CHALLENGES OF IMPLEMENTING BRANDING STRATEGY AMONG COMMERCIAL BANKS IN KENYA

BY

HARUN KIPROP KIPYEGO

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OCTOBER, 2014
DECLARATION

STUDENT’S DECLARATION

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

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

HARUN KIPROP KIPYEGO.
D61/8870/2006

SUPERVISOR’S DECLARATION

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

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

Dr. Justus Mulwa Munyoki
Senior Lecturer
Department of Business Administration,
University of Nairobi
DEDICATION

I dedicate this work to my beloved family and all those who supported me in the completion of this project.
ACKNOWLEDGEMENTS

I take this opportunity thank the Almighty God for seeing me through the completion of this project.

The work of carrying out this study needed adequate preparation and therefore called for collective responsibility of many personalities. While it is not possible to name all of them, recognition has been given to a few. I am greatly indebted to my supervisor Dr. Justus Munyoki for his professional guidance, advice and unlimited patience in reading through my drafts and suggesting workable alternatives, my profound appreciation to him.

A special feeling of gratitude to my loving parents, John Chemoiwa and the late mother Tungo for their words of encouragement and daily prayers. To my sweet, loving and caring wife Florence Kipyego whose push for tenacity rings in my ears. She was a great source of encouragement for me to go back to school and undertake my Masters.

Thank you all. May the Almighty God bless you abundantly.
ABSTRACT

In the world of management, increasing numbers of senior people are recognizing that one of the key routes to improved business performance is better implementation. Changing a corporate brand name suggests the loss of all the values that the old name signifies in an extremely short course of time; it may nullify years of effort and can seriously damage or even destroy the equity of the brand. The objective of this study was to determine challenges of implementing branding strategy among commercial banks in Kenya. The study adopted Cross-sectional survey design. The target population of the study was 44 commercial banks operating in Kenya as at December 2013. Primary data was collected using a questionnaire. Secondary data was also collected for this study from published magazines and annual reports from both the banks and the regulator – Central Bank of Kenya. Data was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The study found that there are various elements that affect corporate rebranding to a great extent. The study also established that the banks faced limited commitment from senior management, changes in the operating environment, inadequate resources to finance the branding strategy, and inadequate skilled human capital to execute the branding strategy challenges that the banks faced in implementing the strategies. The study recommends that the banks adopt different porters’ generic strategies so as to gain competitive advantages among the competitors and create a stronger brand name. The study also recommends that the banks conducts a survey from the customers so as they can identify ways in which they can create a stronger brand that appeals to them.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In today’s competitive business environment, industrial marketers must work harder than ever before to achieve some degree of differentiation for their products to avoid being viewed as a commodity. Strong brand creates options of growth, command market share, barrier of entry for competitors and customer loyalty in organizations. Strong brand enhances positive evaluations of a product’s quality, maintains a high level of product awareness, and provides a consistent image or brand personality (Rodrigue and Biswas, 2004). In order to keep up with fierce competition, companies may seek to transform their business due to changing business directions or branching out business units. Branding has become one of the most important strategic tools and has been applied to all kinds of commodities, institutions, personalities, and pets among others due to its effectiveness and contribution to the bottom line. Over a period of time most brands lose its relevance in the eyes of their consumers in particular and market in general. This brings to bear the role of rebranding either the product or organization.

The study was based on open systems theory and the theory of the competitive advantage. Systems theory provides managers with metaphors, terminology and explanations about how organizations function. It emphasizes the role of management in deciding such structures and determining the specific goals that are to be achieved. Environmental influences that affect open systems can be described as either specific or general. The open-systems theory assumes that all large organizations are comprised of multiple subsystems, each of which receives inputs from other subsystems and turns them
into outputs for use by other subsystems. The subsystems are not necessarily represented by departments in an organization, but might instead resemble patterns of activity. The general environment encompasses four influences that emanate from the geographic area in which the organization operates. First, firms within an industry or strategic group may be heterogeneous with respect to the strategic resources they control. Second, since these resources may not be perfectly mobile across firms, heterogeneity can be long lasting.

1.1.1 Concept of Strategy

Strategy refers to the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of its resources within a challenging environment and geared towards meeting the needs of the markets as it fulfills stakeholder expectations (Johnson and Scholes, 2002). Thompson and Strickland (2007) define strategy as the match between an organization’s resources, skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish.

Quinn (1980) defines strategy as the pattern or plan that integrates an organization’s major goals, policies and action sequences into a cohesive whole. This refers to a decision of what to produce in what market. If the environment is stable, an organization can operate without changing its product-market focus. However, if the environment changes, this would require changes in the organization's product-market focus that is its strategy. Product-market focus relates to conditions of the external environment, which have to be incorporated into strategy. If the products the company is producing or the markets it is serving are not reflective of the demands of the external environment, then
the company's efforts are futile.

1.1.2 Strategy Implementation

In the world of management, increasing numbers of senior people are recognizing that one of the key routes to improved business performance is better implementation (Renaissance Report, 1996). However, at the same time, it is also understood that implementation is one of the more difficult business challenges facing today’s managers (Pfeffer, 1996). Within this, management ability or competence is seen as an important contributor to achieving this aim (Boyatzis, 1982).

Strategy implementation is the process of allocating resources to support the chosen strategies. This process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress and, ultimately, achieve organizational goals. According to Raps (2005), the implementation process covers the entire managerial activities, including such matters as motivation, compensation, management appraisal, and control processes which entail cascading strategy to all functional areas in such a way as to achieve both vertical and horizontal logic and enhance implementation of policies.

Simons and Thompson (1998) pointed out that almost all the management functions to some degree, applied in the implementation process. Hendry and Kiel (2004) also posit that to effectively direct and control the use of the firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards and control systems are essential strategy implementation ingredients. There should be specific interim or ultimate time-based measurements to be
achieved by implementing strategies in pursuit of the company's objectives. The implementation activities are in fact related closely to one another and decisions about each are usually made simultaneously.

1.1.3 Branding Strategy

Branding strategy refers to the ways that firms mix and match their brand's name on their products (Laforet and Saunders, 1999); and a firm, through its products, presents itself to the world (Aaker, 2004). A corporate brand stands for the relationship that an organization has with its employees, as much as it represents the relationship that it has with its customers through its product and service offering. The corporate brand is a valuable asset that encompasses the vision, core values, image and actions of the corporation. It increases its profitability and sales, reduces its costs and creates a unique position in the marketplace if it is based on a well-run promotion campaign following an effective corporate branding strategy (Aaker, 2004). Consequently, one crucial decision in multi-business corporations is to determine the use of corporate branding strategy, and corporations should assess whether the selected strategy effectively meets the intended outcome or not.

A corporate brand that has high complexity (Balmer, 2001) is a name, term, sign, symbol/design or a combination of these elements, intended to identify and differentiate the company's products from those of the competitors in the minds of the subjects concerned (Olins, 1989). Essentially, it is about people, values, practices and processes (Balmer and Soenen, 1999). For a brand to come to life with customers, the organization must be internally aligned to deliver the brand promise through the organization’s culture, reward
systems, key success activities and structure. In other words, employees must ‘live’ the brand values in their day to day interactions. And, management must demonstrate their commitment to these values through behavior as well as corporate communications, demonstrating sincerity.

