THE EXTENT OF ADOPTION OF BRANDING CONCEPT BY KENYAN COOPERATIVE SOCIETIES
THE CASE OF SACCOS OFFERING FRONT OFFICE SERVICES IN NAIROBI PROVINCE

BY

ANCIETA M. MWITI
REG: D61/P/8632/05

A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION (MBA)

SCHOOL OF BUSINESS
UNIVERSITY OF NAIROBI

OCTOBER, 2009

DECLARATION

This research project is my original work and has not been submitted for a degree in any other University.

Signed.. **Date**..10th November 2009....

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This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

To my dear mum, Caroline Njeri, for your prayers and support towards my academic endeavors from my childhood to this far I have come.

To my loving husband, Simon Mwiti, for your moral and financial support, patience and understanding that saw me through the most challenging moments of the MBA programme.

To our wonderful children, Rodney Kimathi and Victor Kabiru, for the encouragement and interest that you showed in my studies. May our Good Lord continue to keep you all in His unending favours.

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First and foremost I give all the glory and honour to our Almighty God for granting me strength, good health and the necessary resources to complete the MBA programme. His Grace has been sufficient.

I take this opportunity to express my sincere thanks and gratitude to the following people, whose contributions have been valuable and made this report a success;

To my supervisor, Catherine Ngahu, who guided me throughout the research and was readily available when I needed to consult her.

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May the Almighty God bless you all.

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ABBREVIATIONS

SACCO	Savings and Credit Cooperative
MOCDM	Ministry of Cooperative Development and Marketing
CEO	Chief Executive Officer
USA	United States of America
ICA	International Cooperative Alliance
ICT	Information and Communications Technology
ILO	International Labour Organization
GDP	Gross Domestic Product
ATM	Automated Teller Machine
FOSA	Front Office Services Activities
UBS	Union Banking Section
CPCS	Co-operative Production Credit Scheme
SPSS	Software and Statistical Program for Social Sciences

ABSTRACT

The purpose of this study was to determine the extent to which SACCOs have adopted branding and determine factors hindering product branding among the SACCOs with FOSAs in Nairobi. The study used a descriptive research design. The population consisted of all savings and credit cooperative societies offering front office services in Nairobi Province. Since the population of this study was small (39) the researcher opted to carry out a census study. Primary data was used using a structured questionnaire with closed and open ended questions. The senior most executive responsible for marketing or the CEO where a marketing executive did not exist was administered with a questionnaire. After retrieving the questionnaires the researcher edited, coded and entered the data in Statistical Package for Social Sciences (SPSS) for a better and efficient analysis.

SACCOs are diversifying their products and venturing into the non traditional business of granting loans to their members. The FOSA is such a product that aims at offering competitive products to cooperative members in the current competitive financial market. One way of offering competitive products is through adoption of the branding concept.

The study found out that brands did exist in savings and credit cooperative societies that offer front office services. Distinct products brands that were cited included; Kings Savings, Imara Mustard Junior, Maisha Loan, Platinum Loan, Rafiki, Jienjoy, Marammoja, Express, Vision loan, Premium loan, Twiga account, Junior account and Prime account. The results also established that there are those respondents who claimed that brands existed in their organizations but instead cited the traditional or generic SACCO loan products such as salary advance, emergency, school fees and normal or development loans, special loans. They cited specialized FOSA products as including Biashara account, holiday account, fixed deposit account, Golden loan, Weekend advance loan, holiday loans, super loan, product for Muslims, instant advance, instant

loan, IPOs loans, maternity and paternity loans, loan overdraft, utilities loan and hot point appliances loan. The researcher concluded that this second category of respondents may not have fully comprehended the meaning of 'brand' and 'brand adoption'. Moreover, it was found out that majority of the SACCOs did not have a marketing department, which, in any organization is very key in spearheading the overall marketing activity including branding

The results of the study also established that there are numerous factors that hinder adoption of branding in cooperative organizations. Major among these were stiff competition in the financial market, dependence on SACCO management for approval of new product development and approval of marketing budget. It was established that members' salaries are inadequate to service the various loan products available to them, thus hindering the adoption of branding. Also cited was lack of support by Ministry of Cooperative Development and Marketing and a poor SACCO regulatory framework. Other major challenges included; lack of adequate capital to enhance product branding, lack of awareness on the needs of members on the part of the management, poorly developed products that were not tailored to meet members' needs and poor management skills to influence strategic marketing decisions. Insecurity within business premises and low ICT utilization were a hindrance to branding. The concept of the common bond was also found to be a limitation to the growth and development of SACCOs, while there was a general lack of knowledge on current market trends.

CHAPTER ONE

INTRODUCTION

1.1 Background

The environment in which organizations operate is constantly changing with different factors influencing them. Since the turn of the millennium, the general business environment has become more volatile, unpredictable and very competitive, Pearce and Robinson (2005). Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies. The days when firms could simply wait for clients to beat a path to their door are long gone. Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves (Kotler, 2000).

Liberalization and globalization brought a variety of products in the market. Consumers have thus become exposed to many products of all qualities, makes and origin. They therefore seek the best available products to satisfy their specific needs (Mintzberg, 1994). With many substitutes, firms must differentiate their products in the eyes of the consumers. This state of events has led many organizations to rethink about the concept of branding. Marketers today need to work harder to make their brands successful in the market place (Aaker, 1997).

According to Harrell, (1999) many organizations go about running their businesses on a daily basis, handling all the customer issues, making sure that the numbers are right and that all resources are coordinated. If there is one thing they forget to do though is to let the world know how uniquely they do things. The bottom-line is this; because they do not communicate how different they are, consumers assume that they are like everyone else. Years ago, having better customer service, or having a good product line, or having reasonable pricing might have been a difference. But in today's world, all those things are expectations which ought to be assumed as a 'must be' just to stay in business. One great area of difference or uniqueness is branding.

1.1.1 Defining a Brand

A product is something that is made in a factory; a brand is something bought by a customer. A product can be copied by a competitor; a brand is unique. A product can quickly be outdated; a successful brand is timeless (Kings et al, 2008).

A brand is a distinguished name or symbol (such as logo, trade mark or package design) intended to identify the goods and services and differentiate those goods and services from those of competitors. A brand signals to the customer the source of the product, and protects both the customer and the producer of the product from competitors who would attempt to provide products that appear identical. At an emotional level a brand provides the customer with a feeling of familiarity and trust and helps simplify choice.

Whether a savings and credit Cooperative society, commonly known as SACCO, has crafted an identity or not the consumers have a brand feel they have created about it. The task for brand owners and SACCO managers is to steer the brand identity they have in mind to match with the customers'. The brand differentiates the products and services of one SACCO from those of another.

Branding can be defined as the entire process involved in creating a unique name and image for a product (good or service) in the consumer's mind, through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers. Therefore, branding is the art of becoming knowable, likable and trustable (Jantsch, 2005).

There is a misconception that branding is just for products or big companies. Every small business has a brand either accidentally or intentionally, it's a lot like a personality –

everyone has one. So, the question then becomes: what should you do to create a brand that enhances your marketing efforts and rings true for you?

Consumers are not usually considered equally brand conscious, or willing to pay extra cost for a branded product. The question which often requires an answer is: How many are brand conscious and what premium, if any, are they willing to pay for a product with a well-known brand? If a firm is able to create a strong brand, it attracts customers and builds barriers against competition. Branding allows for differentiation of products both from competitors and commodity products; therefore the firm no longer has to compete exclusively on price (Aaker, 1992; Ashley, 1998; Malhotra et al, 1999).

1.1.2 Cooperative Societies

The International Co-operative Alliance (ICA) has defined a Co-operative as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly-owned and democratically-controlled enterprise."

According to the International Labour Organization (ILO), a co-operative is "an association of persons usually (but not always) of limited means, who voluntarily join together to achieve a common economic end through the formation of a democratically controlled business organization, making equitable contribution to the capital required and accepting a fair share of the risks and benefits of the undertaking."

The cooperative movement in the world has been developing for over 160 years. In many developing countries, cooperatives have been instrumental in helping people to provide for themselves where assistance from corporate and other private entities is not available. In fact, about 700 million individuals in 90 countries of the world are members of cooperatives, thus elevating cooperatives' position as a powerful economic tool. In Japan and Scandinavian countries cooperatives are known to drive the economies of those countries through agricultural sector while the membership of credit unions comprises almost half of the population in USA.

In Kenya, the white settlers formed the first cooperative society in 1908 for the purpose of marketing agricultural produce. After independence, the Government recognized cooperatives as suitable vehicles with appropriate framework to achieve their aspirations in economic development. Indeed, cooperatives provide essential services to different sectors of the economy such as in Agricultural production, processing and marketing, transport, Jua Kali, finance and housing.

Co-operatives have played an important role in the development of the economies of Kenya, Uganda and Tanzania and have led to the uplifting of the standards of living of the people. It is estimated that there are more than 6 million Co-operative members in the Region. According to ICA, 2008, it is estimated that in Kenya one out of every five people is a member of a co-operative society and 20 million Kenyans directly or indirectly derive their livelihood from the Co-operative movement. For the last four or so decades, the financial co-operatives have played a pivotal role in the development process in Kenya, accounting for about 25% of all the financial services in the country and contributing 45% of Gross Domestic Product (GDP) with 31% of national savings and deposits. In Kenya there are more than 2.5 million members in SACCOs countrywide out of the 7 million Co-operators while there are 3,000 SACCOs countrywide, out of the 11,000 registered Co-operatives. The savings mobilized by SACCOs in Kenya are Kshs. 110 billion (US$1.5 billion) and the loans outstanding are Kshs. 95 billion (US$1.3 billion). However, the concentration of co-operative activities is within the financial sector (44%) and the agricultural sector (38%) while the rest of the sectors constitute 18% of the total number of registered cooperative societies. In the agricultural sector, co-operatives are largely involved in the primary production, processing and marketing of agricultural commodities, procurement of farm inputs, disbursement of credit and introduction of new technologies (ICA, 2008).

Co-operatives have been involved in the provision of credit for the purchase of land, farm inputs, housing, education, medication and development of various business ventures (Ministry of Cooperatives Development, 2006). The cooperative sub-sector experienced major changes in the economic environment, brought about by the liberalization of economic activities and the emergence of a competitive market economy. This led to mushrooming of cooperative societies, increasing competition among the players in the movement, Sessional *Paper No. 6 of 1997, on "Co-operatives in a Liberalized Economic Environment"*,

Most cooperative societies in Nairobi Province are savings and credit cooperatives commonly referred to as Urban SACCOs. They offer the following products to their members; normal loans, emergency loans, school fees loans, special loans and front office services. In the current liberalized economic environment, cooperative societies are expected to operate like any other profitable business venture with a focus on maximization of shareholders' returns. It is also worth noting that with the opening up of common bonds in most cooperative societies, members are free to join those societies that will offer what they perceive as more competitive and superior products as well as a competitive return on their investments (Mudibo, 2005)

Front Office Services Activities (FOSA)

The traditional savings and credit services that has been practiced by SACCOs over the years has led to many cooperatives experiencing low liquidity problems especially because members are not allowed to withdraw their savings at will although they can borrow as much as three times of the amount they have saved in the society. This has caused SACCOs to seek other ways to improve their liquidity position. A number of SACCOs have diversified and introduced Front Office Services Activities (FOSA) where they offer such products and services as payment of salaries, salary advance, Banker's cheques, safe-keeping of documents and ATM services. The result is that Front Office Services Activity (FOSA) have begun to be very popular with the SACCOs as members now have access to their savings right away. SACCOs that have introduced FOSA services have experienced a rapid asset growth (Jesus, 2006)

1.2 Statement of the Problem

Before liberalization, SACCOs used to be organized as workplace or cash crop based savings and credit associations whereby people with a common bond, e.g. by working together in the same company or institution, saved regularly, thus building enough deposits for lending within the group members. However, currently the concept of 'common bond' has been expanded and now Community based, Traders' based and Jua Kali artisans are free to join. Still, majority of SACCOs are now accepting members from outside their 'common bond' (Co-operative Act, 1997). Some of the savings and credit cooperative societies are actually larger (in asset terms) than some of the small commercial banks. These include Harambee, Posta, Mwalimu, Afya, Kenya Bankers, Kenya Police, Stima, Mangereza, Bunge and Ukulima SACCOs. The cooperative movement in Kenya has become a success story mainly in the areas of mobilization of savings and disbursement of loans.

