

**A SURVEY OF BRAND LOYALTY IN THE AVIATION INDUSTRY:  
A CASE STUDY OF AIRCRAFT LEASING SERVICES (ALS)**

**BY  
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BUSINESS**

**OCTOBER, 2011**

## DECLARATION

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

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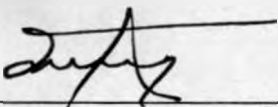
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I also thank my family, friends and colleagues for their encouragement and patience.

## **DEDICATION**

First and foremost to the Almighty God whose providence, grace and care I cherish.

Secondly, i pay tribute to the late Francis Gichuhi Kamau (Dad) and Rose Njeri Gichuhi (Mum) whose love, care, understanding, inspiration and support has enabled me to achieve my dreams.

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## ABSTRACT

Having appreciated that Brand Loyalty is an important aspect of marketing, many organizations carry out occasional surveys to establish the level of Brand loyalty that customers have for their products and services in a particular market. The main objective of the study was a survey of brand loyalty in the Aviation industry with a special focus on Aircraft leasing services (ALS)

The research design was a case study, and was most appropriate as the researcher was looking for in-depth information on the variables that affect brand loyalty. The design provided insights into the research problem by describing the variables of interest in detail. Primary data was collected using a questionnaire with close ended and open ended questions administered to individual members. Data for this study was both quantitative data collected while descriptive methods were used to analyze quantitative data. Tables were used to summarize responses for further analysis and facilitate comparison.

The study concludes that there were various factors affecting brand loyalty in the Aviation Industry with a special focus on Aircraft leasing services (ALS). These included quality of service, advertising and brand image. The study concludes that organizations in the Aviation Industry have developed a wide range of products to suit different cadre of people and to meet client needs. the study recommended that for Aviation companies to improve on the brand loyalty there is need to implement measures aimed at increasing customer satisfaction and service quality customers who are satisfied with the provided services the probability are that their use of the services again increases. High service quality and high customer satisfaction results in a very high level of purchase intentions.



## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the study

In today's intensely competitive and global market place, maintaining a competitive advantage by becoming a low cost leader or differentiator involves a heavy premium. Marketing as a function follows a life cycle (shaw, 2000). Conceptually, marketing had emerged as a distinct business function in the period between first and Second World War. This was when the classic consumer goods companies such as Uniliver and Procter and Gamble started to develop the concepts of product and brand management. Later through the 1950s and 1960s there was a huge growth and interest in the subject of marketing as frameworks and concepts of marketing were developed.

Marketing is the driver of revenues in most organizations. The success of any firm depends to a large extent on how its products and services are positioned to target the right market segments based on each segmented needs. Organizations spend a lot of money to communicate their products to the intended market segment through both print and electronic media. The proliferation of promotional tools such as advertisement and sales promotion by many firms leads to confusion among customers and it is difficult for customers to differentiate brands. Many products and services have become commodities in recent times with little to tell them apart (Ngahu, 2001),

Branding and the role of brands, as traditionally understood, were subject to constant review and redefinition. Before the shift in focus towards brands and the brand building process, brands were just another step in the whole process of marketing to sell products.

Brand structures are complex, as the focus is on multiple brands, multiple products, and multiple markets. Consequently brand identity and creating brand value are the drivers of strategy.

Brands develop in a holistic way fuelled by the messages put out by suppliers. However, brand personalities develop in the minds of consumers as the multitude of messages are interpreted in a very subjective manner. If these messages are positive the brand becomes a major element in the development of a relationship between a suppliers and a customer, but there are other issues that are also relevant in achieving a strong bond with customers and developing the purchase loyalty which is the ultimate goal.

### **1.1.1 The concept of Brand Loyalty**

A brand can be defined as a distinguishing name or symbol such as logo, trade mark or package design intended to identify the goods or services from those of competitors (Aaker, 1991). Nicholas (2003) defines a brand as something that is owned by buyers and other stakeholders. Aaker, (1996) Brand equity is related to the degree of brand name recognition, perceived brand quality, strong mental and emotional associations, and other assets such as patents traditions and channel relationships.

Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images or level of quality at the right price. Brand loyalty is product specific. Consumers

might be loyal to brands in one category and not loyal to brand in other categories (Assael, 1998).

Brand equity is a set of assets and liabilities linked to a brand's and symbol that adds to or subtracts from the value provided by a product or service. The major asset categories are: brand name awareness, brand loyalty, perceived quality and brand associations. The management of brand equity involves investment to create and enhance these assets. Each brand equity asset creates value in a variety of very different ways. In order to manage brand equity effectively and to make informed decisions about brand-building activities, it is important to be sensitive to the ways in which strong brands create value. (Aaker, 1996).

Creating a strong brand identity will build mind share one of the strongest competitive advantages imaginable. As a result, customers will think of your business first when they think of your product category. That value is often called brand equity, or the worth of the brand. Brand equity, unlike other abstract marketing notions, can be quantified. For instance, if you owned the Marlboro Company and wanted to sell it, you would begin to value the firm by looking at the assets tied to the Marlboro brand. You would then identify the cost of the factories, patents, trucks, machines and staff. They are worth a small fraction of what you can sell that brand for. The value of that brand is huge compared to those actual physical assets.

A brand is the one thing that you can own that nobody can take away from you. Everything else, they can steal. They can steal trade secret, eventually patents will expire, physical plant will wear out, technology will change but a brand can go on and live. It creates a lasting value above and beyond all the other elements of the business.