The corporate brand contributes not only to customer-based images of the organization but to the images formed and held by all its stakeholders which include employees, customers, investors, suppliers, partners, regulators, special interests and local communities (Hatch and Schultz, 2008). The ability to use the vision and culture of a company as part of a unique selling proposition is brought by corporate branding to marketing (Hatch and Schultz, 2003). It also represents the agreement between the organization behind the brand and its multiple stakeholders (Balmer, 2004). Balmer suggested that corporate brands are underpinned by three elements: values, promises and behavior. Hatch and Schultz (2001) proposed successful corporate branding depended on the coherence between strategic vision, organizational culture, and stockholders’ image.

The importance of brands is often discussed in terms of brand value or equity, which can be viewed from two perspectives depending on who is the beneficiary of the value of the brand, the firm or the customer (Dowling, 2001).

1.1.4 Commercial Banks in Kenya

As at 31st December 2013, the banking sector comprised of the Central Bank of Kenya, as the regulatory authority, forty four banking institutions (forty three commercial banks and one mortgage finance company - MFC), four representative offices of foreign banks, six Deposit-Taking Microfinance Institutions (DTMs), one hundred and eighteen Forex
Bureaus and two Credit Reference Bureaus (CRBs) (CBK, 2013). Out of the forty four banking institutions, thirty one locally owned banks comprise three with public shareholding and twenty eight privately owned while thirteen are foreign owned. The six DTMs, two CRBs and one hundred and eighteen forex bureaus are privately owned. The foreign owned financial institutions comprised of nine locally incorporated foreign banks and four branches of foreign incorporated banks.

According to Central Bank of Kenya (2013) out of the forty three commercial banks thirty of them are domestically owned and thirteen are foreign owned. In terms of asset holding, foreign banks accounted for about 35% of the banking assets as of 2012. In Kenya the commercial banks dominate the financial sector. In a country where the financial sector is dominated by commercial banks, any failure in the sector has an immense implication on the economic growth of the country.

1.2 Research Problem

As a result of the continuously changing business environment companies adopting new names are frequently reported in the business press. For example, mergers and acquisitions and ownership changes are usual. However, changing a corporate brand name suggests the loss of all the values that the old name signifies in an extremely short course of time; it may nullify years of effort and can seriously damage or even destroy the equity of the brand (Muzellec & Lambkin, 2009).

Numerous studies have been done on the challenges of strategy implementation. For instance, Kiptugen (2003) did a study to determine the strategic responses of Kenya Commercial Bank to a changing competitive environment. Since he focused mainly on
strategies that can be adopted in a competitive environment; the study failed to cover the processes involved in strategy implementation and challenges in the implementation phase. Muturi (2005) on the other hand did a study to determine the strategic responses of Christian churches in Kenya to changes in the external environment. He based his survey on evangelical churches in Nairobi. This study focused on a different context and concept from what the current study seeks to cover. Kamanda (2006) also did a study on Kenya Commercial Bank (KCB) with the objective of determining the factors that influence its regional growth strategy. His study, however, does not cover the issues of strategy implementation. Situma (2006) also covered KCB but focused on its turnaround strategy. Muguni (2007) studied the role of executive development in strategy implementation. His was a comparative study of KCB and National Bank of Kenya. The study also fails to capture the process of strategy implementation process and challenges.

From the above discussion, it is evident that the existing studies have concentrated on response strategies to the challenges and those that have looked at challenges, have not considered challenges in branding strategy implementation among commercial banks. Given the importance of branding strategies in organizations, this study sought to determine challenges of implementing branding strategy among commercial banks in Kenya. It was guided by the following research question: what are the challenges of implementing branding strategy among commercial banks in Kenya?

1.3 Research Objective

The objective of this study was to determine challenges of implementing branding strategy among commercial banks in Kenya.
1.4 Value of the Study

The findings of this study would help the managers and other decision makers at commercial banks in Kenya on how to manage the image of the organization and how it influences organizational performance. By identifying the challenges of implementing rebranding strategies, managers and directors of commercial banks would be able to devise relevant strategies to overcome these challenges in future.

The findings would also be valuable to the Government of Kenya especially in the formulation of strategies on corporate behavior and management to ensure that organizations manage their image in a proper way.

The findings of this study would also be valuable to future researchers and academicians as it will suggest areas for further research besides acting as a source of reference. It would add value to the existing knowledge about corporate rebranding and serve as a reference document for future research.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the related literature on the subject under study presented by various researchers. The materials are drawn from several sources which are closely related to the theme and the objectives of the study. The chapter first presents the theoretical framework on which the study is founded and then the concept of branding, and challenges of branding.

2.2 Theoretical Perspective

Systems theory provides managers with metaphors, terminology and explanations about how organizations function. It has dominated as a framework for managerial behavior and organizational analysis. The rational systems perspective focuses on structure as a significant tool for the efficient achievement of organizational goals. It emphasizes the role of management in deciding such structures and determining the specific goals that are to be achieved. Hence, the focus is on formal structures, the specificity of goals, and the formalization of rules and roles. Open systems reflected the belief that all organizations are unique in part because of the unique environment in which they operate and that they should be structured to accommodate unique problems and opportunities.

Environmental influences that affect open systems can be described as either specific or general. The specific environment refers to the network of suppliers, distributors, government agencies, and competitors with which a business enterprise interacts. The general environment encompasses four influences that emanate from the geographic area
in which the organization operates. The open-systems theory assumes that all large organizations are comprised of multiple subsystems, each of which receives inputs from other subsystems and turns them into outputs for use by other subsystems. The subsystems are not necessarily represented by departments in an organization, but might instead resemble patterns of activity.

Another relevant theory for this study is the competitive theory. Early literature on the theories of trade between nations provided the basis for competitiveness theory. It alluded to the development of sustainable competitive advantage well before its time. Competitiveness theory evolved from the traditional trade theories, fundamentally ‘The effect of the Wealth of Nations’ Adam Smith in 1776 (later translated in 1937), which was revolutionary. In his book Adam Smith disputed the then existing philosophy Mercantilism view on trade which suggested that trade was a zero sum game in which a trade surplus of one country is offset by a trade deficit in another country. Smith in his argument viewed trade as a positive sum game in which all trading partners can benefit if countries specialized in the production of goods and services in which they had absolute advantage. This came to be known as the theory of absolute advantage.

2.3 Branding Strategy

A corporate branding strategy is one of the most common brand strategies. Nowadays the market is changing so rapidly that corporate brands help organisations create something constant and lasting (Kotler, 2006). However, to have a strong corporate branding strategy there has to be alignment between the corporate identity, the core values, the corporate mission and vision, the corporate image and the brand. A strong corporate
branding strategy can add significant value to the organization, as it helps underline the tangible and non-tangible assets of the organization (Kotler, 2006).

A brand is defined as a name, term, sign, symbol, or design or a combination of them used to identify the goods or services of a seller or group of sellers, and differentiates them from those of its/their competitors (Ormeno, 2007). A brand name refers “the part of the brand that can be verbalized” like Kencell, Econet among others while a brand symbol refers to “the part of the brand that can be visually recognized, such as designs, signs or distinctive colors” (Ormeno, 2007). The name of an organization is a main brand identity element that has an influence on both the brand image and the customer’s perceptions because of its link to psychological associations (Keller, 1998) which makes it form the essence of the brand (Aaker, 1991). The brand name is argued as the primary mean and signal by which the company communicates to its public (Muzellec and Lambkin, 2009).

