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**FACTORS AFFECTING THE UPTAKE OF PAY TV AMONG NAIROBI RESIDENTS  
IN KENYA**

**EDWIN KIMANI AND PROF. MIKE IRAVO**



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## FACTORS AFFECTING THE UPTAKE OF PAY TV AMONG NAIROBI RESIDENTS IN KENYA

<sup>1\*</sup> Edwin Kimani

\*Post graduate student; Jomo Kenyatta University of Agriculture and Technology

\*Corresponding Author's Email: [edwin@kimani.co.ke](mailto:edwin@kimani.co.ke).

<sup>2</sup> Prof. Mike Iravo

<sup>2</sup> Lecturer, Jomo Kenyatta University of Agriculture and Technology

### Abstract

**Purpose:** This study sought to find out the factors affecting the uptake of pay TV with a focus on Nairobi residents. The specific objectives of the study were to find out how cost implications, perceived satisfaction, awareness and reliable service provision affect the uptake of pay TV among Nairobi residents.

**Methodology:** The study adopted a descriptive research design. The study used convenience sampling methods to select a sample size of 43 respondents from 50% of Nairobi Wards. The data collection instrument used was a structured questionnaire with both close and open-ended questions. The data collected was analyzed using SPSS and presentations made in tables, for easy interpretation.

**Results:** Correlation analysis, established the existence of positive and significant relationship between effect of cost implications, perceived satisfaction, effect of pay TV awareness and effect of reliable service provision on the uptake of pay TV services among the residents of Nairobi. The study concludes that cost implications, pay TV awareness, perceived satisfaction, and reliable service provision are all key factors that are affecting the uptake of pay TV services among the residents of Nairobi.

**Unique Contribution to Theory and Practice:** The study recommends that Pay TV service providers should enhance consumer education as far as pay TV versus free-to-air services is

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concerned. The study recommends that further research be carried out on the moderating effect of social media platforms (as alternates for broadcast media) on consumer choices for pay TV service

**Keywords:** *Cost implications, Perceived satisfaction, Awareness, Service provision, Uptake of pay TV and Nairobi*

## 1.0 INTRODUCTION

The global market for pay TV services continues to grow by day. ABI Research predicted a total global pay TV subscription of 858.1 million by the end of 2012, a 5% increase down from 2011. The key areas of this growth being in the Asian-Pacific market, which is expected to add more than 27 million subscribers in 2012 (Deans, 2012). This supports Jensen and Oster (2008) sentiments that cable and satellite TV were spreading rapidly throughout the developing world, India being among them. However, in North America, the subscription to pay TV has been on the decline as reported by ABI Research. This is because; a number of people are going for internet TV that comes with the adoption of broadband whose services are cheaper than pay TV services and can also be free of charge.

A number of factors make for the adoption of pay TV services and consumer habits plays a major role. This is greatly influenced by the content the consumer wants to pay for. Ericsson (2012) reported that consumers are moving away from linear TV viewing to on demand watching. And the biggest barriers to consuming on-demand are cost, not finding the content that the user is looking for and not being able to watch the content on the household's main TV screen. The awareness of the services available also plays a role in the adoption of the services provided (Dupagne, 2002). The level of awareness was found to relate positively to income, education, gender and even use of newspaper but negatively related to age. Willingness to pay determines whether a person adopts pay TV or not. Consumers are willing to pay for the services offered up to a certain amount.

Kenya's media industry has witnessed exponential growth in recent years with the creation of more newspapers, magazines, radio stations and TV channels (Gichane, 2012). The Kenyan media has seen a steady growth in its market. The media has changed significantly in the last decade as reported by CCK. Kenya's pay TV market is becoming more and more competitive with the aggressive entry of a number of pay TV service providers. According to a report by Deloitte & Touch (2012), there are a number of pay TV channels in Kenya. The main player in the market is the South African Multichoice that has been in the market for a number of years.

