

Influence of Package Price on the Customer's Choice of Television Channels' Service Providers in Tanzania.

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ABSTRACT

This study aims to examine how package price influence the customers' choice of television channels' service providers in Tanzania. The study adopted descriptive survey design and mixed research approach. The study population was 817,532 pay TV subscribers customers residing in the city of Dar es Salaam, with a sample size of 100 selected using both simple random and purposive sampling. The study used both primary and secondary sources of data using questionnaires, interview guide and documentary review. Descriptive and inferential statistical analysis were used in data analysis for quantitative data while thematic method were used in analysis of qualitative data. The findings of the study indicate that channel package price had significant influence on the consumer's choice of TV channel service providers. The study recommends TV channel service providers to understand the nature of purchasing power of consumers by regulating their packages and improve their channel package prices to secure low income customer base and the government to set new policy and regulation that monitor TV service providers in terms of package price.

Keywords: Package Price, Customer's Choice, Channel Service Providers

INTRODUCTION

In recent decades, Media and broadcasting business has been growing tremendously and become important contribution to the global economy (Cox, 2017). The recent development in Television (TV) industry is attributed by introduction of pay TV in many countries of the world which transformed from analogue broadcasting into digital broadcasting approach taking the entire sector into digital platforms (Tengeh & Udoakpan, 2021). Transforming to digital platforms meant, the consumers' households were then compelled to start paying for the broadcasting services through premium payments. This on the other hand has led to generation of revenues through consumer utility bill payments. Across the world pay TV generated revenues amounted to USD150 billion in 2010 where it was predicted to rise up to reach USD 215 billion in the year 2014 which was expected to double by 2020 (Dawi, Jusoh, Nor, & Qureshi, 2016). The media broadcasting which is operating both in cable TV and digital TV has been changing orienting viewers behavior and habits towards consuming greater utility and benefit equivalent value to their money spent in buying TV services (Feldman, 2016). Pay TV is a common phenomenon across the globe and it is globally adopted by many countries both developed and allow income countries (McCreery & Krugman, 2015). In essence, Pay TV .The number of pay TV households has been increasing yearly from 715 million users in 2010 to 886 million in 2014, a rise in number by 57.1 percent. This growing households' pay TV subscription is an indication that there is booming market making Pay TV service providers secure significant market shares (Kim, 2016).

In Tanzania, TV broadcasting started in 1994 when four Television networks ITV, CTN, DTV, and Abood TV commence their broadcasting operations (TCRA, 2013). The four TV media used analogue terrestrial broadcasting networks before the country adopted digital broadcasting in the year 2010 in implementing

ITU agreement which required the entire world to switch to digital signals by mid of 2015. Tanzania takes measures to switch off analogue signals under Analogue Switch Off (ASO) plan earlier where the process was initiated in 2015. In the transformation, Digital terrestrial broadcasting started Multiplex Operator services to facilitate transmissions of multiple TV programmes using a single frequency channel. The transformation was guided by the parliament law including Electronic, and Postal Communications Act (EPOCA) of 2010 and the Electronic and Postal Communications regulations of 2011 (TCRA, 2013). The government licensed three (Multiplex) MUX operators to transmit TV programmes from the various Content Service Providers (CSPs) serving 7 major towns in the country. According to regulation, MUX operator were required to provide free service on view of public broadcaster TV channel TBC1 and later required to broadcast 5 national popular TV channels without charge.

Tanzania Television broadcasting industry has a total of 1,664,074 active decoders subscribers receive TV channels programs through Digital terrestrial television (DTT) from Agape -Ting, Azam, Continental, DiGiTEK, Star Times service providers for DTT and 1,574,809 active decoders subscribers receive TV channels programs through Direct to Home (DTH) from Agape -Ting, Azam, Continental, , Star Times, DStv and ZUKU. Total active decoders subscribers were 3 238 883 as by March 2022 (TCRA report, 2022). In the three popular TV operators Table 1.1 shows the number and type of Active subscribers through decoders. Among three TV channels media providers, there are 1604126 active decoders subscribers for DTT signal providers and 1503530 active decoders subscribers for DTH signal providers in Tanzania. This gives a total of 3,107, 656 active decoders' subscribers equivalent to 95.9% market share.