Brand equity is the positive differential effect that knowing the brand name has on customer response to the product or service. It results in customers showing a preference for one product over another when they are basically identical. The extent to which customers are willing to pay more for the particular brand is a measure of brand equity. It needs to be distinguished from brand valuation which is the job of estimating the total financial value of the brand. Brand equity results in customers showing a preference for one product over another when they are basically identical. The extent to which customers are willing to pay more for the particular brand is a measure of brand equity. A brand needs to be carefully managed so that its equity does not depreciate. This requires maintaining or improving brand awareness, perceived quality and functionality and positive associations. These tasks require continuous research and development investment, skilful advertising and excellent trade and consumer service.

The marketing mix is not only an important concept, but a guideline to reference back to when implementing the price, promotion, product, and distribution. Those are the four main ingredients of the marketing mix, but there are other components, including, planning, branding, packaging, display, distribution channels, personal selling, advertising, servicing, and physical handling. All in all the current description of the

marketing mix is accurate, but missing some vital pieces of information which will allow individuals to gain a better understanding and implement a more effective marketing mix. (McCarthy, 1960).

The marketing concept of building an organization around the profitable satisfaction of customer needs has helped firms to achieve success in high-growth, moderately competitive markets. However, to be successful in markets in which economic growth has leveled and in which there exist many competitors who follow the marketing concept, a well-developed marketing strategy is required. Such a strategy considers a portfolio of products and takes into account the anticipated moves of competitors in the market. There is need to convince customers that a product is worthy of purchasing, no amount of advertising, fancy packaging or public relations will help achieve sales goals. Therefore, successful branding programs begin with superior products and services, backed by excellent customer service that permeates an entire organization.

### **1.1.2 Overview of the Aviation Industry**

The Kenyan airline industry is currently dominated by the private sector. The government regulates the industry through the Kenya Civil Aviation Authority. The Air Transport Act cap 394 of the laws of Kenya governs the operations of the airline industry in Kenya. The airlines focus on their core business through the guidance of their vision. The authority develops, regulates and manages a safe efficient and effective civil aviation system in Kenya. International Civil Aviation Organization (ICAO), UN agency based in Montreal

Canada designs a global benchmark for aviation safety and security both on the ground and in the air, they check aviation operations against those standards.

The Kenyan government owns part of Kenya Airways with a stake of 23%. Some of the airlines based in Kenya include; Kenya Airways, 748 Air services, African Express Airways, Air-Kenya Express, ALS-Aircraft leasing services. Astral Aviation, Blue Bird Aviation (Kenya), DAC Aviation, Delta connection (Kenya), east African Safari Air, Fly 540, Jetlink Express and Safarilink Aviation.

### **1.1.3 Overview of Aircraft Leasing Services (ALS) Limited**

In 1985, Aircraft Leasing Services Limited (ALS) purchased a Cessna 150 which they leased out to a local flying school. Gradually and steadily the project successfully developed from an organization specialized in providing value added aircraft leasing services. In 1999, ALS together with other smaller affiliated companies joined hands and formed ALS Limited. This new company now has a fleet of 28 fixed wing aircraft and two helicopters. Over the years, ALS has progressively acquired a series of new aircraft. ALS is a single major shareholder of Safarilink Aviation.

Safari Link is Kenya's premier safari airline with a network of connecting domestic scheduled services to all the best safari destinations within Kenya and across the border into northern Tanzania. From its base at Wilson Airport, Nairobi Safari Link provides daily scheduled flights to Masai Mara, Amboseli, Tsavo West, Naivasha, Nanyuki, Lewa Downs, Samburu, Lamu, Kiwayu, Kilimanjaro, Shaba, Loisaba and Diani Beach.

Additionally it can also provide private charter flights. ALS has one of the most modern maintenance hangers at Wilson Airport (Nairobi) that offers major and minor aircraft maintenance including fully equipped and functional workshops. It offers all kinds of scheduled and unscheduled maintenance on certain aircraft.

The company subscribes to the highest certification standards for the United Nations (UN), International Committee of the Red Cross (ICRC) and World Food Program (WFP) and Oil Companies in keeping with the variety of services offered. The company actively encourages hazard and incident reporting; trains staff on safety management; documents the findings and mitigation action and strives for continuous improvement. In order to prevent accidents and to reduce their potential for damage or injury, ALS maintains an active integrated safety management system based on international standards as laid out by ICAO. .ALS provides aircraft with crew, and maintenance support for operations globally such as for: Humanitarian-they support relief/emergency activities by providing short/ long term leases as well as urgent go-now requirements. They provide capacity support in terms of aircraft fleet to both existing and startup airline operations.

The clientele of ALS include: United Nation High Commissions for Refugees (UNHCR)  
- Providing access refugee camps in Northern Kenya, Kenya Airways – Provided an aircraft on Dry Lease for five years for their regional network and operated on an Interlink service to Lokichoggio on partnership. Air Mauritius – Provided a Twin Otter in Comoro Islands. DHL Worldwide Express – Provided Cessna Caravans, King Airs and

Beech 1900s for operation into East Africa, Rwanda and Burundi. Woodside Energy (Kenya) Pty Ltd Provided fixed wing flight services for their oil drilling operations off the Kenyan coast. United Nations Humanitarian Air Services (UNHAS Somalia).

United Nations World food Program (UNWFP) – Providing One Embraer ERJ-135LR, one Dash 8, one Beech 1900 in Sudan, Providing two Dash 8s in Niamey, Niger and Entebbe. Uganda respectively. Providing one 1900 D in Ndjamena, (International Committee of Red Cross) ICRC - Providing two 1900 Ds in Somalia and Sudan respectively and one Kingair in Niger. Safarilink – Providing Two Cessna 208 caravans and One Beechcraft 1900 operating into tourist destinations within Kenya and Tanzania. Qatari Diar Vinci Construction (QDVC) – Providing One Beechcraft 1900 for ferry of personnel between Doha, Qatar and Massawa, Eritrea. RwandAir – Providing One Dash 8 operating domestic/regional schedule flights. United Nation High Commissions for Refugees (UNHCR) - Providing a Beechcraft 1900 and Dash 8 to access refugee camps in Northern Kenya. Kenya Airways – Provided a Boeing 737-200QC aircraft on Dry Lease for five years for their regional network and operated on an Interlink service to Lokichoggio on partnership. Air Mauritius – Provided a Twin Otter in Comoro Islands.

