

**AN EMPIRICAL INVESTIGATION ON ASPECTS OF
CULTURE AND THEIR INFLUENCE ON MARKETING
STRATEGIES IN THE BEVERAGE INDUSTRY IN KENYA**

BY

MAINA MURIUKI

Date 26/10/2001

This report has been submitted for examination with my approval as
the responsible supervisor.

Date 29-10-01

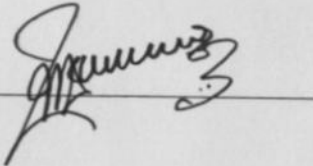
**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR MASTER OF
BUSINESS ADMINISTRATION (MBA) DEGREE, FACULTY OF
COMMERCE, UNIVERSITY OF NAIROBI.**

SEPTEMBER, 2001

DECLARATION

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

Signature: _____



Date: _____

26/10/2001

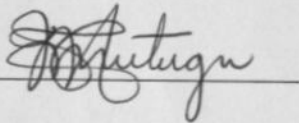
Maina Muriuki

DEDICATION

To my dear wife and friend, Anne and our adorable kids, Andrew and Jean.

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

Signature: _____



Date: _____

29-10-01

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ACKNOWLEDGEMENTS

First and foremost I want to place at the top of my list of acknowledgements That Which Is All Things, and which is the source of all things including this project- Almighty God in whom there is Unity for ever more.

Second, I want to express my sincere gratitude to Mr. Thomas Mwangi for his unwavering, focused supervision and assistance right from the challenge of the project conceptualization and his invaluable guidance throughout this course. Special mention to Mrs. Margaret Ombok who **DEDICATION** insights, constructive criticism and encouragement to go forth.

To my dear wife and friend , Anne and our adorable kids, Andrew and Jean.

This project is essentially a culmination of the strenuous efforts and challenges of the MBA, notwithstanding which now I made a number of friends both student colleagues and the mentors. Who at their inputs morally, academically or otherwise task such as this could have been difficult to surmount. I especially want to pay special tribute to my dear now team members- Judy, David, Sheila, Herman, Tony, Jayden, Nancy, Ann, ... They made the MBA fun even when the going seemed tough.

I am sincerely grateful to The Coca-Cola Company (East Africa Region) for agreeing to sponsor my studies and especially Susan (HR Manager) who remarkably understood my vision at this great Company.

Finally, I want to register my heartfelt appreciation to my dear wife, Anne, for her love, understanding and support even when I was virtually absent.

and He is before all things; and by Him all things consist.

(Colossians 1: 17)

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ABSTRACT

The study sought to investigate how marketing strategies of the beverage industry in Kenya are moderated by some selected aspects of culture and also how firms view the cultural issues in the light of increasing globalization.

The population of interest included the firms engaged in Total Commercial Beverage (TCB). The industry has several competing brands in its stable ranging from carbonated soft drinks, beer, tea, coffee, water, juices, squashes, dairy products and so forth. Due to constraints of resources firms accessed were mainly in Nairobi, Mombasa, Thika, Nyeri and Molo.

The primary data used in this study was collected using structured questionnaire and open end questions. The questionnaire was administered on a “drop and picked later” basis. 22 firms out of 32 targeted responded favorably giving a response rate of 69%. Of the firms that responded, 41% are locally owned, 36% jointly owned between locals and foreigners and 23% are foreign owned.

Analysis of data revealed that aspects of culture investigated drew mixed reception. Invariably, some aspects were deemed more important in certain areas to the extent that they influence strategies. For instance, Language of communication was regarded as being the most important factor in promotion strategies. This is because Advertising, which predominantly must use language understood by the target audience, was also found to be the most popular way to promotion in this industry.

Consumer values and attitudes were also important in product design strategies and promotion activities.

Economic environment was rated as being the most important factor in pricing strategies whereas accessibility of location was very significant in distribution strategies.

With rapidly increasing importance of globalization one would expect marketers to invest much time and efforts in trying to understand customers and markets. On the contrary the findings in this study indicate that cultural factors are not very significant in the perspective of globalization. This agrees with other authors who are pro-globalization

arguing that products and brands can be marketed worldwide utilizing the same marketing mix in all nations irrespective of cultural differences.

Religion was negatively predisposed in almost all cases implying it is not important in marketing strategies of the beverage industry. Such factors like material culture, education and aesthetics were regarded as marginally important. This is probably because they form an integral part of the wider norms of a culture within a society.

Finally the significance of this study lies in realizing that culture by its very nature is wide, complex and rarely understood.. Thus the findings of this study should be interpreted with due consideration to its limitations and technicality of terminologies. However the findings suggest that most managers are aware of the cultural undertones even they seem dormant.

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Competing in today's beverage environment presents some big challenges. Consumer preferences have put greater demands on the beverage sector. The industry over the last few years has seen the proliferation of all sorts of drinks ranging from the ready to drink juices, bottled water, light beers and so forth. They all come in different flavours, with different colours, shapes and sizes of packages.

These new categories of beverages have put extreme pressure on the traditional beverages like the carbonated soft drinks. Due to changing lifestyles of people and consciousness towards health, consumers have tended to prefer low caloric drinks and bottled water. This has led to an increasing number of packaged water brands ranging from Kerinet, Uchumi, and Kilimanjaro among others. The desire for people to watch diet has led to such products as Filter light by Kenya Breweries and the Fruity juices. Economic difficulties have led people to prefer the ready to drink juices which are generally cheaper.

Tea has generally been the most popular beverage in Kenya, thus it is said, "Every time it tea time". The beverage industry is among the most lucrative with high Return on Assets (ROA) worldwide only second to the pharmaceutical industry.

CHAPTER ONE

1.0 INTRODUCTION

1.1 BACKGROUND

Competing in today's beverage environment presents some big challenges. Consumer preferences have put greater demands on the beverage sector. The industry over the last few years has seen the proliferation of all sorts of drinks ranging from the ready to drink juices, bottled water, light beers and so forth. They all come in different flavours, with different colours, shapes and sizes of packages.

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Tea has generally been the most popular beverage in Kenya, thus it is said, "Every time is tea time". The beverage industry is among the most lucrative with high Return on Assets (ROA) worldwide only second to the pharmaceutical industry.

Source: Economic survey 2000

During the same period, Vegetable and canned fruits sub-sector had the fastest growth rate of 14.7 per cent and while the meat and the dairy products recorded a growth of 10.4%. This increase in output of milk products was due to the increased number of milk processing plants in the country. In 1999 Castle Brewing Kenya Ltd was in full operation while Kenya Breweries relocated its factory from Kisumu to Mombasa. The production of beer continued with downward trends mainly due to high product prices and depressed local demand for malted beer. (Economic Survey, 2000)

Industry Media Rank**ROA %**

| | | |
|-------|--------------------------------------|------|
| i. | Pharmaceuticals | 12.3 |
| ii. | Beverages | 5.2 |
| iii. | Telecommunications | 4.9 |
| iv. | Soaps, cosmetics | 4.8 |
| v. | Food | 4.7 |
| vi. | Specialist Retailers | 4.4 |
| vii. | Aerospace | 4.0 |
| viii. | Scientific, Photo, control equipment | 3.7 |
| ix. | Food and Drug stores | 3.6 |
| x. | Publicizing, printing | 3.4 |

Adapted from Fortune, "It was a banner year for profits " Aug 7th 1995

Due to the difficult economic situation in Kenya, the beverage industry production output has been on the decline (economic survey 2000)

Quotation Index of manufacturing Production, 1995-1999.

| | '000 tonnes |
|------|--------------------|
| 1995 | 235.8 |
| 1996 | 206.3 |
| 1997 | 199.4 |
| 1998 | 204.7 |
| 1999 | 155.20 |

Source: Economic survey 2000

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Table 1: Total Commercial Beverages (TCB) in Kenya

Despite these declining trends of production and demand, Beverage industry remains a formidable industry with potential for growth. The UNCTAD 1999 report for Africa showed that the three most favoured industries for Foreign Direct Investment (FDI) during 1996-98 were Telecoms, food and beverages and Tourism. It also projects that between 2000-03, tourism will be a prime FDI outlet followed by food and beverages.

Industries most likely to attract FDI 2000-2003

| | | | | | | | | % |
|-------|----------------------------|--|--|--|--|--|--|----------|
| i. | Tourism | | | | | | | 65 |
| ii. | Food & Beverage | | | | | | | 58 |
| iii. | Textiles and leather | | | | | | | 58 |
| iv. | Telecoms | | | | | | | 52 |
| v. | Agriculture | | | | | | | 48 |
| vi. | Mining & Quarrying | | | | | | | 38 |
| vii. | Finance & Insurance | | | | | | | 35 |
| viii. | Pharmaceutical | | | | | | | 35 |
| ix. | Transport and storage | | | | | | | 29 |
| x. | Forestry | | | | | | | 24 |
| xi. | Fishing | | | | | | | 20 |
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Source: Africa Review of Business and Technology 2000

Consumers in Kenya have an increasingly wider choice of beverages. The various categories of beverages present opportunities for the existing companies and even the potential ones depending on how they will adapt their strategies to the consumer core values.

The following table summarizes some of the key players with their brands currently in Kenya.

Table 1: Total Commercial Beverages (TCB) in Kenya

| | SQUASHES | BEER | BOTTLES WATER | SOFT CARBONATED DRINKS | HOT BEVERAGES |
|------------------|-------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------|-----------------------|
| COMPANY | - Excel Chemicals - Premier foods - Trufoods | - KBL - Castle | - Kilimanjaro - Crown foods - Kabazi canners - Kevian Kenya | - Soft - Schwepps - Coca-cola | - Nestle - Cadbury |
| BRANDS | - Quenchers - Pep & Zesta | - Tusker - Pilsner - Castle - Citizen | - Kilimanjaro - Mt. Kenya waters - Keringet | - Softa cola - Babito - Pineapple | - Milo - Chocolate |
| PACKAGE S | 5Lts, 3Lts, 2Lits | 300ml, 500ml | 5L 3L 1L 5L 1L 500ml | 300ml 500ml 1Lit | |
| PRICE | 219/=, 145/= 107/= | 50/= 60/= 60/= 75/= | 103/=, 90/= 70/=, 50/=, 35/= | 10/= 16/= 12/= | |
| VOLUMES | 8.5mm Ucs | 60mm Ucs | 27mm Ucs | 41mm Ucs | |

Source: Industry Source 2000

The diffusion process of consumer durable goods in international markets are influenced by numerous factors, some of which are under the control of firms (e.g. marketing mix variables) and others which are not readily controllable by firms (e.g. cultural, economic, geographic, legal and political environments) Takada and Jain (1991)

Culture is not an exotic notion studied by a select group of anthropologists in the South Seas. It is a mold in which we are all cast, and it controls our daily lives in many unsuspected ways.
Edward T. Hall, (The silent language 1959).

The study of culture is a challenging undertaking because its primary focus is on the broadest component of social behaviour – an entire society. Given the broad and persuasive nature of culture, its study generally requires a global examination of the character of the total society, including such factors as language, knowledge, laws, religions, food customs, music, art,

technology, work patterns, products and other artifacts that give society its distinctive flavor. In a sense, culture is a society's personality.

The globalization of markets presents considerable challenges and opportunities for domestic and international markets. Among the notable trends is that target customers in markets worldwide are exposed to and are selecting from a wider range of foreign brands than ever before. Accordingly, marketers have to show an interest in understanding the factors related to consumers evaluation and selection of products. Economic factors are important in determining a consumer's ability to purchase a product. Whether a purchase will actually occur, however, depends largely on cultural factors (Terpstra, & Sarathy ,International marketing). Therefore to understand markets abroad, the marketer must have an appreciation for the cultural environment of buyer behaviour.

Marketing has always been recognized as an economic activity involving the exchange of goods and services. Only in recent years, however, have socio-cultural influences been identified as critical determinants of marketing behaviour revealing marketing as a cultural as well as economic phenomenon.

Since the understanding of marketing is culture-bound, acquisition of the knowledge of diverse cultural environments in order to achieve international marketing is of essence. People are increasingly having to interact, manage, negotiate and compromise with people from other cultures. The potential management frustration, costly misunderstandings and even business failures increases significantly when dealing with people whose values, beliefs, customs and language are different from your own. However, when understood and successfully managed, differences in culture can lead to innovative business practices and sustainable sources of competitive advantage.

Hoecklin (1996) observes that all social behaviour is embedded in a particular context and connected to other deeply held values and beliefs. This means that the stakes are high for mismanaging cultural differences. Ignoring or mishandling differences can mean inability to retain and motivate employees, misreading the potential of cross-border alliances, marketing and advertising blunders, and failure to build sustainable sources of competitive advantage.

A country's culture has long been identified as an environmental characteristic that influences consumer behaviour and the many aspects of a culture affect differently the needs consumers satisfy through the acquisition and use of goods and services (Roth, 1995).

Consumers are members of a particular national culture, which affects their attitudes and behavior (Triandis, 1989). The knowledge that people possess and the way it is organized lies at the heart of our understanding of cognition. For marketers and scholars of consumer behaviour an understanding of what consumers know about products underpins what we know about consumer processes, such as product preferences, attitudes towards brands, and purchase decisions.

1.2 STATEMENT OF THE PROBLEM

Managing in a changing environment is what strategic marketing is all about. Keeping up with and even anticipating the essence of strategic marketing evaluation (Cravens, 1987).

There are strategic advantages to targeting the same customers and the same types of needs cross-nationally (Levitt, 1983), however, in many cases the niche or positioning opportunities differ across markets (Douglas and Wind, 1987; Jain 1989).

Some brands have successfully targeted the same types of customers using the same brand image strategies cross-nationally (e.g. Coca-Cola, Nike). Many firms, however, have failed internationally by not adapting their strategies to cultural differences among markets (Hill and Still 1984; Ricks, 1985).

It is commonly accepted that certain product categories, such as food and beverages, have a very high degree of cultural grounding, where such cultural differences make global standardization more difficult than in other categories (Durrasala, et, al, 1993)

Takada and Jain (1991) Found out that the effect of cultural environment and communication system on the diffusion process is important in the sense that it determines the unique social values of a particular country. According to Fields(1983) , Cultural environment is pervasive in all marketing activities such as advertising, pricing, promotion , packaging and distribution.

How marketing efforts interact with a culture determines the degree of success or failure of these efforts in a foreign country.

Penaloza and Gily(1999) in their study of an ethnic market place in the United States found that marketers serve as bicultural mediators , both accommodating consumers and working to alter their consumption patterns to bring them into line with their own ethnic and larger U.S . national market customs.

Despite the relative importance of culture as an environmental factor affecting consumer behaviour (Assael, 1998) the author is not aware of any study that has been undertaken by the beverage industry locally in formulating marketing strategies to respond to the various cultural aspects of the Kenyan consumer. The present study, therefore, aims at establishing how these companies are addressing the cultural environment and thus contribute to knowledge in this field.

Chapter two deals with literature review pertinent to the study area. In this chapter the previous researches in this area are reviewed.

1.3 OBJECTIVES OF THE STUDY

The objectives of the study are three-fold:

- i. To establish the extent to which the Beverage companies are incorporating cultural factors in their marketing strategies.
- ii. To evaluate the relative importance of cultural factors in relationship to marketing strategies of the Beverage industry.
- iii. To identify the cultural factors that are considered important in the marketing strategies of Beverage companies in Kenya.

1.4 IMPORTANCE OF THE STUDY

This study will be beneficial to various groups:

- i. **Industry** - Knowledge in this field will assist present and potential beverage companies to understand the relative importance of cultural environment in formulating competitive marketing strategies.

- ii. **Academicians** - This study hopes to shed light in this area and add to knowledge and hopefully stimulate further research into the aspects of the Kenyan consumer culture.

2.0 LITERATURE REVIEW

- iii. **Consumers** - Consumers will be able to understand the various marketing strategies adopted by the companies and better connect with the brands.

1.5 OVERVIEW OF THE REPORT

This research report is divided into five chapters. The first chapter is the introduction of the study and gives background information on the subject matter of the study, Research problem, objectives of the study and its importance.

Chapter two deals with literature review pertinent to the study area. In this chapter the sociocultural concept of marketing and previous researches in this area are reviewed.

The third chapter will discuss the research design of the study. This will include the relevant population target, sampling procedure, and data collection methods.

The fourth chapter will be data discussion and analysis and interpretation of the results as well.

Chapter five will present the summary of the study and conclusions. It will also highlight the limitation of the study and finally the researcher will give suggestions for future research in this area.

CHAPTER TWO

2.0 LITERATURE REVIEW

This chapter attempts to explore the basic concepts of culture and how it influences consumer behaviour. It consists of the nature of culture, dimensions of culture that make it a powerful force in regulating behaviour.

It also highlights the impact of globalization and its effect on cultures some of which has led to firms adapting global marketing strategies. Challenges and opportunities that face multinational firms as they operate internationally are reviewed.

The broadest environmental factor affecting consumer behaviour is culture, as reflected by the values and norms society emphasizes. Cultural values are more enduring and deep-seated than the lifestyle values and as a result, marketer must always attempt to swim with rather than against the cultural tide (Assael, 1998)

2.1 NATURE OF CULTURE

Culture is a set of socially acquired values that society accepts as a whole and transmits to its members through language and symbols. As a result, culture reflects a society's shared meanings and traditions (Assael, 1998). A culture's values are likely to influence its members, purchases and consumption's patterns. For example, one consumer may place a high value on achievement and may demonstrate success with symbols of luxury and prestige. Another consumer may have a culturally derived desire to appear young and active, may buy cosmetics that advertise a "younger look". Thus culture not only influences consumer behaviour, it reflects it.