With liberalization of financial institutions, stiff competition within the Kenyan banking industry has emerged. The commercial banks and non-banking financial institutions offer financial products for both corporate and retail banking services but a small number, mainly comprising the larger banks, offer other services including investment banking. The banking sector is poised for significant product and market development that should result in further consolidation of the banking sector. The increasing competition amongst commercial banks in Kenya has forced the management to use various tools they deem best in product innovation and development targeting the unbanked Kenyan population, a long time niche for SACCOs. These products are well branded to suit the targeted market segment. (Lipe and Salterio, 2000). The market volatility within the industry has seen the consumer benefit in terms of; compete-price, quality, customer service and availability of products.

Kotler, 2000 notes that a product brand is generally a promise of cluster of value expectations of which its non-tangible parts are as integral as its tangible parts. The financial co-operatives sub-sector provides savings and credit facilities to their members. Some SACCOs also provide banking services such as savings accounts, salary processing, and salary advance, issuance of Bankers cheques and safe keeping of documents. Most Savings and Credit Cooperative societies have stuck to the traditional loan products which are categorized under normal loans, emergency loans, school fees loans and special loans. Even with the emerging establishment of banking services by SACCOs this product has just been given the generic name of front office services. Kwena (2002) did a study on the impact of branding on consumer choice: the case of new domestic sugar brands, where she found that consumers prefer branded to unbranded products and are willing to pay a premium price to get their favourite brand. Other research studies focusing on the branding include; Robert (2001) carried out empirical investigation into the practice of brand extensions in fast moving consumer goods in Kenya and their impact of perceived quality on brand choice of soft drinks. Lydia (2001) investigated on usage of brand personality in brand positioning in the lubricants market. Kisese (2002) carried out the determinants of brand equity in the bottled water industry in Nairobi. Kabura (2002) carried out usage of brand equity assets in positioning brands, the case of Agro chemicals in Kenya. This shows that research studies on brands have been carried out especially on fast moving consumer goods. However, the researcher is not aware of any studies on branding of savings and credit cooperatives societies' products.

Notably, in Kenya, other categories of cooperative societies especially in agricultural marketing have shown effort of product branding. A successful example is Githunguri Dairy Farmers Cooperative Society with its Fresha brand of milk. The Kiambu Dairy and Pyrethrum Cooperative Union which rebranded its name to Kiambu Unity Finance is an exemplary model of attempt of branding among SACCOs in Kenya. The organization operates in Kiambu town in an area where there are about ten other banks and financial institutions within a radius of one kilometer. Due to stiff competition, the organization is facing challenges on how to brand their products to enhance customer loyalty and to remain competitive. However, most of SACCOs products, unlike the conventional banks which brand their products for marketing purposes, remained unbranded and therefore undifferentiated in the industry.

With the current paradigm shift within financial institutions, SACCOs traditional products stand to be challenged against new attractive products offered by financial institution into the market. A large number of cooperative members are seeking alternative financial services because their cooperatives are unable to meet their specific financial needs. This is mainly because the products offered by the commercial banks are more attractive albeit comparatively more expensive. Given that stiff competition has emerged within the financial sector, where new products are being developed to suit the SACCO market, it is important that a study is done to establish the extent to which Kenyan Saving and Credit Cooperative societies adopt the branding concept. Specifically, this study will seek answers to the following questions; to what extent have savings and credit cooperative societies adopted product branding in their business and what are the factors hindering product branding among SACCOs offering front office services in Nairobi Province?

1.3 Objective of the Study

The objectives of the proposed study are:

a) To determine the extent to which SACCOs have adopted branding.
b) To establish factors hindering product branding among the SACCOs with FOSAs in Nairobi Province.

1.4 Importance of the Study

While this study may be of value to any person interested in branding, it is anticipated that its findings will specifically be of benefit to the following groups of people.

The Cooperative sub-sector - Will be in a position to utilize the research findings and recommendations from the study to adopt and develop a branding culture for its products.

Academicians- the study is expected to contribute to the existing literature in the field of marketing, specifically in product branding. Future scholars can use this research as a basis for further research in the area of branding.

Beneficiaries of financial products– The study will enlighten consumers and general public and therefore lead to quality in delivery of customers preferred brands to the benefit of clients and the general public.

CHAPTER TWO

LITERATURE REVIEW

2.1 Nature of Savings and Credit Co-operatives

Although all types of cooperative societies work on the same principle, they differ with regard to the nature of activities they perform. A Savings and Credit Co-operative (SACCO) is a democratic, member driven, self-help cooperative. It is owned, governed and managed by its members who have the same common bond: working for the same employer, belonging to the same labor union, social fraternity or living/working in the same community. A Savings and Credit Cooperative's membership is open to all who belong to the group and meet the qualifications of eligibility for membership. These members agree to save their money together in the SACCO and give loans to each other at reasonable rates of interest. Interest is charged on loans, to cover the interest cost on savings and the cost of administration. The members are the owners and they decide how their money will be used for the benefit of each other.

Decisions are made in a structured democratic way. Members elect a board that in turn employs staff to carry out the day-to-day activities of the Sacco. The number of board members is between five and nine. Members also elect a supervisory committee to perform the function of internal audit. Unlike other categories of cooperative societies where products have been extended to the wider public, SACCOs have maintained traditional products i.e. Shares, Savings, Quick/Emergency loans, School Fees loans and Development Loans among its members for a long time. However, with the enactment of the Sacco Act, 2008, the environment is expected to change as SACCOs diversify their products to attract open membership.

2.2 Development of Union Banking Section and Savings and Credit Co-operatives

The development of both urban and rural SACCOs started around 1970. In the rural areas a selection of Primary Co-operative Societies and Unions, mainly coffee co-operatives, offered financial services to their members. The District Co-operative Union to which the Primary Cooperative Societies were affiliated handled this activity. To help and keep personal savings and credit accounts, the unions established Union Banking Sections (UBS). Forming a UBS was one requirement for the Unions to be able to join the Co-operative Production Credit Scheme (CPCS) which granted them credit in the Co-operative Bank of Kenya, which they in turn distributed to members. This was done through the member transaction system (Verhagen *et al,* 1998).

In 1976 the Ministry of Co-operatives formed a Co-operative Banking Inspectorate. The Inspectorate was to inspect that; the business and administration of the UBS was conducted in an appropriate and efficient manner, that the liquidity and solvency of the UBS was secure, and to verify assets and liabilities of the UBS (Verhagen *et al,* 1998). Most UBS organized a mobile service to reach members and this provided a basis for the gradual expansion of the financial services to even more members. Individual farmers, that had considerable amounts of savings deposited in the UBS, were not protected against business failure of the District Co-operative Union. Since the UBS was a part of the District Unions there was also a risk that the Union would be tempted to use the UBS funds in times of poor liquidity and in so doing put the farmers' savings at risk. The UBS and the District Union could not make loan arrangements between them either since they were the same legal entity Eventually it also became clear that neither the Unions nor the Primary Societies, with few exceptions, had the specific knowledge or expertise for managing the banking services and the final solution was to separate the UBSs from the District Co-operative Unions and name them as independent SACCOs instead, with their own members and elected boards. Some Unions were unwilling to let the Banking sections go though, because of the higher profit earned and it was not until the early 1990s that all the UBSs had been transformed into SACCOs, with the exception of two large unions (Central Meru and Kiambu Dairy) and Pyrethrum Unions.

The Annual General Meeting (AGM) of the members is the highest decision making organ in a Sacco. The AGM elects the Management Committee from amongst the members. Normally there are two or three subcommittees chosen under the Management Committee: an Executive sub-committee, a Credit sub-committee and usually an Education sub-Committee. Other sub-committees, which are temporary in nature, may be appointed as and when the need arises. The Executive committee members are the signatories to the society's cheques and other official documents. The Credit sub-committee handles loan applications for approval or rejection while the Education sub-committee handles matters of education and training to members, committee and staff. The members also elect a Supervisory Committee to ensure that their funds are managed properly and that the SACCOs management and the committee have acted correctly according to regulations stipulated by the AGM (www.SACCO.org.za).

There is no need to become a member if an individual only intends to have access to a savings account. A minimum balance is required to open and maintain a personal savings account but the limit is substantially lower than in a commercial bank. SACCOs also offer loans at low interest rates, but such loans are only available to members. Usually loanees require 2 or 3 guarantors whose shares act as the main security in the event of loan default. To be able to get loans though, the individuals must establish their creditworthiness through regular savings, good character and a sound loan repayment record. Often loans are acquired by members in order to increase production or to realize a business idea. Some members take loans to improve the quality of life by enabling them to build or buy homes, furniture or other goods. Other loans are made for provident purposes such as school fees, funerals and weddings

Members are encouraged to save as well as to borrow. The higher the savings, the more liquid a cooperative is. Also, the higher the borrowing, the higher the interest earned by the society from loans. Members are able to reap dividends from their shares investments in the event that the society realizes profits and declares dividend in the financial year. Dividends are paid on prorate basis based on how much one has saved in the society. In general the outstanding loan balance has varied between 20 percent and 60 percent of the savings amount in the SACCOs. In the 1960s the Co-operative Bank of Kenya (Co-op Bank) started to serve the Primary Co-operative Societies and the Unions as a wholesale bank and now the SACCOs use it for the same purpose. It has developed cooperative-specific products at reasonable rates of interest in comparison to those offered by other commercial banks. Nowadays the Co-operative Bank has branches in all major towns and in the middle of 1997 the rural SACCOs alone had deposited Kshs 2.1 billion. Some rural SACCOs have made investments in Treasury Bills for the purpose of increasing their returns on the liquid funds (Schneider, 1997).

The success of the co-operative societies lies in prudent management in areas of loans approval, personnel management and low management costs along with a supervising authority and strict economic guidelines. It also requires internal funding through savings. This, coupled with high returns on shares investments, increases the incentive to borrow and pay back loans. A supervising authority is needed to ensure that no favoritism of relatives or friends and to see to it that the economic guidelines are followed and that there are no thefts among the personnel (Verhagen *et al,* 1998).

2.3 Brand Concept

A brand is a distinguishing name or symbol such as logos, trademarks or package design intended to identify the goods or services of either seller or group of sellers and differentiate those goods or services from those of competitors (Chernatony and McDonalds, 1998). A brand thus signals to a customer the source of a product and protects both the customer and the producer from competitors who would attempt to provide goods that appear to be identical (Aaker, 1991). According to Kapferer (1998), a brand is a product, but one that adds other dimensions to differentiate it in some way from other products designed to satisfy the same needs, it means much more than just giving a brand name and signaling to the outside world that such a product or service has been stamped with the mark and imprint of an organization. The permanent factors of this creative process are what give a brand its meaning and purpose, its content and attributes

(Kapferer, 1998). The American Marketers Association defines a brand as a name, term, sign, symbol or design or a combination of them intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (American Marketers Association, 1985). Under the trademark law, the seller is granted exclusive rights to the use of the brand name in perpetuity. A brand does not have an expiry date.

