

UNIVERSITY OF CAPE COAST

WORD-OF-MOUTH AND CUSTOMERS' PURCHASING DECISIONS: A
CASE STUDY OF GOTV GHANA LIMITED IN THE CAPE COAST
METROPOLIS

JEFFREY ROCKSON

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METROPOLIS

BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this University or elsewhere.

Signature Date

Name: Jeffrey Rockson

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

SignatureDate

Name: F. O. Boachie-Mensah

ABSTRACT

The main purpose of the study was to examine the role of word-of-mouth communication in the purchasing decision of customers of digital decoders or set boxes in Ghana using the customers of GoTV service providers of the Cape Coast Metropolis as a case study. The mixed method strategy was used to allow for both qualitative and quantitative analysis of the issue. The structured questionnaire was the main tool for data collection. Both descriptive and inferential statistics were used for the analysis. The inferential tools were non-parametric test such chi-square, Wilcoxon and Kruskal-Wallis tests. The qualitative responses were analysis using content analysis based on four themes. The results indicated that both traditional face-to-face and the electronic word-of-mouth are actively used in the digital television market to share information about digital TV decoders in the study area. The outcome suggested that the face-to-face word-of-mouth dominates the electronic word-of-mouth in the market. It was further observed that word-of-mouth, both face-to-face and electronic, have positive effect on purchasing decisions of digital TV decoders in the Cape Coast Metropolis. Face-to-face communication had strong effects on purchasing decisions than electronic word-of-mouth in the study area. The study recommends that marketing department must encourage the customer service department to ensure good customer service since it is complementary to their work. Also, the technical team must improve upon the signal quality and also train more installers to ensure proper installations to generate positive word-of-mouth.

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DEDICATION

To my lovely wife Abena Serwaa Osei-Agyeman

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LIST OF ACRONYMS

DSTV	Distribution of Statelite Television
DTT	Digital Telestral Television
eWOM	Electronic Word-Of-Mouth
FTA	Free-To-Air
GSS	Ghana Statistical Service
NCA	National Communication Authority
TV	Television
WOM	Word-Of-Mouth

CHAPTER ONE

INTRODUCTION

It is undoubted that word-of-mouth has been given credence for being one of the most effective means of convincing customers both old and new especially; even though we seem to be in the digital age. A barrage of research or studies have given diverse views and results on the effectiveness or otherwise of “word-of-mouth”. Analysis of other works has suggested that trust moderate the relationship between vigour, co-creation, dedication and consumption on purchasing intention. Even though, to some extent, some studies have shown the potency and efficacy of word-of-mouth, it is however unclear if it is indeed, the most effective means of marketing that can have grave influence on the decision of a customer and to what extent is its influencing power if it even has. A lot of previous works or studies have given diverse views. Since the purpose of a research is to prove, confirm or disprove, it is very essential because others studies have failed to tackle its influencing power on the customers’ purchasing decision that is what this study will cursory take a look at.

Background to the Study

The main objective of a marketing team is to sell the product of their establishment by accentuating the strength of their product while making a case for any obvious weakness. A number of standardized options exist in making a product known to the general public which include sales promotions and advertisements (Lerrthaitrakul & Panjakajornsak, 2014). When it comes to communicating directly to identifiable potential customers, advertisement is

the most used option due to its established direct correlation with organisational sales (Lepisto & Vahajylkka, 2017).

The approach of most marketing teams has been to hype a product through effective continuous advertisement and sales promotion. The supporting hypothesis here is that the general public is more likely to confuse popularity with quality and demand a product ((Dimitriadis & Kyrezis, 2011). Clearly, it makes both theoretical and empirical senses to agree that advertisement is the best means to recruit first crop of consumers (Bhayani, 2017). However, over a time in a product's life span, it will require more efforts than just advertisement, irrespective of its effectiveness, to recruit fresh customers. This is more so because as a product matures, the endorsements of earlier customers is most likely to be one of the best determinant of its demand. The verbal testimony from an existing customer about a product's quality and its efficacy is generally termed as "Word-Of-Mouth" (Martin, 2017). Word-of-Mouth (WOM) may be more credible than the sincerest sales person and is able to reach more customers faster and may not directly cause the marketing team a cedi (Garnefeld, Helm & Eggert, 2010). Therefore, word-of-mouth is claimed in most instances to be more powerful than conventional marketing for homogenous product on which customers can share their experience on their user satisfaction. In the view of Silverman (2001), Word-of-Mouth is more relevant and complete than traditional marketing strategies since it is custom-tailored to consumers' need as the customers are provided with recommendations on products/services that are in their interest.

The general importance of word-of-mouth in consumer's demand decision depends mainly on the fact that the consumer may not be as naive as they are thought to be by marketing managers (Lerrthairakul & Panjakajornsak, 2014). That is, in addition to the many good things that the print, audio and audio-visual advertisement may say and show about a product the consumer still have the option to verify from earlier consumers about the quality of the product as contain in the advertisements. Also, potential consumers may often feel harassed by the many advertising messages and read this flood of information either selectively or avoid them altogether (Martin, 2017). Under the guess of *experience is the best teacher*, word-of mouth can undo the success of a well-organized advertisement on the negative side or on the positive side rebuild confidence of consumers in a product (Mason, 2008).

The effectiveness of word-of-mouth increased when the level of competition in an industry increases (Cakir & Cetin, 2013). As competition increase in an industry, that sells an identical product, advertisements proliferate and become less effective in customers' purchasing decisions. At this point consumers need something more than mere advert to decide on which product to buy for the maximum satisfaction. Here demand decision may well depend on earlier customers endorsements and recommendations to potential buyers of a product.

The service industry produce and sell intangible product, the quality of which is best perceived by the user (Drobysheva, 2017). Because quality in the service industry is subjective and can only be perceived, it becomes necessary to continuously assess customers' perceptions about service quality since that is what the earlier customers pass on to potential buyers. Thus, an alternative

way to evaluate service quality is to find out what past and present consumers are telling others about your product because that is what future consumers are likely to think about your product. This urgent needs to review what customers are saying about a given product has generated a number of research into the effectiveness of word-of-mouth in purchasing decision which is what this study sort to contribute to the discussion.

Statement of the Problem

The role of customer-customer interaction or what is formally termed word-of-mouth, has been empirically tested both within and outside Ghana with mixed results though no specific work could be cited in the digital TV market in Ghana. In the advanced countries, with well-developed social media and online systems, studies on word-of-mouth have advanced to the point where companies seek to stimulate positive word-of-mouth as an alternative marketing strategy (Bhayani, 2017; You, Gautham & Amit, 2015).

In the case of Ghana, studies could be cited in the clothing industry (Opare-Asamoah, 2014) and creative design industry (Adomako-Kwakye, 2016). A recent study by Asante (2017) focused on the moderation of trust on the relationship among customer social media brand engagement, word-of-mouth and purchase intention in Ghana. The analysis suggested that trust moderated the relationship between vigour, co-creation, dedication and consumption on word-of-mouth and vigour, co-creation, dedication and consumption on purchase intention. A critical evaluation of the objective of Asante's study indicates that the actual relationship between word-of-mouth and purchasing intention of customers was not evaluated since both variables were treated as dependent variables in the analysis with the correlates of trust

as the independent variables. Not only could it be cited that almost all earlier studies are outside the communication industry; but all were conducted before the fully operationalisation of digital migration in Ghana.

As the country migrates from analogue to digital television network, demand for paid television channel services also increases with most establishments entering the market (NCA, 2019; Blackwood, 2019). In the specific case of Ghana, the market exists in three forms; now as free-to-air channels, that can be accessed on all digital channels with the right antenna, the near free channels which require the one time purchase of a digital box or decoder and satellite dish with no monthly subscription (multi tv), and the services of monthly subscription distributors such as GOTV, STARTIME and DSTV, among others (NCA, 2018). With relative free channels that have satisfactory programme line ups, the marketing teams of monthly subscription decoders need to offer customers reasons to demand their services. This competition has begun an advertising spree among the establishment with paid services with each explaining why their services should be demanded by potential customers (Duncan, 2002). It is, therefore, necessary that marketing teams search for a more effective means of selling their products.

With the heap of advertisement and sales promotional activities on potential consumers, there is high possibility that a rational consumer will seek more reliable information to aid in their purchasing decision. One possible source of such reliable information shall be to seek the views of earlier customers about which decoder shall serve their interest best; when they make the needs known to their friends, family or trusted individuals (Lepisto & Vahajylkka, 2017). The advent of the social media and the internet further

heightens the likely role that word-of-mouth or verbal recommendation plays in purchasing decisions by creating an electronic version of word-of-mouth (eWOM), which have very wider coverage.

One other aspect of WOM and eWOM is the potential for other competitors to peddle falsehood about other products in an unfair competition. It is against both the positive side and, more importantly, the negative side of word-of-mouth that every establishment must know more about how their demand respond to word-of-mouth and, hence, understand how to manage both bad and good news about their products.

The main focus of this study is to evaluate the effectiveness of word-of-mouth as a factor that influences customers' decision and determine which version of word-of-mouth is most effective at influencing purchasing decision. The customers of GOTV Ghana limited in Cape Coast and its immediate surroundings were used.

Purpose of the Study

The main purpose of the study was “to examine the effects of Word-of-Mouth on the purchasing decision of customers using GOTV Ghana Limited in the Cape Coast Metropolis organisation”.

Research Objectives

To achieve the main purpose of the study, the following specific objectives were developed to:

1. Identify the common forms of word –of-mouth that consumers resort to in their purchasing decision of paid TV channels in Cape Coast.
2. Determining the general factors that influence customers' choice of a particular brand of digital TV decoder.

3. Examine the role of word-of-mouth in the final purchasing decision of consumers of GOTV services in Cape Coast.
4. Determine the most effective form of word-of-mouth for GOTV services in Cape Coast.
5. Assess the views of the respondents on the way-forward for GoTV service improvement.

Research Questions

Based on the specific objectives, the following research questions were asked:

1. What are the common forms of word –of-mouth that consumers resort to in their purchasing decision of paid TV channels in Cape Coast?
2. What general factors influence customers’ choice of a particular brand of digital TV decoder?
3. How does word-of-mouth affect the final purchasing decision of consumers of GOTV services in Cape Coast?
4. Determine the mediating role that gender, age and education of the customer play in the relationship between word-of-mouth and purchasing decision
5. What are the respondents’ views on the way-forward for GoTV service improvement?

Research Hypotheses

To address objective five, the following null hypotheses were tested:

1. H_{01} : The relationship between WOM and purchasing decision is not influenced by the gender of the customers.

2. H₀₂: The relationship between WOM and purchasing decision is not influenced by the age of the customers
3. H₀₃: The relationship between WOM and purchasing decision is not influenced by the educational level of the customers

Significance of the Study

The study seeks to examine the effects of Word-Of-Mouth on the demand decision of customers of GOTV Ghana limited in Cape Coast. The outcome serves to aid the management of paid TV channel in their decisions to capture more customers into the digital world. Most importantly, the outcome of the study also informs the customer service divisions of GOTV to consider the kind of modifications needed to impress on customers to give better recommendations both verbally and electronically. Also, marketing managers can be able to effectively distribute advertisement expenditure and understand that the attitude of the customers service team and front-desk operators greatly affect their job as advertisers.

Delimitation

The study is delimited to the customers of GOTV Ghana limited in the Cape Coast Metropolis. The limited scope is to allow for an effective and in-depth analysis of the main issues that borders on word –of-mouth in the digital television market. Also, the analysis was limited to word-of-mouth because of its special role in complementing other forms of advertisement. The scope, however, was expanded to cover both verbal and electronic word-of-mouth considering the audio, television, internet and other social media options. Despite the limited geographical scope, the outcome is expected to be

consistent and to spark up research into the area until a broader picture is attained for the digital television market in Ghana.

Limitations

Time and resources are two obvious limitation of unsponsored academic research and was not an exception. Time and resources were however used judiciously to achieve the highest possible precision from the measurement, data collection, presentation, analyses and interpretation of outcomes. Since the study was survey of an area with both highly literate and illiterate subgroups; language become a barrier in some few instances but personal administration of questionnaire allowed the research the opportunity to explain questions to respondents for valid responses. Attempts were therefore made to minimise the effects of the limitations on the final outcome though the study cannot absolve itself from few possible effects. The other inherent challenges were recognised as the limitations of the study and presented in the last chapter to form the basis for further studies since research is a cycle and the entire debate cannot be concluded in a single study.

Definition of Terms

The study like all business research dealt with constructs that were operationalised and measured in line with the existing literature. The key concepts are defined below and further dealt with in the chapter two under theoretical review of the related literature.

1. **Consumer Purchasing Decision** refer to the decision process and psychosocial activity involved while evaluating, acquiring, consuming or ordering of goods and services (Ahmad, Ahmed & Vveinhardt, 2014).

2. **Word-of-Mouth** was defined as natural (that is, non-commercial), inter-personal communication about brands, products or services that may be either positive or negative (Meiners, Schwarting & Seeberger, 2010).
3. **Electronic word-of-mouth (eWOM)** refers to all informal communications directed at consumers through Internet-based technology related to the usage or characteristics of particular goods and services (Litvin, Goldsmith & Pan, 2008).
4. **An online community** refers to a group of people who may or may not meet one another face to face, and who exchange words and ideas through the mediation of computer bulletin boards and networks” (Rheingold, 1998 as cited in Arsal, 2008).
5. **Advertising** is any paid form of non-personal presentation and promotion of ideas, goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor (Kotler & Armstrong, 2003 as cited in Pawar, 2014).
6. **Social media** refers to activities, practices and behaviours among communities of people who gather online to share information, knowledge and opinions using conversational media (Safko & Brake, 2009 as cited in Asante, 2017).