The increasing importance of international trade in the 1990s makes it essential for marketers to understand the value systems of other cultures as well as their own. Cross-cultural influences form the basis for marketing strategies abroad. For instance, Gerber failed to recognize that the strong emphasis on family values in Brazil would cause many mothers to

reject processed baby foods. These mothers' attitudes were that only they can prepare food for their babies ("Culture Shocks", 1982).

The determination of such societal values is essential in applying culture to marketing strategies.

2.2 CULTURAL VALUES

Rokeach (1968) defines cultural values as beliefs that a general state of existence is personally and socially worth striving for.

Value systems are the relative importance cultures place on these values. For example, many Asian cultures might place more emphasis on inner harmony whereas western cultures might put more stress on individual accomplishment. A value such as world peace is likely to be more universally accepted across cultures.

Few marketing studies have utilized cultural values as descriptors of consumer behaviour since most marketing studies operate on a brand-by-brand basis, whereas cultural values are more likely to influence broad purchasing patterns.

A better understanding of the motivation behind brand purchases can be gained by comprehending culturally derived purchasing values (Assael, 1998)

There are five characteristics common to all cultural values:

1) *Cultural values are learned.*

The process of learning the values of one's own culture from childhood is known as enculturation. Learning the values of another culture is known as acculturation. Consumer acculturation occurs when a person from another country adapts to the consumption values and behaviour of his or her adopted country. This adaptation can occur by observation, by word-of-mouth communication and through mass media communication. Advertising also has a role in enculturating consumers through informal learning. The use of a spokesperson encourages consumers to imitate these role models or experts and adopt certain products or styles. Hair and Anderson studied the process of acculturation among immigrants to America. They concluded that the process of acculturation is particularly

important for business people in foreign markets. Since an understanding of the local culture is necessary before they can develop product and advertising strategies.

2) *Cultural values are guides to behaviour*

Cultural values guide and direct an individual's behaviour through the establishment of cultural norms. Such norms establish standards of behaviour regarding proper social relations, means of ensuring safety, eating habits, and so forth. If behaviour deviates from the cultural norm, society may place sanctions or restrictions on behaviour.

3) *Cultural values are permanent*

Cultural values gain permanence as parents pass them on to children. Schools and religious groups are also important in maintaining the permanence of cultural values.

4) *Cultural values are dynamic*

Culture is also dynamic; values must change as society changes. Changes in technology, liberalization of economics have had influence on cultures. For instance cell phones, personal computer and fax machines have made a large proportion of consumers to work at home full time based on this technology.

5) *Cultural values are widely held*

Each culture has certain widely held and commonly accepted values that differentiate it from other cultures. The sharing of values is facilitated by a common language. On multilingual countries such as Kenya, the lack of a single cultural bond through language has led to divisiveness. Increasing management contact and interdependence across cultures are inevitable. Cultural differences are not going away, but becoming more entrenched (Hoecklin, 1996). This, therefore, makes it more critical than ever to try to understand different cultures and their influence on the ways people do business and view the world.

2.3 DEFINITIONS AND DESCRIPTION OF CULTURE

1. *It is a shared system of meanings*

Culture dictates what groups of people pay attention to. It guides how the world is perceived, how the self is experienced and how life itself is organized. Individuals of a group share patterns that enable them to see the same things in the same way and this holds them together.

2. *It is relative.* There's no cultural absolute. People in different cultures perceive the world differently and have different ways of doing things, and therefore it is not a set standard for considering one group as intrinsically superior or inferior to any other. Each National culture is relative to other cultures ways of perceiving the world and doing things.

3. *It is learned.* Culture is derived from your social environment, not from genetic make-up.

4. *About groups.* Culture is a collective phenomenon that is about shared values and meanings.

It is therefore very important to understand that culture is not right or wrong. It is not inherited and neither is it about individual behaviour. There are wide variations in individual values and behavior within each national culture.

There are many descriptions and definitions of culture. (Hofstede, 1980) has described culture as the "collective programming of the mind" which distinguishes the members of one human group from another. He explains that it lies between human nature on one side and individual personality on the other. Figure 1 shows his model of three levels of uniqueness in human mental programming.

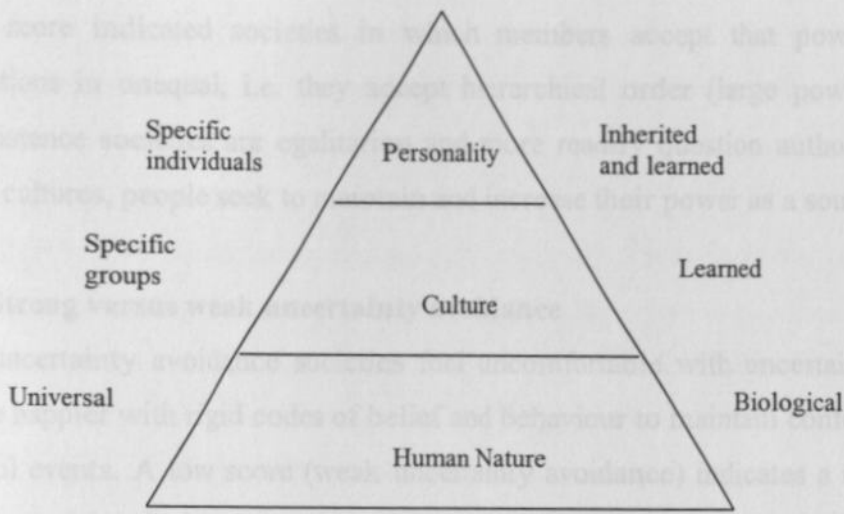


Figure. 1 Three levels of human mental programming

Taylor (1871) has defined culture as that complex whole which includes knowledge, beliefs, art, morals, laws, customs and any other capabilities and habits acquired by man as a member of society.

Harris and Moran (1987) defined culture as distinctly human capacity for adapting to circumstances and transmitting this coping skill and knowledge to subsequent generations.

2.4 DIMENSIONS OF CULTURE

Perhaps the most famous research on national culture differences (work-related) was undertaken by Hofstede (1980). Hofstede collected data over the 1967-73 period from more than 100,000 employees representing more than 50 countries. He developed four “value dimensions” to describe national culture and assigned country scores between 0 and 100. The four value dimensions as depicted by Hofstede are described hereunder:

2.4.1 Individualism versus collectivism

A high score indicated societies where individual are expected to take care of themselves and their immediate family only. A low score indicated a preference for a tightly knit social organization (collectivism).

2.4.2 Large versus small power distance

A high score indicated societies in which members accept that power institutions and organizations in unequal, i.e. they accept hierarchical order (large power distance). Small power distance societies are egalitarian and more readily question authority. In high power distance cultures, people seek to maintain and increase their power as a source of satisfaction.

2.4.3 Strong versus weak uncertainty avoidance

Strong uncertainty avoidance societies feel uncomfortable with uncertainty and ambiguity. They are happier with rigid codes of belief and behaviour to maintain conformity; and they try to control events. A low score (weak uncertainty avoidance) indicates a more relaxed social atmosphere where deviance is tolerated these societies allow the future to take its course.

2.4.4 Masculinity versus Femininity

Masculine societies prefer achievement, heroism, assertiveness and material success. Femininity stands for a preference for relationships, modesty, caring for the weak, and the quality of life. A high score (Masculinity) indicates societies that prefer maximum social differentiation between the sexes, where men assume the more “masculine” work roles. Hofstede argued that these four value dimensions were universal and account for an important part of the explanation of differences between national cultural systems.

2.5 MARKETING AND STRATEGY

2.5.1 Marketing

The American Marketing Association (AMA) first defined marketing in 1946 as the performance of business activities that direct the flow of goods and services from producers to consumers. (Kotler, 1995) defines marketing as a social and managerial process, by which individuals and groups obtain what they need and want through creating and exchanging products and services of value with each other.

According to Stanton (1978), Marketing comprises of a system of business activities designed to plan, price, promote and distribute want satisfying products and services to present and potential consumer segments”

Kibera and Waruingi (1998) have assessed the importance of marketing in Kenya by recognizing its role in creating employment, introducing various products in the marketing, sponsoring various local programs and so forth.

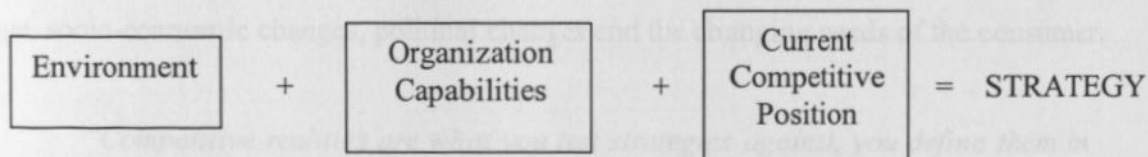
In 1985, the American Marketing Association, once again redefined marketing as a process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create value that satisfy individual and organizational objectives.

This recognizes that marketing management is a process involving analysis, planning, implementation and control. It covers goods, services and ideas. It rests on the notion of exchange and the fact is to produce satisfaction for the parties involved.

2.5.2 Strategic Management

Strategic management, on the other hand, is usually defined to be those issues affecting the relationship of an organization to its environment. They include the choice of both strategy and structure.

A simple paradigm of strategy choice is



Environment is defined as technological, economic, social and political influence. Organization capabilities refer to human physical resources. Current competitive position is the firm's reputation, markets served, relative market share and so on. Strategy is the choice of markets the firm will attempt to serve, or a choice about the scope of the firm's domain, including decisions about expansion, defense, and contraction of that domain.

Issues in strategic management occur at both the corporate and business unit levels. It is at the business unit level that a proliferation of models and matrices to help resolve strategic management issues have been seen (Littler, 1995).

In a study on strategic practices of manufacturing companies in Kenya, Aosa (1992), found that companies had made a shift towards being market driven in their strategies.

The shift was in response to increasing complexity i.e. increasing competition produced and markets served. In general strategy can be said to be a holistic view of an organization's goals and objective i.e. a means of achieving the said.

There is considerable overlap between strategic management paradigms. First, both share a concern with the environment, because the target of marketing decisions is the customer and the marketing decisions is the customer and the marketing decision variables – product, price, place and promotion – are heavily influenced by external elements, such as customers and competitors. Another reason for the overlap is that both fields share one 'controllable' -the product.

Thus, marketing not only contributes to the development and formation of business and corporate strategy, but marketing also contributes to the implementation of strategy in terms of the decisions and actions taken within the context of marketing operations. Those marketing decisions and actions can be referred to collectively as marketing strategy.

2.6.3 Strategic Marketing

In response to the dynamic nature of the environment, the relationship between organizations and their external publics, and most notably the customer, has led to new organizational forms. Some of these drivers of change are rapid globalization, technological changes – computer age, socio-economic changes, political changes and the changing needs of the consumer.

"Competitive realities are what you test strategies against, you define them in terms of customers.....strategy takes shape in the determination to create values for customer" (Ohmae, 1989).

According to Aaker (1988) Strategic Marketing Management is a system designed to help management make strategic decisions as well as create strategic visions; where a strategic decision involves the creation, change or retention of strategy, a strategic vision is a vision of a future strategy or set of strategies.

Thus strategic marketing planning responsibility includes:

- 1) Participating in corporate strategy formulation and
- 2) Developing business unit marketing strategies in accordance with corporate priorities.

These two roles are interrelated and Drucker (1974) describes this role thus:

“Marketing is so basic that it cannot be considered a separate function (i.e. a separate skill or work) within the business, on a par with others such as manufacturing or personnel..... It is the whole business seen from the point of view of its final result, that is, the customer's point of view.”

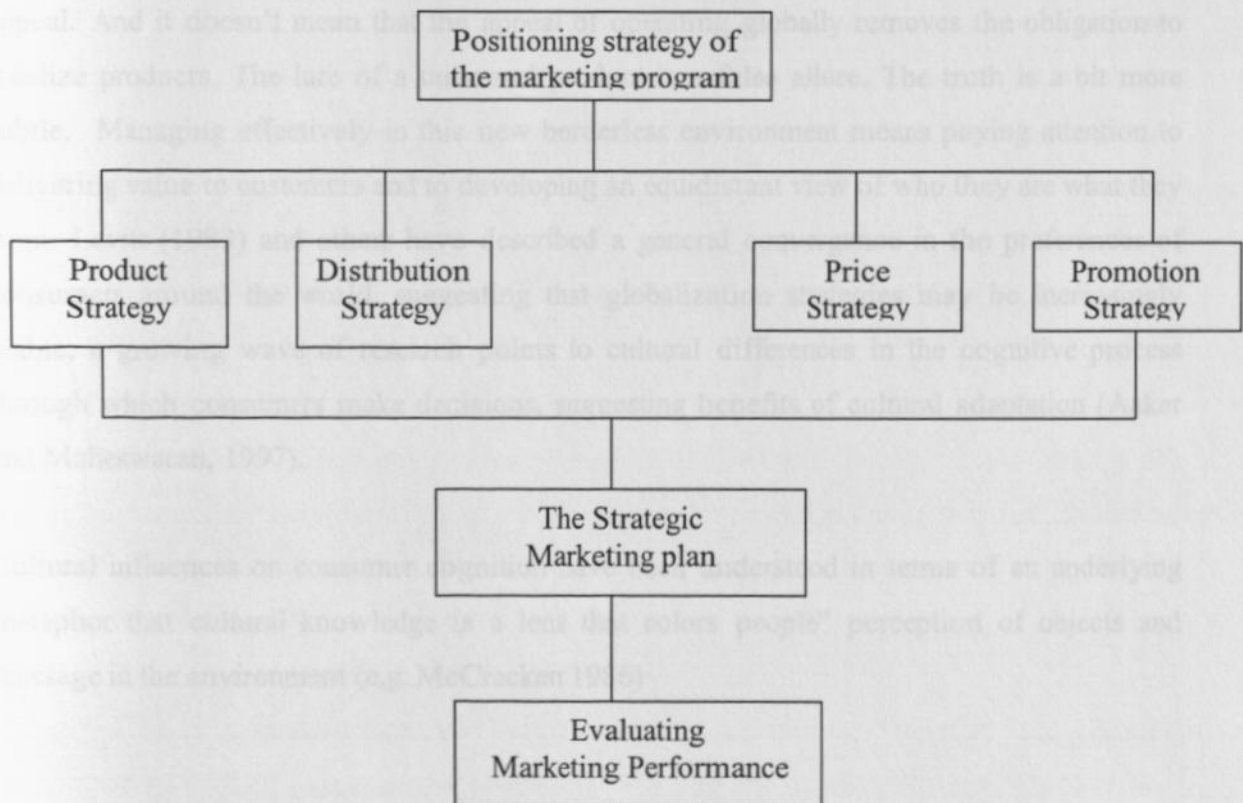
Strategic marketing, therefore, can be defined as a process of:

- Strategic analysis of environmental, market, competitive and business factors affecting the corporation and its business units and forecasting future trends in business areas of interest to the enterprise.
- Participating in setting objectives and formulating corporate and business unit strategies.
- Selecting market target strategies for the product markets in each business unit, establishing marketing objectives as well as developing, implementing, and managing the positioning strategies of the marketing program in order to meet market target needs (Littler, 1995).

At the heart of the marketing strategy, is the decisions made around the 4ps of marketing usually referred to as the marketing mix viz.: product, place, promotion and price strategies

Fig. 2.

Fig. 2 The strategic marketing planning process



2.6 CULTURAL INFLUENCES ON MARKETING STRATEGIES

According to Ansoff (1990) environmental changes have become more complex and novel in the twentieth century.

Marketing across culture is a complex process of balancing resources and effectiveness between building product strength and identify on the one hand and increasing geographical coverage on the other (Gogel and Larreche, 1991).

The impact of cultural differences has long been recognized by marketers in multinational organizations owing to early and costly lessons. Marketing is probably the functional area most accustomed to considering culture in international business (Hoecklin, 1996).

Globalization is not about standardization, it's about a quantum increase in complexity. The more a company has global markets, the more sustaining its growth depends on responding to the myriad of local differences in its key markets around the world. To be global means to recognize differences and be flexible enough to adapt to them (Harvard Business Review, 1991).

Ohmae (1989) states that when it comes to product strategy, it doesn't mean managing by averages. It doesn't mean that all tastes run together into one amorphous mass of universal appeal. And it doesn't mean that the appeal of operating globally removes the obligation to localize products. The lure of a universal product is a false allure. The truth is a bit more subtle. Managing effectively in this new borderless environment means paying attention to delivering value to customers and to developing an equidistant view of who they are what they want. Levitt (1983) and others have described a general convergence in the preferences of consumers around the world, suggesting that globalization strategies may be increasingly viable, a growing wave of research points to cultural differences in the cognitive process through which consumers make decisions, suggesting benefits of cultural adaptation (Aaker and Maheswaran, 1997).

Cultural influences on consumer cognition have been understood in terms of an underlying metaphor that cultural knowledge is a lens that colors people's perception of objects and message in the environment (e.g. McCracken 1986)

Roth (1995) found out that culture and socioeconomics have strong effect on the performance of Global Brand image strategies. He examined aspects of culture – power distance and individualism. He found out that in low power distance cultures (e.g. Germany, Netherlands) in which people are not highly focused on social roles and group affiliation, functional brand images that de-emphasize the social, symbolic, sensory, and experiential benefits of products are most appropriate. When the country's degree of power distance is high (e.g. China, France) social and/or sensory needs should be emphasized. In countries with high individualism cultures (e.g. European countries) brand images that emphasize functional, variety, novelty and experiential needs are more effective than social image strategies. On the other hand, cultures with low individualism (e.g. Asian countries) are more amenable to social brand image strategies that emphasize group membership and affiliation benefits than they are to sensory brand images.

