

**GHANA INSTITUTE OF JOURNALISM**

**THE EFFECT OF FUNCTIONAL RISK COMMUNICATION ON CONSUMER  
PURCHASE DECISION. A STUDY OF SURFLINE COMMUNICATIONS LIMITED.**

**BY**

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**MAPR16021**

**A DISSERTATION SUBMITTED TO THE GHANA INSTITUTE OF JOURNALISM, IN  
PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF A  
MASTER OF ARTS IN COMMUNICATION STUDIES**

**NOVEMBER, 2017**

## Declaration

### Candidate's Declaration

I hereby declare that this study on the topic "The Effect of Functional Risk Communication on Consumer Purchase Decision. A study of Surfline Communications Limited" is my original research. And that no part of it has been presented for another academic requirement in the institute or elsewhere. Also, the works cited in the study have been fully acknowledged or referenced. I am solely responsible for any shortcoming.



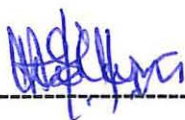
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### Supervisor's Declaration

I hereby declare that the preparation of this dissertation was supervised by me in accordance with the guidelines of supervision of dissertations laid down by the Ghana Institute of Journalism.



Marilyn Ablordey (Ms.)

Date

(Supervisor)

## **Dedication**

This study is first of all dedicated to the Almighty God for His Faithfulness in my life for which I say; “Tell God I am Grateful”. Secondly, this work is dedicated to my only sister (Elsie Kafui Ayi) and parents; Mr. Joseph Kofi Ayi & Ms. Evelyn Akrofi for their love and support through the good and hard times of my life.

## Acknowledgement

I am very grateful to God Almighty for bringing my way forceful people who stayed around and urged me on from start to finish of the study. I would also like to thank my family for all the sacrifices and the confidence they have in me.

This acknowledgement would not be complete if Mr. Stanley Gyekye, Stanley Semarco, David Dankwa-Apawu and Richard Kofi Kotoku are not mentioned; you are indeed God-sent.

Thanks to Mr. Anthony Rhule, Ivy Tsiagbe, Alex Asaah, Nana Yaw and all the people at Surfline Communications Ltd especially the Customer Care Center Executives who contributed to the successful completion of my Master of Arts in Communication Course.

I would also like to thank all institutions and individuals who helped in the data collection process and provision of information for this study.

Thanks to my supervisor Marilyn Ablordey (Ms.) for guiding me through this project.

Finally, I am grateful to everyone who in one way or the other helped in the successful completion of this study.

God bless you all.

## **Abstract**

The study, 'The Effect of Functional Risk Communication on Consumer Purchase Decision. A Study of Surflin Communications Limited' investigated the essence of businesses moving from one-off transactions with customers to relationship building. In order to sustain this sort of relationship and goodwill, organisations must communicate functional risk of products and or services to their customers. That is; communicating the 'sweet and sour' information that could inform customers' decision making in order for them to be solely responsible for their choices. The aim of this study was to find out the effect of functional risk communication on consumer purchase decision. The study employed the mixed method approach (qualitative and quantitative research). One hundred (100) questionnaires (open-ended and close-ended questions) were distributed to the randomly sampled population of the study. Findings showed that majority of the sampled respondents were not affected by functional risk communication thereby signing on to the Surflin network without prior research but based on recommendation from family and friends. Also, the study found out that majority of the respondents went ahead to sign on to the Surflin network with or without functional risk communication. Lastly, it was discovered that a large section of customers did not receive prior notice about an expected challenge at the point of sale. Based on the findings of the study, the researcher suggests that organisations communicate functional risk to its customers prior to product purchase.

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## **Chapter One**

### **Introduction**

#### **1.1 Background of the Study**

A fundamental assumption underlying efforts to communicate accurate risk information to the public is that individuals will be more capable of making important decisions about precautionary and risk behaviors if they are more knowledgeable about the consequences of those behaviors (Gerrard, Gibbons and Reis-Bergan, 1999, p94). The business dictionary defines risk as a probability or threat of damage, injury, liability, loss or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action. “The Probability of loss of that which we value” (Covello, 2002, p1). Loss of anything of value can be termed as risk and with regards to products and services, risk has to do with the functionality of the product. That is to say the likelihood of the product performing as expected or not.

Humans beings, indulge in lots of activities on daily basis and there is undeniably some level of risk involved in most of the things we do, if not all. There is some level of risk even in movement from one place to the other; be it walking to a place (likelihood of falling down), joining public transport (likelihood of getting to your destination late due to several stops on route or even having our clothes torn due to bad interior of public vehicles) or driving our own cars with the likelihood of a breakdown or flat car tyre due to over speeding, bad roads or lack of regular assessment of the vehicle.

Lupton (1999) in the introduction of her book “Risk”, mentioned that the meaning of the word has evolved severally particularly from the 17<sup>th</sup> century. The understanding of Risk has moved from being an act of God or nature to human fault and this can be attributed to modernity. Before the

17<sup>th</sup> century, risk was associated to natural occurrences such as floods and accidents (occurrences that human beings had little or no control over).

Among the several daily activities that people engage in, business happens to be very essential. Business in its simplicity is the exchange of goods and services for money or other goods and services. No one person can produce everything he or she needs while on the face of the earth and this results in our daily exchanges with one another.

Back in the days when people lived very simple lives, they engaged in barter trade. Barter trade is where two parties agree to exchange goods or services with other goods or services. Here, there was no use of money. In a community, no matter how big a farmland one owned, it was impossible to grow every ingredient one would need to prepare a variety of meals. So most of the time, people exchanged what they had for what they needed. For instance, one could exchange pepper or tomato for chicken/meat/fish or even salt depending on the quantity and situation. Interestingly, there was the existence of risk even in the olden days' barter trade (business). In that, there was the tendency of giving more than one received. At other times one product could be of higher quality or value than the other and vice versa.

In modern times where there is advancement (technological presence), the somewhat crude method of living has been modified. Even though some people indulge in barter trade, it is with a modern touch (binding agreement). Different people have varied resources and capabilities; from raw materials, to the technical 'know-how', to labour and the purchasing power (money). It seems more of an unending cycle; someone buys a product from another person with money and the other in turn uses a part of that money to buy another product or pay for a service from yet another

person and it goes on and on. This to a large extent indicates that no one person can live without engaging with others.

Just like the barter trade aforementioned, there are benefits and risks involved in every business activity. First of all, business involves two parties but in some situations there are more than two parties' involvement. In terms of business, the parties involved seem to be on parallel ends with the product or service being the binding factor. Therefore, the benefits as well as the functional risks (shortfalls) must be well communicated to the buyer on the other side before any agreement and or exchanges are made. In other words, the consumer should have a full idea of what he or she is about to purchase so that an informed decision can be made.

### **1.1.1 Risk and Risk Communication**

There are several related definitions to risk communication. Heath (2005) refers to risk communication as a process or dialogue between organizations and customers or clients about perception of a risk. This is in the bid to build and maintain long lasting relationships between organisations and their clients. In recent times organizations are more interested in building and maintaining mutually beneficial relationships with their clients. Instead of a one-off sale or transaction with a client, most organisations put in a lot of effort to retain customers for subsequent transactions. Therefore it would be very prudent for organisations to be as transparent to their clients as possible. Transparency here includes indicating functional risk(s) or what some may call defect (flaw/shortfall) about the product or service where necessary.

According to Lang, Fewtrell and Bartram (2001), "Risk communication is any purposeful exchange of information about risks between interested parties" (Water Quality: Guideline.

Standards and health sanitation health). The key word to be noted here is 'purposeful'. In other words, meaningful or beneficial information about a product/ service or any interaction between two parties. From this definition, one could comfortably say, there is no need for hold backs in risk communication.

In addition to the above definitions, the business dictionary defines risk communication as the exchange of information, opinions and establishment of an effective dialogue among those responsible for assessing, minimizing and regulating risk and those who may be affected by the outcomes of those risks. The essence of communication is for understanding between the communicator and the recipient. Either the two parties are on the same page or both are in sync with each other.

The definition of risk communication by Lang et al (2001) coupled with that of the business dictionary indicates the involvement of two parties. That is to say, the one rendering the service or product and the one the service is being rendered to or purchasing the item(s) must understand each other.

In as much as risk communication is necessary, much attention was not paid to it until organisations took delight in their sole interest while neglecting the public they served and the immediate communities where they had their facilities. Here, organisations failed to perform their corporate social responsibility to the immediate communities in which they found themselves. Most people became alarmed and started questioning the risk they may have been exposed to in the environment during the 1984 Bhopal Chemical Spill in the United States. This led to Superfund Amendments and Reauthorization Act of 1986 (SARA) to empower people with regards to risks (Heath, 2005).

Some organisations communicate risk through their end of year annual report and others publish it in newspapers. Often times, the communication of risk in annual reports happen to be at the end of a fiscal year when everything is done; that is to say when the business year has ended and a new one is about to begin. Some other companies do not communicate it at all until there is reason to. For instance, most customers only get to know about terms and conditions associated to the product and service when there is an incident and the buyer demands refund, replacement or at other times compensation. And this usually does not go down well with most customers and in some cases, the organisations involved.

Product and service sales or interaction seems to be moving from one-off to relational. A customer can purchase a product but due to non-satisfaction may rule out the said brand entirely. One-off sale is usually not economically wise but if an organisation builds and maintains beneficial relationship with its clients, subsequent sales are assured. Due to the need for most organisations to keep up, efforts are being channeled in keeping customers. Situations like under-performance affect customers' perception about the organisation either than what the organisation has built for itself over the years.

### **1.1.2 Types of Risk**

Korstanje (2009) identified seven types of risks; financial, social, psychological, physical, travel, situational and functional risk. This study would concentrate on the communication of functional Risk.

- **Financial risk**

This is often referred to as the uncertainty about an extent to potential financial loss and this includes: credit risk, currency risk, interest rate risk and liquidity risk (CIMA Official Terminology, 2005).

- **Social Risk**

According to Dontigney (unknown) on smallbusiness.chron.com, social risk refers to the possibility of one's social status with friends and family being affected by the choice of product or service.

- **Psychological risk**

Consumers also face questions about whether a given purchase is the morally right choice. For example, a customer may want to buy from a particular company because it offers inexpensive alternatives, but feel ambivalent due to the company's labor practices (Dontigney, unknown).

- **Physical Risk**

Is the perceived potential for a purchase to cause bodily harm to a person or loved one. A firearm, for example, might create a high level of perceived physical risk in the minds of some customers (Dontigney, n.d).

- **Travel Risk**

This has to do with the travails of working on the road be it long or short term and its accompanied uncertainties. That is; from the road to the airport and the surrounding communities (iJET, 2006).

- **Situational Risk**

This refers to the varied buying situations and the uncertainties presented to a customer at the point of purchase (Bunn and Liu, 1996).

