

**THE INFLUENCE OF BRAND EQUITY ON THE CHOICE OF MARKETING  
STRATEGIES BY MANUFACTURERS OF CARBONATED DRINKS IN KENYA**

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## DECLARATION

This research project is my original work and has not been submitted for examination to any other university.

Signed.....

Date.....

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

Sign.....

Date.....

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## **DEDICATION**

This project is dedicated to my dear parents Mr. and Mrs. Paul Asuma who made me to be who I am today and never got tired of talking to me on the value of education, sacrificed our family comfort to invest in our education and endured a lot to make me a better person. To my dear children Nathan, Angela and Francis who have been my constant source of inspiration. They have given me the drive and discipline to tackle any task with enthusiasm and determination. Without their love and tolerance this project would not have been made possible.

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## **ABSTRACT**

Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers. The main objective of the study was to determine the influence of brand equity on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study adopted a descriptive survey research design in five manufacturers of carbonated drinks in Kenya, which are Coca-Cola, Keroche Breweries, EABL, Highlands and Pepsi manufacturing companies and the respondents were the Sales Managers. The study found that brand loyalty influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that brand loyalty consumers are more concerned with quality than price, are heavy spenders and are slightly more store loyal also. The study showed that brand awareness influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that promotions, specifically advertising play a critical role in creating brand awareness. The study also found that perceived quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that the variety a brand offers often serves as a quality cue and thus influences which brand consumers choose. The study further established that associations can also be formed by assumptions made on persons, logo, place, brand itself, country, distribution channels, and company. However the study concluded that brand loyalty leads to increased market share, higher profits and better goodwill among consumers. The study also concluded that to develop a strong brand equity companies have to develop a high level of brand awareness

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Nowadays, most of the consumers buy products with the help of brand rather than by inspecting the products. It means, successful marketing of product means successful marketing of the brand of that product. After producing a product, identification of the product should be given. For the brand is used to identify the product. Branding constitutes an important part of product. So, building brands requires a great deal of time, money, promotion and packaging. Thus, brand is not only a name given to a product but also a technique by which the quality or the product of various producers is differentiated (Berry, 2000). So every manufacturer or marketer is trying its best to make the consumers develop a positive attitude toward the brand of their product and buy that brand repeatedly.

Keller (1993), while working on brand equity theory noted that brand equity is considered as a positive marketing outcome due to the presence of a certain brand name associated with a particular good or service, the inference being that the intended marketing outcome would differ were it not for that same product to carry that particular name and not another or even not to carry any name at all that is if it were unbranded. In consumer utility theory, the strength of a brand, and brand equity, of an advertised brand can affect the effectiveness of the communication. This by making consumers; more willing to attend to additional communication, process the communication more favorably and ability to recall the communication and the cognitive and affective reactions that are embedded in the communication increase; Therefore, brand equity is

stated as central to the way advertising works, either as a goal in itself or as a mediator to other goals. (Keller, 2009)

In a study conducted by Jairo (2013), on factors influencing brand loyalty of carbonated drink consumers in Kenya and India the results of the study indicated that there was a statistically positive and significant relationship between product quality and brand loyalty in the two markets studied with more Indian consumers than Kenyans considering it important in making choice. There was a positive and significant correlation between brand loyalty and customer satisfaction in the two markets and it can therefore be concluded that customer satisfaction influences brand loyalty. It was also established that brand loyalty and brand name were positively correlated and significant in both Kenyan and Indian markets.

### **1.1.1 Concept of Brand**

A brand is a name, term, design, or other feature that distinguishes one seller's product from those of others. Brands are used in business, marketing, and advertising. In accounting, a brand defined as an intangible asset is often the most valuable asset on a corporation's balance sheet. Brand owners manage their brands carefully to create shareholder value, and brand valuation is an important management technique that ascribes a money value to a brand, and allows marketing investment to be managed (e.g.: prioritized across a portfolio of brands) to maximize shareholder value. Although only acquired brands appear on a company's balance sheet, the notion of putting a value on a brand forces marketing leaders to be focused on long term stewardship of the brand and managing for value (Yasin, 2007). Effective branding can result in higher sales of not

only one product, but of other products associated with that brand. Brand development takes time to produce and often times handled by a design team. For example, if a customer loves Pillsbury biscuits and trusts the brand, he or she is more likely to try other products offered by the company - such as chocolate-chip cookies, for example. Brand is the personality that identifies a product, service or company (name, term, sign, symbol, or design, or combination of them) and how it relates to key constituencies: customers, staff, partners, investors etc.

According to Mohan and Sequeira (2012), the concept of brand involves brand awareness, where customers' ability to recall and recognize the brand, the logo and the advertisements is key. It helps the customers to understand to which product or service category the particular brand belongs and what products and services sell under the brand name. It also ensures that customers know which of their needs are satisfied by the brand through its products. Brand awareness is of critical importance in competitive situations, since customers will not consider a brand if they are not aware of it. Various levels of brand awareness require different levels and combinations of brand recognition and recall: Most companies aim for top-of-mind (Keller, 2003). Top-of-mind awareness occurs when a brand pops into a consumer's mind when asked to name brands in a product category. For example, when someone is asked to name a type of facial tissue, the common answer is "Kleenex", represents a top-of-mind brand. Aided awareness occurs when consumers see or read a list of brands, and express familiarity with a particular brand only after they hear or see it as a type of memory aide. Strategic awareness occurs when a brand is not only top-of-mind to consumers, but also has distinctive qualities which consumers perceive as making it better than other brands in

the particular market. The distinction that set a product apart from the competition is also known as the unique selling point.

### **1.1.2 Concept of Brand Equity**

Brand equity is defined as “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers. Aaker (1992) posits five dimensions of brand equity; brand loyalty, brand awareness, perceived quality, brand association, and other propriety brand assets. Keller (2004), defined customer-based brand equity “as the differential effect of brand knowledge on consumer response to the marketing of the brand” This brand knowledge includes brand awareness (brand recall and recognition) and brand image (types, favorability, strength, and uniqueness of brand associations). Keller determines that “consumer based brand equity occurs when the customer is aware of the brand and holds some favorable, strong, and unique brand associations in memory”. Moreover, branding and brand management are applicable to retail brands, e.g., retail and store image, perceived retail brand association, as well as to retail brand equity measurement (Ailawadi & Keller, 2004).

To explain the phenomena of brand equity, Keller and Lehmann (2003) developed the brand value chain (BVC) model. It theoretically explains how brand related investments affect firm financial value by changing customer mindsets and subsequent market performance. Brand value creation begins with the firm’s investment in marketing programs such as product research, development, trade support, marketing communication, advertising, promotion, etc. These marketing activities affect the

consumer mindset with regard to the evaluation of the brand. The consumer mindset consists of multi-dimensional attributes, including brand awareness, associations, attitudes, attachment, activities and experiences. The outcome of these actions are reflected in market performance indicators such as price premiums, reduced price elasticities, increased market share, brand expansion into other categories, etc. Based on the brand's market performance, the financial market makes assessments and adjustments to reflect the value of the brand. Some important financial metrics are the stock price, price-earnings ratio, the overall market capitalization of the firm that owns the brand, etc. (Ambler, 2002).

Brand equity concept can be defined as three distinct elements; the total value of a brand as a separable asset when it is sold or included on a balance sheet, measure of the strength of consumers' attachment to a brand and description of the associations and beliefs the consumer has about the brand. Brand value involves actually placing a dollar or rupee value on a brand name. The reasons for doing this are usually to set a price when the brand is sold and also to include the brand as an intangible asset on a balance sheet (a practice which is not used in some countries). A brand is likely to have a much greater value to one purchaser than another depending on the synergy that exists (Keller, 2001). For acquisitions, the value of a brand to a certain purchaser is often estimated through scenario planning. This involves determining what future cash flows the company could achieve if it owned and took advantage of the brand.

