

**DETERMINATION OF THE EXTENT TO WHICH VALUE
PROPOSITIONS INFLUENCES BRAND CHOICE;
THE CASE OF HORSE FEEDS.**

BY
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**A MANAGEMENT RESEARCH PROJECT PROPOSAL
SUBMITTED IN PARTIAL FULFILLMENT OF THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION (MBA)**

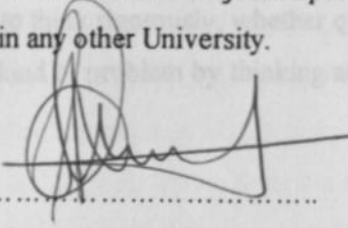
FACULTY OF COMMERCE

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DECLARATION

This Management Research Project Report is my original work and has not been submitted for a degree in any other University.

Signed.....

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Date..... 25-10-2002

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

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DEDICATION

ACKNOWLEDGMENT

To my boss, F.W. Ngatia, who realizes the benefits of the school to a student since the student learns to think rigorously, whether quantitatively or verbally. As such I can now approach any kind of problem by thinking about it in a rigorous analytical critical way.

It has been a continuing pleasure to associate with him as my supervisor and for mentoring the project report.

I would like to express thanks to all the respondents for providing the necessary information. Considerable gratitude is expressed to my colleagues at work, John Gichuki Maina and James Mwangi for their contributions especially in identifying the research problem.

I also wish to thank all those who provided excellent services during the creation of the report.

Finally, I wish to express my sincere appreciation to F.W. Ngatia for her constant support and understanding. She has been a source of inspiration and encouragement and saw me through the program. The report is dedicated to her.

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Many debts have been accumulated during the months in which this report has taken shape. I am especially grateful to my supervisor T.M. Mutugu, who gave me many opportunities to put ideas into practice and thus broaden my understanding of research as it is practiced. It has been a continuing pleasure to associate with him as my supervisor and for nurturing the project report.

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ABSTRACT

The study sought to seek information to help feed manufacturers position their offerings in the market so that target customers know the key benefits embodied in the offering. Most of the feed manufacturers have used product related brand characteristics as well as functional benefits only in creating their brand identities. The study had the following objectives:

- i) to determine the extent to which value propositions influences choice of feed brands
- ii) to identify which amongst the benefits are more important in influencing the choice.
- iii) to establish other factors that could also influence the choice of feed brands and also the magnitude of these other factors.

The study was conducted between May and September 2002. The study covered horse owners who are members of the Horse Associations of Kenya. This comprised the population of interests.

However a sample study was used for purposes of data collection whereby the sample unit used was based on location that is those horse owners residing in Karen – Langata district of Nairobi.

Systematic sampling methods were used to select the elements that composed the sample.

Primary data was collected using questionnaires. Data collected was analyzed to determine the empirical distribution. Data on Likert Scale was analyzed using statistical programs mainly SPSS package.

The study found out that in taking the broader view of the brand the likelihood of creating real differentiating value is enhanced. Also the study confirmed that product related associations always form an important part of the identity because they are directly linked to a brand choice decisions thus for animal feeds functional benefits were more critical.

Other factors considered important in influencing the choice of horsemeal brand amongst the horse owners were identified as;

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The author recommends that feed manufacturing firms need to thus also consider emotional and self expressive benefits, organizational attributes, brand personality and brand as symbol as well as functional and product related brand characteristics for it's only in taking the broader view of the brand that real positioning of the feed brands will occur.

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CHAPTER ONE

INTRODUCTION

BACKGROUND

Back in 1980, the Ministry of Livestock Development started preparing briefs on the policies and programs which the ministry was going to adopt and implement as part of the review of government policies. This arose from the fact that an analysis of the present and projected demand situations for the major livestock products indicated larger and possibly continuing deficits over domestic supplies (National Livestock Development Policy, 1980).

It was anticipated then that we needed a future livestock development policy to help the nation, avoid any shortfalls in livestock production since such shortfalls would either be expensive to satisfy from imports or else the welfare of our people would be seriously compromised. This objective was derived from the economic situations detailed in sessional paper number four of 1980 while others are specific to livestock as a primary production sector. (National Livestock Development Policy, 1980)

The major national objective which livestock development was aimed at achieving were; alleviation of poverty through the creation of income-generating employment at all stages of livestock production (primary production, marketing, processing, transportation and retailing) production of surplus over domestic demand for exports whenever possible so as to earn foreign exchange; and conservation of the natural resources to ensure sustained resource productivity in the future (National Livestock Development Policy, 1980)

The major objective which were specific to this primary production sector included the production of sufficient animal proteins to ensure adequate nutrition for our people; production of the necessary raw materials for our agro-industries intensification in use of high potential land to ensure higher land and other resource productivity. (National Livestock Development Policy, 1980)

However, there were constraints to achieving the above objectives. The major constraints have included the high costs of inputs such as animal feeds which were either unavailable or

too expensive to the ordinary farmer (National Livestock Development Policy, 1980, hence referred to as N.L.D.P. – 1980).

Other challenges in the industry include improving quality. Lack of adequate quality control capacity to match the proliferation of suppliers after liberalisation has had negative impact on the performance of livestock due to poor quality inputs including feeds and veterinary drugs. (National Development Plan 2002-2008).

The Ministry of Livestock Development then came up with sector specific policies aimed at increasing meat production, dairy production and apiculture. Apart from the foregoing sector specific policies, the ministry of livestock development was to implement other measures in support of increased livestock production. Some of these measures were the development of an animal feeds industry whose aim was to alleviate the effects of drought to the primary producers. But the greatest challenge afflicting the animal feeds industry resulted from the fact that the industry is based on by-products of human food processing. When there is a shortage of human food therefore, there is a shortage of animal feeds ((National Livestock Development Policy-1980).

The ministry of livestock development then intended to work closely with the ministry of agriculture to develop crops specifically for animal feeds including cassava, lupins, winged beans, lucerne, sunflower, millet and sorghum. There were also plans to undertake the necessary research to develop appropriate farm level technologies to formulate animal feeds from farm by-products and wastes. (N.L.D.P, 1980)

Currently, the country on average produces adequate livestock products mainly milk and meat. According to the National Development Plan (2002-2008) the livestock industry contributes approximately 10% to the gross domestic product, and the plan predicts that successful innovations will lead to substantive increase in animal populations.

In order to revitalise the livestock sub sector, a similar process with regard to the (N.L.D.P-1980) will be pursued during the plan period (National Development Plan 2002-2008)

Broad actions to be pursued are promoting and supporting the production of feeds from sorghum, millet, triticale, oil seeds, fishmeal and the utilization of by products of sugar, pineapple and other crops to augment conventional feedstuffs among other actions. (National Development Plan 2002-2008)

The country on average produces adequate livestock products mainly milk and meat (National Development Plan 2002-2008). The use of compound feeds have thus increased greatly. As a result, there has been proliferation of suppliers (National Development Plan 2002-2008) especially after liberalisation. With over 20 feed manufacturing firms all concentrated around Nairobi and its environs competing for the same market. This has made it difficult for the farmers to choose amongst the many alternatives considering the fact that all the products on offer appear to be homogeneous.

The challenge then to the feed manufacturers is how to position their products in the market and ultimately answer the question in the customer's mind, **"why should I buy from you?"** Kotler (1999) argues that one frequently hears of one liner formulas that promises marketing success and quotes nine of the more prominent one liners like; win through higher quality. It is true that poor quality is bad for business but according to Kotler (1999) good quality also has its limitations. It is perceived quality according to the customer that drive financial performance. (Aaker 1996)

Other one liner formulas includes win through better service, win through lower prices, win through high market share, win through adaptation and customization, win through product improvement, win through product innovation, win through entering high growth market and win through exceeding customer expectations. (Kotler 1999)

Clearly then, there is no one market road to success. Instead of relying on one major differentiation or thrust, a company needs to weave its own unique tapestry of marketing qualities and activities. (Kotler 1999)

Thus many steps are involved in developing a strong brand. And Kotler (1999) argues that this can be classified under two main headings:

– Developing the value proposition

– Building the brand

Developing the value proposition involves:-

– Choosing a broad positioning for the product.