Tanzania, Pay TV has been growing very significantly in the past decade, attracting numerous TV services providers within and outside the country. Pay TV media broadcasting and streaming sub sector attain its momentum after the government announced decision to transform telecommunication industry from Analogue to Digital TV broadcasting. Many companies sprouted taking into the sector with high penetration attracting attentions of the users and securing market share. Prior to the transformation, pay TV was only operated by digital Satellite Television (DStv) a multinational TV broadcasting service provider which has been in the local market for years. Later on Star times enter the market before many other service providers took into the market. Some of the pay TV operators in Tanzania include; Agape -Ting, Azam, Continental, DiGiTEK, Star Times, DStv and ZUKU (TCRA, 2022). The common and popular pay TV channels providers in Tanzania included DStv, Star Times and Azam TV which occupy large fraction of market share. The service providers have been facing competition among themselves trying to dominate the market through providing many channel packages and enhancing customers' quality and value. TV viewers are given center stage in decisions to design various products.

In Tanzania, Pay TV broadcasting service is a decade year old and the sector now is facing number of challenges especially changing of viewers' habits and preferences. With increasing number of Pay TV service providers, the competition for subscribers has become intense. Consumers are switching among service providers making the business environment for pay TV business more unpredictable as consumers are getting in and out of certain service provider's products making it difficult to determine active service consumers. There is little knowledge on what exactly causes of this increased switching between service providers. To determine the driving motives for consumers to choose some Pay TV services against the others is very critical as the impacts of the habits and behaviors are becoming more significant. This study is important in bringing knowledge and understanding on what is behind pay TV subscribers' choice of service providers with the guidance of theory of Marshallian economic model and the Uses and Gratification theory.

Statement of the Problem

In Tanzania, all television channels are provided digitally hence, TV channels subscribers are to pay for services or otherwise remain connected to some local compulsory channels such as the national broadcasting television channel (Tanzania Broadcasting Channel). Customers are continuously seeking service providers who can meet their needs of entertainment and information broadcasting. This has

triggered existing equilibrium, forcing consumers to seek alternative option among the spectrum of service providers. There is increasing consumers shift from one service provider to the other. Customers are continuously seeking service provider who can meet their needs o entertainment and information broadcasting. Since little is known on the situation, therefore, this study Influence of Package Price on the Customer's Choice of TV Channel's Service Providers in Tanzania: A Case of Dstv, Star times and Azam Tv in Dar es Salaam.

LITERATURE REVIEW

Theoretical Framework

This study was guided by two theories in meeting its objectives of determining the influence of package price on customers' choice of TV channel service providers.

The Marshallian Economic Model

The model was postulated by Alfred Marshall in England who extended behaviour theory to incorporate consumer satisfaction in relation to products utility. According to Jeremy Bentham theory, a human always calculate carefully and weighs the expected pains and pleasures before contemplating his actions. All these doctrines form the bases of development of behaviour theory. The Marshallian economic model theory was developed in attempts to study the effect of change in a single variable in the model such as product price provided other factors are kept unchanged. The theory's assumptions is driven by Modern Utility Theory which provides that consumer maximizes his utility and achieve this by careful calculations on the outcomes of any decision to buy certain product. Money is considered a basic psychological needs and which is used as a reference of which product value is compared with other needs (Runyon & Stewart, 1987)

Marshallian model was built in three assumptions that relate consumer decisions with the price of products. The first assumption state that, the product experience higher sales if it has low prices. The second assumption states that, if the substitute product has lower price than the original product in the market, it experiences higher sales relative to the product with higher price. The third assumptions states that, provided the buyer's income is high, the product will experience higher sales if product is not inferior in the market. Marshallian model faced criticism on the ground that it cannot be measured to determine whether it is true or false. The model is criticized of not being very informative due to its biasness of portraying consumer as acting in his best interest (Kotler, 1979). It is believed that buyers do not apply economic principles to select between two cheap products rather employ economic analysis in a decision to buy more expensive assets.

In relation to the current study, the Marshallian economic model provides the price motives to the consumer choice of the product among variety of options. According to the theory, consumer is sensitive to the price of products and it influences his purchasing decisions. Based on the current study, the theory helps to explain how price may affect Pay TV consumer choice of service provider. In this regard, consumer may be driven by price to switch from one service provider to the other. Therefore, this study will apply the theory in discussing the influence of price in choice of Pay TV.