Organization

The study was organized into five chapters. The first chapter covers the introduction, the statement of the problem, significance/rationale for the study, the objectives of the study, the scope of the study and organization of the study. The second chapter entailed the review of theoretical and empirical

literatures which are relevant to the objectives and approaches to the study. The third chapter covered the methodologies adopted to address the research questions and hence achieve the stated objectives of the study. The fourth chapter presented the results of the analysis which is followed by the discussion of the main findings. The last chapter covered a brief summary of the study and the major intended and unintended findings of the study. The recommendation or policy implications of the study were stated alongside the limitations and directions for future research.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The chapter reviewed the extent of literature on both theoretical and empirical issues relating to word-of-mouth and consumers' purchasing decision. It begun with the definition and concept of word-of-mouth followed by a theoretical framework, Source Credibility theory which is an extension of the theoretical framework but which requires proper explanation due to its relevance to the study. This was followed by the conceptual framework, which was developed based on the existing literature, matters arising in the digitalization of TV in Ghana and an empirical review. Finally, a chapter review was provided to highlight the gap in the literature.

Definition and Concept of Word-of-Mouth

The definition Word-of-Mouth (WOM) has taken on different forms over time based on what each generation understood the term to mean (Carl, 2006; Nyilasy, 2005). Arndt (1967:291) defines it as “face-to-face communication about a brand, product or service between people who are perceived as not having connections to a commercial entity”. Some forty years later, the American Word of Mouth Marketing Association (WOMMA), founded in 2005, defined word-of-mouth (WOM) very generally as ‘the act of consumers providing information to other consumers’ (WOMMA, 2008). Both definitions conceived word-of-mouth (WOM) as natural (that is, non-commercial), inter-personal communication about brands, products or services that may be either positive or negative (Meiners et al., 2010). Silverman (2001) also defined Word-of-Mouth as a communication about products/services

between people, who are perceived to be independent of the company providing the product.

Here the sources are considered to be independent from commercial influence and this is the key characteristic of traditional Word of Mouth (Goldsmith et al., 2008; Lomax & Stokes, 2002). Lomax and Stokes (2002) acknowledged that for word of mouth to be very crucial, the product is characterized by experiences such that people or potential consumers search for recommendations from past users in order to reduce their perceptions of risk. This is very essential in the digital market since the product is being bought prior to consumption and experiences are intangible (Gu et al., 2009). The best way to make decisions easier is for a trusted person to encourage customers to use the product/service and this is what Word of Mouth marketing is aimed at (Mason, 2008; Silverman, 2001). Each activity of Word of Mouth advertising could escalate to create strong images of a business (Mason, 2008).

Brown and Reingen (1987: 50) categorized word-of-mouth by indicating that “The WOM exists at the macro level of inquiry (e.g., flows of communication across groups), as well as the micro level (e.g., flows within small groups)”. Despite the timing of the operationalization of word-of-mouth by Brown and Reingen, both online and traditional word-of-mouth could be identified with the macro and micro views respectively. Within the same period, Westbrook (1987: 261) asserted that “In a post-purchase context, consumer word-of-mouth transmissions consist of informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers”. In this definition,

Westbrook identifies word of mouth as informal, which serves as the dominant view at that time since it had not yet gained roots in marketing department of companies.

Two years later, Haywood (1989: 58) observed the growing importance that marketing departments were given word-of-mouth through open reviews and defined it as “WOM, a process that is often generated by a company’s formal communications and the behavior of its representatives”. Instead of adding to the existing knowledge, Haywood ignored the informal aspect of word-of-mouth altogether. Bone (1992: 579) conceptualized WOM communication as “a group phenomenon – an exchange of comments, thoughts, and ideas among two or more individuals in which none of the individuals represents a marketing source”. Bone’s definition recognized word-of-mouth as non-commercial or that the giver of the positive or negative recommendation must not have any interest in the brand or company representing the product. Silverman (2001: 4) added that “Word-of-mouth is communication about products and services between people who are perceived to be independent of the company providing the product or service, in a medium perceived to be independent of the company”. Silverman further explained that Word-of-mouth must be originated by a third party and transmitted spontaneously in a way that is independent of the producer or seller.

Kim, Mattila and Baloglu (2001: 276) kicked against the foundation of independent reviewers by defining word of mouth as “the interpersonal communication between two or more individuals, such as members of a reference group or a customer and a salesperson”. That is, a recommendation

from a sales person of a product can hardly be considered to be independent as demanded by most operationalization of word of mouth. Mazzarol et al. (2007) wrote extensively on the independency communication from the producer or sellers by indicating that:

1. WOM excludes formal communication between customers and an organization (e.g., complaints) or between organizations and customers (e.g., promotions, seminars).
2. There is a considerable amount of debate about whether WOM involves an active recommendation or is merely a positive or negative discussion about a product or other offering
3. Clear distinction exists between simply recounting experiences with an organization and actively recommending that organization and this issue also needs to be addressed (p. 1477).

Despite the several definitions and operationalisation of the concept of word-of-mouth, there are some particular aspects that cut across almost all definition of word-of-mouth. More recent definition therefore seeks to combine a number of themes from earlier definition mainly to expand the scope of the terms word-of-mouth and it applications. According to Meiners, et al. (2010) Word-of-Mouth can be defined as natural (that is, non-commercial), inter-personal communication about brands, products or services that may be either positive or negative. Litvin, Goldsmith and Pan (2008) zoomed in to Electronic word-of-mouth (eWOM) and defined it as all informal communications directed at consumers through Internet-based technology related to the usage or characteristics of particular goods and services.

This study adopted the two definitions above and further adapted it to the entertainment industry. Hence word-of-mouth in this study refers to an informal, non-commercial and natural communication decoder of digital TV provider, both positive or negative and traditional or electronic, by existing users or actors who are independents of the service provider of the television services. Hence word-of-mouth in this study exclude celebrity recommendations if such celebrity is a paid actor of the service provider of the decoder of set box services.

Theoretical Review

The study followed the economics oligopoly theory of the firm and the social theory of source credibility. The economics theory follows the fact that the digital TV service market in Ghana has an oligopolistic market structure which calls for intensive advertisement and lots of games. A game in economics and finance refers to a strategic decision or position of a firm. The games played by respective firms in their advertisements reveal the weakness of each other's product to the potential buyer who will need further information to finalize purchasing decisions. It is at this point that an informal word-of-mouth comes to play or to moderate the decision to buy or not to buy (Lerrthairakul & Panjakajornsak, 2014). The source credibility theory comes to play when potential buyers must synthesize the information received from informal word-of-mouth with that of formal advertisement and celebrity recommendations and decide on what to trust and hence base their decisions on it.

Oligopolistic market structure refers to a market with few inter-dependent firms selling an identical product (). Though no strict numbers are placed on

what constitutes the “few firms”, most experts put a number around 5 to be ideal. The NCA’s (2017) statistics indicates that there are currently 5 Paid Digital Television service providers in Ghana that have both *Service and Frequency* and an additional service provider that offers *only service*. This qualifies the Paid Digital Television market in Ghana to be an oligopolistic market structure. Hence to understand the digital market of Ghana one must link it closely with the features of an oligopoly market structure as it is entailed in mainstream economics. Below are some of the main features of an oligopoly market structure which is of relevance to this study as they jointly explain why word-of-mouth may play a vital role in consumers demand decision.

1. Firms trade in differentiated products to a large customer base. In the paid digital market, the “few firms” trade in the provision of digital television services to large pool of consumers who purchase/demand the services provided. The services become identical by the fact that most digital television stations cut across the different types of decoders that are on sales in the country. In the current arrangement in Ghana, all decoders can receive the same free to air channels in addition to some few unique stations to respective decoders. However, the respective service providers attempt to differentiate their product by offering a unique set of station with special packages that are unique to a large extent on their decoders. The GOTV Ghana, for example, has the Super Sport select 1 to 5 based on the level of subscription which is not available on the major decoders. The creation of Super Sport select, which offers some DSTV services on the GOTV,

differentiates it from other service providers while other providers have their own unique stations mainly along sports or movie channels.

2. The producers have some degree of market power. Market power in economics refers to the ability of an individual firm(s) to influence or control the market price of its product. Market power is inversely related to the level of competition in a market. Since oligopoly has few interdependent firms, the level of competition is not as high as in the case of perfect competition which allows oligopolistic firms to possess high level of market power though not as in the case of monopoly. The empirical evidence of market power could be seen in the ability of different providers to charge different prices for their products. The GoTV Ghana exhibits high level of market powers because of its ability to practice some form of price discrimination by charging different amount for different packages with the current highest charge at GH 65.00 and the lowest at GH 10.00.
3. Firms are interdependent and play lots of game. The firms in oligopolistic market are closely linked in terms of activities on raw materials and customers. Each oligopolistic firm knows that the more customers another firm gathers, the fewer customers they have to share with other firms in the market. This results in *intense advertisement* and lots of *games*. A game refers to the strategic decision of a firm or an individual. The oligopolistic firms are constantly strategizing to outwit their opponents for customers and may engage in both *fair* and *unfair* moves to succeed.

The features of oligopolistic market listed above have implications on consumer demand decision in the presence of asymmetric information. First, the intense competition among firms results in the proliferation of all forms. Television, radio and online advertisement on digital paid television services are now common occurrences on all platforms in Ghana. Start rating recommendations and celebrity endorsements are everywhere with providers not only highlighting the strength of their product but rather drawing from the weakness of other providers. Completion they say always benefits the consumer but this *advertisement war* makes the consumer more confused to the point that they could not fully trust what they hear in advertisement and other endorsements from sources linked to the company in question. Hence, potential customers may want additional information from a more credible source by their own judgment before making a final purchasing decision.

It is at this point that word-of-mouth comes to play when potential buyers begin to seek the expert views of closed neighbors, friends and relatives about their purchasing decision. On the other hand, individuals can base their final decisions on social media recommendation from comments once *passed* about a given product.

The study therefore has its theoretical roots in the fact that the market for paid digital television services in Ghana is a pure oligopoly where total demand is jointly determined by the interaction of all the firms resulting in intense competitions. The several advert aimed at getting more customers end up making fresh entrants more confused that decisive to make purchasing decision. The search for a more trusted source to endorse a possible decision becomes more and more necessary to fresh entrants. The search for search

possible informal trusted source has begun and this study seeks to contribute to the debate by examining how traditional and electronic word-of-mouth affects consumers' demand decisions using the GoTV Ghana customers in the Cape Coast Metropolis in a survey study.

Source Credibility theory

The content of this discussion follows the view of the source credibility theory as contained in the study of Brown, Amanda, Broderick and Lee (2007) in a similar study with some additions and modifications.

Source credibility theory identifies source expertise and source bias as elements that affect the credibility of an information source (Buda & Zhang, 2000; Birnbaum & Stegner, 1979). Source expertise refers to the perceived competence of the source providing the information. Source bias, also conceptualized as source trustworthiness, refers to the possible bias/incentives that may be reflected in the source's information (Perloff, 1993 as cited in Brown, Amanda, Broderick & Lee, 2007). A source should be perceived as more credible when the source possesses greater expertise and is less prone to bias.

In the word-of-mouth setting, the receiver of the information usually chooses who to request the information. Whether or not a message sender is perceived as an "expert" (and thus of high credibility) is determined from an evaluation of the knowledge that person holds (Gotlieb & Sarel, 1991), as well as if—by virtue of his or her occupation, social training or experience— that person is in a unique position (Schiffman & Kanuk, 1995). This brings to question the perceived competencies of the individual given the information in the area he/she is offering the information. In the traditional word from and

can consult several sources at the same time to improve the credibility of the information received. That is, since the individual choose who to seek recommendation about a product from, it should be expected that he/she already trust the source being consulted.

However, in the online environment, such evaluations must be made from the relatively impersonal text-based resource exchange provided by actors in the site network. Knowledge of the individual's attributes and background is limited, and evaluation will take place with less information about the source. That is, source credibility on electronic word-of-mouth cannot be perceived with the same level of certainty as in the case of traditional word-of-mouth. In the case of social media network community (e.g. whatsapp) where there are many participants with unrealistic identities, source credibility is the hardest to evaluate. Even in more interactive social media platforms such as Facebook where information about the source could be traced; there is no guarantee that the source identity can be trusted. In such online WOM situations, the reduced or altered contextual cues and identity information mediate the ability to identify and recognize opinion leaders. Readers of online community postings are thus faced with the task of evaluating the opinions of complete strangers. A proxy for individual credibility must, therefore, be identified.

Persons highly ranked in expertise are also likely to possess greater awareness and knowledge about a market and products within it (Mitchell & Dacin, 1996), with communication receivers relying on that expert's knowledge for their purchase decision. These expert individuals, often identified as opinion leaders (Katz & Lazarsfeld, 1955), accelerate the

diffusion of information. Reputation is thus key to allocating a value to information (Tadelis, 2002) and although some communities employ online reputation mechanisms (Dellarocas, 2003) or provide explicit information about contributors, these tend to be either moderated by the brand owner, or paid opinion forums. Such sites are not strictly representative of online WOM, key characteristics of which include that communities are consumer moderated and leisure-focused, where members are not paid for their contributions.

Similarly, proxies for evaluating trustworthiness will need to be determined online.