- **Functional Risk**

According to Dontigney (n.d), functional risk is the likelihood of a product or service not serving its purpose as described or assured. “The act of purchasing is no longer only at the core of the relationship between the firms and their customers. Producers and distributors have to cooperate with the final purchaser in order to solve the conflicts related to risk and promote, together with their customers, new ways to limit it” (Bergadaà, Coraux & Gueroui, 2005, p3 ). In other words, functional risk is the defect of a product or service or better still, non-performance of a product which is usually anticipated by producers of the said products.

### **1.1.3 Consumer Choices**

People all over the world have varied reasons for the choices they make with regards to purchases. The effort behind the choices made could be conscious or unconscious. Someone could choose a particular brand because family and friends are comfortable with that choice and must have given very good remarks about it. There are other people who choose certain brands due to the message

in an advertisement. Other consumers get attracted to a product or service simply because of a celebrity brand ambassador (endorsement). There is another group of consumers that go in for products and service based on their salary levels and status. The ages, sex and culture of people also has an influence on consumer buying behaviour (Yoldas, 2012). Yet, there are some other people who choose products or services to satisfy their psychological needs.

Over the years, advertisements tend to show the “bright” sides of products and services. That is to say, advertisement of any sort displays the benefits of products and services. Besides the hazards of tobacco consumption and precautionary measures indicated on medical drugs being displayed on their pack, the researcher is yet to see such similar displays on consumer products and services.

The world has become a global village where things and places have become close to each other with communication being the facilitator of the closeness. With the advent of technology such as Facebook, Instagram, WhatsApp, Twitter, Snapchat etc. Gone are the days when people relied on letters through postal addresses to deliver or send their messages to other parts of the world which comes with its accompanied delays. In recent times most people use emails to send their messages (formal and informal) to other partners which is sent within seconds. People get all the information they need about others, organizations, schools, churches, countries and virtually anything one could think of. The use of the internet has become so common and relevant to virtually every aspect of our lives.

Due to this technological advancement and the quest for people to keep in touch with family and friends who are far and near, the use of mobile phones coupled with other devices like laptops, tablets, smart phones, smart televisions are required to send emails, access Facebook, and the other

media sites. Of all the devices mentioned above, the mobile phone comes across as handy, preferred and majority of people find themselves using mobile phones.

The new media with its accompanied fun has influenced people's desire from using a mobile phone for only phone calls and traditional text messaging to using more sophisticated phones which serves a greater purpose. Due to this, most people would opt for a smart phone in order to access internet (Mobile Technologies Security, 2011). The rapid progression of the masses' desire and quest for sophistication, the mobile telecommunications have to catch up by providing internet on the phones (mobile data). Mobile data is restricted on the smart phones unless the individual decides to 'hotspot' it in order to share internet on the phone with other devices such as a laptop or tablet wirelessly.

Internet provision comes in different generations (1G, 2G, 3G, and 4G heading unto 5G) with one being an advancement of the other (Jain, Kurup, Jain & Gawade, 2014). The current and fastest internet service in Ghana is 4GLTE (Long Term Evolution), which is an upgrade of the Third Generation (3G). Looking at the attributes and efficiency of the 4G network, one would expect its presence all over the country but that is not the situation since only three (3) telecommunications provide the 4G service which is limited to certain areas and regions of the country. Advancement in technology has made it possible to have central devices such as wingles/dongles, mifis and wireless routers for other devices such as phones, laptops, tablets etc. to access internet.

In order to satisfy the growing and ever-changing needs of customers, telecommunication companies provide these devices together with sim cards to customers at a price. Before the quest to connect to the internet on several devices through just one, people mostly relied on mobile data which came with less cost since one needed just a sim card, smart phone and data bundle.

#### 1.1.4 Surfline 4G Internet

Surfline is the first telecommunication to be granted the 4GLTE license to operate in Ghana. Prior to Surfline's emergence, there were already six (6) telecommunication companies (MTN, Tigo, Airtel, Vodafone, Glo and Expresso) that provided voice and data services. Since people use the various sim cards from the telecoms in their respective phones, it is usually easy to make calls and browse with it as well.

Unlike MTN which has voice services, Busy 4G and Surfline's license has a limitation that is; these two (2) can only provide internet services and most mobile phones in Ghana as at 2014 were not compatible with the 4G service. Due to this, subscribers who want to use Busy 4G or Surfline have to buy either a modem, MiFi, wingle or a wireless router.

Surfline Communications Limited had served on the Ghanaian market for a little over 3 years with coverage in Accra and Takoradi. It has an active customer base of approximately thirty thousand (30,000) subscribers with only a few inactive ones. Due to the wireless nature of the devices (wingle, MiFi and router) more than 30,000 people connect to the network. This is because the wingle and MiFi connect to 10 devices at a time while the wireless router connects up to 32 devices. Meaning, though one person owns the device, a household or an entire office can connect to it. Thereby increasing the number of users which is different from device ownership.

With regards to its customer base, one could guess the number of devices that have been sold out to customers. The main concern is the accompanied communication or message that came with the purchase of the device. According to Gerrard et al, (1999), the main purpose for risk communication in general, is for people to make informed decisions about their choices. In that, with the availability of a 'sweet and sour' information about a product or service, a prospective

customer would have full responsibility of decisions and choices he or she makes. In view of this, the study sort to find out if detailed information about a product or service would affect customers' purchasing decision. That is to say; would prior knowledge about a product or service in terms of its likely defect (expected malfunction or non-performance), influence the decision of a customer to make a purchase or not.

## **1.2 Statement of the problem**

Almost every individual makes a purchase of at least an item or signs on to a service before the end of each day. It is almost impossible for anyone to go about their daily activities without any form of economic exchange (directly or indirectly); be it purchase of food, drinks, clothes, shoes, call credits for mobile phones/internet bundles (data), payment of bills among others, there is some level of risk involved in all of these. For instance, in purchasing or acquiring a piece of land, the land owner should be able to freely inform the buyer as to whether the place is waterlog or in good shape to build a house or for farming. In most cases, buyers hardly ask and owners mostly do not mention.

With regards to health related issues and the mines, risk is usually associated with life threatening situations but with regards to products and service, risk refers to the defect or challenge of a product (functional risk). For tobacco or pharmaceutical companies, the level of risk is clearly indicated on the boxes or housing of the content. All cigarette boxes communicate the dangers or health risks associated with smoking. (*Refer to appendix B.*)

Just as the financial and medical institutions communicate risks, it is important for other businesses to clearly spell out not only the benefits of a product or service but to inform their target audiences

about the likely or expected defects or challenges (risks) of the said products and service so as to give prospective customers the flexibility of taking decisions with the risks factored in. In a growing world where people have become more concerned with understanding the nitty gritty of information before agreeing to them, the study aimed at finding out the effects of functional risk communication on consumer purchase decisions.

The new telecommunication trend requires the purchase of either a wingle, mifi or wireless router which comes in varied brands and at an extra cost. The question here is if the mobile devices for internet access coupled with the service serve the intended purpose for which they were purchased which can be termed as Functional Risk. The study aims at finding out if the functional risk associated with these devices are communicated to customers and the impact it has on consumer purchasing decisions.

### **1.3 Objectives of the study**

1. To ascertain Surflin's customers' understanding of functional risk communication.
2. To determine the effect of time of functional risk communication on the Surflin's Customers' purchase decision.
3. To determine the influence of Surflin's risk communication on risk perception.
4. To determine the influence of functional risk perception on Surflin Customers' purchase decision.

## **1.4 Research questions**

1. What is the level of understanding of functional risk communication to Surfline Customers?
2. Does the time of communicating functional risk affect Surfline customer's purchasing decision?
3. How does functional risk communication affect Surfline customer's risk perception?
4. Does risk perception affect Surfline customer's purchase decision?

## **1.5 Significance of the study**

The research will help telecommunications to understand the importance of communicating functional risk to their customers and the level of understanding of the said risk to the customers since knowledge of it would affect purchasing decision in one way or the other. Also the research aimed at finding out if available knowledge of risk associated to products and services (functional) affect stakeholder's risk perception and also the purchasing decision. "Communication is a vital tool all over the world: it could make and unmake a person or society depending on how it is handled" (Ayi, 2013, p7).

Findings of the study will create awareness about the functional risks associated with most organisations' products and services and also draw people's attention to the need to fully understand terms and conditions (risk) before agreeing to them. The study of the effect of functional risk communication on consumer purchasing decision would add on to existing literature for future reference.

## 1.6 Scope and Limitation

In order to assess the effect of functional risk communication, and how well it is understood by stakeholders and also the impact risk communication has on the organisation, the researcher examined the telecommunication industry in Ghana. Before the emergence of the 4G service in Ghana, there were six (6) traditional telecommunication networks (voice and data service providers). The emergence of 4G sprang up a few more, that is Surfline, Blu, and Busy 4G, but the new 'kids' on the block do not have the license to provide voice service.

Despite the availability of the various 4G services, the study was limited to Surfline Communications Limited because it is the first licensed 4GLTE service to operate in Ghana. The emergence of Surfline made popular devices such as; wingles (wireless modem) mifis and routers. Otherwise, telecommunications in Ghana are solely responsible for network stability and accessibility issues. This is because with the traditional telecommunications, customers usually buy their phones or tablets and get the voice and data service by purchasing the sim card except for a few individuals who buy the mifis for the purpose it serves. Additionally, businesses by the routers for office internet set up.

Most of the traditional telecommunications, give out mobile phones or sell mobile phones during promo periods but majority of their customers use their own phone which the telecom companies cannot be responsible for its defect. Unlike the others, Surfline sells the devices that the clients need to access internet with. Thereby making them partially responsible for the functionality of the device in addition to the network.

## **1.7 Organisation of the study**

Chapter 1 contains background of the study, statement of the problem, objectives of the study, research questions, justification of the study, significance of the study and scope of the study.

Chapter 2 contains theoretical framework, review of related studies, operational definitions and abbreviation.

Chapter 3 contains sample, population, research instrument, research design and procedure.

Chapter 4 contains data presentation and analysis.

Chapter 5 contains discussion, conclusion, limitation, recommendation and summary of findings.

## **Chapter Two**

### **Literature Review**

#### **2.1 Introduction**

This chapter would review existing literature in line with the area of study. Every research needs a backbone: one that would put the work in its appropriate perspective. With respect to this, the study at hand would make use of theoretical framework that is relevant to the study.

