BRAND REJUVENATION STRATEGIES AND ORGANIZATION PERFORMANCE: A CASE STUDY OF NEW KENYA COOPERATIVE CREAMERIES LIMITED

BY

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DECLARATION

STUDENT'S DECLARATION

I declare that this project is my original work and has never been submitted for a degree in any other university or college for examination/academic purposes.

Signature: ………………………………………Date:…………………………………

IBRAHIM MOHAMED ABDI

D61/63235/2010

SUPERVISOR'S DECLARATION

This research project has been submitted for examination with my approval as the University Supervisor.

Signature……………………………………..….Date…………………………………..

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DEDICATION

To my family members and all those who supported me in the completion of this project writing.

Thank you and God bless you abundantly.

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ABSTRACT

Brand rejuvenation strategy is considered to have occurred when a firm recovers adequately to resume normal operations often defined as having survived a threat to survival and regained sustainable profitability. In this light of a great brand rejuvenation strategy in terms of profitability and increased market share, this study seeks to document factors that are responsible for successful brand rejuvenation strategy of New KCC from the hitherto years of loss making. This study therefore set out to investigate brand rejuvenation strategies and organization performance at New KCC. This study adopted a case study. The study used both primary and secondary data. The researcher administered the interview guide through personal interviews from the senior management especially the strategic, marketing, operations, finance and procurement in the New KCC who were involved in strategy formulation and implementation process as they are appropriate in decision making as well as resourceful in terms of information on the brand rejuvenation strategies in the New KCC. Content analysis was used for data that was qualitative in nature or aspect of the data collected from the open ended questions. the Company has embraced the rejuvenation strategies to realized better performance after the fall of its predecessor. These techniques of brand rejuvenation illustrate that if the brand message is at the core of the re-branding effort, regardless of wider economic circumstances, consumers will stay true to the brand. Brands are born from competition and they can also die from it. As such, if the rejuvenated brand exists in a family of brands, its new strong and favourable associations can enhance the equity of the other brands in that family. For the Firm to become even more competitive there is need to change the product attribute and bringing out newer products with more uses so that the products can be more marketable. The company should implement more brand rejuvenating strategies which aim to change the perception of the customers' minds. The company should undertake the process in more than a couple of ways. This could be done through entering into newer markets or changing the brand elements and the perception in the minds of the consumers so that the market to enhance its marketing and therefore better performance.

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LIST OF ABBREVIATIONS

ASALs	Arid and Semi-Arid Lands
CBBE	Customer Based Brand Equity
GM	General Motors
KCC	Kenya Co-operative Creameries
NARC	National Alliance Rainbow Coalition
NKCC	New Kenya Co-operative Creameries
NPD	New Product Development
R&D	Research and Development
ROI	Return on Investment
SDP	Smallholder Dairy Project

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Business today has become challenging due to dynamics in business environment. There are a number of reasons that can make a firm experience declining profits including economic recessions, production inefficiencies and innovative break-through by competitors. In many cases, strategic managers believe that such a firm can survive and eventually recover if a concerted effort is made over a period of a few years to fortify its distinctive competencies through various strategies among them brand rejuvenation strategy (Pearce and Robinson, 2005). Rejuvenation of dormant brand can be a highly profitable strategy under the right circumstances.

The brand, among all other strategic variables related to products, provides the strongest differentiation tool and often represents the consumer's determining element of consumer choice (Docters, 1999). This explains why brand managers, as soon as they perceive the ageing process has started, seek a rejuvenation cure to restore the brand's value instead of letting it die and looking for a new name. Specifically, without brand rejuvenation strategy solutions, firms with ageing brands suffer brand failures because they depend solely on their past experiences to tackle brand problems.

Despite the acrimony that marked the change of hands, KCC has astounded friend and foe by the speed of its brand rejuvenation strategies. The company posted a loss in its first months of operations. The state-owned milk processor posted a profit of Kshs 500 million in the financial year ended 30th June 2008 against Kshs 384 million posted for the previous trading period (Kenya Dairy Board, 2010).

1.1.1 Brand Rejuvenation Strategies

Several definitions have been documented by different authors regarding brand rejuvenation strategy. Babu (2007) defines brand rejuvenation strategy as a major overhaul of a brand, starting with its positioning and proceeding through creative regeneration of the brand identity. Khandwalla (2007) suggested a more simplified definition of brand rejuvenation strategy as recovery to profitability from a loss situation. Brand rejuvenation strategy is the process by which a business with inadequate performance is analyzed and changed to achieve desired results (Schendel, 2007). A firm is said to be in decline when it experiences a resource loss sufficient to compromise its viability. Brand rejuvenation strategy emphasizes the improvement of operational efficiency and is probably most appropriate when a corporation's problems are pervasive but not yet critical. Brand rejuvenation strategies stand on the belief that the market cycle doesn't describe an inevitable course of growth followed by decline (Wheleen, 2004).

According to Wheleen and Hunger (2004), the two basic forms of a brand rejuvenation strategy are contraction and consolidation. Contraction in this case refers to the initial effort to quickly "stop bleeding' with a general across the board cut back in size and costs. Consolidation on the other hand involves implementing a program to stabilize the now leaner corporation. To streamline the company, plans are developed to reduce un-necessary overhead costs and to make functional activities cost justified. Wheleen and Hunger (2004), further points out that an over emphasis on downsizing and costs coupled with a heavy hand by top management is usually counterproductive and can actually hurt performance. If however, all employees are encouraged to get involved in productivity improvements, the firm is likely to emerge from this retrenchment period to much stronger and better organised company having improved its competitive position and regaining its ability to expand the business.

1.1.2 Organization Performance

Organization performance refers to how well an organization achieves its market oriented goals as well as its financial goals. Organization performance means attainment of ultimate objectives of the organization as set out in the strategic plan. Performance can be determined in various ways. It might stand for financial performance, market performance, customer performance or overall performance depending on the context in which the researcher is working from. Financial performance literally refers to financial measures, such as profit margin and return on investment (ROI).