Rational Choice Theory

Rational choice theory is an economic and social theory that suggests individuals make decisions by considering the costs and benefits associated with various options and choosing the one that maximizes their self-interest or utility. It assumes that individuals are rational actors who have well-defined preferences and make choices based on a logical assessment of available alternatives. According to rational choice theory, individuals weigh the potential costs and benefits of each option and choose the one that provides the greatest net benefit. Costs may include monetary expenses, time, effort, or any other negative aspects

associated with a particular choice. Benefits, on the other hand, can be tangible or intangible rewards or positive outcomes that individuals expect to gain from their choice.

In the context of consumer behavior, rational choice theory suggests that individuals make purchasing decisions based on a rational evaluation of the costs and benefits of different products or services. For example, when choosing a TV channel provider, consumers may consider factors such as price, available channels, signal quality, customer service, and additional features. They weigh these factors and select the provider that offers the best value for their needs. It's important to note that rational choice theory assumes individuals have perfect information, unlimited cognitive abilities, and consistent preferences. However, in reality, people may have limited information, cognitive biases, and conflicting preferences, which can influence their decision-making process. Therefore, while rational choice theory provides insights into decision-making behavior, it may not fully capture the complexities and nuances of real-world decision making.

Empirical Literature Review

Prince and Greenstein (2013) investigated the factors that influence changes in television industry in the USA and determine the side affected the most between service providers and consumers. The findings of the study indicate that, Paid television subscriptions are very costly to over USD 1,000 making it very expensive. Furthermore, the study found that cable TV cost less and are used more. Feldman (2016) carried out a study to examine the influence of television viewers' behaviour and football fans on dropping in television ratings of NFL games in the USA. The study results indicated that the TV viewers of NFL games dropped drastically, contributed by declining viewers' attention, loss of interests, social attention on digital technology and increasing attention in media apps etc.

Cox (2017) conducted a study on trends of abandoning of regular cable television streaming services in the United States. The study indicated that 50 percent of the surveyed households were planning to quit from viewing regular cable television services contributed by high service costs. Moreover, the study found that, majority of those who already abandoned the cable TV services claim to have been driven by high service charges. Furthermore, the study shows that, most TV services consumers had shifted to watch digital streaming media options; such as Netflix,

Lee C. Christopher et al (2018) studied factors affecting online streaming subscriptions in the US employing survey descriptive design. The study used questionnaire to collect data and employ Multivariate regression models to analyze the data. The findings of the study indicated that, extra purchase; negative social trend, cost and customer service factors had significant influence of consumers' choice of TV subscription. Furthermore, the study findings indicated that, gender has no impact of choice of subscription; but age has significant influence of subscriptions in cable television and online streaming video.

McCreery and Krugman (2015) conducted a study to examine the changing habits in media viewing among people and the driving product that gives the customer opportunity to in different ways. The study found that, media viewer consumers change habits by shifting between using television and tablet. In another study, Kim (2016) investigated the patterns of media usage across multiple media platforms in United States. The study employed descriptive research design and collected using questionnaire and analyzed by using regression techniques. The study media variables in the platforms included Cable TV, Tabloid, Newspapers, Internet Only, and Traditional Media. The study found that, among the demographic factors, age had the highest and significant power of predicting the studied individual factors.

Schouw (2018) studied factors influencing binge-watching habits phenomenon in Netherlands where habits of users watch a series more than one TV episode as single time. The study found that, binge-watching has altered Television viewing habits among people. The factors identified to contribute to the increasing habits

were quality content and advertisement-free content amongst others. Consumers have found binge-watching effective as it gives them opportunities to watch the episode in their time of convenience. According to Pittman and Sheehan (2015) binge-watching has made viewers enjoy a greater sense of connectivity with episodes characters and feel more immerse deeper into storyline's characters. Furthermore, Daniels (2017) pointed out that binge-watching gives consumers an entertainment and enhance new watching experience.

Tse (2016) conducted a study to examine shifting attention to foreign programs via online sharing in Taiwan. The study found that, online viewing has increased consumers personalization; there is concern that the shifting to online contents it may lower consumers' attachment to society as their attention shifts away from broadcast television. Furthermore, the study noted that, online viewing can also bring people together as they are connected through online platforms. Theng's (2016) found that, Television users have tendency of responding positively to sociability and usability of Television systems. The study further elaborated that despite existing deficiency of privacy and lack of control, consumers still respond positively to the social TV systems. The study found positive association between ease of use and extent sociability in choosing a social TV system. Study by Ericsson (2012) noted that consumers are moving to on demand watching that are providing TV services for payment the costs which prevent them from watching TV contents when they are not able to pay the bill.