The brand name represents the link between what the company is (Balmer, 2001) and which is thought of (Davies and Chun, 2002). According to Turly and Moore (1995), the weight of the brand name is more significant when the product has an intangible nature like a service since it represents a good source of information about the company in consumers’ pre-purchase evaluation. Sandstøm (2006) takes the stakeholders into consideration in a corporate branding strategy. And he argues that the stakeholders are crucial for a strong branding strategy, as branding is all about differentiation and meeting the needs and values of the stakeholders. Furthermore, corporate branding serves as an umbrella encapsulating the corporate vision, mission, values, personality and image
(Kotler, 2006), which are the elements which will be commented on in the following paragraphs.

### 2.4 Elements of a Corporate Branding Strategy

A corporate branding strategy consists of different elements, which all to some extend are dependent on each other. For many years, Hatch and Schultz have carried out research into these elements, and have proven that to create a strong corporate branding strategy there has to be coherence between these elements (Hatch and Schultz 2008, 2011).

#### 2.4.1 Brand Name

The brand name is defined as a Name, symbol, design or mark that enhances the value of a product beyond its functional purpose” (Aaker, 1991), the brand reflects the complete experience consumers have with products (Keller, 1993). It is also viewed as a communication, vision, identity, culture, promise or image (Dunnion and Knox, 2004). A brand name is an intangible signifier of the physical entity, acting as a surrogate for the individual characteristics of products or services, related more to the company’s reputation than to the lines it sells (Selnes, 1993). Strong brand name is considered as a pillar of both the brand equity formation (Keller, 1993) and the branding process (Davis, 2007; Muzellec and Lambkin, 2009). Berry (2000) argues that the firm’ name is confounded with the brand name.

The service brand name is the most important component of the brand and an important source of information to the customer, because service attributes are difficult to communicate via other means (Turly and Moore, 1995). Muzellec and Lambkin (2009) propose a model of rebranding which includes four factors: change in ownership
structure, change in corporate strategy, change in external environment and change in competitive position. Company re-branding involving brand name change may be motivated by many factors including mergers and acquisitions (Muzellec and Lambkin, 2009). Stuart and Muzellec (2004) describe rebranding as a continuum varying from minor changes to major changes.

2.4.2 Corporate Logo

According to Van Riel and Van Bruggen (2002), repositioning an organization or modernization may be reasons for changing corporate visual identity. According to Stuart and Muzellec (2004), there are two reasons for logo change; first, the logo is changed when the organization has changed its name, and second, to update the logo only in order to update it.

Janiszewski and Meyvis (2001) stated that meaningful stimuli like logos are expected to improve conceptual fluency which occurs when exposure to a stimulus creates a meaning-based representation of a stimulus that facilitates encoding and processing of the stimulus when viewed at a later time. Punjaisri and Wilson (2007) found that logo representativeness and design were important determinants of logo success. Keller, Tosti, and Stoltz (2001) found that a brand name that indicates or suggests a product benefit like picture perfect television leads to a higher recall of advertised benefit claims that are consistent in meaning with the brand name as compared to that of a brand name that’s non suggestive or not indicative of a product benefit.
2.4.3 Corporate Slogan

A slogan is a memorable motto or phrase used as a repetitive expression of an idea or purpose. Slogans vary from the written and the visual to the chanted and the vulgar. Their simple rhetorical nature usually leaves little room for detail, and as such, they serve perhaps more as a social expression of unified purpose, rather than a projection for an intended audience (Burmann and Zeplin, 2005). Advertising slogans are short, often memorable phrases used in advertising campaigns. They are claimed to be the most effective means of drawing attention to one or more aspects of a product. Its purpose is to emphasize a phrase that the company wishes to be remembered by, particularly for marketing a specific corporate image or connection to a product or consumer base.

Some slogans are created just for specific campaigns for a limited time; some are intended as corporate slogans, to be used for an extended period; some slogans start out as for a given campaign, and find themselves converted to the corporate slogans because they take hold with the public, and some are memorable many years after their use is discontinued (Burmann and Zeplin, 2005).

2.4.4 Corporate Image

A good corporate image is essential for organisations, as researchers believe that an important factor in a purchase situation is the consumer’s perceptions of the organisations role in society. Schultz and Schultz (2005) defines an image as “An image is the set of meanings by which an object is known and through which people describe, remember and relate to it. This is the net result of a person’s beliefs, ideas, feelings and impressions about an object” (Dowling in Van Riel and Fombrun, 2002; pg. 40)
Hence, a corporate image is used to describe the ideas, feelings and impression that root in the mind of the consumers – their perceptions. In other words, an image is constituted by interpretations from the outside world, which also means that an image is not unique. Cretu and Brodie (2007) stress that a single firm possesses various images that differ according to a specific group, and they underline that each group might have different types of experiences and contacts with the organisation (Cretu, and Brodie, 2007). This means that an organisation can have a favourable image within one group and an unfavourable image within another.

2.4.5 Corporate Reputation

Corporate reputation is a value-based construct, which means that the corporate image is compared to the stakeholder’s free-standing values about the appropriate behaviour of the organisation (Dowling, 2002). Corporate reputation is defined as “a reputation is the set of meanings by which an organisation is known and through which people describe, remember and relate to it. It is the net result of the interaction of a person’s beliefs, ideas, feelings and impressions about the organisation. An organisation will not have a reputation – people hold reputations of the organisation” (Dowling, 2002; 44).

Corporate reputation is linked to the corporate image in the sense that corporate reputation is the values the stakeholders transfer to the organisation as a result of the corporate image. If the beliefs and feelings of an organisation fit a person’s values about the appropriate behaviour of an organisation, then the person will form a good reputation of the organisation (Dowling 2002; 21). Hence, the reputation is not controlled by the organisation. Moreover, it is important to recognise that corporate reputations are based on perceptions, the stakeholder’s perceptions and values. This means that a corporate
reputation is not unique. Diverse stakeholders make different assessments about an organisation based on their experiences and opinions about the organisation, and corporate reputations are mainly used to refer solely to the reputation as a whole and not to sub-brands.

2.4.6 Vision and Mission

Organisations need to respond to concepts as vision and mission. Vision and mission can be very difficult to separate as they are closely related, and both the corporate vision and mission should articulate what sets the organisation apart in a way that might help build a competitive edge. Corporate mission has to represent what business the organisation operates in, and is often referred to with the simple question “what business are we in?” (Dunn and Davis, 2003). It has to create a common picture of the organisation and create a common direction. And by constantly having the corporate mission in mind an organisation can determine whether its actions and activities are in line with the overall aim and the core values of the organisation.

The corporate vision is developed by the management, and depicts the long term goal of the organisation. Moreover, the vision should represent the values and the beliefs of the organisation. A vision is not about a false future, it is about defining a future which the entire enterprise can believe in (Bryman and Bell, 2011). Moreover a vision has to be clear, compelling and captivating, so it gives people the drive and passion to overcome all challenges.
2.4.7 Corporate Culture

The corporate culture is probably the element, which is least mentioned in the literature. Often it does not even appear in the marketing literature on identity and image. Nonetheless, several researchers have tried to define the term and one of them is Geertz (2000) “The concept of corporate culture broadly concerns all aspects of everyday organizational life, in which meaning, values, and assumptions are expressed and communicated via the behaviour and interpretations of organizational members and their artefacts and symbols” (Hatch and Schultz 2000; 25)

Sahbaz and Ciftci (2011) argues that corporate culture is found within the organisation and affects all the organisational members and is realised in the material aspects of the organisation such as, logos, buildings and the name (Geertz in Hatch and Schultz 2000). Schultz (1992) shares the same opinion, as according to her corporate culture is built around the same logo, which is repeated perpetually on paper, folders and publications, around the same basic values, which are repeated perpetually in speeches, annual reports and press releases and around the same stories, which are told perpetually to new employees, laughed about Friday afternoon and discussed in elevators (Schultz, 1992).