– Choosing a specific positioning for the product.

– Choosing a value positioning for the product.

– Develop total value position for the product.

In choosing a broad positioning, the business unit should focus on being the product differentiator, the low cost leader or the nicher. (Porter, 1980)

According to Kotler (1999) companies need to go beyond a broad positioning to express a more concrete benefit and reason to buy drawing from such possibilities as best quality, best performance most reliable etc. He further states that

“in searching for a specific positioning the business unit should consider the following possible sources”

– Attribute positioning – the company positions itself on some attribute or feature.

– Benefit positioning – the product promises a benefit.

– Use/application positioning – the product is positioned as the best in a certain application.

– User positioning – the product is positioned as the best in a certain application.

– Competitor positioning – the product suggests its superiority or difference from a competitors' product.

– Category positioning – the company may describe itself as the category leader.

– Quality/price positioning – the product is positioned at a certain quality and price level.

Kotler (1999) warns that companies must avoid underpositioning, overpositioning, confused positioning, irrelevant positioning and doubtful positioning. He further notes that buyers think in terms of value for the money. Thus sellers must value position of the brand and he distinguishes five value positions:- more for more, more for the same, the same for less, less for much less and more for less.

Thus to ultimately satisfy the customer, the brand needs to offer a set of benefits and features referred to as the brand's total offering and by comparing this to the total cost for each competitive offering, the customer will choose the supplier who appears to offer the most attractive total value proposition (Kotler 1999).

STATEMENT OF THE PROBLEM

According to Aaker (1996), total value proposition is a statement of the functional, emotional and self – expensive benefits by the brands that provide value to the customer. The functional benefit is a benefit based on a product attribute that provides functional utility to the customer as such relates directly to the functions performed by the product. To discover what emotional benefits are, the focus of research needs to be on feelings (Aaker 1996) whereby the role of feelings is most important when consumers don't have deeply considered attitudes towards brands (Batra, Myers and Aaker, 1996).

Kenya Bureau of Standards (KS 01-02: 1990, KS 01-13B: 1990, KS 01-41: 1994).

To generate emotional response, the advertisement should be believable and engender empathy (Batra, Myers and Aaker 1996).

Considering that the ingredients used to manufacture the feeds are the same, the products

Aaker (1996) observes that the strongest brand identities have both functional and emotional benefits. But brands can also become symbols of a person's self concept and thus provide a self expressive benefit by providing a way for a person to communicate his or her self image.

Aaker (1996) notes that the purchase and use of brands is one way to fulfill the need for self-expression.

(Kotler 1999).

Brands are not evaluated independent of price. A brand that is seen as overpriced by customers will not be rewarded even if there are clear and meaningful benefits. He further notes that the goal of identity creation and management is usually to focus on benefits rather than price. So, most benefits in a value proposition can provide the basis for a customer relationship (Aaker 1996).

Aaker (1996) asserts that a common pitfall when creating brand identities is to focus on

The purpose of this paper then is to determine the extent to which value propositions influences choice of horse feeds.

self expressive benefits, organizational attributes, brand personality and brand symbols as well. For in taking the broader view of the brand, the likelihood of creating and differentiating value is enhanced.

First, the paper describes the meaning of value propositions and brand identity. Secondly, it describes the role of price and various positioning strategies currently in use. Thirdly, it looks at the application of value propositions in feeds marketing.

STATEMENT OF THE PROBLEM

There is generally a growing need for quality feeds in Kenya today (National Development Plan 2002-2008). Thus many feed companies have cropped up to provide feed for the growing industry resulting in perfect competition.

The products on offer tend to serve the same purpose. And most of the feed manufacturers have positioned their products at a certain quality level as outlined by specifications from the Kenya Bureau of Standards (KS 01-62: 1990, KS 01-138: 1990, KS 01-61: 1994, KS 01-674: 1999).

Considering that the ingredients used to manufacture the feeds are the same, the products appear to be homogeneous. Thus brand loyalty, a key consideration when placing a value on a brand (Aaker 1996) is eroded. Then what is evident are fluctuations in sales.

So the information the research is seeking is to help feed manufacturers position their offering so that target customers know the key benefits embodied in the offering (Kotler 1999).

Keller (1998) observes that favourable associations occur when consumers believe that the brand possesses attributes and benefits that satisfy their needs and wants such that a positive overall brand attitude is formed.

Aaker (1996) asserts that a common pitfall when creating brand identities is to focus on product related brand characteristics. He thus encourages strategists to break out of that box by considering emotional and self expressive benefits, organizational attributes, brand personality and brand symbols as well. For in taking the broader view of the brand, the likelihood of creating real differentiating value is enhanced.

This study then seeks to find out, what is the extent to which functional, emotional and self expressive benefits influences brand choice? Specifically Horse feeds.

LITERATURE REVIEW

OBJECTIVES OF THE STUDY

1. To determine the extent to which value propositions influences choice of horsemeal brand.
2. To identify which amongst the benefits are more important in influencing the choice.
3. To establish other important factors that influence choice of the horsemeal brand.
4. To determine the magnitude of other factors considered important in influencing choice.

IMPORTANCE OF THE STUDY

Most of the feed manufacturers have used product attributes and functional benefits to position their brands. But Aaker (1996) notes that product attributes and functional benefits have limitations. He argues that the way to overcome these limitations is to expand the value propositions by

“considering emotional and self-expressive benefits, organizational attributes brand personality, and brand symbols as well.”

The findings of this study will be of importance to marketers of feeds who may apply some of its results to improve on their brand's personality which serves as a foundation for meaningful differentiation in contexts where brands are similar with respect to product attributes. (Aaker 1996). The results will be better marketing strategies being set so as to be able to maintain or gain greater market share and also improved profitability.

The study will also form a basis for further research in the same area or industry by other scholars, academicians and researchers.

LITERATURE REVIEW

Introduction:

The purpose of this chapter is to elaborate the definition of brand identity and of related concepts such as the value propositions and credibility that a brand identity generates. Also to examine the various positioning strategies that can be applied. A theme of the chapter is that there is value in taking the broader view of the brand. To achieve maximum brand strength, the scope of a brand identity should be broad rather than narrow.

The brand identity should help establish a relationship between the brand and the customer by generating a value propositions involving functional, emotional or self expressive benefits.

2.0 VALUE PROPOSITION

Aaker (1996) states that a brand's 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"**.

Kotler (1999) argues that no company can be good at everything. This is due to the fact that companies have limited funds and must decide where to concentrate them. Again choosing to be good at one thing may reduce the possibility of being good at something else. Thus to help the customer choose our product, we need to mention all the benefits and features that the brand provides. This set of benefit and features is referred to as the brand's total offering.

But Kotler (1999) argues that the customer will also want to assess his total costs of acquiring, using, storing and disposing of the product. The seller's price is only one of the costs. Others are the effort, time and psychic costs. Then the customer examines the difference of the total offering to the total cost for each competitive offering he is considering. The customer will choose the supplier who appears to offer the most attractive total value proposition.

2.1 VALUE PROPOSITION AND BRAND IDENTITY

In building strong brands – those that will create customer interest and loyalty by providing a value proposition and a basis for a relationship – requires a clear effective specification of the brand identity and position.

Aaker (1996) states that to guide the marketing program most effectively, the identity needs to include, in addition to the core identity an extended identity and identity symbols. He further states that a common pitfall when creating brand identities is to focus on brand attributes. Firms must break out of the brand as product box by considering emotional and self-expressive as well as functional benefits and by considering the brand as a person, the brand as organizations, and the brand as a symbol perspective.

Aaker (1996) notes that the perspectives are very different. Their goal is to help the strategist consider different brand elements and patterns that can help clarify, enrich and differentiate an identity. A more detailed identity will also help guide implementation decisions. He observes that, just like a person's identity serves to provide directions, purpose and meaning for that person, a brand identity similarly provides direction, purpose and meaning for the brand.

