The findings in this study show that consumers in different areas do not share the same wants and needs. It is actually the main cause as to why globalization has little effect on local cultures in advertising (Sawhney, 2004).
Globalization has induced some effect in changing the overall regulatory perspectives. With increasing interaction, learning and exposure to a wide range of environmental advocacy groups, scientific knowledge communities and political representatives, the principle of environmental protection, and its status as a matter of state responsibility was granted further impetus and international legitimacy (Sawhney, 2004). This assertion corroborates the study findings and affirms that globalization has affected the advertising strategy in Kenya through differences in culture, exposure to global brands, use of customized advertisement and difference in persuasion by global advertisements.

Findings from this study reveal that there is a relationship between the type of sector and the environment provided by globalization. Most respondents reported to be working in environments that are not suitable for quality performance. Notably, this was attributed to the differences in wants and needs. This can be ascribed to the use of standardized messages and pride in buying local brands that greatly resonate with them. These findings are in tandem with those of Cleveland, Laroche & Papadopoulos (2009) who found that although globalization continues unabated across industries and organizations, it does not necessarily follow that consumers worldwide likewise are globalizing. Indeed, among theorists, there is widespread disagreement on this topic.

According to Kotler (2008), advertising standardization refers to utilizing the same or similar advertising messages across different countries or areas. Additionally, international advertising adaptation is defined as using different advertising messages in separate markets. These opinions differ with the findings of the study because they largely ignore the influence of culture and its effect of choosing expertise, brands, standardised messages, consumer behaviours and the idea that different areas have different needs and wants as established by this study.

5.3.3 Innovation as a Factor Influencing Advertising Strategy

It was also noted that technology is vital for the future of advertising. With easy accessibility to technology, advertising will not be left behind in the technology space. Companies will use technology in advertising through developing the adverts or hosting their advertisements. Key influencers of technology will be the use of internet in advertising both as a medium and as a venue where customers can provide instant
feedback to companies as compared to the traditional form. This finding is supported by McMillan (2004) and Hanafizadeh and Behboudi (2012), who established that internet advertising has four key fundamental differences in comparison to traditional forms of advertising. First, internet advertising compresses the hierarchy of effects. Traditionally, there were different objectives for advertising and marketing. In this way, advertising works on the communication aspects of the hierarchy.

According to Turban et al. (2006), advertising on the internet has other advantages, such as personalization and customization of messages. Advertisers will also need to tailor their messages to personal tastes ad preferences. Personification is important since consumers will not pay attention to advertising that does not relate to them. This is in accordance with the findings of this study that brings out the fact that companies need to understand their customers and clearly segment and target them with the relevant communication. Group factors also play a key role in the effectiveness of communication. People want to belong to a group – whether family, social group, or peer group. They want to be part of a community and any communication that relates to them in a group situation is more effective.

The study also ascertained the argument put forth by Gordon Miracle (2000), that superficially it is obvious that an advertising agency provides services demanded by advertisers. The study shows that both the advertiser and advertising agency are influenced by the environment in which they operate. This postulation corroborates the findings of this study that the advertising agency's activities to produce services are dictated by environmental factors. An advertising agency came out as a dynamic system, which changes in response to external influences. As such forecasting methods are improved, the likelihood increases that future developments in advertising agency evolution may be anticipated accurately.

5.4 Conclusion

In conclusion, there are several factors that influence the future of advertising in Kenya, they include, economic, political, technological, social and environmental among others. From this study it has been noted that partnerships command the highest number of organizations that use advertisement as a tool in advertising. From the findings of this
study, globalization has been noted by most respondents as a major contributor to the evolution of advertisement tendencies in Kenya.

5.4.1 Environmental Factors Influencing Advertising

There are many factors that affect advertising strategy ranging from environment factors, factors related to globalization and innovations as well. Many studies have been done on these factors and how they influence advertising strategy in other parts of the world. Therefore the environmental factors that influence advertising strategy in Kenya include: advertising informs consumers about benefits of products and services, government regulations affect advertising industry; advertising content determine memory retention among consumers; and advertising influences consumers are spending and are likely to spend more on goods and services.

The least affecting factors included: people response to advertising that resonates with their culture; advertising agencies provide services that are dictated by the environmental factors; advertising informs consumers about existence of products and services; and finally advertising is politically influenced.

5.4.2 Globalization Factors Influencing Advertising

It has also been noted from the findings of this study that group factors like family, reference groups, peer groups and social groups are the major factors that determine the likely effectiveness of the advertisement communication in most organizations. Therefore cultural orientations and groups play a key role.

5.4.3 Innovation Factors Influencing Advertising

Social media is a key influencer of the future of advertising technology in the Kenya as well. More people are moving away from traditional forms of advertising and embracing social media. Young population is also on the social media and therefore best to interact with them where they are
5.5 Recommendations
5.5.1 Recommendations for Improvement

5.5.1.1 Environmental Factors Influencing Advertising

Concerning economic factors, measures should be put in place by the government of the day and the policy makers to ensure that advertisement costs are reasonable and competitive enough to enable as many organizations as possible to access this facility.

5.5.1.2 Globalisation Factors Influencing Advertising

Advertising should be adapted to cater for the social needs of the target group. Considerations on cultural orientations and social groupings should be taken into consideration when adapting any advertising strategies.

5.5.1.3 Innovation Factors Influencing Advertising

This study has established that new technology is key to the future of advertisement in Kenya; organizations should therefore explore existing avenues of getting these new advertising models in place like internet advertising and social media.