As part of their Corporate Social responsibility ALS helicopters are provided during motors port activities such as the East African Classic Safari Rally for medical evacuations. The company has also cosponsors the Kenya National Rally Championship (KNRC) by giving medical evacuation services for free, using the helicopters.



It has also gained visibility through print media using articles on the daily Nation Newspaper for Standard Newspaper, for instance:

Kapchanga M. (2011), Kenya-based aircraft leasing company, ALS Ltd, has signed a one-year lease agreement with Southern Star, a new start-up airline based in the newly created South Sudan state. The aircraft, a 37-seater Dehavilland Dash 8, is valued at \$4.5 million (Sh400 million) and will cost the South Sudanese airline approximately \$200,000 (Sh18 million) a month in leasing fees.

This is expected to be a long-term partnership with the new start-up airline that is vying for national carrier status for the new republic of South Sudan," said ALS chief executive office Cornwell Muleya during the signing ceremony held in the South Sudan capital, Juba, when it took delivery of the aircraft.

Southern Star will use the plane to ply domestic routes in the first phase of the lease. The second phase will incorporate larger aircraft from ALS such as the Embraer 145, a 50-seater jet, which can do international flights, under a long-term lease signed with Southern Star. Southern Star, a new airline, is vying for national carrier status for the new republic of South Sudan, which will open up more business for ALS. ALS will be the preferred supplier of additional aircraft to this airline, mainly due its' IOSA status, said Mr. Muleya.

ALS is also eyeing leasing more aircraft to Southern Star's cargo division which is being set-up. ALS has leasing agreements with a number of airlines in the region,

including Rwand Air in Kigali and Safarilink in Kenya. Currently, ALS operate a fleet of 22 aircraft ranging from 19-seater to 37-seater jets and turboprops. New 50-seater aircraft are being introduced, which include the Dash 8 300 turboprops and Embraer 145 jets. ALS mainly leases to airlines, oil companies and NGO's.

ALS is my choice of Aviation Company in establishing the influence of brand loyalty because it has used both the market penetration strategy and diversification strategy to build on its brand loyalty. Not many Aviation organizations undertake branding programs but it has gone a mile further to post a very informative website, carry out electronic and print advertising. Moreover, a responsible corporate citizen who takes care of its stakeholders through Corporate Social responsibility activities.

Smith and Alcorn (1991). Corporations have integrated marketing strategy and social responsibility, and this integrated strategy has been labeled cause marketing. Because corporations already invest in both branding and philanthropy, the rationale for integrating branding and CSR derives from the synergies created when both strategies merge (Blumenthal and Bergstrom, 2003).

### **1.2 Statement of the problem**

Brands vary in the amount of power and value they have in the marketplace. At one extreme are brands that are known by most buyers. Then there are brands for which buyers have a fairly high degree of brand awareness. Beyond this are brands with a high degree of brand acceptability. Then there are brands that enjoy a high degree of brand preference. There are brands that command a high degree of brand loyalty.

Aaker, (1996) distinguished five levels of customer attitude towards a brand from lowest to highest. Customer will change brands, especially for price reasons. No brand loyalty, customer is satisfied. No reason to change the brand, customer is satisfied and would incur costs by changing brand customer values the brand and sees it as a friend and customer is devoted to the brand. He brand equity is related to the degree of brand name recognition, perceived brand quality, strong mental and emotional associations, and other assets such as patents traditions and channel relationships.

ALS has dominated the Aviation Industry by acquiring a large customer base hence a large market share this has prompted the curiosity to find out the relationship between the market share growth and brand loyalty. ALS also carries out Corporate Social Responsibility activities this shows it is not only concerned with its shareholders but also stake holders hence would like to establish if this has affected the brand perception on customers. ALS also seeks to increase visibility through publication of articles on print media and coverage of corporate events on electronic media hence I wish to establish its impact on brand awareness, brand attitude and brand perception.

Wambugu (2002) undertook a study in store loyalty factors and brought out the factors that influence loyalty for selected supermarkets in Nairobi. He argues that merchandise availability. Store location, prompt service and courtesy of employees are very critical factors that determine customer loyalty. Other studies by (Tharamba, 2006) on influence of brand symbols on brand preference by customers of Kenya Breweries limited products in Nairobi concluded that, brand preference is not only influenced by brand symbols but

also by other factors like advertising. Ogambo, (2003) sought to highlight the determinants of brand loyalty for prescription brand medicine by doctors in Nairobi and found out that patients buying power, experience through samples given to doctors, source of medicine and literature about the product as among the top five important factor.

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

The objective of this study is to determine the extent of brand loyalty in the Aviation industry

### **1.4 Significance of the study**

A brands value proposition is a statement of the functional, emotional and self-expressive benefits delivered by the brand that provide value to the customer. An effective value proposition should lead to a brand-customer relationship and drive purchase decisions.