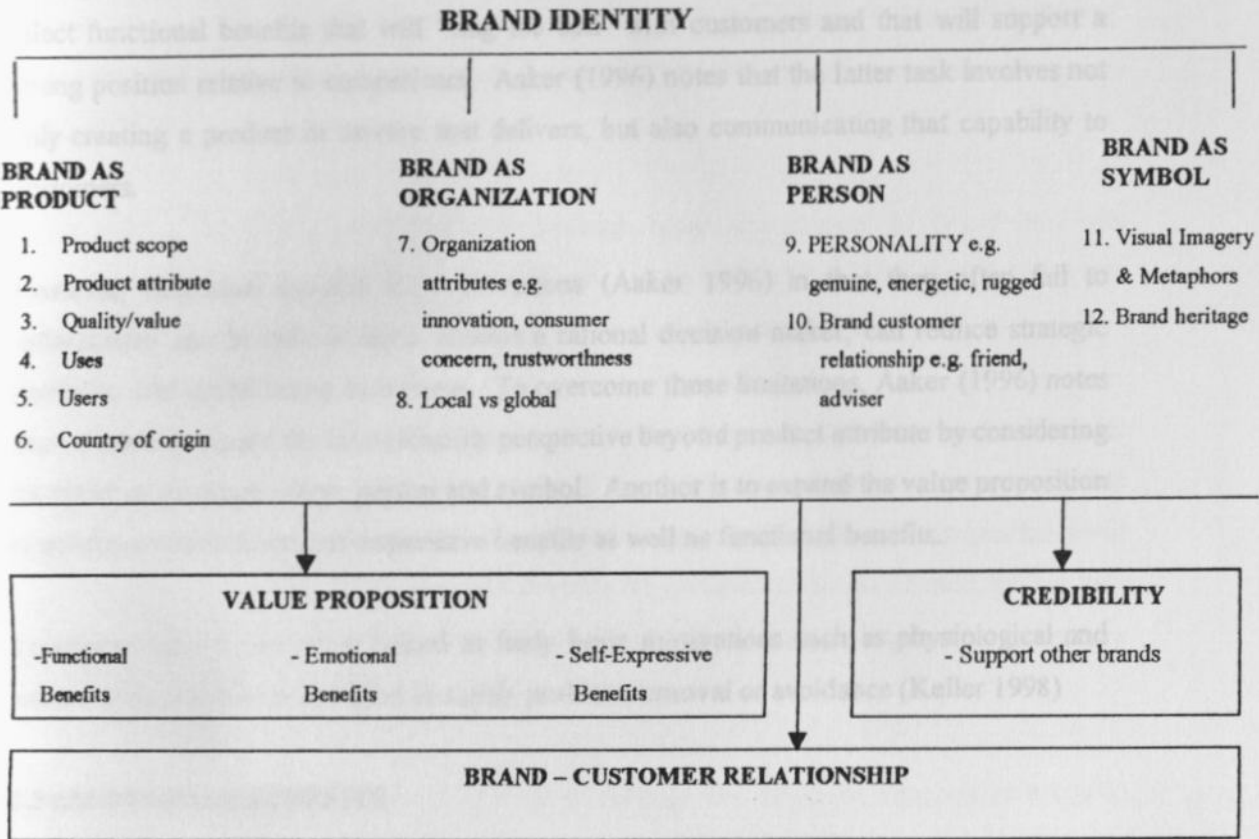
Aaker (1996) defines brand identity as

“a unique set of brand associations that the brand strategists aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organizations members.”

Brand identity should help establish a relationship between the brand and the customer by generating a value proposition involving, functional, emotional or self-expressive benefits.

To elaborate the definition of brand identity, Aaker (1996) provides a brand identity planning model which the author intends to adopt since it shows that there is value in expanding the concept of a brand.

Figure 2:0 Brand Identity Planning Model



Not every brand identity needs to employ all or even several of these perspectives. For some brands, only one will be viable and appropriate Aaker (1996). Each brand should, however, consider all of the perspectives and use those that are helpful in articulating what the brand should stand for in the customer's mind.

2.2 FUNCTIONAL BENEFITS

Aaker (1996) states that the most visible and common basis for a value proposition is a functional benefit, that is, a benefit based on a product attribute that provides functional utility to the customer. Such a benefit will usually relate directly to the functions performed by the product or service for the customer. He further argues that functional benefits especially those based upon attributes have direct links to the customers decisions and use experiences.

If a brand can dominate a key functional benefit, it can dominate a category (Aaker 1996) forcing competitors to position their brands along inferior dimensions. The challenge is to select functional benefits that will “ring the bell” with customers and that will support a strong position relative to competitors. Aaker (1996) notes that the latter task involves not only creating a product or service that delivers, but also communicating that capability to customers.

However, functional benefits have limitations (Aaker 1996) in that they often fail to differentiate, can be easy to copy, assume a rational decision maker, can reduce strategic flexibility and inhibit brand extensions. To overcome these limitations, Aaker (1996) notes that we need to expand the brand identity perspective beyond product attribute by considering the brand as an organization, person and symbol. Another is to expand the value proposition to include emotional and self-expressive benefits as well as functional benefits.

Functional benefits are often linked to fairly basic motivations such as physiological and safety needs, and involve a desire to satisfy problem removal or avoidance (Keller 1998)

2.3 EMOTIONAL BENEFITS

Aaker (1996) observes that when the purchase or use of a particular brand gives the customer a positive feeling, that brand is providing an emotional benefit. Emotional benefits add richness and depth to the experience of owning and using the brand. To discover what emotional benefits are or could be associated with a brand, Aaker (1996) notes that the focus of research needs to be on feelings. As such we need to ask ourselves how do customers feel when they are buying or using the brand? What feelings are engendered by the achievement of a functional benefit? Aaker (1996) notes that most functional benefits will have a corresponding feeling or set of feelings.

2.3.1 HOW FEELINGS GIVE MEANING TO BRAND.

Batra, Myers, and Aaker (1996) states that ad evoked feelings can shape consumers attitude towards brands. But they observe that the role of feelings in advertising is most important when consumers don't have (or don't care to have) deeply considered attitudes towards

brands. According to Batra, Myers, and Aaker (1996), attitudes towards a brand have two components. An evaluative component that is influenced by beliefs about the brand and a brand specific "liking" that cannot be explained by knowledge about beliefs. This "liking" component is presumed to be based on the attitude towards the ad as well as by exposure effects.

The relative importance of liking will be high when the amount of brand attributes information and associated processing efforts are low. This suggests that feelings are probably more important in shaping brand attitudes in low involvement situations.

Batra, Myers, and Aaker (1996) note that those ads evoking positive feelings reduce the total amount of thinking that consumers go through about the reasons stated in the ad why that brand is better. They further note that ads evoking feelings are most likely to be needed when consumers have a low level of intrinsic interest in the product category or brand, so that they are not forming deeply considered attitudes. This is most likely to happen in the mature stages of a product category's life cycle.

Aaker (1996) states that there can be a set of feelings and emotions attached to a brand. personality, just as there are to a person. Such that some brands can be aggressive and pushy while others can be warm and empathetic. Such use of a brand can cause feelings and emotions to emerge. These feelings can be a part of self expression. A warm person will be most fulfilled when a warm feeling occurs. Similarly, an aggressive person will seek out contexts where aggression is accepted.

Keller (1998) refers to emotional benefits as experiential benefits and argues that these benefits relates to what it feels like to use the product or service and can correspond to both product related attributes as well as non-product related attributes such as usage imagery. These benefits satisfy experiential needs such as sensory pleasure (sight, taste, sound, smell or feel), variety and cognitive stimulation.

Emotional rewards are often at the heart of the motivation that builds the value of brand equity. Emotions help give products meaning and increase product use satisfaction while also potentially enhancing product perceptions.

The feelings associated with a brand and the emotions they evoke can become so strongly associated that they are accessible during product consumption or use.

2.4 SELF-EXPRESSIVE BENEFITS

Aaker (1996) argues that a brand can provide self-expressive benefits by providing a way for a person to communicate his or her self-image. Considering the fact that a person has multiple roles, then for each role, the person will have an associated self-concept and a need to express that self-concept. Accordingly one way to fulfill this need for self-expression is the purchase and use of brands. He observes that when a brand provides a self-expressive benefit, the connection between the brand and the customer is likely to be heightened.