5.5.2 Recommendations for Further Studies

It has been noted from this study that not many people are knowledgeable on the past and current trends of advertisement in Kenya. It is a recommendation from this study that special interest be taken by stakeholders in informing the organizations of these trends for that they are up to date. This will enable them to make informed choices while dealing with critical matters in advertisement. There is need to study these issues since the scope of this study did not make it possible to delve in these issues.
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APPENDIX 1

QUESTIONNAIRE

This study is a requirement for the partial fulfilment of the Master of Business Administration program at the United States International University Africa (USIU). The purpose of this study is to investigate the factors influencing the future of advertising strategy in Kenya. This study uses advertising industry in Kenya in the case study; the findings of this study will provide the industry players with the necessary information on the impacts of advertising in present and future business endeavours. This is an academic exercise and all information collected from respondents will be treated with at strict confidentiality.

Part I: General Information

1. Gender: Male □ Female □


3. Marital status
   Single □ Married □

4. What form is your organization (please mark one)
   a. Sole proprietorship □
   b. Partnership □
   c. Limited liability □
   d. Other (please specify) □

5. Sector in which you operate
   (a) Manufacturing □
   (b) Financial Services □
6. What is the age of your business
   a. Under 5 years
   b. 5-10 years
   c. 10-20 years
   d. 20-30 years
   e. 30-40 years
   f. 40 and Over

7. How many years have you used advertisement as tool
   a. Never
   b. 5-10 years
   c. 10-20 years
   d. 20-30 years
   e. 30-40 years
   f. 40 and Over

8. Why does your firm advertise (multiple responses allowed)
   a. Persuasion
   b. Publicity
   c. Product Promotion
   d. Product awareness
   e. Other (please specify)
Part II. Specific Information

(I) Environmental factors influencing future of advertising strategy in Kenya

Using a scale of 1 – 5 where 1) Strongly Disagree, 2) Disagree, 3) Not Sure, 4) Agree, or 5) Strongly Agree, rate the following factors whether they are VITAL to and will influence the future of the advertising strategy in Kenya.

<table>
<thead>
<tr>
<th>Factors Influencing Advertising Strategy</th>
<th>5</th>
<th>4</th>
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</thead>
<tbody>
<tr>
<td>9. Advertising informs consumers about existence of products and services</td>
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<td>10. Advertising informs consumers about benefits of products and services</td>
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<td>11. Advertising content determine memory retention among consumers</td>
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<td>12. Advertising influences consumers are spending and are likely to spend more on goods and services</td>
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<td>13. Advertising is politically influenced</td>
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<td>14. People respond to advertising that resonates with their culture</td>
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<td>15. Government regulations affect advertising industry</td>
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<td>16. Strict regulation can enhance competitiveness</td>
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<td>17. Advertising agencies provide services that are dictated by the environmental factors</td>
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</tbody>
</table>
Does Globalization affect advertising strategy in Kenya?

Using a scale of 1 – 5 where 1) **Strongly Disagree**, 2) **Disagree**, 3) **Not Sure**, 4) **Agree**, or 5) **Strongly Agree**, rate the following factors whether they are VITAL to and will influence the future of the advertising strategy in Kenya.

<table>
<thead>
<tr>
<th>Globalization factors affecting the advertising industry</th>
<th>5</th>
<th>4</th>
<th>3</th>
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</thead>
<tbody>
<tr>
<td>18. Consumers are more demanding and sophisticated</td>
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<td>19. There are more choices and options for the consumers</td>
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<td>20. Consumers are more exposed to global brands</td>
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<td>21. Mobile telephony is a great enabler of global markets</td>
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<td>22. Consumers are proud to buy Kenyan brands since they resonate with them</td>
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<td>23. People would respond to advertisement that is customized better than standardized ones</td>
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<td>24. All markets are different for example China and Africa are different</td>
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<td>25. You need local expertise in global advertising</td>
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<td>26. Globalization is a global mission but local execution is necessary for the success</td>
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<td>27. Local cultures remain influential on consumer behaviour</td>
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<td>28. Consumer behaviour is an alteration of global and local cultural influences</td>
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<td>29. Consumers in different areas share the same wants and needs</td>
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<td>30. Consumers in different areas can be persuaded by universal advertising (e.g. Coke’s global advertising in Kenya)</td>
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<td>31. Standardized messages resonate better with the consumer</td>
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</tbody>
</table>
(III) How does Innovation influence advertising strategy in Kenya

Using a scale of 1 – 5 where 1) Strongly Disagree, 2) Disagree, 3) Not Sure, 4) Agree, or 5) Strongly Agree, rate the following factors whether they are VITAL to and will influence the future of the advertising strategy in Kenya.

<table>
<thead>
<tr>
<th>Innovation factors influencing advertising strategy</th>
<th>5</th>
<th>4</th>
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<tr>
<td>32. Technology changes are allowing suppliers to reach consumers that they were not able to reach before</td>
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<td>33. Internet is a hyper media that allows advertisers to get direct response from consumers instantly</td>
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<td>34. E-commerce development has a significant relationship with advertising adoption</td>
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<td>35. Advertising agencies is a dynamic system with changes which changes in response to external influences</td>
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<td>36. Internet provides personalized communication</td>
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<td>37. Advertisers are able to interact directly with the consumers and learn about their needs through internet</td>
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<td>38. Regulations encourage competitors to be innovative</td>
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<td>39. Internet advertising is cheaper compared to traditional forms of advertising</td>
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<td>40. Social media users mostly consume than contribute to the discussions</td>
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<td>41. Affordability is a key contributor to social media consumption</td>
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</table>

42. Briefly explain other factors that you think will influence the future advertising strategy in Kenya