2.4.8 Corporate Identity

Corporate identity refers to how an organisation presents itself to its consumer target audience (Van Riel, 2006). It represents how an organisation expresses itself and differentiates itself in relation to its stakeholders, and gives an impression of who the organisation is, what it does and how it does it. Organisations have an identity in the sense that each organisation has particular traits or features that constitutes its
uniqueness. Originally, corporate identity was synonymous with logos, slogans and other forms of symbolism used by the organisation. However, it has gradually also come to indicate how the organisation presents itself by the use of symbols, internal and external communication and behaviour (Van Riel, 2006). Throughout the years, this difference has been labelled the visual and the strategic schools of corporate identity (Hatch and Schultz, 2000).

Throughout the years, several researchers have tried to define corporate identity, and it seems that the more researchers write about corporate identity, the more definitions burst into bloom. And despite the voluminous literature, there still does not seem to be a universally accepted definition of corporate identity. Smith, Rodney, Wright and William (2004) has given his suggestion on a definition: Corporate identity is the set of meanings by which a company allows itself to be known and through which it allows people to describe, remember, and relate to it.

Olins (1989) stresses that corporate identity is a set of meanings, which the stakeholders can relate to. The notion of identity is related to diverse components such as image, vision, mission, corporate culture, history, rituals, values (Olins, 1989). It is this connection between values and identity, which will be the subject for further discussion in this paragraph and later in the analysis.

\textbf{2.4.9 Corporate Values}

Analysing values is the scope of this thesis; hence this paragraph will provide an overview of how corporate values are used in everyday business life. In paragraph 4.3 the final analysis model will be presented, which will support this paragraph about the
corporate values, but also provide a deeper understanding of how values are communicated.

Rokeach (1968) was probably one of the first and most influential practitioners to write about values. His books are still famously cited when it comes to defining and describing values, and in an article from 1968, Rokeach defines values as: “A value is a standard criterion that serves a number of important purposes in our daily lives: it is a standard that tells us how to act or what to want; it is a standard that tells us what attitudes we should hold; it is a standard we employ to justify behaviour, to morally judge, and to compare ourselves with others. Finally, a value is a standard we employ to tell us which values, attitudes, and actions of others are worth or not worth trying to influence” (Rokeach 1968; 550).

The definition is somewhat comprehensive, and though it is made to define human values it can also be used to define corporate values, as corporate values are used to personify and define the organisation and make it relatable for all stakeholders. One might argue that a value is the foundation for one's identity, as a value is a standard, which justify our behaviour, which tells us how to act, and what attitudes to hold.

2.5 Challenges of Implementing Branding Strategy

Strategy implementation is never an easy thing in many organizations. The process of coordinating different stakeholders and harmonizing their actions towards the common goal faces several challenges. Some of the challenges reviewed here include: leadership styles, availability of resources, corporate culture and organizational culture
2.5.1 Leadership Style

Leadership is the process of persuasion, where an individual induces a group to pursue certain objectives. Effective leadership involves restructuring organizational architecture in a manner that motivates employees with the relevant knowledge to initiate value-enhancing proposals (Dubrin, 2001). Drucker (1994) captures an environmental scanning analysis that depicts leadership as that, which should manage the fundamentals like people, inflation among others. Strategic leadership should ensure that values and culture within an organization are appropriate for satisfying key success factors. This should lead to environmental-value-resources (E-V-R) congruence. However, leadership is not always fully involved in the strategy implementation process because of the many activities involved which have been delegated. Limited leadership involvement could inhibit the success of strategic management in an organization.

Successful strategic plan implementation requires a large commitment from executives and senior managers. Therefore, planning requirement which may be done even at departmental levels requires executive support. Executives must lead, support, follow-up and live the results of strategic planning implementation process. According to Judge and Bono (2000), without commitment of senior executives, participants feel fooled and mislead. This complements what Rap (2004) claims that the commitment to the strategic direction is a prerequisite for strategy implementation, so top managers have to show their dedication to the effort. To implement strategy successfully, senior executives must not assume that lower level managers have the same perceptions of the strategic plan and its implementation, its underlying rationale, and its urgency. Instead, they must assume they don’t, so executives must persuade employees of the validity of their ideas. This not
withstanding what Ahoy (1998) argues; that upfront commitment by leaders include an adherence to the full and thorough process of strategic planning which must culminate in implementing programs and services and commit allocations to meet the objectives of the strategic plan at a level that is doable for the organization and the level of activity.

2.5.2 Inadequacy of Resources

All organizations have at least four types of resources namely: financial, physical, human resources and technological resources (Wysong, Munch and Kleiser, 2002). These resources are available to an organization as simple tangible resources (money, human resources and infrastructure) or intangible resources such as public power e.g. in law enforcement and tax collection or knowledge base. Resource based view to strategy management view knowledge, skills and experience of human resource as a key contributor to firm’s bundle of resource and capabilities (Munyoki, 2010). Oliver (1997) argues that putting strategy into action is concerned with ensuring that strategies are working in practice. Without adequate resources, strategy implementation process would not process as planned. This would thus result in stalled projects or results being different from those anticipated.

As companies change and as skills expertise become recognized as a major asset of the firm, the heightened efforts in cultivating and enhancing them becomes significant part of development strategy (Saunders, 1994). There needs to be appropriate and adequate human capital with goodwill to the implementation of a strategy. During the process of strategy implementation, how relationships and beyond the organization are fostered and maintained will influence performance further while organizations and groups may be assumed as taking strategic actions, it is individuals who ultimately, in practical terms
take action and are responsible for driving an organization or a group towards objective. Perhaps the most important resource of an organization is its people (Moorthi, 2002).

2.5.3 Corporate Structure

At the firm level, extant research has observed that the effective relationship between strategy and structure is a necessary precondition to the successful implementation of new business strategies (Allio, 2005). In addition, a match between appropriate administrative mechanisms and strategy has been found to reduce uncertainty within the firm and increase effectiveness in strategy implementation. The relevant literature (Noble, 1999) has advocated factors that influence the effective implementation of strategies, for example; organizational structure (Olson, Slater and Hult, 2005); control mechanisms (Daft and Mackintosh, 1981); strategic consensus (Floyd and Wooldridge, 1997); leadership (Tilley, 1999); and communication (Drucker, 1994). However, prior research has neglected to ascertain whether the “style” of strategy implementation undertaken has any impact on the effectiveness of the implementation effort. An inappropriate organization structure will lead to either poor decision making which may negatively affect the process of strategy implementation. A vertically tall organization structure may involve more time in getting the decision made which may affect the pace of strategy implementation.

The structure of the organization should be consistent with the strategy to be implemented. Moreover the nature of the organizations structure to be used in implementing strategy is influenced by the environment stability and the interdependence of the different units (Daft, 2000). Failure to address issues of the broad structural design
of roles, responsibilities and lines of reporting can at a minimum, constrain strategies
development and performance (Grewal & Tansuhaj, 2001).

2.5.4 Organization Culture

Organizational culture refers to the leadership style of managers – how they spend their
time, what they focus attention on, what questions they ask of employees, how they make
decisions; also the organizational culture (the dominant values and beliefs, the norms, the
conscious and unconscious symbolic acts taken by leaders (job titles, dress codes,
executive dining rooms, corporate jets, informal meetings with employees).
Organizational culture is among the major issues, because the cultural dimension is
central to all aspects of organizational behavior (Grundy, 1998). If strategy
implementation is going to realize its full potential of dramatically improving the way
companies do business, changing of the organizational culture must be considered an
integral part of the process. Systems cannot be developed irrespective of the people that
will be managing and operating those systems. One of the biggest reasons why some
process strategy implementation projects do not achieve the level of success the
organization expects is because the organization or functional manager did not deal with
the issue of organization culture change. Greengard (1993) argues that an organization
should strive to involve the staff at all stages of the implementation process.