### **1.1.3 Marketing Strategies**

According to Silva (2006), marketing strategy is the fundamental goal of increasing sales and achieving a sustainable competitive advantage of a brand. Marketing strategy includes all basic, short-term, and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives.

Ungvari (1999), noted that product development is due to changes in consumer preferences, increasing competition and advances in technology. This can be products that have never been introduced in the market or product innovations on new products or existing products that have been modified and improved. Successful product development strategies are as a result of leveraging three internal elements that is technical advantage and experience, marketing savvy and better understanding of the customer. The options open are divided into two basic strategic paths, either the introduction of products that are similar to current offerings called “line extension” or products that are new to the market. Line extensions can be further sub-divided into four extensions: low-end products, new generation products, breakthrough products and high end products

Market penetration strategy relates firm developments and exploitation of the knowledge and expertise in a specific market with known products (Ballowe, 2009). One of the goals is to increase present customers’ rate of use. This can be achieved through increasing the size of the purchase, maximising the rate of product obsolescence, finding new users for

the product, advertising other uses and offering incentives for increased use. Another goal is attracting the competitors' customers by establishing differentiation from them, increasing advertising efforts or reducing on the prices. Attracting new users to buy firms products is another goal that can be achieved by offering trial uses of products, price adjusting and promoting other uses to attract these customers.

Market development strategy for a current product is achieved through new users in new geographic segments, new demographic segments, new institutional segments or new psychographic segments. Research on existing customers, competitors customers, non-buying in current market segments and new segments leads to a successful market development strategy. The market development strategy checklist (MDSC) has the following elements (Weifels, 2002). The target customer is the starting point, this influences all subsequent elements of the strategy statement. Finally, Product diversification is a corporate strategy to enter into a new market or industry which the business is not currently in, whilst also creating a new product for that new market. The first three strategies are usually pursued with the same technical, financial, and merchandising resources used for the original product line, whereas diversification usually requires a company to acquire new skills, new techniques and new facilities. Product diversification involves addition of new products to existing products either being manufactured or being marketed (Kotler, 2005). Expansion of the existing product line with related products is one such method adopted by many businesses.



### **1.1.4 Carbonated Drinks Manufacturers in Kenya**

The carbonated soft drinks industry in Kenya is presently characterized by competition between various firms of varying sizes, products range and business strategies. Since independence, there has been limited competition to the Coca-Cola Company by other firms but by the 1980s, the Kenyan carbonated drinks market was a virtual monopoly. Most of these earlier competitors were confined to specific sections of the country and did not have as much reach as their main competitor. Globally, the carbonated drinks market is dominated by a few international companies which have franchises in most countries. However, the carbonated drinks market is more consolidated because the

In soft carbonated drinks, the dominant market player here is the Coca-Cola Corporation with bottling plants and marketing facilities throughout the country. On the other hand, the smaller and more recent market entrant is the Pepsi company which was incorporated in Kenya in 2012. In alcohol we have East Africa Breweries and the recently launched Keroche Breweries. From this background, it is clear therefore that the industry as a whole and its portions are quite concentrated and this provides justification for careful scrutiny of the events within the country and outside the country as these may significantly affect the industry and the consumers of its products. The Kenyan carbonated drinks market continues to see an increase in growth from local manufacturers. Kevian Kenya Ltd gained prominence in the soft drinks market with its flagship brand Afia; a brand that has gained popularity among children and young adults due to its quality, good distribution network and affordable pricing. Highlands Ltd has managed to develop effective distribution of its products, especially in rural areas where

the Club soda brand enjoys popularity. With the rising costs of living, Afia and Pepsi brands have enjoyed growing sales due to their pricing strategies.

## **1.2 Research Problem**

Brand equity comes about due to customers having greater confidence in the brand compared to competitors' brands (Lassar, 1995). Brand equity may play a role in consumers' decisions to purchase certain brands over others (Swait,1993) and understanding brand equity can help develop marketing strategies (Keller, 1993). Brand equity also plays an important role in explaining the nature of brand and line extensions and in determining the effects of the name transfer from the parent brand to the extension. Furthermore, brand equity may play an important role in co-branding. In certain co-branding situations, a well-known brand name is paired with another brand name (either well known in its own right or less well known) in order to enhance the lesser known composite product.

The general theory on company's products is that the brand equity of the original brand will help the company's products gain favor in the eyes of consumers and channel members. Branding is believed to limit the risk of entering into a new product category in which consumers may question the firm's expertise (Aaker, 1996). Keller (2002), suggested that brand names signal quality to consumers because consumers believe that firms that do not live up to their quality claims face negative consequences. A product's brand name is a cue for consumers and represents images that have been formed based on their past experience with a brand or information they have obtained about the brand. For this reason, brand equity has been described as a constellation of associations with brand

names. Consumers may have developed a variety of associations with brand names that are subsequently paired in a co-branding situation

Robert (2008), studied Brand equity, marketing strategy, and consumer income: A hypermarket study. The study found that as a result of the 2008 global economic recession, consumers have less income and have turned to less expensive brands and retail stores. On the other hand Njuguna (2014), did a study on the influence of brand equity on consumer choice in branded bottled water among supermarket customers in Nairobi central business district, Kenya. The study found that, that brand loyalty is a prominent factor which creates brand equity.

Nyambura (2011), for example, focused on branding in the banking service industry, thus the results were limited to one financial institution. Furthermore the study was based on a financial shareholder's perspective of brand equity Nyangechi (2011), on the other hand, focused on the role of perception in the buying behaviour of consumers as a result of brand equity. This study was limited to perception of consumers in elements of brand equity, which ultimately focused on the consumer's motivation for buying from a cognitive value rather than actual participation of consumption patterns and choice. As such, the Kenyan studies of brand equity have failed to address the relative importance of each brand equity variable on consumer choice and the moderating role of the industry context in influencing brand equity and consumer choice. From the above studies little has been done on the influence of brand equity on the choice of marketing strategies by large manufacturing of soft drinks in Kenya. Therefore, the study sought to answer the question; what is the influence of brand equity on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya?

### **1.3 Objective of the Study**

The objective of the study was to determine the influence of brand equity on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya

### **1.4 Value of the Study**

The government and other institutions involved in the country's policy formulation cannot overlook the manufacturing sector as one of the major contributor to the country's GDP. The findings from this study are to therefore be of importance because they will have the capacity of being used to formulate positive fiscal policies which are relevant and sensitive to the forces influencing the manufacturing industry performance and penetration in Kenya. The study enables policy makers obtain knowledge of soft drinks manufacturing industry dynamics and the appropriate marketing strategies to be applied to enhance performance and therefore obtain guidance from this study in designing appropriate policies that will regulate the industry.

The study will also sensitize the soft drinks manufacturing companies in Kenya to identifying appropriate brands and marketing strategies for enhanced performance in the soft drinks industry. The government through the industrialization ministry will use the study findings to formulate policies that would develop competitiveness of Kenyan manufacturing industry.

To the academicians the study will contribute to the existing literature in the field of branding and marketing practices and performance of soft drinks manufacturing companies. It should also act as a stimulus for further research to refine and extend the present study especially in Kenya.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter presents a review of the influence of brand equity on the choice of marketing strategies. The chapter also provides the theories underpinning the study.

### **2.2 Theoretical Foundation**

This section examines the various theories that were used to inform the study on the influence of brand equity on the choice of marketing strategies. The following theories are related to the concept of brand equity; consumer utility theory and brand equity theory

#### **2.2.1 Consumer Utility Theory**

Merwe et al (2007), assert that consumers augment the anticipated utility of individual benefit into preferences through the structuring of decisions. The consumer utility theory indicates the selected act between various options of preferences in decision making which is paramount given that selecting various preferences involves risk. Some theories such as Bernoulli utility function and Von Neumann Morgenstern utility function associated expected utility theory through analysis of risk alternatives in the context of choice.