However, there is a close relationship between emotional and self-expressive benefits. But it's helpful to consider self-expressive benefits separately (Aaker 1996) by focusing on the following;

- Self rather than feelings
- Public settings and products (for instance wine and cars) rather than private ones (such as books and TV shows)
- Aspirations and the future rather than memories of the past.
- The permanent (something linked to the person's personality) rather than transitory.
- The act using the product (wearing a cooking apron confirms oneself as a gourmet cook) rather than a consequence of using the product feeling proud and satisfied because of the appearance of a well appointed meal.

Keller (1998) refers also to their benefits as symbolic benefits and argues that they are more extrinsic advantages of product or service consumption and usually correspond to non-product related attributes especially user imagery. Symbolic benefits relate to underlying needs for social approval or personal expression and outer directed self-esteem. Thus consumers may value the prestige exclusivity or fashionability of a brand because of how it relates to their self-concept (Keller 1998). Symbolic benefits should be especially relevant for socially visible "**badge**" products. A badge product is one where consumers believe that brand usage signals or conveys some information about the person to others.

2.5 THE ROLE OF PRICE

Aaker (1996) notes that a brand's price is also related to the benefits that the brand provides. A price that is too high relative to the benefits will undercut the product service's value proposition, as brands are not evaluated independent of price. A brand that is seen as overpriced by customers will not be rewarded even if there are clear and meaningful benefits.

Price however is a complex construct. (Aaker 1996). While a higher price can reduce the value proposition, it can also signal higher quality as long as consumers take it as true. As part of brand identity, price can define the competitive set such as whether the brand is upscale, middle market or downscale (Aaker 1996). A high price must signal a higher quality or a premium position. A low relative price signals a lower quality or lower value position. The issue then is whether the value proposition is driven by benefits or by price.

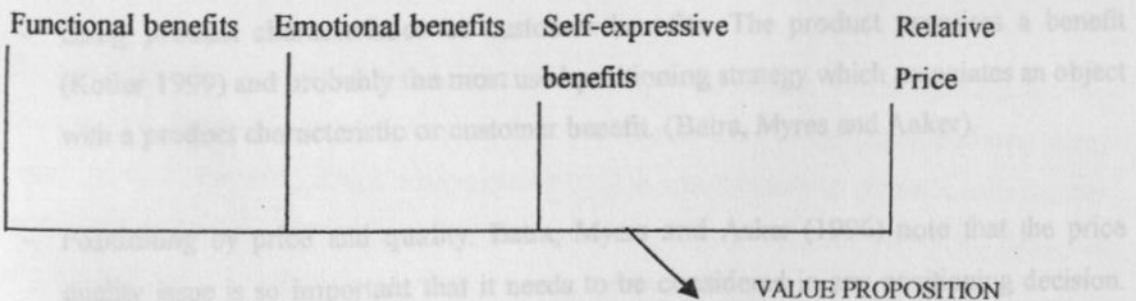
Aaker (1996) concludes that in value proposition focus on benefits rather than price. For if you talk of benefits, then you can claim to be competitive in that product competitive set.

Batra, Myer and Aaker (1996) state that heavy users of brand are concerned with obtaining good value in all their purchases and tend to be attracted to whatever brand is on sale.

To illustrate the relationship of brand's price to the benefits, the author intends to adopt the value proposition model from Aaker (1996).

Figure : 2.1

The value proposition



2.6 POSITIONING STRATEGIES

Kotler (1999) defined positioning as the effort to implant the offerings key benefits and differentiation in the customer's mind. He further argues that in addition to the key benefits, sellers will present additional reasons to potential buyers as to why they should buy their brand. A brand is not only single positioned on one central attribute or benefit, but carries fuller positioning. The full positioning of the brand is called the brand's value proposition.

Batra, Myers and Aaker (1996) notes that the key idea in positioning strategy is that the consumer must have a clear idea of what your brand stands for in the product category, and that a brand cannot be sharply and distinctly positioned if it tries to be everything to everyone. Such positioning is achieved mostly through a brand's marketing communications, although its distribution, pricing, packaging and actual product features also can play major roles.

Batra, Myers and Aaker (1996) states that **"positioning is not what you do to the product, but what you do to the consumer's mind through various communication"**

Many products in the market for instance have identical formulas but are promoted for different purposes, by using different names, packaging, product forms and advertising.

Batra, Myers and Aaker (1996) argue that a positioning strategy is vital to provide focus to the development of an advertising campaign. And they identify seven approaches to positioning strategy.

- Using product characteristics or customer benefits. The product promises a benefit (Kotler 1999) and probably the most used positioning strategy which associates an object with a product characteristic or customer benefit. (Batra, Myres and Aaker).
- Positioning by price and quality. Batra, Myers and Aaker (1996) note that the price quality issue is so important that it needs to be considered in any positioning decision. This is because in many product categories, there exists brands that deliberately attempt

to offer more in terms of service, features or performance. Manufacturers of such brands charge more, (Batra et al 1996) partly to cover higher costs and partly to help communicate the fact that they are of higher quality.

- Positioning by use or application. Kotler (1999) argues that the product is positioned as the best in a certain application. Batra, Myers and Aaker (1996) observe that a positioning by use of strategy represents a second or third position for the brand, a position that deliberately attempts to expand the brands market.
- Positioning by product user. The product is positioned in terms of a target user group. (Kotler 1999). For example, many cosmetic companies have used a model or personality to position their products (Batra et al 1996). The expectation is that the model or personality will influence the products image by reflecting the characteristics and image of the model or personality communicated as a product user.
- Positioning by cultural symbols. Batra, Myers and Aaker (1996) note that advertisers use deeply entrenched cultural symbols to differentiate their brand from competitors. The essential task is to identify something that is very meaningful to people that other competitors are not using and associate the brand with that symbol.
- Positioning by product class. Some products need to make critical positioning decisions that involve product-class associations Batra et al (1996). For example some margarines position themselves with respect to butter.
- Positioning by competitor. In most positioning strategies, an explicit or implicit frame of reference is one or more competitors Batra, Myers and Aaker (1996).

They observe that it is useful to consider positioning with respect to a competitor for two reasons: first, the competitor may have a firm, well-crystallized image developed over many years. As such, the competitors' image can be used as a bridge to help communicate another image referenced to it. Second, sometimes it is not important how good customers think you are; it is just important that they believe you are better than a given competitor.

Batra, Myers and Aaker (1996) notes that the identification and selection of a positioning strategy can be difficult and complex. But they state that it becomes more manageable if it is supported by marketing research and decomposed into a six-step process.

- ◆ Identify the competitors
- ◆ Determine how the competitors are perceived and evaluated
- ◆ Determine the competitors' position
- ◆ Analyze the customers
- ◆ Select the position
- ◆ Monitor the position

In each of these steps, one can employ marketing research techniques to provide needed information. Sometimes the marketing research approach provides a conceptualization that can be helpful even if the research is not conducted. (Batra, Myers and Aaker 1996)

2.6.1 Identifying the competitors

Batra, Myers and Aaker (1996) notes that in most cases, there will be a primary group of competitors and one or more secondary competitors and it will be useful to identify both categories. One approach is to determine from buyers of a product which other products they considered and another approach is the development of association of products with use situations.

So, a sample of feed buyers might be asked what other feeds they might have bought instead or what brand would have been purchased had wann feeds brands been out of stock. The resulting analysis thus will identify the primary and secondary groups of competitive products.

2.6.2 Determining how the competitors are perceived and evaluated.

Batra, Myers of Aaker (1996) states that to determine how competitor products are perceived, it is necessary to choose an appropriate set of product attributes for the comparison. The term attributes includes not only product characteristics and customer benefits but also product

associations such as product uses or product users. The task is to identify potentially relevant attributes, to remove redundancies from the list and then to select those that are most useful and relevant in describing brand images.

2.6.3 Determining the competitor position

The primary focus of interest is how competitors are positioned with respect to the relevant attributes. What is the customer's image of the various competitors? We are also interested in how they are positioned with respect to each other. Which competitors are perceived as similar and which as different? Batra, Myers and Aaker (1996) notes that it is possible to use research to help answer such questions empirically that is multi-dimensional scaling which can be based upon either attribute data or non-attribute data.

2.6.4 Analyzing the customers

The ultimate positioning decision specifies where in the perceptual map the brand should be positioned. Batra, Myers and Aaker (1996). Thus the task is usually to identify segments or clusters of customers based on their preferred locations in the perceptual maps.