Customers pay more attention to WOM because it is perceived as credible, custom tailored, and generated by people having no self-interest in pushing a product (e.g., Arndt, 1967; Silverman, 1997). Individual evaluation of WOM trustworthiness will be determined in terms of the receiver's belief that the sender's opinions are unbiased (Gotlieb & Sarel, 1991). Offline, perceptions of trustworthiness develop from the social relations the actors participate in. The social network may also determine trustworthiness online, but without the ability to evaluate an individual, other cues may be emphasized. Preece (2000) identified five characteristics of online communities:

1. members share a common interest (the main reason for joining the community),
2. members have strong ties, shared activities, and active, repeated participation,
3. members have access to shared resources determined by the policies,
4. members have reciprocity of information and support, and

5. members have shared social conventions, language and protocols

If a social media platform or an online community meets the five criteria of Preece; then there are enough reasons to believe that the members shall trust the information received from other members. Thus all hope may not be lost for an electronic WOM to attain source credibility since when such credibility exist it may be stronger than face-to-face interactions.

In summary, how WOM exchanges affect subsequent consumer behavior is shaped by the source credibility of the information as perceived by the receiver of the information. Face-to-face word-of-mouth or traditional WOM may be perceived as more credible by customers who choose their own source to access more information about a product than an electronic WOM where the identity of the individual given the information cannot be accurately determined. On the other hand, source credibility of electronic WOM can far exceed that of traditional WOM whenever several individuals randomly endorse a product with a consistent recommendation. Hence the superiority of each form of WOM requires further evaluations since at best the two can act as complement to motivate purchasing decisions of consumers. Xiaofen and Yiling (2009) referred to such tendencies as *mass impression* and contended that people would consider the accuracy rate of information provided by majority of people as higher than that provided by a small number of people or an individual.

Digital television Migration in Ghana and matters arising

The National Communications Authority (NCA) is mandated by Section 2 of the Electronic Communications Act, 2008, Act 775 to regulate the radio spectrum designated or allocated for use by broadcasting organizations

and providers of broadcasting services in accordance with the standards and requirements of the International Telecommunications Union and its Radio Regulations as agreed to or adopted by the Republic.

In fulfillment of the above directive, the National Communications Authority in conformance to the Geneva, 2006 (GE06) Agreement carried out a transition of television broadcasting services in the frequency bands 174–230 MHz (VHF Band III), 470–582 MHz (UHF Band IV) 582–862 MHz (UHF V) from analogue to digital technology (NCA, 2016). Digital Terrestrial Television (DTT) offers improved spectrum efficiency compared to analogue TV. It also offers enhanced video and audio quality, interactivity, as well as increased program choices.

According to the National Digital Broadcasting Migration Technical Committee (2010) final report; the migration from analogue to digital is necessary and urgent for the following reasons:

1. To comply with and adopt the tenets of the GE-06 Agreement.
2. To rapidly adopt spectrum efficient methods in the management of the scarce RF spectrum to broaden its utility as a resource in the interest and benefit of stakeholders.
3. To prevent dumping of obsolete analogue transmission equipment into the country to protect the environment, investors and consumers.
4. To enhance the quality and experience of TV viewers in Ghana by improving terrestrial TV transmission and reception.
5. To promote environmental sanity through co-location of broadcast transmission infrastructure.

During the digital television transition, viewers would require TV sets with the capability of receiving digital television signals transmitted according to the standards set by the NCA. TV set without the accepted digital settings now requires a DDT receiver (decoder) to be able to receive digital signals on their analogue sets.

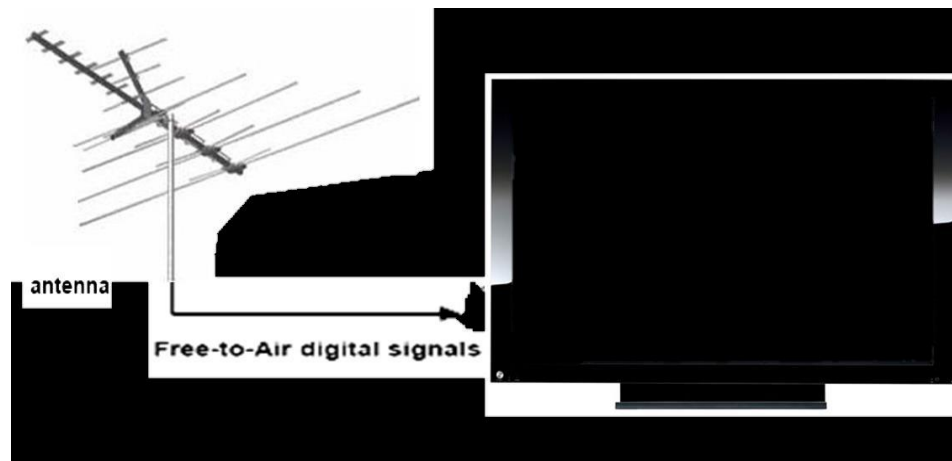


Figure 1: Reception of Free to Air digital signals using integrated digital TV set
Source: NCA (2016)

A DDT receiver (set top box) is however needed between the Antenna and the analogue TV set as in Figure 2.

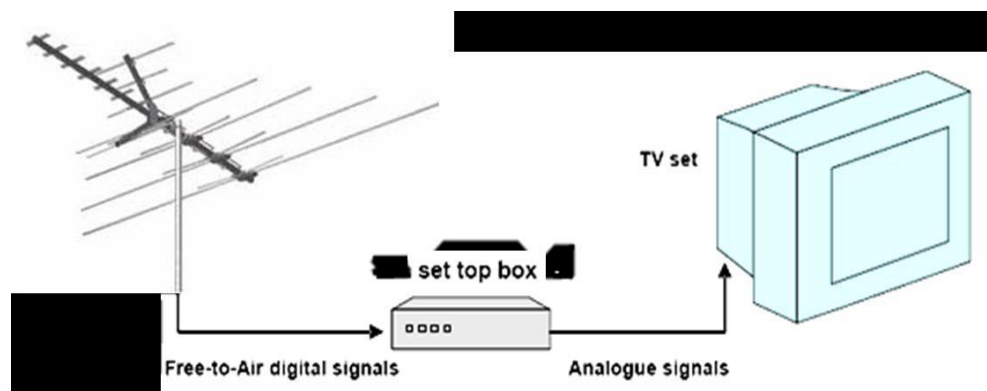


Figure 2: Reception of Digital TV signals using analogue TV Set and a set top box
Source: NCA (2016)

A new market has therefore emerged on the sales and purchase of the set top box popularly known as decoders. It was not difficult for customers to

understand the need for a decoder because the service has existed along with the analogue system for over a decade. In accordance with Section 5(c) of the National Communications Authority Act, 2008, Act 769, the Authority is taking every necessary step to protect consumers from sub-standard products. In pursuance of this mandate, the Authority currently requires that all digital terrestrial television receivers (set-top boxes and integrated digital television sets) sold on the Ghanaian market to conform to the minimum receiver standard as prescribed by the commission. A logo, known as the 'digital Ghana thumb' (see Figure 3), has been developed as a certification mark to help consumers and retailers make the right choice on what has been officially approved by authorities.



Figure 3: Digital Ghana Thumb 'HD' Logo indicating conformance of DTT Receiver to Ghana's minimum requirements for HD DTT services
Source: NCA (2016)

Per the current arrangement, two type of set boxes exist in the Ghanaian market which are

1. Set top boxes that allow a set to receive all free-to-air channels which comes with a onetime payment for the set box and occasional maintenance cost. Free-to-Air (FTA) refers to TV service which is broadcast unencrypted or in clear and capable of being received without payment of subscription fees. Multi-TV decoders are examples

in this category. According to the NCA (2017) there are as many as 57 free-to-air channels in Ghana.

2. Set top boxes that receive all free-to-air channels and some specific channels that are not free-to-air. GOTV Ghana and STARTIME are some examples in Ghana.

Paid TV channels decoders therefore offer the consumers more options than the other secular decoders. The consumers therefore shall be more concern about what extra services a given decoder shall provide as compared to others as well as the cost of getting such services. Also, a recent development where the NCA is considering *CONDITIONAL ACCESS* shall change the complexity of the digital TV market since the policy shall imply no more free-to-air channels in Ghana.

Empirical Review of the Literature

As observed earlier, there have been several studies devoted to understanding the role of both traditional and electronic word-of-mouth on consumers purchasing decisions. This section highlights a few related empirical literatures and what they observed about the role and effectiveness of word-of-mouth on consumers purchasing decision.

A recent study by Asante (2017) focused on the moderation of trust on the relationship among customer social media brand engagement, word of mouth and purchase intention in Ghana. The analysis suggested that trust moderated the relationship between vigor, co-creation, dedication and consumption on word of mouth and vigor, co-creation, dedication and consumption on purchase intention. The study further revealed that vigor, co-creation, and consumption had a substantial effect on consumer word-of-

mouth behavior whereas dedication, co -creation, and consumption affected consumer purchase intention, suggesting that, the dimensions of customer social media brand engagement have different significant effects on the consumer's behavioral intentions. A critical evaluation of the objective of Asante's study indicate that the actual relationship between word of mouth and purchasing intention of customers since both were treated as dependent variables in the analysis with the correlates of trust as the independent variables.

Adomako-Kwakye (2016) concentrated on the mediating effects of customer service on the effect of social media promotion on consumer patronage in the Creative Design industry of Ghana. The study showed that Facebook promotion has a significant impact on consumer patronage and also customer service had a full mediating effect on the relationship between Facebook promotion and consumer patronage. Adomako-Kwakye's study was based only on electronic word of mouth on Facebook but this study seeks to consider word-of-mouth resulting from personal interaction as well as other forms of word of mouth like radio and televising recommendations of a product. Together the works of Asante and Adomako-Kwakye provides fresh evidence to the role and effectiveness of electronic word-of-mouth on consumers' purchasing decision in the Ghanaian context.

In a related study, Opare-Asamoah (2014) investigated into the buying behavior of young women in tertiary institutions for fashionable clothing using students of Ashesi University College and University of Ghana as a case study. The outcome suggested that word of mouth or recommendations from family and friends were major factors that influence a young Ghanaian university

woman to purchase fashionable clothing. Opare-Asamoah's work was gender biased as well as involved elite group while this study shall consider both sexes and wider group of individuals in the society. The Ghana Consumer Segmentation Study conducted in 2012 in Ghana by Alliance for Clean-stove also revealed that, other than TV advertising, word of mouth through friends and relatives remains by far the most trusted source of information (Pascaud & Thivillon, 2014). The survey report further indicated that almost all participants mentioned their friends and relatives as their main influence when it comes to making a purchase decision. Here also, the role of traditional word-of-mouth has been attended to in the Ghanaian context though is less related industries.

In the other parts of the world, a number of studies have been conducted on word of mouth and customer purchasing decisions. Al-Sanad (2016) studied a sample consisting of youths of Zarqa City in Jordan on the effects of word of mouth on purchasing decisions on smart phones. The results indicated that there exists a statistically significant impact for word of mouth (movable words) dimensions (family members, friends, work colleagues, and celebrities) on the decision to purchase of the youth for the smart phones in Jordan. Sweden (2009) assessed the effect of the word of mouth on the purchase decision of consumers and explored the gender dimensions of the effects of word of mouth on purchasing decision. The results of the study indicated that there is a positive effect of the word of mouth issued from friends and relatives on the purchase decision and those males' words are more effective than females' word of mouth. Heriyati and Siek (2011) interestingly introduced age into the discussion of word-of-mouth in their

research by highlighting that it can positively influence consumer decision making regarding buying for teenagers and new generation consumers than the older generation.

Haw, Ho, Lim and Wong (2013) examined the effect of trailer, critics review, star power and word of mouth toward decision making on movie consumption. The outcome suggested that the positive effects of word of mouth outweighs of trailer, critics review and star power on consumer's decision making for movie consumption. In addition, the differential effects of all independent variables towards decision making in movie consumption among male and female consumers were investigated. From the results obtained, it was concluded that there is no relationship between gender and effects of word of mouth on decision making in movie consumption. Aarsal (2008) examined a single online travel community in order to conduct an in depth analysis of the influence of eWOM on travel decisions. The results suggest that eWOM in the online travel community influenced travel decisions including accommodation choice, food and beverage recommendations, transportation options, safety of the destination, monetary issues, destination information, and itinerary refinements. Residents were influential in accommodations, food and beverages, and destination information, whereas experienced travelers influenced all types of travel decisions except accommodations.

Bhayani (2017:1) asked the all-important question, "Do consumers consider Word of Mouth for crucial life decisions?" Bhayani's study used an interpretivist approach to model building; the study comprises forty-one interviews, finding that WOM made a significant impact on attitudes but not

on purchase behaviors. Homophile with friends was regarded as an important factor at the search stage but strong ties were more important in the purchasing of the product. Expertise and the credibility of the WOM played a significant role in generating trust in WOM, resulting in attitude change, although with a minimal impact on purchase behavior. This outcome gives a new twist to the discussion on the effectiveness of word of mouth as a market strategy. The argument is no more one sided in favour of word of mouth which requires further critical analysis of the role of word of mouth at influencing purchasing decision. Other studies that cast doubts on the universality of word of mouth at influencing purchasing decision includes Bagozzi et al. (2014) who observed that consumers relied on WOM when they went with their friends but acted according to their previous experience and beliefs when they were alone.

Ahmad, Vveinhard and Ahmed (2014) examined whether word-of-mouth effects on consumers buying decision negative or positive in Karachi city of Pakistan talking data from students of colleges, universities and households. The results found work of mouth to have influence of buying decision with negative word of mouth or any negative comments having stronger influence on buying decision than positive word of mouth.