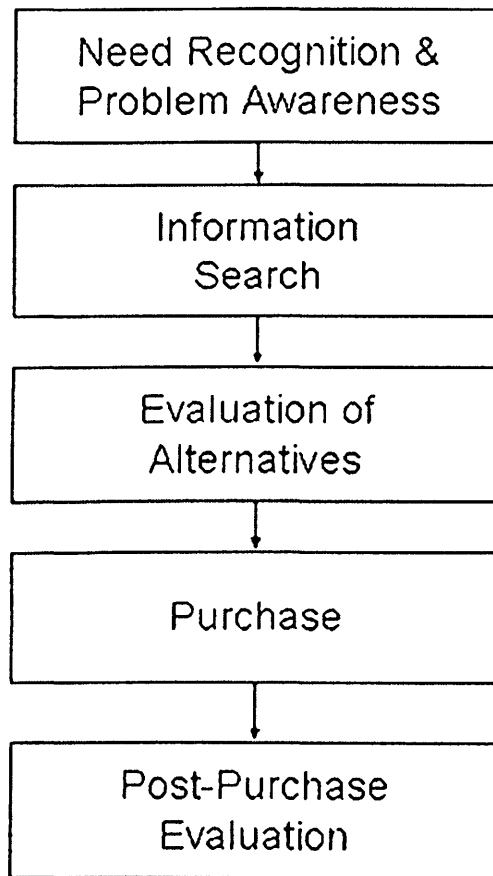
#### **2.2 Theoretical Framework**

##### **2.2.1 A buyer's decision-making process**

“A consumer engages in purchasing activities several times per day. The purchase itself is the only visible evidence of a more complex process that a consumer goes through for every decision he or she makes. However, every purchase decision is different and requires different amount of time and effort” (Lautiainen, 2015, p12).

People do not buy for the sake of buying; people buy either to satisfy a need or want. There are several brands with each product or service that is available to consumers whenever the need to purchase an item comes up or whenever a service is needed. One definitely has to make a choice or choices at every juncture of a purchase. Individuals normally go through a process of selection be it conscious or unconscious to make a final decision on which brand to select.

This the study will make use of “A buyer’s decision-making process” by Riley (2012) as cited by Lautiainen (2015).



*Figure 1. A buyer’s decision-making process (Riley, 2012)*

- **Need Recognition and Problem Awareness**

Every individual in the bid to make a decision about a purchase must first recognize the existence of a problem or gap that needs to be addressed. Some of these problems are *needs* while others are *wants*. Unlike *wants* that can be shoved under the carpet, *needs* are necessities and cannot be done away with, one must satisfy them. Lautiainen (2015) classifies *needs* as internal stimuli and

gives an example of when one is hungry and has to satisfy the body to avoid grumbling. The second type is the external stimuli which is the *want* which may have generated from an advertisement or recommendation from another. Recognition of a need is the awareness of the problem therefore necessary efforts must be put in place to solve the problem at hand.

- **Information search**

From the first stage, the consumer or individual must search for information so as to provide solution to the identified problem. For instance, a consumer has identified the need for internet. Now the information search begins with where to get internet, which of the available telecommunications should he/she choose from. There are several telecommunication networks in Ghana and the choice of the customer would depend on the individual in question (financial status).

Here, one could begin the search by speaking to friends or family or going through magazines and now that things have been made easier through technology, one can scan the internet for what he or she wants or social media pages like Facebook or Instagram for suggestions on the presented problem. Although this search usually comes with lots of suggestions, “the most effective sources tend to be personal such as family or friends” (Lautiainen, 2015, p12).

- **Evaluation of Alternatives**

Through the second stage which is information search, the consumer would be presented with a wide range of options to choose from. Depending on the specification of the item (internet)

in need, the consumer would cut out some of the suggestions but would still be left with more than an option to choose from. There is now the need for evaluation of the available options to enable the consumer make a choice of product or service.

According to Lautiainen, (2015), not every consumer goes through the evaluation process. Some skip it by going ahead with a purchase based on intuition and mostly due to a previous experience with the said product or service. Usually the alternatives left for the consumer to choose from are ones that he or she may have prior knowledge of.

Also at the evaluation stage, the risk factor comes to play. In that, during this stage, consumers try to recall what they might have heard about the product or service. The experiences the consumer's family and friends may have had (the good and bad) so as to make a better choice of the product with enough information and with less risk if any.

- **Purchase**

After the consumer has narrowed down the alternatives and weighed the attribute of the remaining products, the next stage is to purchase the item(s). Lautiainen, (2015) noted that, it is simpler for consumers to make quick purchasing decision if the alternatives available are few and also if they have experienced a brand already. It was realized that some people make purchase decision based on the assumption that high price products are of higher quality (Lautiainen, 2015).

- **Post-Purchase Evaluation**

One may think that the decision making process would end when the buyer finally makes a decision to purchase an item or sign on to a service but no that doesn't end the process. The last stage is the post-purchase evaluation where the consumer after the purchase evaluates the product or service according to the perceived expectation. At other times, the consumer evaluates the purchased product to the recommendations from the people that influenced the decision for that choice. This is in order to justify the need to stick to that brand or opt for another.

In a situation where the products or service satisfies the consumer's needs and meets the expectation for choosing that products, the consumer will be willing to stick to the brand and perhaps try other products or services of the same brand. On the other hand, if the consumer feels disappointed about the product not meeting the expectation, then the consumer will opt for another choice when next there's a need to solve a problem in that regard.

And in the Ghanaian setting, the available 4G networks are three (3). That is to say, if the first choice of the customer does not meet the expectation, the customer is opened for other options to choose from.

'A buyer's decision making process' indicated that everyone goes through a decision making process in order to arrive at a choice for purchase be it conscious or unconscious. This decision making process varies from one individual to the other and also depending on the product or service about to be purchased. This model was used in the study to ascertain if the sampled population went through the five (5) step process by Riley (2012) in the purchase of a Surfline device.

## 2.2.2 Diffusion of Innovation Theory

The Diffusion of Innovation Theory was propounded by E.M. Rogers in 1962. The theory talks about wide spread of information about new products or ideas (innovation). A strong point in this theory is the spread of information about a 'new' ideas or products.

This simply emphasizes the need for continuous communication in order to affect people's behaviour. Yeung (2002) in the review of other studies noticed that some authors are of the view that risk perception is as a result of uncertainties. An example is the definition of risk by Cox (1967a) who describes perceived risk as "a function of uncertainty and consequences, presumably reduction of the amount of perceived risk can be achieved by increasing certainty and / or reducing the consequences."

Information dissemination happens to be key in eliminating or reducing people's risk perception. Benefits as well as risk associated to a product or service must be made available to consumers. The channel of communication is also very important here. There can be a very simple and beautiful message but if the right channel of communication is not used, the people whom the messages are targeted at may miss the information at hand.

For instance, if the target audience of a product are market women, there is no point publishing the necessary details of information about the said product in the newspapers because most of them hardly read the newspaper. If the communicator decides to use radio, then the timing of the information dissemination must be carefully considered and selected in order not to defeat the purpose.

After a concise message has been put together and the right channel used to communicate it, there is the need to evaluate the actions taken. The communicator must take feedback from the

consumers in order to either adjust where necessary or maintain the message or channel. And if there's the need to re-run the campaign, it should be done taking into consideration the factors for the need for modification.

People are usually uncertain about an item or service when there is little or no information about the said product. It is somewhat normal to feel that there is more to know about a service or product when information about it is hidden. Most people then tend to gather information from others who may have used the products for their opinion to form theirs and this is what usually leads to risk perception. People tend to form their own perception so far as they do not have enough information to clear their doubts. Therefore, it is essential to provide continuous information to consumers about benefits and risks.

Additionally, as individuals, our finances tend to have a great influence on our spending pattern or buying behaviour. In the phase of buying a product, one would consider the available brands against the cash allocation for that need or want so as to make an appropriate decision on which to buy. Coupled with the financial strength of the consumer is the benefits of the product to the said need or consumer. Although an individual may purchase a supposed 'low' value brand due to financial constraints, one would rather buy a little expensive product that would serve the purpose of purchase than to buy a seemingly less expensive product that would not stand the test of time.

In line with the above, consumers are segmented in the choice of purchasing a new product, some like the early adopters do not need so much information a product to make a purchase while laggards need more information and persuasion. In this vain, a relatively new product like Surfline has utilized all communication channels and also put out all information pertaining to the product and its use. In order not to build a bad reputation that would drive away potential customers,

functional risk communication must be apt. a well communicated functional risk among other risks has the tendency of persuading laggards to make a purchase thereby promoting sales.

### **2.2.3 Rational Choice Theory**

Rational choice theory basically talks about the quest for individuals to meet their personal desires through their various choices and decisions (ThoughtCo). Here, people must somehow forestall the outcomes of their choices, decision and weigh the options to match their expectations. The key element in the rational choice theory is action and also the fact that it varies from one individual to the other.

In 1961, George Homans, a sociologist, introduced the exchange theory which he came up with based on behavioral psychology. Along the line in the 60s and 70s, there was an expansion of the theoretical framework by Blau, Cook and Coleman which resulted in the rational choice theory which has been widely used though it has its shortcomings.

Wittek (2013) in a short introduction to the modification of the Rational Choice Theory (RCT) mentioned that the RCT is one of the predominant meta-theoretical models in social science. There are three (3) assumptions related to the RCT, these are: preferences, beliefs and constraints.

- **Preferences**

This usually refers to the possible outcomes an individual attaches to an action be it positive or negative. Before an individual makes a decision on a choice of product or service, the person consciously or unconsciously tends to weigh the positive or negative outcome of the said product and this is influenced by factors such as habits, commitments and tastes.

- **Beliefs**

This, according to Wittek (2013) is the perceived cause-effect relations including the perceived likelihood with which an individual's actions will result in different possible outcomes. "According to Bauer (1967), any behaviour from the part of the consumer implies a risk in the sense that each act of purchasing is going to generate consequences, sometimes negative, which he cannot anticipate with certainty" (Bergadaà, 2005, p4)

- **Constraints**

One of the main limitations is financial strength. In as much as one may weigh the visible options in order a choice and proceed with it, the financial aspect must also be considered.

"All action are fundamentally 'rational' in character and that people calculate the likely costs and benefits of any action before deciding what to do. This approach to theory is known as rational choice theory, and its application to social interaction takes the form of exchange theory. (Scott, 2000, p1). In essence, people expect to benefit from their actions and decisions and so it is with products and services. It is very scarce to find an individual to buy a product out of the blue without knowing the product does. For instance, someone may decide to purchase a car because of the comfort it brings to that person.

Despite the above, critics are of the view that if the RCT is selfless and altruistic. In that if individuals only look out for profit as a reward for their actions and decisions, how would they make choices to the benefit of other? Making the theory come out as selfish. Also the RCT is too individualistic therefore making generalization challenging. There must usually be social structures so as not to restrict the theory to one's selfish interest.

The Rational Choice Theory, discusses the outcomes of a customer's choice, the likelihood of the choice serving the purpose for which the product has to be purchased or otherwise and the constraints with regards to final decisions on which product or service to choose over the other. In line with the theory, the research sought to find out why the sampled population would choose the Surfline brand over the other telecommunication brands. And also to ascertain if their preference, beliefs and constraints has an effect on their choice of Surfline being a new service provider.

### **2.3 Review of Related Literature**

Lautiainen (2015), set out to find out "Factors affecting Consumers' Buying Decision in the selection of a coffee brand". According his study, there are four main factors that affect consumer buying behaviour or better still there are four factors that affect consumer decision-making before the actual step to make a purchase or sign on to a service. The factors are; cultural, social, personal and psychological. Before an individual decides which brand of product to purchase, he or she may consider the remarks about the said brand, if any or recollect an advertisement about the said product. At other times people recollect what others have said and recommended about a particular product or service coupled with the purchasing power and or affordability. This means that, people do not just buy but there is some kind of process before the final decision of purchase is arrived at.

