# THE CHALLENGES FACING KENYA POWER & LIGHTING COMPANY LTD IN THE RE-BRANDING IMPLEMENTATION PROCESS

# MARGARET MUMBI GITAU D61/P/8800/2004

A MANAGEMENT RESEARCH PROPOSAL SUBMITTED IN PARTIAI FULFILLMENT OF THE REQUIREMENTS OF DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY O NAIROBI.

OCTOBER 2010

#### DECLARATION

This Research Project is my original work and has not been presented for a degree award in any other University or Institute of Learning.

Signed.

2000 Date 12/11/2010

MARGARET MUMBI GITAU D61/P/8800/2004

This Management Research Project has been submitted for examination with my approval as the University Supervisor

Signed ...

Date 1201102010

# **CATHERINE NGAHU**

Senior Lecturer Department of Business Administration University Of Nairobi

# DEDICATION

This study is dedicated to my Late husband Fredrick and our two loving children Virginia and Godfrey.

#### ACKNOWLEDGEMENT

This project work is as a result of many thoughts and inspiration from many people. My special thanks to God the ALMIGHTY who has enabled me to go through the program and given me the strength and the will power even when the going was very rough. My other thanks is to my colleague and friend Kuria Kibiru, for his invaluable support and contribution to the completion of this project.

I wish to express my deepest gratitude to my dedicated supervisor, M/s Catherine Ngahu for her guidance, invaluable support and rich contribution and encouragement that has led to the completion of this work.

Special thanks to KPLC for allowing me time to do my studies and use of their internal data and library staff Julie and Winnie for their assistance during my research.

My sincere appreciation goes to the staff of KPLC who participated in this project by responding to the questionnaire and without whose support the project would not have been possible.

The lecturers of Nairobi University who imparted the knowledge that enabled me to carry out this study.

My colleagues in the office especially Faith Lugonzo who kept on encouraging me even when the going became too tough and my house assistant manager, Beatrice for her support and understanding during my study period.

#### TABLE OF CONTENTS

| Declaration       | ii   |
|-------------------|------|
| Dedication        | iii  |
| Acknowledgement   | iv   |
| Tables of Content | v    |
| List of Tables    | viii |
| List of Figures   | xi   |
| Abstract          | x    |
|                   |      |

| CHA | PTER ONE: INTRODUCTION   | 1  |
|-----|--|----|
| 1.1 | Background   | 1  |
|     | 1.1.1 The concept of re-branding   | 1  |
|     | 1.1.2 Re-branding strategies   | 2  |
|     | 1.1.3 Branding strategy  | 2  |
|     | 1.1.4 Brand revitalization strategy  | 3  |
|     | 1.1.5 The energy sector in Kenya   | 3  |
|     | 1.1.6 Background of Kenya Power & Lighting Company   | 4  |
|     | 1.1.7 Re-branding strategy by KPLC   | 5  |
| 1.2 | Statement of the problem   | 6  |
| 1.3 | Objectives of the study  | 7  |
| 1.4 | Importance of the study  | 7  |
| CHA | APTER TWO: LITERATURE REVIEW   | 8  |
| 2.1 | Introduction   | 8  |
| 2.2 | Organizational change  | 8  |
| 2.3 | Steps of creating major change in an organization  | 9  |
| 2.4 | Challenges of change effort in the implementation process  | 9  |
|     | 2.4.1 Challenges of developing a vision, mission strategy  | 10 |
|     | 2.4.2 Communicating the change vision  | 10 |
|     | 2.4.3 Empowering employees for adoption of vision and action   | 11 |
|     | 2.4.4 Providing training needs   | 11 |
|     | 2.4.5 Aligning systems to the Vision   | 11 |
|     | 2.4.6 Dealing with troublesome supervisor  | 11 |
| 2.5 | Challenges of adopting new vision, mission   | 12 |
| 2.6 | Pitfall of a re-branding   | 12 |
| 2.7 | Benefits of re-branding  | 13 |
|     |  |    |
| СН  | APTER THREE: RESEARCH METHODOLOGY  | 15 |
| 3.1 | Research Design  | 15 |
| 3.2 | Population of Study  | 15 |
| 3.3 | Sample size and sampling design  | 15 |
| 3.4 | Data collection  | 15 |
| 3.5 |  | 16 |
| 3.6 | Operationalizing re-branding implementation process challenges   | 16 |
| CH  | IAPTER FOUR: DATA ANALYSIS AND FINDINGS  | 18 |
| 4.1 | Introduction   | 18 |
| 4.2 | 6 to the termination of termination | 18 |
|     | 4.2.1 Job Level  | 19 |
|     | 4.2.2 Level of Education   | 19 |
|     | 4.2.3 Number of Years Worked in the Organization   | 19 |
|     | 4.2.4 Gender of the Respondents  | 19 |

|      | 4.2.5     | Terms of Employment   | 20 |
|------|-----------|---|----|
|      | 4.2.6     | Region of work  |    |
|      | 4.2.7     | Division/Department   | 20 |
| 4.3  | Challe    | nges in the implementation of re-branding process                     | 20 |
|      | 4.3.1     | Strategies considered in the development of the VMVs                  | 21 |
|      |           | Communication of new Vision Mission and core Values to employees      |    |
|      |           | Empowerment of employees in the implementation of re-branding process |    |
| 4.4  | <u> </u>  | e Process Adoption and Perception of the new VMVs                     |    |
| 4.5  | Factor    | s posing challenges in implementation of re-branding process          | 26 |
|      |           |   |    |
| CHAF |           | VE: DISCUSSION, CONCLUSION AND RECOMMENDATION                         |    |
| 5.1  | Introd    | uction  | 28 |
| 5.2  | Discus    | ssion   | 28 |
| 5.3  | Conclu    | usion   | 31 |
| 5.4  |           | nmendation  |    |
| 5.5  |           | ation of the study  |    |
| 5.6  | Sugge     | stions for further research   | 33 |
| REFE | ERENCI    | ES  | 34 |
| APPE | ENDICE    | S   | 37 |
| Appe | ndix 1:   | Introductory Letter   |    |
| Appe | ndix 2:   | Questionnaire   | 38 |
| Appe | ndix 3: 1 | KPLC Old and New VMVs   | 42 |

# LIST OF TABLES

| Table 3.1: Operationalizing the re-branding implementation process challenges | 16 |
|---|----|
| Table 4.1: Response rate of the targeted sample                               | 18 |
| Table 4.2: Demographic profile of respondents.                                | 19 |
| Table 4.3: Key V M Vs strategy development dimensions.                        | 22 |
| Table 4.4: The extent to which VMVs were communicated.                        | 23 |
| Table 4.5: Extent of employee empowerment.                                    | 24 |
| Table 4.6: Extent of adoption of new VMVs by employees                        | 25 |
| Table 4.7: Factors posing challenge in implementation of re-branding process. | 26 |
| Table 4.8: Other challenges cited but not predetermined                       | 27 |

# **LIST OF FIGURES**

# ABSTRACT

Re-branding is a comprehensive change of strategic direction for a company. Companies can use rebranding exercise to define new values, mission and vision (VMVs) that are consistent with their performance for improvement of their services to their customers.

KPLC is currently undergoing a re-branding process, a strategy that aims to assist its businesses reflect a new company direction that will incorporate new Values, Mission and Vision, expand product offerings and improve service delivery to its customers. However, re-branding process is complex and is dogged with many challenges. There is need to establish the challenges organizations face during rebranding implementation process and strategies adopted to entrench the re-branding within the organization successfully. It was on this impression that this study was carried out on KPLC as a case study.

This was a descriptive research, which relied on gathering primary data through structured questionnaires. The target population was Senior and Management staff in KPLC. The other method of data collection was through the secondary data that was internal data of the organization. Data was analyzed using frequency tables; mean scores tabulations and standard deviations.

Based on the study findings, it was established that despite the challenges faced by the company during the implementation process of the new (VMVs) the process was successful. Companies can adopt rebranding as a strategy to improve their image and good customer service delivery despite the challenges in implementation process.

# CHAPTER ONE

#### INTRODUCTION

#### **1.1 Background**

The world economy is being shaped by globalization, an aspect of new world system that represents one of the most influential forces such as deregulation, technology advancement and privatization (Kotler, 1985). As a result of these forces, the customer is now empowered with information and has a wide range of choices. This has led to new marketing challenges with customers growing more sophisticated, sensitive, wanting more convenience and having high service expectations (Kotler, 1985).