Competition in the Kenyan Pay TV market is increasing; Wananchi has successfully entered the market together with the recent new entrants like Star TV and My TV. Competition is mainly

concentrated at the lower end and middle of the Pay TV market making Pay TV more affordable for Kenyans, and suggesting that there is untapped demand at that end of the market (Deloitte & Touch, 2012). The subscription to pay TV is likely to increase; something that new entrants depend on to expand their market share. The only issue is that, if some subscribers choose Pay TV provider on the basis of availability of particular sports content, then it would be difficult for the competitors to tap into as some sports content is sold on an exclusive basis.

With the increasing competition in pay TV market, there are some barriers to entry into the market, such as the need to invest to obtain a sufficiently attractive range of content and subsidize STBs (Deloitte & Touch). New entrants in the market adopt low cost model to attract and retain consumers. This also leaves the consumers with one question; whether the low-cost model is sustainable and reliable given the slow rate of pay TV uptake (Macharia, 2012).

### **1.1 Problem Statement**

The uptake of pay TV has been slow in Kenya despite a number of service providers that are in the market. The going has not been easy for some pay TV providers to the extent that they had to withdraw from the market. Good examples are GTV and Smart TV that launched their programs only to leave after a short period of time. The pay TV providers have blamed the low penetration of their services on import duty imposed on decoders as the taxes paid on decoders account for 45% of the cost of the gadget. The import taxes are a major discouraging element in the uptake of pay television.

Despite that, there is an increase in the number of pay TV providers extending their services to different parts of the nation. The latest entrant is the StarTimes Media Kenya, digital pay TV company, which has extended its signal to Mombasa following Nairobi and Kisumu and is planning to reach seven other major cities before the end of 2012. Even so there is an increase in the number of pay TV providers their costs are still viewed as prohibitive to the adoption process. The viewer public is also yet to be sensitized on the benefits of pay TV or even the need to migrate to digital TV. Another issue is that some contents of pay TV are exclusive to some providers such that, consumers

## **1.2 Research Objective**

- i) To determine the effects of cost implications in the uptake of pay TV among Nairobi residents
- ii) To find out how perceived satisfaction influence the uptake of pay TV among Nairobi residents.
- iii) To established the effects of pay TV awareness on the uptake of pay TV among Nairobi residents.
- iv) To find out how reliable service provision affect the uptake of pay TV among Nairobi residents.

## **2.0 LITERATURE REVIEW**

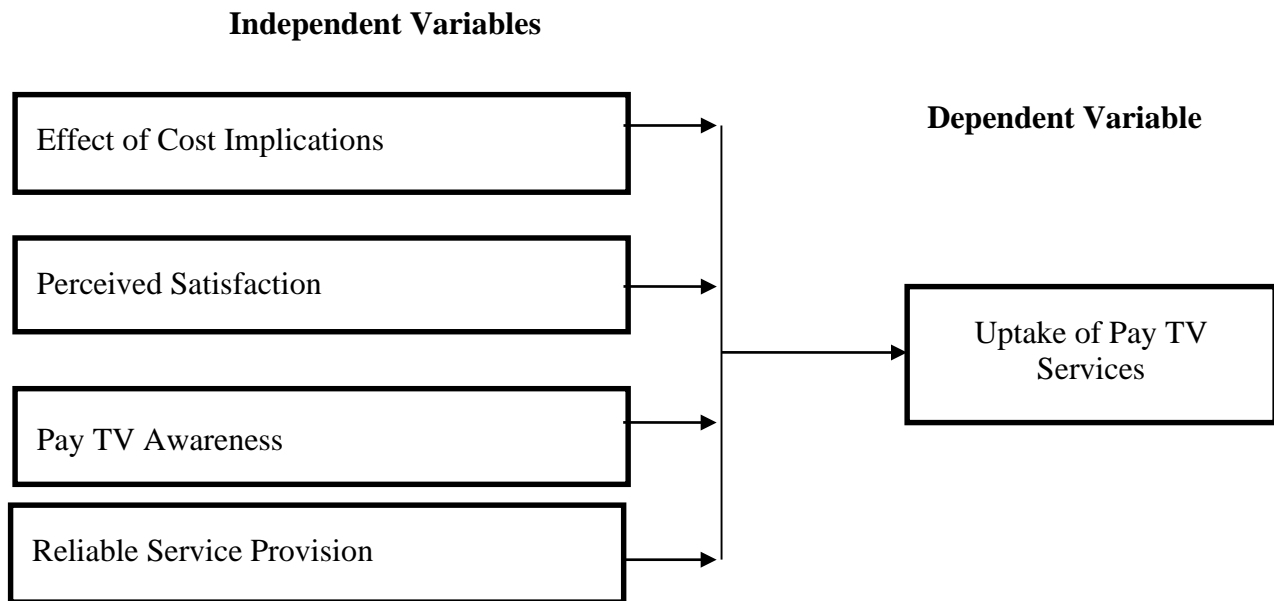
### **2.1 Theoretical Framework: Value Chain Theory**