Tengeh and Udoakpan (2021) conducted a study to assess the television viewing patterns and the impacts of OTT TV services in South Africa. The study findings indicated that, most of TV viewers are shifting to online streaming contents from regular broadcasted television. The study also found that, males spend at least 5 hours in online streaming Television OTT TV. The study concluded that, OTT online TV has challenged Pay-Tv operators squeezing them out of the market. The study recommended the government media regulatory body to step in to harmonize the rivalry between the media. Another Study in South Africa by Udoakpan and Tengeh (2020) noted that DStv introduced a binge-watch program known as DStv Now to enhance its consumers viewing experience during lockdown. The study further noted that, growing binge-watch has changed consumers' preferences on TV consumption making many of TV programs providers to think about harnessing the benefits or strengthening binge-watch.

Edwin & Iravo (2017) conducted a study on the Factors Affecting the Uptake of Pay TV among Nairobi Residents in Kenya. The study found that, Uptake of Pay TV among consumers has positive and significant association with, cost of services, viewers' awareness, service reliability and perceived satisfaction. The study recommended Pay TV service providers to enhance consumer's awareness through educations on Pay TV services. In another study, Deloitte & Touch (2012) noted that Kenyan Pay TV market is facing competition as many Pay TV providers are scrambling in securing greater market share challenging the long lasting dominant service provider Multichoice. This has made Pay TV more affordable for consumers in Kenyan. In addition, Macharia (2012) has noted that new entrants in the Pay TV market in Kenya have come with low cost model to make their service more attractive to consumers.

Mvungi et al. (2013) conducted a study to assess migration from analogue to digital broadcasting and analogue switch-off processes in Tanzania. The study focused to asses DTT performance, the degree at which the Authority has prepared to migrate to digital broadcasting, public Uptake of digital services, ASO processes and sufficiency of service providers' decoders. The study adopted survey design used Content Service Providers (CSPs) questionnaires and interview to collect data from respondents. The study found that, there were inadequate decoders in the market, receptions. Furthermore, the study found that, the authority was well prepared for transitions and households transformed smoothly to digital television world inspite of introduced payments for subscription fee. The study recommended the authority to address the encountered challenges before initiating the second phase.

Conceptual Framework

In this study, independent variable was package price while dependent variable represents Customers'

Choice of TV Channel Service Provider. Figure 2.1 show the conceptual framework of the study.

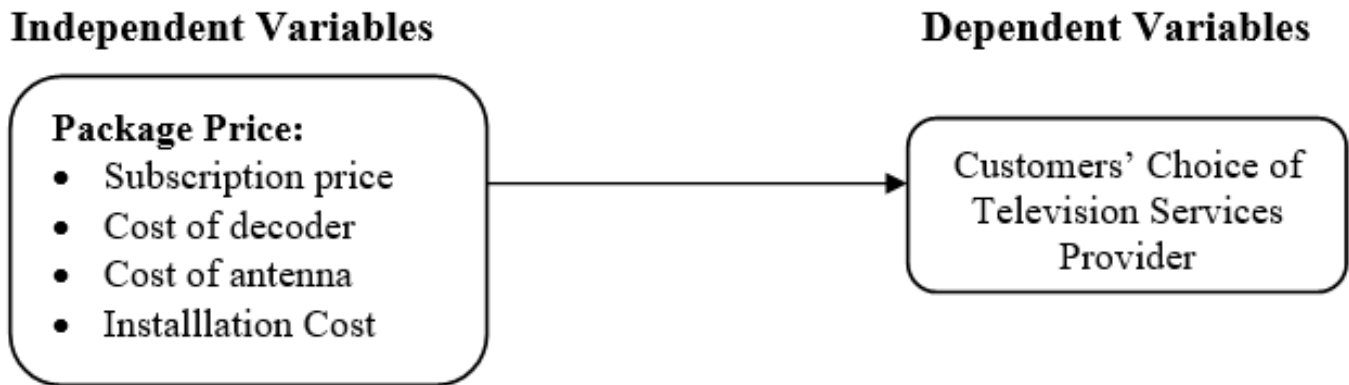


Figure 2. 1: Conceptual framework of the study

Source: Developed from reviewed literature (2022)