However, the model of risky choice behaviour by the Expected Utility Theory has been criticized on several grounds. It does not explain the consistency of the individuals' decision behaviour according to familiarity with the decision weight and the level of

complexity (Hartinger, 1999) and has limitations in describing and predicting consumer behaviour that involves several and or alternative choices. The theoretical and empirical research of non-expected utility theory, obtain the criticisms of the expected utility theory as weighted utility theory suggests an approach to determine variations of individual's weight and utility function. Random utility models apply the mapping of attributes of the alternatives and decision makers in choice models (Baltas & Doyle, 2001). In turn, utility theory is acknowledged as a theory of consumers' behaviour .Utility occurs while consumers compare one product with others to increase their satisfaction and complete their enhancement of feeling by providing the material goods. That is, they are more likely to choose alternatives relying on specific cues and attributes, thus form consumer preferences. One of the models of consumer behaviour in economics is developed by Kotler, (2001).

Utility theory in consumer economics assumes that consumers will think about the choices in order to maximize the utility rationally. Consumer attains decisions account for perceived risks and consequences under conditions of uncertainty in purchase decision making (Baker, 2001). However, this economic vantage cannot fully explain purchasing behaviour in terms of choice between two or more products (Kotler, 2001). It broadly captures psychological concerns that people have but does not consider cost and benefit in terms of consumer attitudes. Utility theory in psychology states that consumer choice behaviour is predicted whether it is rational or irrational. On the other hand, Kotler (2001), claim the concern in psychology pertains to the process of preference construction for decision choices. Clearly a consumer's decision is based upon a set of motives and alternative chains of action.

### **2.2.2 Brand Equity Theory**

In the late 80's there was sufficient rise in the value based management philosophy whereby brand equity has been developed as one of the key philosophies throughout management theory and practice (Gonul & Srinivasan, 1996). However the need for a conclusive brand equity innovation has transpired to the various developments of different types of brand equity models. Currently there exist over three hundred different models worldwide. Many of these models have focused attention towards the buyer (Aaker & Joachimsthaler, 2000). However, this study focused on the consumer-based brand equity by Aaker, (1991) and Keller (1993), whose study findings indicate the differential effect brand knowledge has on consumer choices. Aaker asserts that marketers need to build a brand in a series of four steps. Firstly, markets ought to comprehend how each and every consumer is able to identify the brand that satisfies their needs, which in most cases is operationalized as awareness.

Consequently, after a brand has been identified, the consumer tends to develop a level of perception based on a product's performance and thereafter form judgement about quality. Thirdly, the cognitive and emotional attachment by consumers makes them feel a sense of belonging, making them committed and engaged which subsequently translates into loyalty. Although the three processes make sense when brand equity is traced longitudinally, in reality the first three components of brand awareness, perceived quality and brand loyalty, often do not take place sequentially at any one time (Erdem, 2006).

In parallel, brand equity research rooted in information economics draws on the imperfect and asymmetrical nature of markets (Erdem, 2006). Economic agents, in this context, are

required to transmit information about their specific characteristics by means of signals. Brand names, according to act as signals to consumers. A brand signal becomes the sum of that brand's past and present marketing activities. Imperfect and asymmetrical market information produces uncertainty in consumers' minds. A credible brand signal generates consumer value by reducing perceived risk, reducing information search costs, and creating favourable attribute perceptions. Aaker's (1991) conceptual definition has usually been used to operationally define brand equity. This model was one of the first published studies that conceptualized brand equity from the customer's perspective, combining both the attitudinal and behavioural aspects of brand equity. It probably provides the most comprehensive framework for examining brand equity. Aaker's (1991), theory of brand equity is essential for successful brand management and informed this study by providing a thorough understanding of brand equity from the customer's point of view. Brand equity is a multidimensional concept and a complex phenomenon. Keller (2002), divided it into two components: awareness and association. Aaker (1996), grouped it into five categories: perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships. Among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by consumers (Yoo & Donthu, 2001). Many researchers have widely adapted to measure customer-based brand equity in previous studies. Strong brand equity, in summary, means that customers have high brand-name awareness, maintain a favourable brand image, perceive that the brand is of high quality, and are loyal to the brand. The lack of



market evolution has generated inadequate literature materials to address the phenomenon of brand equity.

### **2.3 The relationship between Brand Equity and marketing strategies**

Powerful brands create meaningful images in the minds of consumers (Keller, 1993), with brand image and reputation enhancing differentiation and thus potentially having a positive influence on buying behaviour. Branding in consumer markets has been shown to increase a company's financial performance and long term competitive position (Mudambi, 2002). While the power of branding is widely acknowledged in consumer markets, the nature and importance of branding in industrial markets is under-researched, and in the literature which does exist, a division of academic thought is apparent.

Many business-to-business marketing strategists have claimed that brand-building belongs in the consumer realm. Mudambi (2002), argued that industrial products do not need branding as did Saunders and Watt (2002), who claimed that branding was confusing and added little value to undifferentiated industrial products. It has also been claimed that the sales-dominated nature of the industrial marketing environment is so important that brands have no place in a setting (Rosenbroijer, 2001). Others have claimed that the importance of branding in industrial contexts has increased and that brands can indeed provide a great deal of value in such an environment. Components of brand equity related to marketing strategies include;

### **2.3.1 Brand loyalty and Marketing Strategies**

Brand loyalty to specific consumers has been a big focal point of strategic marketing planning over the last years (Kotler, 1994). Strong brand can only exist given that it has a strong supply of brand loyal customers. Today this is considered to be an obvious fact, but this only first surfaced in the early 1980's. Before that time, companies mainly focused on trying to steal customers from their competitors and constantly get more customers. After this fact got the attention that it deserved, the focus shifted towards keeping already existing customers. This has become more and more important strategy since now in the times of countless offers, buyers tend to jump from one brand to the next. According to Aaker (1991), consumers tend to continue to purchase the same brand despite the demonstrated benefits (including better features, lower price or convenience) by competitors' products. Brand loyalty is believed to be one of the main components of brand equity. The more loyal customers there are the stronger position the brand has in the market and there are less vulnerable clients who would be willing to change brand they regularly purchase products from. However, Keller (2003), highlights the fact that repeated purchase does not signalize brand loyalty itself. He points out that customers make repeated purchase actions towards the same brand as they have specific habits which do not change or they are being affected by sales or other promotions.

Aaker (1991), suggests that the most effective marketing strategy would be increasing brand awareness. Aaker, has introduced the brand loyalty pyramid. The pyramid represents five levels of brand loyalty. The first basic stage is customers are do not question brand loyalty. Habitual buyers follow next. These are the customers who

purchase a brand out of the habitude and do not see a need to change a brand. However, these buyers may change a brand if they face some troubles. The buyer would relatively purchase another brand instead of solving additional problems stopping from purchasing a regular brand. Higher levels of customers are satisfied buyers with switching costs in the pyramid. These customers are satisfied clients who tend to switch to another brand due to thresholds risen (i.e. distance, additional costs, time consumption, etc.). In order to retain clients and attract new buyers marketers are encouraged to create strategy based on increasing perceived quality. Brand likers follow next. Robert (2008), names this level as true brand enthusiasts. Customers' preference is mostly based on experience which brings emotional benefits. The most loyal customers are committed buyers. The brand plays important role in their lives and they do not raise question about switching the brand. Committed buyers purchase the brand due to ties closely related between brand and personal values. The best marketing strategy retaining this customer segment that Berry (2000), suggests is loyalty programs. This could be done by providing loyalty cards, loyalty points program, and etc.