Although the concept of organization performance is easily thought to be simple and unequivocal, however, it is not just something one observes and measures. It is a relative concept defined in terms of some referent employing a complex set of time-based and causality-based indicators bearing on future realizations. Above all, performance is about the capability to generate future results (Lebas and Euske, 2002).

1.1.3 Dairy Industry in Kenya

The dairy industry is the most developed of the livestock subsectors and is comparatively well developed relative to the dairy industries of other countries in sub-Saharan Africa. The industry, like other agricultural subsectors, is dominated by small-scale farmers. The major types of cattle kept for milk production are the improved exotic breeds and their crosses (collectively called ‘dairy cattle’) and the indigenous (zebu) cattle, which provide milk for communities in the drier parts of the country. The Sahiwal, though a zebu, is usually grouped together with the exotic cattle because it is regarded as an improved dual-purpose breed. The improved dairy cattle contribute about 60% and the zebu cattle about 25% of the total national milk output. Market-oriented dairy farming in Kenya, where exotic cattle are dominant, is concentrated in the crop dairy systems of the high potential areas where feed supply and disease control are much better than in the arid and semi-arid lands (ASALs) of the country. Zebu cattle, which constitute about 70% of the total population of cattle in Kenya, are, however, widely distributed and are found in all agro-ecological zones of the country due to their adaptation to highly diverse environments. About 70% of the herd is found in the ASALs of the country.

Dairy production systems in Kenya can largely be classified as large- or small-scale. Small-scale producers (the smallholders) dominate dairy production owning over 80% of the 3 million dairy cattle, producing 56% of the total milk production and contributing 80% of the marketed milk. In a recent study by the Smallholder Dairy (Research and Development (R&D)) Project (SDP) (Staal et al. 1999), covering the majority of the milk producing regions in the country, most of those surveyed were smallholders and 73% of these had dairy cattle. These findings confirmed the importance of dairy farming in Kenya's agricultural sector and the country's economy. The study also confirmed that dairy production is conducted on small farms with crossbred cow herds, which range in size from one to three head, and that production is based on close integration of livestock and crops. Dairy farming is a multi-purpose cattle system providing milk, manure and a capital asset to the farmer.

1.14 New Kenya Co-operative Creameries Ltd (NKCC)

For slightly over five years now, New KCC has been at the heart of the country's dairy sector vibrancy. New KCC has contributed immensely to improving the fortunes of dairy farmers over this period. However the firm's genesis stretches many decades back. KCC, the precursor of New KCC was established during the colonial era in 1925 by the white settlers around Naivasha. KCC operated as a settler's organisation for many years. According to the New KCC chairman Matu Wamae, Africans were not allowed to handle milk. They could not produce milk for themselves or for their neighbours (Kenya Dairy Board 2010).

KCC was registered under the cooperative societies' ordinance in 1931 and started with an initial nominal capital of Ksh 70 million. It collapsed in 1998, a victim of persistent cash flow problems and poor management. After nearly a decade of loss-making, KCC was sold in 2000 to a group of private investors at a throwaway price of Kshs 447 million, a huge discount from a Sh2 billion valuation. This change of ownership, however, failed to jumpstart the dairy firm. When NARC administration took over the reins in 2003, the government bought KCC in year 2000 for Sh547 million (Kenya Dairy Board 2010).

1.2 Research Problem

A firm is said to be in decline when it experiences a resource loss sufficient to compromise its viability. Brand rejuvenation strategy is considered to have occurred when a firm recovers adequately to resume normal operations often defined as having survived a threat to survival and regained sustainable profitability (Barker and Duhaime, 2004).

In the first 18 months of operations, the new KCC posted a loss of Sh 8 million. In the second 18-month financial year, New KCC made a profit of Ksh 349 million. Then the company reverted back to a 12-month year and the next profits were Ksh. 384 million. The state-owned milk processor posted a profit of Kshs 500 million in the financial year ended 30th June 2008 against Kshs 384 million posted for the previous trading period. The volumes of milk going to the processing plants have also increased to 516 million litres in 2010 as compared to 144 million litres in 2002 (a growth of 258%). New KCC holds about 30 per cent market share with growing competition from private processors like Brookside, Spin Knit Dairy, Githunguri and a number of small operators (Kenya Dairy Board 2010).

In this light of a great brand rejuvenation strategy in terms of profitability and increased market share, this study seeks to document factors that are responsible for successful brand rejuvenation strategy of New KCC from the hitherto years of loss making. Related study in Kenya was carried out by Situma (2006) on brand rejuvenation of KCB with a conclusion that more than one brand rejuvenation strategy is required to brand rejuvenation an ailing firm. This study was limited in that it concentrated only on the banking sector and didn't specifically address factors that influence the outcome of brand rejuvenation strategies adopted by firms under decline. Moreover there is a research gap on the relationship between brand rejuvenation strategy and organisation performance.

Further, Biegon (2006) did a study on the challenges facing kenya tea industry in exporting valued added (branded tea), Muta (2009) also conducted a study on branding strategy for the Kenya Agricultural Research Institute and its products while Ngungi (2010) did a study on the strategies implementation challenges faced by New Kenya cooperative creameries (NKCC). It was therefore evident that no study had been carried out on the dairy sector on the same. This study therefore set out to investigate brand rejuvenation strategies and organization performance at New KCC. The study sought answers to the questions: What were the brand rejuvenation strategies adopted by New Kenya Cooperative Creameries Limited? What is the relationship between brand rejuvenation strategies and organization performance with reference to New Kenya Cooperative Creameries Limited?

1.3 Research Objectives

i. To determine the brand rejuvenation strategies adopted by the New Kenya Cooperative Creameries Limited

ii. To establish the relationship between brand rejuvenation strategies and organization performance of new Kenya Cooperative Creameries Limited.