Eisenstat (1993) indicates that most companies attempting to develop new organization
capacities stumble over these common organizational hurdles: competence, coordination,
and commitment. These hurdles can be translated into the following implementation
problems: Coordination of implementation activities was not effective enough,
Capabilities of employees were insufficient, Training and instruction given to lower level
employees were inadequate, and Leadership and direction provided by departmental manager were inadequate.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods that were used in collection or gathering of data pertinent in answering the research questions. The chapter comprises the following sub-topics; research design, target population, data collection and data analysis procedures.

3.2 Research Design

This study used cross-sectional survey design. Mugenda and Mugenda (2003) notes that a survey attempts to collect data from members of a population and describes phenomenon by asking individuals about their perceptions, attitudes, behaviour or values. Cross-sectional research design was chosen because it appeals for generalization within a particular parameter. The data obtained was able to be standardized to allow easy comparison. Moreover, it explores the existing status of two or more variables at a given point in time. This design was meant to enhance a systematic description that is accurate, valid and reliable as possible regarding the challenges of implementing branding strategy among commercial banks in Kenya.

3.3 Population of the Study

The target population of the study was 44 commercial banks operating in Kenya as at December 2013. In particular, the study targeted one respondent from each bank since it aims to collect views on the Bank as far as branding is concerned. The exact officer to be approached was the corporate affairs manager.
3.4 Data Collection

Primary data was collected using a questionnaire. The researcher administered a questionnaire to each member of the target population. The questionnaire had both open and close-ended questions. The close-ended questions provided more structured responses to facilitate tangible recommendations. The open-ended questions provided additional information that may not have been captured in the close-ended questions. The questionnaire was carefully designed and tested with a few members of the population for further improvements. This was done in order to enhance its validity and accuracy of data to be collected for the study. Secondary data was also collected for this study from published magazines and annual reports from both the banks and the regulator -CBK. The questionnaire was administered using a drop and pick later method.

3.5 Validity and Reliability

The content of validity of the data collection instruments was determined through discussing the stated questions in the instruments with the managers of the Bank selected for the pilot. The managers were expected to tick the questionnaires helped to establish to assess challenges of implementing branding strategy among commercial banks in Kenya. Reliability refers to the consistence, stability, or dependability of the data. Whenever an investigator measures a variable, he or she wants to be sure that the measurement provides dependable and consistent results (Mugenda & Mugenda, 2003). A reliable measurement is one that if repeated a second time will give the same results as it did the first time. If the results are different, then the measurement is unreliable (Mugenda & Mugenda, 2003). To measure the reliability of the data collection instruments an internal consistency technique using Cronbach’s alpha was applied to the gathered data (Mugenda
& Mugenda, 2003). Cronbach's alpha is a coefficient of reliability that gives an unbiased estimate of data generalizability and an alpha coefficient of 0.60 or higher indicates that the gathered data is reliable as it has a relatively high internal consistency and can be generalized to reflect opinions of all respondents in the target population.

3.6 Data Analysis

Prior to processing the responses, the completed questionnaires were edited for completeness and consistency. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. The data was broken into different aspects of human resources practices and organizational competitiveness. This offered a systematic and qualitative of the study objectives. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of statistical package for social sciences (SPSS).

In addition, the study used inferential statistics that involved multiple regression analysis of the form:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \]

Where

\[ Y = \text{Branding Strategy Implementation} \]

\[ X_1 = \text{Leadership Style} \]

\[ X_2 = \text{Inadequacy of Resources} \]
$X_3 = \text{Corporate Structure}$

$X_4 = \text{Organization Culture}$

$\varepsilon = \text{Error Term}$
CHAPTER FOUR
DATA ANALYSIS, FINDINGS AND INTERPRETATION

4.1 Introduction
This chapter presents data collected from respondents from the 44 commercial banks operating in Kenya as at December 2013. The data is presented in form of tables, charts and graphs followed with the analysis and the interpretation of the findings.

4.2 Response Rate
The study targeted 44 banks. Out of the questionnaires distributed only 30 questionnaires were duly filled and returned. This translates to a response rate of 68% which is within Mugenda and Mugenda (2003) who prescribed the significant response rate for statistical analysis as a minimal value of 50%. The figure below represents the response rate.

4.3 Demographic Information
This section reviews the demographic information of the banks that participated in the study. In particular, it covers the position held in the Bank; number of years worked in the Bank; number of years the Bank has been in operation, and size of the Bank. These are discussed in details below:

4.3.1 Position Held in the Bank
The respondents were asked what position they held in the bank. The responses are shown in the figure below.
As indicated in the Figure 4.1, the respondents who are in lower level management were 33% of the respondents, 40% were in top level management, 27% were in middle level management. The study incorporated employees with different management positions thus bringing different levels of professional experience in the study.

4.3.2: Number of Years Worked in the Bank

The respondents were asked the number of years they had worked in the bank. Table 4.1 represents the responses.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5 years</td>
<td>8</td>
</tr>
<tr>
<td>6-10 years</td>
<td>11</td>
</tr>
<tr>
<td>11-15 years</td>
<td>4</td>
</tr>
<tr>
<td>Above 16 years</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
</tr>
</tbody>
</table>

The respondents who had worked in the banks for less than 5 years were 27%, 37% had worked for 6-10 years, 13% had worked for 11-15 years and 23% had worked for above
16 years. The different years the respondents had worked in the bank brought about the different expertise views on the study.

4.3.3 Years of Operation

The respondents were asked the number of years that the bank has been in operation. The responses are shown in the Table 4.2.

<table>
<thead>
<tr>
<th>Years of Operation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5 years</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>6-10 years</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>11-15 years</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>16-20 years</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>21 years and above</td>
<td>7</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

As indicated in table 4.2, 46% of the banks had been in existence for 21 years and above and only 10% of the banks were less than 5 years old.

4.3.4 Size of the Bank

The study sought to establish the size the bank belonged to. The responses are shown in the figure 4.2.
From Figure 4.2 above, majority of the respondents 53% worked for banks that belonged in the small category, 27% worked for banks that were in the medium category and 20% worked for banks that were in the large category. These findings show that the study involved banks of different sizes and thus each bank brought its own experiences in the study.

4.4 Elements of Corporate Branding

The respondents were asked to rate the extent to which the bank has applied the elements of rebranding in identifying and distinguishing itself.

