

**EFFECTS OF MEDIA CONVERGENCE ON BRAND
GROWTH IN SELECTED MEDIUM SIZED ENTERPRISES
IN KENYA**

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ABSTRACT

Media convergence is taking place at a rapid pace yet companies are hampered by fragmented marketing structures and efforts consequently failing to effectively influence customer buying decisions hence constraining their brand growth. Therefore the objective of the study was to examine the effect convergence of media on brands growth with specific reference to selected medium enterprises in Kenya. The specific objectives of the study included the effect of owned, paid, shared and earned media on brand growth in the medium enterprises in Kenya. The research study used descriptive research design in collecting the data from respondents. The target population was drawn from selected medium enterprises consisting of marketing/brand managers. The research study used multi-stage sampling procedure to select a representative sample of 113 respondents. The primary data for the study was collected using the questionnaires and analyzed using chi square, regression and correlation statistics with the aid of Statistical Package for Social Sciences. The study established that paid owned, earned and shared media affects brands growth among medium enterprises. It found that the converged media has enhanced brand visibility, positioning, differentiation, recall levels and engagement with customers; improve relations with the customers and other stakeholders who are key to brand growth and facilitated enterprises to leverage on customer conversations and reviews to promote customer loyalty and brand share of the voice at the customer decision table

Key Words: Media Convergence, Brand Growth, Medium Enterprises, Nairobi County

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Introduction

Background of the Study

In the past media each media gadget like television, computers and cell phone were targeted at accomplishing particular role but today these facilities are integrated such that they perform all of these tasks in one single device (Corcoran, 2009). Hence cell phones, tablets, computers facilitate people to not only make calls, but to search the web, watch TV and movies undertake computing service and many other functions concurrently. Currently every computing facility and equipment has the capacity to communicate via video or audio from these computing screens or online via internet. This is because these devices intersect and overlap each other in what has come to be described as known as media convergence (Dwyer, 2010).

Media Convergence (MC), according to Lieb and Owyang, (2012) has given rise to various forms of media described as paid media, owned media, earned media, shared and traded media. Paid media consists of online and offline media outlet that involves payment for audiences or visitors reached by the adverts, display and other paid marketing initiatives (Cision, 2011a). Owned media channel is usually content-driven and does not involve media buy, however it includes assets that are owned or wholly controlled by the brand, such as customized brand content, websites, branded blogs, newsletters, and social media channels and accounts (Lieb & Owyang, 2012). Earned media includes brand-related conversations and user-generated content such as Retweets, likes, customer reviews and other user generated content that is not controlled by the organization. Shared media is about the shared creation of content by brand managers and the customers in partnership across a number of media platforms and social communities (Solis, 2012). Due to the environment and manner in which sharing of brand information and customer engagement takes place, shared media propels the information across other media and in the process going viral (Armano, 2011).

In this era of increase global competition, converged media (paid media, owned media, earned media, shared and traded media) has become essential to the growth of brands as it facilitates communication with current and potential customers on both traditional and new media platforms (Solis, 2012). Such media platforms allow organizations to reach a larger number of customers within real time, with relevant posts that provide brand updates, reviews, pictures,

brand news among others. It can be concluded that Media Convergence (MC) has facilitated firms to engage with their brand customers' all-the-time and everywhere without limitation. This connectivity and all-the-time engagement with customers has enabled consumers and brands alike to create, consume, publish, differentiate, appeal, engage, interact and transact anywhere, anytime (Jenkins, 2006).

The use of converged media by medium enterprises in Kenya has become important because it has the potential of growing businesses which operate in all sectors of the economy and whose services and products are essential to the economy (RoK, 2012). In fact the small and medium enterprises sector contributes an estimated 18.4 per cent of GDP to the country's economy and employs about 85 percent of the Kenyan workforce (about 7.5 million Kenyans of the country's total employment) (Africa Development Bank, 2011). Yet these medium enterprises face communication constraints, inhibiting their individual brand growth

Research Problem

Some brands in medium enterprises are unable to grow in this environment of media convergence because they lack knowledge, content skills and the right attitude required to maintain a presence on converged media. They struggle to manage automation and social tools hence use fragmented marketing plans, strategies and structures as they still view paid, owned, earned and shared media as separate. Moreover, most of the managers do not appreciate the effect that media convergence can have on the growth of their businesses and individual brands. Consequently they have been unable to effectively influence customer buying decisions through effective alignment of their brand messaging across the converged media channels; heighten the level of engagement with the target customers and achieve relatively strong brand visibility. Hence this has constrained the growth of their individual brands and the performance of their businesses