1.4 Value of the Study

The findings of this study would likely help the management of New KCC in monitoring the development and success of various brand rejuvenation strategies employed.

The study would also be useful to the current players in the Dairy industry, as they would borrow ideas from New KCC in an effort to rejuvenate their businesses in case of declining brand performance. To the various New KCC stakeholders, it goes further to justify why their continued support is required to steer the organization ahead of its competitors.

The study would also be of great importance to scholars and other researchers since the findings can be used as points of reference and indeed to further research in this area. Finally, failed brand rejuvenations constitute loss of resources. Hence findings from this study would help managers involved in turning around ailing firms to determine well in advance the possibility of successfully turning around their firms.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of literature related to the study, whose objective is to find out the brand rejuvenation strategies adopted in New KCC. First the brand rejuvenation concept and process is discussed and put into this study's context. Then, then forms of brand rejuvenation strategy, organization performance and finally brand rejuvenation strategy and organization performance then gives the conceptual framework of the study.

2.2 Concept of Brand Rejuvenation Strategy

Most research about brand rejuvenation strategy (Brown, Kozinets and Sherry, 2003; Lehu, 2004) is based on either cognitive or social psychology. The former research stream suggests that marketing activities that rebuild brand equity also can improve brand image and awareness. In contrast, the latter stream argues that consumers social psychological ties with a brand will be aroused by a brand story, brand community, and nostalgia about a brand significance, meaning, and essence, which in turn can renew close relationships between consumers Cognitive Psychology Perspective and a brand.

Bennis (2004) argues that brand equity must be managed actively in order to revitalize a brand. In turn, he provides the basic principles of brand rejuvenation strategy, to refresh lost sources of brand equity; to identify and create new sources of brand equity.

Pearce and Robinson (2005) defined a brand rejuvenation strategy as representing absolute and relative to industry declining performance of sufficient magnitude to warrant explicit brand rejuvenation actions. The management team must respond swiftly to ensure that the firm goes back to profitability in an event of firm's performance down turn. A faulting firm will most likely continue to decline and may eventually fail if top management team lacks the ability to respond successfully to internal and external factors responsible for the performance downturn (Hambrick, 2005). During decline the top management must make well-informed decisions to speed up a firm's recovery. Research indicates that when management formulates and implements informed brand rejuvenation strategies, their firms can brand rejuvenation even when facing declining environmental munificence, increasing environmental dynamism, escalating internal problems or limited slack resources (Pearce and Robinson 2005, Barker and Dahaime 2004).

2.3 Brand Rejuvenation Strategy

The brand rejuvenation strategy is carried out in various stages namely analyzing the acceptability, relevance, quality and image; understanding a brand's core values; managing relationships with customers; ensuring presence of idiosyncrasy; check for coordination in brand presentation and re-launching the brand.

The first step is analyzing the acceptability, relevance, quality and image. The company should investigate its consumers' feelings about the brand using in depth interviews. This should be done by also presenting the consumers with the firms products and the company's competitors products and explore their perception about relative strengths and weaknesses. The in-depth interview helps narrow down to attributes relevant to individual consumers. The investigation should reinforce the results of the interviews with interviews conducted on a large sample. This qualitative research gives findings on consumer perception of physical characteristics such as formulation, packaging, pricing, and accessibility. Through these; the company can reveal the emotional characteristics of the consumers like the brand personality (David, 1996).

The next step is understanding a brand’s core values. Values show what the brand has always stood for. The changes resulting from the earlier stage should be assessed for ramifications on the perceived brand values. For instance, Volvo cars stand for safety and durability but for this to be, their cars have to be heavy. If they conduct in depth interviews that show consumers prefer lighter faster cars, then Volvo should evaluate the repercussions of making their cars lighter, and ensure that it does not compromise their safety standards (David, 1996).

Then follows managing relationships with customers. At this stage, the company should consider the way the consumers relate to the brand. Where the consumers do not know so much about the brand they like, the relationship tends to be authoritarian. Consumers look up to the brand and a change in the brand is likely to be accepted. However, if consumers know so much about the brand, they will expect to be consulted for any changes to be effected and if not consulted, these changes are likely to be rejected. Also, strong preferences help consumers weather a change in positioning, but if the brand loyalty is weak, switching is likely to take place (Hambrick, 2005).

After this, the company should ensure presence of idiosyncrasy. Brand relationships with consumers result in friendship. The consumers therefore look for qualities of a true friend in the brand. One key quality of a friend is flaws. It is sometimes necessary to create a mild brand personality flaw just so that the brand can appear more real or ‘human’. This is done by adding a syncratic element to the adverts done for the brand (Hambrick, 2005).

The final stages entail checking for coordination in brand presentation and re-launching the brand. Once relevant changes have been identified in a brand, the changed brand should be presented to the public. However, in presenting it, the marketing program should not feature anything contradicting the elements identified as desirable during rejuvenation. All actions should portray the same message to avoid confusing consumers (Finkelstein, 2005). The re-launch should be fast and strategic, rapidly communicating the message across to the masses about the rejuvenated brand in the most desirable and memorable way possible (Finkelstein, 2005).

2.4 Forms of Brand Rejuvenation Strategy

There are various forms of brand rejuvenation strategies that a company can adopt in a bid to stay competitive including improving brand image, brand repositioning, changing brand elements, entering new markets and expanding brand awareness.