Conceptual Framework

The study developed a simple conceptual framework based on the two theories along with the micro theory of word-of-mouth proposed by Ozcan (2004) for consumer-to-consumer interactions.

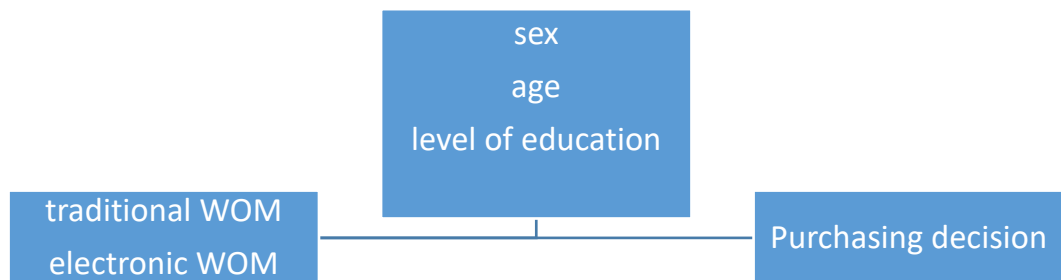


Figure 4: Conceptual Framework on WOM and Purchasing decisions
Source: Author's Construct (2019)

The framework like any other model glossed over some details and assumes a consumer who is privy to digital market, has watched or listens to some commercial about some service providers but is seeking some personal recommendations from a more trusted person or source. One possible source among the many other options is personal review from a previous user (WOM) of one or more of the decoders being considered for a purchase. The source of the word-of-mouth can be traditional or electronic and formal or informal. The formal WOM are mostly electronic and are engineered by the sellers or a person linked to the seller such as a celebrity paid to endorse a product. This study concentrated on informal WOM which occurs through an independent person who has no ties to the seller of a product nor has any commercial interest in the seller's returns but only seeks to make their experience known to others who might need it.

Both traditional (face-to-face interactions) and electronic (via an online medium such as Facebook, twitter, WhatsApp, snapchat, TV or radio

etc.) word-of-mouth has been acknowledged as an important source of information to a fresh entrant or an existing customer who seeks further information about a product. After an individual has access a WOM about a product or activity, the next stage is to evaluate the information received to determine the amount of importance to attach to it. The literature suggests that the importance attached to a WOM depends on the credibility of the source, trustworthiness of the source, some personal traits and social factors among others. As explained earlier, source credibility and trustworthiness are closely linked and talks about the expertise of the WOM source and the tendency of bias. It was also clear that traditional WOM is likely to have source credibility than electronic WOM but electronic WOM can also be less biased than traditional WOM as it is collaborated by independent actors on the network. This points to the facts that the effects of traditional and electronic WOM on purchasing decision may differ which support the hypothesis of this study.

Aside the source and trustworthiness of the source of WOM, are other moderation factors such as personal trait of the person receiving the WOM and well as the social or environmental conditions. The personal traits considered in this study included the sex, age and level of education of the individual. These personal traits have effects on an individual's level of network as well as trust. The factors at the evaluation stages interact to produce an outcome which may be positive or negative. If they perceive the WOM to be negative information then then there shall be no desire for the product and more information may be needed before purchasing decision are made. But if the outcome is positive then the first demand condition in economics is achieved; which is the desire for a product. At this point, the next condition that must be

fulfilled is the ability of the individual to afford the product in question which is the purchasing power.

The analysis of the level of purchasing power was above the scope of this study and hence the assumption was made that before an individual will engage in active search for WOM; he/she has the purchasing power to demand the product. Hence, the role of WOM is mainly to finalize an already conceived idea to buy. On the other hand, if the WOM leads to the formation of the decision to purchase, then the individual will go through the second stage of finding the purchasing power. Hence, WOM, be it traditional or electronic, it may be a determining factor in consumer decision but the decision may be favorable or not based on some social factors and business environment.

The social factors refer to the general level of trust in the business environment as well as individuals' past experience with WOM in that business environment. The cultural and social orientation of the majority group in a given environment has bearing on the trust level and tendency of biased and hence how reliable WOM can be. This study was in a relatively uniform cultural environment so control was only made for the religious affiliation of the respondents.

Chapter Summary

The chapter presented the theoretical basis and provided a conceptualization of the transmission mechanism through which word-of-mouth affects purchasing decisions of consumers. A brief history of digital TV in Ghana was also provided. The empirical review suggested that a gap exists in the Ghanaian context on the effects of word-of-mouth in the digital

television industry that needs studies such as this to help build the argument on the role of word-of-mouth as a marketing tool in the entertainment and communication industry. That is, the digital television market in Ghana is at its inception and not a single study could be cited from the online literature reviewed so far. Beside, earlier studies in other industry have not paid particular attention to face-to-face word of mouth as occurs in the typical Ghanaian community. This study seeks to contribute towards filling this gap by exploring the role of both face-to-face word-of-mouths on purchasing decision of consumers for the GoTV digital television decoder in the case of the Cape Coast Metropolis.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter describes how the study was conducted. It defines the choice of study approach and design that was used in undertaking the study along with the profile of the GoTV Ghana. The chapter also defines the population and sample size of the study, including the statistical techniques used to analyse the data. Information reliability test and ethical considerations were also provided. Finally, a chapter summary was provided.

Research Design

This study employed the descriptive survey research design. The survey design was adopted out of several research designs for conducting a social science research because of the scope of the study which required collection of data from several respondents across a wide geographical area (Mason, 2010).

The researcher adopted the descriptive survey research design to provide an accurate account of the findings as it is and to stress the intensive examination of the setting (Kothari, 2004). According to Bogardus, “A social survey is the collection of data concerning the living and working conditions, broadly speaking of the people in a given community” (:28). Social surveys are usually for dealing with many related aspects of social problems and provide the data for administration, rather than for the illustrative or descriptive material (Mahesh, Neena & Mohamad, 2011). According to Bhattacharjee (2012), field surveys are non-experimental designs that do not have control for or manipulate independent variables or treatments, but

measure these variables and test their effects using statistical methods. Field surveys capture snapshots of practices, beliefs, or situations from a random sample of subjects in field settings through a survey questionnaire or less frequently, through a structured interview.

Profile of Study Area

MultiChoice Ghana is GoTV's parent company which began operations in Ghana on 14 APRIL 2000 (YEN, 2019). MultiChoice Africa Limited is Africa's pioneer pay TV provider, having launched the first digital satellite service in the 80s and continuing to provide services up till date. GoTV Ghana is a multi-platform paid television operator with nationwide coverage. The company offers entertainment on various technology platforms and gadgets. One of the platforms includes GoTV via digital terrestrial transmission to different devices including television, phones and other mobile (YEN, 2019). GoTV Ghana contact is available to anyone who would like to connect with GoTV Ghana to enjoy the wide range of entertaining, educative and informational programs they have.

As a high quality and largest paid television service in Ghana, the company has always made sure that it has the latest technological innovations, content and service. Due to this consistent improvements in their subscribers viewing and enjoyment is what the company strives to offer (GoTV, 2019). GoTV can be considered as the economy version of DSTV (Distribution of Satellite Television) which according to the company has a subscription rates that are pocket-friendly and the average income earning family can afford it. Currently, their subscription rates range from GHS10.00 (GoTV Lite) to

GHS65.00 (GoTV Max) depending on the number of channels on offer (YEN, 2019).

For entertainment and movies, GoTV Max has 15 different channels, while GoTV Plus has 12 channels and GoTV Value package, 3 channels. The lovers of sports have been highly considered with GoTV Max having 5 different channels, GoTV Plus 4 channels and GoTV Value 2 channels. However, the three packages have a common channel on Lifestyle and culture (one fashion). On news and commerce GoTV Max and GoTV Plus have 5 different channels while GoTV Value has 4 covering the same content. Similarly, both GoTV Max and GoTV Plus have 3 different channels airing children friendly channels while GoTV Value have 2 channels airing the same content. The documentary lovers can consider choosing between GoTV Max and GoTV Plus since they have two common channels on the niche. Surprisingly, the three packages have three common channels airing religion matters. For the music lovers, GoTV Max and GoTV Plus have 3 different channels while GoTV Value has 2 different channels airing the same content. However, GoTV decided to give back to the society by airing 11 local channels on GoTV Max and GoTV Plus respectively, and 10 channels on GoTV Value. Finally, the packages come with local radio stations.

The major competitors of the company are STARTIME and First Digital but others like Kwese Sports offered competition especially on sports and entertainment grounds (NCA, 2018). GoTV has one channel on all packages which is devoted to advertising the products on the brands. GoTV does very little advertisement on other channels which implies it relies on those with existing decoders to either recommend them or a person who views

the advert on another user's decoder may consider buying their product. This form of advertisement makes the company most likely sensitive to positive and negative word-of-mouth.

Population

Population refers to the whole group that the study focuses on and from which a representative sample is carefully taken for the study (Malhotra, 2007). The study's population comprised all active subscribers of GOTV Ghana who reside within the Cape Coast Metropolis. Active subscribers were defined to include customers who were subscribed within three months to the time of data collection. Based on this criterion, the total population of the study stood at 5000 which was focused on for the study.

Sampling Procedure

The study adopted the Yamane formula to estimate the sample size because it usually leads to a theoretically higher minimum sample size than the Krejcie and Morgan table for the same population size and margin of error (Polit, 2010). The Yamane formula can be stated as:

$$n = \frac{N}{1 + Ne^2} \dots\dots\dots(1)$$

where N is the total population size, n is the sample size and e is the margin error allowed.

This study was based on the 95 percent confidence level which implied an error margin of 5 percent (0.05). The sample size n was then obtained from the total population of 500 comprising 315 males and 185 females:

$$males = \frac{315}{1 + 315(0.05)^2} \approx 176 \text{ and } females = \frac{185}{1 + 185(0.05)^2} \approx 127$$

Together, a total theoretical sample of 303 was obtained from the estimations. For representativeness of the sample, the theoretical sample size was scaled up to 310 respondents, comprising 180 male subscribers and 130

female subscribers for the data collection and subsequent analysis. The proportional stratified sampling technique was therefore adopted to sample the respondent from the sampling frame obtained from the regional head office of GOTV Ghana in Cape Coast. The study could only utilise the sex strata since the data available from the provider had no specific data on locations of the subscribers. It was, however, clear from the providers that their customers cluster into three major areas as the University of Cape Coast communities, the Abura Communities and the main Cape Coast communities. Therefore attempts were made to ensure the respondents were equally distributed along these three strata.

Type and Sources of Data

The source of data for the analysis of the study was mainly primary. This study collected primary data through administration of questionnaires to the selected samples. The questions were created based on the theoretical framework which helped the researcher to ask questions that addressed the research problem. For the review of literature the study consulted several sources including journals, publishing houses, local news blogs such as YEN and other equally important online sources.

Data Collection Instruments

Two data collection methods were used for the data collection, which were questionnaires and interviews. Data collection instruments used for the study was the structured questionnaire. The questionnaire was considered the most appropriate instrument for data collection because it allows for larger number of respondents to be included in the study with the limited time frame. That is, compared to interviews, the questionnaire administration can be less

time consuming. Questionnaire also does not always require the presence of researcher before the respondents provides their responses unlike the case of interviews. It also, allows for open ended responses and comments that can provide valuable information for qualitative analysis along the main quantitative analysis. Specifically, this study substituted the open ended comments for interviews on the way forward in improving GoTV services, which was a major objective. A major weakness of questionnaire in the difficulties involved in design the questions and their relevance to specific objectives. There is also, the tendency for inconsistent responses based on potential ambiguity in some questions which was, however, minimised through the pilot testing of the instrument.

The questions were carefully selected from the literature for studies on similar topic but in different industries. Most of the questions were therefore adapted from the study of Opare-Asamoah (2014) and Arsal (2008), some specific questions on GoTV were personally generated by the researcher. The questions were made up of open-ended and close-ended questions. Closed-ended questions used the Likert/rating type scale and the open-ended type questions allowed for free expression of views and comments which were used for the qualitative analysis. The questionnaire was pretest with 30 respondents from Elmina in the Komenda-Edina-Egyuafo-Abrem (KEEA) municipality which is a municipal capital and shared lots of urban characteristics with Cape Coast. The issues that came up with regards to statement ambiguity and reliability were addressed by re-phrasing some of the statements thus opening up room for the inclusion or removal of items.

Data Collection Procedures

The final questionnaires were distributed personally to the sampled respondents and the researcher gave the respondent enough time to fill, so that it could be collected at the same time. The questionnaire was left with some of the respondents because of their busy schedules so another time was allotted for later collection. This was agreed upon by all the respondents and hence, the data collection had 100 percent response rate. Mostly, the questionnaire was left with respondents, who were using decoders at their work places and could easily be traced and collected.

Validity and Reliability of Data

Validity and reliability describes how collection of the data or how the conduction of the analysis brings reliable findings (Saunders et al., 2009). The study ensured validity by reducing subject or participant error, subject or participant bias, observer error and observer bias. Participant bias was reduced by avoiding leading questions and mixing questions to avoid a pattern. Essentially, the sampling technique used ensured fairness and representation of the identified strata in the population. The researcher was also objective in his observations, discussions and reporting of findings. The reliability of the instrument was determined with the Cronbach alpha.