Brand loyalty is a key consideration when placing a value on a brand that is to be bought or sold, because a highly loyal customer base is usually vulnerable or has value only in its potential to create loyal customers. Brands vary in the amount of power and value they have in the marketplace. At one extreme are brands that are known by most buyers. Then there are brands for which buyers have a fairly high degree of brand awareness. Beyond this are brands with a high degree of brand acceptability. Then there are brands that enjoy a high degree of brand preference. There are brands that command a high degree of brand loyalty. The findings of the study will be particularly useful to:

Industry players-they will have additional information on the influence of brand loyalty in the aviation industry and the importance of adopting programs for building brand loyalty. Academicians and researchers-they will have additional secondary data on the concept of brand loyalty. Management and team members of the Aviation companies-they will have additional information on the importance of brand loyalty and its effect in increasing customer base, building customer relationships and revenue growth. Aviation stakeholders-they will get insight on the concept of brand loyalty and its effect in the Aviation industry.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Brand Loyalty

Keller, (2003). Brand loyalty is the heart of brand's value. It is the core of the brand equity. If customers are indifferent to the brand and buy with respect to features, price and convenience without concern for the brand name, the brand is likely to have little equity. On the other hand, if they continue to purchase the brand even in the face of competitors with superior features, price and convenience then substantial value exists in the brand (Aaker, 1996). By protecting this space in the mind, brands sustain loyalty (Nicolas, 2003). Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images or level of quality at the right price. Brand loyalty is product specific. Consumers might be loyal to brands in one category and not loyal to brand in other categories (Assael, 1998).

Brand loyalty can also be defined as repeat purchase intention and as behaviour. It is thought of as internal commitment to purchase and repurchase a particular brand (Evans, 1997). Brand loyalty represents a favorable attitude towards a brand, resulting in consistent purchase of the brand overtime. It happens after consumers learn that one brand can satisfy their needs (Assael, 1998). To be truly loyal, the customer must hold a favorable attitude towards the brand in addition to purchasing it repeatedly (Day, 1969).

Brand loyalty is a positive attitude towards a brand that causes customers to have a consistent preference for that brand over all other competing brands in that category.

There are three degrees of brand loyalty namely: Brand recognition-this exists when a

customer knows about the brand and is considering it as one of the several alternatives in the evoked considering it is the lowest form of brand loyalty that exists mainly due to the awareness of the brand rather than a strong desire to buy the brand. Brand preference-it is a stronger degree of brand loyalty where a customer prefers one brand to competitive brands and will usually purchase this brand if it available. Brand insistence- this is the highest level of brand loyalty that exists due to the awareness of the brand and commitment to it. (Wang, Y. 2000). A brand can only be strong if has a strong supply of loyal customers (Kapferer, 1999). This gives the brand stability of future sales. When a customer is loyal, he is likely to speak well to others about the brand (Aaker, 2000). Loyalty is actually a manifestation of a deep relationship between the brand and the customer (Kotler, 2000).

## **2.2 Loyalty and Brand Value**

Brand loyalty is key consideration when placing a value on brand that is to be bought or sold, because a highly loyal customer base can be expected to generate very predictable sales and profit stream. In fact, a brand without a loyal customer base usually is vulnerable or has value only in its potential to create loyal customers. Further, the impact of brand loyalty on marketing costs is often substantial: it is simply much less costly to retain customers than to attract new ones. The loyalty of existing customers also represents a substantial entry barrier to competitors in part because the cost of enticing customers to change loyalties is often prohibitively expensive. (Aaker, 1996).

A focus on loyalty segmentation provides a strategic and tactical insight that will assist in building strong brands. A market can usually be divided into the following groups: noncustomers (those who buy competitor brands or are not product class users), price switchers (those who are price-sensitive), the passively loyal (those who buy out of habit rather than reason, fence sitters (those who are indifferent between two or more brands) and the committed. The challenge is to improve the brands' loyalty profile: to increase the number of customers who are not price switchers, to strengthen fence sitters and for the committed tie to the brand and to increase the number who would pay more (or endure some inconvenience) to use the brand or service. Two segments in which firms often under invest are the passively loyal and the committed customers. (Aaker, 1996).

Brand awareness, perceived quality, and an effective, clear brand identity can contribute to this goal. Increasingly, however, programs that could build loyalty more directly are becoming important and even critical in many product classes. Included among these are frequent buyer programs and customer clubs. Frequent buyer programs which are pioneered by airlines, (United Airlines' Advantage and British Airways' frequent Travelers Programs) are now being adopted by a host of brands in a variety of product classes, including books (Waldenbooks Prefferd Reader), hotels ( Hilton Senior Honors Frequent Traveler Program), fast food (burger king Frequent Customers Club), Parking – Park-n-Fly Reward) and even cars. The GM master card, launched in1992, provides customers with a rebate on the purchase of GM car or truck. A frequent-buyer program provides direct and tangible reinforcement for loyal behavior. Not only do such programs enhance the value proposition of a brand and often its point of differentiation as well.