There is also a change in the speed at which new products and services invade the market. Consumer innovativeness is not only relevant for marketing theory, but also for marketing practice because companies rely increasingly on the success of new product introductions for future growth and profitability (Jan-benedict, 1998).

In most case, however, marketers in international marketing do not know whether the product, the promotional appeal, the pricing policy or the retail channels that are effective in one country will work in other countries and what specific changes to make to ensure acceptance in each foreign market (Schiffman and Kanuk, 2000).

International marketing requires adaptive strategies to the target market's distinctive cultural traits.

2.6.1 Product

International marketers frequently neglect to modify their products to meet local customs and tastes. For example, Snapple failed to sustain sales momentum in Japan because consumers preferred clearer, less sweet iced tea. Snapple was slow to alter its ingredient to conform to local Japanese tastes (Shirouzu, 1996).

To avoid such problem, marketers must ascertain in advance whether the physical characteristics of their products will be acceptable to the new market. Color is also a critical

variable international marketing, because same color of ten has different meanings in different colors.

For example the color blue in Holland stands for warmth; in Iran it represents death; in Sweden it connotes coldness; in India it means purity. Furthermore, Yellow which represents warmth in the United States, connotes infidelity in France (Schiffman). Thus, it is critical that the colors of products and packages convey the proper meaning in the countries in which they are marketed.

2.6.2 Promotion

When communicating with consumers in different parts of the world, the promotional messages must be consistent with the language and customs of the particular target society. It is commonly accepted that certain product categories, such as food and beverages, have a very high degree of cultural grounding, where such cultural differences make global standardization more difficult than in other categories (Durrasala, et al 1993).

For example, the seven-up company's highly successful "uncola" theme in the United States was considered inappropriate for many foreign markets because it did not translate well into other languages (Ahmed, 1992) observed that of all promotional tools, advertising is the most stimulating to the general public in terms of interest, enthusiasm and controversy.

It is a basic principle in communication theory that, for any communication to be successful, the sender of the message must understand the frame of reference of the receiver of the message (Batra, Myers and Aaker, 1996)

2.6.3 Pricing and Distribution

International marketers must adjust their pricing and distribution policies to meet local economic conditions and customs. For instance, in many developing nations small sized product packages often are a necessity, because consumers cannot afford the cash outlay for the larger sizes popular in developed nations.

It is common in Kenya to find such household goods as cooking fat, tea leaves etc packaged in very small quantities so as to reach the lower end of the market.

After gaining independence, political leaders in Africa sought to “domesticate” distributive systems in their countries. Hence manufacturers, who were mainly foreigners were not allowed to distribute their products (Kibera & Waruingi, 1998). Kibera and Waruingi also observed that culture and customs of people in Africa played a paramount role in establishing co-operative marketing and distribution due to the culture of communal ownership of property.

Thus, marketers must vary their distribution channels by country. It is worth noting that marketing strategies rarely attempt to change cultural values because of the simple fact that advertising, sales promotion, sales people and packaging are not sufficiently powerful forces to influence consumers core values (Assael, 1998)

2.7 CONCEPTUAL FRAMEWORK

2.7.1 Globalisation

Globalization is a relatively recent phenomenon that affords marketing managers new opportunities (Roth, 1995) as well as threats (Duncan and Ramaprsad, 1995). One opportunity is the growth of Global Consumer Segments (Dawar and Parker, 1994) that associate similar meanings with certain places, people and things paralleling the growth of global segments is the emergence of global consumer cultures, shared sets of consumption – related symbols (product categories, brands, consumption activities and so forth) that are meaningful to segment members.

In the recent past we have witnessed a substantial increase in publicity about ‘global marketing’ (Rudolph, 1985, Levitt, 1983, Ohmae, 1985). Advocates of global marketing have asserted that products and brands can be marketed on a worldwide basis utilizing the same marketing mix in all nations, irrespective of cultural differences.

Indeed there are advantages in global marketing which include economy of scale in preparing standard packaging, labels, promotions, and advertising. Advertising economies result from worldwide communication network. Supporters of global strategies in international marketing cite increased similarities in tastes, and values across countries. Improved transportation and communication has resulted in distribution of products and transmission of advertising

messages on a worldwide basis. The increasing availability of the World Wide Web (WWW) and the Internet will provide further spur to global communications.

However, many marketing blunders have resulted because of lack of awareness of cross-cultural differences. For companies to succeed in marketing abroad, they must recognize local differences in consumer needs and customs. This success can be achieved by acculturating themselves by learning local consumers' needs and values. Adapting to consumers from another culture is a quintessential task for marketers in the global market place.

Kibera and Waruingi (1998) have cited seven elements of culture which affect international marketing in one way or another. They are

- i. Material culture
- ii. Language
- iii. Aesthetics
- iv. Religion
- v. Attitudes and values
- vi. Socialization
- vii. Education.

(Assael, 1998) has recognized at least four cross-cultural factors that influence marketing strategies in international markets. The differences between countries are: -

- i. Consumer customs and values
- ii. Language
- iii. Symbols
- iv. The economic environment

The researcher will discuss the all above aspects of culture and establish how they interact with marketing strategies in beverage industry.using standardized ads and the fact that media coverage increasingly overlaps between countries. The internationalization of many forms of explicit culture (e.g. dress music, language) has been accelerated by electronic communication (Hoecklin, 1996).

As a result several consumer goods companies seem to have successfully extended certain products and services into international markets by capitalizing on images created by a

2.7.1.1 CONSUMER CUSTOMS AND VALUES

Everyone has a value system – right or wrong, good or bad, normal or weird. Our value system has been developing our whole life, but is largely in place by the time we reach about ten years old- so our experience, major events and influences of our early years are the most important (Howel and Strauss, 1991).

American business people often take an ethnocentric view by assuming the values of American consumers are universal (Assael, 1998). However, the traditional American values of achievement, materialism, individualism and youthfulness are not nearly as strong in other parts of the world (Kibera and Waruingi, 1998) have said that different societies have different attitudes and values towards work, achievement and private property. In many Asian countries, acceptance of one's place in society is more important than individual initiative in influencing behaviour (Assael, 1998).

As such differences in cultural values affect consumers purchasing behaviour. A failure to account for these differences is likely to spell trouble for the International marketer. Differences in cultural values among countries are likely to result in differences in product preferences and product usage. A lack of awareness that product that preferences are culturally based can lead a company into trouble.

2.7.1.2 LANGUAGE

Language is perhaps the greatest expression of a society's culture. It is both the key to an understanding of the culture as well as the primary means of communication (Kibera and Waruingi, 1998). When Coca-Cola was introduced in China in 1979, local signages in calligraphy with the words *ke kou ke la* translated into "bite the wax tadpole" – an association that is not likely to encourage sales. After research of the Chinese characters, the company came up with *ko kou ko le*.

General motors discovered it could not use the name Nova on its models worldwide because in Spanish – speaking markets the name translate into won't go! These cross-cultural differences should cause companies to vary their strategy for a product from country to

country. However where the product has a more global appeal similar promotional campaign and positioning can be used.

Language provides the means of communicating the customs and beliefs of a culture. Marketers must be ware of the meaning and subtleties of languages and dialects when selling in foreign markets. Many marketing blunders have resulted because of a lack of awareness of language.

2.7.1.3 SYMBOLS of living

Symbols in a culture also influence purchasing behaviour. Companies must be particularly sensitive to the use of colour in advertising. For instance, pink is associated with femininity in the United States, but yellow is considered the most feminine colour in most of the rest of the world (Assael, 1998). People in many Latin American countries disapprove of purple because it is associated with death and in contrast purple connotes quality in China (Winick, 1961).

It helps a company or a brand to use a consistent set of colours to aid in the brand's recognition (Kotler, 1999). Caterpillar paints all of its construction equipment yellow; Coca-Cola is recognised with its red colour, and not surprisingly, Coca-Cola is called "Big Red".

Companies would be wise to adopt a symbol or logo to use in their communications (Kotler, 1999). Symbols other than colour also influence behaviour. Two elephants are a symbol of bad luck in many parts of Africa (Assael, 1998). This forced Carlsberg to add a third elephant to its label for elephant beer. East African Breweries uses an elephant for its flagship brand, Tusker.

Many companies hire well-known spokesperson, hoping that his or her qualities transfer to the brand (Kotler, 1999), for instance, Nike uses Michael Jordan (a renowned basket baller in U.S.A) who has worldwide recognition and likeability.

2.7.1.4 THE ECONOMIC ENVIRONMENT

Although cultures tend to transcend entire nations, social and economic conditions often vary substantially within countries. Within most countries, regions exist that differ markedly from one another with regards to income, mobility, media access, employment and other socio-economic characteristics (Roth, 1995).

A country's economic environment influences consumer behaviour (Assael, 1998). Three factors are particularly important:

- i. A country's standard of living
- ii. Its economic infrastructure
- iii. Economic policies.

Most industrial nations in the world, have high standard of living which allows for widespread ownership of electronic gadgets, appliances and automobiles. Whereas underdeveloped countries do not approach this level of ownership of T.Vs, telephones and so forth. Thus, a T.V campaign in an underdeveloped world would not be an effective way to reach consumers due to limited ownership of T.Vs. Similarly, marketing researchers investigating consumer attitudes and behaviour cannot rely on collecting information by telephone because only upscale households have telephones.

Economic infrastructure refers to the facilities a country uses to conduct business – media, telecommunication, transportation, and power. Most underdeveloped countries have media, telecommunication and distribution facilities that are still primitive. Thus as much as consumers would desire some goods, marketing them is difficult because of these poor infrastructures. Hence companies targeting these markets face limitations in implementing marketing strategies.

A country's economic policies also influences consumer behaviour. Many country's have instituted tariff barriers against imports to protect domestic industries, thus limiting their consumer's access to foreign goods.

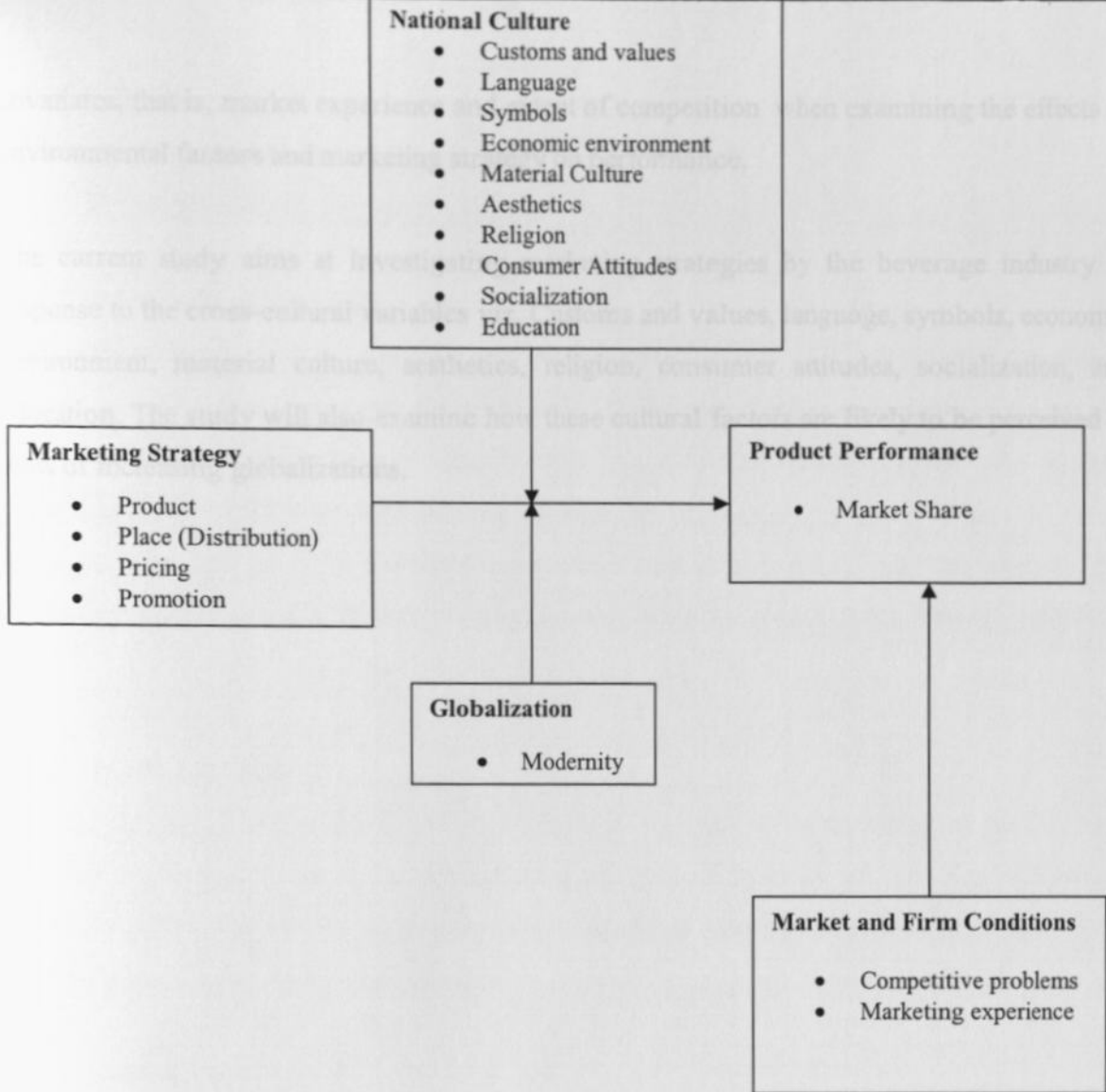


Fig. 3: Model of the effect of culture and globalization factors on marketing strategies (Modified from Roth S.M (1995), *Journal of Marketing Research*, May)

Social science and management research offer insights into the effects cultural and socioeconomic characteristics of foreign markets may have on consumer needs and the subsequent success of brand image strategies (Roth, 1995).

Figure 3 presents a conceptual model of the potential moderating effects of culture and globalization on the performance of marketing strategies. In international markets, environmental characteristics are likely to moderate the strategy – performance relationship. As shown, two characteristics; aspects of culture, and, globalization conditions affect the marketing strategy vis-à-vis *Product, Distribution, Pricing and Promotion*. In addition because, market and firm conditions may also impact performance, the model shows likely

covariates, that is, market experience and extent of competition when examining the effects of environmental factors and marketing strategy on performance.

RESEARCH METHODOLOGY

The current study aims at investigating marketing strategies by the beverage industry in response to the cross-cultural variables viz. Customs and values, language, symbols, economic environment, material culture, aesthetics, religion, consumer attitudes, socialization, and education. The study will also examine how these cultural factors are likely to be perceived in view of increasing globalizations.

POPULATION

The population of interest in this study consists of all companies operating in the beverage industry in Kenya. A list of 32 companies was obtained from the current Kenya Business Directory, 2000. The study also included those firms that distribute imported beverages. (List-Appendix).

THE SAMPLE

Sampling is the process by which a relatively small number of individuals or measures of individual objects or events is selected and analysed in order to find out something about the entire population (Kotler, 1997).

Since the size of the beverage industry in Kenya is small, the entire population was considered instead of a sample.

DATA COLLECTION AND ANALYSIS

Data was collected via a self-administered questionnaire with the help of research assistant as need arose. The questionnaires had a mixture of open ended questions and a 5-point Likert scale which were used to capture independent thought, demographic information and opinions on various issues relating to the marketing mix, marketing research and globalization factors and how they interface with aspects of culture used as variables in this

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The current study aims at conducting a cross-sectional study of all Beverage Companies operating in Kenya to investigate their Strategic Marketing practices in relation to the various cultural aspects of consumers in the Kenyan market. The questionnaires used as data collection instruments were administered through the “drop-and- pick later” basis. Research assistants were employed to facilitate especially where outside travelling was involved. The researcher also assisted with establishing contacts with the respondents through telephone calls.

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study. The 5-point Likert scale was used to measure the relative importance and also the extent to which cultural factors influence the marketing strategies.

A total of 32 questionnaires were sent and 22 were returned duly filled and completed giving a satisfactory 69% response rate.

The response categories were assigned values 1-5 with 1 corresponding to most favourable and 5 the least favourable. The information was coded to facilitate ease of data entry and analysis. The analysis was done using Statistical Package for Social Scientists (SPSS) 7.5 for windows.

For each question based on the 5-point Likert scale an opinion index was constructed to uncover what the predominant reaction it elicits from the respondents. In this analysis two adjacent categories on the extremes of the scale are combined to reduce the responses to important, neutral and unimportant only so that the interpretations can be more meaningful.¹

The opinion indices are then constructed by deducting the percentage of respondents who felt either a factor is unimportant or not applicable from those who said it was important or useful to a large extent. The purpose is to eliminate neutrals from confusing the picture. A positive index indicates a preponderance of favourably disposed respondents while a negative index implies a preponderance of negatively inclined respondents towards a factor. Construction of these type of indices have been used in similar researches where attitude measurements were solicited. (Ahmed, 1992) and (Ngahu, 1987)

Data was then summarized by way of tabulations, percentages, mean scores and standard deviations to facilitate interpretation and discussion of the findings.