According to Namdeo and Rout (2016) to measure internal consistency, the Cronbach's alpha (α) is easy to calculate, had a direct interpretation and less time consuming. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. George and Mallery (Namdeo & Rout, 2016) had provided the rules of thumb which states that if the value of alpha is greater than 0.9 then the consistency is classified as

Excellent, between 0.8 and 0.9 is Good, between 0.7 and 0.8 is Acceptable, between 0.5 and 0.6 is Questionable, between 0.5 and 0.6 if Poor, and less than 0.5 is Unacceptable (Namdeo & Rout, 2016). The overall reliability test results of the final questionnaire are presented below:

Average inter-item covariance: 0.1344671

Number of items in the scale: 44

Scale reliability coefficient: 0.8043

Beside the profile of the respondents, the original questionnaire had 44 questions. The reliability coefficient was about 0.8043 which from the earlier interpretations indicated a good reliability. The results simply suggested that scale to attempt to measure what it was designed to measure. Much as this does not mean the questionnaire was good, does indicate that the outcome is reliable enough for analysis and policy recommendations.

Data Processing and Analysis

Analysis is the ability to break down data and to clarify the nature of the component parts and the relationship between them. The field data was coded entered in Excel and latter imported into STATA 14 statistical package for data management and estimations. The items on the rating scale were coded such that 1 represented *Strongly Agree* through to 5 as *Do not agree*. Based on the nature of the codes, the smaller the average rating the higher the level of agreement. The codes allowed for frequencies and percentages of closed end responses to be estimated. The averages were estimated in the case of the rating scale variables to assist in identifying trends and to allow for comparison of views across selected respondents characteristics. The frequencies were used to generate tables, pie charts and other relevant graphs.

The chi-square test of dependency was used to test the dependency of some of the responses across features such as sex, age and level of education. Also, Wilcoxon and Kruskal-Wallis median tests were used to test for the uniformity of responses across sex, age and level of education where appropriate.

The first objective was to identify the common forms of word-of-mouth that consumers resort to in their purchasing decision of paid digital TV channels in the Cape Coast metropolis. This objective was analyzed with frequencies and percentages since the main aim was to identify the most form of word-of-mouth (mode) in the metropolis. The second objective was to examine the role of word-of-mouth in the final purchasing decision of consumers of GOTV services in Cape Coast. This objective was examined using frequencies, percentages and chi-square test of dependency. That is, the main aim was to determine whether demand decision depends on access to word-of-mouth or not. The third objective aim at determining the most effective form of word-of-mouth for GOTV services in the Cape Coast metropolis.

The fourth and last objective was to assess whether the effectiveness of word-of-mouth on purchasing decision depends on selected customer characteristics. This objective led to four hypotheses that were tested using parametric test. The independent t-test and the ANOVA test of mean comparison were used to compare the average rating of the respondents across sex, age group and level of education. The items placed on the rating scale produced an interval variable which makes the mean statistically meaningful. Lubke and Muthen (2004) maintained that it is possible to find true parameter values in factor analysis and ANOVA with Likert scale or Rating scale data, if

assumptions about skewness, number of categories were met as in the case of this study.

Ethical Considerations

Primary data collection and analysis requires several ethical issues which were addressed as far as possible in the study. The consents of the respondents were sought and they were assured of confidentiality of their data and anonymity of their identity. Data collected were handled professionally and names and other identities were not attached to any data for any reason. The outcome of the analysis was reported as obtained and facts were presented as the analysis suggested. The nature of the study did not include sensitive questions that could affect the respondents psychologically or emotionally. No physical harm was also recorded for any of the respondents.

Chapter Summary

The Chapter proposed and used the stated methods to select respondents, engaged them in data collection and managed the data based on the adopted research ethics. The data collected was therefore fit for an analysis that was done in the next chapter. The reliability test attested to the appropriateness of the adopted research approaches and strategies. That is, the data collection instrument was found to be good enough in measuring the constructs it was design to measure. The major limitation was the inability to conduct verbal interviews to strength the qualitative analysis of the study.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter presents the results of the study as estimated based on the primary data collected in the survey using the proposed methods. It began with the profile of the respondents, followed by factors that influence purchasing decisions, respondents' reasons for selecting GoTV decoder, Consumers' attitude towards word-of-mouth communication on digital TV decoder and the effects of word-of-mouth on customers' purchasing decisions. The mediating role of respondents' characteristics on the effects of word-of-mouth on purchasing decisions was then assessed followed by customers' attitude towards word-of-mouth communication on digital TV decoder. The results were then discussed and integrated into the literature after which a general chapter summary was provided.

Profile of the Respondents

The final sample of the study involved 192 males and 128 females giving a total sample of 320 respondents. Table 1 presents the cross tabulation of age group and level of education, which were also used as moderating factors in the median comparison during the analysis.

Table 1: Cross tabulation of respondents’ age groups and formal education

Age groups	Level of education			Total
	No formal education	JHS/SHS/middle school	Tertiary	
15-24	10	24	32	66
25-34	3	22	100	125
35-44	3	10	48	62
45-54	32	8	28	68
Total	48	64	208	320

Source: Field Work (2019)

The study involved 191 (66+125) representing about 60 percent of the respondents were below 35 years. The remaining 40 percent were from 35 years to 55 years; hence the sample was relatively younger. Also, 208 respondents representing 65 percent were tertiary students or having tertiary education. The rest comprise 64 (20%) Junior High, Senior High or Middle school leavers and 48 (15%) respondents with no formal education. The sample was also relatively educated.

The major factors that influence consumers’ purchasing decision for paid digital TV channels in Cape Coast

There are several reasons that can inform a customer’s choice of a particular paid digital decoder, but this study considered five of such factors that were selected based on the existing literature. The respondents were then asked to rank them from first to fifth in orders as they consider them important to their purchasing decisions and the overall results are summarized in Figure 5.

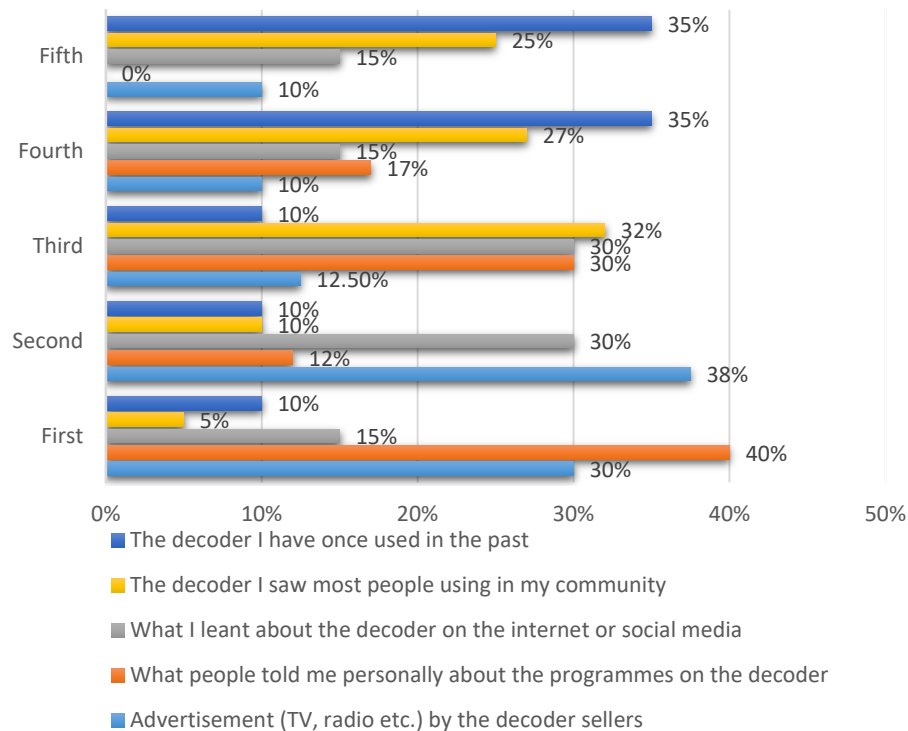


Figure 5: The Most Influential factors to Consumers’ Purchasing Decision for Digital Decoders

Source: Field Work (2019)

The results in Figure 5 suggested that the most influencing factor that affects the consumers purchasing decision for a digital decoder was that they personally heard from people about the programs on the decoder, which was ranked first by 40 percent (128 respondents) of the respondents. This was followed by visual and audio advertisement from the decoder seller or service provider. The outcome indicated that, personal recommendations from other people on the content of a decoder and advertisement are the first two factors considered by consumers in their purchasing decision, while advertisement and online recommendation or information are the second reasons that influence purchasing decision of consumers.

The outcome gives the impression that when it comes to buying digital TV decoders, consumers do not follow others blindly by buying the decoder that is common in their area or they see others use. Also, the fact that the type of decoder previously used did not make it into the first two reasons could be an indication of consumers' readiness to change to other decoders they found more ideal irrespective of what they may have used in the past. That is, consumer loyalty to a brand may not be highly guaranteed in the digital decoder market in the Cape Coast Metropolis.

The analysis was extended to gender to determine whether the major factors defer from one gender to another. The main reason was to ensure that general observation is representative of each strata in the sample. The Chi-square test of dependency indicated that a statistical significant dependency exists between major determinants of consumers' purchasing decision and gender of the respondents at the five percent significance level (Pearson $\chi^2(4) = 62.2222$ Pr = 0.000 < 0.05). Figure 6 presents the bar chart of the ranking of purchasing decision based on gender for the factors that the respondents ranked first.

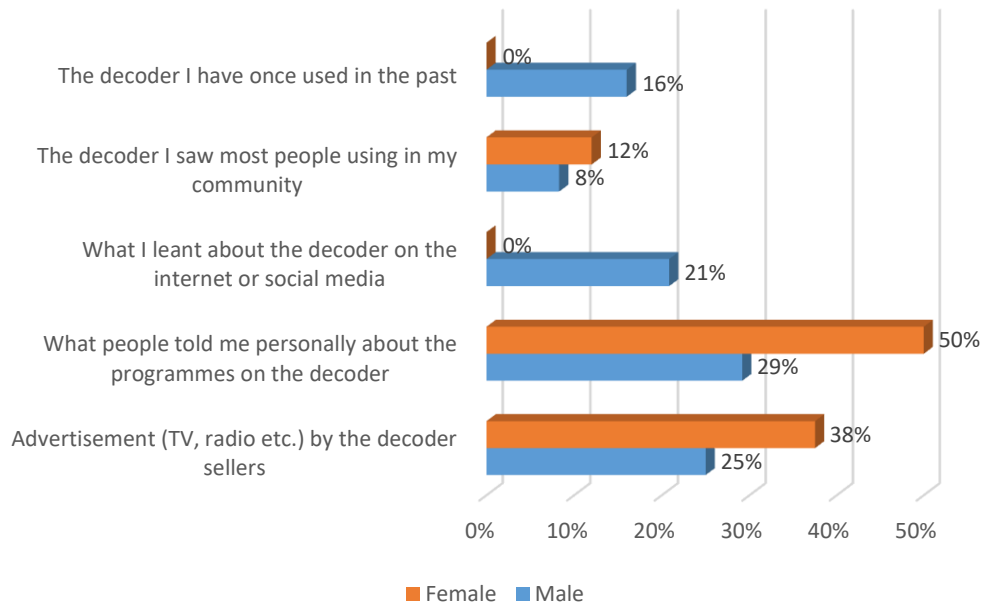


Figure 6: Gender distribution of first factor consumers consider before buying a decoder
 Source: Field Work (2019)

The content of Figure 2 indicated that the reasons of the males are generally distributed across respective factors than that of the females, which is skewed to only two factors. That is, 29 percent of the males consider personal views of others about the decoder first in their purchasing decision, 25 percent of the males mainly consider advertisement followed by 21 percent who consider information and reviews from the internet or social media, 16 percent that consider their current decoder while the remaining 8 percent goes for the decoder that is mostly used in the communities. Fifty percent of the females consider the personal views of others first in their purchasing decision, while 38 percent consider advertisement first before making final decision to buy a digital TV decoder. The remaining 12 percent simply considered what is commonly used by others around them to buy their own decoders.

The fact that females depend on the personal views of others who are aware of the content of the decoder they want to buy than males is simply an

indication of level of information flow among females as compared to males. The results, however, confirm the general observation that both males and females consider the personal views of others (traditional WOM) as the major factor in their final decision for a digital TV decoder. Another observation was that males rely significantly on online views and reviews as compared to females who prefer face-to-face interaction with previous users. That is, the males are seeing the business aspect of social media ahead of the females when it comes to making demand decision.

Reasons for Choosing GOTV as Digital Decoder

Since the discussion above indicated that consumers consider what they hear about the programs on a particular decoder before purchasing it, the analysis was extended to programs that normally motivate consumers to buy their GOTV decoder. Figure 3 presents the outcome of the reasons for which the respondents buy their GOTV decoders.

Table 2: Main reason for choosing the current Decoder

Reason	Frequency	Percentage
Foreign telenovela/movies	112	35
Football/sports	96	30
Local telenovela/movies	64	20
Church services/preaching	48	15
Total	320	100

Source: Field Work (2019)

The outcomes of Table 2 identified Foreign Telenovelas or Movies as the dominant reasons for consumers to choosing GOTV over other decoders,

which accounts for 35 percent of the respondents followed by football or sporting activities which was selected by about 30 percent of the respondents.

Local Telenovelas or Movies come third at 20 percent of the respondents. Without regard to whether foreign or local, it could be concluded that Telenovelas and Movies account for about 55 percent of the reasons why respondents purchase digital decoders in the Cape Coast Metropolis. Church Services and Preaching accounted for the remaining 15 percent of the reasons why the respondents go for GOTV services over other channels.