In the study, Lautiainen (2015) considered, Maslow's Hierarchy of Needs. Here, at a certain level, people consider their needs first before other things come into play. Also, "Every individual have different perception based on own experience, beliefs and attitudes. Selective distortion leads people to situations that are compatible with their beliefs and values. For example for brands, the

message that brands communicate will never be the same among different consumers. When people are exposed to a huge amount of information and stimuli, they are not able to retain all of it” (Lautiainen, 2015, p11).

The study further adopted Riley (2012)’s buyer’s decision making process which talks about the five (5) stages a consumer goes through before the final decision to make a purchase. And mostly after the purchase, the buyer evaluates the outcome to justify the reason for choosing that instead of another. This is so that the individual can stick with the product or service or going for the next available option if the initial choice does not serve the purpose to the consumer’s satisfaction. Interestingly, there are people who go through this process until they find what they want and stick to it.

The model appears simply but the process can sometimes be cumbersome due to not only the individual’s income level but social factors. At times the consumer knows exactly what he or she wants but due to the available disposable income and allocated budget, one may have to opt for another brand and go through the process again mostly in not too conscious a state (Lautiainen, 2015).

The study made use of only three (3) out of four factors espoused in the theory. That is: social, personal and psychological factors excluding the cultural factor. Arguing that, the population, Finland, is a small country with relatively insignificant cultural differences. Therefore the focus was on social, personal and psychological factors that affect the consumer behaviour.

According to Lautiainen (2015), people of the same earnings had similar choices or taste in clothes, music and even leisure activities. Clearly, how much a person earn has a strong influence on the purchasing decision that he or she would make despite the available options. So in a situation like

this despite the risk information available, the consumer would still have to consider the weight of his or pocket in order to purchase what he or she can afford. This is because these group of people usually socialize with one another thereby discussing their activities during which experience with certain products and service crop up. “Individuals from lower income groups are probably more interested in buying products that are necessary for survival than spending on luxurious brands or designer clothes” (Lautiainen, 2015, p8).

As cited by Lautiainen (2015), “Consumers’ life style tells how the person lives and spends money. It is combined from earlier experiences, current situation and congenital characteristics. The product choices that consumers make are related to their lifestyle. An individual’s lifestyle consists of different life style dimensions” (Khan 2006, p. 18). There are several brands of products and services on the consumer market that serve basically the same purpose. The difference sometimes is the price and the status/luxury that comes with some of them. For instance, foot wears comes in various brands and its attendant price tag. Though some are of a higher quality than others, one can definitely get a footwear he or she can afford and it would take the ‘wearer’ to his or destination. Even among this category, the individual can weigh the extent of risk with his or her income level to make a decision on which to buy.

The study adopted a quantitative research approach by administering questionnaires to people on Facebook. The convenience sampling method was used to select respondents for the online survey. This happens to be cost-effective but the shortcoming of this method of data collection is that the sample was not representative of the population. Although the study population was Finland, the researcher published the questionnaire in English and Finnish and data retrieved has 2 responses in English and 84 in Finnish.

In the end, findings showed that there is a relationship between social, personal and psychological factors and consumer decision making process with regards to selecting a coffee brand (Lautiainen, 2015). The findings answered the research question set for the study. Nonetheless, credible correlation was missing in the study, therefore findings could not be generalized since it lacked total reliability.

“Although the result of the study has indications that social, personal and psychological factors have effect on a consumer’s decision-making process when selecting a coffee brand. However, the result was not totally reliable due to the fact that credible correlation was missing” (Lautiainen, 2015, p2).

Gerrard et al (1999) studied the “Effect of Risk Communication on Risk Perceptions: the Significance of Individual Differences”. The study focused on health related issues, evaluation of existing literature, methodology and most importantly to ascertain the assertion that risk communication is a sure way to behavioural change. The journal article looked at the outcome of communicating risks and how to influence risk perceptions, as well as the more limited evidence that altering risk perceptions influences risk behaviour. The article mentioned how relatively few studies have been done in risk communication. “Although there are relatively few studies that demonstrate causal links between risk communication and behavior change, recent developments in the field point to the importance of tailoring risk communications to the individual characteristics of targets” (Gerrard et al. 1999, p94).

According to Gerrard, et al (1999), in as much as most people tend to believe that there is some kind of connection between risk communication and consumer behaviour, there is very little evidence to support this assertion. Therefore, the study set out to find the relationship between risk

communication and people's behaviour or attitude after receiving these information. Unlike the study by Lautiainen, 2015 that understudied a product, Gerrard et al (1999) focused on health behavioural change. Although it would have been prudent to review studies with relation to products and services, the findings from the health behaviour change can be considered.

Since the study by Gerrard et al (1999) focused on health Risk communication, the two models used are health related. The models are the Transtheoretical Model of behaviour change and the Precaution Adoption Process Model. The Transtheoretical model is of the view that people do not change a way of behaviour simply because they have been exposed to information (Risk). Rather, people go through different stages (5 stages) in the bid to change from a risk behaviour per health standards to a precautionary one. The models as propounded by Prochaska and Velicer (1997) indicates that for one to change from a risk behaviour to a precautionary behaviour, that individual would have to go through the Pre-contemplation stage, the Contemplation stage, the Preparation, the Action stage, the Maintenance stage and finally the Termination stage.

Gerrard et al, (1999) adopted the Precaution Adoption Process Model which suggests that changes in intention will occur only when a change in behavior is perceived to be effective and the problem is perceived to be severe enough to warrant action. In other words, risk information will lead to intention to alter behavior only when it is accompanied by perceptions that the problem is severe and that the behavior change will be efficacious. Efforts to demonstrate this effect under other circumstances are most likely doomed to failure.

For people to change behaviour or attitudes despite their exposure to function risk communication, these individuals must go through various stages; be it consciously or unconsciously. The above, coupled with evidences that risk communication that are geared towards individual differences in

risk factors can affect risk perception and in addition to contradictory findings from various studies, the study suggested that the appropriate question should be the conditions under which risk information is the most effective means of moving people towards behaviour change.

The journal article under review provides evidence with regards to smoking among adults in the United States. "Smoking among adults in the United States dropped by more than 1/3 in the 30 years following the Surgeon General's report on the dangers of smoking" (Gerrard et al; 1999, p94). The Surgeon's report about the effects of smoking caused a wakeup call among many adults in the US concerning the dangers to smoking. Presumably, prior to this information it can be said that a lot of these smokers though may have an idea of the dangers of smoking did not know the details and the extent to damage smoking can cause to the human body. Coming face to face with the dangers one would be exposed to concerning smoking, the individuals had a rethink therefore causing a massive reduction in smoking.

Another study showed a drastic reduction in unprotected sex due to the diffusion of information about the Human Immunodeficiency Virus (HIV). There was and still is enough information about how one can contract the deadly sexually transmitted disease which is mostly through unprotected sex. Also, there were some people who testified to having HIV and the drastic change in their health since they contracted the disease and how short a live they have to live after contracting HIV. A few people had grown lanky within a short period and there were pictures to show for. In situations like the two (2) examples mentioned, people tend to be more care knowing the extent of risk and the consequences that come with them.

Despite the above instances mentioned and the results from the studies on them, it is somewhat difficult to emphatically indicate a causal link between the information sent across and consumers'

subsequent behaviour. This can be supported by Lautiainen (2015) in the study 'Factors affecting consumers' buying decision in the selection of a coffee brand'. The author indicated three other factors that influence consumers' preference of coffee purchases; social, personal and psychological factors.

Most studies done in the area of the relationship between having full risk information and the influence it has on consumer behaviour is centered on feelings. A vivid example mentioned in the study "Effect of Risk Communication on Risk Perceptions: Significance of Individual Differences" indicates that, once people have the said risk information communicated to them and proper precautionary measures are put in place, they then go all out irrespective of the risk. Other studies in this area as reviewed by Gerrard et al. (1999) present contradictory results indicating that, there is a positive relationship between risk communication and preventive behaviours in adolescents.

In spite of the contradictory outcomes from the various reviewed studies, Gerrard et al (1999) emphatically state the assumptions that people's vulnerability cause them to take precautionary measures is erroneous. Feelings are varied and at times difficult to explain reasons for certain reactions. The study went on the mention that once people have knowledge of the said risk and preventive measures are taken, the level of vulnerability reduces. Meaning that although there's a known risk presence, people behave normal so long as they have taken precautionary measures. Gerrard et al (1999), in line with findings from Montgomery et al indicated that the relationship between risk communication and behavioural change is relative. In that, some situations are complex (taxing) whereas others are simple (immunization) therefore there would be varied findings which could be contradictory.

Further in the same study, the reason why there are contradictory findings to the causal link between risk perception and behavioural change was mentioned. The authors discovered that many people react defensively to risk information thereby affecting their responses to health related issues. This worsens if the information being disseminated is opposing their present lifestyle and thereby demanding a change or adjustment.

From the above, we can unearth two types of individuals representing others in the same category. First is the type that would make an informed less risky option when presented with the extent of risk related to a situation or product. This category of people would go in for 'B' if per the information they have 'B' happens to be better than 'A' depending on the situation. The other group of people are those that would look for preventive measures per the risk information available to them.

In the case of sunburn; the preventive measure is a sunscreen lotion and that individual can go about his or duty without having to think about the said risk associated to working long hours in the sun. Or better still the HIV scenario where everyone knows it's highly transmittable through unprotected sex. Here people still go about their casual sex but with the use of condoms to least protect themselves from contracting the deadly virus and other sexually transmitted diseases.

There is a third category of people and their reaction towards risk communication. This set avoids having to think about the risk information presented to them through any means of communication. "Although most people do not engage in delusional thinking or complete denial of the potential consequences of their behavior, they do possess an impressive array of self-protective strategies that can act as buffers against the unwanted implications posed by risk information. In other words,

first-order denial of risk is uncommon, but avoiding thinking about the risk and minimizing its significance appear to be common reactions to risk communications” (Gerrard et al; 1999, p96)

As cited by Gerrard et al (1999), Mahler et al in the quest to answer the question; “Can risk communication affect risk perception/behaviour?” exposed participants to a one of two 10-minutes illustrations of the proper use of sunscreen. The two documents had information on sunscreens but the main messages and what they were geared at were different. The first illustrations focused on the use of sunscreens to prevent skin cancer while the other messages concentrated on using sunscreens to prevent age spots and wrinkles. In the end, “the participants who watched either of these slide shows had higher post intervention risk estimates than did those in a no-information control group”.

From the many studies reviewed by Gerrard et al (1999) and the varied outcomes, it is clear that there are knowledge gaps with respect to risk communication therefore the need for further research to be conducted to bridge the gap(s). Therefore, the study recommended that the future generation of researchers can take advantage of new developments regarding feedback to help bridge the gap in study. Also, further studies can look at other methodologies in order to affirm or refute previous studies or better still unearth the reasons for the varied contradictory findings from previous studies.