2.6.5 Making the positioning decision.

Batra, Myers and Aaker (1996) states that it is not possible to generate a solution to the positioning question however, some guidelines or checkpoints can be offered.

- An economic analysis should guide the decision. Of interest thus would be the potential market size times the penetrating probability.
- Positioning usually implies a segmentation commitment. Batra, Myers and Aaker (1996) observe that the effect of generating a distinct, meaningful position is to focus on the target segments and not to be constrained by the reaction of other segments.

For the case of Wann feeds where you attempt to reach all segments of the feed users in that case, it might be reasonable to consider deliberately generating a diffuse image, or an image

that will mean different things to different people. Batra, Myers and Aaker (1996). However, they warn such an approach is risky and difficult to implement and usually would only be used by a large brand with a very strong market position.

- ◆ If the advertising is working, stick with it
- ◆ Don't try to be something you are not
- ◆ Consider symbols

A symbol or set of symbols can have strong associations that should be considered when making positioning decisions.

2.6.6 Monitor the position

Batra, Myers and Aaker (1996) note that a positioning objective like any advertising objective should be operational in that it should be measurable. To evaluate the advertising and to generate diagnostic information about future advertising strategies, it is necessary to monitor the position over time. This can be done through a variety of techniques including showing test ads to one group of consumers, but not to another, and differences in their positioning maps are then compared.

2.7 VALUE PROPOSITION AND FEED MARKETING

Aaker (1996) states that all product classes are struggling to find points of distinction in the face of deteriorating market contexts. He further argues that powerful customers are focusing on price in an era of belt tightening. A price emphasis is further fostered by aggressive or desperate competitors and by defensive players unwilling to cede market position. Product innovations are quickly copied or attract only small niches. How then can feed brands differentiate themselves and maintain an advantage?

Kotler (1999) argues that today's smart marketers don't sell products, they sell benefit packages. They don't sell purchase value only, they sell use value. He states that there are three ways a company can deliver more value than its competitors.

- ◆ It can charge a lower price
- ◆ It can help customer reduce his other costs
- ◆ It can add benefits that make the offer more attractive

2.7.2 The brand as an organization

Of particular importance is winning through offering more benefits to the customer.

Aaker (1996) observes that organizational attributes can contribute to a value proposition. In

Kotler (1999) observes that value-adding companies have figured out a stronger value offering or benefit bundle to win the buyers preference. They can offer one or more of the following benefits to win the customers business.

- ◆ Customizing
- ◆ More convenience
- ◆ Faster service
- ◆ More and/or better service
- ◆ Coaching, training or consulting
- ◆ An extra-ordinary guarantee
- ◆ A membership benefits program

In feed marketing, each brand should however consider all the brand identity perspectives and use those that are helpful in articulating what the brand should stand for in the customer's mind.

2.7.1 The brand as a product

Product related association attributes directly related to the purchase or use of a product can provide functional benefits and, sometimes, emotional benefits for customers. (Aaker 1996)

A product related attribute could create a value proposition by offering something extra (like features or services) or by offering something better.

Thus Wann feeds can offer something better by offering more convenience or something extra by offering free delivery services for an order of a tonne and above. Wann feeds can also position their brands by a type of user. For example, wann feeds horsemeal can claim to

be the feed for active horses for Aaker (1996) notes that a strong user position can imply a value proposition and a brand personality.

2.7.2 The brand as an organization

Aaker (1996) observes that organizational attributes can contribute to a value proposition. In particular, organizational association can provide functional benefits. An organization with a reputation for having a product-quality culture provides value in the form of higher delivered quality and a guarantee against unpleasant usage experience. Concern for customers can reassure the customers that the product will be supported. Aaker (1996) also notes that organizational associations can stimulate emotional benefits. Feelings of respect and admiration, for example, can be connected to an organization because of its programs and values. Thus wann feeds can involve itself in charity work, which can help stimulate feelings of affection and respect. Organizational associations can also provide self-expressive benefits. For example, linking oneself (perhaps through a purchase) with wann feeds, that is, as major sponsor of the local polo tournament, could reinforce one's concept of loving polo.

However organizational attributes are more enduring and more resistant to competitive claims than are product attributes.

2.7.3 Brand as a person: Brand personality

Aaker (1996) notes that a brand personality can create a stronger brand in several ways. First, it can help create a self-expressive benefit that becomes a vehicle for the customer to express his or her own personality. For example, a wann feeds buyer might identify himself/herself as innovative, creative, genuine, energetic etc.

Second, a brand personality may help communicate a product attribute and thus contribute to a functional benefit. For example, the energizer rabbit is an upbeat personality who never runs out of energy, just as the battery it symbolizes runs longer than others. Also Michelin man's strong energetic personality suggest that Michelin tyres are also strong and energetic.

There can be a set of feelings and emotions attached to a brand personality just as there are to a person. (Aaker 1996) Thus some brands can be aggressive and pushy, while others can be warm and empathetic. Such use of a brand can cause feelings and emotions to emerge.

2.7.4 Brand as a symbol

Aaker (1996) highlights three types of symbols: visual imagery, metaphors and the brand heritage. He further notes that symbols are more meaningful if they involve a metaphor with the symbol or a symbol characteristic representing a functional, emotional or self-expressive benefit.

The respondents for the study were persons vested with the responsibility of buying the horsefeeds. These were either owners or managers of the various stables who were thus considered familiar with the key considerations before one makes the purchase for the various feed brands on offer in the market of which the research identified as six brands.

3.2 SAMPLING METHOD

A simple study was used for purposes of data collection. The sampling frame used was the membership list obtained from the Horse association of Kenya (HAK) which draws members from all over Kenya. Currently membership is in excess of 70. To delineate the sample unit, the author used location to select from the list all those horse owners who reside in Karen-Langate District of Nairobi, since this is where majority of the horse owners are concentrated being in excess of 50.

To select the elements that compose the sample, systematic sampling method was used, which involved systematically spreading the sample through the list of population members. Thus since the population contains 50 ($=N$) people and a sample size of 15 ($=n$) (see appendix four) is desired, every third ($=1$ sampling interval) person was selected for the sample.

The starting point was randomly chosen between the first name and the third name initially and then every third name was chosen. The list of elements in the sampling frame was arranged in a random order (that is alphabetical), and the accuracy of the systematic sampling was then assumed to be equal to that of simple random sampling.

CHAPTER THREE

RESEARCH DESIGN

3.1 POPULATION

There are various categories of feed buyers just as there are various categories of animals. However, for this study, the author concentrated on horsefeeds. Thus the population of interest was the horse owners in Karen Nairobi. The population list was drawn from the annual membership of the Horse Association of Kenya (HAK) 2002.

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The researcher allowed a sampling error of 0.1 at the ninety five percent confidence level, and the population variance or the expected variance of 0.04. (See appendix 3)

3.3 DATA COLLECTION

The study used primary data as such survey method was used to conduct the research. As such various methods of personal interviewing were used including

- a) door to door interviewing for those who fall in the sample whereby respondents were interviewed in person in their homes and for those who could not be reached during the day
- b) self-administered interview method was used where the interviewer left the questionnaire and picked it up later. As such a survey is seemed appropriate since most of the respondents were uniquely qualified to provide the desired information.

And also the survey method provided the descriptive information on feelings, beliefs and attitude. Primary data was collected using questionnaires.

The questionnaire contained structured close-ended and structured open-ended questions. For validation of the questionnaire, this was first pre-tested with few respondents and thereafter revised to suit the objectives of the study.

The questionnaire was in two parts. The first section of the questionnaire gave a general background of the respondent and the second part gave information on attributes of benefits sought.

3.4 DATA ANALYSIS

Before processing the responses, the raw data obtained from the questionnaire underwent preliminary preparations before it could be analyzed using statistical techniques. This included data editing and statistically adjusting the data.

CHAPTER FOUR

The data was then tabulated, that is, analyze each question by itself to determine the empirical distribution (frequency distribution). This enabled the researcher to determine the extent of item, non-response, errors and also the shape of the distribution of the variables.