Table 4.3: Elements of Corporate Branding

<table>
<thead>
<tr>
<th>Elements Of Rebranding</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Name Of The Bank</td>
<td>2.897</td>
<td>0.0123</td>
</tr>
<tr>
<td>The Vision Of The Bank</td>
<td>3.969</td>
<td>0.564</td>
</tr>
<tr>
<td>The Mission Of The Bank</td>
<td>4.251</td>
<td>0.321</td>
</tr>
<tr>
<td>Core Values</td>
<td>4.562</td>
<td>0.521</td>
</tr>
<tr>
<td>Corporate Logo</td>
<td>3.641</td>
<td>0.314</td>
</tr>
<tr>
<td>Corporate Colors</td>
<td>3.512</td>
<td>0.217</td>
</tr>
<tr>
<td>Bank Slogan Or Tagline</td>
<td>3.789</td>
<td>0.621</td>
</tr>
<tr>
<td>Bank Reputation</td>
<td>4.567</td>
<td>0.789</td>
</tr>
<tr>
<td>The Culture Of The Bank</td>
<td>4.521</td>
<td>1.011</td>
</tr>
<tr>
<td>The Way In Which The Bank Presents Itself To Customers</td>
<td>4.572</td>
<td>0.987</td>
</tr>
</tbody>
</table>
From the responses the name of the bank scored a mean of 2.897 indicating that the bank had applied it to a moderate extent in its rebranding. On the vision and the mission of the bank, they had both been used to a great extent as they scored a mean of 3.969 and 4.251 respectively. The core values of the bank had been used to a very great extent with a mean of 4.562. Other elements that had been used to a great extent in rebranding were the reputation of the bank, culture of the bank, and the banks presentation to its customers with means of 4.567, 4.521 and 4.572 respectively. The corporate logo as an element used in branding scored a mean of 3.641 an indication that it was used to a great extent.

The respondents were also asked what other rebranding elements the banks had adopted. The respondents said that the banks had upgraded to a better system that would serve customers faster and thus the convenience. The respondents also listed that the banks had taken a different approach in customer service by opening a full customer care support center that would see clients served faster.

4.4.1 Unique Elements and Performance
The study sought to determine in what ways the unique attributes influenced the performance of the bank. The responses are shown in the Table 4.4.

<table>
<thead>
<tr>
<th>Table 4.4: Elements and Performance</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>Increased Customer Loyalty</td>
<td>29</td>
<td>97</td>
<td>1</td>
</tr>
<tr>
<td>Increased Profitability Of The Bank</td>
<td>27</td>
<td>90</td>
<td>3</td>
</tr>
<tr>
<td>Reduced Marketing Costs</td>
<td>25</td>
<td>83</td>
<td>5</td>
</tr>
<tr>
<td>Increased Customer Attraction</td>
<td>30</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Increased Customer Base</td>
<td>26</td>
<td>87</td>
<td>4</td>
</tr>
</tbody>
</table>
As shown in table 4.4 above, 97% of the respondents said that the elements of rebranding had increased customer loyalty, 90% said it had increased profitability of the bank, 25% said it had reduced marketing costs, and 26% said it had increased the customer base. All the respondents said it had increased customer attraction.

4.5 Challenges of Implementing Branding Strategy

The respondents were asked to rate the extent to which they agree with the following statements on the challenges of implementing the rebranding strategies.

**Table 4.5: Challenges of Implementing Branding Strategies**

<table>
<thead>
<tr>
<th>Challenges of implementing branding strategy</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment from senior management in the Bank</td>
<td>3.985</td>
<td>0.012</td>
</tr>
<tr>
<td>The leadership style used by managers</td>
<td>3.456</td>
<td>0.321</td>
</tr>
<tr>
<td>Changes in the operating environment</td>
<td>3.354</td>
<td>0.654</td>
</tr>
<tr>
<td>Availability of adequate resources to finance the branding strategy</td>
<td>4.521</td>
<td>0.146</td>
</tr>
<tr>
<td>Availability of adequate skilled human capital to execute the branding strategy</td>
<td>3.964</td>
<td>0.895</td>
</tr>
<tr>
<td>The manner in which communication is managed in the process of branding strategy implementation</td>
<td>3.564</td>
<td>0.789</td>
</tr>
<tr>
<td>The hierarch in the bank (organization Structure)</td>
<td>3.321</td>
<td>0.258</td>
</tr>
<tr>
<td>The culture of the Bank</td>
<td>3.985</td>
<td>0.279</td>
</tr>
<tr>
<td>Changes in the regulatory framework</td>
<td>4.56</td>
<td>1.001</td>
</tr>
<tr>
<td>The values of the Bank</td>
<td>3.451</td>
<td>0.256</td>
</tr>
<tr>
<td>Entry of new financial institutions in the industry</td>
<td>4.989</td>
<td>0.546</td>
</tr>
<tr>
<td>Changes in the scope of services offered by the Bank</td>
<td>3.598</td>
<td>0.951</td>
</tr>
<tr>
<td>The advancements in information technology and communication</td>
<td>3.591</td>
<td>0.463</td>
</tr>
<tr>
<td>Past reputation of the Bank</td>
<td>4.210</td>
<td>0.789</td>
</tr>
<tr>
<td>Customers’ perception of the Bank</td>
<td>4.385</td>
<td>0.145</td>
</tr>
</tbody>
</table>

As indicated in table 4.5 above, the respondents strongly agreed that availability of adequate resources to finance the branding strategy and entry of new financial institutions in the industry as challenges of implementing branding strategies with means of 4.521
and 4.989 respectively. On whether commitment from senior management in the bank was a challenge of implementing branding strategies, the respondents agreed with a mean of 3.985. The respondents were neutral on whether Changes in the operating environment, the leadership style used by managers by a mean of 3.456, the organization structure by a mean of 3.354 and that the values of the bank challenged the implementation of the branding strategies with a mean of 3.451 respectively.

The respondents were asked what other challenges they had encountered when trying to implement the strategies. The respondents cited that there was lack of connection between the formulators and the implementers of the strategies. Other cited that they had not been properly oriented on the new strategies to be adopted thus posing a challenge in the implementation.

4.5.1 Influence of Challenges on Strategy Implementation

The respondents were asked to indicate the extent to which challenges faced in implementing the strategies affected the implementation of the strategies. The responses are shown in the Table 4.6.

Table 4.6: Influence of Challenges on Strategy Implementation

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Great Extent</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>Great Extent</td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td>Moderate Extent</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>Little Extent</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>No Extent</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>
From table 4.6, the respondents who said that challenges faced influenced strategy implementation to a great extent were 33%, 27% said to a great extent, 23% said to a moderate extent, 10% said to a little extent and 7% said to no extent at all.

4.6 Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions.

**Table 4.7: Summary Regression**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.825</td>
<td>0.682</td>
<td>0.651</td>
<td>0.242</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>10.966</td>
<td>4</td>
<td>2.742</td>
<td>38.851</td>
<td>0.0721</td>
</tr>
<tr>
<td>Residual</td>
<td>4.654</td>
<td>26</td>
<td>0.179</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15.620</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.7 above shows the summary of regression. R-Square (coefficient of determination) is a commonly used statistic to evaluate model fit. R-square is 1 minus the ratio of residual variability. The adjusted $R^2$ also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. 65.1% of the challenges of implementing branding strategy among commercial banks in Kenya. This shows that further study should be done on other factors not included in this study contributing 34.9% of the challenges of implementing branding strategies among commercial banks. The probability value of 0.0721 indicates that the regression relationship was highly significant in predicting the
challenges of implementing branding strategies among commercial banks in Kenya. The F critical at 5% level of significance was 2.5252 since F calculated is greater than the F critical (value = 38.851), this shows that the overall model was significant.

Table 4.8: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.717</td>
<td>5.781</td>
</tr>
<tr>
<td>Leadership Style</td>
<td>0.801</td>
<td>0.288</td>
</tr>
<tr>
<td>Inadequacy of Resources</td>
<td>0.594</td>
<td>0.196</td>
</tr>
<tr>
<td>Corporate Structure</td>
<td>0.635</td>
<td>-0.04</td>
</tr>
<tr>
<td>Organization Culture</td>
<td>0.244</td>
<td>0.207</td>
</tr>
</tbody>
</table>

The following regression equation was used:

\[ Y = 1.717 + 0.288X_1 + 0.196X_2 - 0.04X_3 + 0.207X_4 \]

Where \( Y \) = Branding Strategy Implementation, \( X_1 \) = Leadership Style, \( X_2 \) = Inadequacy of Resources, \( X_3 \) = Corporate Structure, \( X_4 \) = Organization Culture.