Finally factor analysis is performed on selected questions for the purpose of identifying and naming the underlying factors that account for the different opinions held by respondents.

¹Jacoby J. and Mattel, M.S., "Three Point Likert Scales are Good Enough", Journal of Marketing Research, 8 (November 19971)

4.0 DATA ANALYSIS AND FINDINGS

The analysis presented in this in this chapter is based on data collected from 22 questionnaires that were duly completed and returned by the respondents. The data is summarized and presented by way of tabulations, percentages, charts and opinion indices of respondents constructed for various aspects of culture on marketing strategies. In addition, factor analysis is also performed some selected questions on product and promotion strategies for the purpose of identifying common factors accounted for by the cultural variables and eliminated variables that did not account for variance across the board.

Factors were identified with the conventional criteria of Eigen values greater than one and adherence to the Kaiser criterion. All variables remaining in the final factor solution met the criterion of loading on a factor at 0.3 or higher and having communalities of 0.4 or higher (Acito and Anderson, 1986).²

The analysis and presentation of findings is done in various sections which include the following: Companies' profiles , product strategies , distribution strategies , pricing strategies, promotion strategies , market research and development and influence of globalization.

As per the table 5 above 41% of the firms, which responded, are locally owned, 36% are jointly owned between locals and foreigners while 23% are foreign owned.

The firms are engaged either in one line of beverage or a range of beverages. The lines of beverages are as follows:

²Acito Frank and Ronald D. Anderson (1986), "A Simulation Study of Factor Score Interminancy", Journal of Marketing Research, 23 (May)

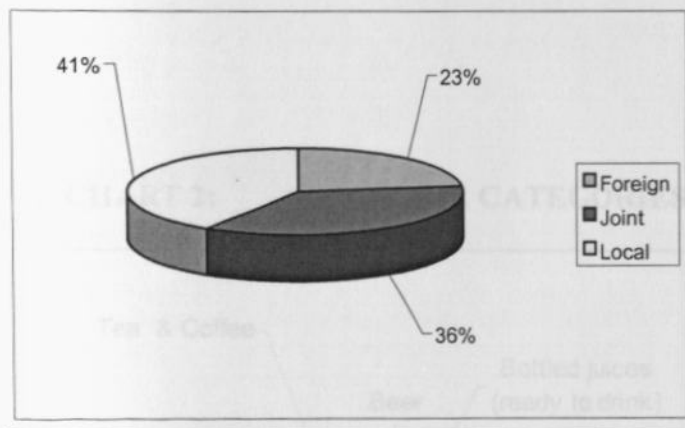
4.1 COMPANIES' PROFILE

Profile of Companies was considered necessary in order to bring out a more clear understanding of the composition of the firms operating in the beverage industry in Kenya.

Table 2: Ownership

| OWNERS | PERCENT |
|-----------------------|---------|
| Foreign | 23% |
| Joint (Foreign/Local) | 36% |
| Local | 41% |

PIE CHART 1: Ownership



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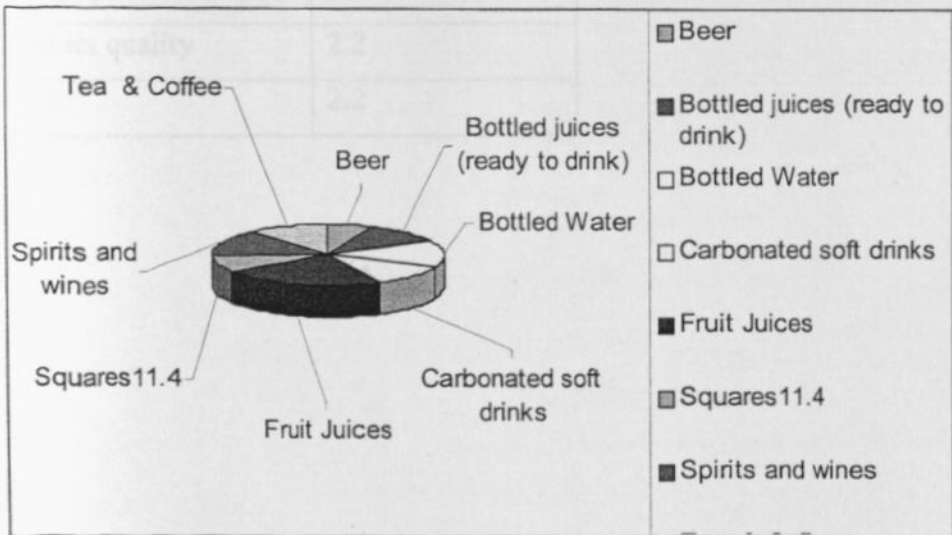
The lines of beverages are as follows.

Table 3: Beverage Categories

| BEVERAGE CATEGORIES | % RESPONSE |
|---------------------------------|-------------|
| Beer | 5.7 |
| Bottled juices (ready to drink) | 11.4 |
| Bottled Water | 14.3 |
| Carbonated soft drinks | 11.4 |
| Fruit Juices | 22.9 |
| Squares11.4 | 8.6 |
| Spirits and wines | 14.3 |
| Tea & Coffee | 11.4 |
| TOTAL | 100% |

Source: Primary Data

PIE CHART 2: BEVERAGE CATEGORIES



4.2 PRODUCT STRATEGIES

Products play a pivotal role in business strategy. The importance of product quality in gaining and keeping competitive advantage is clearly established in the global business environment.

In determining the number of brands to be offered in the market consumer needs(43.5%) was identified as key while competition action (32.6%) was ranked second. This is in agreement with the western union experience of not recognizing consumer requirements and different forms of competition.³

Today's companies are facing their toughest competition ever and they must out do their competition if they are to win and retain customers. Kotler (1998) notes that only customer – centered companies are adept at building customers, not just building products.

Table 4: Factors determining the number of Brands to offer.

| FACTOR | %RESPONSE |
|-----------------------|-----------|
| Consumer needs | 43.5 |
| Competition | 32.6 |
| Technology | 13 |
| Geographical location | 6.5 |
| Product quality | 2.2 |
| Price | 2.2 |

³“S.O.S. Western Union, Saved by a Junk-Bond Deal, Needs Rescuing Again,” *The Wall Street Journal*, October 13, 1989

Incidentally product quality was at the bottom at 2.2%. This is perhaps because “quality is determined by the consumer”. To ensure that their brands are perceived by consumers as noticeably better local firms have been seeking accreditation with ISO 9002 status. Examples include Kenya Breweries, Coastal Bottlers, Kuguru Foods(Softa Drinks) among others.

Changes in technology (15%) also influence how firms will position their brands. It is not uncommon to find many beverages now being available in cans something which was not there in the yesteryears.

Postman (1992) states that no one eludes technology- the telephone computer, the airplane overhead etc. Technolculture is irrefutable and pervasive.

| | |
|-----------------------|------|
| Customer satisfaction | 43.3 |
| Requirements | 15.2 |

BARGRAPH 1: FACTORS DETERMINING THE NUMBER OF BRANDS OFFERED

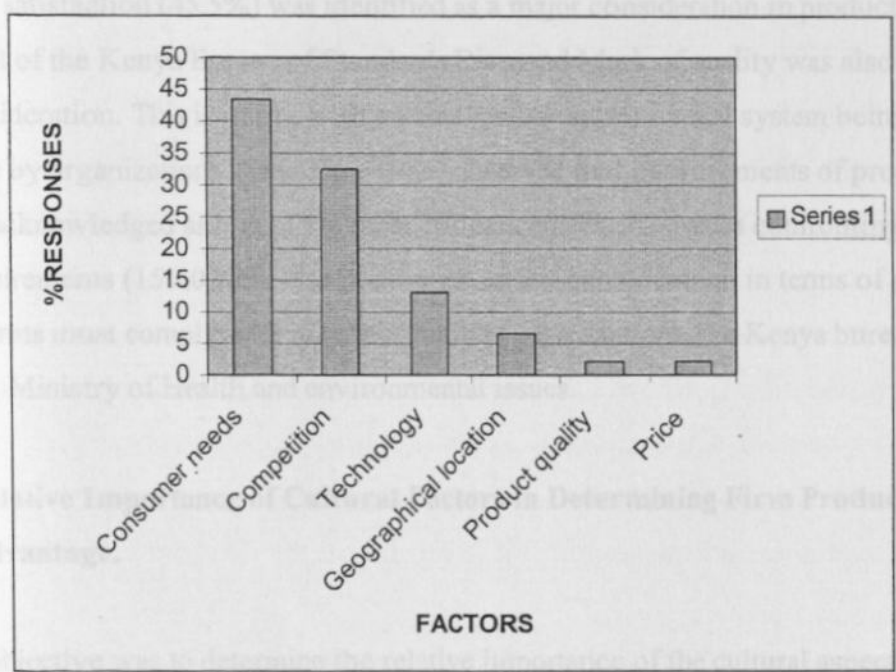


Table 5 also gives a summary of the major considerations by firms in terms of attaining superior product quality.

Table5: Key Product quality consideration

| CONSIDERATIONS | % RESPONSE |
|-----------------------------------------------------|------------|
| Kenya Bureau of Standards (Diamond Mark of quality) | 24.2 |
| Consumer satisfaction | 45.5 |
| Legal requirements | 15.2 |
| Competition | 15.1 |

Consumer satisfaction (45.5%) was identified as a major consideration in product quality. Attainment of the Kenya Bureau of Standards Diamond Mark of quality was also regarded as a key consideration. This is in line with current quality improvement system being adopted worldwide by organizations. (Deming , 1986) observed that improvements of product quality is widely acknowledged as one of the most critical competitive issues confronting US firms. Legal requirements (15%0 were also mentioned as key consideration in terms of product quality. Firms must comply with regulatory affairs organisations like Kenya bureau of Standards, Ministry of Health and environmental issues.

4.2.1 Relative Importance of Cultural Factors in Determining Firm Product Advantage.

The first objective was to determine the relative importance of the cultural aspect in marketing strategies. To determine how product strategies were influenced by the cultural factors, a 5 – point likert scale was used. Combining two adjacent categories of the responses, we obtain a more compact and easier interpret set of responses. Table 6 below shows the percentage of respondents saying that the factors are important, Unimportant or neutral about them.

The table also provides the mean scores and standard deviations of each factor.

Table 6: Relative Importance of Cultural factors in Product Strategies

| FACTOR | PERCENT OF RESPONDENTS SAYING: | | | INDEX ⁱ | MEAN SCORE | STANDARD DEVIATION |
|-----------------------------|--------------------------------|---------|-------------|--------------------|------------|--------------------|
| | IMPORTANT | NEUTRAL | UNIMPORTANT | | | |
| Consumer values and customs | 86.4 | 13.6 | - | 86.4 | 1.64 | 0.73 |
| Language of communication | 81.8 | 18.2 | - | 81.8 | 1.68 | 0.78 |
| Symbols | 68.3 | 27.3 | 4.5 | 63.7 | 1.96 | 0.95 |
| Economic environment | 72.8 | 27.3 | - | 72.8 | 1.82 | 0.85 |
| Material culture | 50 | 45.5 | 4.5 | 45.5 | 2.36 | 1.00 |
| Aesthetics | 63.6 | 31.8 | 4.5 | 59.1 | 1.73 | 0.99 |
| Religion | 27.3 | 45.5 | 27.3 | 0 | 2.91 | 1.19 |
| Consumer Attitudes | 77.2 | 18.2 | 4.5 | 72.7 | 1.59 | 1.10 |
| Socialization | 72.8 | 27.7 | 4.5 | 68.3 | 1.91 | 1.01 |
| Education | 59.1 | 31.8 | 9.1 | 50 | 2.23 | 0.97 |

NB. The Mean scores are on a scale of 1-5 with 1 being very important and 5 totally unimportant.

Judging from the high percentage of respondents saying that consumer values and customs, language of communication, economics environment and consumer attitudes, we can say that most firms believe that these cultural factors are important and relevant to their product strategies. These opinions are further enhanced by the low mean scores which range between 1 and 2, indicating that the factor are significant in determining product advantage by firms.

Religion had an index of zero and mean score of 2.9 thus indicating that beverage companies do not find it a significant factor to consider in determining product advantage.

The second objective was to determine the extent to which cultural factors are applicable in developing or designing products.

ⁱindex is constructed by subtracting the percentage of respondents who disagreed from those who agreed with the factor thus eliminating the uncommitted.

4.2.2 The extent to which cultural factors are applicable in product designs.

Table 7: Influence of Cultural Factors in Product Designs

| FACTOR | PERCENT OF RESPONDENTS TO SAYING: | | | INDEX | MEAN SCORE | STD |
|-----------------------------|-----------------------------------|---------|------------|-------|------------|-------|
| | LARGE EXTENT | NEUTRAL | NOT AT ALL | | | |
| Consumer values and customs | 86.4 | 9.1 | 4.5 | 81.9 | 1.59 | 0.85 |
| Language of communication | 72.7 | 18.2 | 9.1 | 63.6 | 1.77 | 1.31 |
| Symbols | 86.4 | 13.6 | - | 86.4 | 1.46 | 0.74 |
| Economic environment | 81.8 | 18.2 | - | 81.8 | 1.5 | 0.802 |
| Material culture | 59.1 | 31.8 | 9.1 | 50 | 2.18 | 1.26 |
| Aesthetics | 68.2 | 31.8 | - | 68.2 | 1.73 | 0.94 |
| Religion | 22.7 | 54.5 | 22.7 | 0 | 3.05 | 1.21 |
| Consumer Attitudes | 81.8 | 13.6 | 4.5 | 77.3 | 1.55 | 1.06 |
| Socialization | 72.7 | 18.2 | 9.1 | 63.6 | 1.86 | 1.28 |
| Education | 63.7 | 27.3 | 9.1 | 54.6 | 2.18 | 1.22 |

Source: Primary Data

Evidently symbols of culture (86%), consumer values and customs(82%), economic environment (82%) and consumer attitudes (77%) play a significant role in influencing product design strategies. Language of communication, socialization and aesthetics were also seen as being relatively significant in influencing product design strategies.

Religion was regarded as the least important factor in influencing product design strategies.

These factors closely agree with responses obtained in table 6 where managers tended to agree that these factors were important in developing product strategies. We can therefore conclude that factors deemed important in developing product strategies will also influence significantly the way products are designed.

Table 8:

Initial Statistics:

| Variable | Communality * | Factor | Eigenvalue | Pct of Var | Cum Pct |
|-----------------------------|---------------|--------|------------|------------|---------|
| Aesthetics | 1.00000 * | 1 | 4.02351 | 40.2 | 40.2 |
| Consumer Attitudes | 1.00000 * | 2 | 1.87690 | 18.8 | 59.0 |
| Consumer Values and Customs | 1.00000 * | 3 | 1.17446 | 11.7 | 70.7 |
| Economic Environment | 1.00000 * | 4 | .86195 | 8.6 | 79.4 |
| Education | 1.00000 * | 5 | .73397 | 7.3 | 86.7 |
| Language of Communication | 1.00000 * | 6 | .48589 | 4.9 | 91.6 |
| Religion | 1.00000 * | 7 | .42144 | 4.2 | 95.8 |
| Socialization | 1.00000 * | 8 | .31580 | 3.2 | 98.9 |
| Symbols | 1.00000 * | 9 | .07228 | .7 | 99.7 |
| Material Culture | 1.00000 * | 10 | .03380 | .3 | 100.0 |

PC extracted 3 factors.

Final Statistics:

| Variable | Communality * | Factor | Eigenvalue | Pct of Var | Cum Pct |
|-----------------------------|---------------|--------|------------|------------|---------|
| Aesthetics | .57545 * | 1 | 4.02351 | 40.2 | 40.2 |
| Consumer Attitudes | .58086 * | 2 | 1.87690 | 18.8 | 59.0 |
| Consumer Values and Customs | .60352 * | 3 | 1.17446 | 11.7 | 70.7 |
| Economic Environment | .69194 * | | | | |
| Education | .77925 * | | | | |
| Language of Communication | .68950 * | | | | |
| Religion | .86987 * | | | | |
| Socialization | .86826 * | | | | |
| Symbols | .55620 * | | | | |
| Material Culture | .86002 * | | | | |

Rotated Factor Matrix:

| | Factor 1 | Factor 2 | Factor 3 |
|-----------------------------|----------|----------|----------|
| Aesthetics | .50078 | .45158 | .34749 |
| Consumer Attitudes | .71351 | .26703 | -.02143 |
| Consumer Values and Customs | .17016 | .75790 | -.01271 |
| Economic Environment | .41346 | .69208 | .20497 |
| Education | .86871 | .12722 | .09171 |
| Language of Communication | .73058 | .38800 | .07219 |
| Religion | .41807 | -.42481 | .71738 |
| Socialization | -.11546 | .36795 | .84825 |
| Symbols | .29144 | .67791 | .10819 |
| Material Culture | .08834 | .09327 | .91843 |

Factor analysis was performed on the data collected via question 15 of the questionnaire. The aim was to identify and name underlying factors that account for the professed responses without losing any details. Three factors were isolated thus: Factor 1 (Attitudes); Factor 2 (Values and Customs) and Factor 3 (Socialization). These are the elements with high loadings on the factors while at the same time found to be significant. (see explanations pp 45-47)

4.3 DISTRIBUTION STRATEGIES

Table 10: Relative Importance of Cultural Factor in Determining Distribution channels.

Distribution channel decisions are among the most critical decisions facing management. According to Kottler (1998), the company's chosen channels ultimately affect all other marketing decisions.