Organizations in Kenya have had to adopt various strategies in dealing with challenges brought about by globalization and liberalization (Kibera and Waruingi, 1998). Some of the ways include venturing into new markets, new product development, business diversification, brand extensions, pricing strategies, promotions and brand repositioning or re-branding (Kotler, 2000).

# 1.1.1 The concept of re-branding

Wikipedia (2005), defines re-branding as the process by which a finished or near finished product or service developed with one brand or company or product line affiliation is marketed or distributed with a different identity, this can be done purposefully or out of necessity. According to Aaker, (2000) there are five principal rationales for a change of a brand or re-branding. When the identity/execution was poorly conceived, off target, is obsolete and only appeals to a limited market, is not contemporary and is tired. A brand becomes obsolete when markets, contexts, customer tastes change. Similarly as a company culture evolve, new technology presents new challenges, competitors enter and leave market, organization are forced to change to meet the customer needs.

Even a brand that is relevant and meaningful may appear old fashioned and not contemporary. Kenya Power & Lighting Company Ltd mission, vision and value (VMVs) have become outdated in context and no longer meet the current dynamics of customer expectations, KPLC strategic plans (2009-2014). The company new strategy is to change its vision, mission and values (VMVs) to express its new value proposition differently in order to make its brand more contemporary KPLC strategic plans (2009-2014).

A brand can become boring to consumers even if variants on the execution are used. As a result it can fail to attract attention and lose its effectiveness. Companies that successfully rebrand their product or reposition its brand are likely to stretch the brand market share through revitalizing its brand. Kenya Power & Lighting Company Ltd brand is perceived as tired thus requiring re-branding to revitalize its brand image and change its customer perception.

# 1.1.2 Re-branding strategies

Pearce and Robinson (1997) define strategy as the building of defenses against competitive forces or as the finding of positions in the industry where competitive forces are weakest. Grant (2000) further alludes that the ability to identify and occupy attractive segments of an industry is critical to the success of an organization. Hill and Jones (2001) conclude that the strategies an organization pursues have a major impact on its performance relative to its peers. It is therefore imperative for organizations to come up with effective brand strategies that will create a niche.

# 1.1.3 Branding strategy

Branding is the creation, development and maintenance of a mutually valuable relationship with a strategically selected group of customers through the medium of a fresh and compelling elaborated proposition that is delivered consistently over time (Valley, 2004). It allows a company to differentiate themselves from the competition and, in the process to bond with their customers to create loyalty. A position is created in the market place that is much more difficult for the competitor to poach (Webster, 2002). It involves increasing name recognition and awareness in your target market so that it is easier to sell what you have.

Aaker (2000) describes a brand as a "mental box" and defines brand equity as a set of assets (or liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value

provided by a product or service. The primary purpose of branding is to establish a meaningful differentiated presence that will increase the ability to attract and retain loyal customers and improve market place ability (AMA, 2001).

According to Rooney (1995) organizations are using branding as a strategic tool in to improve their business. Companies use branding in order to distinguish their product offering from competitors (Jobber, 2001). When a brand is attacked by competition. organizations have to rethink their brand strategy and may have to introduce re-branding strategy as a means to reposition itself and further enhance its differentiated presence. Firms also need to change, often radically to address the expectations of customers and other stakeholders (Wikipedia, 2005).

#### 1.1.4 Brand revitalization strategy

According to Aaker,(1996) brand revitalization is a re-branding strategy that can be used to revitalize an old brand. An organization should not maintain a brand that is old and tired, but should instead consider the possibility of revitalizing the brand which may be old in spirit but if redirected may have plenty of life left. In revitalizing a brand, the goal is to enhance equity, a move which often involves improved recognition, enhanced perceived quality, changed associations, expanded customer base, increased loyalty and is less costly less risky with high chances of success.

#### 1.1.5 The energy sector in Kenya

Energy is one of the infrastructure enablers of the three "pillars" of Vision 2030. The level and intensity of commercial energy use in a country is a key indicator of the degree of economic growth and development. Electricity remains the most sought after energy source by Kenyan society and access to electricity is normally associated with raising quality of life. However, there are many challenges facing the power sub-sector, which include a weak power transmission and distribution infrastructure, high cost of power, low per capital power consumption and low countrywide electricity access.

#### 1.1.6 Background of Kenya Power & Lighting Company

According to Kenya power & Lighting Company Limited financial report (2009), The Kenya Power and Lighting Company Ltd is a liability company that has been in existence since 1922 when it was first incorporated as the East African Power and Lighting. The company is a Key player in the electricity power supply sub sector with the mandate to purchase bulk electricity supply, transmit, distribute and retail electricity to end user customers throughout Kenya. Kenya Power & Lighting Company Ltd is listed in the Nairobi Stock Exchange and is ISO 9001:2008 certified. Its purpose, responsibility and core functions as a commercial state corporation in Kenya are stated under the state corporations Act (cap 446) in 2003. It is currently the sole power distributor in the country, and buys electricity in bulk from public and independent power producers.

In a fast changing environment organisations have to keep evolving to remain relevant. The company has undergone various strategic change initiatives from 1995 to date namely Business Processes Re-engineering (BPR); Restructuring. Retrenchment Programme, all with mixed results that has not resulted in major changes towards improvement of service delivery KPLC Annual I Reports (1999-2004). Despite all those strategic changes the company has recognised that, the current organisation vision, mission and values (VMVs) and corporate brand does not support the organisation's objectives, processes and strategic intentions in the prevailing environment.

According to the customer satisfaction survey, (2008/2009) the satisfaction level is average at 65%. There is need to reach at least 80% to delight its customers. Customers are dissatisfied with the brand regarding various service dimensions across various service attributes in customer care, service points, communication, billing and payments, service quality and safety measures. The company corporate image is tainted due to perceived corruption practices, poor service delivery by the employees to its customers. The brand performance on functional attributes is high but not the case for emotional and other attributes which are more sustaining and customer driven, CSP (2009/2014.)

4

To counter these challenges, the company has undertaken an all-encompassing organizational change in its vision, mission, core values, culture and corporate re-branding exercise. The rebranding exercise is in three phases, the first phase refers to its Vision, Mission and Values or (VMVs) that will form the transformational change of the company toward its new vision statement of "To provide world class power that delights our customer" and its new mission statement "Powering People for better lives" while its core value purport to place customer first, act as one team, deliver services with a passion, and integrity and provide excellent services, CSP(2009/2014.)

#### 1.1.7 Re-branding strategy by KPLC

The corporate re-branding process undertaken by Kenya Power & Lighting Company Ltd in its first phase is known as (VMVs) which refers to the vision, mission and core values of the company. Studies by Kotter (1996) indicates that the implementation of re-branding process requires a change process that will help organizations adapt significantly to shifting conditions, improve competitive standards and reposition themselves as the best choice for its customers in terms of customer service.

One of the elements of change process is developing a Vision, mission, values and Strategy. The vision, mission and values will help direct the change effort and strategies for achieving and implementing the VMVs. KPLC new Vision statement reads "To provide world class power that delights our customers" The momentous decision to update and refresh its existing vision, mission and core Values (VMVs) is in line with the global world trends and is part of Kenya Power & Lighting Company Ltd drive to become a world class public utility that delights its customers.

The new vision is intended to capture the image global community, exceed customer expectations and remain economically and financially viable. Report April (2010). Adoption of the New Vision, Mission, and Core Values will be a reflection of the new image of a world class company. Kenya Power & Lighting Company Ltd has adopted the re-branding process as part of revitalizing exercise aimed at giving the company a new philosophy that places its customer first. Through the new (VMVs) the company seeks to achieve a bold fresh image

that acknowledges the value of a customer and reclaim its dented image through improved service delivery.

The new Mission statement "Powering people for better lives" aims at bringing electricity closer to people of Kenya and expand its market share to new and future markets as it continues to supply its neighboring countries with electricity and reaching out to other future customers. The new core values statement "customer first, one team, passion, integrity, excellence" will focus on achieving the team goal, enthusiasm and passion about customer needs, in a bit to meet customer.

The re-branding will affect the appearance of Kenya Power & Lighting Company Ltd Logo and replace old logo in line with the company's new vision and mission. The old stationery materials, vehicle and contact centers such as banking halls and other outlets such as depot will also be rebranded to revitalize the brand image of the company.

#### 1.2 Statement of the problem

The Power sub-sector plays a significant role in the economic development of any country. However, despite the high usage of electricity, which is still dominant at 93%, the power industry is faced with competition from other market players such as kerosene, gas, firewood and generator KPLC CSS (2009-2010). Faced with competition from other competitors, enlightened customers, Kenya Power & Lighting Company Ltd had to rethink its current position in the market place, review its strategic plans in order to change its focus and direct its effort towards a more customer driven company.