There are a number of studies and discussions that have focused on media convergence; for instance Lieb and Owyang (2012) in their study on converged media imperative, established that combining integrating paid, owned and earned media enhance organization performance.; while Cision, (2011) in his study on earned media, owned media, & the new marketing mix established that media convergence has facilitated the emergence of new market mix that

organizations need to focus on in order to become competitive in the market. Semeyi (2010) examined media convergence in relation with traditional separations between the various media industries and found that consumers rely more or less equally on various platforms for their content. However there is limited study on the influence of media convergence on business brands growth, more specifically in the medium enterprise sector in Kenya. Hence this research study sought to examine the effects of media convergence on brands growth in the medium enterprises in Kenya

Objectives of the Study

The objective of the study was to examine the effects of media convergence on brand growth in selected medium sized enterprises in Nairobi County, Kenya.

Specific Objectives

- i) To examine if paid media affects brand growth in the selected medium sized enterprises in Nairobi County
- ii) To establish if owned media affects brand growth in the selected medium sized enterprises in Nairobi County
- iii) To determine whether earned media affects brand growth in the selected medium sized enterprises in Nairobi County
- iv) To asses if shared media affects brand growth in the selected medium sized enterprises in Nairobi County

Value of the Study

In practice the study will be significant to the management and staff of the selected medium sized enterprises and other medium enterprises in Kenya who will be able to understand and appreciate the influence of convergence of media on brand growth and be able to take advantage of the media convergence to facilitate the growth of their brands. In theory, the study will provide the background information to research organizations and scholars who will want to carry out further research in this area.

Theoretical Review

Media convergence can be explained using the theory of media convergence. This is because the converged media involving owned, paid, earned and shared media facilitate communication between enterprises consumers. According to Chakaveh and Bogen (2007) media convergence implies that medium eventually merges to the point where they become one medium. This supports Jenkins'(2001) concept of media convergence or trans-media implying transmission of information through several different media forms which work together and separately to create a powerful effect. Chakaveh and Bogen (2007) further argue that media convergence is driven by economic imperatives of organizations seeking to improve their profitability. The basis of media convergence is the emergence of new ways of customer consumption. Businesses are joining forces with customers to shape the context in which consumers view the various media and company brands. The ongoing discussion between businesses and their brand customers, for Jenkins (2001) is a positive phenomenon that makes companies sensitive to the consumer needs and provides customers with essential voice in brand development and marketing processes, especially in the communication of brand features and benefits.

Review of Past Literature

Paid media is essential to brand growth as it facilitates communication with current and potential customers on media platforms. Such platforms allow organizations to reach a larger number of customers with real time, relevant posts that provides their network with updates, reviews, pictures, news and more (Cision, 2011). Enterprises use paid media to draw awareness of unique characteristics of their brands, to drive customer engagement, to differentiate their brand so as to increase their brand sales (Egan, 2008). Owned media provides an opportunity for the brand to provide consumers experience while maintaining control over editorial content Owned media facilitates brands to get involved with customers, fosters relationships across brands through customer engagement availing brands with opportunities for growth (Lieb & Owyang, 2012).

Earned media is developed through different types of partners who are brand advocates and key to promoting and initiating discussion about brand benefits. In most cases earned media is perceived by many brand consumers as the most genuine media channel because it is not under the control of company brands (Dwyer, 2010). Earned media puts a face and voice, to the

company brand and enables the brand to participate in online conversations as a personality (Dwyer, 2010). Earned media is a cost effective tool for promoting brand buzz and awareness (Corcoran, 2009). Shared media encourage brand conversation which is able to blend and weave itself across multiple networks and in the process drive greater engagement and participation by loyal customer, while bringing potential customers closer (Lieb & Owyang, 2012). Richer, more interactive experiences, combined with the increasing interplay between brands and shared media, mean that it is now possible for brands to engage in conversations about brand features and benefits over many channels.

Research Methodology

The study used descriptive research design in collecting data from the respondents. The target population was drawn from 1980 medium enterprise located within Nairobi County as who had renewed their business licenses in 2014. A multi-stage sampling technique was then used to obtain a sample size of 113 medium enterprises. Primary data was collected from medium enterprises using questionnaires. Pilot test analysis established that all the scales were significant having Alpha reliability coefficient above the prescribed threshold of 0.6 (Nunnally & Bernstein, 1994). Drop and pick method was used to collect data from the respondents. Prior informed consent was obtained from each respondent before the questionnaire was dispatched.