The following table illustrates the channels of distribute used mainly by the beverage firm.

Table 9: Distribution channels used by Beverage firms.

| CHANNEL | % RESPONSES |
|---------------|-------------|
| Super Markets | 21.8 |
| Whole Sale | 23.1 |
| Retailers | 19.2 |
| Agents | 16.7 |
| Kiosks | 12.8 |
| Bars | 6.4 |

Source: Primary Data

From the table above it would appear that whole sales and super markets were the most preferred channels compared to other bars were least especially with non- alcoholic beverages but most critical to alcoholic beverages. However it is important to note that no one firm uses as strategic vehicles to reach different categories of consumers.

The channel of distribution has traditionally been regarded as an economic entity with channel members seeing themselves as engaged in a loose coalition and each member striving to maintain its autonomy and holds its own objectives as dominant owner. Bert et al () notes that circumstances have been changing so much that the channel is becoming increasingly the relevant unit of competition.

4.3.1 **Relative Importance of Cultural Factor in Determining Distribution channels.**

Conceptual examinations of the distribution channels have been characterized by many diverse definitions depending on the context or perspective of the particular School Economic, institution, functional managerial or social Rosenberg, et al(1970).

From the table below, most firms regarded accessibility of location (68.2%) as being the most important followed by economic environment (54.6%). In fact 45.5% of the firms said they prefer their own transport while 54.5% use third party transportation.

Table 10: Relative Importance of Cultural Factor in Determining Distribution channels.

| FACTOR | PERCENT OF RESPONDENTS TO SAID: | | | INDEX | MEAN SCORE | STD |
|-----------------------------|---------------------------------|---------|-------------|-------|------------|------|
| | IMPORTANT | NEUTRAL | UNIMPORTANT | | | |
| Consumer values and customs | 36.3 | 18.2 | 18.1 | 18.2 | 2.27 | 1.32 |
| Accessibility to location | 72.7 | 22.7 | 4.5 | 68.2 | 1.82 | 1.10 |
| Language of communication | 36.4 | 31.8 | 31.8 | 4.6 | 2.82 | 1.40 |
| Symbols | 31.8 | 36.4 | 31.8 | 0 | 3.00 | 1.35 |
| Economic environment | 63.6 | 27.3 | 9.0 | 54.6 | 2.09 | 1.15 |
| Material culture | 27.2 | 50 | 22.7 | 4.5 | 2.91 | 1.11 |
| Aesthetics | 50 | 27.3 | 22.7 | 27.3 | 2.68 | 1.71 |
| Religion | 13.6 | 40.9 | 45.5 | -31.9 | 3.5 | 1.23 |
| Consumer Attitudes | 59.1 | 31.8 | 9.0 | 50.1 | 2.23 | 1.11 |
| Socialization | 40.9 | 36.4 | 22.7 | 18.2 | 2.77 | 1.15 |
| Education | 31.8 | 36.4 | 31.8 | 0 | 3.00 | 1.23 |

Source: Primary Data

Such Cultural factors as religion (-31.9), symbol (0), education (0) language of communication (4.6) and so forth were regarded as being least important in determining distribution channels. Hence we can say cultural factors are not very significant in distribution strategies.

77.3% of respondents were positively in favour of this factor while consumer values and customs were 1.32 and 1.77 respectively thus suggesting that these factors are important.

Other cultural factors are not considered as important in pricing decisions by the firms. Relatively religion (-54.5%), language of communication (-4.5%) and Aesthetics (0%). These factors also had mean scores of between 3 and 4 thus indicating that they are relatively unimportant.

4.4. PRICING STRATEGY

Table 11: Importance of Cultural Factors in Setting Prices

| FACTOR | PERCENT OF RESPONDENTS SAYING | | | INDEX | MEAN SCORE | STD |
|-----------------------------|-------------------------------|---------|-------------|-------|------------|------|
| | IMPORTANT | NEUTRAL | UNIMPORTANT | | | |
| Consumer values and customs | 72.7 | 22.7 | 4.5 | 68.2 | 1.77 | 0.97 |
| Accessibility to location | 50 | 22.7 | 27.3 | 22.3 | 2.50 | 1.19 |
| Language of communication | 31.8 | 31.8 | 36.2 | -4.5 | 3.05 | 1.00 |
| Symbols | 36.4 | 36.4 | 27.3 | 9.0 | 2.96 | 1.05 |
| Economic environment | 81.2 | 13.6 | 4.5 | 77.3 | 1.59 | 0.98 |
| Material culture | 36.4 | 40.9 | 22.7 | 13.7 | 2.77 | 1.19 |
| Aesthetics | 18.1 | 63.6 | 18.1 | 0 | 3.0 | 0.82 |
| Religion | 4.5 | 36.4 | 59.1 | -54.6 | 3.86 | 0.94 |
| Consumer Attitudes | 63.6 | 31.8 | 4.5 | 59.1 | 1.91 | 1.02 |
| Socialization | 36.4 | 50 | 13.6 | 22.8 | 2.73 | 0.94 |
| Education | 36.3 | 31.8 | 31.8 | 4.5 | 2.96 | 1.25 |

Source: Primary data

Table 11 clearly indicates that the economics environment plays a key role in firms pricing decisions. 77.3% of respondents were positively in favour of this factor while consumer values and consumer customs were 1.59 and 1.77 respectively thus suggesting that these factors are important.

The other cultural factors are not considered as important in pricing decisions by the firms. Notably religion (-54.6%), language of communication (-4.5%) and Aesthetics (0%). These factors also had mean scores of between 3 and 4 thus indicating that they are relatively important.

Price is a very salient attribute for nearly all consumers in virtually every product category. Basic economics teaches how changes in price can affect preferences for competing alternatives

In answering whether prices may judge quality price Scitovsky,(1945) pointed out that such behavior is not irrational; it simply reflects a belief that the forces of supply on demand would lead to a natural ordering of products on a price scale, leading to a strong positive relationship between price and product quality.

In this research, it is evident that respondents are aware of the economic environment of their consumers and have to balance their prices in order to be affordable. Munroe (1973)suggests that consumer research is much more instructive in this regard, especially as it concerns consumer reaction to a specific price or price charge for a particular brand.

Lance et al, (2000) investigated the influence of triad nations' environment on price-quality product strategies and multinational corporation performance and came up with the following model.

Figure 4: Cross-National Difference in Typical Price/quality Product Strategies

| PRODUCT STRATEGY | LOWER QUALITY | HIGH QUALITY |
|------------------|---------------|----------------|
| Higher Price | | European Union |
| Lower price | United States | Japan |

Adapted from : *The Journal of International Business Studies*, Vol. 31 (2000)

This model, therefore, suggests that different regions will have different perspective of price/quality relationship.

4.5. PROMOTION STRATEGIES

4.5.1 Relative Importance of Cultural Factors in determining Success of Promotion

Table 12: Important Factors in Promotion Strategies

| FACTOR | PERCENT OF RESPONDENTS TO SAID: | | | INDEX | MEAN SCORE | Std Dev. |
|-----------------------------|---------------------------------|---------|-------------|-------|------------|----------|
| | IMPORTANT | NEUTRAL | UNIMPORTANT | | | |
| Consumer values and customs | 72.7 | 13.6 | 9.0 | 68.2 | 1.73 | 1.16 |
| Accessibility to location | 81.8 | 18.2 | - | 81.2 | 1.55 | 0.80 |
| Language of communication | 90.9 | 9.1 | - | 90.9 | 1.32 | 0.646 |
| Symbols | | | | | 1.68 | 0.95 |
| Economic environment | 77.2 | 18.2 | 4.5 | 72.7 | 1.68 | 1.09 |
| Material culture | 40.9 | 40.9 | 18.1 | 22.8 | 2.68 | 1.29 |
| Aesthetics | 63.7 | 31.8 | 4.5 | 59.2 | 1.96 | 1.00 |
| Religion | 22.7 | 50 | 27.2 | -4.5 | 3.0 | 1.23 |
| Consumer Attitudes | 81.8 | 18.2 | - | 81.8 | 1.46 | 0.800 |
| Socialization | 63.6 | 27.3 | 9.0 | 54.6 | 2.09 | 1.15 |
| Education | 59.1 | 27.3 | 13.6 | 45.5 | 2.14 | 1.25 |

Source: Primary data

Promotion, the fourth marketing mix tool, includes all activities the company undertakes to communicate and promote its products to the target market. Promotion programs consist of advertising, sales promotion, public relations, personal selling and direct marketing.

From table 12 above, respondents were positively in favour of language of communication (91%) as the major factor in promotion objectives. This is perhaps because to communicate effectively marketers need to understand the fundamental elements underlying effective communication. Kibera and Warungi (1998) argue that language is perhaps the greatest expression of a society's culture. It is both the way to understanding of the culture as well as means of communication.

Accessibility to location was also regarded highly (81%) if firms are to attain success in their promotion activities. This is true because for companies to communicate with their present and potential customers, retailers, suppliers and other stakeholders then they must have access to them. It doesn't make business sense to try and reach your audience through billboards in sparsely populated areas or use TV channels in rural areas where folks do not own them.

Consumer attitudes are also important if promotion activities are to be successful. 82% of the respondents were positively in favor. It is believed that attitudes strongly influence behavior.

Assael (1998) defines attitudes as learned predisposition to respond to an object or class of objects in a consistently favorable or unfavorable way. Thus marketers are interested in measuring consumer attitudes because they can help predict consumer behavior, describe consumer segments and evaluate marketing strategies. 73% of the respondents also felt economic environment plays a significant role in determining success of promotion. Promotions should take into account the type of market, promotion objectives, competitive conditions and cost effectiveness.

Walters (1991) argues that the primary function of promotion is to increase retailer sales and in turn retailer profit hence it is imperative for managers to factor in economic issues in the environment they are operating in.

Consumer values and customs (68%) were also viewed favorably by respondents as being significant in determining success of promotions. According to Kotler (1998) companies can own the same advertising and promotion campaigns used in the home market or change to suit the local market, a process called *Communication Adaptation* .

This is so that firm efforts in communicating to consumers are not in vain or misunderstood. All the above factors – language of communication, consumer attitudes, economic environment and consumer values & customs are clearly significant in contributing to promotion strategy success.

These are further supported by the mean scores ranging between 1.5-1.7 and also low variability as depicted by low standard deviations ranging between 0.6 to 0.8.

Table 13: The Factors and Associated Eigen Values

Such cultural factors as religion were negatively (-4.5%) predisposed. Thus indicating that they do not feature significantly in most beverage firms promotion strategies. Most of the factors were skewed to the right with skewness ranging from 0.4-1.9 hence implying that most respondents were more positively predisposed towards importance of culture in advertising. However religion was skewed to the left. -0.167 (see appendix 3)

4.5.2. Factor Analysis

Factor analysis was performed on the data collected via question 24 of the questionnaire. The aim was to identify and name underlying factors that account for the professed responses without losing any details.

The communality of a variable is the variance it shares in common with the other variables. From table 13 below, it can be observed that communalities are high indicating that each variable significantly contributes in explaining part of the total variance. The Eigenvalue or latent root is simply the extracted variance of the variable.

| | 1 | 2 | 3 | 4 | 5 |
|--------------------------------------------------|----------|----------|----------|----------|----------|
| 1.00000 * | 1.00000 | | | | |
| 2.00000 * | .46125 | 1.00000 | | | |
| 3.00000 * | .40944 | .40944 | 1.00000 | | |
| 4.00000 * | .28311 | .28311 | .28311 | 1.00000 | |
| 5.00000 * | .65 | .65 | .65 | .65 | 1.00000 |
| Eigenvalue | 1.88940 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| % of Variance | 37.787 | 20.000 | 20.000 | 20.000 | 20.000 |
| Cumulative % | 37.787 | 57.787 | 77.787 | 97.787 | 100.000 |
| Initial Eigenvalues | 5.00000 | 4.00000 | 3.00000 | 2.00000 | 1.00000 |
| Total | 15.00000 | 15.00000 | 15.00000 | 15.00000 | 15.00000 |
| Extraction Method: Principal Component Analysis. | | | | | |
| a. Reliability Statistics | | | | | |
| Reliability Coefficient | .916 | | | | |
| Extraction Method: Principal Component Analysis. | | | | | |
| Convergence in 13 Iterations. | | | | | |
| Factor Matrix | | | | | |
| | Factor 1 | Factor 2 | Factor 3 | Factor 4 | Factor 5 |
| Off Location | .31777 | -.09140 | .11396 | .02876 | -.37612 |
| Sex | .09407 | -.11364 | .61364 | .14669 | .03620 |
| Attitudes | .61433 | -.39426 | -.09502 | -.39404 | .27779 |
| Environment | .29465 | .55139 | .17075 | -.30791 | .47899 |
| Values & Customs | .41930 | -.56772 | .44895 | -.10354 | .03034 |
| Religion | .09407 | -.11364 | .61364 | .14669 | .03620 |
| Age | .61433 | -.39426 | -.09502 | -.39404 | .27779 |
| Culture | .29465 | .55139 | .17075 | -.30791 | .47899 |
| Education | .41930 | -.56772 | .44895 | -.10354 | .03034 |
| Income | .09407 | -.11364 | .61364 | .14669 | .03620 |
| Occupation | .61433 | -.39426 | -.09502 | -.39404 | .27779 |
| Environment | .29465 | .55139 | .17075 | -.30791 | .47899 |
| Values & Customs | .41930 | -.56772 | .44895 | -.10354 | .03034 |

Table 13: The Factors and Associated Eigen Values

Initial Statistics:

| Variable | Communality * | Factor | Eigenvalue | Pct of Var | Cum Pct |
|---------------------------|---------------|--------|------------|------------|---------|
| Access. Of Location | 1.00000 * | 1 | 3.28580 | 29.9 | 29.9 |
| Aesthetics | 1.00000 * | 2 | 1.95726 | 17.8 | 47.7 |
| Consumer Attitudes | 1.00000 * | 3 | 1.46969 | 13.4 | 61.0 |
| Education | 1.00000 * | 4 | 1.15311 | 10.5 | 71.5 |
| Language | 1.00000 * | 5 | 1.01797 | 9.3 | 80.8 |
| Material Culture | 1.00000 * | 6 | .71490 | 6.5 | 87.3 |
| Religion | 1.00000 * | 7 | .46125 | 4.2 | 91.5 |
| Socialization | 1.00000 * | 8 | .40984 | 3.7 | 95.2 |
| Symbols | 1.00000 * | 9 | .28315 | 2.6 | 97.8 |
| Economic Environment | 1.00000 * | 10 | .20336 | 1.8 | 99.6 |
| Consumer Values & Customs | 1.00000 * 11 | | .04366 | .4 | 100.0 |

PC extracted 5 factors.

Factor Matrix:

| | Factor 1 | Factor 2 | Factor 3 | Factor 4 | Factor 5 |
|---------------------------|----------|----------|----------|----------|----------|
| Access. Of Location | .71777 | -.09140 | .11398 | .02876 | -.37612 |
| Aesthetics | .48067 | .45069 | -.14359 | -.40883 | -.52802 |
| Consumer Attitudes | .75510 | -.26719 | .36689 | .15322 | -.06017 |
| Education | .56129 | -.23376 | -.28331 | .62195 | .30112 |
| Language | .73561 | -.21593 | -.37878 | -.24045 | .21492 |
| Material Culture | .10441 | .78165 | -.08660 | .23521 | .23148 |
| Religion | .41860 | .40359 | -.32656 | .42354 | -.31100 |
| Socialization | .49407 | .41364 | .61364 | .14669 | .03620 |
| Symbols | .63483 | -.04269 | -.49802 | -.39404 | .27779 |
| Economic Environment | .29465 | .55139 | .37075 | -.30791 | .47699 |
| Consumer Values & Customs | .43950 | -.56772 | .44895 | -.10354 | .03034 |

VARIMAX rotation 1 for extraction 1 in analysis 1 - Kaiser Normalization.

VARIMAX converged in 15 iterations.

Rotated Factor Matrix:

| | Factor 1 | Factor 2 | Factor 3 | Factor 4 | Factor 5 |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Access. Of Location | .65994 | .20401 | -.02264 | .28224 | .34860 |
| Aesthetics | .09006 | .23620 | .14689 | .23374 | .87214 |
| Consumer Attitudes | .85624 | .18325 | .12332 | .14525 | -.01545 |
| Education | .34893 | .40877 | -.06773 | .59190 | -.53262 |
| Language | .29747 | .85698 | -.00702 | .09852 | .05077 |
| Material Culture | -.33247 | -.01535 | .61566 | .49776 | .02673 |
| Religion | .04485 | .08291 | .03525 | .81033 | .23259 |
| Socialization | .50082 | -.18214 | .68897 | .20278 | .12157 |
| Symbols | .05411 | .92338 | .08077 | .05279 | .14293 |
| Economic Environment | .02029 | .16841 | .89052 | -.14771 | .08375 |
| Consumer Values & Customs | .76785 | .13556 | -.05306 | -.32338 | -.11531 |

4.5.3 Interpreting the Factor Loadings

Since the loading of a variable on a factor represents the correlation between the variable and the factor concerned. Within any factor, variables with high loadings are of interest.

4.5.4 Rotation of Factors

This initial factor matrix is arrived at as a result of applying a particular mathematical procedure to extract orthogonal factors from the correlation matrix. However direct methods do not provide clear picture concerning the interrelationships between the set of variables, thus it is necessary to rearrange the factors to reduce ambiguities- this process is known as Rotation. A common method of rotation is known as the Varimax Procedure.