The tabulation also helped the researcher calculate the descriptive (summary) statistics particularly the percentages. Data on the Likert scale was analyzed using statistical programs mainly SPSS.

Since all the questions in the questionnaire have been evaluated, the questions presented using descriptive statistics (tables, frequencies and percentages) are those that were considered as more appropriate to address the stated objectives. This tries thus to bring out the various benefits that influences choice of horsemead brand. As such the concentration is in those questions that helps the author gather information on the functional benefits, emotional benefits and self-expressive benefits sought. And in this case try as much to address the main objective of the study (determination of the extent to which value propositions influences choice of horsemead brand).

The full list of tables of the findings are exhibited in the appendixes section.

4.1 DISCUSSIONS AND SUMMARY OF FINDINGS

Even though strategists are encouraged to avoid the product attribute fixation trap, product related associations always form an important part of an identity because they are directly linked to brand choice decisions and the use experience as evidence by results since 61.5% of the respondents agree that convenience is a major influencer of brand choice. See Table 4.1.0

Table 4.1.0 Convenience Location

Responses	Frequency	Percent
strongly agree	4	30.8
agree	4	30.8
neither	3	23.1
disagree	1	7.3
strongly disagree	1	7.3
Total	13	100

CHAPTER FOUR

SUMMARY, DISCUSSIONS AND CONCLUSIONS

Introduction

This chapter contains summaries of the data which was collected together with the findings on various issues. The chapter also presents the discussions of the findings revealed in the study. Even though all the questions in the questionnaire have been evaluated, the questions presented using descriptive statistics (tables, frequencies and percentages) are those that were considered as more appropriate to address the stated objectives. This tries thus to bring out the various benefits that influences choice of horsemeal brand. As such the concentration is in those questions that helps the author gather information on the functional benefits, emotional benefits and self-expressive benefits to sought. And in this case try as much to address the main objective of the study (determination of the extent to which value propositions influences choice of horsemeal brand).

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Likewise for quality consistency Table 4.1.1 shows that over 53.8% of the respondents strongly agree and 38.5% agrees that consistency in the quality of the product is a major consideration when choosing brands.

Table 4.1.1 Consistent Quality

Responses	Frequency	Percent
strongly agree	7	53.8
agree	5	38.5
neither	1	7.7
Total	13	100

Thus for brand strategists the product related attributes can create a value proposition by offering something better for example the convenience in the location.

Quality/Value is also a product related attribute also considered important. Value enriches the concept by adding the price dimension and the findings on the cross tabs on reasonable prices versus consistent quality proves this since 71.4% of the respondents strongly agree that we should strive to provide value by offering the highest quality product at reasonable prices as shown by Table 4.1.2

Table 4.1.2 Reasonable Prices * Consistent Quality Cross Tabulation

% within consistent quality

Responses		consistent quality			Total
		strongly agree	agree	neither	
Reasonable prices	strongly agree	71.40%	40.00%		53.80%
	agree	28.60%	40.00%	100.00%	38.50%
	neither		20.00%		7.70%
Total		100.00%	100.00%	100.00%	100.00%

Table 4.1.3 Reasonable Prices * Consistent Quality Cross Tabulation

Responses		% of total			Total
		consistent quality			
		strongly agree	agree	neither	
Reasonable prices	strongly agree	38.50%	50.40%		53.80%
	agree	15.40%	15.40%	7.70%	38.50%
	neither		7.70%		7.70%
	Total	53.80%	38.50%	7.70%	100.00%

The brand-as-organizations perspective focuses on attribute of the organizations rather than those of the product or service.

Such organization attributes as reputation and consistent quality are created by the people culture, values and programs of the company.

Table 4.1.4 shows that 92.3% of the respondents agree that they purchase feeds from their suppliers because they have good reputation and also they offer consistent quality.

Its then noted that its easier to copy a product than to duplicate an organization with unique people, values and programs.

Second, organizational attributes usually apply to a set of product classes and a competitor in only one product class may find it difficult to compete.

Third, because organizational attributes such as being innovative are hard to evaluate and communicate, it is difficult for competitors to demonstrate that they have overcome any perceived gap. It is relatively easy to show that for example one's printer is faster that that of a competitor; it is hard to show that ones organization is more innovative.

Table 4.1.4 Company Reputation * Consistent Quality Cross Tabulation

Responses			consistent quality			Total	
			strongly agree	agree	neither		
Company reputation	strongly agree	count	4	2		6	
		% of total	30.80%	15.40%		46.20%	
	agree	count	2	3		5	
		% of total	15.40%	23.10%		38.50%	
	neither	count	1			1	2
		% of total	7.70%			7.70%	15.40%
Total		count	7	5	1	13	
		% of total	53.80%	38.50%	7.70%	100.00%	

By positioning a brand by type of user and thus claiming it is the feed for active horses, Table 4.1.5 shows that nearly 70% of the respondents agree. A strong user type position implies a value proposition and a brand personality. User imagery can be based on either typical users (people you see using the brand) or idealized users (as portayed in advertising and elsewhere).

User imagery can be a powerful driver of a brand personality, in part because the user is already a person and thus the difficulty of conceptualizing the brand personality is reduced – the upscale personality of Mercedes is influenced by user imagery.

Table 4.1.5 Active Horses

Responses	Frequency	Percent
strongly agree	5	38.5
agree	5	38.5
neither	2	15.4
strongly disagree	1	7.7
Total	13	100

The other strategic option of associating the brand with a region that adds credibility to it, 23% neither agrees nor disagrees, whereas 16% were non-committal proves that location even though a factor influencing the choice (since 30.8% of the respondent strongly agrees), shows that the extent of the effect depends probably on the product class and the individual as shown by the table below.

Table 4.1.6 Convenient Location

Responses	Frequency	Percent
strongly agree	4	30.8
agree	5	38.5
neither	3	23.1
strongly disagree	1	7.7
Total	13	100

By considering the brand as a organization for innovativeness of the organization behind the brand and commitment to modernizing its manufacturing technology most of the respondents did not care much about this, however, knowing that the feed incorporates local raw materials 69% agrees that this is a major determinant of choice of their brand. See Table 4.1.7, 4.1.9 and 4.2.0

Table 4.1.7 Innovative Company

Responses	Frequency	Percent
strongly agree	2	15.4
agree	1	7.7
neither	9	69.2
Total	12	92.3
System	1	7.7
		100

Table 4.1.8 Personal Service

Responses	Frequency	Percent
strongly agree	7	53.8
agree	3	23.1
neither	3	23.1
Total	13	100

Table 4.1.9 Modern Technology

Responses	Frequency	Percent
strongly agree	2	15.4
agree	2	15.4
neither	6	46.2
Disagree	2	15.4
System	1	7.7
	13	100

Table 4.2.0 Local Raw Material

Responses	Frequency	Percent
strongly agree	4	30.8
agree	5	38.5
neither	3	23.1
strongly disagree	1	7.7
Total	13	100

Since organizational attributes are more enduring and more resistant to competitive claims than are product attributes, the strategist should thus focus on them for example organizational attributes can contribute to value proposition. The local orientation can involve emotional and self-expressive benefits based on admiration, respect or simple liking.

If the brand is considered as a person, as such a major sponsor of our local event. Table 4.2.1 shows that 66.7% of the respondents agree that sponsorship is a major influencer of choice. Likewise 92.3% agree that if the feeds are perceived to be strong and ensure healthier horses and also the brand is considered familiar, 61.5% of the respondents agree that this influences, their choice of horse meal brand. This is shown by table 4.2.2. The brand as a person perspective suggests a brand identity that is richer and more interesting than one based on product attributes.

Like a person a brand can be perceived as being upscale, competent, impressive, fun, active, youthful or intellectual.

Table 4.2.1 Sponsor Local Event

Responses	Frequency	Percent
strongly agree	5	38.5
agree	3	23.1
neither	2	15.4
disagree	1	7.7
strongly disagree	1	7.7
Total	92.3	12
Missing	1	7.7
Total	13	100

Table 4.2.2 Strong Feed

Responses	Percent	Frequency
strongly agree	53.8	5
agree	38.5	1
neither	7.7	7.7
Total	13	100

Table 4.2.3 Enhance Performance

Responses	Frequency	Percent
strongly agree	5	38.5
agree	4	30.8
neither	4	30.8
Total	13	100

Thus it is true that the brand personality can create a stronger brand for example it can help create a self-expressive benefit that becomes a vehicle for the customer to express his or her own personality. It may also help communicate a product attribute and thus contribute to a functional benefit.