2.4.1 Improving Brand Image

Brand image, the major component, is regarded as “consumer perceptions of a brand as reflected by the brand associations held in consumers’ memories (Keller, 2003, p.80). The theoretical base of the CBBE model can be delineated with a psychological theory, the associative network memory model, viewing semantic memory or knowledge as a set of nodes and links while nodes represent stored information connected by links that vary in strength (Chowdhurry, 2002). The link between nodes is activated by cues, such as ads, logos, and other brand elements or information. Unique brand personality in this study is used as a brand rejuvenation strategy to activate memory retrieval as soon as possible and has a significant impact on brand image and brand awareness. Thus, brand knowledge is also important in brand rejuvenation because it influences what comes to mind and, therefore, affects how ageing brands come back to consumers' minds, i.e., brand rejuvenation.

While the enhancement of brand awareness seems the easiest method to rejuvenate ageing brands, strong, favourable, and unique brand associations, i.e., improving a brand's image, can also be very helpful to create new sources of equity. As part of this repositioning or recommitment to an existing position requires positive associations that have faded must be bolstered, any negative associations must be neutralized, and additional positive associations should be created. In some cases, ageing brands need to increase differentiation from competing brands, and in other times, a brand must be repositioned to establish a point of parity on some key image dimensions to "break even with respect to other brands (Hofer, 2008). Gopinath (1995) also indicates that retaining vulnerable or recapturing lost customers can enable a firm to identify neglected segments and attract new customers, which are very important tasks during brand repositioning.

Brand knowledge is the key and primary source of customer based brand equity (CBBE) and can be referred to as "an associative network memory model as a network of nodes and links wherein the brand node in memory has a variety of associations linked to it. According to the CBBE model proposed by Schendel, Patton and Riggs (2007), brand knowledge is a measure of consumer's awareness of a brand and their perception of the strength, favourability, and uniqueness of its brand associations. Brand awareness, one of two major components of brand knowledge, is referred to as "the strength of the brand node or trace in memory, as reflected by consumer's ability to recall or recognize the brand under different conditions.

This consists of repositioning strategies. For instance, the former KCC had positioned its milk products as healthy and long lasting. They can opt to reposition their products as tasty or affordable, refreshing etc. It requires a new marketing program to improve the strength, favourability and uniqueness of brand associations making the brand image. It entails bolstering such associations that have over time faded, neutralizing any negative associations and developing new ones.

2.4.2 Brand Repositioning

Repositioning a dying brand entails establishing more compelling points of difference (Brown, Kozinets and Sherry, 2003). Do this by reminding consumers of the virtues of the brand they have begun to take for granted. Along these lines, firms make and run ads such as 'try them again for the first time' which spark nostalgia and heritage already in the minds of consumers.

It can also entail establishing points of parity on key image dimensions so as to make the brand more contemporary (Wansink, 2000). This is done by creating relevant usage situations, a more contemporary user profile or a more modern brand personality. KCC, a heritage brand had a long history and acquired a perception of trust but with it the negative perceptions of being boring, un-interesting and un-likable and medieval. Updating such a brand required a combination of new products, new advertising, new promotions or new packaging like the flavored milk products especially shake which brought with it the perception of hip, fun and modernity. The jingles they included in their ads were ‘crunk’ a hip hop approach that tries to identify themselves with the youth. A new image permits higher prices and allows brand to gain higher end accounts.

Repositioning to dispel negative product related associations which are linked to changes in consumer tastes. If loyal buyers age without ‘replacement’ by younger consumers, sales decline. Again, timing becomes of great relevance as it is important to time the re-launch to coincide with events important to people likely to re-evaluate their buying behaviour e.g. for herbal products, the adverts should be targeted to consumers at a transition stage in life like newly weds or just retired (Kevin Goldman, 1994). The same can be applied for milk as a health product. A person who has just retired may feel aged and scared of further aging which makes him conscious of their eating behaviour. When targeting them, communicate the nutritional benefits they would gain if they took up milk to replace other drinks they previously preferred that may be linked to health problems e.g. alcohol

2.4.3 Changing Brand Elements

The first choice of brand elements is to select or translate a brand name. A unique, strong, and attractive brand name, such as GM and Apple, can enhance the corresponding brand associations of uniqueness, strength and favourability. Moreover, Keller (2003) delineates that a brand name has the introduction of the category of the branded products or services and their features or characteristics. In this study, Playboy has a unique and appealing name to be helpful for the enhancement of brand association. Additionally, other brand elements, such as logo or personality, and jingle, have a strong impact on brand awareness and image.

In brand rejuvenation strategy, as per Lehu (2004), supporting marketing programs can inject new life into ageing brands, such as product strategies like repackaging, restyling, and NPD, pricing strategies like medium high pricing, promotion strategies like new ads and communication media, and channel strategies like new dealers or channels. The first three types of secondary associations involve "factual sources (i.e. who makes the brand and where it is purchased) and the final two types of secondary associations are created through the primary brand associations related with user and usage situation attributes, especial y the association between a brand and a celebrity endorser (Robson, 2002).

These are changed to convey new information or as signal that the brand has taken new on new meaning because the product or some other aspect of the marketing program has changed. Of the key elements, a brand name is the hardest to change. When rejuvenating a brand by changing the brand name, tactics involved include dropping a name, combining into initials or changing a brand to the name consumers use to refer to it e.g. from Federal Express to FedEx as consumers called it (Shamsud, 2002). KCC changed their brand name to 'New KCC' to symbolize the new beginning.

If other elements are important awareness or image functions, then they can be changed. Packaging, logos and characters can be modified over time. Their new packages are more colourful and graphically illustrated. It is advisable to carry out the changes in a moderate evolutionary manner; great care should be taken to preserve the most salient aspects of the brand elements.

2.4.4 Entering New Markets

Slatter (2004) posits that another brand rejuvenation strategy is to seek the segments ignored by competitors through demographic analysis. He also makes one classic example, Procter & Gamble‘s Ivory soap, which revived the brand franchise by promoting the product as a pure and simple soap for adults instead of just for babies while there is another similar example, such as Johnson & Johnson‘s baby shampoo, achieving success by promoting the gentleness and everyday applicability of its product to an adult audience. However, Keller (1999) delineates that attracting a new market segment also can be difficult.