Past studies and research has ascertained that re-branding is an effective strategy, which has helped many organizations turn around their fortunes. Kaitati (2003) highlights the success of Accenture, a global consulting giant which reincarnated through re-branding, restructuring and repositioning. Other local examples of successful companies are Kenya Commercial Bank, Barclays Bank, Kencel, (Financial Standard, and April 2008). Since adoption of re-branding strategy these companies have come out strongly in the minds of their customers and this has solidified their reputations.

However, although these companies have come out strongly in terms of their image and reputation in the minds of their customers after successful re-branding and repositioning, past studies have not addressed the challenges these organizations faced both within and without the during the implementation of the re-branding process and strategies used to achieve their success.

Given the importance of power industry sub sector in contributing to the growth of the economy without ignoring the research findings of the past studies the proposed study seeks to bridge the existing knowledge gap by finding responses to the following research questions. What challenges will a firm be faced with if it plans to undertake a re-branding implementation process?

# 1.3 Objectives of the study

The objective of the study is to:

- (i) establish the challenges that KPLC has faced in its first phase of its re-branding implementation process of the new (VMVs).
- (ii) establish the change process adoption and perception of the new (VMVS) by the employees and other stakeholders.

#### 1.4 Importance of the study

The findings of this study may be useful to the following;

- (i) Companies who intend to undertake re-branding exercise to revitalize their organizations will benefit from the study by understanding the challenges they will face during the implementation process.
- (ii) Kenya Power & Lighting Company Ltd in determining the effectiveness of the corporate re-branding strategy.
- (iii) Other organizations that may adopt the same strategy.
- (iv) Future researchers and scholars who may wish to use the study as a source of reference and stimulating interests for further research.

#### **CHAPTER TWO**

# LITERATURE REVIEW

#### 2.1 Introduction

This chapter has five parts. The first part defines and discusses Organizational change in the context of re-branding or repositioning. The second part defines and discusses change as part of a re-branding process, steps for effective change process and challenges. The third part defines the meaning of adoption and the challenges of adoption. The fourth part presents the importance of re-branding, re-branding strategies and reasons and benefits for re-branding.

#### 2.2 Organizational change

According to Kotter (1996) no changes happens easily for a long list of reasons. For Kenya Power & Lighting Company re-branding of its vision, mission, core values (VMVs) has presented the company with a myriad of challenges that has led to changes in the entire organizational culture change exercise intended to create internal and external customer satisfaction.

According to Daft (1983) organizational change is the "adoption of a new idea or behavior by an organization". Similarly, Hodge and Anthony (1988) define organizational change as an alteration in the status quo. Change occurs mainly because organizations are open systems that must change frequently to cope with shifts in key environmental domains.

Hodge (1988) alludes that if organizations do not change to cope with shifts in important domains, they may face serious problems and they may even die. By adapting to new conditions, they can continue to grow and prosper. Thus organizations must change to cope with changes generated by changes in their external and internal environment, which are continuously changing.

For KPLC the change that has triggered the need for re-branding and the change of its Vision, Mission and core values (VMVs) is the demand by customers for high standard customer services. Kotter (1995) contends that many challenges can affect changes in an organization such inwardly focused cultures, paralyzing bureaucracy, parochial politics, a low level of trust. lack of teamwork, arrogant attitudes, a lack of leadership in middle management and the general human fear of the unknown.

Kotter (1996) further alludes that to be effective a method designed to alter strategies, reengineer processes or improve quality must address these barriers. Adoption of changes in an organization is faced with many challenges due to culture inherent, beliefs of the people involved within the organization. Convincing the employees to buy in new changes is difficult since most change is uncertain and affects the status quo.

#### 2.3 Steps of creating major change in an organization

The process of creating major change in an organization are establishing a sense of urgency, creating a guiding coalition, developing a vision and strategy, communicating the change vision, empowering broad based action, generating short term performance targets, consolidating gains and producing more change, and anchoring new approaches in the culture -oriented behavior.

# 2.4 Challenges of change effort in the implementation process

According to Kotter (1995) implementation of change process is usually faced with many challenges. Finding and forming a strong guiding team or committee with the right composition. level of trust, shared objectives, involvement, commitment, management and leadership skills across the various departments to set up implementation strategies and drive the change pose a real challenge and KPLC was no exception.

Kotter (1996) contends that only teams with the right composition and sufficient trust among members can be highly effective under circumstances of change. Building a team that can make change happen requires a combination of trust and common goal shared by people with the right characteristic and capacity. Such a team will have the potential to create the necessary vision, communicate the vision widely, empower a broad base of people to take action, ensure credibility, build short term wins, lead and manage different change projects and anchor the new approaches in the organization's culture.

#### 2.4.1 Challenges of developing a vision, mission strategy

Developing a vision, mission strategy was another challenge for Kenya Power & Lighting Company Ltd, in its re-branding process. According to (Wikipedia) vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future. In a change process an effective vision will be imaginable, feasible, focused, flexible and communicable. It will convey a picture of the future and how it will look, in terms of long term interest of employees, customers, stakeholders and others who have a stake in the organization.

Similarly, the vision will be feasible comprising of realistic and attainable goals, focused in terms of clarity to provide guidance and decision making, flexible to allow individual initiatives and alternative responses in light of changing condition and easy to communicate to the its users Kotter (1996). Vision creation that is acceptable and one that balances the interest of all the stakeholders is a challenge. Kotter (1996) states that a shared vision helps align individuals, coordinating the actions of motivated people in a remarkable efficient way while working with some degree of autonomy and yet not trip over each other.

# 2.4.2 Communicating the change vision

According to Kotter. (1996) a great vision can serve a useful purpose only when it is clearly understood by those involved in activities of the organization and have a common understanding of its goals and direction. With a shared sense of a desirable future, it can help motivate and coordinate the kind of actions that create transformation and required change. Gaining understanding and commitment to a new direction and communicating the change vision to its stakeholders in order to buy-in was a challenge. (July, 2010).

According to Kotter (1996) communication of a vision works best when it is so direct and simple such that it has a sort of elegance. Any effective communication seeks feedback which can be useful in ensuring the vision is adopted or if it needs reformulation.

#### 2.4.3 Empowering employees for adoption of vision and action

Kotter (1985) says that if employees do not accept a vision, mission statement, empowering staff or individuals for adoption and action and creating short-term wins will fail. Empowering employees to take broad-based actions to actualize the new vision mission statement posed a challenge during the re-branding implementation process. Barriers to empowerment in terms of formal structures, lack of needed skills make it difficult to act. Kotter (1996) observes that strong structural silos undermine the teams in many ways making the timely delivery of services to customers virtually impossible.

# 2.4.4 Providing training needs

Kotter (1996) states that most successful transformations in implementing a new vision strategy requires training behavior and skills related to the realization of the needed attitudinal changes. Training the employees to inculcate a change of behavior and attitude towards customer and deciding who should be trained, what training is relevant to achieve the intended change and how far down the training should be cascaded has been a major challenge.

#### 2.4.5 Aligning systems to the Vision

Aligning current organization systems to the vision, mission statement is another challenge that the company has to grapple with it its ongoing re-branding implementation process. Structural changes that are consistent with the new (VMVs) are only part of the change process but to bring about the adoption and implementation of the vision requires that all systems work together as a team.

# 2.4.6 Dealing with troublesome supervisor

Departmental heads or supervisors whose past leadership style was that of "command and control" poses a challenge to the implementation of new vision statement especially if they are in-charge of many employees. Easy solution to this sort of challenge often does not exist and the many organizations find it difficult to confront the issue and deal with such implementation of the re-branding process (Kotter, 1985) supervisors before they impact their negative control on the employees and undermine



#### 2.5 Challenges of adopting new vision, mission

According to (Wikipedia) adoption is defined as a take in of an idea, accept, assume or embrace to become one's own. Shiffman, (2009) defines adoption as a micro process that focuses on the stages through which an individual or consumer of a new product passes through when deciding to accept or reject a new product. The adoption decision according to Shiffman, (1994) involves a conscious process of being aware of the product/service, developing an interest in the product/service, trying out the product/service and eventually adopting the product/service once it has been proved it will meet the user/customer expectations.

The adoption process moves through many stages before a consumer arrives at a decision to reject or accept the new product/service. Each of these stages poses various challenges to the consumer before they arrive at a decision of whether to reject or accept the product/service. Some of the challenges for KPLC was in getting the employee buy-in the new VMVs and embed them as part of their new change. CSP(2009/2014)

# 2.6 Pitfall of a re-branding

Wikipedia (2008) highlights pitfalls that may face re-branding. One of them is re-branding trap. While re-branding process seems fairly scripted, there are specific requirements that must be met. The new product, name, vision and mission statement must undergo intensive research and analysis that include global benchmarking and local acceptability.