Proposed by Michael Porter in 1985, Value Chain Theory divides enterprise's activities of added inside and outside value into basic activities and supporting activities, and the basic activities are related to production, marketing, feeding logistics, shipping logistics and after-sales services and the supporting activities are related to personnel, finance, planning, research and development and procurement (Ruan, Li & Xu, 2010). The theory analyzes those critical activities that are the sources of value creation for the firm. An activity is value creating if the proceeds from the activity exceeds its costs, thus firms should choose a set of activities that leverage the firm's resources to maximize the value creating opportunity available to the firm (Mishra & Zachary, 2014). This theory has been applied in Kenya by Kang'ethe (2011) while reporting a situational analysis for improving food safety in the maize value chain in Kenya.

The outcome of value creation, consistent with Value Chain Theory, is a product or service that meets a market demand (Steenbakkers, Jagers & Jansen, 2012). Therefore, this theory was used to explain the demand-side effect of digital migration on the operational outcomes of pay-TV from a value creation viewpoint. Because the operations functions such as demand forecasting and product design is executed hand in hand with marketing (Kumar & Suresh, 2009), two other theories complemented the application of Value Chain Theory. These are: Diffusion of Innovation Theory and technological Acceptance Model.

## 2.2 Conceptual Framework

According to Foon (2016), conceptual framework is an augmentative concept chosen for investigation or interpretation of an anticipated relationship between variables that are appropriate and useful. Foon argues that the framework maybe based on the practitioner's knowledge or what the researcher perceived to be relevant and important to address the research problem. The conceptual framework (Figure 1) used in this study postulates that the uptake of pay TV services is influenced by effects of cost implications, pay TV awareness, perceived satisfaction and provision of reliable services.



**Figure 1: Conceptual Framework**

## 2.3 Empirical Review

According to FCC (2004), pay TV displays a distinct package of programming that offers high value content that is also usually advertisement-free in order to create a greater appeal to targeted viewers hence enhanced subscriptions. Put otherwise, the pay TV should offer programs that have high satisfaction rates to viewers in order to attract and retain high number of subscribers. This shows how important satisfaction is to viewers of pay TV. Indeed, evidence shows that expected satisfaction some pay-TV programs offer has contributed to the adoption of pay TV. For instance,

Buckley (2008) argues that courtesy of pay TV, consumers have the choice of selecting programs that give them higher satisfaction. For instance, pay TV enables consumers pay for programs that do not promote indecency and violence which, in the end enhance their satisfaction with TV programs. The FCC (2004) report also records that the *a-la-carte* system of programming enables consumers to choose programming that do not have offensive content.

As explained by Barker and Angelopulo (2006), price mix involves being able to set a price, give discounts, offering relevant and suitable payment modes and, where necessary, offering credit. Tilting from the P's of marketing to the C's of marketing, Burgers (2005) argues that price should be looked at as a cost mostly when dealing with the service industry. By considering price as a cost, the focus is shifted from just focusing on the cost of the product alone to the cost of accessing that product in terms of time, the cost of conscience to consume the products on offer when compared to that of competitors. The key consideration in this is that value cannot be looked at as the cheapest price for a product but as the total low cost of the various factors influencing the customer's purchase of the product. In the TV industry, this definition of cost is widely used: - The price a pay TV customer pays for a given TV program will be determined by the cost of switching to that given program with ease, the value of the program and the conscience to consume the program when compared to the conscience programs from competitors offer.