The table below presents the terminal solution of the factors and as have consequence five major factors are isolated.

Table 14: Key Cultural Factors Considered in Promotion Strategies

| | | |
|----------|----------------------|--------------------------------------------------------------------------------------|
| Factor 1 | Social Factors | - Accessibility of location. - Consumer Attitudes - Consumer values + customs. |
| Factor 2 | Communication | - Language of communication. - Symbols. |
| Factor 3 | Level of Development | - Material Culture - Economic environment |
| Factor 4 | Learning Systems | - Education - Religion |
| Factor 5 | Beauty | - Aesthetics. |

The above table summarizes the major factors that account for the success of promotion in a beverage industry.

4.5.5. Relative Importance of Media of Promotion

Respondents were also asked to state which mode of promotion was most important in promoting their products. The responses are summarized in the table below.

Table 15: – Relative importance of media in promotion

| Media | Percent respondents saying: | | | Index | Mean Score | Standard Deviation |
|------------------|-----------------------------|---------|-------------|-------|------------|--------------------|
| | Important | Neutral | Unimportant | | | |
| Personal selling | 77.3 | 18.2 | 9.5 | 72.3 | 1.73 | 1.08 |
| Advertising | 90.9 | 4.5 | - | 90.9 | 1.18 | 0.59 |
| Sales promotion | 86.3 | 9.1 | - | 86.3 | 1.27 | 0.70 |
| Direct Marketing | 72.8 | 9.1 | 18.2 | 54.6 | 2.00 | 1.56 |
| Public Relations | 72.8 | 13.6 | 4.5 | 68.3 | 1.68 | 0.99 |

Source : Primary Data

Evidently, advertising emerges as the most important form of promotion in this sector- 91% of respondents were in favor. This is followed by sales promotion (86%).

This can be attributed to the fact that beverages are generally not essential and sensitive goods. They are purchased on impulse unlike the pharmaceutical products where personal selling is predominant since the product are sensitive and essential, requiring personal detailing Mbau (2000).

The process of advertising influence is modeled in terms of an array of cognitive responses to the message thus Aaker (1991) states that awareness involves working through a continuum that can be represented by three levels of brand awareness viz. recognition, Recall and “top of mind.”

Sales promotion mainly includes various promotion activities such as trade shows, contests, samples, point-of-purchase displays and coupons.

Personal selling and public relations were also rated as being important whereas direct marketing was least important in this sector.

Table 16: The Factors and Their Associated Eigen Values

Initial Statistics:

| Variable | Communality * | Factor | Eigenvalue | Pct of Var | Cum Pct |
|------------------|---------------|--------|------------|------------|---------|
| Advertising | 1.00000 * | 1 | 2.35737 | 47.1 | 47.1 |
| Public relations | 1.00000 * | 2 | 1.66863 | 33.4 | 80.5 |
| Sales Promotion | 1.00000 * | 3 | .45882 | 9.2 | 89.7 |
| Personal Selling | 1.00000 * | 4 | .39102 | 7.8 | 97.5 |
| Direct Marketing | 1.00000 * | 5 | .12417 | 2.5 | 100.0 |

PC extracted 2 factors.

Factor Matrix:

| | Factor 1 | Factor 2 |
|------------------|----------|----------|
| Advertising | .80413 | -.52117 |
| Public relations | .86012 | .14626 |
| Sales Promotion | .80212 | -.41168 |
| Personal Selling | .36161 | .75670 |
| Direct Marketing | .44361 | .75670 |

Final Statistics:

| Variable | Communality * | Factor | Eigenvalue | Pct of Var | Cum Pct |
|------------------|---------------|--------|------------|------------|---------|
| Advertising | .91824 * | 1 | 2.35737 | 47.1 | 47.1 |
| Public relations | .76120 * | 2 | 1.66863 | 33.4 | 80.5 |
| Sales Promotion | .81287 * | | | | |
| Personal Selling | .76430 * | | | | |
| Direct Marketing | .76939 * | | | | |

VARIMAX rotation 1 for extraction 1 in analysis 1 - Kaiser Normalization.

VARIMAX converged in 3 iterations.

Rotated Factor Matrix:

| | Factor 1 | Factor 2 |
|------------------|----------|----------|
| Advertising | .95314 | -.09885 |
| Public relations | .69972 | .52114 |
| Sales Promotion | .90159 | -.00222 |
| Personal Selling | -.03958 | .87334 |
| Direct Marketing | .05130 | .87564 |

Factor analysis was also performed this question to isolate key factors considered to be important in promotion of the beverage industry.

From the table above 2 factors were isolated accounting for 81% of total variance in promotion media. The factors can be categorized as follows based on their variable loading on the factors.

Table 17: Key Factors in Media of promotion

| | | |
|----------|----------------------|----------------------------------------------------------|
| Factor 1 | Communication factor | - Advertising - Public relations - Sales promotion |
| Factor 2 | Interactive factor | - Personal selling - Direct marketing |

The 2 key factors are communication factors and interactive or personalized factors.

4.5.6 Firms Distinguishing Attributes

To enhance a firm's brand awareness in consumer minds, distinguishing attributes are also very important.

Table 18 – provides a summary of beverage companies distinguishing attributes.

Table 18: Firms distinguishing attributes.

| Attribute | Percent (%) |
|------------|-------------|
| Colour | 26.3 |
| Slogan | 19.7 |
| Symbol | 25.0 |
| Trade Mark | 28.9 |

Source : Primary Data

Form the above figures, it is evident that respondents were varied in their opinions. There's no one attribute that is very dominant. However all firms indicated that they have at least one of

the attributes to distinguish itself from the others. A few firms have all the attributes which significantly contribute to their recognition in the market.

For instance Coca-Cola is known for its distinct Red color, Life Tastes Good slogan, & red disk trade mark.

On the other hand Kenya Breweries Ltd. is recognized for its elephant symbol, and famous "My beer, My Country" slogan, on its flagship brand-Tusker.

| | Percent respondents saying: | | | | Score | Deviation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------|------|------|-------|-----------|
| Response Values | 81.8 | 13.6 | 4.5 | 77.3 | 1.46 | 1.06 |
| Where products are very similar, brand identity-based on the name packaging or advertising themes and techniques produces the illusion of difference which is vital to competition selling. | | | | | | |
| There's evidence in history that names and logo's were put on goods in order to identify their maker Farquher, (1989). The objective is to assure the customer and provide legal protection to the producer. | | | | | | |
| Religion | 59.1 | 22.7 | 18.1 | 41.0 | 2.46 | 1.34 |
| Politics | 54.0 | 27.3 | 18.2 | 36.4 | 2.46 | 1.26 |
| Slogan | 31.8 | 36.4 | 31.4 | 0 | 3.09 | 1.33 |
| Product | 81.8 | 13.6 | 4.5 | 77.3 | 1.55 | 1.06 |
| Attitudes | | | | | | |
| Localization | 59.1 | 27.3 | 13.6 | 45.5 | 2.18 | 1.22 |
| Location | 59.1 | 27.3 | 13.6 | 45.5 | 2.32 | 1.13 |

Source : Primary Data

Figures from the table above reveal that some aspects of culture do influence their marketing plans. 82% feel that economic environment is very significant in market planning & development.

Consumer values, customers and attitudes (77.3%) are also regarded as significant factors in developing marketing plans. These figures are further enhanced by low mean scores of between 1.4–1.5 thus indicating the relative importance of these factors.

Religion was not considered as being relevant in developing marketing plans. The rest of the factors were marginal with mean score of above 2.1, thus indicating that they don't significantly contribute to strategy formulation. 86% of the respondents revealed that they have a marketing department. This department is crucial if firms are to prepare and execute marketing programs to effectively communicate with consumers.

4.6. MARKET DEVELOPMENT & RESEARCH

Table 19: Influence of Cultural factors in developing marketing Plan

| Media | Percent respondents saying: | | | Index | Mean Score | Standard Deviation |
|---------------------------|-----------------------------|---------|------------|-------|------------|--------------------|
| | Extensively | Neutral | Not at all | | | |
| Consumer Values & Customs | 81.8 | 13.6 | 4.5 | 77.3 | 1.46 | 1.06 |
| Language communication | 77.3 | 9.1 | 13.6 | 63.7 | 2.05 | 1.25 |
| Symbols | 59.1 | 22.7 | 18.2 | 40.9 | 2.36 | 1.29 |
| Economic environ | 86.3 | 9.1 | 4.5 | 81.8 | 1.41 | 1.01 |
| Material culture | 59.1 | 22.7 | 18.1 | 41.0 | 2.46 | 1.34 |
| Aesthetics | 54.6 | 27.3 | 18.2 | 36.4 | 2.46 | 1.26 |
| Religion | 31.8 | 36.4 | 31.4 | 0 | 3.09 | 1.23 |
| Consumer Attributes | 81.8 | 13.6 | 4.5 | 77.3 | 1.55 | 1.06 |
| Socialization | 59.1 | 27.3 | 13.6 | 45.5 | 2.18 | 1.22 |
| Education | 59.1 | 27.3 | 13.6 | 45.5 | 2.32 | 1.13 |

Source : Primary Data

Figures from the table above reveal that some aspects of culture do influence their marketing plans. 82% feel that economic environment is very significant in market planing & development.

Consumer values, customers and attitudes (77.3%) are also regarded as significant factors in developing marketing plans. These figures are further enhanced by low mean scores of between 1.4 –1.5 thus indicating the relative importance of these factors.

Religion was not considered as being relevant in developing marketing plans. The rest of the factors were marginal with mean score of above 2.1, thus indicating that they don't significantly contribute to strategy formulation. 86% of the respondents revealed that they have a marketing department. This department is crucial if firms are to prepare and execute marketing programs to effectively communicate with consumers.

Table 21: The Factors and Their Associated Eigen Values

Murphy (1990) argues that companies should develop a style and structure which recognizes that fact that their most valuable and important assets are their brands.

86.4% also prepare marketing plans. This correlates well with the firms that have market departments.

Table 20: Conduct Customer Surveys

| Frequency | Percent |
|-------------------|---------|
| One or more firms | 77.3 |
| Every 2-5 Years | 4..5 |
| Every 6-10 Years | 4.5 |
| Newer | 13.7 |

77.3% of the respondents recognize the importance of conducting customer surveys on a regular basis. Regular surveys will enable firms to understand whether their Brands are meeting customer satisfaction, unfortunately a few proportion of the respondents do not consider customer surveys as being useful. Similarly 77.3% of the respondents also indicate that they conduct Market research. Market research is useful in identifying and developing base of brand differentiation, hence unique packages, distribution strategies and advertising Mbau (2000) . Brands must adapt or die and any change of advertising message or package should be done in consultation with consumers.

Rotated Factor Matrix:

| | Factor 1 | Factor 2 |
|--------------------|----------|----------|
| Aspirations | .82045 | .39214 |
| Consumer Attitudes | .71382 | .86248 |
| Consumer Values | .39001 | .94130 |
| Economic Base | .82112 | .86413 |
| Education | .61660 | .60262 |
| Language | .82774 | .40884 |
| Material Culture | .82651 | .37319 |
| Religion | .80834 | .14413 |
| Socialization | .43746 | .87262 |
| Values | .78273 | .38166 |

Factor analysis was performed on the variables of culture to determine how they influence market-planning development. The following two factors were isolated:

Table 21: The Factors and Their Associated Eigen Values

Initial Statistics:

| Variable | Communality | * | Factor | Eigenvalue | Pct of Var | Cum Pct |
|--------------------|-------------|---|--------|------------|------------|---------|
| Aesthetics | 1.00000 | * | 1 | 6.32010 | 63.2 | 63.2 |
| Consumer Attitudes | 1.00000 | * | 2 | 1.39192 | 13.9 | 77.1 |
| Consumer values | 1.00000 | * | 3 | .81555 | 8.2 | 85.3 |
| Economic Envr. | 1.00000 | * | 4 | .49459 | 4.9 | 90.2 |
| Education | 1.00000 | * | 5 | .32962 | 3.3 | 93.5 |
| Language | 1.00000 | * | 6 | .30045 | 3.0 | 96.5 |
| Material Culture | 1.00000 | * | 7 | .17269 | 1.7 | 98.2 |
| Religion | 1.00000 | * | 8 | .09563 | 1.0 | 99.2 |
| Socialization | 1.00000 | * | 9 | .05693 | .6 | 99.8 |
| Symbols | 1.00000 | * | 10 | .02250 | .2 | 100.0 |

PC extracted 2 factors.

Final Statistics:

| Variable | Communality | * | Factor | Eigenvalue | Pct of Var | Cum Pct |
|--------------------|-------------|---|--------|------------|------------|---------|
| Aesthetics | .71429 | * | 1 | 6.32010 | 63.2 | 63.2 |
| Consumer Attitudes | .84232 | * | 2 | 1.39192 | 13.9 | 77.1 |
| Consumer values | .92064 | * | | | | |
| Economic Envr | .79561 | * | | | | |
| Education | .74360 | * | | | | |
| Language | .84472 | * | | | | |
| Material Culture | .76040 | * | | | | |
| Religion | .66935 | * | | | | |
| Socialization | .64700 | * | | | | |
| Symbols | .77409 | * | | | | |

VARIMAX rotation 1 for extraction 1 in analysis 1 - Kaiser Normalization.

VARIMAX converged in 3 iterations.

Rotated Factor Matrix:

| | Factor 1 | Factor 2 |
|--------------------|----------|----------|
| Aesthetics | .82063 | .20214 |
| Consumer Attitudes | .31382 | .86246 |
| Consumer values | .18601 | .94130 |
| Economic Envr | .22112 | .86413 |
| Education | .61680 | .60262 |
| Language | .82334 | .40844 |
| Material Culture | .82611 | .27919 |
| Religion | .80534 | .14413 |
| Socialization | .43746 | .67501 |
| Symbols | .79273 | .38166 |

Factor analysis was performed on the variables of culture to determine how they influence market-planning development. The following two factors were isolated:

Table 22: Key Cultural factors Influencing Marketing Plannings

| FACTOR 1 | LEARNING SYSTEMS | | |
|----------|------------------|--|------------------------|
| | | | -Aesthetics |
| | | | -Education |
| | | | -Language |
| | | | -Material Culture |
| | | | -Religion |
| | | | -Symbols |
| FACTOR 2 | SOCIO-ECONOMICS | | |
| | | | - Consumer Attitudes |
| | | | - Consumer Values |
| | | | - Economic Environment |

Both factors account for 77% of the total variance.

It is important for managers to understand the learning systems of a culture. This provides a way which meanings are communicated through symbols, cultural, education, aesthetics or the sense of beauty in a society, religious norms which impart belief systems in a culture and so forth. This understanding will enhance managers' ability to position their brands in a more meaningful way to consumers.

The social-economic factor is also critical in that it determines how society divides itself in economic status. Different social levels in a culture differ in their attitudes and system. Thus cultural savvy managers will be able to selectively target their markets.

4.7 INFLUENCE OF GLOBALIZATION

Table 23: Relative importance of cultural factors in the perspective of globalization

| FACTOR | PERCENT OF RESPONDENTS TO SAID: | | | INDEX | MEAN SCORE | STD |
|-----------------------------|---------------------------------|---------|-------------|-------|------------|------|
| | IMPORTANT | NEUTRAL | UNIMPORTANT | | | |
| Consumer values and customs | 68.2 | 9.1 | 22.7 | 45.5 | 2.00 | 1.38 |
| Language of communication | 72.7 | 4.5 | 22.7 | 50 | 1.00 | 1.35 |
| Symbols | 59 | 18.2 | 22.7 | 36.3 | 2.14 | 1.39 |
| Economic environment | 72.7 | 4.5 | 22.7 | 50 | 1.96 | 1.36 |
| Material culture | 54.6 | 13.6 | 31.8 | 22.8 | 2.55 | 1.30 |
| Aesthetics | 63.6 | 13.6 | 22.7 | 40.9 | 2.32 | 1.25 |
| Religion | 13.6 | 40.9 | 45.5 | -31.9 | 3.5 | 1.23 |
| Consumer Attitudes | 72.7 | 4.5 | 22.7 | 50 | 1.91 | 1.38 |
| Socialization | 54.6 | 13.6 | 31.8 | 22.8 | 2.55 | 1.30 |
| Education | 54.6 | 9.1 | 18.3 | 18.3 | 2.59 | 1.33 |

Source: Primary Data

What emerges from the responses above is that cultural values are not deemed as being very important in the perspective of globalization. The aim of this question was to find out from respondents what their views were on cultural issues when the whole world is going global. It is evidently clear that none of the factors were significantly high. However, language of communication, economic environment and consumer attitudes had an index of 50% each and a mean score of 2 – this is probably because these three factors are deeply ingrained in people.

Table 24: Extent to Which Cultural Factors are Influenced by Globalization

| FACTOR | PERCENT OF RESPONDENTS TO SAYING: | | | INDEX | MEAN SCORE | STD |
|-----------------------------|-----------------------------------|---------|------------|-------|------------|------|
| | LARGE EXTENT | NEUTRAL | NOT AT ALL | | | |
| Consumer values and customs | 59.1 | 9.1 | 31.8 | 27.3 | 2.41 | 1.37 |
| Language of communication | 54.5 | 13.6 | 31.8 | 22.7 | 2.50 | 1.34 |
| Symbols | 40.9 | 27.3 | 31.8 | 9.1 | 2.73 | 1.24 |
| Economic environment | 63.6 | 4.5 | 31.8 | 31.8 | 2.32 | 1.39 |
| Material culture | 40.9 | 22.7 | 36.3 | 4.6 | 2.77 | 1.27 |
| Aesthetics | 50 | 18.2 | 31.8 | 18.2 | 2.64 | 1.26 |
| Religion | 18.2 | 22.7 | 59.1 | -40.9 | 3.46 | 1.14 |
| Consumer Attitudes | 63.6 | 4.5 | 31.8 | 31.8 | 2.14 | 1.49 |
| Socialization | 45.4 | 13.6 | 40.9 | 4.5 | 2.68 | 1.39 |
| Education | 45.4 | 13.6 | 40.9 | 4.5 | 2.77 | 1.31 |

Source: Primary Data

This table collaborates well with the previous table thus indicating that most companies' perception of culture are not significantly influenced by globalization.