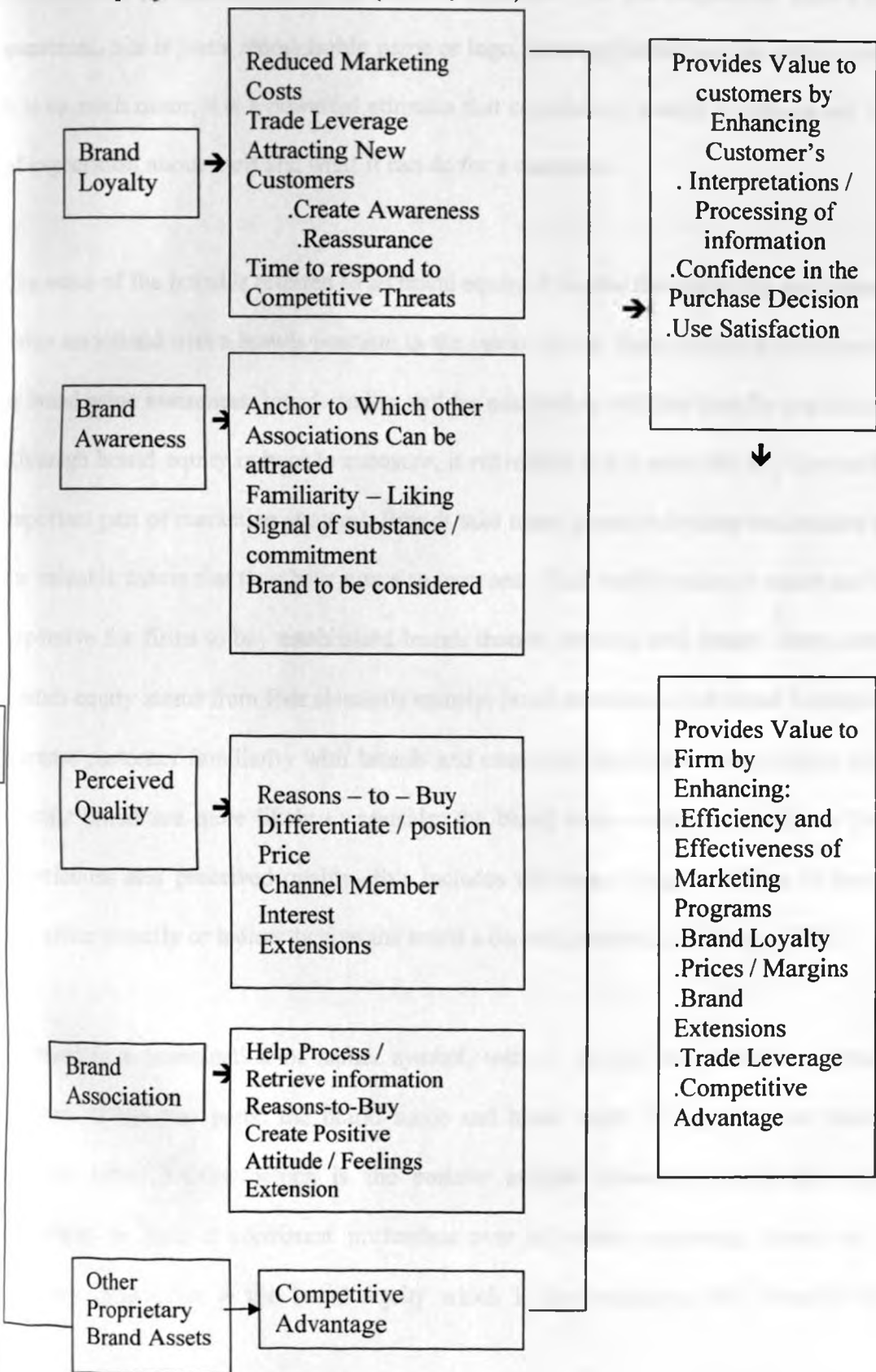
They also affirm the commitment that the firm is making to loyal customers. It is clear that their loyalty is not taken for granted.

A potentially more intense loyalty level can be precipitated by customer clubs. Kids who joined the Nintendo Fun Club (and received newsletters and access to on-call advisers), for example, were rabid Nintendo users and heart of the firm's early success. Claridge hotel and Casino has without question increased the intensity of customer loyalty with its 350,000 member Claridge Comp Card Gold Club. The club's members receive discounts, news of upcoming events and special offers ranging from monogrammed bathrobes to door-to-door limo service. Apple computer users groups provide support and assistance, as well as the chance for customers to express their interest in computers and their loyalty to Apple. (Aaker, 1996). A by-product of frequent-buyer programs and clubs, customer data can be used for database marketing targeted at narrow, focused segments. News about new products and special promotions can be tailored to those segments most likely to respond. Targeted customers will feel the firm is connecting with them individually, and the brand customer relationship will become stronger. (Aaker, 1996).

### **2.3 Brand Equity**

Brand Equity is a set of brand assets and liabilities linked to a brand. Its plane and symbol that add to or subtract from the value provided by a product or service and /or to that firm's customers (Aaker, 1991). Below find a diagram of the four principal brand categories

## How Brand Equity Generates Value (Aaker, 1996)



Adcock (2000) suggests that a brand is not a product that just happens to have a high awareness, nor is just a recognisable name or logo, although both these are often present. It is so much more; it is a powerful stimulus that conjures up a complex image and level of expectation about itself and what it can do for a customer.

The value of the brand is referred to as brand equity. It is also the marketing and financial value associated with a brand's position in the market place. Brand equity usually has ties to brand name awareness, brand quality and the association with the brand's organization. Although brand equity is hard to measure, it represents a key asset for any firm and an important part of marketing strategy. Brands take many years to develop and nurture into the valuable assets that they have come to represent. This reality makes it easier and less expensive for firms to buy established brands than to develop new brands from scratch. Brand equity stems from four elements namely: brand awareness and brand loyalty-they increase customer familiarity with brands and customers familiar or comfortable with a specific brand are more likely to consider the brand when making a purchase. Brand associations and perceived quality- this includes the brand image, attribute or benefits that either directly or indirectly give the brand a certain personality. (Wang, 2000).

A brand is a combination of name, symbol, term or design that identifies a specific product. It has two parts: the brand name and brand mark. Components of branding include: brand loyalty, which is the positive attitude towards a brand that causes customers to have a consistent preference over all other competing brands in that category. The other is the brand equity which is the marketing and financial value

associated with a brand's position in the market place. It ties to the brand name awareness, brand loyalty, brand quality and brand association. The last is brand alliances which is the relationship with other firms. (Ferrel, 1986).