Before a company decides to re-brand a product /service or even to tweak its logo and look, corporate managers should ascertain what the customers think of it. Conducting ongoing research to determine customer needs, wants and satisfactory levels for each of the new change encounter will give an indication of the customer attitude towards the designed campaign. Some of the research carried out before the re-branding exercise was customer survey (2008-2009) to collate customer's views and opinion of the old logo and the new vision mission statement before the new (VMVs) were implemented. An organization must

keep in mind the customer perception and needs before deciding on a new image or changes that affect customer Aaker (2007).

#### 2.7 Benefits of re-branding

The primary purpose of re-branding is to establish a meaningful differentiated presence that will increase the ability to attract and retain loyal customers and improve marketplace ability (The American Association, 2005).

The brand represents an intangible and often emotional element of the adoption decision. Through brands, a closer relationship with customers can be built. For this reason, brand can become a valuable asset to the business. Re-branding therefore adds value to the company or products/ services in the customers mind through a combination of the name, image, logo, provision of efficient service, quality product, and reinforced image that is communicated to the customer (Batra, 2007).

By repositioning themselves through re-branding, companies reassert their position in the market place and improve their share capital through offering of differentiated quality service/product. There is also the benefit of building a positive image of a business in the minds of customers thus contributing to building profit through its perceived value in the target market. Re-branding therefore has to go beyond simple awareness of the brand to building loyalty through good customer relationship, recognition and experience of value and quality (Marketing Africa, June 2010).

Re-branding revitalizes a brand and increasing its recognition and general awareness. It serves as a catalyst for changes in an entire organization and provides a very symbolic new beginning for the company, while it serves as a focus to get staff enthusiastic about the business. The re-branding aids companies in defining their new values, and engage the entire company in the process where 'living the values' becomes a key part of how the company will be assessed (Rogers, 2010).

Through re-branding businesses reflect a new company direction, incorporate and expand its product offering or overcome challenges. According to Aaker, (2001) brands provide a

powerful connection between a company and their customer. When done right, re-branding can strengthen the relationship between a company and their customers while helping the company continue to grow and prosper. Organizations can attract higher price for their product/service because a brand is perceived to represent particular values that are important to the customer and maintains ongoing communication with customers through consistent service delivery, high quality products, and messages, therefore improving their effectiveness.

#### **CHAPTER THREE**

# **RESEARCH METHODOLOGY**

#### 3.1 Research Design

The study was a descriptive research study that relied on descriptive data i.e data collected through a questionnaire which aimed at establishing the challenges Kenya Power & Lighting Company faced during its first phase of the re-branding implementation process and the perception of the employees on the whole exercise. According to Cooper and Shindeler (2003) such a study is concerned with finding out what, where and how of the relevant phenomenon. Kiilu (2004), Njoroge (2003) have successfully used descriptive studies in related studies.

## **3.2 Population of Study**

The target population of interest in this study comprised of Kenya Power & Lighting Company management employees that were involved in the first phase of the re-branding implementation process of the company VMVs.

#### 3.3. Sample and sampling design

A sample of 300 staff of Kenya Power was included in the study. Data was collected using internal email to reach the staff both in central office and the regions. As a way of preselection, respondent were asked if they would be interested to participate in the questionnaire. Electronic questionnaire were then sent to the willing participants.

#### 3.4 Data collection

Primary and secondary data was collected for this study. Primary data was gathered from respondents through structured questionnaires (see appendix 1) that were sent electronically to the respondents. The target respondents were management staff in various departments in Central and Regional Offices including Managing Directors, Human Resource and Training, IT&T, Planning and Research, Communication, Legal, Finance, Energy Transmission,

Customer Service and Supplies and Transport. The questionnaire was divided into three parts. Part A consisted of general information while Part B consisted of questions on the extent of challenges faced during the re-branding process while Part C was on the challenges of adopting VMVs.

Secondary data was also gathered from internal sources of the company for purposes of information that could not be available in a typical study.

#### 3.5 Data analysis

The data collected was analyzed using descriptive statistics. Part A was analyzed using frequency tables, while part B and C was analyzed using frequencies, mean scores, tabulations and standard deviations.

#### **3.6 Operationalizing re-branding implementation process challenges**

In order to operationalize the re-branding implementation challenges dimensions, the determinants were defined as shown in the table below (see table 3.2) Relevant questions on all key issues were developed and indicated against each dimension. The questionnaire used a Likert 1-5 scale, with 1 being 'to no extent at all', 2 being 'to a small extent', 3 being 'to some extent', 4 being 'to a large extent' and 5 being 'to a very large extent'.

# **CHAPTER FOUR**

# **DATA ANALYSIS AND FINDINGS**

#### 4.1 Introduction

This section presents the analysis and findings from the primary data that was gathered from the respondents. All completed questionnaires were edited for completeness and consistency. Statistical package for social sciences (SPSS) was used in statistical analysis. The questionnaire had a response rate of 64 % (9 out of 14 executives) and 78 % (156 out of total 200 respondents for other management staff) See table 4.1. This response rate compares well with previous studies such as Njoroge (2003) of 87% and Kiilu (2004) of 71 %.

| Respondent Type        | Targeted    | Actual      | % Response Rate |
|------------------------|-------------|-------------|-----------------|
|                        | Respondents | Respondents | 10              |
| Executives             | 14          | 9           | 64%             |
| Other Management Staff | 200         | 156         | 78%             |
| Total                  | 214         | 165         | 77%             |

#### Source: Research data from filled Questionnaire parts A, B, & C

Summaries of data findings together with their possible interpretations have been presented by use of percentages, frequencies, mean scores and standard deviations.

#### 4.2 Demographic profiles of the respondents

The demographic profiles of the respondent's that is, job levels, level of education, gender, no of years worked in the organization, terms of employment, region of work and division/department of work were analyzed to determine the general classification of the respondents. The results of the analysis are presented on table 4.2 below.

# Table 4.2: Demographic profile of respondents in executive level and other management Levels

| DESCRIPTION                                | FREQUENCY          | PERCENTAGE   |
|--|--------------------|--|
| Job Level                                  |                    |  |
| Executive Management                       | 9                  | 6%   |
| Senior Management                          | 46                 | 29%  |
| Middle Management                          | 101                | 65%  |
|  |                    |  |
| Level of Education                         |                    |  |
| Secondary                                  | 13                 | 8%   |
| College                                    | 36                 | 23%  |
| Graduate                                   | 79                 | 51%  |
| Post Graduate degree/diploma               | 28                 | 18%  |
| Number of Years Worked in the Organization |                    |  |
| Less than 5 years                          | 12                 | 7%   |
| 5-10 years                                 | 46                 | 29%  |
| 10-15 years                                | 32                 | 21%  |
| 15-20 years                                | 25                 | 16%  |
| 20-25 years                                | 26                 | 17%  |
| More than 25 years                         | 15                 | 10%  |
|  |                    |  |
| Gender                                     |                    |  |
| Male                                       | 98                 | 63%  |
| Female                                     | 58                 | 37%  |
| Terms of Employment                        |                    |  |
| Permanent                                  | 153                | 98%  |
| Contract                                   | 3                  | 2%   |
| Region of Work                             | a faither a set to | and the second |
| Central Office                             | 33                 | 21%  |
| Nairobi Region                             | 47                 | 30%  |
| Mt Kenya Region                            | 21                 | 13%  |
| West Region                                | 30                 | 20%  |
| Coast Region                               | 24                 | 16%  |
|  |                    |  |
| Division /Department                       |                    |  |
| Distribution & Customer service            | 58                 | 37%  |
| Finance                                    | 14                 | 9%   |
| IIR & Admin                                | 12                 | 8%   |
| Planning Research & performance monitoring | 13                 | 8%   |
| Transport. Supplies & Logistics            | 15                 | 9%   |
| Energy transmission                        | 16                 | 10%  |
| MDs Division                               | 28                 | 19%  |
| Total                                      | 156                | 100%   |

Source: Research data from filled Questionnaire part A (Appendix 2)

#### 4.2.1 Job Level

The respondents in the executive and management staff were asked to indicate their job levels in the organization, 6% were at the level of executive management, 29% at senior management and 65% at middle management. This shows that majority of the respondents were at the level of middle management.