Branding is built over time by the company supporting its brand strategy and in everything it does. Therefore all employees must work as ambassadors of the brand and be consistent in how they present the brand (Aaker, 1991). Brands are a direct consequence of the strategy of market segmentation and product differentiation. Thus a brand should have the values both on the outside and also in its qualities that continue to be seen even after the name of logo has been removed.

Brands protect innovators, granting them momentary exclusiveness and rewarding them for the risk-taking attitude. Thus, the accumulation of these momentary differences over time serves to reveal the meaning and purpose of a brand and to justify its economic functions, hence its premium price. A brand is a living memory, within a given generation, people continue, even twenty years later, to prefer the brands they liked between the ages of seven and eighteen (Jacob and Chestnut, 1978). Therefore the first actions and message of a brand are the ones bound to leave the deepest impression, thereby structuring long-term perception. Brands therefore guide a creative process, which yields different products everyday (Keller, 1998). The permanent factors of this creative process are what give a brand its meaning and purpose, its content and attributes, Kapferer (1998).

2.3.1 Value of Brands

Randall (2003) maintains that brands exist in any field ranging from fast-moving consumer goods to Airlines and many more. Therefore the variety of the range of brands means that a single definition is likely to be either too limiting or very unwieldy but exploring their characteristics would assist. For a while now, it has been taken for granted that strong brands are worth having. Building and maintaining a brand necessarily involve large expenditures which many organizations would ask if it is worth it, assuming of course that the effort is successful. According to Randall 1993, the evidence that strong brands are worth having falls into a number of categories: that from the longevity of some brands, from various sorts of market data and from takeovers.

2.3.2 Benefit of a Brand

The benefit of a brand comes from its ability to gain an exclusive, positive and prominent meaning in the minds of a large number of consumers (Kapferer, 1998). A brand is a source of value to both consumers and firms (Keller, 1999). It is imperative that external indicators highlight the internal qualities. External indicators are price, quality labels, retail outlet, style and design of packaging. The distinctions between three types of products characteristics are: qualities noticed by contact, before buying, qualities uniquely noticed by experience, after buying. Credence qualities, which cannot be verified, even after consumption and which you have to take on trust (Nelson, 1970; Darby and Karni, 1973).

A brand can also be identified as a genetic program. It's both a memory and a future of its products. According to Batra and Miles, (2004) the brand memory that develops contains the program for all future evolution. Products are mute, the brand is what gives them meaning and purpose, telling us how a product should be read. It is both a prism and magnifying glass through which products can be decoded. Brands guide our perception of products (Kapferer, 1998). Brands become credible through persistence and repetition. By creating loyalty and satisfaction, the program forces the brand to fulfill the quasí contract that binds it to the market. In return, the market is likely to view the brands pending product favorability from the very start. According to Keller (1998) a brand is something that resides in the minds of consumers. It is a perpetual entity, rooted in reality, but also reflecting the perceptions and perhaps even the idiosyncrasies of consumers.

According to Kapferer (1998), branding also benefits the firm in the following ways: The brand removes risk and financial analysts see firms with strong brands as less risky. The certainty, the guarantee and the removal of the risk are in the price. Future cash flows are considered more certain with strong brands, strong brands benefit from a high degree of loyalty and thus from stability of future sales, the reputation of a brand is a source of demand and lasting attractiveness, the image of superior quality and added value justifying a premium price, a dominant brand is an entry barrier to competitors because it attracts as a reference in its category, if a brand in prestigious or a pacesetter in terms of style, it can generate substantial royalties by granting licenses, the brand can easily enter new markets when it is well known. It acts as a symbol of quality and offers a certain promise, which is valued by the market, then doing brand extensions, strong brands will save on the need to create awareness if you had to launch a new product on each of these markets, strong brands give firms time to innovate and catch up with competition because the consumers will not easily abandon their favorite brand (Austin, et al 2003).

The key to branding is that consumers perceive differences among brands in a product category. Brand differences may be related to more intangible considerations. The key success factor in branding is that consumers become convinced that all product offerings in the product category were not the same and that meaningful differences exist. This is because if two brands cannot be easily distinguished, it may be difficult for retailers and other channel members to make choices between them (Keller, 1998). Firms buy production capacity and in the second instance they want to buy a place in the mind of the consumer. Brands bring goodwill to a firm enabling the firm to cost more than the firm's tangible assets.

2.4 Core Branding Disciplines

Dennis Hann, 2002 in his article 'Identity-Driven Branding' explains that branding has its core disciplines which can never be assumed in any branding activity. They are further discussed below.

Brand Strategy

The Brand Strategy discipline has a two fold purpose: to understand key aspects of a company's business, its marketplace, its customers and other key audiences, and then to use these insights to define an appropriate brand strategy.

The brand strategy is critical because it sets the foundation for all other branding activities it establishes a focused understanding and direction that's agreed upon at the highest levels of the organization, before creative development work begins. It helps pre-empt the "brand chaos" that arises naturally from conflicting goals and personal beliefs, and it provides vital input to align creative and management processes (Gilbert &. Harrell, 1999).

Based on a thorough discovery of the company, its offerings, audiences and competitive marketplace, the strategy defines the overall brand architecture (defining the relationships of corporate, product, partner and ingredient brands), a differentiated position in the marketplace, a hierarchy of messages crafted to resonate with customers, a distinctive brand promise and a projection of the customer's ideal overall brand experience.

Brand Identity

Informed and directed by the Brand Strategy elements, the Brand Identity discipline provides the highly distinctive outward expressions of the company's values, personality and promise its identity system consisting of elements such as the name and logo that are used repeatedly to provide instant recognition in a crowded marketplace. Beyond name and logo, the Brand Identity expresses the organization's purpose and personality through a well-defined color palette, a characteristic design system and additional verbal branding such as a tagline and category-defining phrases for products and services.

In addition to the corporate identity, identity systems may also be developed for specific sub-organizations, products, services and programs. These systems may be designed to work closely within the corporate identity or stand on their own, depending on the architecture defined in the brand strategy. All of these identity elements, along with assets such as reusable graphics and photography, even audio signatures, are then available for repeated application to give the brand its consistency, distinctiveness and recognizability. Randall (2003) comments that brand identity is what we to transmit to the market place- it is what is under our control, provided that we understand the essence and expression of our brand.

Brand Management

With the identity system in place, it's easy to assume that the stage is set for application of its elements to the full spectrum of branded communications and interactions building the customer's brand experience. But the inclusion of the Brand Management discipline at this point is critical for the three key functions it provides:

- Planning coordinated launch and delivery of brand messages, both internally and externally, integrating with business and marketing plans to optimize impact and cost-effectiveness-planning not just individual projects, but optimizing the overall priority, mix and rollout of projects to best connect with the customer
- Actively cultivating brand understanding, adoption and ability among employees and others who will be creating the customer's brand experience - providing them with brand training, assets and tools so they can consistently deliver "on-brand" communications, personal interactions and products
- Setting up a system and tools for monitoring and assessing the brand's health, so that resulting insights can be used not only to maintain brand alignment, but also to evolve the brand strategy, identity, experience and management over time - allowing brand managers to move beyond mere consistency and build a brand that can adapt and flourish in the marketplace

These functions make brand management an essential discipline, both for rolling out new brands and for managing existing brands to best effect. It is the guiding hand that promotes the brand, protects its integrity and moves it forward.

Brand Experience

A customer's experience with a brand is typically the happenstance result of poorly coordinated communications and company contacts. The goal of the Brand Experience discipline, however, is to enable companies to design a range of experiences that customers and other audiences will find meaningful, memorable, and associate explicitly with your brand. Doing this is the surest path to building brand trust, loyalty and advocacy.

The Brand Experience discipline includes, but is not limited to traditional market communications. It extends well beyond them to include personal interactions, events, environments even the appearance, function and reliability of products and services and any other opportunities for you and your audiences to come into contact.
In addition to building the full array of experiences, the term "Brand Experience" is aspirational: it speaks to the goal of making every point of contact with the customer and other audiences as remarkable, engaging and compelling as possible and of clearly tying these positive experiences to your brand.

Brand Image

According to Randall (2003), brand image is a phrase used rather loosely, particularly by people outside marketing-'let's change the image', they say hopefully of a brand in trouble. In fact, he adds, the image of a brand is what exists n the minds of consumers. It is the total of all the information they have received about a brand- from experience, word of mouth, advertising, packaging, service and so on- modified by selective perception, previous beliefs, social norms, and forgetting. He maintains that it may be messy and untidy, not what we would prefer; but it is what exists, and what we must work on and from.

2.5 Firm Orientation and Brand

Traill and Meulenburg (2002) suggest that every successful firm has a dominant "orientation" guiding the company culture and its behavior. Based on case studies they group firm orientations into three basic types: product, process, and market orientations. Market orientation is where a firm's preeminent goal is producing products according to what the current market wants. A firm with a dominant orientation toward the market emphasizes the importance of gathering market information and analyzing current trends Firms with a dominant process orientation stress the importance of efficiency and flexibility within the organization and its links with partners. These firms readily adopt best strategies to improve the flow of information to improve efficiencies throughout the organization. Firms having a product orientation specialize in product quality making product innovation their primary goal. Their success is driven by the uniqueness of their products.

According to Traill and Meulenburg (2002) a dominant orientation is determined by the type of firm (ownership or size) and the markets they supply. For example, manufacturers without their own brand names are more likely to be process oriented where their success depends upon efficiency, speed, and flexibility in production and distribution. They closely coordinate their activities with the market and have the capability of responding rapidly to market changes. Branded manufacturers with strong product orientation use their creativity and foresight to develop innovative products. The traditional cooperative with a focus on using its member's raw material is less product or market oriented than other forms of ownership. Rather, cooperatives place a greater emphasis on process innovation. All firms face competitive pressures that can shape their strategies. When competitors in the same industry adopt new technologies for improving efficiency, a firm experiences pressure either to adopt the same strategy (leftward direction) to remain viable or to differentiate its products from competitors (rightward direction). There are also competitive forces pressuring firms to produce for the current market (upward direction).

2.6 Brands and Competitive Advantage

According to Kapferer (2004,), A brand is a set of mental associations, held by the customer, which add to the perceived value of a product or service. These associations should be unique (exclusive), strong (salient), and positive (desirable). In practice, brands always provided a competitive advantage to companies, which sought to understand the wants of their target market in order to develop a package of attributes to meet these wants (Ind, 2003). Furthermore, brands have been perceived as providing a greater security and a higher level of performance while eliminating alternatives by providing a better overall customization of perceived preferences (Jiang, 2004; Keller, 2003; Temporal and Lee, 2000). As a result, consumers more often choose branded products when given the choice between products with similar features and benefits, fully prepared to pay a premium price (Temporal and Lee, 2000). But not only that, nowadays consumers also started building an emotional bond with brands, becoming friends with them, and are even said to be seduced to look alike, eat alike and be alike (McFadden and Train, 1996; Klein, 2000) added that not only mass customization became a reality brands have to face, but also, because of the global village we are living in, everything physical can be copied with amazing speed, which leaves only a little room for the traditional brands that were built on originally.