Adcock, (2001) Brand equity refers to the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name. Brand equity is a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service. The major asset categories are: brand name awareness, brand loyalty, perceived quality and brand associations. The management of brand equity involves investment to create and enhance these assets. Each brand equity asset creates value in a variety of very different ways. In order to manage brand equity effectively and to make informed decisions about brand-building activities, it is important to be sensitive to the ways in which strong brands create value. Brand equity creates value for the customers as well as the firm. The word customers refer to both the end users and those at the infrastructure level. For assets or liabilities to underlie brand equity, they must be linked to the name and symbol of the brand. If the brand's name or symbol should change, some or all the assets or liabilities could be affected and even lost, although some might be shifted to the new name and symbol. Below find a diagram of the four principal brand categories. (Aaker, 1996).

Brand equity creates value for the customers as well as the firm. The word customers refer to both the end users and those at the infrastructure level. For assets or liabilities to underlie brand equity, they must be linked to the name and symbol of the brand. If the brand's name or symbol should change, some or all the assets or liabilities could be affected and even lost, although some might be shifted to the new name and symbol.

(Aaker, 1996)

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This research methodology chapter presented a description of how the study was approached. That was the research design, how data was collected and the data analysis technique that was adopted to analyze in order to generate the findings of the study.

### **3.2 Research Design**

The research was conducted through case study. A case study was chosen because it enables the researcher to have an in-depth understanding of the behaviour of the subject under study. The importance of case study is emphasized by Young (1960) and also by Kothari (1990) who both acknowledge that case study is a powerful form of qualitative analysis that involves a careful and complete observation of social unit, irrespective of what type of unit is under study.

### **3.3 Data collection**

The study used primary data, which was collected from passengers of ALS at the Wilson Airport waiting lounge. A questionnaire was used which had both open and closed ended questions therefore allowing the collection of an in-depth data. This allowed oral administration of questionnaire on face-to-face encounter therefore allowing the collection of an in-depth data.

### 3.4 Data Analysis

The data collected was qualitative in nature and analyzed using conceptual content analysis which is the best method of analysis. To be able to study existing information in order to determine factors that explain a specific phenomenon Content is defined by Nachmias and Nachmias (1996) as technique for making inferences by systematically and objectively identifying specific characteristics of messages and using the same approach to relate trends.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS**

### **4.1 Introduction**

This chapter presents data findings from the field, its analysis and interpretations. The data was collected through a questionnaire and analyzed using content analysis. The data findings were on the survey of brand loyalty in the Aviation industry.

According to the data all the 20 passengers projected in previous chapter to be respondents were reached which makes a response rate of 100%. The commendable response rate was achieved after the researcher made frantic effort at booking appointments with the head of the department and making follow up calls.

### **4.2 Demographic information**

This section concentrates on the demographic information of the respondents. The researcher was interested in knowing their age, level of education, profession and country of origin. Information from this section enables the researcher to judge whether they chose the appropriate person for the study.

#### **4.2.1 Age**

The findings of the study in Table 4.1 indicate that mainly the passengers are in the age bracket between 31-40years which is 41% of the total respondent, followed by 41 – 50 years age bracket , 27%, between 51-60 years, 23%, 6% above 60 years, and1% below 20 years. The majority of the respondents are in the middle age.



**Table 4.1 Age bracket**

	<b>Frequency</b>	<b>Percent</b>
Below 20 years	1	3
31 – 40 years	8	41
41- 50 years	5	27
51 – 60 years	5	23
Above 60 years	2	6
<b>Total</b>	<b>20</b>	<b>100</b>

Source: Author (2011)

#### 4.2.2 Level of education

The findings of the study on the level of education of the respondents in the study are represented in table 4.2 below. The majority of the respondents have college education which is 41%, graduate education 38%, post graduate is 12% and 9% have gone up to primary school. The study considered the level of education as an important aspect because it helps in making informed decision and formation of opinion.

**Table 4.2 Level of education**

	<b>Frequency</b>	<b>Percent</b>
Primary education	2	9
College education	8	41
Degree level	8	38
Post graduate education	2	12
<b>Total</b>	<b>20</b>	<b>100</b>

Source: Author (2011)

### 4.2.3 Service Sector in the humanitarian service

The majority of the respondents which is 37% are in the relief programs, 21% in Disaster management, 13% in Health and water sanitation and 12% in the education programmes.

The researcher found this relevant so as to determine the profession of the respondents because the ALS mostly operates humanitarian flights to remote parts of the country.

**Table 4.3 Service Sector in the humanitarian service**

	<b>Frequency</b>	<b>Percent</b>
Disaster management	4	21
Emergency assistance	2	10
Relief programmes	7	37
Security enhancement	1	7
Health an water sanitation	3	13
Education programmes	2	12
<b>Total</b>	<b>20</b>	<b>100</b>

**Source: Author (2011)**

### 4.2.4 Continent of origin

The majority of respondents are from Africa which is 42%, America 27%, Europe 13%, Australia 13% and Asia 5% this is indicated in table 4.4 below. The researcher found it important to establish the continent of origin of the respondent which is perceived to affect brand loyalty to ALS:

**Table 4.4 Continent of origin**

	<b>Frequency</b>	<b>Percent</b>
Africa	8	42
America	5	27
Asia	1	5
Australia	3	13
Europe	3	13
Total	20	100

**Source: Author (2011)**

#### **4.2.5 Conclusion**

This section dealt with the demographic information of the respondents. According to the research majority of the passengers of ALS are in the middle age between 31- 40 years most of them have college education and work in the relief programmes in the humanitarian service and that most are from the Africa continent.

#### **4.3 Background of the study**

This section discusses various factors about the aviation industry and seeks to determine how often the respondents travel, how many airlines they are aware of and their choices of air travel given the opportunity.

### 4.3.1 Frequency of travel air travel

According to the data collected 36% of the total respondents travel monthly, 32% travel weekly, 17% travel yearly and 12% rarely travel. The researcher found it important to establish the frequency because it affects the awareness of different brands and hence the opportunity to compare. Below is table 4.5 with the findings.