Religion was once again the least important factor to consider. Barber (1996) notes that the rising economic and communications interdependence of the world means that nations, however, unified internally, must nonetheless operate in an increasingly multicultural global environment.

4.8. Alternative Cultural Factors Considered Important in the Beverage Industry

The third objective was to identify cultural factors that the managers of the beverage industry consider relevant when formulating marketing strategies. The aim was to determine, independently, what factors other than the ones under investigation in this study. Table summarizes the factors that were independently identified by respondents as being relevant to them.

Table 25: Cultural Factors Deemed Important by the Beverage Firms

| Factors | % Respondents |
|-----------------------------|---------------|
| Social Status | 28.1 |
| Image | 15.6 |
| Economic Environment | 15.6 |
| Consumer Attitudes & Values | 15.6 |
| Language | 9.4 |
| Desire for imported goods | 9.4 |
| Level of Education | 6.3 |

Source: Primary data

28% of the respondents indicated that social status was significant while 16% felt that image, economic environment and consumer values and attitudes were important to consider in formulating their strategies. It is instructive to note that no firm singled out a factor instead multiple factors were identified by each firm. Most of these factors are closely related if not similar to the factors the study set out to investigate thus indicating that these factors are important at least at the back of the mind of many managers. 9.4% stated that desire for imported good was also important. This is evident from the many new beverages in the Kenyan market imported from the west e.g. (Red Bull energy drink, wines & spirits, etc.)

This observation is in agreement with studies done in other categories, for instance Kong'ong'o (2000) found out that Kenyan consumer preferred imported clothes to locally manufactured ones. This is in line with studies done else where that consumer in less developed countries prefer goods particularly from other developed economies Okechuku and Onyema, (1999) had a below average ethnocentric tendency toward locally manufactured clothes and preferred imported clothes.

5.0 **CONCLUSION, RECOMMENDATION & LIMITATION**

5.1 **Conclusion**

The objectives of the study were to investigate empirically the relative importance of cultural factors and the extent to which beverage companies incorporate them in their marketing strategies. The study also sought to find out if there were more cultural related factors that respondents felt were important to them.

The study also examined the relevance of cultural factors in the light of globalization.

The findings of the survey are recorded in the previous chapter and the aim here is only to highlight those findings in the light of the set objectives.

5.1.1 **Relative importance of Culture in marketing Strategy.**

A high percentage of respondents indicated that consumer value, customers' language of communication, economic environment and consumer attitudes are vital and significantly contribute to product strategies, symbols (64%) and socialization (68%) factors were also deemed important. All these imply that managers endeavor to get their products reflect positive values that strike a cord with consumers.

In distribution strategies, the most important factors was the accessibility of location. Generally respondents did not feel that culture has anything to do with it. Education and symbols had an index of Zero with mean score of 3.0 whereas religion was negatively predisposed at -31.9% with mean score of 3.5.

Economic environment scored the highest (77%) in pricing strategies consumer values & attitudes were also regarded fairly important with indices of 68% and 59 %) respectively.

Religion and language of communication were least important with negative indices -55% as -5% respectively.

Pricing has everything to do with affordability rather than beliefs and customs hence importance of economic factors.

Promotion strategies regarded highly most of the factors with the exception of religion (-4.5%) and material culture (23%). Language of communication was highest at 91% followed by consumer attitudes & accessibility to location. This is in line with the fact that promotion is about communicating and reaching out to the consumers. Advertising was the most important form of promotion in this sector.

5.1.2 Extent to which cultural factors are influencing market strategy and Globalization.

This was the second objective of the study. Product strategies incorporate symbols of culture, consumer values and customs and the economic environment judging from the high response scores. Religion is the least of concerns to the firms in their strategy formulation. Such factors as material culture, aesthetics were marginally significant.

Globalization is increasingly becoming a force that moderates firms' strategies as they venture in international markets. Findings in this research evidently indicate that cultural factors are not very significant in the light of globalization. This is perhaps because of consumers mobility and the frequency of their exposure (via communication vehicles) to many cultures – especially the western consumption culture.

However, managers must remain aware that consumers' cultural tendencies may be active or dormant depending on the shopping situation and the state of mind it evokes. Thus by better understanding the tie between activation of cultural tendencies and marketing inputs, marketers can learn to predict when cultural leanings may arise or be suppressed and to guide this process using marketing tools.

Suggestions for further Research

5.2. LIMITATION OF THE STUDY

The limitations of this study were two folds.

- (1) Respondents and
- (2) Study variable.

The beverage industry in Kenya is small thus offering a small base for sampling. Most firms were reluctant to fill in the questionnaires citing policy issues while a number of other firms were sole proprietorship operating in residential areas. Others could be traced as a result.

Some firms did not have marketing managers and hence issues raised in the questionnaires may not have been answered as well as they would have otherwise.

Almost all firms were not willing to disclose information on turnover, capitalisation etc. which sought out to determine the relative size of firm and if it had any significance on considering cultural factors in its strategies.

However, the above limitations did not have a significant effect on the study since about 70% of respondents filled and returned questionnaires in good time.

The other limitation is in the study itself. The empirical results reflect entry in only one industry – an industry that has several idiosyncratic characteristics. This may make generalizability of the results be limited. The study is limited by a relatively small sample size due to the limited number of players and dominance by a few firms.

Another limitation of the study may be the choice of variables related to the constructs reviewed in the literature and typically used in empirical research. However, other proxy variables could be investigated in markets and consumer values/culture should be evaluated though the study covers multiple product categories, they are all within one industry – Beverages and generalizability of the results would be improved if analysis could be performed on multiple industries.

5.3. Suggestions for further Research

This study provides a starting point for helping managers engaged in cross-border business to best align their brands with consumer needs. As with all empirical research, the study and results presented have limitations, which provide interesting avenues for further research in other areas: for instance this present modern can be extended to other product categories.

Further studies are needed that relate environmental changes, consumer perceptions and the effects of customising marketing strategies.

This research used survey data from manager's assessments of the image they intend the consumer to perceive. The meanings consumers attach to the products or brands may in fact

differ from what management intended. To address this possible validity issue, consumer perceptions of brand images should be measured.

Further work is also called for in other nations and market places that are defined by cultural dimensions other than ethnicity and nationality such as gender social class, etc.

Such researches would contribute significantly to our understanding of the complex cultural issues or the market place as an increasingly fundamental pervasive and global site of social life.

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30th JULY 2001

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Owner of this letter: MAINA MURIUKI

Registration No: 261/PI/0469/98

Master of Business & Administration student of the University of Nairobi.

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

Thank you.





UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
MBA PROGRAMME - LOWER KABETE CAMPUS

Telephone: 732160 Ext. 208
 Telegrams: "Varsity", Nairobi
 Telex: 22095 Varsity

P.O. Box 30197
 Nairobi, Kenya

DATE: 30TH JULY 2001.....

TO WHOM IT MAY CONCERN

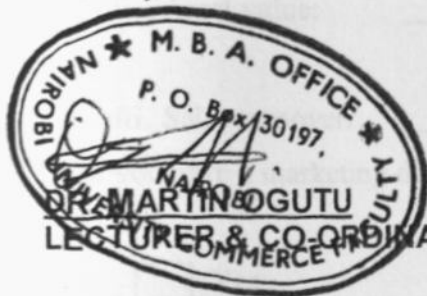
The bearer of this letter: MAINA MURIUKI.....

Registration No: DGI/PI/8469/98.....

is a Master of Business & Administration student of the University of Nairobi.

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

Thank you.



DR. MARTIN OGUTU
 LECTURER & CO-ORDINATOR, MBA PROGRAMME

MO/ek

QUESTIONNAIRE

PART ONE:

COMPANY DATA

1. Name of the organization: _____

2. Year of establishment: _____

3. Who owns the company? (Please tick where applicable)

Foreign () vii.

Locally () ix.

Joint (foreign and local) () xi.

4. Current number of employees: _____

5. What is the relative size of your organisation in terms of any of the following?

Yes No

i. Capital employed: _____

ii. Asset value: _____

iii. Sales turnover: _____

6. Do you have a marketing department?

Yes No

7. What line of Beverage is your company engaged in?

Geographical location ()

- i. Carbonated soft drinks ()
- ii. Squashes ()
- iii. Fruit juices ()
- iv. Bottled juices ()
- v. Bottled water ()
- vi. Beer ()
- vii. Spirits and wines ()
- viii. Tea and coffee ()
- ix. Others. Specify: _____

PART II:(PRODUCT)

Yes No

8. What products does your company offer in the market? Please list.

- i. Slogan/theme ()
- ii. Symbol ()
- iii. Colours ()
- iv. _____
- v. _____
- vi. _____
- vii. _____
- viii. _____
- ix. _____
- x. _____
- xi. Slogan, Symbol and /or Colours reflect the _____
- xii. _____

9. Do you offer more than one brand for any product?

Yes

No

Please explain why. _____

Please indicate by marking the extent to which you think your product(s) is designed with

10. Below are some factors that determine the number of brands offered by companies.

Please indicate those that are applicable to you.

Some Neutral Less Not
Extent Extent Extent at all

Consumer needs () () () () () ()

Technology ()

Competition

Geographical location

Other. (Specify) _____

11. What are your major considerations in terms of product quality?(Please list)

12. Does your organisation have the following attributes which serve to distinguish it from others?

| | Yes | No |
|------------------|--------------------------|--------------------------|
| i. Trade mark | <input type="checkbox"/> | <input type="checkbox"/> |
| ii. Slogan/theme | <input type="checkbox"/> | <input type="checkbox"/> |
| iii. Symbol | <input type="checkbox"/> | <input type="checkbox"/> |
| iv. Colours | <input type="checkbox"/> | <input type="checkbox"/> |

13. Please explain how the chosen Trade Mark, Slogan, Symbol and /or Colours reflect the culture of the consumer in Kenya.

14. Please indicate by ticking the extent to which you think your product(s) is designed with the following cultural factors in mind.

| | Large Extent | Some Extent | Neutral | Less Extent | Not at all |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| i. Consumer values and customs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- ii. Language of communication () () () () ()
- iii. Symbols () () () () ()
- iv. Economic Environment () () () () ()
- v. Material Culture () () () () ()
- vi. Aesthetics () () () () ()
- vii. Religion () () () () ()
- viii. Consumer Attitudes () () () () ()
- ix. Socialization () () () () ()
- x. Education () () () () ()
 - a. Wholesalers ()
 - b. Retailers ()

15. Please indicate by ticking the relative importance of the following aspects of culture in determining your product advantage.

Very Important Fairly Important Unimportant Totally Important

- i. Consumer values and customs () () () () ()

Please explain why: _____
- ii. Language of communication () () () () ()
- iii. Symbols () () () () ()

Please explain why: _____
- iv. Economic Environment () () () () ()

- v. Material Culture () () () () ()
- vi. Aesthetics () () () () ()
- vii. Religion () () () () ()
- viii. Consumer Attitudes () () () () ()
- ix. Socialization () () () () ()
- x. Education () () () () ()

PLACE (DISTRIBUTION)

16. Which distribution channels do you use in your company?

- i. Supermarkets ()
- ii. Wholesalers ()
- iii. Retailers ()
- iv. Agents ()
- v. Kiosks ()
- vi. Others. (Specify) _____

17. Do you use your own transport for distribution?

Yes

No

Please explain why: _____

18. Are different distribution channels used for different products?

Yes

No

Explain your answer: _____

19. In determining your distribution channels, how important are the following Cultural aspects?

| | Very Important | Important | Fairly Important | Unimportant | Totally unimportant |
|--------------------------------|----------------|-----------|------------------|-------------|---------------------|
| i. Consumer values and customs | () | () | () | () | () |
| ii. Accessibility of location | () | () | () | () | () |
| iii. Language of communication | () | () | () | () | () |
| iv. Symbols | () | () | () | () | () |
| v. Economic Environment | () | () | () | () | () |
| V Material Culture | () | () | () | () | () |
| Vi Aesthetics | () | () | () | () | () |
| Vii Religion | () | () | () | () | () |
| Viii Consumer Attitudes | () | () | () | () | () |
| ix Socialization | () | () | () | () | () |
| x Education | () | () | () | () | () |

PRICE

20. In setting your product prices, how important are the following Cultural factors?

| | Very Important | Important | Fairly Important | Unimportant | Totally unimportant |
|--------------------------------|----------------|-----------|------------------|-------------|---------------------|
| i. Consumer values and customs | () | () | () | () | () |

| | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|
| ii. Accessibility of location | () | () | () | () | () |
| iii. Language of communication | () | () | () | () | () |
| iv. Symbols | () | () | () | () | () |
| v. Economic Environment | () | () | () | () | () |
| vi. Material Culture | () | () | () | () | () |
| vii. Aesthetics | () | () | () | () | () |
| viii. Religion | () | () | () | () | () |
| ix. Consumer Attitudes | () | () | () | () | () |
| x. Socialization | () | () | () | () | () |
| xi. Education | () | () | () | () | () |

21. Do you agree that prices have some perception of the quality in consumers mind?

22. Please list other factors you consider in setting your prices

23. Do you offer different prices for the same product in different regions?

Yes No

If your answer is yes (above), please explain why.

PROMOTION

24. How important are the following factors in determining your success in promotion?

| | Very Important | Important | Fairly Important | Unimportant | Totally unimportant |
|--------------------------------|-------------------|-----------|---------------------|-------------|------------------------|
| i. Consumer values and customs | () | () | () | () | () |
| ii. Accessibility of location | () | () | () | () | () |
| iii. Language of communication | () | () | () | () | () |
| iv. Symbols | () | () | () | () | () |
| v. Economic Environment | () | () | () | () | () |
| vi. Material Culture | () | () | () | () | () |
| vii. Aesthetics | () | () | () | () | () |
| viii. Religion | () | () | () | () | () |
| ix. Consumer Attitudes | () | () | () | () | () |
| x. Socialization | () | () | () | () | () |
| xi. Education | () | () | () | () | () |

25. How important are the following media for promoting your products?

| | Very Important | Important | Fairly Important | Unimportant | Totally unimportant |
|---------------------|-------------------|-----------|---------------------|-------------|------------------------|
| i. Personal selling | () | () | () | () | () |
| ii. Advertising | () | () | () | () | () |

- iii. Sales promotion () () () () ()
- iv. Direct Marketing () () () () ()
- v. Public relation and publicity () () () () ()
- vi. Others: (Specify) _____

26. Which is your most common mode of promotion?

27. To what extent is the mode (chosen above) of promotion affected by the following cultural factors?

| | Large Extent | Some Extent | Neutral | Less Extent | Not at all |
|--------------------------------|--------------|-------------|---------|-------------|------------|
| i. Consumer values and customs | () | () | () | () | () |
| ii. Language of communication | () | () | () | () | () |
| iii. Symbols | () | () | () | () | () |
| iv. Economic Environment | () | () | () | () | () |
| v. Material Culture | () | () | () | () | () |
| vi. Aesthetics | () | () | () | () | () |
| vii. Religion | () | () | () | () | () |
| viii. Consumer Attitudes | () | () | () | () | () |
| ix. Socialization | () | () | () | () | () |
| x. Education | () | () | () | () | () |

28. Does your organization conduct marketing research?

Yes

No

If yes, do you have a research department?