### **2.3.2 Brand Awareness and Marketing Strategies**

Brand awareness refers to the ability of a potential customer to recognize the brand while categorizing the brand to a specific class. It is believed that brand awareness is one of the main subjects to pay attention to in brand equity. To second, according to Shimp (2010), from the consumer's point, a brand has no equity unless customer is at least aware of the brand. The recall of brand awareness is based on a continuum where the brand recognition is in the lowest level and the highest level where the named brand is going

along with unaided cancellation. As for the product, it is important to be recognized and reach awareness level among other similar or identical items while the potential consumer is making purchase decisions. According to Blackwell (2001), the product needs to be in the set of awareness before the consideration stage is being reached. It is believed that brands with a higher level of recognition would be more likely purchased than the ones with no recognition. Moreover, brand awareness is an initial goal for new brands. Based on Hoyer (1990), this is an explanation why customers buy well-known brands rather than unknown ones.

The Yoo and Donthu (2001), study on ‘the importance of brand equity on purchasing consumer durables: an analysis of home air-conditioning’ findings indicated that having a brand name facilitates the communication of quality to the customers, but was not an important choice criterion. However, dealers were highly influential during the decision-making process by helping consumers to refine their choice criteria and choose systems that satisfied their end goals.

Aaker (1991), has presented the brand awareness pyramid where four levels of brand awareness are introduced. First level is brand unawareness. Customers do not recognize the brand and have no initial interest to become loyal to the brand that is not known. Second level is brand recognition. Brand recognition represents relatively casual level of awareness.

Lastly, Yasin (2007), has introduced the top level of brand awareness. The Top of Mind level is the brand awareness stage where company’s brand is the first brand that consumers recall.

### **2.3.3 Perceived quality and Marketing Strategies**

The third important attribute of brand equity is perceived quality. According to Aaker (1991), perceived quality is the market's perception about the overall quality of the product. The perception about the product quality is subjective and it is constructed by different knowledge of the same product specification. Based on Kirmani and Zeithaml (1993), while building brand equity managers attempt to influence customers' perception about quality. By doing this managers develop a positive brand image. Perceived quality can demonstrate better position in the market and create for the customer a reason to buy while extra price would not be considered as negative factor. According to DeLong (2004), perceived quality can be counted as a determinant for brand loyalty and repeatedly made purchases.

Perceived quality could be specified and classified into two factors – product quality and service quality. Product quality is divided into seven dimensions, which as believed by DeLong (2004), may affect consumer's perception about the product's quality. In regards with a product, quality dimensions are performance, reliability, conformance with specifications, features, service ability, perfect fit and finish.

### **2.3.4 Brand Association and Marketing Strategies**

According to Keller (2001), brand association is considered to be as a link between a customer's memory, market and the brand. Keller (2003) adds that, brand equity is supported by the client's association towards the brand which creates a specific and unique brand image. As for products, considered as tangible items, the intangible

specialties (for example, innovativeness and etc.) are included in brand association. According to Keller (2003), brand association could be divided into three sections such as attributes, benefits and attitudes. Attribute is the category where specific characteristics of the product are shown. Attributes could be categorized into product-related and non-product-related attributes. Product-related attributes are considered as general features of the product (i.e. physical make-up of particular good) whereas non-product-related attributes are the ones which are considered as packaging, price and etc. Benefits are the second category of the brand association. Recent category could be classified into functional the physical advantages, experimental related to consumers' emotional behaviour and symbolic how eye-catching the brand is to the customer. Lastly, the attitude category describes the overall evaluation about the brand – how customers feel about the brand in a long-term perspective evaluating from negative to positive scale (Gabbott & Hogg, 1998).

## **2.5 Summary of Literature Review**

While the majority of research has been conducted on conceptualizing brand equity from the consumer perspective, there are a few empirical studies that mention how to actually measure brand equity in relation to marketing strategies. Consumer-based brand equity, as mentioned above, is a multidimensional construct consisting of various attitudinal and behavioural components. However, most customer-based brand equity models are measured by attitudinal aspects. For example, the most common constructs of measurement models are brand awareness, brand image or brand association

Although most of the research is based on Aaker's model for measuring consumer based brand equity, there are some different findings among these research results that look at marketing. For example, Yoo et al., (2001) found that brand association and brand awareness were not significantly discriminant: these two concepts were added to others factors called perceived quality, Brand loyalty, and other proprietary brand assets awareness. However, this finding is challenged by other results, which show a distinction between brand awareness and brand association Moreover, the measurement of each component of brand equity has been treated differently in the empirical tests of Aaker's model. For example, brand awareness was measured using a single measure in the Baker, (2001) study, while it was treated as a multidimensional scale in other studies by (Yoo et al., 2001) This illustrates one of the gaps in the literature on branding and marketing strategies, which has not yet reached a consensus definition and measurement of customer-based brand equity.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter provides a discussion of the outline of the research methodology that was used in this study. It focuses on the research design, data collection methods and comes to a conclusion with the data analysis and data presentation methods that were used in this study.

### **3.2 Research Design**

The study adopted a descriptive survey research design. Mugenda and Mugenda (2003) describes descriptive research design as a systematic, empirical inquiring into which the researcher does not have a direct control of independent variable as their manifestation has already occurred or because the inherently cannot be manipulated. Descriptive studies are concerned with the what, where and how of a phenomenon hence more placed to build a profile on that phenomenon (Mugenda and Mugenda, 2003). Descriptive research design is more appropriate because the study seeks to determine the influence of brand equity on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya.

### **3.3 Target Population**

According to Cooper and Schindler (2006), target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. The target population usually has varying characteristics and it is also known as the theoretical population. According to Ngechu (2004), a population is a well-defined or set



of people, services, elements, and events, group of things or households that are being investigated. The target population for this study was all manufacturers of carbonated drinks in Kenya, currently there are five major companies which are Coca-Cola, Keroche Breweries, EABL, Highlands and Pepsi manufacturing companies (KAM, 2014).

### **3.4 Data Collection**

The study used secondary data collected from the five companies. The use of secondary data is justified on the basis that some of these sources have information that is very pivotal to this study and has been vetted and accepted. The primary data will be collected using a questionnaires which were administered to marketing and sales managers. This involved in-depth discussion through individual meetings with the managers of the five manufacturing companies. With unstructured questions, a respondent's response may give an insight to his feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back (Cooper and Schindler, 2006). The secondary data will be collected from company records.

### **3.5 Data Analysis**

Freund (2001), underscores that the main objective of any statistical investigation is to determine relationships that make it feasible to predict one or more variables in terms of other variables. The obtained data was analyzed using Microsoft Excel and the Statistical Package for Social Sciences (SPSS) and was be presented in tables and mean, to enable effective and efficient interpretation. The researcher collected data on marketing strategies by manufacturers of carbonated drinks in Kenya. Using this data, the

researcher conducted a regression analysis to establish the influence of brand equity on the choice of marketing strategies.

The study applied the following regression model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu$$

Where Y = Choice of Marketing Strategies

$X_1$  = Brand Loyalty

$X_2$  = Brand Awareness

$X_3$  = Perceived Quality

$X_4$  = Brand Association

E = Error Term

$\beta_1 - \beta_4$  are the regression co-efficient or change introduced in Y by each independent variable

$\mu$  is the random error term accounting for all other variables that affect marketing strategies but not captured in the model.

The researcher carried out a T-test at 95% confidence level to establish the significance of the independent variable in explaining the changes in the dependent variable.

## **CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

### **4.1 Introduction**

This chapter presents the analysis and interpretation of the data collected pertaining to the study's research objectives. It explains how the data has been analyzed and findings and interpretations of the same. Descriptive and inferential statistics were used in the analysis of the data obtained, presented in tables and explanations given in prose. The findings are summarized and presented in their respective sections covering respondent profiles and extent to which brand equity influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya.