METHODOLOGY

This study adopted a descriptive survey design in collection, analysis and presentation of data. The target population for this study was all pay TV subscribers customers residing in the city of Dar es Salaam who are using TV services from DStv, Star Times and Azam TV. It was estimated that in the city of Dar es salaam there are 817,532 pay TV subscribers. The components of the population were household members using the TV services with good idea about price, quality and brand of the digital TV streaming companies. The study also involved 3 officials from Pay TV service providers each from the three studied TV service providers; and 2 government officials, 1 from Tanzania Communication Regulatory Authority (TCRA) and the other from the Ministry of Information, Communication and Information Technology. This study employed simple random sampling technique in selecting sample size of the study. The sample size of this study was 100 which were selected from the study target population. The sample involved adult members of households of which the study was involved directly in providing data. The following formula was used to determine sample size. In determining the sample size to be used in the study, the following formula was used

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

Given the population of the study is 817,532 households in total, thus N= 817,532 e= precision error (10%) . Therefore, the sample size was

$$n = \frac{817532}{1 + 817532(0.1)^2} = 99.9878 \text{ This can be approximated to 100.}$$

Therefore, a total of 100 respondents was selected for the study and engaged in facilitating the study through participating in data collection.

This study used questionnaire data collection tool to obtain relevant data from study sample size. The questionnaire was used to collect quantitative data from respondents that were engaged in the study. It comprised of 25 questions organized into three sections A, B and C where section A provided questions

concerning respondent’s demographic information, section B provided questions that highlights Pay TV streaming services and consumer uses of the services and section C provided questions based on the variables in the objectives of the study using 5-points Likert scale. The research sought professional help from supervisor or any other expert to review the tool before it is employed in data collection. In this study reliability was insured by evaluating data instruments question items by involving expertise and the supervisor as well conducting pilot test. Reliability of the study was determined by support of supervisor and tested by employing Cornbach’s coefficient where the value greater than 0.7 indicated that measuring instrument has internal consistency hence reliable.

The researcher sought various relevant secondary data sources from the pay TV Operators Companies, TCRA records and National Bureau of statistics. The intended data was used to show trends of changes in number of subscribers among three companies DStv, Star Times and AZAM TV. Moreover, the study reviewed other related studies to get more insight data.

This study used in-depth interview to obtain qualitative data from study participants. The researcher conducted one-to-one interview with various participants. The participants of the interview were three (3) managers from Pay-TV service providers’, one (1) TCRA official as and one (1) official from the ministry. A total of 5 interview sessions was conducted each taking about 20 minutes.

This study analyzed data using both descriptive and inferential statistics through employing Statistical Package for Social Sciences (SPSS). Descriptive statistics were employed in processing and analyzing descriptive data in terms of percentages and frequencies as well as mean and standard deviation. Moreover, the technique was used to present information using tables and charts. On the other hand, inferential statistics analysis employed correlation and multiple regression analysis models to determine the relationship among study variables. In this regard, the study used the the following multiple regression model/equation:

$$Y = \beta_0 + \beta_1 X_1$$

Where: Y = Dependent variable,

β_0 = Constant Term

β_1 = Are the coefficient of independent variable;

X_1 = Package Price,

ε = Error term

RESULTS OF THE STUDY

Reliability of Study Instruments

In determining the reliability of data collection instruments used, the study employed Cronbach’s coefficient to generate results of reliability. Table 4.2 shows the results.

Table 4.1: Reliability of the Study

Variable	Cronbach’s value
TV channel Package Price	0.79
TV channel Package Quality	0.82

TV channel Company Brand	0.76
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The results in Table 4.1 shows reliability of data collected by questionnaire based on the study variables in specific objectives. The results show that the coefficient alpha value for each variable corresponding to the specific objective is greater than 0.7 as recommended. This implies that, the data used in generating results for the study had internal consistency and questionnaires used were reliable.

Descriptive Statistics Results

The study conducted descriptive statistics analysis of data obtained from questionnaire based on various dimensions. the results was presented using frequencies and percentages based of rating by the respondents dimensioins provided. The results are shown in Table 4.2.