By considering the brand as a symbol for the unique symbol Table 4.2.4 shows that 38.5% of the respondents agrees that this influences their choice however majority 46.2% neither agree nor disagrees whereas 7.7% strongly disagrees. A strong symbol can provide cohesion and structure to an identity and make it much easier to gain recognitions and recall. Its presence can be a key ingredient of brand development and its absence can be a substantial handicap. Elevating symbols to the status of being part of the identity reflects their potential power.

Table 4.2.4 Unique Brand Symbol

Responses	Frequency	Percent
strongly agree	4	30.8
agree	1	7.7
neither	6	46.2
disagree	1	7.7
strongly disagree	1	7.7
Total	13	100

For unique combination of ingredients table 4.2.5 shows that 61.5% of the respondents agrees that the brand heritage for example the horse meal with unique combination and declared nutrition content on the bag influences the brand choice. Shown by Table 4.2.6 where 46.2% agrees.

Table 4.2.5 Unique Ingredients

Responses	Frequency	Percent
strongly agree	4	30.8
agree	4	30.8
neither	3	23.1
disagree	1	7.7
strongly disagree	1	7.7
Total	13	100

Table 4.2.6 Declared Contents

Responses	Frequency	Percent
strongly agree	4	30.8
agree	2	15.4
neither	4	30.8
strongly disagree	3	23.1
Total	13	100

Thus, symbols on their own do not communicate much. They are more meaningful if they involve a metaphor with the symbol or a symbol characteristic representing a functional emotional or self-expressive benefit. For example the energizer bunny for long battery life or Michael Jordans leaping ability for the performance of Nike.

A strong symbol then can be the cornerstone of a brand strategy. A vivid meaningful heritage also can sometimes represent the essence of the brand. Wann feeds then can have a link as the first feed company to have a declared nutrition content on the bag reminding customers that they purchase feeds from a unique company that reminds them of commitment to quality.

However, when asked whether the use of the brand makes the experience of using the product more exciting table 4.2.7 shows that 38.5% of the respondents were neutral whereas only 15.4% considered this as important. Thus feelings played insignificant role in choice of feeds and thus the purchase or use of a particular brand did not give the customer a positive feeling.

Table 4.2.7 Exciting

Responses	Frequency	Percent
very important	2	15.4
fairly important	1	7.7
neutral	5	38.5
not so important	2	15.4
not at all important	1	7.7
Total	11	84.6
Missing	2	15.4
Total	13	100

To the strategist, thus, we need to fuse functional and emotional benefits in order to create a composite for horse feeds.

4.2 CONCLUSION

The study found out that product related associations will almost always be an important part of a brand identity because they are directly linked to a brand choice decision and the use experience.

But these attributes are not the only bases for customer decisions and competitive dynamics. One pitfall to feed manufacturers then is the failure to distinguish between a product and a brand. The product includes characteristics such as scope, attributes, quality/value and uses. A brand includes these product characteristics and much more.

- Brand users
- Country of origin
- Organizational associations
- Brand personality
- Symbols
- Brand-customer relationship
- Emotional benefits
- Self-expressive benefits

The focus on product attributes is often caused in part by a reliance on research is popular for several reasons

- It's often effective, because attributes are important to the purchase decision and the use experience.
- It is relatively easy, since customers are more comfortable talking about attributes than about less tangible benefits (which might seem irrational)
- It reassures managers that customers evaluate brands using a logical model, which means that their decisions are easier to predict and understand.

Thus in brand building, the effort should be to create the texture and depth required so as to identify which event to sponsor, which package is superior or what store display supports the brand. For there is a need for a richer, more complete understanding of what the brand stands for.

So, a key to developing a strong brand identity is to broaden the brand concept to include other dimensions and perspectives. These include:-

- Brand as a product perspective that includes user imagery and the country (or region of origin)
- A brand identity based on the perspectives of the brand as an organization, a person and a symbol in addition to a product.
- A value proposition that includes emotional and self expressive benefits as well as functional benefits.
- The ability of a brand to provide credibility as well as a value proposition.
- The internal as well as external role of the brand identity.
- Brand characteristics broader than a brand position (active communications objectives) or a core identity.

4.3 LIMITATIONS

The study was constrained by a number of factors. For example, time was a limiting factor and this limited the scope and depth of the study.

Thus owing to the short time during which the study had to be completed, it was not possible to collect information from as many individuals as the researcher had expected since a census

would be appropriate for this study. However the population being dealt with was homogenous and thus sampling was considered fine. And also with the sampling, it enabled more time to be spent on each interview (personal) thereby increasing the response quality.

The researcher also notes that the study would be much better if the concentration was on the whole range of animal feeds which includes Dairy feeds, Poultry feeds, Pig feeds and Dog feeds.

4.4 SUGGESTIONS FOR FURTHER RESEARCH

It is clear that in order to develop a strong brand identity, it is better to broaden the brand concept to include many dimensions and perspectives. This brand identity provides a value proposition to customers.

But since no company can be good at everything due to limited funds and also due to the fact that being good at one thing may reduce the possibility of being good at something else, it is the responsibility of the brand strategist thus to consider all of the perspectives and use those that are helpful in articulating what the brand should stand for in the customers mind.

Further research should also incorporate for example other feed buyers including the Dairy, Poultry, Pig and Dog feed buyers. Again the study has only been carried out in Karen Nairobi Area thus generalizations should only be made in reference to horse owners and, if any comparison is to be made, this should only be done to those farmers who reside in the same locations and probably who buy also dog feeds.

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Young R.V (1985). "Animal Foods, Past, Present and Future: A nutritivist view. Animal feeds, food and people, an analysis of the role of animal in food productions".

Dear respondent,

I am a post graduate student at the University of Nairobi, Faculty of Commerce. In order to fulfill the degree requirements, I am undertaking a management research project proposal. The study is titled

"Determination of the extent to which value propositions influences brand choice. Case of horse feeds."

You have been selected to form part of this study. This therefore is to kindly request you to assist me collect data by filling out the accompanying questionnaire or according me an opportunity to come and assist you fill it.

The information provided will be used exclusively for academic purposes and will be treated with strict confidence. Your name will not appear in the final report. A copy of the research project with suggestions will be made available to you upon request.

Your cooperation will be highly appreciated.

Yours faithfully,



SIMON MBURINA
STUDENT

T. M. MUTUGI
SUPERVISOR & SENIOR LECTURER, UoN

APPENDIX 1: QUESTIONNAIRE

LETTER TO RESPONDENTS

Please help answer the following questions.

UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
DEPT. OF BUSINESS ADMINISTRATION
P.O. BOX 30197
NAIROBI

Dear respondent,

I am a post graduate student at the University of Nairobi, faculty of Commerce. In order to fulfill the degree requirements, I am undertaking a management research project proposal. The study is titled

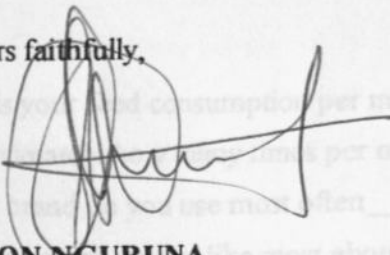
“Determination of the extent to which value propositions influences brand choice. Case of horse feeds.”

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Your cooperation will be highly appreciated.

Yours faithfully,



SIMON NGURUNA
STUDENT

T. M. MUTUGU
SUPERVISOR & SENIOR LECTURER, UoN

APPENDIX 2: QUESTIONNAIRE

Please help answer the following questions.