It is plausible to expect male and females to have different reasons for purchasing digital decoders and, hence, the analysis was extended to the sex of the respondents, as presented in Figure 4. Before the breakdown, the Chi-square test of dependency was conducted to determine if the reasons for the choice of decoder depends on the sex of the respondents or not. The outcome of the test suggested that a statistical dependency could be observed between the choice of decoder and the sex of the respondent at the five percent significant level (Pearson $\chi^2(3) = 174.7619$ Pr = 0.000 < 0.05). The source of the dependency can be observed in Figure 5.

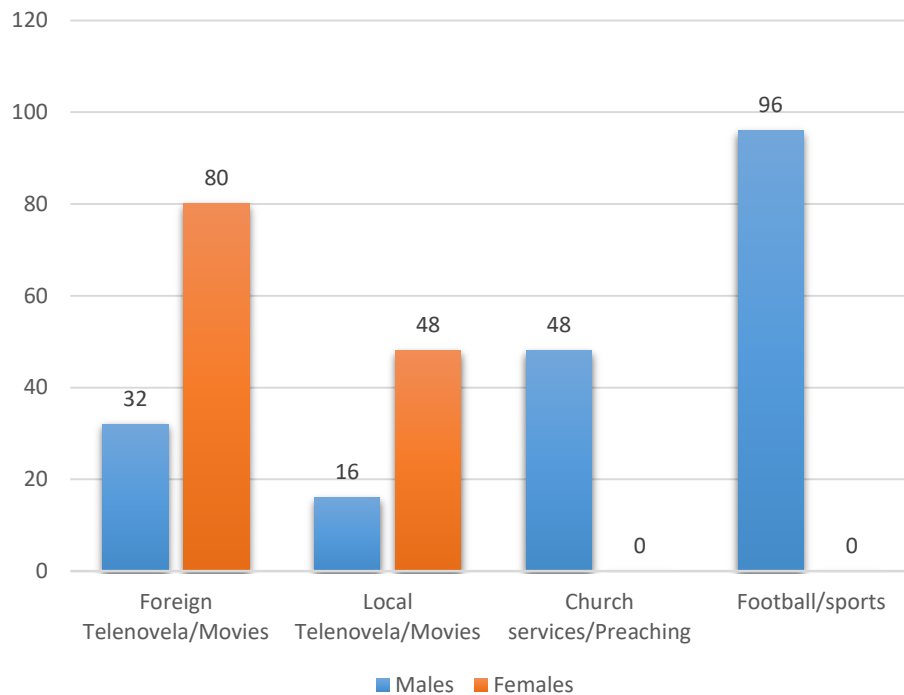


Figure 7: Reason for purchasing GOTV decoders based on sex of respondents
 Source: Field Work (2019)

The breakdown in Figure 3 indicates that the Females have two major reasons that inform their choice of a digital decoder box in the Cape Coast Metropolis. About 63 percent of the female respondents (80 out of 128) choose their decoder based on the Foreign Telenovela or Movie contents, while the remaining 37 percent select based on the Local Telenovela or movie contents of the decoder. It was clear the Telenovela or movies are the major motivations for a female to select a particular decoder in the Cape Coast Metropolis. The males, however, had varied reasons for choosing a decoder. The main reasons why males chose a decoder were because of Football or other Sports Content, which account for about 50 percent of the males. The next reason was for Church service or Preaching, which accounts for about 25 percent followed by Foreign Telenovela or movies at about 17 percent with the remaining 8 percent going for local movies. The discussion confirms the

chi-square test outcome that the males and females have different reasons for choosing a digital decoder.

Consumers' attitude towards word-of-mouth communication on digital TV decoder

One important item of interest to the study was the attitude of the respondents on sharing of information about products they have used in the past as well as their readiness to receive such information from others. In essence, the level of information flow among customers is very key to the effectiveness of word-of-mouth as natural uncontrolled market strategy. Table 2 presents the views of the respondents about selected statement on the decision to indulge in word-of-mouth, which reveals the attitudes about word-of-mouth in the digital TV market of the Cape Coast Metropolis.

Table 3: Respondents’ attitudes towards word-of-mouth communication

Statement	SA(%)	A(%)	MA(%)	SLA(%)	DA(%)
I am likely to tell my family and friends about a negative experience I had of using a product or service like TV decoder	35	35	10	10	10
I am likely to tell my family and friends about a positive experience I had of using a product or service like TV decoder	65	20	5	5	5
I keep my experience about any product I used, whether good or bad, to myself. I don’t tell others.	15	15	5	20	45
I take the negative things that people say about a product seriously than the positive ones when deciding to buy the product.	15	5	20	25	35
The take the views of current users of a product seriously that the information from sponsored advert of the seller	25	25	15	10	25
For my tv decoder choices, my friends’ advice is important for me.	30	25	25	5	15

*SA=strongly Agrees A=Agree MA=moderately Agreed SLA= Slightly Agreed
DA=Do not Agreed*

Source: Field Work (2019)

The response suggested that about 70 (35%+35%) percent of the respondents are likely to tell family and friends about a negative experience they had from using a product or service like TV decoder, while 85 percent (65%+20%) are likely to share their positive experience from using a product. The observation that respondents are more likely to report a positive experience from using a decoder points to how customer satisfaction can impact purchasing decision through the continuous chain of word-of-mouth but the number that indicated their wiliness to report negative experience are significant enough to work against any service provider including GOTV who take customer service and satisfaction for granted. The strength of this two comments were proven from the respondents' level of rejection to the statement that they are likely not to tell others about their experience with using a decoder whether good or bad. About 65 percent of the respondents did not agree to this statement which makes it the most rejected statement in the table.

The second reason for rejection by majority of the respondents was because they viewed that as consumers they take negative word-of-mouth seriously than positive word-of-mouth when it comes to making purchasing decisions. About 60 percent of the respondents rejected this view outright. Finally, about 50 percent indicated that they take the views of current users of a product very seriously while 55 percent were of the view that the views of friends and family are very crucial when it comes to their choice of digital TV decoders.

Determinants of Consumers’ Purchasing Decision for digital Television

Decoders

The data of Table 3 suggested that word-of-mouth plays a significant role in consumers’ purchasing decisions.

Table 4: Respondents’ view on determinants of consumers’ purchasing decision

Statement	SA(%)	A(%)	MA(%)	SLA(%)	DA(%)
I believe the information I hear from people close to me more than I believe the advertisement by the company selling the product	35	20	15	0	30
I rely on recommendations from friends or families who have used the product before to buy most products including TV decoders	50	35	15	0	0
I browse on the internet or social for different opinions and customer reviews of a product I want to purchase	35	20	25	5	15
I rely on my friends, family or colleagues opinion mostly when buying expensive or technical products like digital TV decoder	42.11	26.32	26.32	5.26	0
For electronic product like digital decoder, I shall never buy one unless I find out from a trusted person about durability and contents.	35	35	5	25	0
I personally request for information about a product I would like to buy from trusted sources before making my final purchasing decision including buying of decoders	40	50	5	5	0

Table 4 continued

The recommendations of a popular person on TV, radio or internet is enough for me to buy a product like TV decoder	30	10	25	5	30
I am reluctant to use products and services that are negatively judged by my family, friends and colleagues:	5	45	20	25	5
The price and subscription rate of a decoder matters more to me than the negative things that other users say about it	30	10	15	20	25
Note: All figures are in percentages					
<i>SA=strongly Agrees A=Agree MA=moderately Agreed SLA= Slightly Agreed DA=Do not Agreed</i>					

Source: Field Work (2019)

About 35 percent of the respondents indicated that they believe the information from people close to them more than they believe the advertisement by the company selling the product, in this case, a digital decoder. Another 20 percent indicated they believe personal recommendation above sponsored advertisement, which suggested that about 55 percent of the respondents accepted the view. About 15 percent moderately agreed with the view, while the remaining 20 percent strongly opposed the view. Together, it was concluded that word-of-mouth recommendation has stronger influence on dissemination of information about a product than traditional sponsored advertisement in the digital decoder market.

Further views were sought to determine whether they would buy into the idea of active demand to influence purchasing decision of consumers. The

statement assessed whether respondents relied on recommendations from friends or families who have used the product in order to make their purchasing decision or not. The outcome suggested that about 50 percent strongly believed they would rely on information from family and friends to make their final purchasing decisions on digital TV decoders, while another 35 percent accepted the view and the remaining 15 percent moderately accepted the view. The fact that no respondent rejected the view confirms the role that face-to-face or traditional word-of-mouth recommendations from close allies play in purchasing decisions of consumers including digital decoders.

Attention was shifted to the case of electronic word-of-mouth by assessing whether prospective customers browse on the internet or social media for different opinions and customer reviews of a product they want to purchase or not. The outcome suggested that about 35 percent of the respondents strongly accept that they use the internet and social media to obtain information that inform their purchasing decision, while another 20 percent just agreed to the statement. This resulted in about 55 percent of the respondents strongly believing they rely on the internet to obtain information on products such as digital decoders to help in their purchasing decisions. About 15 percent moderately accepted the view, while as much as 30 percent did not agree to the statement. The observation also makes electronic word-of-mouth an important tool in customers purchasing decisions on digital decoders but far behind that of the traditional face-to-face interaction with close friends or relatives.

On probing as to why the respondents shall prefer the recommendations of a trusted friend or family on their purchasing decisions,

the fourth statement provided some important insights. About 42 percent of the respondents were of the strong view that buying an expensive or technical product like decoder requires the personal opinion of a trusted friend or family who has used the product before. Another 26 percent also agreed to the statement while 26 percent moderately agreed to the view with the remaining 7 percent slightly agreeing to the statement. It was concluded based on this view that the respondents' decision to seek personal opinion in a traditional word-of-mouth was certain because they considered the expenses on decoder as expensive and the services on the decoders as technical and, hence, need a more trusted recommendation than just the TV and radio advertisement to make purchasing decisions. The next question was to determine what the respondent might consider technical about decoders to warrant recommendation from a trusted person before purchasing decisions are made. The results indicated that about 70 percent of the respondents believed a product like T decoder requires firsthand information from someone who has used the product before. This is due to issues of content and durability. None of the respondents rejected the statement, since 5 percent moderately agreed, while the remaining 25 percent slightly agreed to the statement.

A direct question on consumers' decision to solicit information and its link to final purchasing decision was posed to respondents in the sixth statement. The results suggested that as high as 90 percent of the respondents either strongly agreed or agreed to the fact that they sought for the views of trusted friends before making final decisions on their purchases including decoders. This observation suggested that recommendation from external

sources plays vital role in the final purchasing decisions of the respondents, which includes word-of-mouth.

The next statement was asked to determine whether the consumers trust just information from just any source for which their trust in word-of-mouth shall not be any unique observation. The results suggested that, together, 40 percent of the respondents accepted that they could base their purchasing decision on celebrity recommendations on radio or television with about 30 percent rejecting the statement outright. Compared with the about 90 percent who agreed that they could base their purchasing decision on recommendations from trusted friends or family, the important role of word-of-mouth in purchasing decision is realized.

In main stream economics and finance, the major determining factor to purchasing decision is the price of the product. The study tested the importance of the influence of word-of-mouth in the next statement. About 40 percent (30%+10%) of the respondents indicated that the price and subscription rate of a decoder matters more to them than the negative things that other users say about it, while about 35 percent rejected the statement outright. For most products, this statement could receive very high endorsement, but the closeness of the level of acceptance to the level of rejection is an indication that other strong determinants of purchasing decision exist.

It is worth noting that the lower endorsement for price of decoder and subscription rate also down plays the importance of income in the face of negative word-of-mouth. Aside price of a product and consumer income, taste and preference or fashion were the next important determinants of demand or

purchasing decision of consumers. Word-of-mouth, however, has the strong tendency to influence the fashion and preference of consumers by either highlighting the strength or weakness of the product. The strong role of word-of-mouth in consumers purchasing decision for decoders can, therefore, be traced from its ability to define and create a fashion for a product, which can greatly influence consumers' preferences.

Relationship between Word-of-Mouth and Purchasing Decision of GoTV Digital Decoder

The discussion above concentrated on the general factors that affect the purchasing decision of respondent with regards to decoders of which GoTV is part. This section focused on the role that word-of-mouth played prior to the respondent's decision to purchase a GoTv decoder. Table 4 presents the percentages of respondents in each rating category.

Table 5: Role of word-of-mouth in purchasing decision of GoTV decoder

Statement	SA (%)	A (%)	MA (%)	SA (%)	DA (%)	Median Rating
Most people I know were using it and recommended its content to me	30	35	25	0	10	2
My children asked for it because of what their friends told them	25	25	5	15	30	2
I have recommended it to friends who have used it and are telling others	20	30	20	20	10	3
My partner recommended it as his/her choice	10	25	20	10	35	4
It was recommended on a WhatsApp group or internet and I decided to try it.	15	10	15	15	45	4
I have said negative things about the decoder to others	20	10	15	10	45	4

SA=strongly Agrees A=Agree MA=moderately Agreed SLA= Slightly Agreed DA=Do not Agreed

Source: Field Work (2019)

The data of Table 4 suggested that about 30 percent of the respondents strongly agreed (SA) that most people they know were using GoTV and recommended its content to them, which forms part of the reason why they chose it. Another 35 percent agreed (A) to the statement, 20 percent moderately agreed (MA), while the remaining 10 percent did not agree (DA) to the statement. The average rating was about 2, which indicates that, together, the respondents agreed to the statement that a major contributing factor to their decision to purchase GoTV decoder was due to the recommendations of the previous users close to them. The next well accepted statement was the fact that most respondents decided to buy the decoder that their children spoke to them about as they heard of it contents from their peers. The average rating was also 2, which indicate agreement to the statement by the majority of the respondents as could be observed from the total respondents who either strongly agreed or just agreed to the statement.