According to Zimmerman (1987), in “A Process Framework for Risk Communication” a major function of a risk communication process is to provide information on risks and their uncertainties and the means to balance competing interests with regard to the distribution of those risks. The purpose of risk communication is not to create panic about a product or service but to provide enough information and how to curb the ‘issue(s)’ that comes with it. For instance, in the case of

HIV as mentioned in the study by Gerrard et al (1999), people became more cautious about unprotected sex in order to avoid contracting deadly sexually transmitted diseases like HIV. From the study, it was clear that prior to this knowledge, people were careless with their sex lives but with the necessary information the rate of HIV contraction reduced.

The end point to risk communication is reaching a balance. Therefore instead of risk communication being goal-oriented, the focus should be on the process of identifying the problems that comes with it and a more suitable means of handling the problems that is likely to generate from the said risk communication (Zimmerman, 1987). In a situation where one provides information on the risk associated to the service or product, one must go a step further to provide alternative options to either prevent it or even avoid it. Then there's the need for evaluation to ascertain whether the purpose of communicating risk has been achieved or not. If through the evaluation, the feedback received isn't encouraging then the communicator must go back and re-strategize to restore stakeholder's assurance.

Society would like to have full information about a product, service or activity (for instance the mines and pollution of water bodies and depletions of land) and its associated risk. Communication of risk should be void of technicalities because the majority of people who may be affected with such future issues is the lay man. The choice of words must be suitable for the group being communication to so as to enhance understanding.

Also, Zimmerman (1987) is of the view that educational programmes geared at influencing attitudes towards a course or brand is an aspect of risk communication. In order to influence people's behaviour or attitude towards a course, the target audience must be monitored so as to skew messages to their understanding. Just like in every communication activity, it is essential for

the communicator to know the target audience so as to help in the choice of diction to enhance understanding. The way one would explain a product or service to ten-year olds would certainly be different from a communication document for thirty-year olds. Therefore, in order to appeal to people to influence their attitude, the choice of words to use and careful planning is needed.

Further in the study, the need of risk communication was explicitly stated. Generally, there are three main purposes of risk communication. "(1) educate for the purpose of changing perceptions, attitudes, and beliefs about risks and consequently achieving behavior modifications toward risk; (2) to build consensus; and (3) to educate or disclose information without expectations about quality of learning or ability to influence" (Zimmerman, 1987, p131).

This notwithstanding, some researchers have questioned this view of education being a factor of behavioural change. The concerns Zimmerman (1987) raised in four points are as follows;

Firstly, it would be difficult for someone to change his or her behaviour due to a communication; this is because the person may have deep rooted belief in something contrary.

Secondly, people have different ways of understanding; same communication, same presentation style but a few people in the audience may see it from a different angle. There are people who always like to look at things from the negative or controversial angle and these people often use information differently from what is expected.

Thirdly, just as people are highly affected by beliefs and cultural backgrounds in the acceptance or modification of new ideas or cause so it is with receiving information. Interestingly, people have certain perceptions about some products and services and it sort of creates a barrier with regards to receiving contrary messages about the said products or services. In such situations, it is difficult to influence such a group about a cause with education. In addition to the beliefs and cultural

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backgrounds as factors that influence people's acceptance of messages and their choice of action, the social class (income levels), the message itself, how often the messages is repeated and the timing of the message are very essential to affecting attitudinal change.

Lastly, assuming the messages sent are received as intended (no barriers or modification of any sort before it gets to the targeted audience), there unanswered questions about learning and behavioural change.

A point to note with regards to risk communication is that it varies from one sector to the other. Unlike the risk communication for general goods and service, the health sector is very sensitive and as such communication of risk would be handled differently. Godschalk and Stifel in Zimmerman (1987), indicated that agreement or mutual understanding between parties is an effective mean for behavioural change which happens to be the age long assumption.

Although negotiation happens to be the best bet in influencing people's attitudes and behaviours, there must be a high level of cautiousness when it comes to the health sector. This is due to the very sensitive nature of the issues that is dealt with. Health matters has to do with life and death and the manner in which a risk associated to a commodity (for instance, car) would be communicated, health related communication vary from individual to individual depending on the individual's emotional and psychological state as determined by the health professional. It must also be noted that, not all cases can be negotiated. In the sense that, not all individuals may be willing to participate in decision making and in other situations when there's doubt or questions to be answered about the risk being communicated.

Yeung (2002) researched on Food Safety Risk: Consumer Food Purchase Models to partly find out how risk perception influences consumer purchasing decision. Our body composition is very

delicate therefore majority of people all over the world are very mindful of their in-take (water and food). One mistake with regards to what goes into our body can cost an individual his or her life. The study indicated how important the effect of risk perception on consumer buying behaviour is to most public health and food industries.

Prior to the study of Yeung (2002), Britain had had an outbreak of bacteria (bovine spongiform encephalopathy) in food and this had led to a loss of confidence in relation to food products. Due to the sensitive nature of the issue, gaining customer confidence back became a big challenge not only to the food producers but to the entire industry. In situations like this "perception of food safety risk has important consequences for both consumer and producer welfare, and the overall effectiveness and efficiency of the food supply chain" (Yeung, 2002 p2).

Yeung (2002) sought to identify the relation between perceived food safety risk and consumer buying behaviour so as to create a model for consumer food model. Therefore the study sort to identify the impact of consumer risk perception likelihood and methods used by consumers to reduce perceived food risk.

Yeung (2002) in his study indicated that some authors are of the view that risk perception is as a result of uncertainties. Among the authors that suggested uncertainty as a contributory factor to perceived risk are:

Cox (1967a) who describes perceived risk as "a function of uncertainty and consequences, presumably reduction of the amount of perceived risk can be achieved by increasing certainty and / or reducing the consequences."

Cunningham (1967a) conceptualise perceived risk in terms of these two components, uncertainty and consequences, that is the perceived certainty of a given event happening and the consequences involved if the event should happen.

Sparks and Shepherd (1994b) cite that perceived risk is “the combined evaluation that is made by an individual of the likelihood of an adverse event occurring in the future and its likely consequences” (Yeung (2002, p8&9).

Earlier studies have established that risk perception is usually dependent on how well the said risk is communicated to the public. So long as the information is made clear and there is understanding between the communicator and the consumer, there is hardly any panic reaction. Rather people look out for means to balance the whole situation provided there is enough and clear information (Zimmerman, 1999).

The study adopted the mixed method approach: this is the qualitative and quantitative approach of data collection. Yeung (2002) interviewed 28 respondents in order to gather information on perception of food risk and how the information could influence subsequent purchases. The convenient sampling method was used to select the sample population for the qualitative aspect of the study.

The second part which happens to be quantitative. Two Hundred (200) respondents were selected using the quota sampling in order for the study to represent the whole population. The 200 respondents were given questionnaires which were self-administered.

In answer to the highlighted objective mentioned earlier, the study found out that there are several factors that influence consumer buying behaviour. Among which are beliefs, social values,

preferences and past experiences with either similar or same products or even experiences from others.

The act of purchasing is no longer only at the core of the relationship between the firms and their customers. Producers and distributors have to cooperate with the final purchaser in order to solve the conflicts related to risk and promote, together with their customers, new ways to limit it (Bergadaà, 2005, p3). In the study, "The purchasing Risk: How is it perceived by the consumers". it can clearly be seen that lately most organizations buy and sell. These companies serve as an intermediary between the producers and the buyers. While at it, the companies create and maintain mutual beneficial relationships.

Although most of the telecommunication companies in Ghana sell devices such as modems, mifis, routers and phones amongst others, they are not the manufacturers/producers of the devices but rather need these devices to provide a good service. So in essence, since the individuals usually deal with the organisations with which they make the purchases, the producers must work hand in hand with the intermediary so as to know and communicate the likely change or defect about the product or service.

Bergadaà (2005) sort to find out the risk encountered by people in relation to a product or service so as to identify new ways on behavioural aspects and to generate a means of changing these attitudes. This necessitated the need for a qualitative study in order to understand how people perceive risk before the act of purchasing. Unlike the transactional marketing or sales, relational marketing does more. A lot more effort is needed in relational marketing because the sellers intends to keep the consumer for subsequent transactions and must therefore do a lot more to build trust so that the customer can keep the relationship.

For instance, if a customer often has issues with a product or service from a particular buyer, there is a high possibility that the consumer would either look for an alternative product or same product but a different brand to serve the expected purpose. In this situation where the experience has not been too good, the interaction can be said to be transactional. But where the benefits and likely defects are made known to a customer for purposeful decision making, trust is built and this could keep the customer coming back for more business interactions leading to relational marketing.

The study made use of interviews which were analyzed to ascertain the risk for an individual. Among the eight (8) products that were considered for the study were medical drugs, personal computers, car, watches, foodstuffs and health advices about medicines in drug stores. As cited by Bergadaà (2005), there exists some factors which encourage the perception of a risk before purchasing and which are themselves related to the individual, to the product, but also to the purchasing situation (Cox & Rich, 1964).

The aim of communication is to inform, educate create awareness, and to make available relevant information that helps in decision making. And in the case of functional risk communication, it is to communicate what the consumer should expect in terms of a likely defect so as to take caution in order to reduce the effect of the associated risk. As mentioned earlier, risk cannot be avoided completely but precautionary measures can be put in place to reduce the impact. As cited by Bergadaà (2005), the customer's fear with regards to perceived risk is making a bad choice which could lead to loss of money eventually. The less information about a product or service to counter the perceived risk, the tendency to increase risk perception about a product or service.

“Social risk is concerned with unfavourable consequences associated with other people’s significant hostile opinions toward the purchase or the product use. This type of risk is particularly potent in cases of socially visible products such as cars.” (Bergadaà, 2005, p5). And also functional risk is not only about loss of money but also loss of time. In that the time it takes a customer to try a product that may not serve the purpose cannot be returned. Risk perception can therefore be said to be uncertainty associated to a product or service which could be negative.

Cunningham (1967 b) mentioned the need to reduce risk perception about a product by assuring customers of brand and product warranty. A brand or product that gives a year or two warranty is indirectly telling the consumer that the product can stand the test of time within a year or two. Meaning if there is no direct effect from the consumer, the device can function within the number of months stated otherwise a replacement of the device. So depending on the product and its cost, the customer can ascertain if the product is of value before going ahead with the purchase. The high warranty of a product helps reduce the risk perception of a brand or product.

On the other hand, a product or brand that cost so much but with a few months warranty gives room for high risk perception. In that, the producer or seller is seem to be disassociating themselves from the product after the warranty stated. For instance, there is a high possibility that a customer that wants to purchase an air-conditioner would go in for one with higher warranty. Warranty here is not just assurance but ownership and guarantee of any subsequent outcome of the product either than the benefit which is through no fault of the consumer.