In brand rejuvenation strategy, attracting emerging market segments on the basis of cultural dimensions may require different messages, creative strategies, and media, for example, Playboy in China adopts brand extension to youngsters and changes its extant media communication to new creative media, such as online ads for the youngsters. Finally, Khandwalla (2007) emphasizes that one of the important brand rejuvenation strategies is to find new segments and attract new customers from the segments.

Normally, firms do not target all segments making up a potential market. Some are left dormant. When rejuvenating, brands can be targeted at these dormant segments. To effectively target these dormant segments however, the firm may need to re-model its advertising campaigns and other communication. Segment ‘awakening’ includes; reaching out to new customers e.g. Johnsons and Johnsons baby shampoo was repositioned as gentle for adults too. Segmenting on the basis of demographic variables. Identifying neglected segments is another option. New KCC saw this and targeted the youth by providing hip milk products like shakes in various flavours. They also made milk ready to drink by redesigning their packets with a breakable seal and an attached straw for one to take immediately they buy.

These can be carried out by first identifying weaknesses in the strong brand images of their competitors. When dormant segments consist of consumers who for one reason or the other have moved away from the brand, these consumers can be recaptured by showing aspects of heritage. By showing the appeal the brand had then is shown to be still relevant in recent times. Attracting new market segments can be deceptive and difficult. Nike and Gillette whose products are more masculine have over time tried to reach out to female consumers. Getting new segments takes specialized marketing programs the reason being that attracting new segments based on culture and gender requires a different message, creative strategies and media (Stewart, 1994).

2.4.5 Expanding Brand Awareness

For an ageing brand, the depth of brand awareness is not usually a problem; consumers still recognize or recall the brand in certain circumstances, but the breadth of brand awareness is the stumbling block, in that consumers only think of the brand in very narrow ways (Chowdhury and Lang, 2003). Obviously, increasing sales is an effective and direct method to rejuvenate an ageing brand. Consequently, sales can further increase from the greater usage and larger market share. Therefore, the easiest to implement method to create new sources of brand equity is to employ brand strategies or tactics to increase the product usage of ageing brands. As suggested by Keller (1999), the usage of ageing brands can be enhanced by the increment of consumption level (i.e., how much the brands are used) or consumption frequency (i.e., how often the brands Social Psychology Perspective are used).

From a social psychology perspective, brand rejuvenation strategy pertains to the revival of brand meaning by arousing consumers' personal and communal nostalgia (Brown, Kozinets and Sherry, 2003). The former pertains to age and experience, whereas the latter relates to an era marked by historical events, such as war. In marketing theory, personal nostalgia relates closely to communal nostalgia, because an old brand arouses people to recall not only the era in which they used it but also their experiences during that era.

Brand rejuvenation strategy can exploit consumer nostalgia by employing slogans, packaging, or traditions that arouse consumers' memories. However, it still must be connected to modern standards and consumer needs, even from a nostalgic perspective. Brand awareness consists of brand recognition and brand recall performance, and brand recognition is defined in terms of "consumers' ability to confirm their prior exposure to the brand when given the brand as a cue (Keller, 2003, p. 49). Brand recall is referred to as "consumers' ability to retrieve the brand when prompted with the given product category, the needs fulfilled by the category, or a purchase or usage situation as a cue.

Additionally, Keller (2003) posits that a high level of brand awareness offers three main advantages: learning advantage, brand awareness influences the formation and strength of the associations that constitute the brand image; consideration advantage, as suggested previously, consumers must consider the brand whenever they are making a purchase for which it can fulfil a need and raising brand awareness increases the likelihood that the brand will be part of the consideration set, defined as the few brands that receive serious purchase consideration; choice advantage, even though no brand association is related to other brands, brand choice can be subject to brand awareness (Rashmi, 2003).

Keller (2003) also observes that to create brand awareness, in the abstract, means increasing consumer familiarity with the brand through repeated exposure, though this approach generally is more effective for brand recognition than for brand recall. Moreover, he also posited that repetition increases recognisability, but improving brand recall also requires linkages in memory to appropriate product categories or other purchase or consumption cues, at the same time, a slogan or jingle and other brand elements such as logos, symbols, characters, and packaging can aid recall.

2.5 Organization Performance

Oakland (1999) is of the view that performance is what people do in relation to organization roles. Performance also refers to the metrics relating to how a particular request is handled, or the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it.

Performance measurement systems provide the foundation to develop strategic plans, assess an organisation's completion of objectives, and remunerate managers. Although assessment of performance in the marketing literature is still very important, it is also complicated (Andersen and Segars, 2001). While consensual measurement of performance promotes scholarly investigations and can clarify managerial decisions, marketers have not been able to find clear, current and reliable measures of performance on which marketing merit could be judged. Two approaches have been adopted in the literature to measure financial performance. Longer term performance has been chosen for two reasons: firstly because that is what the customers of “retail” products such as unit trusts might be expected to be looking at, particularly in view of the charging arrangements which make shorter term investment unwise. Secondly, one of the attractions of looking at “real” products rather than theoretical studies is the question of how administrative costs contribute to the results.

2.6 Brand Rejuvenation Strategy and Organization Performance

Cobb Walgren, Ruble and Donthu (1995, p. 56) recognize that “Factories rust away, packages become obsolete, products lose their relevance. But great brands live forever. Kelfer (1998) also quotes an extensive consumer research study to conclude that leading brands: offer significant financial and perceptual benefits ;own a core benefit in the category because they balance rational and emotional messages; are consistent and focus on quality, not price; and use the full range of marketing tools to solidify their performance. The sustained efforts of brand managers to protect brand equity, constantly develop assets, and strengthen differentiation could ideally create a supreme “master brand, but pragmatically, even great brands suffer ageing, and even leading brands fail and sometimes die (Lehu, 2003). Consumers may still appreciate older brands, yet they may not eat, use, or buy them anymore. Such brands progressively disappear, consciously or not, from consumers minds (Aaker and Govindarajan, 2002).