Scan Group (2015) report while evaluating the uptake of digital TV in East Africa established that lack of awareness on what to do concerning digital migration was one of the major inhibitors of digital migration in Kenya. Awareness makes consumers know about the technology and its importance if adopted and how to operate or manipulate on adoption. Rogers (2003) discusses that awareness enhances the uptake of a service hence propelling the technology (being adopted) to quickly attain critical mass.

Xue and Yang (2008) define perceived quality as the level of meeting individual customers' needs, and being reliable in doing so. This definition shows that reliability of services is a critical determinant of quality. Khuong and Hiep (2014) define reliability as the ability to offer services appropriately and exactly as pledged. When services are not reliable-delivered within the expected timeframe and conditions, they fail to offer the right quality expectations to consumers. As such, the importance of reliable services cannot be overemphasized in this paragraph.



### **3.0 RESEARCH METHODOLOGY**

This study adopted the descriptive research design method. The target population for the study was the representatives of households from various Wards in Nairobi. Currently there are eighty-five (85) Wards in Nairobi with in excess of 4 million people and this shall form the population of the study. Using this sampling method, the researcher grouped the population in to their respective Wards. The researcher then picked one household per Ward, with the head of the household answering the questionnaire. With this, a total sample size of 43 respondents was selected for the study. The study used questionnaires, given that it is the preferred instrument when descriptive design is used in a study (Mcnabb, 2008).

After getting all the data needed, the data collected was summarized and analyzed using quantitative statistics. Statistical Software for Social Scientists (SPSS) was used for processing data. Collective charts and tables were used to present the data for easy interpretation. These presentation methods were used because they were easy to understand and summarize.

### **4.0 RESULTS AND FINDINGS**

#### **4.1 Effect of Cost Implications on the Uptake of Pay TV Services**

##### **4.1.1 Mean and Standard Deviation for Effect of Cost Implications**

The findings in table 1 reveal very low variability on respondent's opinion concerning how cost implications influences their uptake of Pay TV services. Compared with other measurement parameters, only the monthly price they pay for TV matches the quality and quantity of programs aired, had a slightly higher variation ( $M=3.43$ ,  $SD=0.565$ ).

**Table 1: Mean and Standard Deviation for Effect of Cost Implications**

<b>EFFECT OF COST IMPLICATIONS</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>N</b>
The pay TV I am subscribed to is affordable	2.91	0.259	43
The monthly price I pay for my TV matches the quality and quantity of programs aired	3.43	0.565	43
The pay TV I am subscribed to offers me credit	2.76	0.496	43
<b>RESPONSE GIVEN ALTERNATIVE</b>			
Given opportunity, I would subscribe to a more affordable pay TV	2.95	0.468	43
I would subscribe to another Pay TV whose monthly price matches the quality and quantity of programs aired	2.81	0.376	43
Given opportunity, I would subscribe to other Pay TV services with better credit offers	2.97	0.436	43

#### 4.1.2 Correlation between Effect of Cost Implications on the Uptake of Pay TV Services

Correlation is quantitative estimation of how two variables oscillate between each other. When two variables increase or decrease in parallel, then the correlation is said to be positive. However, in the instance where a variable decrease as the other increases, then the correlation is said to be negative. Correlation analysis was done to measure the strength of the linear relationship between the dependent and independent variables, as shown in table 4.6. The Pearson correlation coefficient,  $r$ , can take a range of values from +1 to -1. A value of 0 indicates that there is no relationship between the two variables. A value greater than 0 indicates a positive relationship; that is, as the value of one variable increases, so does the value of the other variable. A value less than 0 indicates a negative relationship; that is, as the value of one variable increases, the value of the other variable decreases.