The regression equation above has established that taking all factors into account (Leadership Style, Inadequacy of Resources, Corporate Structure and Organization Culture) constant at zero challenges of implementing branding strategies will be 1.717. The findings presented also show that taking all other independent variables at zero, a unit increase in the leadership style adopted would lead to a 0.288 increase in the challenges of implementation of the branding strategy. Further, the findings shows that a unit increases in the inadequacy of resources would lead to 0.196 increases in the challenges of implementation of the branding strategy. In addition, the findings show that
a unit increase in corporate structure would lead to a 0.04 decrease in challenges of implementation of the branding strategy and a unit increase in the organization culture would lead to a 0.207 increase in the challenges of implementation of the branding strategy. All the variables were significant as the P-values were less than 0.05.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
The chapter presents the summary of findings, the discussion and conclusion drawn from the data findings. In addition, it presents the recommendations of the study.

5.2 Summary of Findings
From the responses the name of the bank had been applied to a moderate extent in its rebranding. The findings also revealed that the vision and the mission of the bank had been used to a great extent in its rebranding. The core values of the bank had also been used to a very great extent. Other elements that had been used to a great extent in rebranding were the reputation of the bank, culture of the bank, the corporate logo and the banks presentation to its customers. Other aspects of rebranding that the bank had adopted were upgrading to a better system that would serve customers faster and thus the convenience and taking taken a different approach in customer service by opening a full customer care support center that would see clients served faster. The responses also revealed that majority of the respondents agreed that elements of rebranding had increased customer loyalty, had increased profitability of the bank, had reduced marketing costs, and it had increased the customer base. All the respondents said it had increased customer attraction.

Majority of the respondents strongly agreed that availability of adequate resources to finance the branding strategy and entry of new financial institutions in the industry as challenges of implementing branding strategies and that commitment from senior
management in the bank was a challenge of implementing branding strategies. The findings also show that the leadership style used by managers, the organization structure and that the values of the bank challenged the implementation of the branding strategies respectively. On what other challenges they had encountered when trying to implement the strategies the study established that there was lack of connection between the formulators and the implementers of the strategies and that employees had not been properly oriented on the new strategies to be adopted thus posing a challenge in the implementation.

5.3 Discussions of Findings

The study established that the name of the bank was an important element that affected corporate rebranding to a great extent. A brand name refers to the part of the organization brand that can be pronounced and thus should be easy to remember and pronounce (Cunill, 2006). The corporate mission represents what business the organisation operates in and the vision depicts the long termed goal of the organisation. This he further argued will attract customers since it shows that the organization is clear on its goal and objectives (Bell, 2007). From the findings majority of the respondents agreed that it greatly affected the rebranding of an organization since it defines what the organization is. From the study it was also evident that logo, colours and the slogan of the banks were key in advertisement and thus should be appealing to the customers and convincing for the slogan (Hem and Iversen, 2004). The study also established that the elements of rebranding increased profitability of the bank reduced marketing cost as well as attracted new customers while retaining the old ones. According to Kotler (2006) a
strong corporate branding strategy can add significant value to the performance of the organization.

The study established that there were various challenges that the banks faced in implementing the strategies. According to Thompson (1990) Lack of resources, as was established by the study to be a challenge, poses a challenge in the implementation of strategy since it requires financial, physical, human resources and technological resources. The study also identified commitment from senior management in the bank was a challenge. However the study was not conclusive on whether leadership style used by managers was a challenge. According to Dubrin, (2001) effective leadership involves restructuring organizational architecture in a manner that motivates employees with the relevant knowledge to implement strategies in line with the objectives of the company. The study established that these challenges have an influence on the implementation of the strategies. Drucker (1994) stated that in order for successful implementation of a strategy the organization must access all the challenges.

5.4 Conclusions

In conclusion, the study found that there are various elements that affect corporate rebranding to a great extent including the name of the bank, its mission, vision, logo, the bank slogan as elements that affects corporate rebranding to a great extent. The study also concludes that the various banks have applied them in identifying and distinguishing itself.
The study concludes that the elements of rebranding have increased the customer loyalty, profitability of the bank, customer attraction and customer base. The study also concludes that elements of corporate rebranding have reduced marketing cost.

On the challenges faced the study concludes that there are various challenges that the banks face in implementing the rebranding strategies. The study also concludes that the challenges affect the strategy implementation to a great extent.

**5.5 Limitations of the Study**

The study faced the following limitations.

Foremost, the study faced time constraints since the time within which the study was to be conducted was limited. However, the researcher countered this limitation by carrying out the research across the department and management level in the organization to enable a generalization of the study findings.

Secondly, the study also faced financial limitations since it was a little expensive printing all the relevant materials and also having to visit the different banks in the different locations. The researcher handled this by ensuring the he visits the banks headquarters and branches which are mostly visited in the CBD.

**5.6 Policy Implications**

The study established that there were various elements of rebranding that affected corporate rebranding. This implies that various banks have adopted the elements of rebranding so as to implement the various rebranding strategies.
The findings also imply that implementation of the rebranding strategies has influenced the performance of the organization to a great extent. The findings also imply that implementation of these strategies has increased the profitability and customer base of the banks.

The findings also imply that there are various challenges that affect the implementations of the various branding strategies. Further they imply that these challenges affect the implementations of the strategies to a great extent.

5.7 Recommendations of the Study

From the responses on the challenges faced one of the major challenges was an increase in the number of financial institutions. In order to remain relevant in a competitive industry the firm needs to gain competitive advantage. The study recommends that the banks adopt porters’ generic strategies so as to gain competitive advantages among the competitors and create a stronger brand name.

The study also revealed that the bank faced a challenge in Customers’ perception of the Bank. The study also recommends that the banks conducts a survey from the customers so as they can identify ways in which they can create a stronger brand that appeals to them. This will help in the banks identifying the needs of the customer and thus rebranding their business to suit this needs.
5.8 Suggestions for Further Studies.

The purpose of this study was to determine challenges of implementing branding strategy among commercial banks in Kenya. The study concentrated on banks alone and thus the findings cannot be generalized among companies. The study recommends that in the future a similar study be conducted among all companies so as to generalize the study.