2.7 Customer Satisfaction and Product-Brand Presence

Product and brand are not synonymous (Schiffman *et al.*, 1997). Yet, some authors have used them interchangeably, particularly when they have addressed repeated purchases. As defined, product and brand are significantly different both conceptually and practically. Customer evolution has been noted in adopting a product or brand and in becoming loyal besides achieving satisfaction. A customer usually starts judging a product in order to find the benefits it brings and the satisfaction it promises (Reynolds and Beatty, 1999). The generic or unbranded product would be enough to start such a selection process. Inexperienced consumers with a line of products start with the product benefits and preferences whereas experienced consumers go directly to the brands. As the customer becomes more experienced with the product, he or she may focus on a brand. Similarly, products follow life cycles in combination with their brands: new products are first recognized as products and later, after the products have satisfied many customers and reached a more developed stage, as brands. In adopting cellular phones, for instance, recent customers adopt the product that best fits their needs or best appeals to them emotionally, symbolically, and/or cognitively (Park *et al.*, 1986). More experienced but not highly experienced customers adopt a range of brands on the basis of both value and price, whereas highly experienced customers become loyal to a brand. The typology represents the evolution of product to brand in customer choice and the sequential achievement of customer satisfaction and customer loyalty.

2.8 Factors in Product Branding

2.8.1 Product Branding

Product branding yields different advantages for firms. McDonald *et al.* (2001) argue that, a firm using a product-brand strategy rather than corporate branding will experience less damage to its corporate image if one of its individual brands fails. For example, When the Tylenol brand was under siege in the USA because of tainted batches, Procter & Gamble's name and reputation were somewhat shielded by the product-branding strategy, leaving Pampers and Tide undamaged by the Tylenol scare. A product brand is also flexible, allowing firms to position and appeal to different segments in different markets. A challenge with product branding is that targeting different small segments through different brands can result in high marketing costs and lower brand profitability.

The role of branding and brand management is primarily to create differentiation and preference in the minds of customers. The development of product branding has been built around the core role maintaining differentiation in a particular market (Knox and Bickerton, 2003). Notably, corporate branding builds on the tradition of product branding, seeking to create differentiation and preference. However, corporate branding is conducted at the level of the firm instead of the product or service, and furthermore extends its reach beyond customers to stakeholders such as employees, customers, investors, suppliers, partners, regulators and local communities (Hatch and Schultz, 2001).

2.8.2 Market Complexity

Griffin (2002) asserts that the antecedents of branding strategy are both external and internal. External factors such as environment uncertainty and institutional environment can create expectation. Internal factors such as business exposure and top management attitudes can affect managerial decision-making capability. Many firms find the uncertain environments in emerging markets are difficult to predict or control, so they typically create strategies, including product branding strategies, to ease that uncertainty. A complex international/ national environment complicates branding strategy. The barriers to international operation exist in the macro environment (consumer characteristics and behaviours, the legislative infrastructure and existing competition), the task environment (inter-institutional relationships, behavioural norms and channel structures), and the organizational environment (cost structures and operational flexibility, management styles and cultures). It is important for firms to have a clear view of the characteristics of the business and its competition, in order to know how to react to various barriers and circumstances.

Griffin (2002) also argues that corporate branding strategy aims to identify and maximize the actual and perceived "fit" between the firm and its environment, in response to an uncertain environment and its perception of its internal capability to manage the uncertainty. There is a need not only to coordinate internal decision-making process effectively, but also to meet the needs of various external stakeholders at the same time.

Economic growth and liberalization create enormous new opportunities, but market transition and transformation are accompanied by great structural uncertainties and regulatory interference (Luo, 2003). Although the growth potential is perhaps greater in emerging markets than in developed countries, volatility and high risks are a concomitant. Therefore, low availability and high cost of capital are two characteristics of the emerging markets (Hitt *et al.*, 2000).

Many developing economies lack effective internal and external governance mechanisms that can reduce traditional principal-agent problems (Carlin and Aghion, 1996). Williamson (1991) holds that enforcement of property rights is the key to effective governance. The development of market institutions such as legal systems has been slow and difficult. The uncertainty and risk for both domestic and foreign firms are still relatively high. In emerging markets, persistent macroeconomic and political instabilities nevertheless increase exogenous uncertainty. In addition, the institutional infrastructure supporting the market-based system is still weak or underdeveloped, giving rise to higher costs of obtaining information (Hoskisson *et al.*, 2000).

Nakata and Sivakumar (1997) also point out that less-developed infrastructure and indirect, fragmented distribution channels are likely to increase operating and distribution costs in developing countries. Factors such as a relatively poorly developed retail sector, lack of available media or distrust of messages conveyed through the system have contributed to the difficulties in effectively marketing. Obtaining market information and locating suitable distributors is more difficult than in developed countries (Batra, 1997). Political instability and limited or non-existent trademark and intellectual property protection also increase operating costs and consequently reduce economic advantages for incoming firms. Moreover, cultural, political and economic constraints in emerging markets can obstruct the implementation of a standardized strategy (Douglas and Wind, 1987). The pace of economic change and the size of economic gains are not uniform across the emerging markets, which are also wholly heterogeneous. There are clear differences in the degree of progress, which can pose challenges in establishing coherent strategies for product branding development.

2.8.3 Marketing Costs

It is very costly to establish a new brand today, and expensive to maintain an existing one (Berry, 1993). There is always scope for tension between proponents of corporate and product branding. Firms may gear up for short-term, tactical choices that maximize revenues in a period of economic downturn, and many might build product brands at the expense of the corporate brand. However, Booker (2002) predicts that globalization, interconnected markets, affiliations and associations will provide an impetus for the building of strong corporate and product brands in the coming years.

In emerging markets, the wealthier, urban population has usually been the target in developed countries because of their higher purchasing power and propensity to buy products. This relatively affluent, concentrated market segment requires minimal product and communication adaptation (Nakata and Sivakumar, 1997). The increased exposure of worldwide consumers to global media has increased their desire for quality branded goods and services (Batra, 1997). In emerging markets, they are still at the formative stage of brand loyalty. Many products or product categories are new to them, they have low levels of product knowledge, and they therefore rely on cues from brand name.

Marketing competitive products in emerging markets is not only a strategy to lower unit prices, but also to add perceived value to the offering (Batra, 1997). McDonald et al. (2001) argue that targeting different brands at separate small segments can incur high marketing costs and consequently result in lower brand profitability. Multiple advertising and promotion campaigns for a variety of product brands are usually substituted by an integrated marketing communication programme, thus reducing the considerable marketing cost of entering growing markets.

2.8.4 Product Characteristics

Consumer products tend to be more culturally sensitive than industrial products, in any markets, especially in the heterogeneous emerging economies. Gulbor and Herbig (1995) propose that the former differ from the latter in five particular respects: industrial products target concentrated markets, whereas consumer products are mass marketed; industrial products enjoy long-term, stable buying relationships, whereas consumer products suffer short-term perspectives; there are relatively fewer buyers for industrial products than for consumer products; industrial products typically reach buyers through short channels, whereas long channels are normal for consumer products; there is a greater emphasis on personal selling in the case of industrial products than in the case of consumer products.

2.8.5 Size of the Firm

The size of the firm is important because the ability to commit resources, sustain costs and absorb risks varies significantly between small and large firms. Firms of different sizes might also react differently to varying levels of complexity in the operating environment (Erramilli and Souza, 1995). It is also noted that size plays a significant role when a firm attempts to establish a certain market entry mode in the markets (Erramilli and Rao, 1993) argues that: larger size usually implies greater availability of production, financial and management resources; the true relationship it seems is not between size and consumer behaviour, but is between various advantages which accrue from larger size and consumer behaviour.

Liu (1995) asserts that large firms adopt a market orientation to a greater extent than medium-size firms. Market orientation emphasizes competitiveness based on identifying customers' needs and offering products that are different from or better than, the competitors'. The size of a firm in the market is positively associated with the probability of choosing product or corporate branding. Mohan-Neill (1995) maintains that acquisition and utilization of marketplace information enhance survival of firms, while new firms are usually faced with constraints in their efforts to obtain relevant marketplace information the availability of which has a significant impact on the firm's decision-making process and marketing strategies in product branding. A number of studies also find a close relationship between the age of a firm and marketing performance (Birley and Westhead, 1990; Bracker and Pearson, 1986). The length of a firm's relevant experience is positively associated with the probability of choosing product branding. The specifically international experience of a firm appears to have a significant impact on its choice of market-entry mode, expansion decisions and marketing strategy, in the markets.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the overall methodology that was used in the study. This includes the research design, population of the study, sample design and sample size, data collection methods, research procedures and data analysis and presentation.

3.2 Research Design

According to Cooper and Schindler (2003), a research design is a frame or blueprint for conducting the research project work. It details the procedures necessary for obtaining the information needed to structure or solve the research problems. Descriptive research design was used in this study. According to Cooper and Schindler (2003) descriptive research design is concerned with finding out who, what, where, when, or how much in the problem situation at hand. A descriptive research design helped in describing the extent of adoption of branding by savings and credit cooperative societies in Nairobi Province that have FOSAs.

3.3 Population of the Study

A population is defined as the total collection of elements about which we wish to make some inferences. According to Cooper and Schindler (2003), a population element is the subject such as a person an organization, customer database, or the amount of quantitative data on which the measurement is being taken. The population consisted of all savings and credit cooperative societies offering front office services in Nairobi Province. According to the Ministry of Cooperative Development and Marketing Annual Report (2007/08), there are 39 SACCOs offering FOSA services in Nairobi Province.

3.4 Sampling Design and Sample Size

According to (Mugenda & Mugenda, 2003) a sample design is a research plan that indicates how study subjects are to be selected for observation or as respondents. Sampling is the process of selecting a number of individuals for a study in such a way that the individual selected represents the large group from which they are selected Chandran, (2003). The population of this study was relatively small (39) and the researcher therefore conducted a census study. Noting that most of product branding is mainly under marketing activities, the researcher interviewed the senior most executive responsible for marketing. In some firms, the CEO is in charge of the brand (Aaker, 1996). Where the SACCO had no marketing executive, the CEO was interviewed.

3.5 Data Collection

Data is a piece of information that helps to analyze and appraise the given problem in a research study. It could be either primary data, which is collected individually or secondary data that is obtained from an already existing source. Primary data was used in this study. The senior most executive responsible for marketing or the CEO in the absence of the latter was administered with a questionnaire.

3.5.1 Data Collection Tools

Since the research work used primary data, questionnaire was the principal tool for data gathering. A well structured questionnaire with closed and open ended questions was used in data capturing. The questionnaire consisted of three parts; first section of the questionnaire dealt with demographic statistics such as name, age, years of service of the employees. This information provided data to be used in analyzing the personnel statistics based on gender, age and years of service of the employees. The second section was seeking information on the extent of brand adoption among all the 39 SACCOs operating FOSAs in Nairobi. The third section captured factors hindering product branding among SACCOs.

3.5.2 Data Collection Procedure

The researcher made appointments through telephone calls to the senior most executive responsible for marketing and thereafter delivered the questionnaire by hand on the appointed time. In cases where there was no marketing manager within the organization, the researcher administered the questionnaire to the CEO. Furthermore; the researcher explained the purpose of the study to the respondents and assured them of confidentiality of their responses and identities. The respondents were given one week in which to fill the questionnaire. A follow up telephone call was made before the collection date.

3.5.3 Data Analysis and Reporting

This is the process which starts immediately after data collection and ends at the point of interpretation and processing data (Cooper & Schindler, 2003). After retrieving the questionnaires the researcher edited, coded and entered the data in Statistical Package for Social Sciences (SPSS) for a better and efficient analysis. Both descriptive and inferential statistics was used. The results were presented in form of percentages, frequencies, mean and standard deviation. Pie charts, bar charts, and frequency tables were used in presentation of research findings.