14. Please indicate source of advertisement if any

1. Name of the individual (optional) _____

2. Do you own the horses _____ Yes _____ No

3. How many horses do you own/manage _____

4. For how long have you had/managed horses _____

<1 year 1-2 years 2-3 years 3-4 years > 4 years

() () () () ()

5. List all the brands of horsemeal you have ever used.

6. For each brand please indicate how much you like the brand on a scale of 1-10

I dislike _____ Like it _____

() () () () () () () () () () () ()

1 10

others _____

7. What do you think is the most important criteria that influences your choice of the horsemeal brand?

8. What is your feed consumption per month (in bags) _____

9. Approximately how many times per month do you buy _____

10. Which brand do you use most often _____

11. What one thing do you like most about your feed supplier/manufacturer _____

12. What one thing do you like least about your feed supplier/manufacturer

13. Who introduced you to your supplier/manufacturer _____

14. Please indicate source of advertisement if any

Have not seen or heard TV Radio Word of Mouth Newspaper

15. The following reasons are most important in influencing choice of horsemeal brand.

- | | <u>Strongly</u>
<u>Agree</u> | <u>Neither Agree</u>
<u>nor Disagree</u> | <u>Disagree</u> | <u>Strongly</u>
<u>Disagree</u> |
|--|---------------------------------|---|-----------------|------------------------------------|
| – the organization behind the brand is known to be innovative | () | () | () | () |
| – the company carries or has a reputation for quality products | () | () | () | () |
| – the prices are reasonable in relations to quality of the product | () | () | () | () |
| – the location of the company is convenient | () | () | () | () |
| – the quality of the product is consistent | () | () | () | () |
| – the feed has no antibiotics or growth promoter | () | () | () | () |
| – it's the feed for active horses | () | () | () | () |
| – the texture of the brand | () | () | () | () |
| – the nutrition content of the feed | () | () | () | () |
| – the brand's symbol is unique | () | () | () | () |

	Strongly <u>Agree</u>	<u>Agree</u>	Neither Agree nor Disagree	Disagree	Strongly <u>Disagree</u>
- the brand has a unique	()	()	()	()	()
- the organizations behind the brand is known to be innovative	()	()	()	()	()
- the brand has a dedicated	()	()	()	()	()
- personal service is very important to me	()	()	()	()	()
- the company is able to	()	()	()	()	()
- the organization is known to be committed to modernize its manufacturing technology	()	()	()	()	()
- the feed is manufactured locally, incorporating local raw materials	()	()	()	()	()
16. Which of the following reasons are the most important in influencing your choice of					
- the company offers free delivery services	()	()	()	()	()
- the brand is a major sponsor of our local event. (polo, race, show jumping)	()	()	()	()	()
- the feeds are strong and ensures healthier horses.	()	()	()	()	()
- the feed enhances performance of my horse(s)	()	()	()	()	()
- the brand's symbol is unique	()	()	()	()	()

	Strongly <u>Agree</u>	<u>Agree</u>	Neither Agree <u>nor Disagree</u>	<u>Disagree</u>	Strongly <u>Disagree</u>
- the brand has a unique combination of ingredients	()	()	()	()	()
- the brand has a declared nutrition content on the bag	()	()	()	()	()
- the company is able to customize its offerings	()	()	()	()	()
- it's a familiar brand	()	()	()	()	()
- the brand is readily available	()	()	()	()	()

16. Which of the following reasons are the most important in influencing your choice of horsemeal brand from any particular firm?

	Very <u>important</u>	Fairly <u>important</u>	Neutral	Not so <u>important</u>	Not at all <u>important</u>
- package of the brand is of quality	()	()	()	()	()
- colour	()	()	()	()	()
- person who makes the product	()	()	()	()	()
- people who endorse the brand veterinary surgeons/opinion leaders	()	()	()	()	()

- the company has knowledgeable () () () () () sales person

A) DETERMINING THE SAMPLE SIZE

We used to identify

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
--	----------------	-------	----------------------------	----------	-------------------

- the company is open at convenient hours () () () () ()

- the company offers special discounts () () () () ()

- the brand proves good value for money () () () () ()

- use of the brand makes the experience of using the product more exciting () () () () ()

- the company has knowledgeable sales person who offers advice on use () () () () ()

- the smell of the product () () () () ()

- the instructions on how to use are in the package () () () () ()

B) DETERMINING THE POPULATION STANDARD DEVIATION

- age of the brand in the market () () () () ()

- the company offers various varieties of feeds () () () () ()

17. Please list all other factors you consider important in influencing your choice of horsemeal brand

-
-

APPENDIX THREE:

A) DETERMINING THE SAMPLE SIZE

We need to identify

1. size of the sampling error that is desired
2. confidence level: for example, the 95 percent confidence level
3. expected variance

Using the general formula for the interval estimate (recall that σ and σ_x are the same)

$$\bar{X} \pm \frac{\text{sampling error, or } \sigma}{\sqrt{n}}$$

$$\text{We know that sampling error} = \frac{\sigma}{\sqrt{n}}$$

dividing through by the sampling error and multiplying by \sqrt{n}

$$\sqrt{n} = \sigma / \text{sampling error}$$

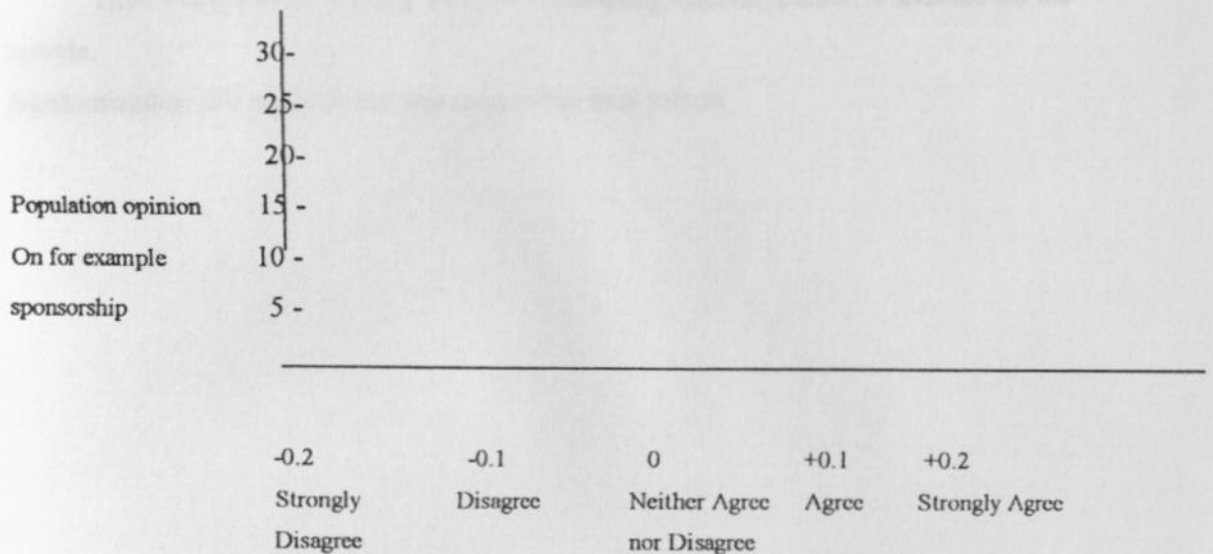
and squaring both sides we get an expression for sample size

$$n = \sigma^2 / (\text{sampling error})^2$$

B) DETERMINING THE POPULATION STANDARD DEVIATION

In most cases the population standard deviation is not known and thus it must be estimated by using one of several available approaches. For this study, the researcher used an approach referred to as "worst case" situation (Aaker, Kumar and Day 2000).

In this case, the largest population variance would occur if half the population would respond with a +0.2 and the other half with a -0.2.



The population variance would then be

$$0.5(0.2 - 0)^2 + 0.5 (0.2 - 0)^2 = 0.5 (0.04) + 0.5 (0.04) \\ = 0.04$$

Since the allowed sampling error = 0.1

Then to determine the sample size $n = \frac{Z^2 \sigma^2}{(\text{sampling error})^2}$

This implies that $Z = 1.96$ for the 95% confidence level

$$N = \frac{(1.96)^2 (0.04)}{(0.1)^2}$$

$$= \frac{3.84 (0.04)}{0.01} = \frac{0.1536}{0.01} = 15.36$$

To select the sample

Using systematic sampling: this involves systematically spreading the sample through the list of population members.

Thus if N (population) = 50

And n (sample size) of 15 is required,

Then every $[50/15 = 3.33]$ third (= 1, sampling interval) person is selected for the sample.

Randomization will occur in the selection of the first person.