In the study Bergadaà (2005) noted that, in the era of technological, economic and informational change, one can hardly do away with risk but to ascertain which is convenient or manageable. The

exploratory (qualitative) study made use of eight (8) products and eighty-four (84) consumers who were grouped to investigate 3 major issues which are; health, personal and family products.

In order to collect data for this study, post graduates were trained to carry out the exploratory research and to be as neutral as possible by asking open questions to give room for participants to make their inputs, share their concerns and experiences. Although the products were different, the same questionnaire was used in order to avoid misrepresentation. Also, data collection for each product was done at their point of sale. After data collection, the information was transcribed and a content analysis done. After which answers to questions were grouped and validated accordingly.

In the end, the study was able to unearth three (3) strategies of consumer risk reduction. “The reduction of the functional loss, the relational exchange, the fact of integrating the global risk, are used in a complementary manner” (Bergadaà, 2005, p25). Consumers in the bid to avoid or reduce the tendency of risk, tend to choose one of these strategies in their purchasing decisions.

There are a wide variety of studies done in the area of risk and risk communication but most of them including the studies above focused on functional risk with regards to consumable products and health related issue. Therefore this study took a dimension different from the lot to research into telecommunication in Ghana, specifically Surfline Communications Limited.

## **2.4 Operational Definitions**

The terms explained below have been used throughout the study. The meanings and explanations given below apply strictly to their use in the context of the study.

**Risk:** a) Information about a product or service either than a benefit.

**Risk Communication:** The exchange of information between an organization and its customers about information either than a benefit of a product or service to its users.

**Risk Perception:** What a buyer or user of a product or service thinks about a product due to limited information provided by the producer or seller.

**Functional Risk:** The likelihood of a product or service performing below the expected or as described by the producer.

**Device:** Surfline modem, mifi, wingle or wireless router.

**Consumer:** Someone who purchases or uses a product and or signs on to a service.

**Barter Trade:** Exchange of goods and services for other goods and services.

## **Chapter Three**

### **Methodology**

#### **3.1 Introduction**

This chapter deals with the methods used in data collection for the research. This includes the population and sample, research instrument, research design and also the procedure used in the collection of data.

#### **3.2 Research Design**

Quantitative research focuses on systematic process of gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon (Babbie, 2010). Qualitative research is an exploratory research that is used to gain understanding of problems or opinions. Unlike quantitative, qualitative takes an unstructured or semi-structured means of data gathering (DeFranzo, 2011).

The research made use of both qualitative and quantitative research approach since questionnaires used to collect data contained both close-ended and open-ended questions. The questionnaire was used to solicit primary information about sample respondents' status (that is if respondents are students or workers), their educational status, income levels and their perceptions about the service under study.

Quantitative research allows generalization of findings to a large population and also identifies statistical relationships. Qualitative research allows exploration in order to understand and

interpret social interactions. It also gives room to study behaviour in a natural environment (DeFranzo, 2011).

The mixed method approach is the combination of qualitative and quantitative data in a research so as to provide a better understanding of a problem. The mixed method used in this study made it possible for the researcher not to restrict responses but to collect data on consumer perceptions as well. Non-experimental design was used in the study, in that; the researcher had some level of control over who and what to measure and when the measurement took place.

### **3.3 Population**

According to Hanlon and Larget (2011), a population is all the individuals or units of interest. Therefore the population for this research was customers of Surfline Communication from different parts of Accra; Osu, Airport, East Legon, Dansoman and Roman Ridge customer experience centers.

The population of the study consisted of fifty-nine (59) male respondents and forty-one (41) female respondents. The above representation shows that there was not an even distribution and this can be attributed to the random selection of respondents.

### **3.4 Sample and Sampling Techniques/Methods**

A sample is a subset of the individuals in a population (Hanlon & Larget, 2011). Surfline communication has an active subscriber base of about thirty thousand (30,000) active customers in Greater Accra, among which are high value, mid value and low value users. Despite the

existence of the large subscriber base, only five (5) suburbs in Accra were chosen conveniently for the study. However, all customers both male and female in each suburb were chosen randomly for the study. Therefore, the sample size of one hundred (100) was used for this study.

The simple random sampling method was adopted by this study so as to give all the individuals the equal likelihood of being included in the sample (Hanlon & Larget, 2011).

### **3.5 Data Sources**

Primary data was collected through a distributed questionnaire answered by respondents whereas secondary data were collected from books, articles and journal reviewed for the purpose of this research.

### **3.6 Data Collection Methods and Instrument**

In order to collect data for the study, questionnaires made up of close-ended questions and open-ended questions were structured for respondents to answer. The study opted to use questionnaires because respondents were literate and also it was to aid in getting the needed information for the study. Additionally, questionnaires were self-administered.

Before the questionnaires were distributed to respondents, ten (10) questionnaires were piloted. Findings from this section indicated gaps and the need for additional questions in the questionnaire therefore the need to restructure the questionnaire. Subsequently, another set of ten (10) questionnaire were distributed to new respondents in order to minimize any form of ambiguity and also to make sure that all four (4) research questions would be answered.

The twenty-two (22) itemized questionnaire was made up of two (2) parts. The first part was to gather information on the demographics of the respondents while the second part had fourteen (14) questions. In order to gather both quantitative and qualitative data concurrently, the questionnaire had both open-ended and close-ended questions.

### **3.7 Procedure**

In order to gain access to information, one hundred and ten (110) copies of questionnaires were randomly distributed to customers of Surflite communications irrespective of gender. Twenty-five (25) questionnaires were distributed at each of the four customer experience centers adding up to one hundred (100) and then additional ten (10) questionnaires were distributed to customers at the Surflite head office experience center at Roman Ridge.

Data collection from respondents took two (2) weeks because the Surflite customer experience centers are far apart from one another. Due to the detailed information required from respondents, questionnaires were distributed to willing customers while they were being attended to regarding the reason for visiting the store. Although the researcher was present at the customer experience center, respondents were given enough space to freely express themselves.

Although one hundred and ten (110) questionnaires were distributed, only one hundred and four (104) were retrieved. Among which four (4) were invalid due to inconsistencies detected in them. Therefore, the study had to do away with the invalid questionnaires, reducing the size to one hundred (100).

To effectively analyze data, the answered questionnaires were coded in order to detect the invalid questionnaires from the valid ones. This is to prevent a biased presentation of data.

### **3.8 Reliability and validity**

Kirk and Miller (1968) came up with three types of reliability in quantitative research. (1) The degree to which a measurement, given repeatedly, remains the same. (2) The stability of a measurement over time and, (3) the similarity of instrument within a given time period. Definitions of reliability and validity in quantitative research reveal two strands: Firstly, with regards to reliability, whether the result is replicable. Secondly, with regards to validity, whether the means of measurement are accurate and whether they are actually measuring what they are intended to measure (Golafshani, 2003).

As cited in "The Qualitative Report" (2003), some qualitative researchers are of the view that Reliability in qualitative study is questionable and uncalled for. This is because a qualitative study is for the purpose of explaining a concept and getting meaning to a problem. Whereas in the same study, Patton (2001) is of the view that every qualitative researcher must concern itself with validity and reliability in the analysis of results and quality of research. Additionally, Stenbacka (2001) argues that since reliability issue concerns measurements then it has no relevance in qualitative research. She adds the issue of reliability is an irrelevant matter in the judgement of quality of qualitative research. Therefore, if it is used then the "consequence is rather that the study is no good. (Golafshani, 2003).

In order to establish truth in this study, the questionnaire used for data collection went through two stages of piloting so as to prevent ambiguity and establish understanding of questions presented.

Additionally, the mixed method was implored in order to make up for the shortfalls of both qualitative and quantitative. Such that, while the numbers could be used for generalization, other aspects such as reason for respondents decision to stay on the network despite the functional risk could be appreciated.

### **3.9 Ethical Consideration**

Ethical considerations in research are set in place so that the researcher in the quest to acquire information would not infringe on the rights and privileges of the participant or respondents. There are three guiding principles that was adopted by this study which are; respect for persons, beneficence and justice.

In as much as the research would like to gather information in a respondent's natural setting, the data collection should not be done without the respondent's concern or against his or her will. Respondents' privacy in the form of data collected must be protected. Information given by respondents to aid the study must be kept private and confidential (Ethical Issues in Conducting Research, 2007).

Secondly, in the bid to ensure that participation in this study does not open up respondents to any harm, the researcher put measures in place to minimize the psychological and social risks that such studies come with.

Lastly, justice demands equitable selection of participants. The principle of justice requires that those who undertake the burdens of research must be likely to benefit from the research (Adams and Callahan, 2013)

With regard to the above, questionnaires for this study were distributed to Surfline customers who were willing to participate in the study. Respondents' confidentiality was ensured by avoiding personal details. The study benefits both Surfline Communication Limited and their customers who were respondents of the study.

## Chapter Four

### Data Analysis and Findings

#### 4.1 Introduction

This aspect of the study, deals with the analysis of the data collected. Questionnaires were distributed to one hundred and ten (110) respondents except that on collection, only one hundred and four (104) were retrieved. Four (4) of the questionnaires were invalid and therefore could not be added in order not to distort the findings of the study.

The data was analysed with the aid of SPSS, which helped in the generation of frequency tables for analysis. Majority of the respondents, have good educational background, and most of them were in the formal sector. Among the one hundred (100) respondents, not all questions were answered.

#### 4.2 Data Presentation and Analysis

**Table 1: Sex of Respondents**

<b>Sex of Respondents</b>	<b>Frequency</b>	<b>Percent</b>
Male	59	59.0
Female	41	41.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

*Source: Field Data, 2017.*

The table above is a frequency distribution of the sex of the respondents. Out of the total of one hundred (100) respondents, fifty-nine (59) of them with a percentage representation of 59% were male; while forty-one (41) with a percentage representation of 41% were female. The data above shows that majority of the respondents were male.

**Table 2: Employment Status of Respondents**

Status of Respondents	Frequency	Percent
Student	15	15.0
Employed	79	79.0
Other	6	6.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

*Source: Field Data, 2017.*

Next in the analysis was the employment status of the respondents. Majority of the respondents, with a frequency of seventy-nine (79) and a corresponding percentage of 79% were employed. 15% of them were students, and 6% of the respondents chose the “other” option.

The data above is reflective of the fact that, majority of the respondents were actively engaged in various fields of employment.

**Table 3: Educational Background of Respondents**

<b>Educational Background</b>	<b>Frequency</b>	<b>Percent</b>
JHS	2	2.0
SHS	5	5.0
Diploma/HND	12	12.0
Graduate	77	77.0
Other	4	4.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

*Source: Field Data, 2017*

The table above is a frequency distribution table showing the educational background of respondents. 77% of the respondents, being the majority, were graduates (first degree holders); 12% of the respondents were Diploma/ HND.

Only a handful of the respondents had lower qualifications. Among the total respondents; 5% had SHS qualification, while 2% had only a JHS certificate. Also 4% chose the "other" options; these were holders of professional certificates such as chartered accountancy.

The data shows the respondents had an appreciable level of communication.