### **4.2: Demographic Information**

#### **4.2.1 Gender Distribution**

The study sought to establish the gender distribution of the respondents, from the research findings the study revealed that majority of the respondents as shown by 70% were males whereas 30% of the respondents were females. This this implies that respondents were fairly distributed in terms of their gender.

**Table 4. 1 : Gender Distribution**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Males	7	70
Females	3	30
Total	10	100

**Source: Researcher (2015)**

#### 4.2.2 Level of Education

On respondents' highest level of education attained, the study revealed that majority of the respondents as shown by 60% had attained, bachelor's degree or master's degree whereas 20% of the respondents had attained college diploma certificates. This implies that respondents were well educated and therefore they were in position to respond to the research questions with ease.

**Table 4. 2 : Level of Education**

<b>Level of education</b>	<b>Frequency</b>	<b>Percentage</b>
College	2	20
University	6	60
Master	2	20
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

#### 4.2.3 Period of Service

The study sought to establish the period which the respondents had served for in the company. From the research findings, the study revealed that majority of the respondents as shown by 60 % had served the company for more than 9 years whereas 20 % of the respondents had served the company for a period of 6 to 8 years or 3 to 5 years. There were no respondents who indicated to have served the company for less than 2 years. This implies that majority of the respondents had served the company for a considerable period of time and thus they were in a position to give credible information rating to this research

**Table 4. 3: Period of Service**

<b>Period of Service</b>	<b>Frequency</b>	<b>Percentage</b>
3 to 5 years	2	20
6 to 8 years	2	20
9 years and above	6	60
<b>Total</b>	<b>5</b>	<b>100</b>

**Source: Researcher (2015)**

#### **4.2.4 Management Level**

On respondent's level of management, the study revealed that majority of the respondents as shown by 60% were from the top management level, 30 % of the respondents were from the middle management level whereas 10% of the respondents were from the lower management level. This implies that respondents were fairly drawn from all level of management.

**Table 4. 4: Management Level**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percentage</b>
Top management	6	60
Middle level management	3	30
Lower management level	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

#### **4.3 Brand Loyalty**

The research sought to establish whether brand loyalty influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya, from the research findings majority of the respondents as shown by 80% were of the opinion that brand loyalty

influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya whereas 20% were of contrary opinion. This implies that brand loyalty influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that brand loyal consumers are more concerned with quality than price, are heavy spenders and are slightly more store loyal also. This concurs to Keller (2003), that customers make repeated purchase actions towards the same brand as they have specific habits which do not change or they are being affected by sales or other promotions.

**Table 4. 5: Influence of Brand Loyalty on Choice of Marketing Strategies**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	8	80
No	2	20
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

**Table 4.6: Extent to Which Brand Loyalty Influences the Choice of Marketing Strategies**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Very great extent	3	30
Great extent	4	40
Moderate extent	2	20
Little extent	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

The study sought to determine the extent which Brand Loyalty influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya, from the research findings most of the respondents as shown by 40% indicated that which Brand Loyalty influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya to a great extent, 30% of the respondents indicated to a very great extent, 20 % of the respondents indicated to moderate extent whereas 10% of the respondents indicated to a little extent. This implies that Brand Loyalty influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya to a great extent.

**Table 4.7: Statements Relating to Influence of Brand Loyalty on the Choice of Marketing Strategies**

Statement	Mean	Std deviation
Brand loyalty has an influence on consumer behavior thus spending.	4.43	0.23
It is important for manufacturers of carbonated drinks to build brands that can compete with the major branded products on retail shelves.	4.21	0.25
To build brand loyalty, companies should engage in strong advertising and marketing campaigns so as to influence consumers	4.10	0.24
building loyalty by offering quality products or undercutting another company's brand loyalty can improve market share	4.62	0.28
The importance of brand loyalty leads to increased market share, higher profits and better goodwill among consumers	4.34	0.20
Brand loyalty allows a company to market and advertise its goods or services in the market	4.52	0.29

The study sought to establish the extent to which respondents agreed with the above statements relating to influence of brand loyalty on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. From the research findings, majority of the respondents strongly agreed that; building loyalty by offering quality products or undercutting another company's brand loyalty can improve market share as shown by a mean of 4.62, brand loyalty allows a company to market and advertise its goods or services in the market as shown by a mean of 4.52. Others agreed that brand loyalty has an influence on consumer behavior thus spending as shown by a mean of 4.40, the importance of brand loyalty leads to increased market share, higher profits and better goodwill among consumers as shown by a mean of 4.34, it is important for manufacturers of carbonated drinks to build brands that can compete with the major branded products on retail shelves, to build brand loyalty as shown by a mean of 4.21 and companies should engage in strong advertising and marketing campaigns so as to influence consumers as shown by a mean of 4.10. The study further revealed that brand loyalty has an influence on consumer behaviour, so it is important for manufacturers of carbonated drinks to build brands that can compete with the major branded products on retail shelves. Consumers who shop by price will tend to look for bargains in all categories, this concurs with Aaker (1991), who noted that consumers tend to continue to purchase the same brand despite the demonstrated benefits (including better features, lower price or convenience) by competitors' products. Brand loyalty is believed to be one of the main components of brand equity.



#### 4.4 Brand Awareness

The research sought to establish whether brand awareness influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya, from the research findings majority of the respondents as shown by 60% were of the opinion that brand awareness influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya whereas 40% were of contrary opinion. This implies that brand awareness influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that promotions, specifically advertising play a critical role in creating brand awareness. The brand with the higher advertising budget yields substantially higher levels of brand equity. In turn, the brand with the higher equity in each (product) category generated significantly greater performance and purchase intentions, this concurs with Shimp (2010), who noted that from the consumer's point, a brand has no equity unless customer is at least aware of the brand. The recall of brand awareness is based on a continuum where the brand recognition is in the lowest level and the highest level where the named brand is going along with unaided cancellation.

**Table 4.8: Influence of Brand Awareness on the Choice of Marketing Strategies**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	6	60
No	4	40
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

**Table 4.9: Extent to Which Brand Awareness Influence the Choice of Marketing Strategies by Manufacturers of Carbonated Drinks in Kenya?**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Very great extent	3	30
Great extent	6	60
Moderate extent	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

The study sought to determine the extent which brand awareness influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya, from the research findings most of the respondents as shown by 60% indicated that which brand awareness influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya to a great extent, 30% of the respondents indicated to a very great extent whereas 10% of the respondents indicated to moderate extent. This implies that brand awareness influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya to a great extent.

**Table 4.10: Statements Relating To Influence of Brand Awareness on the Choice of Marketing Strategies**

<b>Statement</b>	<b>Mean</b>	<b>Std deviation</b>
Creating brand awareness is usually the first step in building advertising objectives.	4.32	0.23
Raising brand awareness helps to reinforce brand loyalty,	4.01	0.19

Repetition of the brand message through regular advertising is important.	4.25	0.22
Strong brand has a clear competitive advantage as it is difficult for competitors to copy	4.51	0.25
The highest level of brand awareness is top of mind awareness	4.42	0.23
To develop a strong brand equity companies have to develop a high level of brand awareness	4.63	0.28

The study sought to establish the extent to which respondents agreed with the above statements relating to influence of brand awareness on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya from the research findings, majority of the respondents strongly agreed that to develop a strong brand equity companies have to develop a high level of brand awareness as shown by a mean of 4.63, strong brand has a clear competitive advantage as it is difficult for competitors to copy as shown by a mean of 4.51, the highest level of brand awareness is top of mind awareness as shown by a mean of 4.42 further the respondents agreed that creating brand awareness is usually the first step in building advertising objectives as shown by a mean of 4.32, repetition of the brand message through regular advertising is important as shown by a mean of 4.25, and that raising brand awareness helps to reinforce brand loyalty as shown by a mean of 4.01. The study further revealed that effective marketing communications efforts increase the level of confidence regarding the product's expected performance.