The average rating (3) further suggested that the respondents moderately agreed to the statement that they have recommended GoTV to friends who have used it and are telling others. This view points to the important role those current users of a decoder play to influence the purchasing decisions of others close to them. The last three statements had average rating of 4, which indicates slight agreement of the respondents. That is, the respondents slightly agreed to the statement that their purchasing decision was influenced by the recommendations from their partners. As much as 35 percent rejected the statement outright, which indicates the fact that recommendations from partners did not play a major role on the average in the

purchasing decision those some respondents do consider the view of their partners.

Also, the respondents slightly agreed to receive their recommendations on a WhatsApp group or internet, which influenced their purchasing decisions. As much as 45 percent of the respondents rejected the statement outright, while 25 percent either strongly agreed or agreed to the statement. The outcome points to the fact that electronic word-of-mouth is still not too popular among the digital TV customers in the Cape Coast Metropolis. Finally, the respondents generally rejected ever making negative comments about GoTV to others and potential customers since about 45 percent rejected the statement outright. It was, however, worth noting that about 30 percent strongly agreed or agreed to have made negative comments about the decoder which should be a course of concern, since negative word-of-mouth could have stronger effects no matter how small.

Role of customer characteristics on effects on Word-of-Mouth in purchasing decisions

Table 6 presents the average rating by presenting median rating along with the interquartile range as a measure of dispersion. Non-parametric test of equality of the median was used to compare rating across respondent characteristics such as sex, age, marital status and level of education.

Table 6: Wilcoxon test on selected issues based on gender of respondents

Statement	Median Rating		Wilcoxon Test	
	Males	females	z	p-value
Most people I know were using it and recommended it content to me (S1)	2	2	-1.49	0.1371
My children asked for it because of what their friends told them. (S2)	3	2	-5.00	0.0000
I have recommended GoTV to friends who have used it and I believe are telling others. (S3)	4	2	-6.54	0.0000
My partner recommended it as his/her choice. (S4)	3	4	-5.16	0.0000
It was recommended on a WhatsApp group or internet and I decided to try it. (S5)	3	4	-0.98	0.3281
I have said negative things about the decoder to others (S6)	5	4	0.500	0.6167

Source: Field Work (2019)

The results in Table 6 indicated that the ability of word-of-mouth to influence customers purchasing decision is irrespective of sex of the respondents. The Wilcoxon rank sum test of comparison of median suggested that no statistical significant difference could be observed between the general views of the male and female respondents about the roles the recommendations of others play in their purchasing decisions at the five percent significance level. The test outcome suggested that both males and females significantly base their purchasing decision on what they hear about a product from other users they trust.

The results further suggested that females pay attention to the views of their children in making purchasing decisions of decoders than males. That is,

the test outcome observed statistically significant difference between the rating of males and female at the five percent significance level. Again, females make more recommendations about their products to others than males as the test outcome suggested. That is, more females agreed to having recommended GoTV to friends while the males slightly agreed to the statement. The outcome is statistically significant at the five percent significance level. Males, on the other hand, factor the recommendations of their partners into their purchasing decision than females as the test observed statistical significance between their ratings at the five percent significance level. Both sexes had identical views on recommendations from WhatAapp or internet as well as making negative comments about their decoders if they are not satisfied. The identical view simply suggests that irrespective of gender, a customer shall resort to negative word-of-mouth if they are not satisfied with the contents their decoders.

Table 7: Median test based on the age groups of the respondents

Statement	Median Rating				Kruskal-Wallis test	
	Age Group (years)				chi-squared with 3 d.f.	p-value
	15-24	25-34	35-44	45-55		
S1	2	2	2	1	17.118	0.0007
S2	2	4	4	1	79.436	0.0001
S3	3	3	4	2	39.301	0.0001
S4	5	5	2	3	31.677	0.0001
S5	5	4	4	3	4.881	0.1807
S6	4	4	5	4	6.029	0.1102

Source: Field Work (2019)

The results, as presented in Table 7, found age to be a significant mediator of the effects on word-of-mouth on customers' purchasing decision. The Kruskal-Wallis test observed statistical significant differences among the median rating of the respondents on the statement that the purchasing decision of respondents were influenced by the recommendations from previous users close to them. A critical look at the respective rating suggested that, though all the age groups agreed to the statement, the elderly group strongly accepted the view. A similar observation could be made on the second statement where the elderly and youngest groups had the strongest level of agreement. Interestingly, the elders who should be in the empty nest stage are deciding based on children, but that appeared more consistent to the cultural behavior of the study area except that the children could actually be referring to grandchildren who could be on great influence of the grandparent decisions.

The respondents between the ages of 15 and 34 years agree less to the statement that they decide based on their partner's recommendations which were largely acceptable since most of them may not be married. The respondents between the ages of 35-44 agreed most to the statement. The last two statements were not generally accepted by any age group and no statistical significant difference could be observed among the rating of the respective age groups. Together it was concluded that age of the respondents is an important moderating factor to the role of word-of-mouth communications on purchasing decision.

Table 8: Median test based on the level of Education

Median Rating					
Statement	Level of education			Kruskal-Wallis test	
	No Edu.	JHS/SHS	Tertiary	chi-squared	P-value
S1	2	2.5	2	2.745	0.2535
S2	1	3	4	95.096	0.0001
S3	2	2	4	47.900	0.0001
S4	2	4	3	29.056	0.0001
S5	5	4	4	2.499	0.2866
S6	3	4	4	6.270	0.0534

Source: Field Work (2019)

The outcome of Table 8 suggested that some of the aspects of word-of-mouth are explained by the educational background of the respondents. The results indicated that educational background plays a significant role in whether an individual will consider views of their children in their purchasing decision or not at the five percent significance level. Further examination of the median rating suggested that the respondents with no formal education make most purchasing decision on decoders from the recommendations of children. This observation was considered consistent with the fact that less educated parents mostly see their children who are schooling as understanding the system and in the absence of a greater authority go by their recommendations. Education, again, plays a significant role in the likelihood that an individual shall make recommends their decoder to others. The outcome suggested that the readiness to recommend a decoder to others decreases as educational level increases.

Finally, the test supported the view that level of education significantly influences an individual's decision to incorporate the views of their partners in their purchasing decision. The results indicated that the less educated are most likely to purchase a decoder brand on the recommendation of the partner. The general conclusion from the analysis was that word-of-mouth recommendation significantly moderates the purchasing decision of the less educated as compared to the highly educated. That is, the less educated may have low self-efficacy as compared to the highly educated, which makes them seek more expert opinions from trusted sources and basing their purchasing decision on it, keeping all other factors constant.

The way forward in improving the services of GoTV Ghana from respondents' perspective

The comments of the respondents were sought on the services of GoTV and the qualitative responses were sorted and presented according to themes as discussed in the next section. The comments came up with four major themes, which include issues of pricing, including sports and entertainment channels, including more local content, avoiding repetition of movies and signal problems

On the issue of pricing policy, the respondents made the following appeals:

“Prices of decoders should be reduced because we pay for monthly subscription.”

“Please try and reduce the price small for us and also the telenovela have to be more”

The first comment was clear on the decoder price, which the respondents feel should be reduced, since there are subscription rates to be

paid. It was, however, not clear which price the second respondent was referring to, but it appeared more to be on monthly subscription rates, since it was linked with content by asking for more telenovelas.

The second theme was sports content with the following comments:

“... I want GOTV to review UEFA Champions league matches any time there are matches...”

“Please I will be happy if your company can involve (EPL) important matches.”

“Please I will be glad if your company can include wrestling as a channel on any of your packages”

On the issue of sports the main requests were on the need to improve the content of English Premier League (EPL). The second comment acknowledged the fact that some EPL matches are aired, but feels they are mostly not the main matches that everyone would want to watch. The last comment requests for a dedicated channel to wrestling on some packages of GoTV. Though there are lots of wrestling shown on most GoTV Packages, there is no single dedicated channel to wrestling, like in the case of some major leagues in football.

On entertainment, the respondents had the following to say:

“The product is quite ok but they should add more entertainment channels to it to make it more fun.”

“They don’t show a lot of cartoon series and I would be happy if they put more channels into the decoder. ”

“Please I will be happy if your company can involve adult movie (pono) as a channel on any of your package”

Cartoon was one specific entertainment activity the respondents requested for, which supports the earlier observation that some parents actually seek the views of the little children in their purchasing decision for a decoder. A rather interesting request made by some respondents was for GoTV to include adult channels. The author was of the view that some viewers have not recognized the difficulties that digital television poses as against the analogue channels, which were localized. To some respondents, adult channels can be active at night, but the difficulty with this assumption is that when it is late in Ghana, it might be still day in some other places that view the same channel. The issues are a bit technical, but the provider may find a way around it, since it is technically possible with pop-up channels.

Some direct complaints were also made, which include too much foreign content and the need to include more local contents.

“GOTV must do more to show more Ghanaian content and also limit the polarization/showing of the telenovelas, especially the Indian content of some of their channels contradict with the Ghanaian culture.”

“Too much of repetition of movies on Africa magic and also signal problem at some please”

“Make the free-to-air channel stable and stop it from going off and on because of the poor signal.”

“Please work on your signal strength for GOTV.”

“Signal problem.”

Discussion of main Findings

The most consistent complaints were the issue of signal quality, followed by repetition of movies and the need to improve local content.

The first objective of the study was to identify major forms of word-of-mouth communication in the digital paid television market in the Cape Coast Metropolis. The results of the analysis suggested that both traditional face-to-face and the electronic word-of-mouth are actively used to share information in the digital television market in the study area. The results further suggested that the face-to-face word-of-mouth dominates the electronic word-of-mouth in the market. The observation that electronic word-of-mouth is gaining roots in the Ghanaian business environment has been observed by Adomako-Kwakye (2016), who confirmed its effectiveness at influencing customers' purchasing intentions. Adomako-Kwakye discovered in the Creative Industry of Ghana that recommendation on *facebook* has significant effects on customers purchasing decision while this study identified WhatsApp and internet recommendations in general to have significant effects on purchasing decisions for decoders in the digital paid TV market.

The second objective aimed at determining the general factors that influence customers' choice of a particular brand of digital TV decoder. This objective was not limited to the market of GoTV, but sought to determine what generally motivated the customers to select GoTV or any other decoder they are using or may have used in the past. The outcome indicated that foreign telenovelas or movies and football are the two most important factors that customers consider before selecting a particular decoder to buy. Local telenovelas or movies and church activities were the next two factors

identified by the respondents as influencing their purchasing decision positively. The analysis based on gender revealed that females mostly consider the decoder with the best telenovela contents, while males, on the average, prefer the decoder with the best football content. The observation that the choice of a digital TV is dependent on the content was observed by the study of Satitsamitpong and Mitomo (2013). Caruso, Addesa, and Di Domizio (2016) also corroborated the position of Satitsamitpong and Mitomo and added that males' choice their TV channels based on soccer or football contents. Caruso, Addesa, and Di Domizio stressed that the demand for TV services increases with the performance top clubs.

The third objective sought to determine the effects of word-of-mouth on customers' purchasing decision. The outcome indicated that personal recommendations from other people about the content of a decoder and advertisement are the first two factors considered by consumers in their purchasing decision, followed by online recommendation or information from the internet or social media. The results found word-of-mouth, both face-to-face and electronic, to have positive effects or relationship on purchasing decisions of digital TV decoders in the Cape Coast Metropolis. The level of agreement suggested further that face-to-face communication has strong effects on purchasing decisions than electronic word-of-mouth in the study area. It was also observed that males rely significantly on online views and reviews, as compared to females who prefer face-to-face interaction with previous users. Further, the customers stressed the role of trust in effective word-of-mouth by indicating the greatest reliance on the word-of-mouth from family and friends above celebrity recommendations. The respondents gave

two reasons why they prefer recommendations from trusted sources as the fact that decoders are expensive and technical enough to warrant the advice of a neutral person with first-hand information on the content of the decoder.

The fact that trust moderates the relationship between word-of-mouth and purchasing decision confirms in the earlier empirical finding of Asante (2017) in the Ghanaian context. Theoretically, the outcome is consistent with the source credibility theory which was adopted for this study. Opare-Asamoah (2014) and Pascaud and Thivillon (2014) also discovered that face-to-face word-of-mouth from family and friends is the greatest determinant of purchasing decisions among young women in the clothing industry in Ghana, which confirms the superiority of face-to-face word-of-mouth over electronic word-of-mouth in the Ghanaian context. The outcome, however, contradicts the findings of Bagozzi et al. (2014) and Bhayani (2017), who found that WOM made a significant impact on attitudes, but not on purchase behaviours. Bagozzi et al. (2014) asserted that consumers relied on WOM when they went with their friends, but acted according to their previous experience and beliefs when they were alone. This study observed previous experience with the use of a particular decoder to play minor in the purchasing intentions of consumers.

The fourth objective sought to identify which of negative and positive word-of-mouth have the greatest effects on customers' purchasing decision. The outcome suggested that customers' are ready to communicate both positive and negative experience from using a decoder to others. Also, respondents treat both positive and negative news they receive about a decoder seriously in their purchasing decision. The outcome contradicts the views of

Ahmad, Vveinhard and Ahmed (2014) and Ana and Bogdan (2017), who found negative word-of-mouth to be more effective than positive word-of-mouth at influencing purchasing intentions. Ana and Bogdan (2017) indicate that negative messages may change brand perception and generate negative word-of-mouth, with significant impact on future purchase intentions. The study of Martin (2017), however, made a counter observation that positive word-of-mouth has greater influence on purchasing intentions than negative word-of-mouth. It is worth noting that the outcome of this study does not contradict any of the above studies. Rather, the results suggested that both negative and positive word-of-mouth have strong influence on customers purchasing intentions in the digital TV market of the Cape Coast Metropolis of Ghana.