3.5.4 Data Collection Summary Table

The table overleaf (3.1) captures the summary of the type of data that was collected based on the project objectives.

Table 3.1: Data Collection Summary Table

Study Objective	Question Number	Statistics to be Computed
Objective One: Determine the extent to which saving and credit cooperative societies have adopted product brands.	Q 8 to Q13	Count, mean, score, mode, percentages
Objective Two: Determine the factors hindering product branding among the SACCOs with FOSAs in Nairobi.	Q14 to Q15	Count, mean, score, mode, percentages

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 Introduction

The study was conducted to investigate the extent to which adoption of the branding concept has been embraced by savings and credit cooperative societies (SACCOs). The study focused on SACCOSs offering front office service activities in Nairobi Province. Retrieved data was checked for completeness, coded, entered and finally analyzed using Statistical Package for Social Sciences (SPSS)

A total of 39 questionnaires were distributed to SACCOs' senior most marketing executives in Nairobi and the results were considered a success since the survey managed to receive back 26 responses, representing 67% of the sampled population. Results of the analysis are presented and discussed in the sub sections as follows:

4.2 Respondents Background Information

Demographic data was collected concerning the gender, age and duration in employment, The data was important because it indicated the background information of the respondents and their basic understanding of the organization's brands and the extent to which this had been adopted.

4.2.1 Respondents Age Distribution

Age as demographic information is important in respondent profiling. It is important in that it helps the researcher understand the nature of respondents she /he is dealing with in the study. Respondents were asked to indicate their age in provided age bracket. Results were as indicated in Table 4.1.

Table 4.1: Respondents Age Distribution

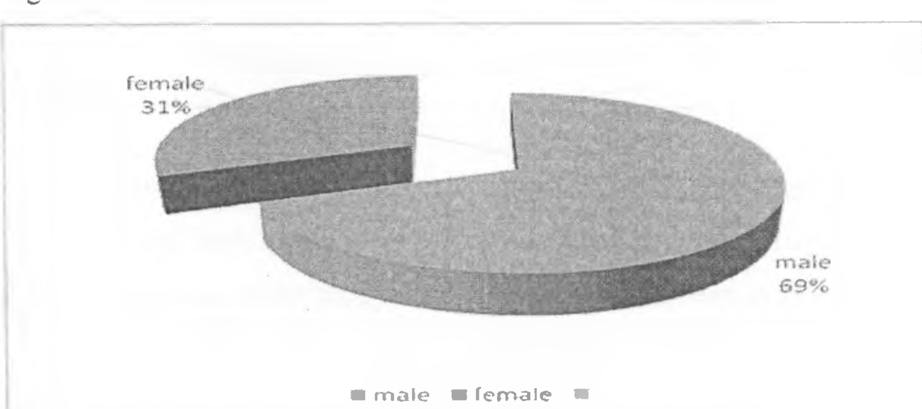
Age Bracket	Age Distribution of the Respondents	
	Frequency	Percent
18-25yrs	1	4
26-30yrs	3	12
31-35yrs	3	12
36-40yrs	5	19
41-45yrs	10	39
46-50yrs	3	12
Total	26	100

From the results, it was observed that majority of the respondents in the study belonged to age bracket of 41-45yrs (39%) , followed by 36-40 (19%) years of age while the least of the respondents were under 18-25yrs (4%).

4.2.2 Gender

The objective underlying this section of the study was to describe gender of the respondents in the study. Respondents were asked to indicate their gender. Results were as presented in Figure 4.1.

Figure 4.1: Gender



The studies observed that majority of the respondents were males representing 69 percent of the sampled population. On the other hand, females were minority comprising of 31 percent. It can be concluded that most of the respondents in the study were predominantly males.

4.2.3 Working Duration of the Respondent in the Organization

The number of years a respondent has worked in an organization is very important. A high number of years indicate that the respondent has a wider experience of the operations of that particular organization and therefore can give concrete information about the organization. This part of the study sought to find out the number of years the respondents had worked in their current organization. The results were as presented in Table 4.2

Table 4.2: Respondents Working Duration in the Organization

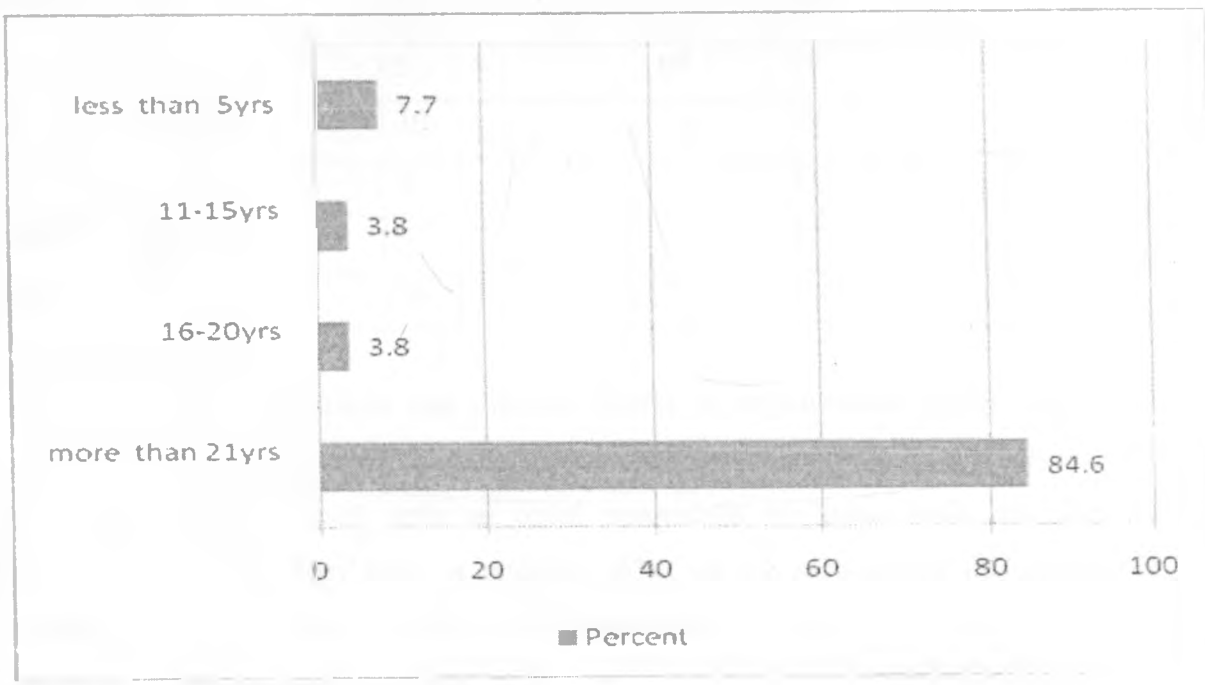
	Distribution of Respondents According to Working Duration in the Organization	
Duration (Years)	Frequency	Percent
Less than 2	4	16
3 – 4	3	12
5 – 6	3	12
7 – 8	4	16
Above 10	12	44
Total	26	100

From the results tabulated above, it is evident that a large proportion of the respondents in the study had been in the SACCOs for a period exceeding 10 years. This was 44 per cent of the population under study, while those who had been in the organization or less than 2 years were 16 per cent of the total case study population. The least, 12 per cent, stated that they had been in the organization for a period of between 3-6years. It can be concluded that over 70 per cent of the respondents in the study had over 5 years in the organization and therefore had immense information on the subject under study.

4.2.4 Organization's Years of Operation

The number of years an organization has been in operation is important as it helps determine the soundness of that particular firm. Additional information on the years under operation of the organization was sought. Respondents were asked to indicate years their organization has been in operation. Results are shown in the Figure 4.2

Figure 4.2: Length of Time Organization has been in Operation



Study findings illustrated in Figure 4.3 above shows that majority of respondents (85%) indicated that their organizations have been in operation in Kenya for more than 20 years. This was followed by a proportion of 8 per cent that indicated operation for less than 5 years. On the other hand 4 percent of the organizations have been in operation for years between 11-15 years and another 4 per cent for 16-20 years. It can be concluded that majority of the organizations had surmountable number years in offering of services to its members.

4.2.5 Number of Employees in the Organization

An organization's size is determined by among other things, the size of it labour force. In order to establish the size of the organizations under study, respondents were asked to indicate the number of employees within their organization. Table 4.3 presents the findings.

Table 4.3: Number of Employees in the Organization

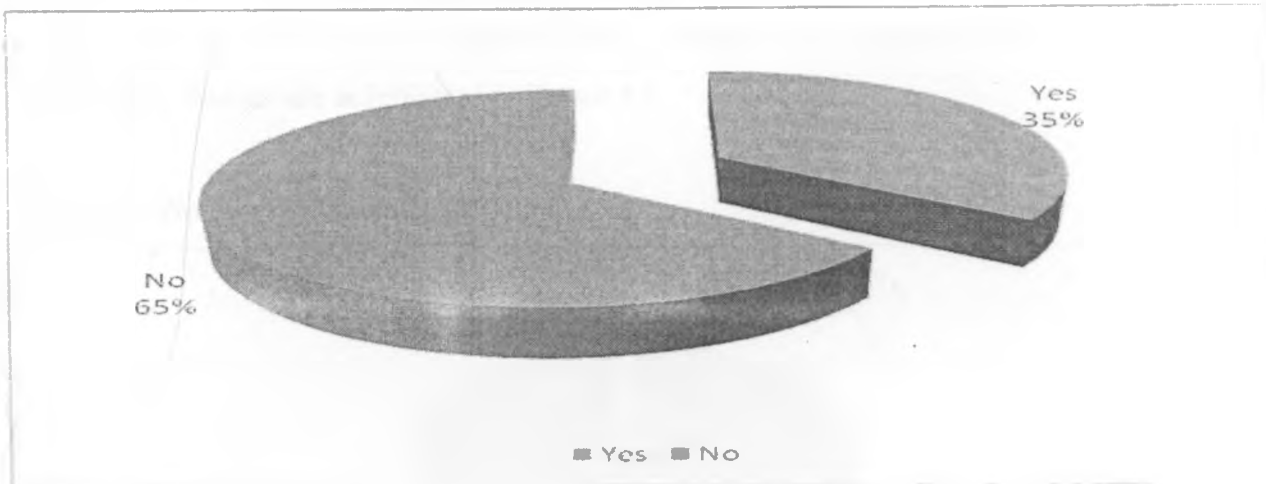
Number of Employees	Distribution	
	Frequency	Percentage
Less than 10	5	19
11-20 employees	5	19
21-50 employees	10	39
51-100 employees	2	8
Over 101 employees	4	15
Total	26	100

Results' findings established that majority (39%) of organizations under study have between 21-50 employees. Nineteen percent of the respondents reported to have employees between 11-20 with an equal percentage for those with less than 10 employees. On the other hand, a minority (8%), of the respondents had employees number between 51-100 while those with more than 101 employees constituted 15 per cent. As observed from the results, more than 50 percent of the respondents had more than 21 employees in their organization.

4.3 Existence of Marketing Department

This section of the study was aimed at finding out whether SACCOS operating FOSAs, had marketing departments for promotion of their products. Existence of a marketing department is an indicator of efficient marketing of products and services by the organization. Findings under this section are as indicated in Figure 4.3.

Figure 4.3: Existence of Marketing Departments within the Organization



Results revealed that most organizations (65%) had no operational marketing departments while 35% of the respondents indicated that their organizations did have marketing departments. These results show that a significant proportion of organizations lacked a marketing department which can be interpreted to mean that these organizations carried out minimal or no marketing/promotion of their products and services.