Table 4.2 Descriptive Statistics Results

Description	Response	Frequency	Percentage
Digital TV service Provider the Respondent subscribed	Dstv	13	15.2
	Star Times	49	57.6
	Azam Tv	23	27.6
Total		85	100.0
Respondents failure to pay for TV services package	Yes	31	36.5
	No	54	63.5
Total		85	100.0
Reasons for Respondents Choice of the Service Provider	Price	50	58.8
	Others	35	41.2
Total		85	100.0
Respondents switching between service providers	Yes	31	36.5
	No	54	63.5
Total		85	100.0
Respondents satisfaction with current service provider	High Satisfaction	32	37.6
	Moderate Satisfaction	43	50.6
	Low Satisfaction	7	8.2
	Not satisfied	3	3.5
Total		85	100.0

The study results as shown in the Figure 4.2 indicate that majority of respondents 49 (57.6%) subscribed to Star Times TV service provider, followed by Azam Tv which was subscribed by 23 (27.6%) respondents. Lastly, DStv was the least 13 (15.29%) subscribed by digital TV channel consumers. This implies that Startimes digital company was the leading digital TV channel provider among consumers in the study area. The study results indicate that. Majority of the respondents 31 (36.5%) involved in the study indicate to have failed to pay for TV channels at one time with the service. The remaining respondents 54(63.5%)

indicate to have successfully paid for the service without missing. This implies that, at one time in their subscription, respondents faced challenges in paying for digital TV package. The study results also indicate that, among the respondents participated in the study 50 (58.8%) subscribe to certain TV channel provider on the basis of channel package price, the remaining 35 (42.2%) subscribe to given channel provider based on other factors such as quality of packages and brand of the service provider. This implies that, majority of study's respondents subscribe to a TV channel provider on the package price reasons. The study results further indicate that. Majority of respondents participated in the study 54 (63.5%) had never switched between digital TV channel service providers. However, 31 (36.5%) respondents had indicated to have switched between digital TV channel service providers due to different reasons. This implies that, majority of respondents participated in the study remain loyal to their initial service providers. Furthermore, the study results as shown in the Figure 4.5 indicate that, out of all respondents who took part in the study, 32 (37.6%) were highly satisfied, 43 (50.6%) of respondents were moderately satisfied and 7 (8.2%) were less satisfied. Furthermore, 3 (3.5%) were not satisfied at all. This implies that, majority of respondents were moderately satisfied with TV channel provider services.

Inferential Statistical Analysis

Correlation Analysis

The study variables were analyzed to determine how each construct correlate to each other and respective dependent variable in the relationship. The variables employed in this part include; package price, package quality and company brand. This method is used to measure the strength and direction of the relationship between two or more variables. It helps to determine whether and how strongly the variables are related to each other. Correlation analysis assumes that the variables being analyzed are continuous or at least measured on an ordinal scale. It is important to note that correlation does not imply causation. Even if two variables are strongly correlated, it does not necessarily mean that one variable causes the other to change. Correlation analysis is used to explore relationships between variables and make informed decisions based on the findings. However, it is important to consider other factors and conduct further analysis before drawing any causal conclusions based solely on correlation. The outputs of the association of variables was as shown in the Table 4.3

Table 4.3: Correlation Analysis

		Package Price	Tv Channels' Service Providers
Package Price	Pearson Correlation	1	.526*
	Sig. (2-tailed)		.438
TV Channels' Service Providers	Pearson Correlation	.526*	1
	Sig. (2-tailed)	.438	

The Table 4.3 displays the output results of correlation analysis of study variables with association of the constructs indicated by correlation coefficients. According to the results there are significant correlation between choice of TV service providers and the package price. The results show that, package price of TV channel has strong and positive correlation with the choice of TV service providers at 5% level of confidence.

Model Summary

The study summary indicates the relationship as well as contribution of independent variables package price on dependent variable (choice of TV service providers). In this part, the results of correlation between

independent and dependent variable are shown. Moreover, coefficient of determination (R-square) on the contribution of independent variable on dependent variable is also provided. The Table 44 shows the results.

Table 4.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.262 a	.0686	.016	.6283

1. Predictors: (Constant), package price, package quality and company brand.

The results in the Table 4.4 indicate that there is significant correlation between independent variable on dependent variable as indicated by correlation coefficient ($r = .262$). This indicates that the three constructs of independent variable; package price, package quality and company brand have significant correlation with the choice of TV service providers. This implies that the more level at which package price increases the higher the consumers subscribe to particular TV service provider. The study results also show that, coefficient of determination (R-square) was 0.686. This implies that, variations of choice of TV channel service providers in the market was explained by 68.6% of package price and company brand of given TV channel service provider. This also implies the consumer choice of certain TV channel provider is not wholly influenced by the three dimensions mentioned, 31.4% of variations of choice of TV channel service providers is contributed by other factors not considered in the study.