Arogyaswamy (2006) stresses the need to increase usage, find new uses, enter new markets, reposition the brand, augment the product or service, make existing products obsolete, or extend the brand. However, Wansink (2000) proposes instead to rejuvenate brands only if their product prices fall in the medium high range in comparison with competitors. Yet even as the process has become more complex, reviving a brand nevertheless remains a seducing option, particularly with regard to retro marketing, an increasingly common approach to managing old brands (Brown,2001).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is a discussion of the methodology that was used by the researcher to find answers to the research question. In this chapter the research methodology was presented in the following order, research design, data collection and finally the data analysis.

3.2 Research Design

This study adopted a case study aimed at establishing the relationship between brand rejuvenation strategies and organization performance at New Kenya Cooperative Creameries Limited. A case study is suitable for this research as it involves a complete observation of a social unit (a person, a group or a social institution) emphasizing in depth rather than in- breadth analysis (Robson, 2003). More so, a case study is important for analyzing information in a systematic way to come up with useful conclusions and recommendations based on one unit of analysis (Mugenda & Mugenda, 2003).

3.3 Data Collection

The study used both primary and secondary data. The researcher used an interview guide to collect primary data. The primary data composed of the responses received from the employees while the secondary data was from any relevant literature review. The researcher administered the interview guide through personal interviews from the senior management especially the strategic, marketing, operations, finance and procurement in the New KCC who were involved in strategy formulation and implementation process as they are appropriate in decision making as well as resourceful in terms of information on the brand rejuvenation strategies in the New KCC.

3.4 Data Analysis

The filled interview guides were checked for consistency, cleaned, and coded before data analysis. Content analysis was used for data that was qualitative in nature or aspect of the data collected from the open ended questions. According to Mugenda and Mugenda (2003) the main purpose of content analysis is to study the existing information in order to determine factors that explain a specific phenomenon. According to Kothari (2000), content analysis uses a set of categorization for making valid and replicable inferences from data to their context.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATIONS

4.1 Introduction

This chapter presents the analysis and interpretations of the data from the field. It presents analysis and findings of the study as set out in the research methodology on the brand rejuvenation strategies and organization performance: A case study of New Kenya Cooperative Creameries Limited. The data was gathered exclusively from an interview guide as the research instrument. The interview guide was designed in line with the objectives of the study. To enhance data quality of data obtained, unstructured questions were used whereby respondents indicated their views and opinions about the brand rejuvenation strategies and organization performance with a focus on New Kenya Cooperative Creameries Limited.

4.2 Demographic Information

The study was concerned in collecting views from the senior management especially the strategic, marketing, operations, finance and procurement in the New KCC who were involved in strategy formulation and implementation process as they are appropriate in decision making as well as resourceful in terms of information on the brand rejuvenation strategies in the New KCC.

4.2.1 Position held in the Organization

The interviewees were requested to indicate the positions they held in the organization. Majority of them indicated that they worked as heads of departments; others were assistant heads of departments while a few of them were supervisors and other senior officers in the Organization.

4.2.2 Respondents' Departments

The interviewees were further requested to disclose the departments in which they worked in. Majority of the interviewees worked in the operations departments, others worked in the marketing department, human resource department, finance department and procurement department, while a few of them worked in other departments such as IT and product development department.

4.2.3 Highest Level of Education

On the highest level of education, majority of the interviewees had a Bachelor's or undergraduate degrees level of education. Others had attained certificate/diploma, Post graduate degrees level of education and other academic qualifications. Further, on the duration of working in the organization majority of the interviewees indicated that they had worked in the organization for 5 to 10 years; only a few of them had worked in the organization for less than 5 years and others over 10 years.

4.3 Environmental Changes that effect Performance of the Company

The main focus of this study was to establish the brand rejuvenation strategies and their influence on organization performance, where this study particularly concerned itself with the New KCC. The study sought to establish the interviewees' opinion on how they would describe the operating environment in the dairy industry in Kenya. Majority of the interviewees described the operating environment as being vigorous due to the increasing number of private investors and the rise of customer demand of quality products. Other reasons making the operating environment competitive is the smallholder dairy commercialization.

The study further sought to establish some of the improvements in the company's brands in the last ten years. The interviewees reiterated that New KCC's own milk intake has increased; it has improved hygiene standards in milk products/brands and increased capacity to store excess milk or convert it to powder. There has been increased range of premium products such as fresh milk, cheese, long life milk both flavoured and unflavoured, fermented milk both flavoured and unflavoured, yoghurt, ghee and powdered milk both whole and skimmed variants. Further, there are other products under development in line with the marketing strategies and all these products are made to the highest international standards.

The interviewees were required to indicate the changes they have experienced in their department in regard to the strategies employed to increase the competitiveness of the Company. The study found that the New Kenya Co-operative Creameries has strengthened to serve as the custodian of strategic reserves for milk and milk products. In addition the New KCC has established long-term strategic plan and development tactics to realize competitiveness.

4.4 Brand Rejuvenation Strategies

On the brand rejuvenation strategies to the competitive environment that have led to fruitful results, the interviewees indicated that rebranding strategy and marketing strategies have been much fruitful as compared to others. They indicated that these approaches have the capacity to support development services that have focused on commercialization at the farm level, marketing, service provision, investment and financing and inclusiveness of women and youth.

The study further sought to establish some of the brand repositioning strategies adopted by the company to enhance performance. The interviewees indicated that the New Kenya Co-operative Creameries (KCC) developed new brand positioning strategies for milk traders. These are the key drivers of quality control and assurance, customers' loyalty and satisfaction, brand perception and customer satisfaction as well as market segment, market target, market forecast and market position.