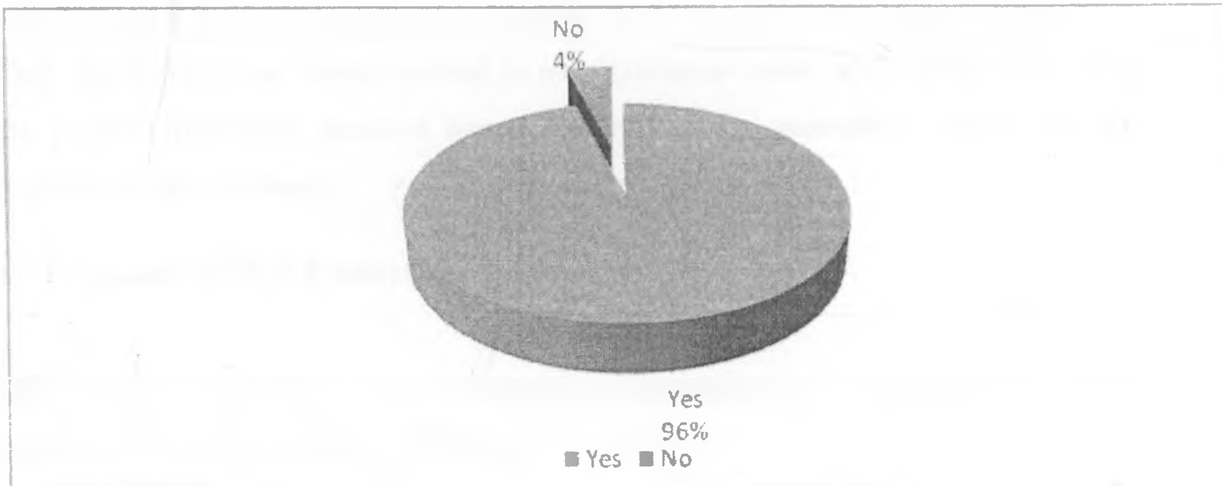
4.4 Execution of Marketing Function

Respondent who acknowledged the existence of marketing department were further asked to indicate how their marketing function were executed in their organization. Majority of respondents reported that general managers, branch officials, FOSA staff, Human Resource department, management committee, marketing officer, public relation officers and sales representatives were responsible for carrying out the marketing function in their organizations. As observed in the study it can be concluded that the marketing function within these organization was not clear.

4.5 Existence of Products Brands

The presence of product brand is an initial indicator of existence of branding in SACCOs operating FOSAs. To achieve the objective of this section, respondents were asked to indicate whether there were products brand available to customers within their organization. Results are as indicated in Figure 4.4.

Figure 4.4: Product Brands Existence



It is evident from the study that majority (96%) of the respondents indicated that their organizations had products brands. However a minority representing 4 per cent confirmed that they never had products brands in their organization.

4.6 Existing Products Brands in the FOSAs

Upon further probing of product brands available to customers in the study, two different types of responses were received and can be categorized as follows; In the first category of products brands, the respondents claimed that brands existed in their organizations and went ahead to cite the traditional or generic SACCO loan products such as salary advance maturing within a month, emergency loans, school fees loans, normal loans, investment scheme, development loan, personal loans and special loans. They cited specialized FOSA products as including Biashara account, holiday account, fixed deposit account, Golden loan, Weekend advance loan, holiday loans, super loan, product for Muslims, instant advance, instant loan, IPOs loans, maternity and paternity loans, loan overdraft, utilities loan, hot point appliances loan

In the second category, respondents were more specific and gave brand names which distinguished their products from the traditional SACCO products. These included; Kings Savings, Imara Mustard Junior, Maisha Loan, Platinum Loan, Rafiki, Jienjoy, Marammoja, Express, Vision loan, Premium loan, Twiga account, Junior account and prime account. It can generally be concluded that there are those organizations in the study that had product brands tailored to meet customer needs, while others were using the generic traditional products names without having necessarily carried out any branding of their products.

4.7 Frequency of New Product Development in FOSAs

This section of the study aimed at finding out the frequency of development of new products. Table 4.4 presents the findings.

Table 4.4: Length of Time Taken by the Organization to Develop New Product

Frequency of Product Development	Distribution of Frequency of New Product Development	
	Frequency	Percent
Quarterly	3	6
Semi-annually	6	22
Annually	13	61
After Two Years	4	11
Total	26	100

From the above findings, 61 per cent of the respondents stated that their organizations developed new products annually, 22 percent indicated that their organizations develops new products semiannually, 11 per cent after every two years while the least, 6 per cent said that their organizations developed new products quarterly in a year.

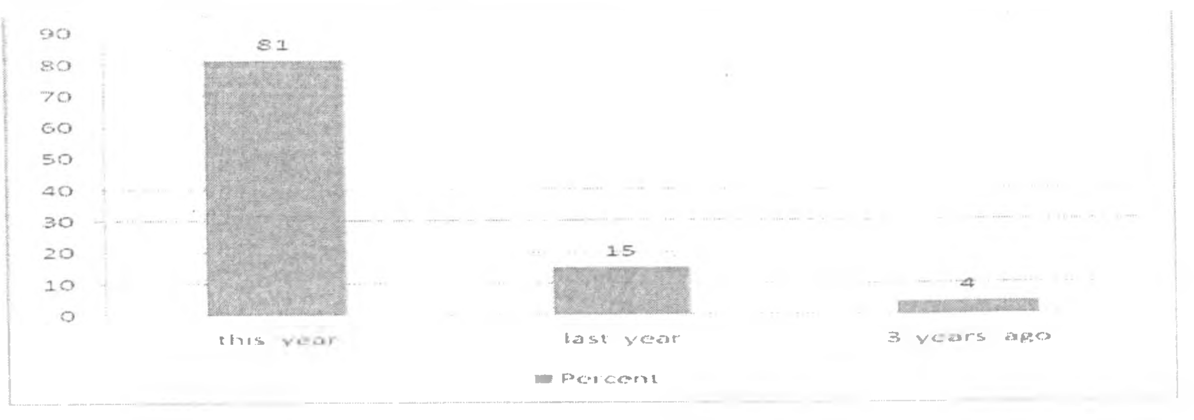
4.8 Special Occasions when New Products are Developed

The researcher sought to investigate further when else the organization developed new products. Respondents gave a wide range of responses which included; rising customer demand, nec essity, based on need and market conditions, and responding to rise in competition. As observed, organizations strategically developed new products due to rising needs in the market.

4.9 Last Time the Organization Developed New Products

This section aimed at establishing when last the organizations under study developed new products. As observed in figure 4.6 majority (81%) of the respondents indicated that the last time they developed new products was within the current year. Fifteen percent stated that they developed new products last in the previous year. Only a minority of 4 percent who indicated that they last developed new products three years ago. It can be observed that majority of the organizations were very proactive in development of new products as illustrated in Figure 4.5.

Figure 4.5: Period of Last Development of New Product



4.10 Ways in which Organizations Create New Brand Awareness

The survival of any brand depends on the level of awareness created. Customers are more likely to consume products they are aware of more that those brands they are not aware of. This section therefore sought to establish ways used by the respondents' organizations in creation of awareness for new brands within their organization. Results are as presented in Table 4.5.

Table 4.5: Ways in which Organizations Created Products Brands Awareness

Ways of Creating Product Awareness	Distribution	
	Frequency	Percent
Through TV adverts	2	8.0
Radio adverts	2	8.0
Posters/news paper	2	8.0
Word of mouth	14	52.0
Brochures	6	24.0
Total	26	100

From the above tabulated results, majority (52%) of the respondents used word of mouth as a key medium of product awareness creation. Twenty four percent used brochures to create product awareness. The least used media were TV adverts, Radio adverts and posters/news papers each of which was reported by minority of 8 per cent of the respondents. Other media used on very low scale were; circulars to all branches, during members' meetings, during education forums, by marketing team, memos, notice boards and emails.

4.11 Adoption of Branding among FOSAs

This section of the study sought to establish the level of adoption of branding by SACCOs operating FOSAs. In order to achieve this, respondents were asked to indicate the extents to which they agreed with the statements provided that measured the level of brand adoption. Results were scored in means as indicated in Table 4.6.

Table 4.6: The Extent of Branding Adoption within the Organization

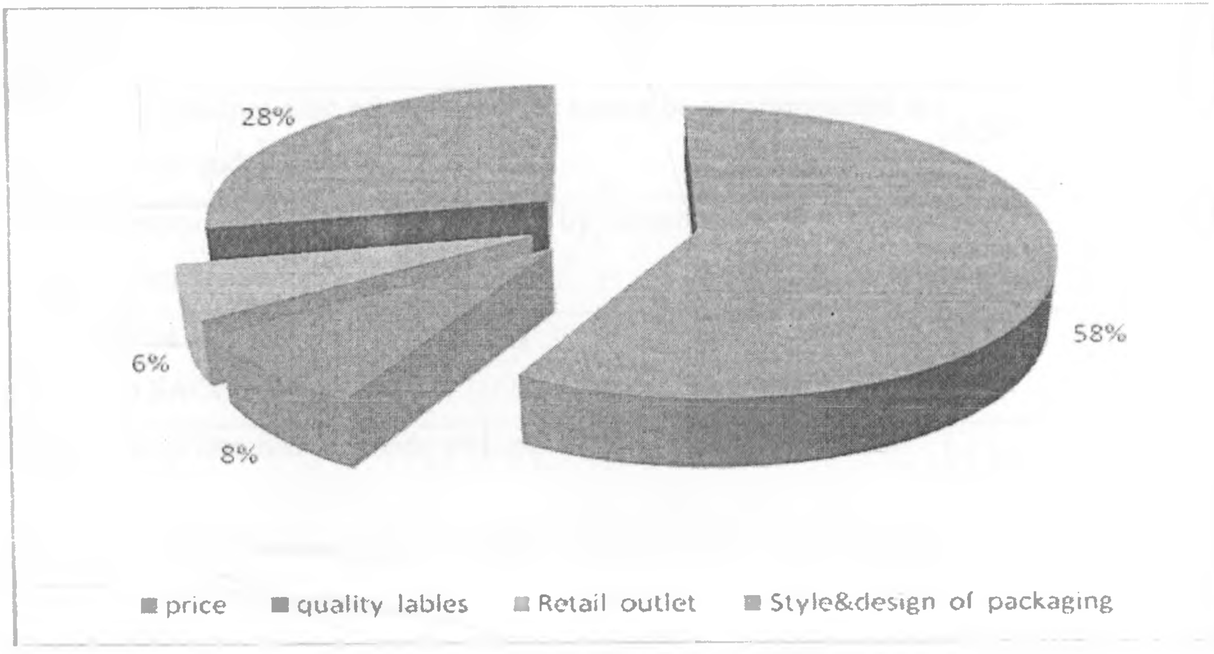
Statements	Mean	Std. Deviation
Products within the organization re accompanied by slogans	3.73	0.110
Organization's internal communication, HR, Finance, marketing and sales are aligned with organization brand objectives	2.28	0.021
Branding is mainly driven by the strategy of the competition	2.17	0.963
Some products brands are tailor made to target new customers	2.08	1.093
Organization product brands are frequently marketed among members	2.00	0.980
Organization products brochures are readily available customers	2.00	0.131
To what extent do your organization agree with the statement: products offered have distinguished names and symbols	1.69	0.970
Employees are well versed with various brands available to customers	1.58	0.643
All organizations document/stationery are identified by the organization logo	1.54	0.989

Results in Table 4.6 indicate the extent to which organizations under study adopted branding. As observed from the likert scale results, various levels of branding adoption in the organization were identified. Majority of respondents constituting a mean of 3.73 agreed to a great extent with the statement that their products were accompanied by slogans On the other hand a respondents' mean of 2.28 agreed to a great extent that internal communication, Human Resources, finance, marketing and sales are aligned with the organization's brand objectives. Also noted was that a mean of 2.1 agreed to a great extent that branding was driven by strategy of competition. However, a minority of respondents with a mean of 1.54 agreed to a very large extent with the statement that all organization's documents/stationery are identified by the organization's logo as shown in the table.