**Table 4: Income Level of Respondents**

<b>Income Level</b>	<b>Frequency</b>	<b>Percent</b>
100 – 1000GHC	32	32.0
1100 – 2000GHC	25	25.0
2100 – 3000GHC	23	23.0
3100GHC and above	10	10.0
Unspecified	10	10.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

*Source: Field Data, 2017*

Respondents were given options of income levels which ranged between; 100 – 1000 Ghana cedis which was the lowest, to 3100 Ghana cedis and above.

This question had ninety (90) out of the total of one hundred (100) respondents answering; 32% of the respondents being the majority earned between 100 and 1000 Ghana cedis. Closely following this income bracket were those earning between 1100 and 2000 Ghana cedis (25%). Whereas 23% of the respondents were in the bracket of 2100 and 3000 Ghana cedis; and only 10% of respondents earned 3100 Ghana cedis and above.

This table shows that majority of respondents were low income earners which is between 100 and 1000 Ghana cedis, while only a few were high income earners which is 3100 Ghana cedis and above.

**Table 5: Channel of first information about Surfline**

<b>Source</b>	<b>Frequency</b>	<b>Percent</b>
Radio	20	20.0
Television	28	28.0
Social Media	27	27.0
Friends	18	18.0
Family	7	7.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

Next in the analysis was to find out how respondents heard about Surfline internet service. Respondents were presented with various options to choose from. All the hundred (100) respondents gave an answer to the question.

Out of the number, 28% of the respondents had heard about Surfline on television; while 27% of the respondents they heard about it on social media. On the other hand, 20% of the respondents said they heard of it on radio; 18% of the respondents said they heard about it from friends, and 7% said they heard about it from family members.

**Table 6: Respondents' thoughts prior to joining the Surfline Network**

<b>Source</b>	<b>Frequency</b>	<b>Percent</b>
Yes	68	68.0
No	31	31.0
Any other	1	1.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

The table above is a frequency distribution table, which analyses respondents' thoughts about the Surfline network, prior to signing up to it. From the table, it is seen that 68% of the respondents answered in the affirmative, while 31% of the respondents said they had no previous thoughts about the network. Only one respondent was indifferent.

**Table 7: Perception of Surfline Prior to Purchase**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Positive	71	71.0
Negative	9	9.0
No answer	20	20.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

The table above is a frequency distribution of the nature of thoughts respondents had prior to joining the Surfline network. Respondents were presented with two options: positive and negative.

Out of the one hundred (100) respondents, eighty (80) provided a response to the question. Majority of the respondents – 71% of them said they had positive thoughts, while 9% said they had unfavourable thought, that is, negative thoughts about the network, prior to signing up to it. The rest of the 20% were indifferent about whether their thought prior to joining the network were positive or negative.

**Table 8: Perception of Surflin after Purchase**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	62	62.0
No	26	26.0
No answer	12	12.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

The table above is a frequency distribution of respondents' views on whether their opinions about the network, prior to joining Surflin had an effect on their purchase. From the table, it is seen that 62% of the respondents said yes, while 26% of the respondents said it did not affect their purchase.

**Table 9: Period on Surfline Network**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
3 years	37	37.0
2 years	35	35.0
1 year	15	15.0
6 months and below	11	11.0
No answer	2	2.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017

The table above is a frequency distribution of respondents and how long they have been on the Surfline network. Almost all the respondents, with the exception of two (2) gave a response to the question.

It is seen from the table that, 37% of the respondents said they have been on the network for three (3) years; closely following this category were those that had been on the network for two (2) years, and they had a representation of 35%.

Also, 15% and 11% of the respondents have signed up to the network for a year, and 6 months downwards respectively. The data set reveals the majority of the respondents have been on the network long enough.

**Table 10: Prior Research before joining the Network**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	49	49.0
No	51	51.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

The table above is a frequency distribution table showing whether respondents had conducted due diligence on Surfline network prior to signing up to it. This question had all respondents responding to it.

It is seen from the table that, 49% of the respondents responded in the affirmative, while the majority, being 51% said they did no prior research prior to joining it.

**Table 11: Communication on Functional Risk**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	38	38.0
No	62	62.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

The above is a frequency distribution table displaying view on whether expected challenges (risk) was communicated to respondents. All respondents provided a response to the question.

62% of the respondents representing the majority responded in the negative: that is, not receiving functional risk communication while 38% said they received information on the expected challenge on the network or device.

**Table 12: Understanding of terms and conditions**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	38	38.0
No	0	0.0
No answer	62	62.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

From table 12, 62% of the respondent representing the majority did not answer because according to them they did not receive any expected challenge information. While 38% of the respondents who said they received the information about the expected challenge confirmed understanding.

In the previous analyses (Table 10), a majority being 51% of the said they did no previous research on the network before signing up to it; while in this analysis 38% said they fully understood the risk. In this case, respondents signed up to the network without research.

**Table 13: Necessity of risk Communicated**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly Agree	30	30.0
Agree	26	26.0
Disagree	3	3.0
Strongly Disagree	4	4.0
No answer	37	37.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017

The table above is a frequency distribution of respondents' thoughts on whether communication on the Surfline device was necessary. The question had 63, out of the 100 respondents providing a response to the question.

It is seen from the table that, majority of the respondents; 30% of them strongly agreed to the assertion; 26% agreed to the assertion. Also 4% strongly disagreed, while 3% simply disagreed with the assertion.

**Table 14: Respondents' Challenges with the Surfline Network**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	70	70.0
No	28	28.0
No answer	2	2.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

The frequency distribution table above is a description of respondents' views on whether they have had some challenges with the Surfline network. The question had ninety-eight (98) out of the total answering the question.

70% of the respondents said they had challenges, while 28% said they had not encountered any challenge yet.

**Table 15: Risk communication before or after the challenge**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Before incident	20	20.0
After incident	31	31.0
No information	19	19.0
No answer	30	30.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017

The table above is a frequency distribution table of respondents' views on whether they received communication about the associated risk concerning the Surfline network/device. The question had 70% of the respondents answering it, while the remaining 30% did not provide an answer to the question.

From the table, it is seen that 31% of the respondents said they received risk related communication after the incident; 19% of the respondents said they received no communication at all; and 20% said they received communication prior to challenges with the device.

**Table 16: Understanding of terms and conditions pertaining to risk**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	42	42.0
No	18	18.0
No answer	40	40.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

The table above is a frequency distribution table of respondents' views on whether they understood the communication they received about the challenge they reported. Sixty (60) out of the total, responded to the question.

Majority of the respondents, being 42% of the respondents responded in the affirmative; while 18% said they did not understand the communication they received.

**Table 17: Assessment of Surfline Network**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Very Low	21	21.0
Low	27	27.0
High	43	43.0
Very High	4	4.0
Don't know	5	5.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017

Table 17 is a frequency distribution table of the respondents' assessment of the Surfline network.

Majority of the respondents, being 43% said Surfline's performance was high; in a sharp contrast, 27% of the respondents said the performance of the network was low. On the other hand, 21% of the respondents said the network's performance was very low, only 4% rated the service as very high; and 5% said they 'don't know'.

It is revealed earlier in the analysis that majority of the respondents have been on the network for a considerable amount of time, with the highest being 3years. Therefore, it can be deduced from this table their assessment of the Surfline network service is reasonable.

**Table 18: Respondents' decision to purchase prior to/after risk communication**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	57	57.0
No	17	17.0
Maybe	18	18.0
No answer	8	8.0
<b>Total</b>	<b>100</b>	<b>100.0</b>

Source: Field Data, 2017.

Table 18 is a frequency distribution table of respondents' views on whether they would have still joined the network if they had received communication prior to, or after the communication. In all ninety-two (92) out of the total provided various answers to the question.

From the table, 57% of the respondents said they would have still made purchase regardless if they received communication or not; 17% said they would not have made purchase; while 18% said they will, maybe, still joined the network.

## **Chapter Five**

### **Summary, Conclusion and Recommendation**

#### **5.1 Introduction**

The study sought to investigate the level to which the users of communication networks and the public understood functional risk, and if they considered it at all prior to deciding on using Surfline 4G service. This chapter presents a summary of the major findings of the study, conclusions and makes recommendations on possible areas for further research.

#### **5.2 Discussion**

The objective of this study was to find out if functional risk communication has an impact on consumer purchasing decision. Embedded in the broad objective were four (4) specific objectives. Out of the specific objectives there were four (4) research questions which helped to arrive at answers to the main objective.

##### **5.2.1 Objective 1: To ascertain Surfline's Customer's Understanding of Functional Risk Communication**

The study found that most respondents heard about Surfline via television; the response to this question was divided almost evenly among the channels of communication available, which is Television, Social Media, Friends and Family. This is an indication that Surfline utilizes all communication channels to get to its consumers or subscribers.

In reference to the Diffusion of innovation theory, it is expected that as a new network with new devices that people weren't familiar with, there would have been more education or spread of information about it in order to affect people's behaviour. The diffusion of innovation theory emphasized the need for continuous communication. Continuous information about a product or service is sort of awareness creation.

Despite the fact that a huge section of the sampled population did not receive communication of the risk factor, all of them went ahead to make a purchase to sign on to the new network. This implies that the respondents are early adopters as mentioned in the Diffusion of Innovation Theory.

Data collected showed that majority of respondents (71%) had positive thoughts and perceptions about the Surfline network prior to joining the network. Interestingly, Table II shows that less than half of the respondents said they had information about the functionality of the devices/service at the point of sale and the same group of people understood the information that was communicated.

Although there were positive thoughts about the network, table II indicates that majority of respondents said there was no communication about the likely defect of the devices or the network at the point of sale. In reference to the no information, there was nothing to understand. The findings of the Study 'Effect of Risk Communication on Risk Perceptions: the Significance of Individual Differences' by Gerrard et al (1999) indicated the importance of risk communication. Communicating risk about a product or service would well inform especially a prospective customer to weigh his or her option and then make final decisions and bear the consequences of the out.

In the outcome of this study as display in Chapter 4; Table 11, functional risk was not communicated. Implying that the customers did not have information to think through and weigh options in order to make informed decisions pertaining to the purchase of the Surfline device. Results from Gerrard et al. (1999) presented a positive relationship between risk communication and preventive behaviour in adolescents. In the case of products and service function risk communication is to make the customer aware of the likely defect of the product so that this could be avoided or prevented.

Findings off this research could not support that of Gerrard et al (1999) which stated that once people have knowledge of the said risk and preventive measures are taken, the level of vulnerability reduces. In the case of this study, functional risk was not communicated thereby implying that there was no need for any preventive measure to reduce the level of device or network underperformance.

It was clearly stated in table 14 that functional risk was not communicated to more than half of the sampled population. The study therefore went ahead to find out the motivation behind the purchase of the devices and the use of the network. Findings of the study revealed that majority of the population although did not have information with regards to functional risk, signed on the service because of the assured quality service and good remarks from family and friends and this is supported by the findings of Lautiainen, (2015) that there is a relationship between social factors and purchasing decision.