The results of correlation analysis between effect of cost implications and uptake of pay TV services indicated that these variables are positively correlated (table 2). The results for Pearson Correlation test showed that there was a positive correlation between the pay TV respondents are subscribed as being affordable and uptake of pay TV services,  $r(43) = .634, p < .05$ . There was a positive correlation between monthly price respondents pay for TV matching the quality and quantity of programs aired and uptake of pay TV services,  $r(43) = .548, p < .05$ . Finally, the results

for Pearson Correlation test showed that there was a positive correlation between the pay TV they are subscribed to offering credit and uptake of pay TV services,  $r(43) = .682, p < .05$ .

**Table 2: Correlation Analysis between Effect of Cost Implications on the Uptake of Pay TV Services**

		Uptake of Pay TV Services
The pay TV I am subscribed to is affordable	Pearson Correlation	0.634
	Sig. (2-tailed)	0.000*
	N	43
The monthly price I pay for my TV matches the quality and quantity of programs aired	Pearson Correlation	0.548
	Sig. (2-tailed)	0.000*
	N	43
The pay TV I am subscribed to offers me credit	Pearson Correlation	0.682
	Sig. (2-tailed)	0.000*
	N	43

\*Correlation is significant at the  $p < .05$  level (2-tailed)

## 4.2 Influence of Perceived Satisfaction on the Uptake of Pay TV Services

### 4.2.1 Mean and Standard Deviation for Perceived Satisfaction

The results showed that there was minimal variation on respondent's view regarding how perceived satisfaction would influence their uptake of Pay TV services. From the table 3 what could be considered as largest variation compared to the rest of measurement parameters was on whether the respondents were satisfied with the cost/price of their pay TV packages ( $M=2.85, SD=0.373$ ).

**Table 3: Mean and Standard Deviation for Perceived Satisfaction**

<b>Inspiration Motivation</b>	<b>Mean (<i>M</i>)</b>	<b>Standard Deviation (<i>SD</i>)</b>	<b>N</b>
Am satisfied with the cost/price of my pay TV package	2.85	0.373	43
Am satisfied with the content of the programs aired	1.54	0.230	43
Am satisfied with the times my favorite programs are aired	2.14	0.351	43
<b>RESPONSE GIVEN ALTERNATIVE</b>			
I would be more satisfied if the cost/price of my pay TV package would reduce	1.95	0.280	43
I would be more satisfied if there would be more variety of content of the programs aired on my Pay TV	2.03	0.199	43
I would be more satisfied if the times my favorite programs are aired are adjusted	2.43	0.201	43

#### 4.2.2 Correlation between Perceived Satisfaction and the Uptake of Pay TV Services

Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases. The results of correlation analysis between effect of perceived satisfaction on the uptake of Pay TV services indicated that these variables were positively correlated. The results for Pearson Correlation test showed that there was a positive correlation between the respondent's satisfaction with the cost/price of their pay TV packages and uptake of Pay TV services,  $r(43) = .449, p < .05$ . There was a positive correlation between the respondent's satisfaction with the content of the programs aired and the uptake of Pay TV services,  $r(43) = .428, p < .05$ . The results also showed that there was a positive correlation between respondents' satisfaction with the times their favorite programs are aired and the uptake of Pay TV services,  $r(43) = .726, p < .05$ . These results are presented in table 4.

**Table 4: Correlation Analysis between Perceived Satisfaction and Uptake of Pay TV Services**

	Uptake of Pay TV Services	
Am satisfied with the cost/price of my pay TV package	Pearson Correlation	0.449
	Sig. (2-tailed)	0.000*
	N	43
Am satisfied with the content of the programs aired	Pearson Correlation	0.428
	Sig. (2-tailed)	0.000*
	N	43
Am satisfied with the times my favorite programs are aired	Pearson Correlation	0.726
	Sig. (2-tailed)	0.000*
	N	43

\* $P < .05$

#### 4.3 Influence of Awareness on Uptake of Pay TV Services

##### 4.3.1 Mean and Standard Deviation for Pay TV Awareness

The findings (table 5) revealed minimal variation on respondent's opinion concerning how pay TV awareness influenced their uptake of Pay TV services. By comparing other measurement parameters of pay TV awareness, only the respondents' awareness of the programs pay TV offers had a slightly higher variation ( $M=3.76$ ,  $SD=0.522$ ).