Yes

No

28. From the research you have undertaken, how important were the following cultural factors to your respondents?

| | Very Important | Important | Fairly Important | Unimportant | Totally unimportant |
|--------------------------------|----------------|-----------|------------------|-------------|---------------------|
| i. Consumer values and customs | () | () | () | () | () |
| ii. Accessibility of location | () | () | () | () | () |
| iii. Language of communication | () | () | () | () | () |
| iv. Symbols | () | () | () | () | () |
| v. Economic Environment | () | () | () | () | () |
| vi. Material Culture | () | () | () | () | () |
| vii. Aesthetics | () | () | () | () | () |
| viii. Religion | () | () | () | () | () |
| ix. Consumer Attitudes | () | () | () | () | () |
| x. Socialization | () | () | () | () | () |
| xi. Education | () | () | () | () | () |

29 What other aspects of consumer culture do you consider in your surveys and/or research?

30. How often do you conduct customers surveys?

- i. Once or more times in a year ()
- ii. Every 2 – 5 years ()
- iii. Every 6 – 10 years ()
- iv. More than 11 ()
- v. Never ()

31. Do you have marketing plans?

Yes No

32. How often are marketing plans prepared in your organization?

- i. Once or more times in a year ()
- ii. Every 2 – 5 years ()
- iii. Every 6 – 10 years ()
- iv. More than 11 ()
- v. Never ()

33. To what extent does your organization consider the following cultural factors in developing its Marketing plans?

| | Large Extent | Some Extent | Neutral | Less Extent | Not at all |
|--------------------------------|-----------------|----------------|---------|----------------|---------------|
| i. Consumer values and customs | () | () | () | () | () |
| ii. Language of communication | () | () | () | () | () |
| iii. Symbols | () | () | () | () | () |
| iv. Economic Environment | () | () | () | () | () |
| v. Material Culture | () | () | () | () | () |
| vi. Aesthetics | () | () | () | () | () |
| vii. Religion | () | () | () | () | () |
| viii. Consumer Attitudes | () | () | () | () | () |
| ix. Socialization | () | () | () | () | () |

When did you start doing this?
x. Education () () () () ()

PART THREE

34. Do you do any environmental scanning?

Yes No

If yes how do you do it? _____

If not, why? _____

35. Briefly state how you undertake your planning activities?

(Rank them in order of importance)

36. Who are your major competitors? (Rank them)

- | | |
|------|-------|
| i. | vi. |
| ii. | vii. |
| iii. | viii. |
| iv. | ix. |
| v. | x. |

37. Do you collect information on your competitors?

Yes No

If yes how do you do it? _____

When did you start doing this? _____

38. What activities have you undertaken to remain competitive? _____

39. In the perspective of globalization, how important are the following Cultural factors in developing your marketing strategies?

| | Very Important | Important | Fairly Important | Unimportant | Totally unimportant |
|--------------------------------|----------------|-----------|------------------|-------------|---------------------|
| i. Consumer values and customs | () | () | () | () | () |
| ii. Language of communication | () | () | () | () | () |
| iii. Symbols | () | () | () | () | () |
| iv. Economic Environment | () | () | () | () | () |
| v. Material Culture | () | () | () | () | () |
| vi. Aesthetics | () | () | () | () | () |
| vii. Religion | () | () | () | () | () |
| viii. Consumer Attitudes | () | () | () | () | () |
| ix. Socialization | () | () | () | () | () |
| x. Education | () | () | () | () | () |

40. To what extent has globalization and other macro-environmental factors influenced the marketing of your products?

| | Large Extent | Some Extent | Neutral | Less Extent | Not at all |
|--------------------------------|--------------|-------------|---------|-------------|------------|
| i. Consumer values and customs | () | () | () | () | () |
| ii. Language of communication | () | () | () | () | () |
| iii. Symbols | () | () | () | () | () |
| iv. Economic Environment | () | () | () | () | () |
| v. Material Culture | () | () | () | () | () |
| vi. Aesthetics | () | () | () | () | () |
| vii. Religion | () | () | () | () | () |
| viii. Consumer Attitudes | () | () | () | () | () |
| ix. Socialization | () | () | () | () | () |
| x. Education | () | () | () | () | () |

THANK YOU FOR YOUR CO-OPERATION

APPENDIX 3a RAW DATA

41. In your own way, what aspects of culture in Kenya do you think have influenced your marketing strategies ?

| | Std dev | 1.099 | Skewness | 1.082 |
|---------------------------------|---------|-------|----------|-------|
| 15. Consumer values and customs | 1.528 | .737 | Skewness | .704 |
| 16. Structure value and customs | 1.818 | .888 | Skewness | .888 |
| 17. Material Culture | 1.197 | 1.042 | Skewness | .817 |
| 18. Language of Communication | 1.091 | .780 | Skewness | .653 |

42. Designation of the respondent:

| | | | | | |
|---------------|-------|---------|-------|----------|-------|
| Religion | 1.803 | Std dev | 1.192 | Skewness | -.181 |
| Socialisation | 1.909 | Std dev | 1.065 | Skewness | 1.236 |
| Symbol | 1.551 | Std dev | .950 | Skewness | .463 |
| Education | 1.237 | Std dev | .973 | Skewness | .382 |
| Aesthetics | 1.091 | Std dev | .888 | Skewness | .380 |

THANK YOU FOR YOUR CO-OPERATION

APPENDIX 3a RAW DATA

| | | | | | | |
|----------|-----------------------------|---------|-------|----------|-------|--|
| CONATT15 | Consumer Attitude | | | | | |
| Mean | 1.591 | Std dev | 1.098 | Skewness | 1.883 | |
| S E Skew | .491 | | | | | |
| CONVC15 | Consumer values and customs | | | | | |
| Mean | 1.636 | Std dev | .727 | Skewness | .704 | |
| S E Skew | .491 | | | | | |
| ECONEN15 | Economic value and customs | | | | | |
| Mean | 1.818 | Std dev | .853 | Skewness | .377 | |
| S E Skew | .491 | | | | | |
| MATCU15 | Material Culture | | | | | |
| Mean | 2.364 | Std dev | 1.002 | Skewness | .413 | |
| S E Skew | .491 | | | | | |
| LANGC15 | Language of Communication | | | | | |
| Mean | 1.682 | Std dev | .780 | Skewness | .652 | |
| S E Skew | .491 | | | | | |
| REL15 | Religion | | | | | |
| Mean | 2.909 | Std dev | 1.192 | Skewness | -.181 | |
| S E Skew | .491 | | | | | |
| SOC15 | Socialisation | | | | | |
| Mean | 1.909 | Std dev | 1.065 | Skewness | 1.236 | |
| S E Skew | .491 | | | | | |
| SYMB15 | Symbol | | | | | |
| Mean | 1.955 | Std dev | .950 | Skewness | .463 | |
| S E Skew | .491 | | | | | |
| EDUC15 | Education | | | | | |
| Mean | 2.227 | Std dev | .973 | Skewness | .182 | |
| S E Skew | .491 | | | | | |
| AESTH15 | Aesthetic | | | | | |
| Mean | 1.727 | Std dev | .985 | Skewness | .280 | |
| S E Skew | .491 | | | | | |
| | Socialisation | | | | | |
| | 2.773 | Std dev | 1.152 | Skewness | .283 | |
| | .491 | | | | | |
| | Symbol | | | | | |
| | 1.950 | Std dev | 1.143 | Skewness | .900 | |
| | .491 | | | | | |

APPENDIX 3b RAW DATA

| | | | | | | |
|----------|-----------------------------|---------|-------|----------|-------|--|
| AESTH19 | Aesthetics | | | | | |
| Mean | 2.682 | Std dev | 1.171 | Skewness | .496 | |
| S E Skew | .491 | | | | | |
| ACCL019 | Accessibility of location | | | | | |
| Mean | 1.818 | Std dev | 1.097 | Skewness | 1.346 | |
| S E Skew | .491 | | | | | |
| CONATT19 | Consumer Attitude | | | | | |
| Mean | 2.227 | Std dev | 1.110 | Skewness | .656 | |
| S E Skew | .491 | | | | | |
| CONVC19 | Consumer value and customer | | | | | |
| Mean | 2.273 | Std dev | 1.316 | Skewness | .271 | |
| S E Skew | .491 | | | | | |
| ECONEN19 | Economic Environment | | | | | |
| Mean | 2.091 | Std dev | 1.151 | Skewness | .838 | |
| S E Skew | .491 | | | | | |
| EDUC19 | Eduction | | | | | |
| Mean | 3.000 | Std dev | 1.234 | Skewness | .000 | |
| S E Skew | .491 | | | | | |
| LANG19 | Language of Communication | | | | | |
| Mean | 2.818 | Std dev | 1.402 | Skewness | .012 | |
| S E Skew | .491 | | | | | |
| MATCU19 | Material Culture | | | | | |
| Mean | 2.909 | Std dev | 1.109 | Skewness | -.036 | |
| S E Skew | .491 | | | | | |
| REL19 | Religion | | | | | |
| Mean | 3.500 | Std dev | 1.225 | Skewness | -.428 | |
| S E Skew | .491 | | | | | |
| SOC19 | Sociolisation | | | | | |
| Mean | 2.773 | Std dev | 1.152 | Skewness | .283 | |
| S E Skew | .491 | | | | | |
| SYMB19 | Symbol | | | | | |
| Mean | 3.000 | Std dev | 1.345 | Skewness | .000 | |
| S E Skew | .491 | | | | | |

APPENDIX 3c RAW DATA

| | | | | | |
|----------|---------------------------|---------|-------|----------|-------|
| ACCLO20 | Accessibility of location | | | | |
| Mean | 2.500 | Std dev | 1.185 | Skewness | .000 |
| S E Skew | .491 | | | | |
| CONATT20 | Consumer Attitude | | | | |
| Mean | 1.909 | Std dev | 1.019 | Skewness | .493 |
| S E Skew | .491 | | | | |
| CONVC20 | Consumer value and custom | | | | |
| Mean | 1.773 | Std dev | .973 | Skewness | .843 |
| S E Skew | .491 | | | | |
| ECONEN20 | Economic Environment | | | | |
| Mean | 1.591 | Std dev | .908 | Skewness | 1.382 |
| S E Skew | .491 | | | | |
| EDUC20 | Education | | | | |
| Mean | 2.955 | Std dev | 1.253 | Skewness | .093 |
| S E Skew | .491 | | | | |
| LANG20 | Language of Communication | | | | |
| Mean | 3.045 | Std dev | .999 | Skewness | -.098 |
| S E Skew | .491 | | | | |
| MATCU20 | Material culture | | | | |
| Mean | 2.773 | Std dev | 1.193 | Skewness | .112 |
| S E Skew | .491 | | | | |
| REL20 | Religion | | | | |
| Mean | 3.864 | Std dev | .941 | Skewness | -.084 |
| S E Skew | .491 | | | | |
| SOC20 | Socialisation | | | | |
| Mean | 2.727 | Std dev | .935 | Skewness | .222 |
| S E Skew | .491 | | | | |
| SYMB20 | Symbal | | | | |
| Mean | 2.955 | Std dev | 1.046 | Skewness | .373 |
| S E Skew | .491 | | | | |
| AESTH20 | Aesthetics | | | | |
| Mean | 3.000 | Std dev | .816 | Skewness | .000 |
| S E Skew | .491 | | | | |

APPENDIX 3d RAW DATA

| | | | | | |
|----------|-----------------------------|---------|-------|----------|-------|
| ACCLO24 | Accessibility of locations | | | | |
| Mean | 1.545 | Std dev | .800 | Skewness | 1.064 |
| S E Skew | .491 | | | | |
| AESTH24 | Aesthetics | | | | |
| Mean | 1.955 | Std dev | .999 | Skewness | .413 |
| S E Skew | .491 | | | | |
| CONATT24 | Consumer Attitude | | | | |
| Mean | 1.455 | Std dev | .800 | Skewness | 1.388 |
| S E Skew | .491 | | | | |
| CONVC24 | Consumer values and customs | | | | |
| Mean | 1.727 | Std dev | 1.162 | Skewness | 1.590 |
| S E Skew | .491 | | | | |
| ECONEN24 | Economic Environment | | | | |
| Mean | 1.682 | Std dev | 1.086 | Skewness | 1.691 |
| S E Skew | .491 | | | | |
| EDUC24 | Education | | | | |
| Mean | 2.136 | Std dev | 1.246 | Skewness | .694 |
| S E Skew | .491 | | | | |
| LANG24 | Language of Communication | | | | |
| Mean | 1.318 | Std dev | .646 | Skewness | 1.924 |
| S E Skew | .491 | | | | |
| MATCU24 | Material Culture | | | | |
| Mean | 2.682 | Std dev | 1.287 | Skewness | .366 |
| S E Skew | .491 | | | | |
| REL24 | Religion | | | | |
| Mean | 3.000 | Std dev | 1.234 | Skewness | -.167 |
| S E Skew | .491 | | | | |
| SOC24 | Socialisation | | | | |
| Mean | 2.091 | Std dev | 1.151 | Skewness | .838 |
| S E Skew | .491 | | | | |
| SYMB24 | Symbols | | | | |
| Mean | 1.682 | Std dev | .945 | Skewness | 1.092 |
| S E Skew | .491 | | | | |

APPENDIX 3e RAW DATA

| | | | | | | |
|----------|------------------|---------|-------|----------|-------|--|
| ADVERT25 | Advertising | | | | | |
| Mean | 1.182 | Std dev | .588 | Skewness | 1.517 | |
| S E Skew | .491 | | | | | |
| DRCTM25 | Direct Marketing | | | | | |
| Mean | 2.000 | Std dev | 1.155 | Skewness | .817 | |
| S E Skew | .491 | | | | | |
| PERS25 | Personal Selling | | | | | |
| Mean | 1.727 | Std dev | 1.077 | Skewness | 1.609 | |
| S E Skew | .491 | | | | | |
| SALESP25 | Sales Promotion | | | | | |
| Mean | 1.273 | Std dev | .703 | Skewness | 1.371 | |
| S E Skew | .491 | | | | | |
| ADVERT26 | Advertisements | | | | | |
| Mean | .636 | Std dev | .492 | Skewness | -.609 | |
| S E Skew | .491 | | | | | |
| SAMP26 | Sampling | | | | | |
| Mean | .136 | Std dev | .351 | Skewness | 2.278 | |
| S E Skew | .491 | | | | | |
| RELIG | Religion | | | | | |
| Mean | 1.851 | Std dev | 1.231 | Skewness | .119 | |
| S E Skew | .491 | | | | | |
| RYSKO | Risk | | | | | |
| Mean | 2.164 | Std dev | 1.222 | Skewness | .493 | |
| S E Skew | .491 | | | | | |
| SOC13 | Socialisation | | | | | |
| Mean | 2.162 | Std dev | 1.228 | Skewness | .657 | |
| S E Skew | .491 | | | | | |

APPENDIX 3f RAW DATA

| | | | | | | |
|----------|-----------------------------|---------|-------|----------|-------|--|
| AESTH33 | Aesthetics | | | | | |
| Mean | 2.455 | Std dev | 1.262 | Skewness | .581 | |
| S E Skew | .491 | | | | | |
| CONATT33 | Consumer Attitude | | | | | |
| Mean | 1.545 | Std dev | 1.057 | Skewness | 2.132 | |
| S E Skew | .491 | | | | | |
| CONVC33 | Consumer values and customs | | | | | |
| Mean | 1.455 | Std dev | 1.057 | Skewness | 2.394 | |
| S E Skew | .491 | | | | | |
| ECONEN33 | Economic Environment | | | | | |
| Mean | 1.409 | Std dev | 1.008 | Skewness | 2.731 | |
| S E Skew | .491 | | | | | |
| EDUC33 | Education | | | | | |
| Mean | 2.318 | Std dev | 1.129 | Skewness | .609 | |
| S E Skew | .491 | | | | | |
| LANG33 | Language of communication | | | | | |
| Mean | 2.045 | Std dev | 1.253 | Skewness | 1.346 | |
| S E Skew | .491 | | | | | |
| MATCU33 | Material Culture | | | | | |
| Mean | 2.455 | Std dev | 1.335 | Skewness | .767 | |
| S E Skew | .491 | | | | | |
| REL33 | Religion | | | | | |
| Mean | 3.091 | Std dev | 1.231 | Skewness | .149 | |
| S E Skew | .491 | | | | | |
| SYMB33 | Symbol | | | | | |
| Mean | 2.364 | Std dev | 1.293 | Skewness | .695 | |
| S E Skew | .491 | | | | | |
| SOC33 | Socialisation | | | | | |
| Mean | 2.182 | Std dev | 1.220 | Skewness | .657 | |
| S E Skew | .491 | | | | | |

APPENDIX 4

LISTING OF THE BEVERAGE COMPANIES IN KENYA

CARBONATED SOFT DRINKS (CSDs)

- | | |
|--------------------------------------|---------|
| 1. The Coca-Cola Company | Nairobi |
| 2. Coca-Cola Holding Company (Sabco) | Nairobi |
| 3. Schweppes | Nairobi |
| 4. Kuguru Foods (Softa) | Nairobi |

BEER

- | | |
|---------------------|---------|
| 1. Kenya Breweries | Nairobi |
| 2. Castle Breweries | Thika |

HOT BEVERAGES

- | | |
|----------------------|---------|
| 1. Nestle Foods | Nairobi |
| 2. Cadbury (k) Ltd. | Nairobi |
| 3. Kenya tea packers | Nairobi |
| 4. C Dorman Coffee | Nairobi |

WINES AND SPIRITS

- | | |
|-----------------------------|---------|
| 1. UDV (K) Ltd. | Nairobi |
| 2. Kenya Wine Agencies | Nairobi |
| 3. Kenya Distillers | Nairobi |
| 4. Peponi Wines and Spirits | Nairobi |
| 5. London Distillers | Nairobi |

SQUASHES

- | | |
|----------------------------|---------|
| 1. Premier Food Industries | Nairobi |
| 2. Trufoods | Nairobi |
| 3. Patco Industries | Nairobi |

FRUIT JUICES

- | | |
|-----------------------------------|---------|
| 1. Del Monte | Thika |
| 2. Kenya Fruit Processors | Thika |
| 3. Utopia Natural Foods | Nairobi |
| 4. Butterfly Fresh Fruit Products | Nairobi |
| 5. Milly Fruit Processors | Mombasa |

BOTTLED WATER

- | | |
|----------------------|---------|
| 1. Keringet | Molo |
| 2. Kabazi Cannery | Nairobi |
| 3. Highlands Company | Nyeri |

DAIRY AND MILK PRODUCTS

- | | |
|----------------------------|---------|
| 1. Brookside Limited | Ruiru |
| 2. Wonderfoods (Milki) | Nairobi |
| 3. Premier Food Industries | Nairobi |

OTHERS

- | | |
|----------------------------|---------|
| 1. Umoja Beverages | Nairobi |
| 2. Afya Enterprises | Nairobi |
| 3. Kenya Sunshine Products | Nairobi |