#### 4.2.2 Level of Education

The respondents were to indicate the highest level of education they had attained. Results on table 4.2 show that, a majority of respondents had a postgraduate degree/diploma education (51%), followed by college education with 23% and finally the secondary education, with the lowest percentage of 8%. This shows that most of the respondents had graduate degree level of education and therefore were able to understand broadly issues asked to respond to in the questionnaire.

#### 4.2.3 Number of Years Worked in the Organization

The researcher sought to determine the number of years the respondents had in the organization. From the results, it can be noted that most respondents (29%) had experience of 5-10 years, followed by those that had 10-15 years experience with 21%. Respondents who had the lowest percentage were those that had worked for more than 25 years with a score of 10% followed by those that had less than 5 years experience with 7%. This indicated that majority of the respondents had worked in the organization for more than 5 years which is long enough to appreciate and comment on the issues they were asked to respond to.

#### 4.2.4 Gender of the Respondents

Respondents selected their gender. The results shows that, majority (63%) of the respondents were male while 37% were female. Meaning that most of the staff interviewed was male. The proportion fits well with most organizations and in line with affirmative action millennium goals.

### 4.2.5 Terms of Employment

With regard to whether staff is employed permanently or on contract, findings show that 98% of the respondents were permanently employed while only 2% were on contract employment. Thus majority of the respondents were on permanent terms of service and hence had a sense of job stability.

#### 4.2.6 Region of work

The respondents were to indicate their regions of work, the largest number (30%) were from Nairobi Region, followed by Coast Region with 21% and West Region with 20%. The least populated Region was Mt Kenya with 13% followed by Coast Region with 16%. The response ties well with the strata proportions in the sample per region and can therefore be regarded as representative.

# 4.2.7 Division/Department

The researcher sought to determine the respondents division or departments of work; 37% of the respondents were from Distribution and Customer Service, 19% from MDs Division, 10% from Energy Transmission, 9% from Finance, and 8% from Human Resource and Administration, Transport & Supplies, Planning & Performance respectfully. It can be noted that most respondents were from Customer Service Division, which is the core division in the organization.

# 4.3 Challenges in the implementation of re-branding process

The dimensions of challenges of re-branding implementation process together with employees experience and perceptions of the whole process that were considered in this study included; the development of the vision mission statement strategy, communicating the change vision, among others. These were presented with a five point Likert scale to rank their dimensions. Scale 5 was considered 'to a very large extent'. 4 to a large extent 3 'to moderate extent' 2 to a 'small extent' and 1'to no extent at all'.

The researcher analysis is that, the highest scores for the mean indicate higher levels of each construct. A mean score greater than (M>4) is considered to imply to a very large extent; a mean score greater than 3.5 but less than 4 is considered to imply to a large extent; those with mean scores greater than 3.0 but less than 3.5 imply to some extent; a mean score greater than 2 but less than 3.0 imply to a small extent; while a mean score of less than 2 is considered to imply to no extent. Standard deviations were interpreted to be high if they are greater than 1 and to be low if less than one. High standard deviation figures were interpreted to mean there was a significant variance between one respondent and another, while low deviations mean there was agreement among respondents.

#### 4.3.1 Strategies considered in the development of the VMVs

The expanded dimensions under strategy development of the vision, mission, core values variables considered in the re-branding implementation process, as well as the communication of VMVs are analyzed in table 4.3 below. The findings show that, early involvement of staff to prepare them for new vision, mission statement is considered to a very large extent, with the highest mean score of 4.5, the rest of the attributes were considered to a large extent, apart from communication of vision, mission and core values to external stakeholders especially customer which was considered to a small extent with the lowest mean of 2.7. Overall VMVs strategy development dimensions were considered to a large extent with average mean score of 3.52. It can be noted that, most standard deviations are less than 1, indicating a relatively low variations in those attributes, adequate training provided to meet the needed change to actualize the vision, mission core values had the highest level of agreement with the lowest standard deviation of 0.10.

In cases where the standard deviation was greater than 1, the level of variation could signify some lack of congruency in the strategy implementation process of re-branding either due to lack of understanding of the process, buy in or commitment among the key management staff and some key corporate executives leading to moderate level of execution.

| VMVs Strategy development dimensions   | Mean | SD   |
|--|------|------|
| Early involvement of staff to prepare them for new vision, mission statement                                 | 4.5  | 0.74 |
| Communication of vision and mission to all employees in the company  | 4.09 | 0.95 |
| Involvement of internal stakeholders in development of the company vision, mission statement and core values | 3.95 | 0.73 |
| Involvement of all key departments in forming a guiding committee to oversee the implementation exercise     | 3.90 | 0.79 |
| Regular customer and employee surveys to monitor change in expectations                                      | 3.90 | 0.88 |
| Establishment of need and sense of urgency to the needed change process                                      | 3.80 | 0.84 |
| Employees awareness of the need to change to embrace new vision, mission and core values                     | 3.75 | 0.99 |
| involvement of external consultant in training on needed change  | 3.65 | 1.00 |
| Appropriate training programs to embrace new vision, mission and core values                                 | 3.6  | 0.94 |
| mprovement in trust and team work  | 3.50 | 1.02 |
| Adequate training provided to meet the needed change to actualize the vision, mission and core values        | 3.50 | 0.10 |
| Communication of vision, mission and core values to external stakeholders especially customer                | 2.7  | 1.01 |
| Average  | 3.52 | 1.02 |

#### Table 4.3: Key VMVs strategy development dimensions

Source: Research data

# 4.3.2 Communication of new Vision Mission and core Values to employees

The researcher wanted to know the expanded communication variables under communication of VMVs that were considered in the re-branding implementation process.

| Communication dimensions   | Mean | SD   |
|--|------|------|
| Communication of vision and mission to all employees in the company  | 4.90 | 0.95 |
| Communicated the vision, mission statement and core values to all employees in the company   | 3.96 | 0.15 |
| Employees were aware of the company strategies, objectives goals<br>and expectations at the time of company decision to change the<br>VMVs | 3.80 | 0.02 |
| Communicated the vision, mission statement and core values to external stakeholders especially customers old vision                        | 3.30 | 1.01 |
| Open communication and collaborative atmosphere  | 3.20 | 1.90 |
| Average  | 3.9  | 0.60 |

#### Table 4.4: The extent to which VMVs were communicated

#### Source: Research Data

Table 4.4 indicate, employees communication of the new VMVs as having been considered to a great extent during the re-branding implementation process with an average mean score of 3.9 and a standard deviation of 0.60. Rating per attribute score, the highest rated was communication of vision and mission to all employees in the company with a mean score of 4.9 (very large extent). The least rated dimensions included open communication with a mean of 3.20 and standard deviation of 1.90.

# 4.3.3 Empowerment of employees in the implementation of re-branding process

In order to determine whether employees had been considered in the re-branding process, the respondents were required to rate various dimensions as in table 4.5 below. From the results, empowerment of employees dimension was considered to a great extent during the rebranding implementation process with an average mean score of 3.6 and a standard deviation of 0.50, meaning that this is a key factor in a re-branding process. However some attributes like training to meet the needed change required by employees to actualize VMVs and use of appropriate training program with a mean of 3.2 and 3.3 respectively. The two attributes also had a standard deviation greater than 1 indicating a low level of agreement from respondents regarding both responses.

| Empowerment dimensions  | Mean | S D  |
|---|------|------|
| Trust and team work was evident in the guiding committee in setting up strategies and other implementation programs for re-<br>branding process | 4.0  | 0.95 |
| Professional external consultants were involved to train and carry<br>out the implementation process  | 3.76 | 0.15 |
| Employees were aware of the company strategies, objectives goals<br>and expectations at the time of company decision to change the<br>VMVs      | 3.50 | 0.02 |
| Open communication and collaborative atmosphere   | 3.45 | 0.85 |
| Appropriate training programs were initiated and employees<br>trained to embrace new VMVs   | 3.30 | 1.01 |
| Training was adequate to meet the needed change required by employees to actualize the VMVs   | 3.20 | 1.50 |
| Average   | 3.6  | 0.50 |

#### Table 4.5: Extent of employee empowerment

#### Source: Research data

# 4.4 Change Process Adoption and Perception of the new VMVs

The respondents were required to indicate to what extent the new VMVs had been adopted by employees as well as how aware the employees were of the new developments. These are illustrated in table 4.6 and figure 1 below.