Regression Analysis Results

In this part, the study aimed to determine relationships between predictor variables and the dependent (outcome) variables. The multiple regression model was employed to conduct regression analysis in regard to three independent variables; package price, package quality and company brand dependent variable, choice of TV channel service providers. Correlation analysis is a statistical method used to measure the strength and direction of the relationship between two or more variables. It helps to determine whether and how strongly the variables are related to each other. Regression analysis assumes that the variables being analyzed are continuous or at least measured on an ordinal scale. It is important to note that correlation does not imply causation. Even if two variables are strongly correlated, it does not necessarily mean that one variable causes the other to change. Regression analysis can be used in various fields, such as social sciences, finance, economics, and healthcare, to explore relationships between variables and make informed decisions based on the findings. However, it is important to consider other factors and conduct further analysis before drawing any causal conclusions based solely on correlation. Table 4.5 gives the detailed results.

Table 4. 5: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.634	.426		3.467	.000
	TV Package Price	-.569	.108	-.528	-2.103	.029

a. Dependent Variable: Choice of TV channel service providers

The results from regression analysis in Table 4.5 show that without the influence of any factors considered in the study, the level of choice of TV channel service providers was 1.634. The dimension TV channel Package Price had $\beta = -.569$ at p-value 0.029 ($p < 0.05$) at 5 % level significance. indicating that, provided other dimensions are kept unchanged, in every unit increase in TV channel Package Price, the choice of TV channel service providers decrease by .569 units at 5 % level significance.

Discussion of the Study Findings

The findings of the study indicate that, channel package price had significant influence on the consumer's choice of TV channel service providers. The findings indicate that for each unit increase in channel package price, the level of choice of TV channel provider decrease by .569 units ($p < 0.05$) at 5 % level significance. This implies that, consumers are sensitive to the price allocated to various TV channels by different providers in the market. TV channel consumers expect affordable price but maximum utility based on the channel of their choice, it was noted that some channel package with high consumer utility are expensive to afford. Most people are not willing to pay high price for available channel package therefore switches among channel service providers to seek cheaper channel packages. The findings also indicate that, consumers also were concern on digital service price such as decoders, dishes, antennas and related digital devices. In the line with the findings, Mvungi et al. (2013) noted that, there were inadequate decoders in the market, revenues of service providers decreased, poor consumers' awareness and poor signal receptions. Some TV channel service providers have expensive initial digital package which target certain segment of TV channel consumers.

The findings also indicate that TV channels consumers are not well pleased with frequent and regular change of package price experienced from some of service providers. Consumers prefer TV channel provider with stable package price and which changes at long interval of time. Costly TV channel package are less preferred by consumers making them less subscribed relative to service providers with affordable packages. In their study Prince and Greenstein (2013) supported the study by noting that Paid television subscriptions are very costly making it very expensive for users. The findings also indicate that maintenance costs are another issues influencing consumers choice of TV channel provider. Low maintenance costs during digital fault make consumers to decide whom provider to buy service from. In most cases, consumers face challenges when their devices fail to work properly hence seek maintenance. Furthermore, service provider with cheap packages and maintenance costs attract more consumers. In in support of the findings, Macharia (2012) noted that new entrants in the Pay TV channel service providers have come with low cost model to make their service more attractive to consumers.

In the interview, one key participant noted that, package price has been important factor for consumer choice of TV service provider. He said that:

“Now main competitive factors for TV channels providers are package price and this influenced many consumers to switch between service providers. Also new subscribers are seeking service provider with cheap packages”.

Another study participant added that:

“Due to increased consumers from low income households, service provider with high cost packages have to adjust prices to secure markets. No service providers is now offering services with high price targeting rich segment of society, they have forced to lower price to secure wider market from new subscribers”.

In the interview and documentary review, comments on the importance of the price consideration in the influence choice of TV channel service providers were as follows;

Affordability and Budget Constraints

Price directly affects the affordability of TV channel service providers for consumers. Consumers often have specific budget constraints and are more likely to choose a provider that offers services at a price point that aligns with their financial capabilities. Research by Hinman, R. S. (2014) states that “consumers’ decisions to choose a particular TV channel provider are significantly influenced by the price of the service, as it directly relates to the affordability of the provider.”