**Table 5: Mean and Standard Deviation for Pay TV Awareness**

<b>Pay TV Awareness</b>	<b>Mean (M)</b>	<b>Standard Deviation (SD)</b>	<b>N</b>
Am aware of Pay TV services available in the market	2.86	0.214	43
Am aware of the programs pay TV offers	3.76	0.522	43
Am aware of the benefits of Pay TV over free-to-air TV	2.96	0.253	43
<b>RESPONSE GIVEN ALTERNATIVE</b>			
I would subscribe to other Pay TV services if am aware they are available in the market	2.69	0.313	43
I would wholly embrace Pay TV services if am aware of all the programs pay TV offers	2.87	0.411	43
I would make better decisions if I was fully aware of the benefits of Pay TV over free-to-air TV	2.57	0.187	43

#### 4.3.2 Correlation between Pay TV Awareness and Uptake of Pay TV Services

Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases. The results of correlation analysis between pay TV awareness and the uptake of pay TV services indicated that these variables were positively correlated. The results for Pearson Correlation test (table 4.9) showed that there was a positive correlation between respondent's awareness about pay TV services and the uptake of Pay TV services,  $r(312) = .680, p < .05$ . There was a positive correlation between the respondents' awareness of the programs pay TV offers and the uptake of Pay TV services,  $r(312) = .630, p < .05$ . In addition, the results revealed that there was a positive correlation between respondents' awareness of the benefits of Pay TV over free-to-air and uptake of pay TV services,  $r(312) = .724, p < .05$ . These results were all presented in Table 6.

**Table 6: Correlation Analysis between Pay TV Awareness and Uptake of Pay TV Services**

	Pay TV Awareness	
Am aware of Pay TV services available in the market	Pearson Correlation	0.68
	Sig. (2-tailed)	0.000*
	N	43
Am aware of the programs pay TV offers	Pearson Correlation	0.63
	Sig. (2-tailed)	0.000*
	N	43
Am aware of the benefits of Pay TV over free-to-air TV	Pearson Correlation	0.724
	Sig. (2-tailed)	0.000*
	N	43

\*Correlation is significant at the  $p < .05$  level (2-tailed)

#### 4.4 Influence of Provision of Reliable Services on the Uptake of Pay TV Services

##### 4.4.1 Mean and Standard Deviation for Provision of Reliable Services on the Uptake of Pay TV Services

The results showed that there was a general minimal variation on respondents' view concerning how provision of reliable services would influence their uptake of pay TV services. From the table 7, what could be considered as large variation compared to the rest of the measurement parameters was on whether the respondents would change to free-to air TV if the airing of their favorite programs was reliable, ( $M=2.98$ ,  $SD=0.393$ ).

**Table 7: Mean and Standard Deviation for Provision of Reliable Services**

<b>EFFECTS OF RELIABLE SERVICES PROVISION</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>N</b>
I use Pay TV because the airing of my favorite programs is reliable	2.94	0.250	43
I use pay TV because free-to-air channels are no longer interesting to watch.	2.91	0.143	43
I use Pay-Tv because it always has better quality service compared to Free-To-Air services	2.86	0.168	43
<b>RESPONSE GIVEN ALTERNATIVE</b>			
I would change to free-to air TV if the airing of my favorite programs was reliable	2.98	0.393	43
I would switch to free-to-air TV if they had more interesting programs to watch.	3.17	0.363	43
I would abandon pay TV if there is a slight improvement in the quality services offered by Free-To-Air TV	2.89	0.218	43