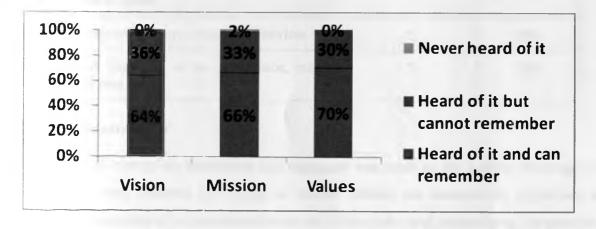
According to the results, the following dimensions had been adopted to a very large extent (M>4); all category of staff exhibiting commitment and buy-in of the new VMVs, easy remembrance of the new VMVs compared to old vision mission statement and exhibition of commitment and buy-in of the new vision and mission by employees. These particular dimensions also depicted a high level of agreement from respondents, apart of commitment and buy-in of the new vision in that list, which scored a standard deviation of 1.05. The least scored (3.10) was collaborative atmosphere and enhancement of new culture among the employees; this had been adopted only to some extent. Its standard deviation of 1.05 indicates that there was a significant variance between respondents.

| Adoption of new VMVs by employees  | Mean | SD   |  |
|--|------|------|--|
| All category of staff exhibited commitment and buy-in of the new vision, mission, and core values  | 4.65 | 0.57 |  |
| Easy to remember the new vision, mission, core values compared to old vision mission statement   | 4.52 | 0.51 |  |
| Exhibition of commitment and buy in of the new vision, mission by employees  | 4.30 | 1.20 |  |
| The vision mission statement and core values adopted focus<br>employees towards meeting the company objectives of putting<br>customer first. | 3.85 | 1.05 |  |
| New vision mission core values adopted enhanced a new culture among employees  | 3.90 | 0.86 |  |
| Impact of new vision mission statement, core values among<br>employees   | 3.76 | 1.02 |  |
| Collaborative atmosphere and enhancement of new culture among the employees  | 3.10 | 1.05 |  |
| Average  | 4.2  | 0.86 |  |

#### Source: Research data.

This results compare well with the recent progress report on re-branding whose survey findings were indicated as below in the KPLC track report SBO research (2010).





# Source: Secondary data from SBO research (KPLC internal data)

Overall, results on table 4.6 clearly indicates that, the selected dimensions of employee's adoption attained an average of 4.2 (very large extent), and had a low variance indicating high level of agreement.

# 4.5 Factors posing challenges in implementation of re-branding process

The respondents were required to highlight challenges that KPLC was likely to encounter while implementing the re-branding process. The findings are presented in table 4.7 and 4.8 below.

| Issue   | Frequency | Percentage |
|---|-----------|------------|
| Resistance to change by employees and managers                                  | 9         | 90%        |
| Change of culture attitude and behavior of the employees and manager            | 8         | 80%        |
| Alignment of organizational structure for implementation of the new vision      | 8         | 80%        |
| Internalizing the new vision mission core values                                | 8         | 80%        |
| Lack of trust and team work by the guiding team                                 | 6         | 60%        |
| Inadequate training needs required to actualize the new vision mission & values | 5         | 50%        |
| Inadequate resources to carry out required services                             | 3         | 30%        |
| Adopting and buying in of the new vision, mission statement and core values     | 2         | 20%        |

Table 4.7: Factors posing challenge in implementing of re-branding process

#### Source: Research data

Resistance to change by employees and managers was rated as the highest challenge with 90%. This was followed by, change of culture attitude and behavior by employees and managers; alignment of organizational structure to the vision and internalizing the new vision mission core values with 80%. The issue that was considered to pose a challenge was adopting and buying in of the new VMVs and inadequate resources to carry out required services with 20% and 30% each respectively.

| Issue  | Frequency | Percentage |
|--|-----------|------------|
| Lack of adequate resources, materials and tools to match the expected core values  | 38        | 40%        |
| Walking the talk of the vision mission values  | 14        | 13.7       |
| Lack of proper selection of personnel to be trained  | 5         | 4.9%       |
| Not including low level staff during the formulation of idea   | 4         | 3.9%       |
| Lack of leadership, support and commitment by senior managers  | 7         | 6.7%       |
| Implementing done hurriedly without involving most staff   | 10        | 7.6%       |
| Lack of awareness of the company strategies, objectives, goals and expectations at the time of change in vision mission and core values. | 12        | 9.7%       |

### Table 4.8: Other challenges cited but not predetermined

## Source: Research data

Other challenges considered by the employees as impacting on re-branding implementation process but not included in the predetermined challenges are enumerated in table 4.8 below, with lack of adequate resources to match expected change cited highly as a major challenge.

### **CHAPTER FIVE**

## DISCUSSION, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter discusses the findings gathered from the analysis of the data, as well as the conclusions reached. The chapter incorporates the various suggestions and comments given by the respondents in the questionnaire. The findings have been summarized alongside the objectives of the study, conclusions have been drawn from the study and the recommendations for action are given.

#### 5.2 Discussion

Jobber (2001) states that, when a brand is attached by competition, organizations should rethink their brand strategy as a means to reposition itself in order to enhance its differentiated presence. Numerous competitions from other energy industries and the negative opinion expressed by customers following previous customer satisfaction survey done drove KPLC to undertake the re-branding process. The study therefore covered two objectives, one, was to establish the challenges that Kenya Power and Lighting Company has faced during the first phase of its implementation of the re-branding process and two, was to establish the change process adoption and perception of the new (VMVS) by the employees and other stakeholders.

Findings established that, majority of respondents interviewed who were at the management level had a graduate degree, were male and that most had been with the company for more than 5 years. This aspect of long working experience gave the information sought the depth it required to be comprehensive. The studies further revealed that the major factor that posed as a challenge to the implementation of re-branding process was, resistance to change by employees and managers. Kotter (1995) attributes this to lack of adequate information on the objective, strategies and goals set by the company in terms of where the company is going and what it hopes to attain prior to the commencement of the re-branding process, resulting to uncertainty and fear of the unknown towards the planned change in the organization.

28

Change of culture, attitude and behavior by the employees and managers also rated very high as another challenge. This was attributed to lack of proper appreciation of the objective of the whole exercise thus hampering the internalization of the anticipated change. Respondents further ascertained that there was no proper alignment of organizational structure for the implementation of the new vision and the internalizing of the new VMVs was poor, thus creating confusion in terms of leadership. Factors that did not seem to pose more as challenges in the re-branding implementation process were; adopting and buying-in of the new VMVs and inadequate resources to carry out required services.

Most respondents indicated that they were not involved in the re-branding planning at its early stages to conceptualize, buy-in and internalize the implementation process. The implementation was carried out in a hurry without involving other cadre of the employees affecting its buy-in and lack of leadership support and commitment by senior management. Kotter. (1995) argues that organizations must keep in mind the customer perception and needs before deciding on new changes that affects customer Aaker (2007).

Other challenges encountered by employees included; lack of adequate resources, materials and tools to match the expected core values, adopting and buying-in of the new vision, mission statement and core values and inadequate training needs required to actualize the new vision mission & values.

The overall key VMVs strategy development dimensions used by KPLC in the re-branding implementation process used to prevent these challenges were determined. According to Kotter (1996) vision creation that is acceptable and one that balances the interest of all the stakeholders is a challenge. He says that, a shared vision helps align individuals. The findings show that KPLC considered most of the stakeholders in its implementation. Respondents indicated that early involvement of staff to prepare them for new vision and mission statement was considered and that communication of the new VMVs to all the employees in the company was evident. Respondents also demonstrated that KPLC had considered the involvement of internal stakeholders in the development of the company vision, mission

statement and core values. However they felt that the company did not seem to consider the external stakeholders especially the customer, as it scored the least.

Kotter (1996) states that, only teams with the right composition and sufficient trust among members can be highly effective under circumstances of change. KPLC managed to consider trust in their implementation strategy. Under empowerment of employees in implementation process, respondents said that trust and teamwork was more evident in the guiding committee in setting up strategies and other implementation programs for re-branding process. Professional external consultants had also been highly considered in training and carrying out the implementation process.

Objective two addressed the change process adoption as well as the employee perception. This was done to ensure that employees accept and adopt the new VMVs. According to (Shiffman, 1994) adoption decision by the user or customer, involves a conscious process of being aware of the product/service, developing an interest in it, trying it and eventually adopting it once it has been proved to meet their expectations.

KPLC scored above average in ensuring that its employees adopt and accept the new VMVs. Majority of the respondents felt that, all categories of staff exhibited commitment and buy-in of the new vision, mission, and core values, in addition to that they also said that it was easy to remember the new vision, mission, core values compared to old vision mission statement.

Secondary data from SBO research (KPLC internal data) ascertain that, employees were well aware of the new VMVs changes, since a majority (64%) of respondents stated that they had heard of it and could remember with only 2% disagreeing. This results blend in with the results above on determining adoption.

There was one problem cited though, results indicated that there was no collaborative atmosphere and enhancement of new culture among the employees.