Value for Money

Consumers assess the value they receive in relation to the price they pay. They seek to maximize their utility by selecting TV channel service providers that offer a desirable combination of price and channel offerings. Research conducted by Smith, J. D. (2016) found that “consumers are willing to pay higher prices for TV channel service providers that offer a greater variety of channels and a higher quality viewing experience.”

Price Promotions and Discounts

Price promotions and discounts offered by TV channel service providers can significantly impact consumer choices. Consumers are more likely to select a provider that offers attractive discounts, bundle deals, or promotional pricing. A study by Lee, S. M. (2019) highlighted that “price promotions play a crucial role in influencing consumer choices of TV channel service providers, as consumers perceive discounted prices as an opportunity to access premium content at a reduced cost.”

Competitor Pricing

Price is often compared between different TV channel service providers. Consumers evaluate the prices charged by various providers and consider the price competitiveness of each option. If a provider’s price is significantly higher than its competitors, consumers may be inclined to switch to a more cost-effective alternative. Research by Chen, Y. (2017) revealed that “price competitiveness is a significant determinant of consumer choices of TV channel service providers, as consumers tend to opt for providers with lower prices compared to their competitors.” Price is a crucial factor influencing the choice of TV channel service providers. Consumers consider the affordability, value for money, price promotions, and competitor pricing when making their decisions. Understanding the role of price can help TV channel service providers develop competitive pricing strategies to attract and retain Customers. The more the price is cheaper, the more sales business make, this is equally applied to TV service business. Consumers compare prices in making purchase decisions, they choose among the cheapest TV service providers. This is attributed to low income earners compelled to adopt digital pay TV channel network from analogues. Price has remained the dominant factor for consumer decision to choose TV channel service providers.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study indicates that, TV channel price had significant influence on the choice of channel provider. Price has been important driver of consumer in making decision to which channel provider they have to choose. Consumer are sensitive to price of products or service hence it plays role in influencing their buying decisions. Some service users have tendency of comparing the utility of the service to the amount they pay for the service making it a big concern in making decisions. Turning to service provider with cheap channels package has been a common behavior of TV channel consumers as they shift service providers. In this business, price drives customer size and movements between service providers. From cheap package with sufficient channels contents to buying of digital devices such as decoder, antennas and various cables determine the choice of consumers. Some TV channel service providers have expensive digital devices

packages of which most consumers can't afford to buy. This has given other service providers leverage in the market as they use the opportunity to secure more consumers to their services. Fluctuation of package price has made consumers not to prefer service providers as they consider this as weakness of service provider. Irregular changes in package price have made the service provider less attractive to existing and prospective consumers. Another issues related to price is the general maintenance costs of which consumers pay once they face some challenges with TV digital peripheral devices such as decoder and related devices. The cost of maintenance is very sensitive to most consumers and the accessibility of spares make consumers to decide whom to buy the service

Recommendations

The study recommends TV channel service providers to understand the needs of customers in terms of quality channel package. They should design their products based on consumers' expectations and taste such as high quality reception, strong signals and good mixture of channels including free local TV channels. The study recommends TV channel service providers to improve their channel package prices to secure low income customer base. The companies need to have different packages with different price ranging from low and affordable price based on days, weeks and months to help consumers access the TV services at all time. The study recommends the government to set new policy and regulation that monitor TV service providers in terms of package price, quality signals and mandatory inclusion of free local channels. The policy makers and regulators need to modify existing policies and regulation that bring balance to both consumers and service providers.

Suggestion for Further Study

In regards to the findings and scope of the current study, the following are the area suggested for future studies. The study suggest more studies to be conducted on various issues related with consumer satisfaction in relation to both local based TV channel service providers and foreign based TV channel service providers. The study should focus to determine which channel service providers give consumer more satisfactions. The study suggests more studies to determine social-cultural influence of TV channel service providers' services on Tanzanian societies. This will focus to find out how foreign based contents in various TV channel package affects social cultural aspects of people. The study suggests more studies to determine perception of TV channel consumers on the contents of Channel packages offered by TV channels provider. In these studies, the focus will be to understand on whether the contents of the packages are necessarily utilized by consumers.

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