#### **4.4.2 Correlation between Provision of Reliable Services on the Uptake of Pay TV Services**

Correlation is a statistical measure that indicates the extent to which two or more variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel; a negative correlation indicates the extent to which one variable increases as the other decreases. The results of correlation analysis between provision of reliable services and uptake of Pay TV services indicated that these variables were positively correlated. The results for Pearson Correlation test showed that there was a positive correlation between respondents using Pay TV because the airing of their favorite programs is reliable and the uptake of pay TV services,  $r(43) = .679, p < .05$ . There was a positive correlation between respondents' use of pay TV because free-to-air channels are no longer interesting to watch, and the uptake of pay TV services,  $r(43) = .685, p < .05$ . Finally, the results for Pearson Correlation test showed that there was a positive correlation between respondents' using Pay-Tv because it always has better quality service compared to Free-To-Air services and the uptake of pay TV services,  $r(43) = .630, p < .05$ . These results were presented in table 8.



**Table 8: Correlation Analysis between Provision of Reliable Services and the Uptake of pay TV services**

Provision of Reliable Services	Uptake of pay TV services	
I use Pay TV because the airing of my favorite programs is reliable	Pearson Correlation	0.679
	Sig. (2-tailed)	0.000*
	N	43
I use pay TV because free-to-air channels are no longer interesting to watch.	Pearson Correlation	0.685
	Sig. (2-tailed)	0.000*
	N	43
I use Pay-TV because it always has better quality service compared to Free-To-Air services	Pearson Correlation	0.630
	Sig. (2-tailed)	0.000*
	N	43

\*Correlation is significant at the  $p < .05$  level (2-tailed)

#### 4.5. Research Findings

The study sought to investigate the extent to which cost implications influences the uptake of Pay TV services among Nairobi residents. The study found that about 37% of the respondents always felt that the pay TV they are subscribed to is affordable. Approximately 30% of the respondents reported that most of the time, the pay TV they are subscribed to offers them credit. There was very low variability on respondent's opinion concerning how cost implications influences their uptake of Pay TV services, with the highest being on whether the monthly price they pay for TV matches the quality and quantity of programs aired, ( $M=3.43$ ,  $SD=0.565$ ). The results for Pearson Correlation test showed that there was a positive correlation between the pay TV respondents are subscribed as being affordable, monthly price matching quality and quantity of the programs aired, pay TV offering credit and uptake of pay TV services,  $r(43) = .634$ ,  $p < .05$ ;  $r(43) = .548$ ,  $p < .05$  and  $r(43) = .682$ ,  $p < .05$ .

Perceived satisfaction was one of the independent variables of the study. The research question was: How does perceived satisfaction influence the uptake of pay TV among Nairobi residents? The results showed that about 46% of the respondents always felt that they were satisfied with the cost/price of their pay TV package; approximately 39% always felt that they were satisfied with the content of the programs aired, while about 35% always felt satisfied with the times their favorite programs are aired. There was minimal variation on respondent's view regarding how

perceived satisfaction would influence their uptake of Pay TV services, with the relatively high being on whether the respondents were satisfied with the cost/price of their pay TV packages ( $M=2.85$ ,  $SD=0.373$ ). The results for Pearson Correlation test showed that there was a positive correlation between the respondents satisfaction with the cost/price of their pay TV packages, and uptake of Pay TV services, content of the programs aired and the uptake of Pay TV services, and satisfaction with the times their favorite programs are aired and the uptake of Pay TV services,  $r(43) = .449$ ,  $p < .05$ ,  $r(43) = .428$ ,  $p < .05$ , and  $r(43) = .726$ ,  $p < .05$  respectively.