# 5.3 Conclusion

The success in the implementation of the first phase of the re-branding process was overall above average. Employees adopted and embraced the new values despite the challenges faced during the implementation process. Attempts had been made to communicate the vision, mission and core values to ensure that the employees buy-in and commit to the new VMVs.

Employee's empowerment strategy for the adoption of the re-branding process implementation indicates that the empowerment dimensions were above average. Employees indicated that there was trust and teamwork in the guiding committee in setting up strategies and other implementation programs for re-branding process. The challenges affecting the process here though were; lack of communication across the functions, regions, divisions and departments to ensure there is a collaborative atmosphere as well as lack of inadequate training to meet need change required by employees to actualize and embrace the new VMVs.

There were other challenges which were structural in nature and others cultural like, resistance to change by employees and managers, internalizing of the new VMVs as well as not walking the talk, among managers who felt that they had not been adequately empowered to actualize the new vision, mission and core values.

Lastly, employees' adoption and perception process of the new VMVs seemed to have been a success. The findings demonstrate that employees were aware of the new VMVs and could remember them, and they were also willing to commit and buy-in the new VMVs changes. A few challenges were noted though, the collaborative atmosphere and new culture enhancement amongst employees was still below average.

# 5.4 Recommendation

The researcher recommends that the company looks' at the strategies adopted to drive the rebranding implementation process so as to pay more attention to issues that pose as challenge in its first phase of the re-branding process. Issues of adequate open communication with employees should be addressed. The company needs to take keen interest to reform its communication system and involve all stakeholders by establishing their needs in all its undertakings so as to ensure full support and buy-in of its undertaking.

31

Under communication dimensions, majority of respondents felt that the vision and mission statement to employees was considered the most as compared to communicating the same to stakeholders; it therefore means that KPLC did not consider communicating to customers to a large extent in their strategy implementation. Webster (2002) ascertains that, branding allows a company to differentiate themselves from the competition, in the process to bond with their customers to create loyalty. In this case then, is recommended that KPLC review their communication strategy dimensions, so that the stakeholders especially the customer may be part of the re-branding process in the next implementation phase.

There is need to ensure all employees receive the relevant training on the concept of rebranding and expectations of the change process on the ground so that the employees can adopt, buy in and walk the talk that should be reflected on the way the customers are treated. The impact of re-branding can only be felt in terms of excellent service that results in delighted customers and customer loyalty, which come with empowerment of the staff and full support from good leadership that leads from the front.

Since the value of any strategy is realized only if it is implemented, the commitment and support of everyone in the company and other key people beyond the managing director and external stakeholder especially the customer is essential.

The Kenya Power & Lighting Company case of the challenges experienced during its first phase of the re-branding implementation process may be adopted by other companies who may use it as a learning benchmark on the challenges faced to avoid going through the same challenges and achieve success in their re-branding process.

## 5.5 Limitation of the study

The study was a survey and predetermined questionnaire were used. This may have limited respondents from bringing other relevant issues, which the researcher may not have mentioned. The area of re-branding has also not been extensively studied hence the scarcity of literature material. The other limitation is that KPLC has just undergone its first phase of its re-branding process and this tended to bring a lot of subjectivity from the respondents, as

they are still skeptical of the success of the other phases of the re-branding exercise the company is undertaking. The success of the re-branding exercise may not be fully evident until the company has gone through the other phases of the re-branding process to enable it fully identify the challenges that may act against its failure or success of the implementation of whole process.

# 5.6 Suggestions for further research

Further research suggested by the researcher may include establishing the success of the rebranding implementation process, since the study was carried out immediately after KPLC carried out its first phase of its re-branding process of its vision, mission and core values and at the time of this research the exercise was still going on. It would be interesting to find out what other challenges may have been experienced there after so as to arm other companies with comprehensive information of anticipated challenges. The study mainly focused on the challenges of re-branding implementation process by KPLC and how these challenges are addressed. It would be interesting for one to study the impact of re-branding process by companies on a particular issue such as customer loyalty and the challenges experienced.

## REFERENCES

Aaker .D.J.(1996) Building Strong Brands, New York: Free Press

Aaker .D.J.(1991) Managing Brand Equity New York: Free Press

Aaker .D.DA. and Joachimsthaler, E(2000).The Brand Leadership Spectrum: The Key to Brand Architecture Challenge. California Management Review

American Marketing Association (2005) Dictionary of Marketing Terms, Chicago, 2005

Berry and Parasuraman (1983) Marketing of different Brands & services pp 136-42

Cooper, D.R. and Schindler, P.S. (2003) Business Research Methods. 8<sup>th</sup> Edition. McGraw-Hill Edition.

Doyle. P. (1998) Marketing Management and Strategy, Prentice Hall, Europe.

Daft (1983) Organization theory and design. Paul. West Publishing

Dibb,S.Simkin L.,Pride,W and Ferrell.O. (1997) Marketing Concepts and Strategies Boston:Houghton Miffin Company

D.A. Aaker, D.M. Stayman, and Vezina R(1988) Identify needs of consumers elicited by advertising, Psychology and Marketing, pp.1-16

Grant (2000)

Heskett, J.L, (1994). Putting the Brands profit chain to work; Harvard Business school press; p.45)

Henkoff R. (1994) Quality Brands and Service is Everybody's Business; Fortune, June 27, pp 48-60;

Intriligator, (2001) Globalization; retrieved from http://www.npd-solutions.com

John P. Kotter, (1996) Leading Change, Havard Business Review

Kompella, K. (2002) Branding Blueprint, retrieved from http://www.brandchannel.com

Kaikati, J.G. and Kaikati, A.M (2003) **Re-branding Campaigns That Work.** The journal of Business Strategy; Volume 24, Issue 8

Kotler. P. (2001), Marketing Management, New Delhi: Prentice Hall of India

Kibera, F.N. and Waruingi, B.C. (1998) Fundamental of Marketing, An African perspective, Kenya Literature Bureau, Nairobi

Kenya Power & Lighting Company Ltd. (2009/2010 to 2013/2014) 5 Year Corporate Strategic Plan

Kenya Power & Lighting Company Ltd. (July 2010) Monthly report on progression of rebranding exercise

Kenya Power & Lighting Company Ltd. (2009/2010) Annual Financial Report & Accounts

Kumar Rajendar C. (2009) Research methodology. New Delhi; APH Publication Corporation

Kotler, P. (2003). Marketing Management. 11th Edition, New Delhi: Pearson Education

Kiilu, J.M.(2004), The application of Ansoffs Growth Strategies in the Public Utility Organizations in Kenya, Unpublished MBA project, University of Nairobi

Kenya Vision 2030, A Globally Competitive and Prosperous Kenya October 2007

Legg, D. and Baker J. (1987)Advertising Strategies for Service Firms; Add Value to Your Service, pp163-168 published by the American Marketing Association, Chicago.

Lovelock, C.H., Vandermerwe, S. Lewis, B. (1996) Marketing of Quality Services: A European Perspective, London: Prentice Hall

Lowe S. (2004) Marketplace Master: How Professional Marketing Firms compete to win, Expertise Marketing LLC

McKinney Rogers Consultants (May 2010) Training Manual for KPLC staff on vision, mission, statement & Values

McKinney Rogers Consultants (August 2010) Training Manual for KPLC staff on mission, Leadership

Marketing Africa. (June 2010, Pg 26) Building Loyalty through good Customer Relationship

Mugenda M.O. and Mugenda G.A. (2003) Research Methods: Quantitative and Qualitative Approaches. Nairobi-Kenya: Acts Press

Nile wide, (2004) Corporate Re-branding. http://www.nilewide.com

35

UNIVERSITY OF NAIROBI

Njoroge JK(2003), Customer's perception of Service Quality in a Decentralized System in the Public Utility Sector in Kenya, The Case of KPLC LTD, Unpublished MBA Research Project, University of Nairobi

Palmer, A (1998) Principles of Services Marketing, Macgrow-Hall

Pearce, J.A. & Robinson, R.B. (1997) Strategic Management, Formulation Implementation & Control, Sixth Edition

Parasuraman, A., Valerie, A., Zeithaml, and Berrly, L.L. (1985). A Model of Quality Marketing Services and Its Implications for Future Research", Journal of Marketing, Fall, Vol.49, pp 41-50

Randall, G. (2000). Branding, 2<sup>nd</sup> Edition. A practical guide to planning your strategy, Clays Ltd, St Ives Plv

Rajeev Batra, John G. Myers David A. Aaker, (2007) Advertising Management 5<sup>th</sup> Edition, Prentice-Hall India.