#### **4.5 Perceived Quality**

The research sought to establish whether perceived quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya, from the research

findings majority of the respondents as shown by 90% agreed that perceived quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya whereas 10% were of contrary opinion. Specifically, brands that offer a greater variety of options that appear compatible and require similar skills tend to be perceived as having greater category expertise or core competency in the category, which, in turn, enhances their perceived quality and purchase likelihood. This concurs to Kirmani and Zeithaml (1993), while building brand equity managers attempt to influence customers' perception about quality. By doing this managers develop a positive brand image.

**Table 4.11: Influence of Perceived Quality the Choice of Marketing Strategies**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	9	90
No	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

**Table 4.12: Extent to Which Perceived Quality Influence the Choice of Marketing Strategies**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Very great extent	3	30
Great extent	5	50
Moderate extent	1	10
Little extent	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

The study sought to determine the extent which perceived quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya, from the research findings most of the respondents as shown by 50% indicated that which perceived quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya to a great extent, 30% of the respondents indicated to a very great extent whereas 10% of the respondents indicated to moderate extent or little extent. This implies that perceived quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya to a great extent.

**Table 4.13: Statements Relating to Influence of Perceived Quality on the Choice of Marketing Strategies**

Statement	Mean	Std deviation
Self-perception by customers relates to values and motivations that drive buying behavior	4.42	0.23
Consumers' self-perception is driving factor in whether or not they placed a priority on socially conscious purchase and consumption practices.	4.53	0.26
price perception strongly influences whether customers are satisfied with their purchases	4.26	0.24
Success of a product is largely based on whether customers believe it can satisfy their needs.	4.31	0.22
Knowing what customers think and want gives a firm a better ability to influence them	4.12	0.19

The study sought to establish the extent to which respondents agreed with the above statements relating to influence of perceived quality on the choice of marketing strategies

by manufacturers of carbonated drinks in Kenya from the research findings, majority of the respondents strongly agreed that Consumers' self-perception is driving factor in whether or not they placed a priority on socially conscious purchase and consumption practices as shown by a mean of 4.53, further the respondents agreed that Self-perception by customers relates to values and motivations that drive buying behavior as shown by a mean of 4.42, Success of a product is largely based on whether customers believe it can satisfy their needs as shown by a mean of 4.31, price perception strongly influences whether customers are satisfied with their purchases as shown by a mean of 4.26 and that the Knowing what customers think and want gives a firm a better ability to influence them as shown by a mean of 4.12.

The study further revealed that perceived brand quality is a component of brand value, which leads consumer to choose a particular brand rather than any other competing brands and is important in determining consumer preferences towards global and local brand. This concurs to Ballowe (2009), who noted that customers choose one product over another when they are informed by where this product is made from what is more.

#### **4.6 Brand Association**

The research sought to establish whether brand association influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya, from the research findings majority of the respondents as shown by 70% were of the opinion that brand association influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya whereas 30% were of contrary opinion. This implies that brand

association influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya.

The study further established that associations can also be formed by assumptions made on persons, logo, place, brand itself, country, distribution channels, and company. Therefore marketers should be aware of the impact of these various channels and sources of information as well as try to get advantage by designing an appropriate and integrated communication strategy. This concurs to Kotler (2005), that these associations are assumed to be a basis for future purchases or even as a stimulator to attract loyal customers to the brand. Associations about the brand can help to create or improve the value of the brand to the same level as loyal customers.

**Table 4.14: Influence of Brand Association on the Choice of Marketing Strategies**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	7	70
No	3	30
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

The study sought to determine the extent which brand association influence the choice of marketing strategies by manufacturers of carbonated drinks in kenya, from the research findings most of the respondents as shown by 60% indicated that which brand association influence the choice of marketing strategies by manufacturers of carbonated drinks in kenya to a great extent, 20% of the respondents indicated to a very great extent whereas 10 % of the respondents indicated to moderate extent or little extent . This implies that

brand association influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya to a great extent.

**Table 4.15: Influence of Brand Association on the Choice of Marketing Strategies**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Very great extent	2	20
Great extent	6	60
Moderate extent	1	10
Little extent	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Researcher (2015)**

**Table 4.16: Statements Relating to Influence of Brand Association on the Choice of Marketing Strategies**

<b>Statement</b>	<b>Mean</b>	<b>Std deviation</b>
Associations can also help in the inter pretention of facts	4.17	0.25
Celebrity endorsers, symbols, and slogans can in the right context elicit positive feelings towards the brand	4.46	0.24
Brand associations are vital in creating value for the company since the host of different brand associations provides value to in different ways.	4.53	0.26
Brand association can serve as an information chunk that can help the decision maker to cope with the otherwise large amount of inform action that the consumer may have difficulties accessing and processing.	4.21	0.22



Plenty of brand associations provides the decision maker with reason to buy or consume the brand	4.62	0.23
Brand associations are interlinked and can stimulate positive attitudes that are transferred to the brand.	4.33	0.21

The study sought to establish the extent to which respondents agreed with the above statements relating to influence of brand association on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya from the research findings, majority of the respondents strongly agreed that plenty of brand associations provides the decision maker with reason to buy or consume the brand as shown by a mean of 4.62, brand associations are interlinked and can stimulate positive attitudes that are transferred to the brand as shown by a mean of 4.33 ,brand association can serve as an information chunk that can help the decision maker to cope with the otherwise large amount of inform action that the consumer may have difficulties accessing and processing as shown by a mean of 4.21.

The study further revealed that brand associations have a positive influence on consumer choice, preferences and intention of purchase, their willingness to pay a price premium for the brand, accept brand extensions and recommend the brand to others this concurs to Kotler (2005), that different brands have various associations to present and potential clients and these associations are assumed to be a basis for future purchases or even as a stimulator to attract loyal customers to the brand.

#### 4.7 Marketing Strategies

**Table 4.17: Statements on the Choice of Marketing Strategies**

Statement	Mean	Std deviation
Successful marketing of product means successful marketing of the brand of that product	4.53	0.29
Marketing strategy is the fundamental goal of increasing sales and achieving a sustainable competitive advantage	4.17	0.24
Brand equity also plays an important role in explaining the nature of brand and line extensions	4.34	0.22
Brand equity is supported by the client's association towards the brand which creates a specific and unique brand image	4.27	0.23

The study sought to establish the extent to which respondents agreed with the above statements relating to the choice of marketing strategies by manufacturers of carbonated drinks in Kenya from the research findings, majority of the respondents strongly agreed that Successful marketing of product means successful marketing of the brand of that product as shown by a mean of 4.53, the respondents further agreed brand equity also plays an important role in explaining the nature of brand and line extensions as shown by a mean of 4.34, brand equity is supported by the client's association towards the brand which creates a specific and unique brand image as shown by a mean of 4.27 and that that marketing strategy is the fundamental goal of increasing sales and achieving a sustainable competitive advantage as shown by a mean of 4.17

## 4.8 Regression Analysis

**Table 4.18: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.851 <sup>a</sup>	.724	.721	.12325

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. From the findings in the table above the value of adjusted R squared was 0.721 an indication that there was variation of 72.1% on the choice of marketing strategies due to changes in brand loyalty, brand awareness, perceived quality and brand association at 95% confidence interval. This shows that 72.1 % changes in choice of marketing strategies could be accounted to changes in brand loyalty, brand awareness, perceived quality and brand association. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table below there was a strong positive relationship between the study variables as shown by 0.851.