From the findings it was established that rebranding has an effect on the performance of the organization. The study therefore recommends that in the futures a study be conducted on the influence of rebranding on the profitability of the organization. This study will be important in determining how organizations can use rebranding to maximize profits.
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### APPENDICES

#### APPENDIX I: LIST OF COMMERCIAL BANKS IN KENYA

<table>
<thead>
<tr>
<th>Number</th>
<th>Bank Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Africa Banking Corporation Bank Ltd(Kenya)</td>
</tr>
<tr>
<td>2</td>
<td>Bank of Africa Ltd</td>
</tr>
<tr>
<td>3</td>
<td>Baroda Bank Ltd</td>
</tr>
<tr>
<td>4</td>
<td>Bank of India Ltd</td>
</tr>
<tr>
<td>5</td>
<td>Barclays Bank of Kenya Ltd</td>
</tr>
<tr>
<td>6</td>
<td>CFC Stanbic Bank Ltd</td>
</tr>
<tr>
<td>7</td>
<td>CharterHouse bank Ltd</td>
</tr>
<tr>
<td>8</td>
<td>Chase Bank Ltd (Kenya)</td>
</tr>
<tr>
<td>9</td>
<td>Citibank N.A Ltd</td>
</tr>
<tr>
<td>10</td>
<td>Commercial Bank of Africa Ltd</td>
</tr>
<tr>
<td>11</td>
<td>Consolidated Bank of Kenya Ltd</td>
</tr>
<tr>
<td>12</td>
<td>Cooperative Bank of Kenya Ltd</td>
</tr>
<tr>
<td>13</td>
<td>Credit Bank Ltd</td>
</tr>
<tr>
<td>14</td>
<td>Development Bank of Kenya Ltd</td>
</tr>
<tr>
<td>15</td>
<td>Diamond Trust Bank Ltd</td>
</tr>
<tr>
<td>16</td>
<td>Dubai Bank Kenya Ltd</td>
</tr>
<tr>
<td>17</td>
<td>Ecobank Ltd</td>
</tr>
<tr>
<td>18</td>
<td>Equatorial Commercial Bank Ltd</td>
</tr>
<tr>
<td>19</td>
<td>Equity Bank Ltd</td>
</tr>
<tr>
<td>20</td>
<td>Family Bank Ltd</td>
</tr>
<tr>
<td>21</td>
<td>Fidelity Bank Limited Ltd</td>
</tr>
<tr>
<td>22</td>
<td>Fina Bank Ltd</td>
</tr>
<tr>
<td>23</td>
<td>First Community Bank Ltd</td>
</tr>
<tr>
<td>24</td>
<td>Giro Commercial Bank Ltd</td>
</tr>
<tr>
<td>25</td>
<td>Guardian Bank Ltd</td>
</tr>
<tr>
<td>26</td>
<td>Gulf African Bank Ltd</td>
</tr>
<tr>
<td>27</td>
<td>Housing Fin. Co. of Kenya Ltd</td>
</tr>
<tr>
<td>28</td>
<td>Habib Bank Ltd</td>
</tr>
<tr>
<td>29</td>
<td>Habib Bank A.G Zurich Ltd</td>
</tr>
<tr>
<td>30</td>
<td>I&amp;M Bank Ltd</td>
</tr>
<tr>
<td>31</td>
<td>Imperial Bank Kenya Ltd</td>
</tr>
<tr>
<td>32</td>
<td>Jamii Bora Bank Ltd</td>
</tr>
<tr>
<td>33</td>
<td>Kenya Commercial Bank Ltd</td>
</tr>
<tr>
<td>34</td>
<td>K-Rep Bank Ltd</td>
</tr>
<tr>
<td>35</td>
<td>Middle East Bank Kenya Ltd</td>
</tr>
<tr>
<td>36</td>
<td>National Bank of Kenya Ltd</td>
</tr>
<tr>
<td>37</td>
<td>NIC Bank Ltd</td>
</tr>
<tr>
<td>38</td>
<td>Oriental Commercial Bank Ltd</td>
</tr>
<tr>
<td>39</td>
<td>Paramount Universal Bank Ltd</td>
</tr>
<tr>
<td>40</td>
<td>Prime Bank Ltd (Kenya)</td>
</tr>
<tr>
<td>41</td>
<td>Standard Chartered Kenya (K) Ltd</td>
</tr>
<tr>
<td>42</td>
<td>Trans National Bank Kenya Ltd</td>
</tr>
<tr>
<td>43</td>
<td>United Bank for Africa Ltd</td>
</tr>
<tr>
<td>44</td>
<td>Victoria Commercial Bank Ltd</td>
</tr>
</tbody>
</table>

(Source: CBK, 2014)
APPENDIX II: QUESTIONNAIRE

Please fill out the questionnaire in the spaces below. Kindly tick only one response

SECTION A: GENERAL INFORMATION
1. Name of the Bank (Optional)_________________________________________

2. Number of years that the Bank has been in operations
   Below 5 years ( ) 6-10 years ( ) 11-15 years ( )
   16-20 years ( ) 21-25 years ( ) 26 years and above ( )

3. State the size where the bank you work for belongs
   Tire one [ ] tire two [ ] Tire three [ ]

4. What position do you hold in the bank?
   Top level management ( )
   Middle level management ( )
   Lower level management ( )

5. How many years have you worked with this Bank?
   Below 5 years ( ) 6-10 years ( ) 11-15 years ( ) Above 16 years ( )

SECTION B: ELEMENTS OF CORPORATE BRANDING

6. Below are some of the key elements of corporate branding. Kindly indicate the extent to which the bank has applied them in identifying and distinguishing itself. Use a scale of 1-5 where 1= no extent, 2= little extent, 3= moderate extent, 4= great extent and 5= Very great extent.

<table>
<thead>
<tr>
<th>Elements of rebranding</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>The name of the Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>The Vision of the Bank</td>
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<tr>
<td>The mission of the Bank</td>
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<tr>
<td>Core Values</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Corporate logo</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Corporate colours</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
7. What other branding elements has your bank used to create a unique picture of itself?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

8. In your opinion, in what ways has unique qualities of the Bank affected its performance? (PLEASE SELECT ALL THAT APPLY).

   Increased customer base  ( )
   Increased customer loyalty ( )
   Increased customer attraction ( )
   Reduced marketing costs ( )
   Increased profitability of the Bank ( )
   Other please identify them ( )
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

SECTION C: CHALLENGES OF IMPLEMENTING BRANDING STRATEGY

9. Below are some of the common challenges in the implementation of a strategy. Kindly identify the extent to which each of these challenges has affected branding strategy in your bank. Use a scale of 1-5 where 1= no extent, 2= little extent, 3= moderate extent, 4= great extent and 5= Very great extent.

<table>
<thead>
<tr>
<th>Challenges of implementing branding strategy</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment from senior management in the Bank</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>The leadership style used by managers</td>
<td></td>
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</tr>
<tr>
<td>Changes in the operating environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
10. What other challenges apart from those identified above affect branding strategy implementation in your Bank? Please indentify them.

________________________________________________________________________

________________________________________________________________________

11. To what extent do these challenges affect branding strategy implementation in your bank?

| Very great extent | ( ) |
| Great Extent      | ( ) |
| Moderate extent   | ( ) |
| Little extent     | ( ) |
| No extent         | ( ) |
Appendix III: Banks That the Respondents Work For.

1. Bank of Africa Ltd
2. Baroda Bank Ltd
3. Bank of India Ltd
4. Barclays Bank of Kenya Ltd
5. CFC Stanbic Bank Ltd
6. CharterHouse bank Ltd
7. Chase Bank Ltd (Kenya)
8. Citibank N.A Ltd
9. Commercial Bank of Africa Ltd
10. Consolidated Bank of Kenya Ltd
11. Cooperative Bank of Kenya Ltd
12. Credit Bank Ltd
14. Diamond Trust Bank Ltd
15. Dubai Bank Kenya Ltd
16. First Community Bank Ltd
17. Giro Commercial Bank Ltd
18. Guardian Bank Ltd
19. Gulf African Bank Ltd
20. Housing Fin. Co. of Kenya Ltd
21. Habib Bank Ltd
22. Habib Bank A.G Zurich Ltd
23. I&M Bank Ltd
24. Imperial Bank Kenya Ltd
25. Jamii Bora Bank Ltd
26. Kenya Commercial Bank Ltd
27. K-Rep Bank Ltd
28. Middle East Bank Kenya Ltd
29. National Bank of Kenya Ltd
30. NIC Bank Ltd