Data was analyzed using, Chi square statistics, regression and correlation with the aid of Statistical Package for Social Sciences (SPSS 21.0). Chi square was used to test association between independent and dependent variables. Correlation was used to find out the degree of relationship between paid, owned, shared, earned media and brand growth. Multiple regression analysis was used to determine whether paid, owned, shared and earned media predict brand growth. Presentation of data was in form of tables

Study Findings

Utilization of Converged Media by Medium Enterprises

The study below shows the views of the respondents on whether their enterprises utilize converged media in communication with their customers. Majority of the respondents (97.9%) indicated that they utilize converged media in communication with customers,

Table 1: Utilization of Converged Media

Question	Scale	Distribution	
		F	%
Does your organization utilize converged media in brand communication?	Yes	95	97.9
	No	2	2.1
	Total	97	100

Effectiveness of Converged Media in Achieving Brand Growth

Table 4.2 below shows that majority of the respondents (52.6%) indicated that the use of converged media has been very effective in achieving brand growth

Table 2: Effectiveness of Converged Media

Question	Scale	Distribution	
		F	%
How effective has been the use of converged media in achieving Brand Growth?	Effective	40	42.1
	Very effective	50	52.6
	Not effective	5	5.3
	Total	95	100

Correlation Between Effect of Use of Paid Media and Brand Growth

Results of Pearson's coefficient of correlation (r) on table 4.12 below shows a significant positive relationship between paid media and brand growth ($r = 0.522$, $p < .005$). This was

reflected in the relationships between the effects of paid media such as customer recall ($r = 0.503$, $p < .005$), favorable purchase views ($r = 0.532$, $p < .005$), customer loyalty ($r = 0.658$, $p < .005$) and brand differentiation ($r = 0.679$, $p < .005$) and brand growth. This implies that brand growth is influenced by the effects of use of paid media. Therefore, a positive change in paid media would enhance brand growth by 52.2%.

Table 3: Pearson's Correlation Coefficients

		1	2	3	4	5	6	
1	Paid Media	Pearson Correlation	1					
		Sig. (2-tailed)						
2	Customer recall	Pearson Correlation	0.681	1				
		Sig. (2-tailed)	0.032					
3	Favorable Purchase views	Pearson Correlation	0.670	.535	1			
		Sig. (2-tailed)	0.019	0.013				
4	Customer Loyalty	Pearson Correlation	0.694	0.615	0.599	1		
		Sig. (2-tailed)	0.027	0.021	0.018			
5	Brand Differentiation	Pearson Correlation	0.623	0.613	0.572	0.658	1	
		Sig. (2-tailed)	0.014	0.010	0.003	0.007		
	Brand Growth	Pearson Correlation	0.522	0.503	0.532	0.658	0.679	1
		Sig. (2-tailed)	0.006	0.010	0.003	0.007	0.012	

Correlation Between Effects of Owned Media and Brand Growth

The Pearson's coefficient of correlation (r) results shown on table 4.15 below indicate a significant positive relationship between owned media and brand growth ($r = 0.539$, $p < .005$). This was reflected in the relationships between the effects of owned media such as customer

engagement ($r = 0.682, p < .005$), brand positioning ($r = 0.633, p < .005$), Brand Share ($r = 0.573, p < .005$) and relative cheapness of the brand ($r = 0.628, p < .005$) and brand growth. This signifies that brand growth is influenced by owned media. Therefore, a positive change in owned media would enhance brand growth by 53.9%.

Table 4: Pearson’s Correlation Coefficients

		1	2	3	4	5	6
1	Owned Media						
	Pearson Correlation	1					
	Sig. (2-tailed)						
2	Customer engagement						
	Pearson Correlation	0.647	1				
	Sig. (2-tailed)	0.015					
3	Positioning of Brands						
	Pearson Correlation	0.630	0.611	1			
	Sig. (2-tailed)	0.033	0.027				
4	Brand Share						
	Pearson Correlation	0.599	0.618	0.603	1		
	Sig. (2-tailed)	0.026	0.020	0.024			
5	Relatively Cheaper						
	Pearson Correlation	0.654	0.679	0.635	0.642	1	
	Sig. (2-tailed)	0.012	0.017	0.006	0.015		
5	Brand Growth						
	Pearson Correlation	0.539	0.682	0.633	0.573	0.628	1
	Sig. (2-tailed)	0.008	0.007	0.016	0.008	0.011	

Correlation Between Effects of Earned Media and Brand Growth

Findings of correlation analysis shown on table 4.18 indicate a significant positive relationship between earned media and brand growth ($r = 0.608, p < .005$). This was reflected in the relationships between the effects of earned media such as brand conversation ($r = 0.508, p < .005$),

brand positioning ($r = 0.541, p < .005$), Brand Share ($r = 0.683, p < .005$) and relative cheapness of the brand ($r = 0.642, p < .005$) and brand growth. This signifies that brand growth is influenced by earned media. Therefore, a positive change in owned media would enhance brand growth by 60.8%.