4.5 Organizational Performance

On whether the New KCC has changed its brand elements in the last ten years, the interviewees unanimously agreed that the Organization changed its brand elements. They reiterated that the change in brand elements affected performance of the New KCC in that they helped the Organization to offer specialized and customized products and services that more-specifically meet their needs than the competitors.

On whether the New KCC has expanded its brand awareness, majority of the interviewees were of the opinion that the New KCC has indeed expanded its brand awareness. They explained that this has affected the company's performance by making the company's products known which has enhanced that these products are purchased more from the shops than its competitors' products.

4.6 Brand Rejuvenation Strategies and Organization Performance

The interviewees were asked to indicate how the brand image has been improved to enhance the performance of New Kenya Cooperative Creameries Limited. Majority of the interviewees reiterated that the brand image of the New KCC has been improved through aggressive marketing strategies, efficient milk collection strategies and better pay to farmers. The Organization has also enhanced its management/leadership to ensure that the traditional dysfunctional aspects are eliminated to realize competitiveness.

The study further sought to establish how the New KCC entering new markets has affected its performance. From the study, the entering of the organization to new markets has ensured that the company record impressive performance on several parameters. These include profitability; increased competition has led to offering of better quality standards and better priced products to the market.

The interviewees were asked to put down their opinion on whether they could establish the relationship between brand rejuvenation strategies and organization performance of

NKCC. They recapped that the brand rejuvenation strategies such as sustainable positioning, market development directed positioning, radical positioning, and market penetration directed positioning affect the performance by increasing sales, brand awareness, brand equity creation and more specifically, this led to bringing back of a KCC brands that consumers already recognized and were loyal to.

On whether the brand rejuvenation strategies New KCC uses to react to competition are successful in enhancing the company performance, all the respondents overwhelmingly agreed and explained that the brand rejuvenation strategies used by the New KCC build up awareness and name recognition among consumers. They also reiterated that they create wider space in terms of market communication that includes escalate advertising and/or repositioning.

The study sought to establish the interviewees' opinion on whether they consider the various brand rejuvenation strategies adopted by New KCC to be proactive or reactive to the changes in the external environment. Majority of the interviewees opined that the brand rejuvenation strategies adopted by New KCC were proactive.

On the interviewees opinion whether the adoption of the brand rejuvenation strategies to external changes were of any value to the firm, the study found that the strategies were of great value to the firm. The interviewees further indicated that New KCC Limited should increase its marketing strategies, give better pay to customers, offer quality products at a low cost as well as create more long term programs to enhance its performance in order to stay competitive.

4.7 Discussion of the Findings

This study was interested in establishing the brand rejuvenation strategies and their influence on the performance of the New KCC. From the results, rebranding strategy and marketing strategies have been much fruitful as compared to others as they have the capacity to support development services that have focused on commercialization at the farm level, marketing, service provision, investment and financing. According to Bennis (2004) brand equity must be managed actively in order to revitalize a brand to refresh lost sources of brand equity; to identify and create new sources of brand equity. As Pearce and Robinson (2005) indicates when management formulates and implements informed brand rejuvenation strategies, their firms can brand rejuvenation even when facing declining environmental munificence, increasing environmental dynamism, escalating internal problems or limited slack resources.

From the study brand image of the New KCC has been improved through aggressive marketing strategies, efficient milk collection strategies and better pay to farmers. The New KCC has developed new brand positioning strategies for milk traders. These include quality control and assurance, customers' loyalty and satisfaction, brand perception and customer satisfaction as well as market segment, market target, market forecast and market position. These findings concur with those of Finkelstein (2005) that the re-launch should be fast and strategic, rapidly communicating the message across to the masses about the rejuvenated brand in the most desirable and memorable way possible

The results of the study also revealed that the change in brand elements affected performance of the New KCC in that they helped the Organization to offer specialized and customized products and services that more-specifically meet their needs than the competitors. The entering of the organization to new markets has ensured that the company record impressive performance on several parameters. These include profitability; increased competition has led to offering of better quality standards and better priced products to the market. These results coincide with Khandwalla (2007) findings who emphasized that one of the important brand rejuvenation strategies is to find new segments and attract new customers from the segments.

The study also found that the New KCC has expanded its brand awareness and this has affected the company’s performance by making the company’s products known which has enhanced that these products are purchased more from the shops than its competitors’ products. As per Lehu (2004), supporting marketing programs can inject new life into ageing brands. Further When rejuvenating a brand by changing the brand name, tactics involved include dropping a name, combining into initials or changing a brand to the name consumers use to refer to it.

From the study, the brand rejuvenation strategies such as sustainable positioning, market development directed positioning, radical positioning, and market penetration directed positioning affect the performance by increasing sales, brand awareness, brand equity creation. The brand rejuvenation strategies used by the New KCC build up awareness and name recognition among consumers. The study established that the brand rejuvenation strategies are of great value to the firm. The general notion supports proposition by Arogyaswamy (2006), Brown (2001) and Wansink (2000) that reviving a brand is a seducing option, particularly with regard to retro marketing, an increasingly common approach to managing old brands.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four, and also it gives the conclusions and recommendations of the study based on the objectives of the study. The objectives of this study were to determine the brand rejuvenation strategies adopted by the New Kenya Cooperative Creameries Limited and to establish the relationship between brand rejuvenation strategies and organization performance of new Kenya Cooperative Creameries Limited.

5.2 Summary of the Findings

This study was interested in establishing the brand rejuvenation strategies and their influence on the performance of the New KCC. From the results, rebranding strategy and marketing strategies have been much fruitful as compared to others as they have the capacity to support development services that have focused on commercialization at the farm level, marketing, service provision, investment and financing.

From the study brand image of the New KCC has been improved through aggressive marketing strategies, efficient milk collection strategies and better pay to farmers. The New KCC has developed new brand positioning strategies for milk traders. These include quality control and assurance, customers' loyalty and satisfaction, brand perception and customer satisfaction as well as market segment, market target, market forecast and market position.