**Table 4.19: ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	3.488	4	.872	6.760	.028 <sup>b</sup>
Residual	.645	5	.129		
<b>Total</b>	<b>4.133</b>	<b>9</b>			

From the ANOVA statics in the table below, the processed data, which is the population parameters, had a significance level of .028% which shows that the data is ideal for making a conclusion on the population parameters as the value of significance (p-value )

is less than 5%. The calculated value was greater than the critical value (6.760 > 3.630) an indication that there were significant difference between dependent variable (choice of marketing strategies) and independent variables (brand loyalty, brand awareness, perceived quality and brand association).

**Table 4.20: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.818	.157		5.210	.015
Brand loyalty	.325	.107	.312	3.037	.003
Brand awareness	.495	.112	.452	4.420	.011
Perceived quality	.471	.121	.455	3.893	.016
Brand association	.442	.102	.412	4.333	.019

The established regression equation was

$$Y = 0.818 + 0.325 X_1 + 0.495 X_2 + 0.471 X_3 + 0.442 X_4 + e$$

From the above regression equation, it was revealed that brand loyalty, brand awareness, perceived quality and brand association to a constant zero, the choice of marketing strategies by manufacturers of carbonated drinks in Kenya would stand at 0.818, a unit increase in brand loyalty would lead to increase in the choice of marketing strategies by manufacturers of carbonated drinks in Kenya by a factor of 0.325. A unit increase in brand awareness would lead to increase in choice of marketing strategies by manufacturers of carbonated drinks in Kenya by factors of 0.495 a unit increase in perceived quality would lead to increase in choice of marketing strategies by manufacturers of carbonated drinks in Kenya by a factor of 0.471 and unit increase in

brand association would lead to increase in choice of marketing strategies by manufacturers of carbonated drinks in Kenya by a factor of 0.442. The study further revealed that brand loyalty, brand awareness, perceived quality and brand association were statistically significant to affect the choice of marketing strategies, as all the p value (sig) were less than 0.05%. The study also found that there was a positive relationship between choice of marketing strategies and brand loyalty, brand awareness, perceived quality and brand association.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents a summary of the findings, discussion, conclusions and recommendations drawn in relation to the study objectives in addition to suggestions for further study.

### **5.2 Summary of the Findings**

The study revealed that brand loyalty influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that brand loyal consumers are more concerned with quality than price, are heavy spenders and are slightly more store loyal also. This concurs to Keller (2003), that customers make repeated purchase actions towards the same brand as they have specific habits which do not change or they are being affected by sales or other promotions.

The study showed that brand awareness influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that promotions, specifically advertising play a critical role in creating brand awareness. The brand with the higher advertising budget yields substantially higher levels of brand equity. In turn, the brand with the higher equity in each (product) category generated significantly greater performance and purchase intentions, this concurs with Shimp (2010), who noted that from the consumer's point, a brand has no equity unless customer is at least aware of the brand. The recall of brand awareness is based on a continuum where the brand recognition is in the lowest level and the highest level where the named brand is going along with unaided cancellation.

The research revealed that perceived quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that the variety a brand offers often serves as a quality cue and thus influences which brand consumers choose. Specifically, brands that offer a greater variety of options that appear compatible and require similar skills tend to be perceived as having greater category expertise or core competency in the category, which, in turn, enhances their perceived quality and purchase likelihood. This concurs to Kirmani and Zeithaml (1993), while building brand equity managers attempt to influence customers' perception about quality. By doing this managers develop a positive brand image.

The study revealed that brand association influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study further established that associations can also be formed by assumptions made on persons, logo, place, brand itself, country, distribution channels, and company. Therefore marketers should be aware of the impact of these various channels and sources of information as well as try to get advantage by designing an appropriate and integrated communication strategy. This concurs to Kotler (2005), that these associations are assumed to be a basis for future purchases or even as a stimulator to attract loyal customers to the brand. Associations about the brand can help to create or improve the value of the brand to the same level as loyal customers.

### **5.3 Conclusion**

The importance of brand loyalty leads to increased market share, higher profits and better goodwill among consumers. The study revealed that brand loyalty has a great influence on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya since customers make repeated purchase actions towards the same brand as they have specific habits which do not change or they are being affected by sales or other promotions.

Consumers' self-perception is driving factor in whether or not they placed a priority on socially conscious purchase and consumption practices. The research revealed that perceived quality influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya positively. Variety a brand offers often serves as a quality cue and thus influences which brand consumers choose.

Plenty of brand associations in manufacturers of carbonated drinks in Kenya provide the decision maker with reason to buy or consume the brand. Marketers should be aware of the impact of these various channels and sources of information as well as try to get advantage by designing an appropriate and integrated marketing strategy. The study concluded that brand association has a positive influence on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya

Son (2010), described brand loyalty as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, causing a repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. The study also established that brand loyal consumers are more concerned with quality than price, are heavy spenders and are



slightly more store loyal also. This concurs to Keller (2003), that customers make repeated purchase actions towards the same brand as they have specific habits which do not change or they are being affected by sales or other promotions. Consumers who shop by price will tend to look for bargains in all categories, this concurs with Aaker (1991), who noted that consumers tend to continue to purchase the same brand despite the demonstrated benefits (including better features, lower price or convenience) by competitors' products. Brand loyalty is believed to be one of the main components of brand equity.

The study showed that brand awareness influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that promotions, specifically advertising play a critical role in creating brand awareness. The brand with the higher advertising budget yields substantially higher levels of brand equity. In turn, the brand with the higher equity in each (product) category generated significantly greater performance and purchase intentions, this concurs with Shimp (2010), who noted that from the consumer's point, a brand has no equity unless customer is at least aware of the brand. The recall of brand awareness is based on a continuum where the brand recognition is in the lowest level and the highest level where the named brand is going along with unaided cancellation. The study also concurred with Koniewski (2012), on how to develop strong brand equity. Brand awareness reflects the customers' knowledge and capacity to recognize a brand. The level of brand awareness is heavily affected by the synergy of the brand name itself and the attached symbols, imagery and brand slogan within the given condition (Aaker, 1996). The reason brand awareness affects the consumers' buying behaviour is because it represents the main factors for including a

brand in the consumers' evoked set. The evoked set is the group of relevant brands a consumer chooses between when thinking about purchasing a product.

The research revealed that perceived quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study also established that the variety a brand offers often serves as a quality cue and thus influences which brand consumers choose. This concurs to Kirmani and Zeithaml (1993), while building brand equity managers attempt to influence customers' perception about quality. By doing this managers develop a positive brand image.

The study found that price perception strongly influences whether customers are satisfied with their purchases this concurs to Bruks and Naylar (2000), a consumer's perceived brand quality improves financial gains for a company as it increases customer's satisfaction and loyalty. The most common parameters used to assess the quality of a product are user friendliness, durability, serviceability, excellent performance and prestige features. The findings of this study also concurs to Ballowe (2009), literature on markets tend to make purchases according to their beliefs formed by stereotypes. This means that customers choose one product over another when they are informed by where this product is made from what is more, according to Ballowe (2009), perceived quality could be evaluated by the price of the product. It has been investigated that a customer with a lack of knowledge about the brand has a different perception about the quality when the two different prices were indicated.

The study revealed that brand association influences the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. The study further established that

associations can also be formed by assumptions made on persons, logo, place, brand itself, country, distribution channels, and company. Therefore marketers should be aware of the impact of these various channels and sources of information as well as try to get advantage by designing an appropriate and integrated communication strategy. This concurs to Kotler (2005), that these associations are assumed to be a basis for future purchases or even as a stimulator to attract loyal customers to the brand. Associations about the brand can help to create or improve the value of the brand to the same level as loyal customers.