Awareness of pay TV was one of the independent variables of the study. The research question was: What are the effects of pay TV awareness on the uptake of pay TV among Nairobi residents? The results showed that about 35% always felt that they were aware of Pay TV services available in the market; roughly 33% always felt that rarely were they aware of the programs pay TV offers, and approximately 30% always felt that they were aware of the benefits of Pay TV over free-to air TV. There was minimal variation on respondent's opinion concerning how pay TV awareness influenced their uptake of Pay TV services, with relatively high being on the respondents' awareness of the programs pay TV offers, ( $M=3.76$ ,  $SD=0.522$ ). The results for Pearson Correlation test showed a positive correlation between respondent's awareness about pay TV services, respondents' awareness of the programs pay TV offers, respondents' awareness of the benefits of Pay TV over free-to-air and the uptake of Pay TV services,  $r(312) = .680$ ,  $p < .05$ ,  $r(312) = .630$ ,  $p < .05$ ,  $r(312) = .724$ ,  $p < .05$ .

Reliable services were one of the independent variables of the study. The key question was: How does reliable service provision affect the uptake of pay TV among Nairobi residents? On whether the respondents used Pay TV because the airing of their favorite programs was reliable, roughly 32% felt so always, while about 31% of the respondents always felt that they use pay TV because free-to-air channels are no longer interesting to watch. Just about 30% always felt that they use Pay-Tv because it always had better quality service compared to free-to-Air services. There was a general minimal variation on respondents' view concerning how provision of reliable services would influence their uptake of pay TV services, with the relatively large variation being on whether the respondents would change to free-to air TV if the airing of their favorite programs was reliable, ( $M=2.98$ ,  $SD=0.393$ ). The results for Pearson Correlation test showed that there was a

positive correlation between respondents using Pay TV because the airing of their favorite programs is reliable, because free-to-air channels are no longer interesting to watch, respondents' using Pay-TV because it always has better quality service compared to Free-To-Air services and the uptake of pay TV services,  $r(43) = .679, p < .05$ ,  $r(43) = .685, p < .05$ , and  $r(43) = .630, p < .05$  respectively.

## **5.0 CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Conclusions**

#### **5.1.1 Influence of Cost Implications on the Uptake of Pay TV Services**

The study investigated and measured the influence of cost implications on the uptake of pay TV services among Nairobi resident. The study established that most of the measurement parameters for cost implications had positive and significant relationship with the uptake of pay TV services. Therefore, the study concludes that cost implications are a factor that is affecting the uptake of pay TV services among the residents of Nairobi.

#### **5.1.1 Influence of Perceived Satisfaction on the Uptake of Pay TV Services**

The study investigated and measured the influence of perceived satisfaction on the uptake of pay TV services among Nairobi resident. The study established that most of the measurement parameters for perceived satisfaction had positive and significant relationship with the uptake of pay TV services. Therefore, the study concludes that perceived satisfaction is one of the factors that are affecting the uptake of pay TV services among the residents of Nairobi.

#### **5.1.3 Influence of Pay TV Awareness on the Uptake of Pay TV Services**

The study investigated and measured the influence of Pay TV awareness on the uptake of pay TV services among Nairobi resident. The study established that most of the measurement parameters for Pay TV awareness had positive and significant relationship with the uptake of pay TV services among Nairobi residents. Therefore, the study concludes that Pay TV awareness is one of the factors that are affecting the uptake of pay TV services among the residents of Nairobi.

#### **5.1.4 Influence of Reliable Service Provision on the Uptake of Pay TV Services**

The study investigated and measured the influence of reliable service provision on the uptake of pay TV services among Nairobi resident. The study established that most of the measurement parameters for reliable service provision had positive and significant relationship with the uptake

of pay TV services among Nairobi residents. Therefore, the study concludes that reliable service provision is one of the factors that are affecting the uptake of pay TV services among the residents of Nairobi.

### **5.2 Recommendations**

Based on the study findings, the study recommends that Pay TV service providers should enhance consumer education as far as pay TV versus free-to-air services are concerned. This will increase consumers knowledge of what is all about pay TV services, and better their choices. Essentially, consumer education will lead to a realistic customer growth and profit projections

### **5.3 Areas for Further Research**

The study sought to analyze the factors affecting the uptake of pay TV services among the residents of Nairobi. Based on the findings, the study recommends that further research be carried out on the moderating effect of social media platforms (as alternates for broadcast media) on consumer choices for pay TV services.

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