The results of the study also revealed that the change in brand elements affected performance of the New KCC in that they helped the Organization to offer specialized and customized products and services that more-specifically meet their needs than the competitors. The entering of the organization to new markets has ensured that the company record impressive performance on several parameters. These include profitability; increased competition has led to offering of better quality standards and better priced products to the market.

The study also found that the New KCC has expanded its brand awareness and this has affected the company's performance by making the company's products known which has enhanced that these products are purchased more from the shops than its competitors' products.

From the study, the brand rejuvenation strategies such as sustainable positioning, market development directed positioning, radical positioning, and market penetration directed positioning affect the performance by increasing sales, brand awareness, brand equity creation. The brand rejuvenation strategies used by the New KCC build up awareness and name recognition among consumers. The study established that the brand rejuvenation strategies are of great value to the firm.

5.3 Conclusions

The study concludes that the rejuvenation of the Firms brands have made their product relevant and meaningful for the target customers. They have enhanced the product over and above the basic generic level and tend to be merely a physical object. Branding has pushed the product into a perpetual realm by integrating what it is and gives the customers reasons to buy and use the products.

The study further concludes that the Company has embraced the rejuvenation strategies to realized better performance after the fall of its predecessor. These techniques of brand rejuvenation illustrate that if the brand message is at the core of the re-branding effort, regardless of wider economic circumstances, consumers will stay true to the brand. Re-branding during a downturn can be seen as a risk in terms of short-term financial loss, but if the campaign is implemented correctly in terms of strengthening and protecting the brand, then the longer-term value-add has the potential to scratch well beyond the next economic recovery.

From the study, it was established that customers are consistently and relentlessly introduced to new and improved brands. Brands are born from competition and they can also die from it. As such, if the rejuvenated brand exists in a family of brands, its new strong and favourable associations can enhance the equity of the other brands in that family.

5.4 Recommendations of the Study

The study findings and conclusions imply that changing the appearance or positioning of a brand can make it competitive. The study therefore recommends that for the Firm to become even more competitive there is need to change the product attribute and bringing out newer products with more uses so that the products can be more marketable. Such an approach may involve repositioning of the products to beat the current competition in the dairy industry in Kenya. The positioning may have to be changed on the whole. This can be done brand requires establishing more compelling points of difference. This may simply require reminding consumers of the virtues of a brand that they have begun to take for granted.

The study further recommends that since the cause for brand rejuvenation is the customers, the company should implement more brand rejuvenating strategies which aim to change the perception of the customers' minds. This can be realized by bringing out new uses will also affect the consumers and thus change the brand image.

The study also recommends that since the reason for rejuvenating a brand is the competition, which has affects the sales and the image of the brand, the company should undertake the process in more than a couple of ways. This could be done through entering into newer markets or changing the brand elements and the perception in the minds of the consumers so that the market to enhance its marketing and therefore better performance.

5.5 Recommendations for further studies

This study has investigated the brand rejuvenation strategies adopted by the New Kenya Cooperative Creameries Limited and their effects on the organizational performance. To this end therefore a further study should be carried out to assess the effects of the brand rejuvenation strategies on the performance of revitalized government parastatals in Kenya which will enhance generalization and hence pave way for policy recommendations in Kenya.

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APPENDICES

Appendix I: Introduction Letter

August 2012

The Head of Human Resource Department

New KCC Ltd

P.O Box

Nairobi.

Dear Sir/Madam,

RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT

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

Pursuant to the pre-requisite course work, I would like to conduct a research project on brand rejuvenation strategies and organization performance. The focus of my research will be the New Kenya Cooperative Creameries Limited and will involve use of interview guides administered to members of the management team.

I kindly seek your authority to conduct the research at New Kenya Cooperative Creameries Limited through interview guides and use of relevant documents. I have enclosed an introductory letter from the University. Your assistance is highly valued. Thank you in advance.

Yours faithfully,

IBRAHIM MOHAMED ABDI

Appendix II: Interview Guide

BRAND REJUVENATION STRATEGIES AND ORGANIZATION PERFORMANCE: A CASE STUDY OF NEW KENYA COOPERATIVE CREAMERIES LIMITED

SECTION A: DEMOGRAPHIC QUESTIONS

1. Position held in the organization ……………………………………
2. Department…………………………….
3. What is your highest level of education? …………………………….
4. Duration the organization (Year(s))? ……………………..

SECTION B: BRAND REJUVENATION STRATEGIES AND ORGANIZATION PERFORMANCE

5. In your opinion, how would you describe the operation environment in the dairy industry in Kenya?
6. What are some of the improvement in the company's brands in the last ten years?
7. What are the changes you have experienced in your department in regard to the strategies employed to increase the competitiveness of your company?
8. Which brand rejuvenation strategies to the competitive environment led to fruitful results? Indicate why.
9. Please indicate how the brand image has been improved to enhance the performance of New Kenya Cooperative Creameries Limited
10. What are some of the brand repositioning strategies adopted by your company to enhance performance? How effective are they?

11. Has the NKCC changed its brand elements in the last ten years? How has the change in brand elements affected performance?
12. How has the NKCC entering new markets affected its performance?
13. Has NKCC expanded its brand awareness? How has this affected the company performance?
14. In your opinion, can you establish the relationship between brand rejuvenation strategies an organization performance of NKCC?
15. Are the brand rejuvenation strategies NKCC uses to react to competition successful in enhancing the company performance? Explain.
16. Do you consider the various brand rejuvenation strategies adopted by NKCC to be proactive or reactive to the changes in the external environment?
17. In your own opinion, is adoption of the brand rejuvenation strategies to external changes of any value to the firm? Briefly explain.
18. What else do you think NKCC Limited should do to stay competitive?

THANK YOU!!