Table 5: Pearson's Correlation Coefficients

		1	2	3	4	5	6	
1	Earned Media	Pearson Correlation	1					
		Sig. (2-tailed)						
2	Brand Conversation	Pearson Correlation	0.621	1				
		Sig. (2-tailed)	0.024					
3	Brand Visibility	Pearson Correlation	0.653	0.708	1			
		Sig. (2-tailed)	0.038	0.011				
4	Customer Relations	Pearson Correlation	0.642	0.689	0.637	1		
		Sig. (2-tailed)	0.002	0.006	0.004			
5	Communication Cost	Pearson Correlation	0.617	0.653	0.632	0.649	1	
		Sig. (2-tailed)	0.005	0.03	0.007	0.001		
5	Brand Growth	Pearson Correlation	0.608	0.558	0.541	0.683	0.642	1
		Sig. (2-tailed)	0.002	0.015	0.009	0.004	0.006	

Correlation Between Effects of Shared Media and Brand Growth

The findings shown on table 4.21 below indicate a significant positive relationship between shared media and brand growth ($r = 0.616, p < .005$). This was reflected in the relationships between the effects of shared media such as customer interaction ($r = 0.534, p < .005$), customer

reviews & feedback ($r = 0.649, p < .005$), amplification of brand conversation ($r = 0.524, p < .005$) and brand customization ($r = 0.650, p < .005$) and brand growth. This signifies that brand growth is influenced by shared media. Therefore, a positive change in shared media would enhance brand growth by 61.6%.

Table 6: Pearson's Correlation Coefficients

		1	2	3	4	5	6	
1	Shared Media	Pearson Correlation	1					
		Sig. (2-tailed)						
2	Customer Interaction	Pearson Correlation	0.736	1				
		Sig. (2-tailed)	0.034					
3	Customer reviews & feedback	Pearson Correlation	0.618	0.741	1			
		Sig. (2-tailed)	0.016	0.029				
4	Amplification of brand conversation	Pearson Correlation	0.669	0.506	0.623	1		
		Sig. (2-tailed)	0.037	0.013	0.009			
5	Brand Customization	Pearson Correlation	0.581	0.628	0.518	0.591	1	
		Sig. (2-tailed)	0.022	0.010	0.025	0.003		
6	Brand Growth	Pearson Correlation	0.616	0.534	0.649	0.524	0.650	1
		Sig. (2-tailed)	0.009	0.004	0.005	0.009	0.007	

Test of Association Between Independent Variables and Dependent Variables

Results on Table 7 below show the association between paid, owned, earned, shared media and brand growth in the medium enterprises. The findings indicate that the p-values for all the variables are smaller than the level of significance of the study (0.05) hence paid media

($x^2=15.185$, $p\text{-value}=0.041$); owned media ($x^2=16.410$, $p\text{-value}=0.028$); earned media ($x^2=17.174$, $p\text{-value}=0.013$) and shared media ($x^2=21.386$, $p\text{-value}=0.033$) have a significant association with brand growth. In terms of strength of association to brand growth relative to each other shared media ($x^2= 0.920$, $p\text{-value}=0.033$) and earned media ($x^2=0.815$, $p\text{-value}=0.013$) have a strong association with brand growth , while paid media ($x^2=0.423$, $p\text{-value} =0.041$) and owned media ($x^2=0.691$, $p\text{-value} =0.028$) have a moderate association with brand growth.

Table 7: Chi-Squared (x^2) Test for Variable Association

Independent Variables	Brand Growth	
	Pearson Chi-Square (x^2)	P-Value
Paid Media	15.185 ^a	0.041
Owned Media	16.410 ^a	0.028
Earned Media	17.174	0.013
Shared Media	21.386 ^a	0.033
n = 95, Level of Sig. 0.05		

Regression Analysis

Tables 8 below indicate the relationship between paid, owned, earned and shared media and brand growth. Results show correlation coefficient (r) of .803 and coefficient of determination (r^2) of .645 implying that the use of paid, owned, earned and shared media by medium enterprises predict 64.5% of their brand growth. Results on table 9 indicate that the computed t-values and p values of ($t=2.001;p=0.045$) for paid media; ($t=2.002;p=0.028$) for owned media ; ($t=2.008;p=0.031$) for earned media and ($t=2.013; p=0.019$) for shared media are smaller than the critical t-value of ($t=2.570$) and the significance level of 0.05 respectively This shows that

there is a significant relationship between paid media, owned media, earned media, shared media and brand growth.