**Table 4.5 frequency of air travel**

	<b>Frequency</b>	<b>Percent</b>
Daily	1	3
Weekly	6	32
Monthly	8	36
Yearly	3	17
Rarely	2	12
<b>Total</b>	<b>20</b>	<b>100</b>

Source: Author (2011)

### 4.3.2 Choice of Air travel

According to the research the respondents given an opportunity to choose their air travel company 38% would travel in UNHAS flights, 23% in Kenya airways, 15% in Emirates and 12% air Kenya. This was important to establish the preference of the respondent in the air travel. Below find table 4.6 that explains the findings.

**Table 4.6 choice of Air Travel**

	<b>Frequency</b>	<b>Percent</b>
Kenya airways	5	23
British airways	2	12
UNHAS	8	38
Air Kenya	2	12
Emirates	3	15
<b>Total</b>	<b>20</b>	<b>100</b>

**Source: Author (2011)**

### **4.3.3 Airline Companies of choice**

According to the researcher the following airlines were selected 15% emirates, 13% British Airways and Air Kenya, 12% Kenya Airways , 11% Safari line, 10% DAC aviation, 8% East Africa Airline and UNHAS 6% Entitled Airline and 4% Rwanda Air. Table 4.7 deposits the findings:

**Table 4.7 Airline Companies of Choice**

	<b>Frequency</b>	<b>Percent</b>
Safari link	2	11
UNHAS	2	8
Kenya airways	2	12
British Airways	3	13
Air Kenya	3	13
Emirates	3	15
DAC Aviation	2	10
Etihad Airline	1	6
Rwanda Air	1	4
East African Airline	1	8
<b>Total</b>	<b>20</b>	<b>100</b>

**Source: Author (2011)**

#### **4.3.4 Information on Brand loyalty**

This section discusses the information on factors that determine brand loyalty in the Aviation industry. The research used a likert – scale to analyze the data where a five rank was used to show the extent to which these factors determine brand loyalty in the aviation industry.

**Table 4.8 Extent to which some factors are important in brand loyalty**

	Strongly Agree		Somewh at Agree		Neither Agree nor Disagree		Somewh at Disagree		Strongly Disagree	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Unique features of the service provider	2	5	6	30	12	60	0	0	0	0
Airline network destinations	10	50	4	20	4	20	2	0	0	0
Efficiency in providing feedback	0	0	2	10	15	75	3	15	0	0
Convenient location of airline	7	35	6	30	7	35	0	0	0	0
Provision of customer solution	2	10	3	15	14	70	0	0	1	5
Well developed public relation	4	20	8	40	5	25	2	10	1	5
Visibility of airline	5	25	8	40	7	35	1	5	0	0
Public awareness of the Airline	5	25	12	60	3	15	0	0	0	0
Satisfactory customer service	3	15	10	50	5	25	2	10	0	0
Trustworthy employees	3	15	7	35	8	40	2	10	0	0
Employee efficiency	1	5	12	60	4	20	2	10	1	5
Quality of service	2	10	10	50	5	25	3	15	0	0
State of the art technology	2	10	11	55	3	15	2	10	2	10

Source: Author (2011)

According to the table various factors were considered and were ranked in order of preference. The major factors that the respondents strongly agreed to, that affect brand loyalty in the aviation industry include unique features of the service provider which was 50%, this is because they felt it met their specific needs as opposed to those that are not tailored to meet to customer needs. Another factor is efficiency in providing feedback which is 75% and providing customer solution which was 70% this implies that customers need to feel appreciated and valued hence an organization needs to have a system in place to address their issues and give recommendations.

Public awareness is also an important factor because it was ranked at 60% this goes a long way to explain the importance of visibility of any organization and building on the brand which also translates to increase on the customer base and consequently revenue to the organization.

State of the art technology was also ranked highly at 55%, this is because clients appreciate organizations that make an effort to be technology savvy. This makes the operations of the organizations become effective and efficient consequently convenient for the customers.



## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION**

### **5.1 Introduction**

The research was a survey of brand loyalty in the Aviation Industry. Based on this objective and variables drawn from available literature, a questionnaire was developed and used to gather the data. The data collected was analyzed using percentages. This chapter also includes sections on limitations to the study and recommendation for further research.

### **5.2 Summary of findings**

The need for firms to remain competitive and successful in the long term is paramount in any business. Brand loyalty is a key consideration when placing a value in a brand that is to be bought or sold, because a highly loyal customer base can be expected to generate a predictable sales and profit stream. The impact of brand loyalty on marketing costs is often substantial because it is less costly to retain customers than to attract new ones. This study sought to contribute into the pool of the empirical literature by laying its focus in a survey of brand loyalty in the aviation industry.

To achieve the study objective and answer the study questions adequately, it was considered necessary for the study to look at aspects of demographics in order to form the basis of seeking information to achieve the study objective. Aspects of Bio data that were considered include age, level of education, sector in the humanitarian service and country of origin.

It was established that out of the 20 passengers that participated in the study 41% are in the age of 31 – 40 years, 27% between 41 – 50 years, 23% between 51- 60years, 6% above 60years and 3% below 20 years of age. It was established that most of the respondents are in their middle age.

With respect to the level of education it was established that 41% have college education, 38% degree, education 12% post graduate and 9% up to primary education. This indicates that majority of the respondent have college education.

In the sector of humanitarian service it was established that 31% are in Relief programmes, 21% in Disaster management, 13% in Health and water sanitation, 12% in education programmes, 10% in emergency assistance and 7% in security enhancement. Majority of the respondent are involved in the relief programmes.

Continent of origin it was established that 42% are from Africa, 27% from America, 15% from Europe, 12% from Australia and 4% from Asia. Majority of the respondents are from the Africa continent.