## **5.2.2 Objective 2: To Determine Effect of time of communicating functional risk on Surfline Customers' purchase decision**

In order to determine the effect of the timing of functional communication, it was essential to find out if respondents had encountered any form of challenge on the network. Findings showed that majority of respondents (70%) had had challenges with either the Surfline devices or network.

Furthermore, data collected revealed that 30% of respondents did not answer the question because they had mentioned earlier that they had not encountered any challenge on the network. Majority of the sampled population received information about functional risk after the incident, while a few mentioned that they had had no information at all that is before or after the incident. Only 20% indicated that they had been informed about an expected challenge prior to purchase.

The study went further to find out if there was understanding of the communication that they had received before or after the defect, majority indicated that they well understood the information presented. Minority of respondents representing 18% though have received the information, did not understand it.

Findings here supports the assertion by Edwards et al., (2012) and Zimmerman (1987) that the main concern when it comes to risk communication is the understanding of the message and arriving at a common agreement so that the buyer knows what he or she is signing on to. In order for these messages to be understood by the target audience, the packaging and presentation of the information must be taken into keen consideration. It could be the same information, same presentation style but people have different ways of understanding.

### **5.2.3 Objective 3: To determine the influence of Surflin's risk communication on risk perception**

There are three assumptions that comes with the rational choice theory. These are preferences, beliefs and constraints. Without research, one would not know the advantage(s) a product has over the other and even the attached constraints. Also, Riley (2012) in "A buyer's decision-making process" emphasized the need for research at virtually every stage of the process. From Recognition to information search to Evaluation to purchase and post purchase evaluation, some form of research is required. Normally before a purchase, people tend to enquire and weigh their options before a decision is made.

On the contrary, findings from this study indicated that more than half of the sampled population did not do any form of research before joining the Surflin network and this could be the reason why there was no communication on functional risk associated to the device at the point of sale. This is because, prior research would have brought about some uncertainties which would have made prospective customers question the functionality of the device(s) which would have led to information.

As seen in table 10, only a few respondents received information about the devices at the point of sale prior to purchase and that few understood the information that was disseminated. Findings also showed that even those who received information after having challenges with their device(s) got the information they needed which was well understood. This is displayed in table 17, where half of the sampled respondents noted that with regards to risk communication, Surflin does well and the other half had contrary views.

The definition of risk by Cox (1967a) who describes perceived risk as “a function of uncertainty and consequences, presumably reduction of the amount of perceived risk can be achieved by increasing certainty and / or reducing the consequences.” This implies that to those who had information on functionality of the Surfline device were prone to reducing consequence which in line would affect their risk perception, thereby rating Surfline high in functional risk communication. The other half rated Surfline as low in functional risk communication because they had no information on what to expect in terms of device performance which in turn increased their uncertainty. Information dissemination happened to be key in eliminating or reducing people’s risk perception (Yeung, 2002).

#### **5.2.4 Objective 4: To determine the Influence of Functional Risk Perception on Surfline Customer’s Purchase Decision**

As displayed in table 6 and 7, findings of the study showed that majority of the sampled population had positive opinions or perceptions about the Surfline network and this affected majority of respondents’ purchase decision of the device with just a few saying their perception about the Surfline network did not have a bearing on their purchase of the Surfline device.

The study went on further to find out from respondents if they would have gone ahead with their purchase should they have had enough information about the functionality of the devices, more than half of the sampled population responded in the positive. 57% indicated that they would have gone ahead to purchase the device to join the network with or without functional risk communication. Some of the reasons are as follows;

- Fast reliable internet service
- Promises quality service
- Recommendation from friends and family

The few that said 'no' and 'maybe' to purchase of the surflite device after exposure to functional risk. indicated that they would choose convenience and also weigh the options; that is value for money. This goes to confirm the constraints factors in the Rational Choice Theory (RCT) which is linked to financial strength. This means that the prospective buyer would weigh the available options taking into consideration his or her finances to validate the need for the purchase.

### **5.3 Summary**

The study found that majority of the respondents (59%) were male, graduates and employed with an income in the ranges of 100 to 1000 Ghana Cedis. The study further found that majority of the respondents (37%) have been on the Surflite service for the past 3 years, since Surflite came unto the Ghanaian market. It also found that majority of the respondents (68%) had a perception about the network service Surflite.

### **5.4 Implication of Findings to the Study**

The study made use of '**A buyer's decision-making process**' which listed a 5 step process that consumers go through before a purchase. First of all, the customer must identify a need or problem that needs to be satisfied. Surflite customers identified the need for fast internet but 51%

representing majority of respondents skipped the second step which is information search. Majority of Surfline customers did not do prior research before going ahead with the purchase.

In the absence of research, one can say there was no need to evaluate alternatives because it is mostly out of information search that one would come across factors that may require the need to search for alternatives before the purchase is made. Therefore findings of this study did not fully support the assertion of the Buyer's decision process.

The '**diffusion of innovation theory**' emphasized the need for continuous communication about new 'ideas' that is new product and services in order to affect people's behaviour. Findings of the study showed that Surfline communication made use of a wide range of channels to disseminate information about their entry into the market; from radio to television, social media, friend and family.

This to an extent affected the purchase of Surfline device with majority of 51% not doing prior research before signing on to the service. Therefore findings of this study supports the assertion that information dissemination about a new idea can affect people's behaviour.

The '**Rational Choice Theory**' is of the view that people must forestall the outcome of their choices and weigh the options to match their expectation. Findings of the study showed that though most Surfline customers did not do prior research, they had high expectation of the service as promised in their advertisements. And despite the fact that 62% of respondents did not receive prior functional risk communication, 57% of the respondents said they would have gone ahead with the purchase of the Surfline device if the incident or expected challenge had been communicated to them.

With regards to the above, findings of this study supports the assertion of RCT which indicates that the action to purchase or not varies from one individual to the other.

## **5.5 Conclusion**

The study can conclude that customers or subscribers over the period have been oblivious of the need to assess functional risk as one of the factors to consider in making a purchase decision or subscribing to a network. In that regard it also behooves on service providers to make use of the channels available to them to communicate functional risks and any other risks to potential customers prior to making sale. As we deduced from the data gathered that information on products reach consumers by the channels used, it will right for network providers go the extra mile of communicating such risk that customers may encounter.

It was further found that the majority of people do not receive any prior communication about an anticipated challenge with the network services. Nevertheless majority of the subscribers stated that they would have made purchase even after a prior functional risk has been communicated.

## **5.6 Limitation**

The study wanted to examine a wider population but one of the limitations faced by this study was the unwillingness for respondents to partake in the study. Therefore, the study could only made do with one hundred (100) questionnaires since four (4) out of the one hundred and four (104) questionnaires retrieved were invalid.

Time limitation was also another factor, otherwise other Surfline service centers would have been explored to attain their views per their experience on the network with regards to functional risk communication.

Due to time constraints, the study could not analyze questionnaires individually to segment the income levels of respondents and how it affected some of the decisions made with regards to the itemized questionnaire. An analysis of this would have unearth the relationship between the income or educational levels of consumers and the effect it has on preferences and choices made.

## **5.7 Suggestions**

Based on findings, the researcher suggests the following;

The researcher sort information from five service centers in Accra but it could not segment to know which of the service centers held back functional risk information or communicated to customers. The organization can therefore conduct a periodic study in the various service centers separately in order to identify and appreciate the shortfalls and train agents where necessary.

Consumers or customers be it prospective or existing should make it a point to do some form of research about products and services before signing on to in order to avoid disappointment in the eventuality of a defect of challenge.

Also customers have the right to ask questions about the products and services in order to have information to make right decisions and organisations must be willing to provide answers. Provision of answers would to a very large extent reduce uncertainties and risk perceptions.

This study focused mostly on Surfline subscribers, further studies can be done considering the service providers and all stakeholders. Also further studies can compare how two or more products or services communicate functional risk and the impact it has on the said products or services. Additionally, another study in this area must also consider focus group interviews.

Further studies can look at income levels of consumers and its effect on risk perception and also purchase decision.

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## Appendix A (Questionnaire)

Dear respondent, I am a student of the Ghana Institute of Journalism (GIJ), conducting a research on the topic; “effects of Risk Communication on consumer purchase decision”. Kindly spare some time to complete this questionnaire.

This is strictly for academic purposes and view expressed would be treated with confidentiality.

### PART ONE – Personal Profile – Please Mark as Appropriate.

1. Gender: a. Male ( )      b. Female ( )
2. Status: a. Student ( )      b. Employed ( )      c. Other (kindly specify).....
3. Educational background: a. JHS ( )      b. SHS ( )      c. Diploma/HND ( )  
d. Graduate ( )      e. Other (kindly specify).....
4. Income Level: a. 100ghc – 1000ghc ( )      b. 1100ghc – 2000ghc ( )  
c. 2100ghc to 3000ghc ( )      d. 3100ghc and above ( )

### PART TWO – Please Mark as Appropriate

1. Where did you first hear about your preferred Telco?  
a. Radio ( )      b. television ( )      c. social media ( )      d. Friends ( )      e. Family ( )
2. (i) Before joining the Surfline network, did you have any thoughts or opinions about it?  
a. Yes ( )      b. No ( )  
(ii) If yes, what was your opinion about the Surfline network?  
a. Positive ( )      b. Negative ( )

3. (i) Did your thoughts affect your purchase of the Surfline device?

- a. Yes ( ) b. No ( )

(ii) Please give reasons for the above answer.

.....  
.....

4. How long have you been on the network?

- a. 3 years ( ) b. 2 years ( ) c. 1 year ( ) d. 6 months and below ( )

5. Did you do any form of research before subscribing to the Surfline network?

- b. Yes ( ) b. No ( )

6. Was there any form of communication about an expected challenge (risk) with regards to the Surfline device or network at the point of sale?

- a. Yes ( ) b. No ( )

(i) If yes, did you understand the terms and conditions pertaining to the risk?

- a. Yes ( ) b. No ( )

(ii) The risk communicated on the Surfline device was necessary.

- a. Strongly Agree ( ) b. Agree ( ) c. Disagree ( ) d. Strongly Disagree ( )

(iii) If no to question 6, what informed your decision to go ahead with the purchase?

.....  
.....

7. Have you encountered any sort of challenge (risk) on the Surfline network?

- a. Yes ( ) b. No ( )

(i) If yes, please specify.....

8. If yes, was there any communication about the challenge before or after the incident?  
a. Before incident ( ) b. After incident ( )

(i) If yes, did you understand the terms and conditions pertaining to the risk?

a. Yes ( ) b. No ( )

9. How would you assess the performance of the Surfline (network and or devices) with regards to risk (challenge) communication?

a. Very low ( ) b. Low ( ) c. High ( ) d. Very high ( ) e. Don't Know ( )

10. If this incident had been communicated prior the purchase, would you have gone ahead with the purchase of the Surfline device?

a. Yes ( ) b. No ( ) c. Maybe ( )

11. Kindly state reason for your decision.

.....  
.....

**Thanks for your time.**

## Appendix B



*Fig 1. Displayed Cigarettes packs*