Results on table 9 below also shows that taking all independent variables (paid, owned, earned and shared media) constant at zero (0) brand growth will be at 1.156. Therefore a unit increase in use of paid media by medium enterprises will lead to increase in their brand growth by a factor of 0.924; use of owned media by medium enterprises will result in increase in their brand growth by a factor of 1.007; use of earned media by medium enterprises will lead to increase in brand growth by a factor of 1.179 and use of shared media by medium enterprises will lead to increase in their brand growth by a factor of 1.311 respectively. The most significant predictors of brand growth were shared media (Beta= .233, t= 2.013, Sig. = 0.019), earned media (Beta=.195, t= 2.008, Sig. = 0.028) and owned (Beta= .140, t= 2.002, Sig. =0.031) whereas paid media (Beta= .031, t= 2.001, Sig. = 0.045) was found to be a weaker predictor of brand growth.

Table 8: Summary Model

	R	R Square	Df	Sig
1	.803 ^a	.645	5	.003

. Dependent Variable: Brand Growth

Table 9: Regression of Effects of Media Convergence and Brand Growth

Independent Variables	Coefficients				
	β	Std. Error	Beta	t	P-Value.
(Constant)	1.156	0.521	0.000	2.218	.000
Paid Media	0.924	0.460	0.031	2.001	.045
Owned Media	1.007	0.503	0.140	2.002	.028

Independent Variables	Coefficients			t	P-Value.
	β	Std. Error	Beta		
Earned Media	1.179	0.589	0.195	2.008	.031
Shared Media	1.311	0.651	0.233	2.013	.019

*Dependent Variable: Brand Growth **significance level of: 0.005 * 2 tailed Test

Summary, Conclusion and Recommendation

Paid Media

The research study established that paid media affects brands growth in the medium enterprises as paid media has facilitated enhanced recall levels of the brand among the customers resulting in increased sales and growth. It was also found that the use of paid media has also led to an increase in brand visibility and increased brand differentiation in the market.

Owned Media

The research study established that owned media affects brands growth in medium enterprises since medium enterprise use of owned media leads to an increase in brand engagement with customers and increased awareness levels arising from effective positioning of the brand among the customers. In addition, the use of owned media by medium enterprises has enhanced brand share of the voice at the customer decision table

Earned Media

The study established that earned media affects brands growth in the medium enterprises as the use of earned media by medium enterprises greatly enhance conversation about brand benefits among the customers; ensured that there is a high level of brand conversation and improved relations with the customers and other stakeholders

Shared Media

The study established that shared media affects brands growth in medium enterprises as use of shared media by medium enterprises facilitates heavy customer involvement with the brands leading to increase in brand sales. It also provide platform for encouragement of consumer reviews which provide useful feedback for brand performance process.

Conclusion

Paid media has facilitated an increase in favorable purchase intention by brand customers; enhanced brand differentiation and improved the recall levels of the brand among the brand customers resulting in increased sales and growth. Medium enterprise use of owned media has heightened brand awareness levels and engagement with customers arising from effective positioning of the brand in the market. Earned media has greatly enhanced conversation about brand benefits among customers; improved relations with them and other stakeholders who are key to brand growth. The use of shared media has facilitated heavy customer involvement, increased brand reviews and amplified conversations about brand features and benefits thereby improving brand favorability among customers of medium enterprises.

Recommendations

The study recommended the need for brand managers or marketers to take advantage of earned media through the creation of unique content and offerings tailored to each specific target market or customers. This will ensure that customers consistently stay active and engaged with the enterprise brands and are positioned effectively against competition in the market. To achieve effective results brand managers or marketers need to encourage customer reviews through the converged media platforms so as provide useful feedback for the internal-brand assessment process

Suggestion for Further Research

This focused on the effects of media convergence on brand growth in the medium enterprises however there is also need to undertake a similar study on the but focusing on the small enterprises

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List of Abbreviations and Acronyms

MC	Media convergence
PM	Paid Media
EM	Earned Media
GDP	Gross Domestic Product
ME	Medium Enterprises
OM	Owned Media

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