4.12 External Indicators Used for Branding

This section of the study sought to find out the external indicators that are used by the organizations for branding measurement. The following Figure 4.6 presents the findings.

Figure 4.6: Percentage Distribution of External Indicators Used in Branding Measurement



Findings revealed that majority (58%) of the respondents indicated that price was the external indicator that was used for branding measurement, 28 per cent cited use of style and design as an external indicator of branding measurement. Only a small minority of 8 percent and 6 percent indicated quality labels and use of retail outlet respectively as external indicators of branding measurement used in their organization.

4.13 Factors Hindering Product Branding in Organizations

FOSA is a new concept adopted by SACCOs in diversification of products and services to their customers. A number of factors hinder proper product branding efforts. The researcher therefore sought to identify the factors hindering their efforts. Results are as presented in Table 4.7.

Table 4.7: Factors Hindering Product Branding Efforts in FOSAs

Statements	Mean	Standard Deviation
Most SACCOs are small in size and therefore don't need product branding	3.96	1.098
Branding consumes a lot of money which cannot be accommodated in my SACCOs budget	3.54	1.104
The perception of SACCO products by members limits brands development	2.96	1.020
Cooperative Culture has contributed to satisfaction with current brands in SACCO	2.85	1.156
Less value is attached to brands within SACCOs	2.27	1.116
Most of SACCO management lack the awareness and importance of branding within the organization	2.19	1.021
SACCOs lack strong marketing departments to push for its brands.	1.92	0.909
Due to the nature of SACCO membership, it is possible to communicate the awareness of available brands offered to members	1.77	0.863

The study revealed that majority, constituting a mean of 3.96 disagreed with the statement that most SACCOs are small in size and therefore do not need product branding. In addition, respondents constituting a mean of 3.54 disagreed with the statement that most SACCOs cannot accommodate branding in their budget as it requires a lot of money.

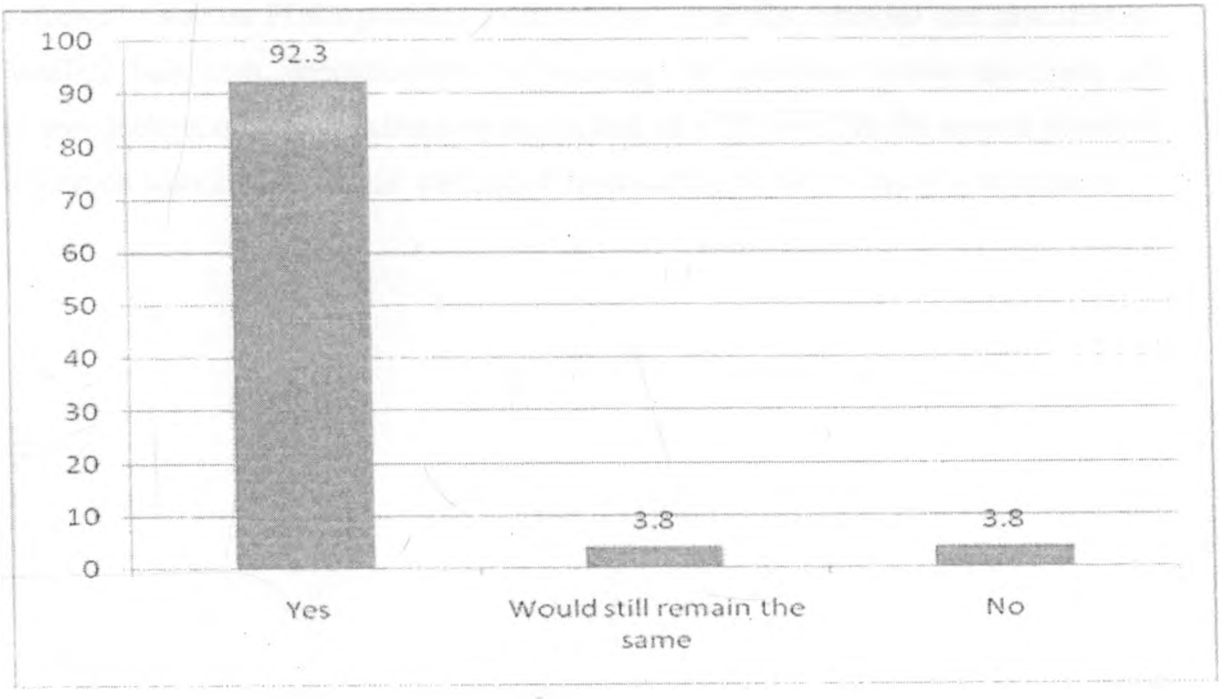
However, respondents with a mean of 1.92 acknowledged that SACCOs lack strong marketing departments to push for their brands. Respondents with a mean of 1.77 agreed that due to the nature of SACCO membership, it is possible to communicate and create awareness on the importance of branding within an organization.

Respondents disagreed with most of factors hindering branding as provided by the researcher in the study. Nevertheless, more other factors were sought. Additional factors suggested by the respondents included; cash flow constraints, cheaper quicker products in the market and thus competition. Other factors hindering branding as stated by the respondents included; dependence on administration for approval of new product development and approval of marketing budget, inadequate members salaries to service various loan products, inaccessibility of market support by Ministry of Cooperative Development and Marketing, lack of adequate capital to enhance product branding. Others were; lack of awareness on the needs of members by the societies' management staff and the fact that SACCO products were not well thought out and are never tailored to suit the needs of the members. They further stated the limitation of the legal framework on product range, low level of brand awareness by the management team in influencing the strategic directions taken to market products, limitation of area of operation due to the common bond concept that also led to restriction of membership. It was also reported that there was general ignorance of market trends while the SACCO membership served as closed community with 98 per cent of products being patronized by members.

4.14 Products Branding and Survival of FOSAs

The aim of this particular part of the study was to find out the perception of respondents on whether proper product branding would lead to better performance of SACCOs. Results are as presented in Figure 4.7

Figure 4.7: Percentage Distribution of Impact of Proper Product Branding



The study revealed that most of respondents (92.3%) agreed that if their products were well branded their organization would perform better than it was doing currently. Other respondents shared the opinion that product branding could not affect performance while the others stated that the organization would remain the same, each of which was represented by 3.8 percent in Figure 4.8.

4.15 Challenges of Promoting FOSA Products in the Market

FOSAs are a recent development in the SACCOs sub-sector and therefore, as would be expected, there are challenges facing the promotion of FOSAs products. It is on this understanding that the researcher sought to identify challenges facing the promotion of

FOSA products in the market. Respondents were asked to identify challenges they faced while promoting FOSA products. Results revealed the following challenges; competition from banks' products, inaccessibility of members as they are spread throughout the country. They also stated that the current Government legislation was inadequate including lack of a regulatory authority on FOSAs. Other challenges included; lack of market intelligence, limitation of funds, poor perception on branding by members, lack of professionals to spearhead the branding agenda, limited product research and lack of perceived value on FOSA products by members. It was also reported that insecurity in handling bulk cash, unpredictability of patronage by members outside the check off system, locking of potential clients by banks, lack of ATM services and general poor ICT utilization were challenges that were faced in promoting FOSA products in the market.

CHAPTER FIVE

SUMMARY, RECOMMENDATION AND CONCLUSION

5.1 Introduction

The general objective of this study was to investigate the extent of adoption of the branding concept by Kenyan Cooperative Societies, a case of SACCOs offering front office services in Nairobi Province. The study covered a substantial number (26) of prominent cooperative organizations operating in Nairobi Province using competent scientific methodological research tactics. The findings and results of the study have been summarized in the section below

5.2 Summary of Findings

5.2.1. Background information

The findings revealed that most of the respondents in the Cooperative organizations were in the middle age - not the very young or old. They were those in the age bracket of 41-45yrs (39%), while the minority (4%) of the individuals fell under 18-25 years. Further to this, the study revealed gender disparity between males and females where most of the individuals interviewed were males (69%) with females constituting only 31 per cent.

On the length of time the respondents had been in the organization, the research revealed that majority of them had worked for more than ten years, representing 44 per cent of the population, while a minority comprising of 12 per cent cited to have been in the organization for less than 6 years.

Further, it was found that most of the organizations surveyed had been in operation for more than 20 years, these comprising 85 per cent of the surveyed organizations. Those organizations that had been in operation for less than five years represented 7.7 per cent of the organizations. On the number of employees working in the organizations, the study found out that 39 per cent of the organizations had between 21-50 employees. Those cooperative societies with the employee numbers exceeding 50-100 employees represented the minority with 8 per cent.

It was also revealed that fewer of the cooperative organizations had marketing departments. This constituted 35 per cent of the surveyed SACCO societies. The rest, 65 per cent, indicated that their organizations did have marketing departments. Those organizations that did not have a marketing department stated that the marketing function was undertaken by various management and administration officers in the organization.

The study also revealed that, most of the organizations had products brands as claimed by respondents. This constituted 96 per cent of the case study. The remaining 4 per cent said that they did not have products brands. When asked to mention a few products brands, most of the organizations cited the generic traditional cooperative loan products such as; emergency loan, school fees loan, normal or development loan, investment scheme, personal loans and FOSA products as some of the various products brands offered to members.

The study found out that most organizations developed new products annually while a few indicated that new products were developed quarterly in the year. Others argued that new products were developed under the following circumstances; according to members demands, as need arose, continuously when necessary, continually based on need and market conditions, and on customers' demand.

Furthermore the study showed that most of the organizations created brand awareness through word of mouth. Others used circulars to branches, members' workshops and education sessions, marketing teams, memos, newspapers, notice boards and emails as ways of creating brand awareness.

5.2.2 Adoption of Branding in the Organization

This section of study focused on understanding the extent to which the Cooperative organizations had adopted branding. Various statements were posed to the targeted individuals within the organization. Majority of individuals agreed with the statement that their products are accompanied by slogans; this was shown by the scored mean of 3.73. All the other statements posed by the researcher to measure the extent of adoption of the branding concept scored a mean of below half. In regard to internal communication, Human R esource, finance, marketing and sales, are aligned with organization brand objectives. A mean of 2.28 was generated from the various responses given. This means that fewer of the individuals studied agreed to a great extent with this statement.

When asked whether branding was driven by strategy of competition, a mean of 2.1was derived. This indicates that few agreed to great extent with this statement. The least, with a mean of 1.54, agreed to a very large extent with the statement that all organization's documents/stationery are identified by the organization's logo.

5.2.3 External Indicators Used for Branding

The findings under this section disclosed that majority (58%) of the organizations who were surveyed cited that price was the external indicator that was most used for branding measurement. The least used external indicators of branding measurement were, quality labels and use of retail outlet representing 8 per cent and 6 percent respectively.

5.2.4 Factors Hindering Adoption of Product Branding in Cooperative Organizations

The study shows that majority, with a mean of 3.96 disagreed with the statement that most SACCOS are small in size and therefore do not need product branding. This was followed by those who disagreed with the statement that most SACCOS cannot accommodate branding in their budget as it requires a lot of money.