Sekaran U (1992) Research Methods for Business. A skilled –building Approach, 2<sup>nd</sup> ED John Wiley & Sons, Inc Canada

Schiffman, L.G. & Kannuk,(1994).Consumer Behaviour, 7th Edition, Pierson Education Inc

Sokoni Magazine (April, 2008) Hard Times –Small Fish Take On The Big Fish, Rollout Publishing Ltd.

Webbster, K.K. (2002), Definition of branding.

Wikipedia.(2005) **Re-branding** Answers.com Guru Net Corp.12<sup>th</sup> July.2010 http://www.answers.com/topic/re-branding

Wind, Y.J.(1982) Product Policy: Concepts Methods and Strategy, Addison - Wesley

## **APPENDICES**

## **Appendix 1: Introductory Letter**

#### Margaret Gitau

Faculty of Commerce Department of Business ADM University of Nairobi P.O. Box 30137 Nairobi

September, 2010

Dear Respondent,

#### **Re: Collection of Survey Data**

l am a post graduate student pursuing a Master of Business Administration Degree (MBA), Marketing Option, at Nairobi University. In order to meet the requirements of this course, am supposed to carry out a research study in area of my choice. My research is on "The challenges faced by Kenya Power & Lighting Company Ltd in Its first phase of the rebranding implementation process."

l intend to collect data through a questionnaire which is hereby attached.

You have been chosen as one of the respondents in the above study and am requesting you to kindly participate in this research by completing the questionnaire in the most objective way possible. Your response will be very useful and will be treated with absolute confidence and at no time will your name appear in my report.

Your co-operation and prompt response will be highly appreciated.

Thanking you in advance for your participation

Yours sincerely,

Margaret Gitau

MBA Student

# Appendix 2: Questionnaire

# Section A: General Information

| 1. | Please indicate your job title   |                                 | (optional) |
|----|--|---------------------------------|------------|
| 2. | Please indicate your job level:  |                                 |            |
|    | <ul><li>a. Executive management</li><li>b. Senior management</li><li>c. Middle management</li></ul>  | ( )<br>( )<br>( )               |            |
| 3. | Highest completed level of education   |                                 |            |
|    | <ul> <li>a. Primary school</li> <li>b. Secondary School</li> <li>c. College</li> <li>d. Graduate Degree</li> <li>e. Post Graduate degree/</li> </ul>                   | ( )<br>( )<br>( )<br>( )        |            |
| 4. | No of years worked in the organization   |                                 |            |
|    | <ul> <li>a. Less than 5 years</li> <li>b. 5-10 years</li> <li>c. 10-15 years</li> <li>d. 15-20 years</li> <li>e. 20-25 years</li> <li>f. More than 25 years</li> </ul> | ( )<br>( )<br>( )<br>( )<br>( ) |            |
| 5. | Gender   |                                 |            |
| 6. | g. Male<br>h. Female<br>Please indicate your terms of employment   | ()                              |            |
| 7. | i. Permanent<br>J. Contract<br>Please indicate the region you work in  | ()                              |            |
|    | <ul> <li>k. Nairobi Region</li> <li>l. Central Office</li> <li>m. Mt Kenya Region</li> <li>o. West Region</li> <li>p. Coast Region</li> </ul>                          | ( )<br>( )<br>( )<br>( )        |            |
| 8. | Please indicate the Division /department you work  | in                              |            |

# Section **B**

Please indicate on a scale 1 to 5 below, the extent to which the following issues were considered in the process of re-branding and implementation of the re-branding process by KPLC. Please, tick ( $\checkmark$ ) appropriate Box

|    |  | To a<br>very<br>large<br>extent | To a<br>large<br>extent | To<br>some<br>extent | To a<br>small<br>extent | To no<br>extent<br>at all |
|----|--|---------------------------------|-------------------------|----------------------|-------------------------|---------------------------|
| No | Issue  | 5                               | 4                       | 3                    | 2                       | 1                         |
| 1  | Involved all the key departments in forming a guiding committee to oversee the implementation of the re-branding exercise  |                                 |                         |                      |                         |                           |
| 2  | Consulted and involved internal stakeholders<br>in developing of the company vision, mission<br>statement, and core values   |                                 |                         |                      |                         |                           |
| 3  | Trust and team work was evident in guiding<br>committee in setting up strategies and other<br>implementation programs for the re-branding<br>process                                 |                                 |                         |                      |                         |                           |
| 4. | Employees were aware of the company<br>strategies, objectives, goals and expectations<br>at the time of company decision to change the<br>Vision, mission statement and core values  |                                 |                         |                      |                         |                           |
| 5  | Communicated the vision, mission statement,<br>core values to external stakeholders especially<br>customers  |                                 |                         |                      |                         |                           |
| 6  | Communicated vision, mission statement and core values to all employees in the company   |                                 |                         |                      |                         |                           |
| 7  | The vision, mission statement and core values<br>adopted focus employees towards meeting the<br>company objectives of putting the customer<br>first and providing excellent services |                                 |                         |                      |                         |                           |
| 8  | To what extent were the employees aware of<br>the need to change to actualize the new vision,<br>mission statement and core values   |                                 |                         |                      |                         |                           |
| 9  | Appropriate training programs were initiated<br>and employees trained to embrace new vision<br>mission and core values.  |                                 |                         |                      | -                       |                           |
| 10 |  |                                 |                         |                      |                         |                           |
| 11 | The training was adequate to meet the needed<br>changes that employees require to actualize the<br>vision, mission statement and core values   |                                 |                         |                      |                         |                           |
| 12 | Deliberate need and sense of urgency to the needed change was established  |                                 |                         |                      |                         |                           |

|    |   |   | To a<br>large<br>extent | To<br>some<br>extent | To a<br>small<br>extent | To no<br>extent<br>at all |
|----|---|---|-------------------------|----------------------|-------------------------|---------------------------|
| No | Issue   | 5 | 4                       | 3                    | 2                       | 1                         |
| 13 | Impact of new vision mission statement, core<br>values felt in terms of improved service<br>delivery by our customers   |   |                         |                      |                         |                           |
| 14 | The new vision mission statement core values<br>are easy to remember and internalize<br>compared to the old vision, mission statement.<br>core values             |   |                         |                      |                         |                           |
| 15 | All category of staff exhibited commitment and<br>buy in of the new vision, mission, core values  |   |                         |                      |                         |                           |
| 16 | There was visible and vocal support of the re-<br>branding process by senior management   |   |                         |                      |                         |                           |
| 17 | Open communication and feedback was<br>encouraged and collaborative atmosphere<br>provided  |   |                         |                      |                         |                           |
| 18 | Organizational culture and structure provides<br>for cross-functional support and team work in<br>implementing the new vision, mission and core<br>values         |   |                         |                      |                         |                           |
| 19 | Organizational reporting structure needed to be<br>aligned at central and regional level to assist<br>employees in achieving their vision, mission<br>core values |   |                         |                      |                         |                           |
| 20 | Existing culture and attitude within the organization may inhibit the achievement of the re-branding process  |   |                         |                      |                         |                           |
| 21 | New vision, mission and core values adopted<br>enhanced a new culture and behavior within<br>the organization   |   |                         |                      |                         |                           |
| 22 | Company conducts regular customer and<br>employees surveys to monitor change in<br>expectations   |   |                         |                      |                         |                           |

# Section C

Please indicate the factors that posed as challenge to the organization in the process of implementing re-branding process. You may select the relevant factors by ticking the list below

| (a) Lack of trust and team work by the guiding team                                | (   | ) |
|--|-----|---|
| (b) Resistance to change by employees and managers                                 | (   | ) |
| (c) Change of culture/attitude and behavior of the employees and managers          | (   | ) |
| (d) Adopting and buying in of the new vision, mission statement and core values    | (   | ) |
| (e) Inadequate training needs required to actualize the new vision, mission &Value | es( | ) |
| (f) Alignment of organizational structure for implementation of the new vision     | (   | ) |
| (g) Internalizing the new vision mission core value by employees in the company    | (   | ) |
| (h) Inadequate resources to carry out required services                            | (   | ) |
| Any other challenges? Please specify   |     |   |
|  |     |   |
|  |     |   |
|  |     |   |

# Appendix 3: KPLC Old and New VMVs

KPLC Old Vision, Mission and Core Values - (Before Rebranding)



# KPLC New Vision, Mission and Core Values - (After Rebranding)



## **KPLC NEW VISION & MISSION**

#### **Our Vision**

To provide world class power that delights our customers

#### **Our Mission**

Powering people for better lives





# KPLC NEW VALUES

**Customer First** 

One Team

Passion

Integrity

Excellence