The study findings also concurred to Kotler (2005) who explained different brands have various associations to present and potential clients. These associations are assumed to be a basis for future purchases or even as a stimulator to attract loyal customers to the brand. Associations about the brand can help to create or improve the value of the brand to the same level as loyal customers. Consumers, when faced with many brands, can forget one brand over another, but associations derived from their memories can help while they make purchasing decisions. Also, the customer having associations about the certain brand can distinguish from other ones and chose the brand which brought most positive or pleasant memories of purchasing experiences.

#### **5.4 Recommendations**

The study recommends that marketing managers at companies manufacturing of carbonated drinks in Kenya should engage in strong advertising and marketing campaigns so as to influence consumers to build brand loyalty. Building loyalty by

offering quality products or undercutting another company's brand loyalty can improve market share.

The study recommends that the policy makers in the government should make policies that are favourable towards brand equity in Kenya. The policies should focus on favoring products that match well to the changing environment so that there can be production enhancing brand awareness that suit different cadre of people thus enhancing the overall development in Kenya.

The study recommends that the management of companies manufacturing carbonated drinks in Kenya should manufacture quality products. Consumer's perceived brand quality improves financial gains for a company as it increases customer's satisfaction and loyalty. Therefore the study recommends quality products which will lead to more financial gains in the company.

The study recommends that the managers of companies manufacturing carbonated drinks in Kenya should incorporate proper brand associations because brand associations are vital in creating value for the company since the host of different brand associations provides value to in different ways.

### **5.5 Limitations of the Study**

This study has several limitations. The study was limited to five manufacturing companies of carbonated drinks in Kenya. A more comprehensive examination of the influence of brand equity on the choice of marketing strategies would be achieved if other companies are involved in the study. This would offer insight into the way influence of

brand equity on the choice of marketing strategies is related to other levels of governance of other companies.

Data collection was limited to primary sources. The study would gain better insight into the influence of brand equity on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya by collecting secondary data of these companies.

### **5.6 Suggestions for Further Research**

Due to the importance of having high quality marketing strategies, further studies should explore the areas that relate to brand equity. This will go along incorporating other marketing strategies hence maximizing profits for companies.

This study examined the the influence of brand equity on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. There is a need for further studies to carry out similar tests for other companies.

The study variables accounted for 72.1% further studies should be done on looking for other components of brand equity influencing the choice of marketing strategies. Further studies should on the effectiveness of sports sponsorship as a marketing strategy o market performance

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**APPENDIX I QUESTIONNAIRE**

**Section: A: Demographic Information**

1. Gender

Male ( ) female ( )

2. Please indicate the highest level of education attained? (Tick as applicable)

College [ ]

University [ ]

Degree [ ]

Master [ ]

Others (specify)

.....

3. Indicate your period of service

Below 2 years ( ) 3 to 5 years ( )

6 to 8 years ( ) 9 years and above ( )

4. Indicate your management level

Top management ( )

Middle level management ( )

Lower management level ( )

**Section: B. Brand Loyalty**

5. Does Brand Loyalty influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya?

Yes ( ) No ( )

6b If yes, kindly explain

.....

.....

3. To what extent does Brand Loyalty influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya?

- Very great extent ( )
- Great extent ( )
- Moderate extent ( )
- Little extent ( )
- No extent ( )

4. Indicate your level of agreement with the following statements relating to influence of Brand Loyalty on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya? Key (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

Statements	Strongly Disagree	Disagree	moderately agree	Agree	strongly agree
Brand loyalty has an influence on consumer behavior thus spending.					
It is important for manufacturers of carbonated drinks to build brands that can compete with the major branded products on retail shelves.					
To build brand loyalty, companies should engage in strong advertising and marketing campaigns so as to influence consumers					
building loyalty by offering quality products or undercutting another company's brand loyalty can improve market share					
The importance of brand loyalty leads to increased market share, higher profits and better goodwill among consumers					
Brand loyalty allows a company to market and advertise its goods or services in the market					

How else does - Brand Loyalty influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya that is not mentioned above?

.....

.....

**Section: C Brand Awareness**

6. Does Brand Awareness influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya?

Yes ( ) No ( )

7b If yes, kindly explain

.....  
 .....

7. To what extent does Brand Awareness influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya?

- Very great extent ( )
- Great extent ( )
- Moderate extent ( )
- Little extent ( )
- No extent ( )

8. Indicate your level of agreement with the following statements relating to influence of Brand Awareness on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya? Key (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

Statements	Strongly Disagree	Disagree	moderately agree	Agree	strongly agree
Creating brand awareness is usually the first step in building advertising objectives.					
Raising brand awareness helps to reinforce brand loyalty,					
Repetition of the brand message through regular advertising is important.					
Strong brand has a clear competitive advantage as it is difficult for competitors to copy					

The highest level of brand awareness is top of mind awareness					
To develop a strong brand equity companies have to develop a high level of brand awareness					

How else does - Brand Awareness influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya that is not mentioned above?

.....  
 .....

**Section: D Perceived Quality**

9. Does Perceived Quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya?

Yes ( ) No ( )

10b If yes, kindly explain

.....  
 .....

10. To what extent does Perceived Quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya?

- Very great extent ( )
- Great extent ( )
- Moderate extent ( )
- Little extent ( )
- No extent ( )

11. Indicate your level of agreement with the following statements relating to influence of Perceived Quality on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya? Key (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

Statements	Strongly Disagree	Disagree	moderately agree	Agree	strongly agree
Self perception by customers relates to values and motivations that drive buying behavior					
Consumers' self perception is driving factor in whether or not they placed a priority on socially conscious purchase and consumption practices.					
price perception strongly influences whether customers are satisfied with their purchases					
Success of a product is largely based on whether customers believe it can satisfy their needs.					
Knowing what customers think and want gives a firm a better ability to influence them					

12. How else does Perceived Quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya that is not mentioned above?

.....

.....

.....

**Section: D Brand Association**

13. Does Brand Association influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya?

Yes ( ) No ( )

14b If yes kindly explain

.....

.....

.....

14. To what extent does Brand Association influence the choice of marketing strategies

by manufacturers of carbonated drinks in Kenya?

- Very great extent ( )
- Great extent ( )
- Moderate extent ( )
- Little extent ( )
- No extent ( )

15. Indicate your level of agreement with the following statements relating to influence of Brand Association on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya? Key (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

Statements	Strongly Disagree	Disagree	moderately agree	Agree	strongly agree
Associations can also help in the interpretation of facts					
Celebrity endorsers, symbols, and slogans can in the right context elicit positive feelings towards the brand					
Brand associations are vital in creating value for the company since the host of different brand associations provides value to in different ways.					
Brand association can serve as an information chunk that can help the decision maker to cope with the otherwise large amount of information that the consumer may have difficulties accessing and processing.					
Plenty of brand associations provides the decision maker with reason to buy or consume the brand					
Brand associations are interlinked and can stimulate positive attitudes that are transferred to the brand.					

16. How else does Perceived Quality influence the choice of marketing strategies by manufacturers of carbonated drinks in Kenya that is not mentioned above?

.....

.....



**Section: E: Marketing Strategies**

17. Indicate your level of agreement with the following statements the choice of marketing strategies by manufacturers of carbonated drinks in Kenya? Key (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

Statements	Strongly Disagree	Disagree	moderately agree	Agree	strongly agree
Successful marketing of product means successful marketing of the brand of that product					
Marketing strategy is the fundamental goal of increasing sales and achieving a sustainable competitive advantage					
Brand equity also plays an important role in explaining the nature of brand and line extensions					
Brand equity is supported by the client's association towards the brand which creates a specific and unique brand image					

**Thank you for your time**