On the other hand a mean of 1.77 agreed with the statement that due to the nature of SACCO membership, it is possible to communicate and create the awareness and importance of branding within an organization. Those that agreed with the statement that SACCOS lack strong marketing departments to push for its brands, constituted a mean of 1.92 of the respondents.

Other factors that were given by the respondents as hindering brand adoption in the organization were; cash flow constraints, cheaper and quicker products in the financial market thus competition and dependence on the organization's management for approval of new product development and approval of marketing budget which led to slow bureaucratic procedures. Respondents also cited inadequate members' salaries to service various loan products, lack of support by Ministry of Cooperative Development and Marketing, lack of adequate capital to enhance product branding and lack of awareness on the needs of members as key hindrances to branding adoption. The researcher also gathered that most products are not tailored to suit the needs of the members while the current legal framework limited product range development. It was also noted that the SACCOs' management team lacked influence on strategic marketing decisions. Other limiting factors to brand adoption included; limited scope of business due to both the common bond concept and customers being the same owners of SACCOS. There was also a general lack of market intelligence.

5.2.5 Product Branding and Organization Performance

In investigating whether product branding affected the organization's performance, it was majority (92.3%) agreed that if their products were well branded their organization would perform better than they were doing. The rest cited either that it could not affect performance or that the organization would remain the same.

5.2.6 Challenges of Promoting FOSA Products in the Market

The main challenges facing marketing of FOSA products according to the survey from the various FOSAs were; competition from banks, inaccessibility of members, weak Government legislation, lack of market intelligence, limitation of funds, poor perception by members on branding, lack of professionals to spearhead the branding agenda, limited knowledge by SACCO management on branding, limited product research and little knowledge on market trends. Other challenges included; lack of a regulating authority on FOSAs and lack of adequate products to suit the needs of members. The researcher gathered that most FOSAs are managed by unqualified personnel while the 2/3 rule limited the extent to which the members could borrow. In addition to the above, other challenges that were reported included; high loan delinquency by members outside the check off system, dishonesty among some members, insecurity within business premises, lack of ATMs and general low ICT utilization. It was also reported that the dented cooperative image was yet to be appreciated by the public due to governance issues. Establishment costs for FOSA were reported to be high while senior and wealthy members did not value FOSA products and preferred retaining commercial bank accounts. Elsewhere, FOSA products were only marketed to the members within the common bond hence restricting business and members lacked faith in the products offered. It was gathered that; many clients were already locked up in other banks with long term liabilities and financial commitments, there was poor product marketing, there was stiff competition from banks and financial institutions and most organizations lacked a separate budget provisions to cater for branding. Finally the researcher gathered that marketing departments were lacking or were not properly established and the members lacked motivation to patronize the SACCOs' products.

5.3. Recommendation

For effective adoption of the branding concept by SACCOs operating FOSAs, the various challenges affecting its proper adoption should be addressed. This should be done through effective management of the SACCO organizations.

5.4 Conclusion

The purpose of the study was to investigate the extent of adoption of branding concept by Kenyan Cooperative Societies in Kenya. Thus the following conclusions can be made.

5.4.1 Extent of Adoption of Branding Concept in SACCOs

The findings from the study established that most (96%) respondents claimed that brands did exist in their organizations. However, majority of the cooperative organizations (65 %) did not have a marketing department, which, in any organization is very key in spearheading the overall marketing activity including branding. It is also worth noting that the meaning of the term 'brand' may not have been clear in the minds of those respondents who cited the generic traditional SACCO brands other than a distinguished name or symbol (such as logo, trade mark or package design). A brand is intended to identify the goods and services from those of the competitors with the aim of establishing a significant differentiated presence in the market.

5.4.2 Factors Hindering Adoption of Branding in SACCOs

Numerous responses were received citing the challenges that hinder adoption of branding in cooperative organizations. Major among these were stiff competition in the financial market, dependence on SACCO management for approval of new product development and approval of marketing budget and inadequate members salaries to service various loans. Also cited was lack of support by Ministry of Cooperative Development and Marketing and a poor SACCO regulatory framework. Other major challenges included; lack of adequate capital to enhance product branding, lack of awareness on the needs of members on the part of the management, poorly developed products that were not tailored to meet members' needs and poor management skills to influence strategic marketing decisions. The concept of the common bond was also found to be a limitation to the growth and development of SACCOs, while there was a general lack of knowledge on current market trends.

5.5 Limitations of the Study

Although the researcher was able to achieve a 65 per cent response rate, hesitation among some respondents to diverge internal information was noted, with 35 per cent not responding all together. This may be attributed to the competitive nature of the financial environment in which SACCOs are currently operating.
However, the researcher was able to gather sufficient data to satisfy the research objectives.

5.6 Suggestions for Further Research

The area of branding is new in the world of SACCOs, thus further study should be done country wide and should include both the small and the large SACCO societies.

The population of the study was a census of SACCOs with Front Office Services Activity in Nairobi Province. This was not very representative of the entire cooperative movement in Kenya. Future research should focus on a larger portion of survey in the field in order to get deeper insight on the extent of adoption of the branding concept by Kenyan Cooperatives Societies. This should go beyond the SACCOs that are operating FOSAs and cover all types of cooperative organizations in Kenya.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

I am a Postgraduate student at the University of Nairobi's School of Business. I am carrying out a research on "The Extent of Adoption of the Branding Concept by Kenyan Cooperative Societies – the Case of SACCOs Offering Front Office Services in Nairobi Province"

Instructions: Please answer all questions as accurately as you can. There are no right or wrong answers. Please note that your responses will remain strictly confidential.

SECTION A: Background Information

1. Name of respondent (Optional)...

2. Age bracket

18-25 yrs [ ] 26-30 yrs [ ] 31-35yrs [ ] 36-40yrs [ ]

41-45 yrs [ ] 46-50yrs [ ] 51-55yrs [ ] Over 55 yrs [ ]

3. Gender

Male [ ] Female [ ]

4. How long have you been in this organization?

Less than 2 yrs [ ] 3-4 yrs [ ] 5-6 yrs [ ]

7-8 yrs [ ] 9-10 yrs [ ] Above 10yrs [ ]

5. How long has this organization been in operation?

Less than 5 years [ ] 6-10 years [ ] 11-15 years [ ]

16-20 years [ ] More than 21 years [ ]

6. How many employees are there in your organization?

Less than 10 [ ] 11-20 employees [ ] 21-50 employees [ ]

51-100 employees [ ] Over 101 employees [ ]

7. Does your organization have a marketing department?

Yes [ ] No [ ]

If no, who undertakes the marketing function?

....

SECTION B: Extent of Brand Adoption

8. Does your organization have product brands?

Yes [ ] No [ ]

If yes, mention a few

....

....

....

....

9. How often does your organization develop new products?

Annually [ ] Quarterly [ ] Semi-annually [ ]

After one and a half years [ ] After two years [ ]

Others not specified...

10 When last did your organization introduce a new product?

This year [ ] Last year [ ] 3 years ago [ ] 5 years ago [ ]

10 years ago [ ]

Others not specified...

11. How does your organization create product brands awareness?

Through TV adverts [ ] Radio adverts [ ] Posters [ ]

Word of mouth [ ] Brochures [ ]

Other not specified…………………………………………………………………

12. Looking at your organization to what extent would you agree with the following statements on adoption of branding in your organization?

1 = Very large extent 2 = Great extent 3 = Moderate extent

4 = Little extent 5 = No extent

Please tick () one box (column) for each row

Statements	1	2	3	4	5
Products offered in the organization have distinguished names or symbols					
Products within the organization are accompanied by slogans.					
All organization's documents/stationery are identified by the organization's logo.					
Organization products brands are frequently marketed among the members					
Branding is mainly driven by the strategy of the competition					
Organization products brochures are readily available to customers.					
Some products brands are tailor made to target new customers.					
Employees are well vast with various brands available to customers.					
My organization's internal					

communication, HR, finance, marketing and sales are aligned with organization brand objectives?					

13. Which external indicators do you use for branding measurement?

Price [ ] Quality labels [ ]

Retail outlet [ ] Style & design of packaging [ ]

SECTION C: Factors Hindering Product Branding in Cooperative Societies

14. To what extent do you agree or disagree with the following statements on factors that hinder product branding in your organization? (1 - **Strongly Agree, 2 - Agree, 3 - Moderately 4 - Disagree, 5 - Strongly disagree**)

Please tick () one box (column) for each row

Statements	1	2	3	4	5
SACCO market is too complex for product branding.					
The nature of SACCO products do not need much branding.					
Most SACCOs are small in size and therefore do not need product branding.					
The nature of membership to SACCOs makes it possible to communicate the awareness of available brands offered to members.					
Most of SACCO managements lack the awareness and importance of branding within an organization.					
The perception of SACCOs products by members limits brand development.					
SACCOs lack strong marketing departments to push for its brands.					
Branding consumes a lot of money which cannot be accommodated in my SACCOs budget.					
Cooperative culture has contributed to satisfaction with current brands in SACCOs					

Less value is attached to brands within SACCOs					

15. Do you think there are other factors hindering brand adoption within your organization?

....

....

....

16. Do you think that if your products were well branded your institution would perform well than it is doing now?

Yes [ ] Would still remain the same [ ] No [ ]

17. What are the challenges of promoting FOSA products in the market?

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Thank you for completing the questionnaire

Appendix II: List of Cooperatives with Fosa

NO	COOPERATIVE NAME
1	HARAMBEE SACCO LTD
2	USHURU SAVING & CREDIT CS LTD.
3	MAGEREZA STAFF SAV.& CR CS LTD
4	AFYA SAVING AND CREDIT CS LTD.
5	HAZINA SACCO LTD.
6	ARDHI SAVING AND CREDIT CS LTD
7	TEMBO COOP.S & CR. LTD.
8	UKULIMA SAV & CR CS LTD.
9	ELIMU SACCO LTD.
10	JAMII COOP SAV AND CR LTD.
11	ASILI SAV. & CR. CS LTD.
12	UFUNDI CO-OP SAV & CR LTD.
13	KENYA POLICE CO-OP SAV & CR LT

14	SHERIA CO-OP SAV & CR LTD.
15	CHAI CO-OP SAV & CR LTD.
16	MAISHA BORA SACCO LTD
17	STIMA CO-OP SAV & CR SOC LTD.
18	MWALIMU CO-OP SAV & CR LTD.
19	NASCA SAV & CR CS LTD.
20	KENYA BANKERS CO-OP SAV & CR L
21	B.A.T. CO-OP SAV & CR LTD.
22	UN CO-OP SAV & CR SOC. LTD.
23	NATION STAFF SAV. & CR CS LTD.
24	NACICO CO-OPERATIVE SOC LTD.
25	CHUNA CO-OP.SOC.LTD.
26	KENVERSITY CO-OP.SOC.LTD.
27	COMOCO SAV. & CR. CO-OP.SOC. L
28	WANANDEGE SAV. & CR.CO-OP.SOC.

29	NAFAKA SAV. CREDIT CO-OP.SOC.L
30	WAUMINI SAVINGS CS & CS LTD.
31	NASSEFU CS & CS LTD
32	RELI SACCO
33	KINGDOM SACCO
34	LENGA TUMAINI SACCO
35	NEST SACCO
36	TRANSCOM SACCO
38	TELEPOSTA SACCO
39	MATER SACCO

SOURCE: Ministry of Cooperative Development and Marketing, 2007/08

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DATE 7th September 2009

TO WHOM IT MAY CONCERN

The bearer of this letter ANCIETA M MWITI

Registration No: D61/P/8632/05

is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you

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DR. W.N.IRAKI
CO-ORDINATOR, MBA PROGRAM