On the frequency of travel it was established that 36% of the total respondents travel monthly, 32% travel weekly, 17% travel yearly and 12% and % rarely travel from the research majority of the passengers travel monthly. Airline of choice it was established in order of preference, that the study established that the respondent preferred 15% Emirates, 13% British Airways, 13% Air Kenya, 12% Kenya Airways,

11% Safari link, 10% DAC aviation, 8% UNHAS, 8% East Africa Airline, 6% Etihad Airline and 4% Rwanda Air.

With respect to the objective, the study findings showed that the various attributes presented to the respondents, to a moderate extent, perceived to have an effect on Brand loyalty. This was supported by some of the attributes on the questionnaire 60% agree that the Airline benefits from public awareness of its existence, 50% agree on satisfactory customer service, 55% somewhat agree on use of the state of the art technology, 50% strongly agree on the extensive coverage of network destinations relations, 60% agree public awareness is important. Other less important factors are unique feature of the service provider and efficiency in providing feedback.

### **5.3 Conclusion**

The findings of this research have brought to light a number of issues regarding brand loyalty in the aviation industry. According to the research, mainly the clients are in their middle age 31-40years, most have college education working in Relief programmes and from the Africa continent.

Brand loyalty is key consideration when placing a value on brand that is to be bought or sold, because a highly loyal customer base can be expected to generate very predictable sales and profit stream. In fact, a brand without a loyal customer base usually is vulnerable or has value only in its potential to create loyal customers. Further, the impact of brand loyalty on marketing costs is often substantial: it is simply much less costly to retain customers than to attract new ones. The loyalty of existing customers also

represents a substantial entry barrier to competitors in part because the cost of enticing customers to change loyalties is often prohibitively expensive. (Aaker, 1996).

This research agrees with Aaker, D. that the value brand loyalty is an important aspect of growing customer base, building on the brand name and loyalty and increasing the revenue. Moreover, that unique feature of the service provider is important, Airline network destinations is important, public awareness of the organization is important.

#### **5.4 Limitations of the study**

The study was limited in the survey of brand loyalty in the Aviation industry, it was also limited to one organization i.e. ALS (Aircraft leasing services). The study faced time constraints; the duration that the study was to be conducted was limited. The study however minimized this by administering questionnaires and analyzing the data collected.

Another limitation is that ALS is contracted by the United Nations to operate United Nations Humanitarian Air Service (UNHAS) hence a lot of bureaucracy before I got to interview the respondents.

#### **5.5 Suggestion for further research.**

Since the study was limited to a survey of Brand loyalty in the Aviation industry using a case study of one firm, a survey study of several firms on the same research question can help in solidifying or challenging the finding of this research. Additionally, a study in branding as a business strategy can help also reveal or dispute the far reaching business benefits revealed in the study.

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## **APPENDIX I: INTRODUCTION LETTER**

Managing Director  
Aircraft Leasing Services (ALS)  
P. O. Box 41937-00100  
Nairobi

Dear Sir/Madam

### **RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT**

I am a student at the University of Nairobi pursuing a Master of Business Administration program.

Pursuant to the pre-requisite course work, I would like to conduct a research project in; Survey of Brand Loyalty in the Aviation Industry.

The focus of my research will be Aircraft Leasing Services (ALS) and this will involve use of questionnaire administered to your passengers.

I kindly seek your written authority to conduct the research on your passengers through questionnaires. I have enclosed an introductory letter from the University and questionnaires to be administered. Your assistance is highly valued.

Thank you in advance.

**Yours faithfully**

**Susan Nyambura Gichuhi**

**MBA STUDENT.**



## APPENDIX II: QUESTIONNAIRE

### PART A: BIO DATA

1) Please tick the appropriate age bracket

Below 20 years ( ) 31 – 40 years ( ) 41 – 50 years ( ) 51 – 60 years ( ) Above  
60 years ( )

2) Please indicate the level of year education

Up to Primary Education ( ) College Education ( )  
Degree level ( ) Post graduate education ( )

3) Please indicate your income bracket in KSH

Below 30,000 ( ) 30,000 to 60,000 ( ) 60,000 to 90,000 ( ) 90,000 to 120,000 ( )  
120,001 and above ( )

4) Please indicate your industry of profession

Banker ( ) Social worker ( ) Hospitality ( ) Civil Servant ( )  
Financial Advisor ( ) Human Resource Management ( ) Medical Practitioner ( )

5) Please indicate your nationality

East Africa ( ) West Africa ( ) American ( ) British ( ) French ( ) Arabian ( )

### PART B: BACKGROUND OF THE STUDY

6) Please indicate how often you travel

Daily ( ) Weekly ( ) Monthly ( ) Yearly ( ) Rarely ( )

7) How many airlines are you aware of please tick

Kenya Airways ( ) British Airways ( ) Aircraft leasing services ( )  
Air Kenya ( ) Emirates ( )

8) Please indicate below the three best airline companies of your choice

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**PART C: BRAND LOYALTY**

9) Please indicate on the scale below by ticking (√) the extent to which the following attributes influence your liking of ALS.

- 1) Strongly agree      2) Somewhat disagree      3) Neither agree or disagree  
 4) Somewhat agree    5) strongly agree

	1	2	3	4	5
Unique features of the service provider					
Current scope of travel					
Process of booking					
Efficiency in providing feedback					
Convenient location of Airline					
Provision of customer solutions					
Accessibility of the Airline					
Advertising features					
Attractive packages					
Well developed Public Relations					
Visibility of the Airline					
Awareness of the Airline					
Affordability of the prices					
Personal selling					
Satisfactory customer service					
Trustworthy employees					
Employee efficiency					
Employee honesty					
Quality of service					
State of the art technology					

10) What do you know about ALS?

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11) Why is ALS your choice of Airline travel today?

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**THANK YOU**