The fifth objective was to determine the mediating role that gender and age of the customer play in the relationship between word-of-mouth and purchasing decision. The objective was evaluated along the other objectives and the outcome, in general, found gender and age to be important moderators in the relationship between word-of-mouth and purchasing decision. It was observed that the males and females depend on different factors to make final decision and have different reasons or interests for selecting a particular brand of decoder. The effects of word-of-mouth on purchasing decision were also found to be dependent on gender and age of the respondents. The mediating role of age on the relationship between word-of-mouth and purchasing decision was observed by studies such as Sweden (2009). Haw, Ho, Lim and Wong (2013), however, found gender not to be an important mediating factor in the relationship between word-of-mouth and customers' purchasing

decisions. The mediating role of age in the relationship between word-of-mouth and purchasing decision has no major empirical finding in Ghana, but has been confirmed elsewhere in studies such as Al-Sanad (2016) in Jordan. Level of education was also found to be a significant predictor of the effectiveness of word-of-mouth communication on purchasing decisions. The general conclusion from the analysis was that word-of-mouth recommendation significantly moderates the purchasing decision of the less educated, as compared to the highly educated.

The sixth and last objective sought for the views of the respondents on the way-forward for GoTV service improvement. The respondents identified number of areas of improvement, which included price reduction, inclusion of more EPL matches and reviews, instruction of additional channels for wrestling, cartoons and adult movies. The respondents requested for more local content to be included, the need to stop repeating movies as well as improve signal quality of some parts of the Cape Coast Metropolis.

Chapter Summary

This chapter presented and discussed the results of the study as estimated from the field data collected. The outcome provided enough information to answer all the research questions and, hence, addressed the stated objectives. It could be concluded from the analysis of the chapter that word-of-mouth is a significant factor that influence the purchasing decisions of customers of paid digital TV decoders in the Cape Coast Metropolis of Ghana. The next chapter present a general overview of the entire study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The chapter presents the overview of the entire study with a summary of the main findings. Conclusions were drawn based on the main findings of the study. Recommendations were then offered based on the conclusions drawn. Finally, directions for further studies were offered based on the limitations of the study.

Summary

The main purpose of the study was to examine the role of word-of-mouth communication in the purchasing decision of customers of digital decoders or set boxes in Ghana using the customers of GoTV service providers of the Cape Coast Metropolis as a case study. The major areas of interest were how word-of-mouth communication influences the reasons and choice of a particular decoder to use as well as identifying the relative effectiveness of face-to-face word-of-mouth and electronic word-of-mouth in purchasing decision of customers of digital paid television in the Cape Coast Metropolis. The views of the respondents were also sought for on the challenges and areas of improvement in the services of GoTV services.

The study adopted the source credibility theory as the theoretical framework based on which a conceptual framework was developed to explain the linkages among the variables of the study. The mixed method strategy was used following both the positivist and interpretivist philosophies. The structure questionnaire was used as the data collection tools on which space was provided for qualitative responses which was analysed qualitatively. The items

on the questionnaire were placed on a rating scale ranging from 1 as strongly agreed to 5 as do not agree. The qualitative codes on the rating scale were treated as interval variables which allowed for the use of the median and non-parametric test to compare the median rating across respondents characteristics such as gender and age.

Both descriptive and inferential statistics were used for the analysis. The descriptive statistics used included the median, frequencies and percentages. The inferential non-parametric test used included Wilcoxon and Kruskal-wallis test of equality of the median. The data were presented in table, chart and bar graphs. The qualitative responses were analysis using content analysis based on four themes.

The objectives on which the analysis was done were to:

1. Identify the common forms of word –of-mouth that consumers resort to in their purchasing decision of paid TV channels in Cape Coast.
2. Determining the general factors that influence customers’ choice of a particular brand of digital TV decoder.
3. Examine the role of word-of-mouth in the final purchasing decision of consumers of GOTV services in Cape Coast.
4. Determine the mediating role that gender, age and education of the customer play in the relationship between word-of-mouth and purchasing decision.
5. Assess the views of the respondents on the way-forward for GoTV service improvement.

The primary data collected were analysed based on the states objectives and the main findings are presented in the next section.

Main Findings

The analyses of the study came up with a number interesting findings but the main findings that relates to the stated objectives have been outlined below.

Both traditional face-to-face and the electronic word-of-mouth are actively used in the digital television market to share information about digital TV decoders in the study area. The commonest form of word-of-mouth in market of digital television. The outcome suggested that the face-to-face word-of-mouth dominates the electronic word-of-mouth in the market in terms of its effectiveness in influencing on purchasing decisions.

Foreign telenovelas or movies and football are the two most important factors that customers consider before selecting a particular decoder to buy. Females mostly consider the decoder with the best telenovela contents while males on the average prefer the decoder with the best football content. Word-of-mouth, both face-to-face and electronic has positive effects on purchasing decisions of digital TV decoders in the Cape Coast Metropolis. Face-to-face communication has strong effects on purchasing decisions that electronic word-of-mouth in the study area.

Males rely significantly on online views and reviews as compared to females who prefer face-to-face interaction with previous users. Customers' of paid digital TV decoders communicate both positive and negative experience from using a decoder to others. Also, respondents treat both positive and negative news they receive about a decoder seriously in their purchasing decision. The effects of word-of-mouth on purchasing decision were also

found to be dependent on gender, age and level of education of the respondents.

The respondents identified number of areas of improvement, which included price reduction, inclusion of more EPL matches and reviews, instruction of additional channels for wrestling, cartoons and adult movies. The respondents requested for more local content to be included, the need to stop repeating movies as well as improve signal quality of some parts of the Cape Coast Metropolis.

Conclusions

The outcome of the analyses of the study formed the basis to draw a number of conclusions some of which were discussed in this section. The observation that foreign telenovela dominate the reasons for customers to select decoder brand points to the fact Ghanaians are losing or have lost interest in the local movie industry. This observation is obviously not a good news to the development of the entertainment industry of Ghana. The fact that the male respondents asked for more content on foreign league without a single comments on the local league content confirm the growing local interest in foreign contents. Also, the discovery that both face-to-face and electronic word-of-mouth have substantial influence on customers purchasing decision for paid TV decoders and subscriptions suggest that people still believe in recommendations of trusted ones above sponsored advertisement of service providers.

Again, the observation that face-to-face word-of-mouth impacts strongly on purchasing decision than electronic word-of-mouth suggests that the evolution of social media and internet is still far from complete. The

finding that customers give equal weight to both negative and positive word-of-mouth also suggests that word-of-mouth communication can grow to become a major marketing tool in the digital paid television when well managed. That is, the marketing team can induce positive word-of-mouth to boost sales as well as use the same medium to clear obvious misconceptions about the brand and its services.

The observation that age and gender mediate the relationship between word-of-mouth and purchasing decision suggests that different approach may be necessary to bring individuals in the different age and gender on board the use of GoTV decoders. Finally, it could be inferred from the complaints that service quality in terms of signal varies significantly across the metropolis while customers are not entirely happy about the rate at which movies are repeated on the decoders.

Recommendations

Based on the conclusions of the study, the following recommendations were offered. First the marketing department must encourage the customer service department to ensure good customer service, since it is complementary to their work. That is, no matter the level of advertisement and sales promotions that the marketing team shall engage in, if customer services are not good it will generate enough negative word-of-mouth to neutralize the efforts. The technical team must improve upon the signal quality and also train more installers to ensure proper installations, since any poor signal shall influence negative word-of-mouth about the services of GoTV Ghana.

The production team of GoTV must also vary their movies and telenovelas to ensure improved customers satisfaction since is a positive

function of word-of-mouth communication. Where possible, the production team must finance more new telenovelas to introduce variety into their service to reduce repeating of movies. Again, the production must ensure the inclusion of more local contents to ensure the development of the local entertainment industry. Finally, the production team must release more EPL contents from *Super Sport* to *Super Sport select* channels on GoTV even if that will have to go with additional charges.

Suggestion for Further Studies

The major limitation of the study was the fact that it was delimited to only one digital paid TV provider in Ghana. Further studies can, therefore, expand the scope to include other service providers for a more general view of the issue of word-of-mouth and purchasing intentions of consumers. Also, the study setting was more urban than rural and, hence, future studies can concentrate on a more rural community for the views from that part of the county.

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APPENDICE

Questionnaire

UNIVERSITY OF CAPE COAST, CAPE COAST

SCHOOL OF BUSINESS

I am a student of the above named Institution and seeking your help in a study on the topic: “WORD-OF-MOUTH AND CUSTOMERS’ PURCHASING DECISIONS: A CASE STUDY OF GOTV GHANA LIMITED IN THE CAPE COAST METROPOLIS”

This study is being conducted as research project for my Masters thesis. Your opinion, suggestions and experience about this topic will provide useful information in addressing some of the issues confronting teachers with respect to professional development. Your willingness to take part is highly appreciated. The confidentiality of your responses is an ethical issue which will be respected in this study.

The information you provide here will be treated confidentially, and only GROUP data will be reported as an outcome of this study. I will appreciate your fair and honest responses to the items provided. Thank you.

Instruction: Please tick or write where applicable to each question.

Section A: Profile of respondents

1. Sex : Male [] Female []
2. Age Group(years): Less than 25 [] 25-24 [] 35-44 []
45-60 []
3. Religion: Christianity [] Islam [] Traditional []
others.....
4. Location : Residential/Estate [] Normal []

- 5. Marital status: Married/co-habiting : [] Not Married []
- 6. Education : No Formal Education: [] JHS/SHS [] Tertiary []
- 7. Occupation: Formal [] Informal [] Unemployed/student: []
- 8. Do stay with anyone older than five years: Yes [] No. []

Section B: Word-of-Mouth and Purchasing Decision

- 9. Which of the following is the major reason for chosen your current decoder

Statement	Response
Foreign Telenovela/Movies	
Local Telenovela/Movies	
Church services/Preaching	
News/Documentaries	
Football/sports	

- 10. Do or have you ever used more than one decoder from different providers at the same time before?

Yes [] No []

- 11. If yes to Q10, please specify your reason.....

- 12. Has it ever become necessary to change you decoder to a different provider?

Yes [] No []

- 13. If yes, please specify your reason.....

14. Please rank the following from 1st to last in terms of one you considered before buying you current decoder

Statement	Response
Advertisement (TV, radio etc.) by the decoder sellers	
What people told me personally about the programmes on the decoder	
What I leant about the decoder on the internet or social media	
The decoder I saw most people using in my community	
The decoder I have once used in the past	

15. Please indicate your level of agreement with the following statement.

Thick the appropriate option. [Key: **SA**-Strongly Agreed , **A**-Agreed ,

MA-Moderately Agreed , **SLA**-Silently Agreed , **DA**- Do not Agree]

Statement	SA	A	MA	SLA	DA
I believe the information I hear from people close to me more than I believe the advertisement by the company selling the product					
I rely on recommendations from friends or families who have used the product before to buy most products					
I rely on my friends, family or colleagues opinion mostly when buying expensive or technical products like digital TV decoder					
I am reluctant to use the products and services that are negatively judged by my family, friends					

and colleagues:					
I am likely to tell my family and friends about a negative experience I had of using a product or service like TV decoder					
I am likely to tell my family and friends about a positive experience I had of using a product or service like TV decoder					
I am a member of a community or a discussion group on the internet or WhatsApp platform where information on product used are shared					
I browse on the internet for different opinions and customer reviews of a product I want to purchase					
I personally request for information about a product I would like to buy before making my final decision					
The take the views of current users of a product seriously that the information sponsored advert of the seller					
I trust recommendations of a popular person on TV, radio or internet is enough for me to buy a product like TV decoder					
For my travel agency choices, my friends' advice is important for me.					
I choose the travel agency that I get more advice about.					

I warn the people around me about the product or brand I not satisfied with				
For electronic product like digital decoder, I shall never buy one unless I find out from a trusted person about durability and contents.				
The price and subscription rate of a decoder matters more to me than the negative things that other users say about it				
I keep my experience about any product I used, whether good or bad, to myself. I don't tell others.				
I don't take what current users of a product says about it seriously in by purchasing decision.				
I take the negative things that people say about a product seriously than the positive ones when deciding to buy the product.				
I have ever made a WhatsApp or online recommendation about GOTV to an individual or a group.				

Section C:

16. Please indicate your level of agreement with the following statement.

Thick the appropriate option. [Key: SA-Strongly Agreed , A-Agreed , MA-Moderately Agreed , SLA-Silently Agreed , DA- Do not Agree]

	SA	A	MA	AS	DA
Most people I know were using it and recommended it content to me					
It was recommended on a WhatsApp group or internet and I decided to try it.					
I watch the advert somewhere and decided to use one					
I received a test message about price reduction from the company and I chose to try it					
My partner recommended it as his/her choice					
My children asked for it because of what their friends told them					
The subscription rate is relatively cheap					
I have recommended it to friends who have used it and are telling others					
I have said negative things about the decoder to others					
Most people I recommend to use complain about the monthly subscription					
I decided to use GOTV because that is what is used at my work place and I like the content.					

17. Any general observation about GOTV you would want to Share?

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