

**INFLUENCE OF E-MARKETING STRATEGIES ON BRAND EQUITY OF
PARASTATALS IN KENYA**

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DECLARATION

I declare that this proposal is my original work and has never been submitted for a degree in any university or college for examination or any academic purpose except for citations indicated in the document.

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DEDICATION

This research proposal is dedicated to my beloved family and friends as well as all those who encouraged and supported me in my academic journey.

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ABSTRACT

E-marketing strategy is one of the major components of a firm's strategic plan in today's digital world. The strategies are categorized into two: tier 1 strategies which are market segmentation, targeting, differentiation and positioning and tier two strategies which are marketing mix and Customer Relationship Management. These strategies play a critical role in building the brand equity of an organization. Brand equity can be described as the marketing and financial value that a brand acquires upon the use of various marketing activities. The objective of the study was to determine the impact that e-marketing strategies have on brand equity of parastatals in Kenya. The study was based on the Customer Based Brand Equity model and the E-marketing Strategy. The study used descriptive cross-sectional research design and data was collected using questionnaires that were administered using the drop and pick method. A sample of 19 parastatals were randomly selected and one questionnaire issued per organization. 12 of the questionnaires were filled out bringing the response rate to 63.1%. Data analysis was carried out using Microsoft Excel. Cross tabulation was used to analyse the data and the Chi square test was used as a test of independence. The study also revealed that that e-marketing strategies influence 3.5% of brand identity, 3.4% of brand meaning, 3.5% of brand response and 3.5% of brand relationships of parastatals in Kenya. It also revealed that overall e-marketing strategies influence 0.1% of brand equity of parastatals in Kenya. The study recommended that the marketing managers of parastatals in Kenya should focus more attention on the use of e-marketing strategies in their marketing plan as there is a positive relationship between the increase of brand equity and e-marketing strategies. The study recommended that a further research should be carried out on the influence that e-marketing strategies have on the brand equity of privately owned institutions in Kenya. A further research should also be done to establish ways in which the marketing managers in parastatals in Kenya should use e-marketing strategies to improve their brand equity.

CHAPTER ONE: INTRODUCTION

1.1. Background of the study

The information that is transferred to and fro, from place to place via the internet by the vast number of people in every part of the world is vital to the marketer because it is this information that the marketer uses to create, communicate and deliver value to customers as well as build relationships with customers (Strauss, El-Ansary and Frost, 2006). E-marketing allows access to customers every single minute that passes by (Jobber, 2006). The consumers today make their purchases based on the value they perceive to get from a given product. Being a digital age where most customers rely on the internet for their day to day activities, marketers have had to exercise their marketing activities using the internet hence e-marketing. One of the main marketing activities carried out by marketers today is branding of products and services in bid of making their products known to the consumers as this has a great impact on their customers' response towards anything to do with the product, be it the marketing of or the actual benefits they reap from using the given product. These marketing effects that branding has on customer responses is termed as brand equity (Kotler and Armstrong, 2012). Building brand equity is the main path to achieving strong brands. In Kenya today, the parastatals under different ministries in government are branding themselves for the sake of creating awareness to the consumers of the products and services they produce. These statutory bodies have also digitized and are employing e-marketing strategies as they seek to achieve the Kenya Vision 2030 long-term goals.

Organizations collect a lot of data from the internet, both primary and secondary, and use it to create an e-marketing strategy. The e-marketing strategy contains of two tiers of strategies (Straus *et al.*, 2006). tier one are the e-marketing strategies of segmentation, targeting,

differentiation and positioning while tier two are e-marketing strategies of the marketing mix and Customer Relationship Marketing (Strauss, El-Ansary and Frost, 2006). Being that the customer is the central focus of the marketing activities, marketers brand their products under the Customer Based Brand Equity model which was developed by Kelvin Lane Keller. The model was created to guide managers on how they can build strong brands on the basis of how the customers perceive their products (Keller *et al.*, 2012). It entails creating brand identity, highlighting the brand meaning, influencing brand responses and attaining brand relationships

One of the key foundations of the Kenya Vision 2030 is to create efficiency in the public sector whilst remaining people-centred and results oriented (Sessional Paper No. 10 of 2012). Consequently, parastatals today have digitized their services owing to the fact that we are in a digital era and this helps them build on their efficiency in performing their statutory functions. Parastatals serve the public in their different capacities and as such branding themselves is of great importance in bid of creating awareness of the products they have to offer to the public as well as ensuring that they retain the customers they have acquired by delivering on the promises they make to their customers, the public. E-marketing activities are evident in parastatals whereby most of them have social media presence and they also employ e-marketing strategies for the online market.

1.1.1. E-marketing

The Web has grown at a fast rate and subsequently developed what is known as the dot com bubble as well as the increase in the use of the internet and related technologies. The marketing world has as a result had a comprehensive integration of traditional marketing and the use of the internet to come up with tactics to serve the demanding online market (Straus and Frost, 2009). Employing marketing activities using the internet is termed as e-marketing (Kotler and Keller,

2006). Marketers have created a merger between e-marketing and traditional marketing to come up with profitable strategies to firms such as online advertising; search engine advertising which entails having adverts appearing on search engine pages; user generated content such as user reviews, consumer created commercials, you tube videos etc.; online communities where consumers with like-minded interests network and communicate; internet communications such as use of emails and chat rooms; mobile internet access which makes sure customers can access data wherever and whenever they want to etc. (Straus and Frost, 2009). Customers want to access products at any time they want and as a result any business that wants to succeed has to move its operations to the online platform. The fastest, most functional, efficient and most user-friendly business succeeds (Deitel, Deitel and Nieto., 2001).

1.1.2. E-marketing strategies

Every business must have strategic planning so as to ensure that it is profitable and sustainable in future. A firm's strategic plan seeks to ensure that the objectives of the firm are met using the available resources while pursuing the available marketing opportunities (Straus and Frost, 2009). E-marketing strategy is one of the major components of a firm's strategic plan in today's digital world. Chaffey and Smith (2008), state that strategy is a summary on how to fulfil objectives. It is the vehicle that drives us to the end goal. It entails knowing the level of database integration required, the segmentation and positioning required on the e-marketing mix, the contact strategies to be used in each segment and the e-tools to employ in bid of achieving the objectives.

According to Struass and Frost (2009) e-marketing strategies can be categorized into two tiers: tier 1 strategies entail market segmentation where the customers are classified into groups based

on their different characteristics (Kotler and Armstrong, 2012). Marketers could use either geographical segmentation depending on the location of the computers in cyberspace (Strauss, El-Ansary and Frost, 2006), demographic segmentation for example age, sex and social group (Chaffey, 2011), psychographic segmentation which includes opinions, values personality etc or behavioural segmentation which uses consumer behaviour to segment the market (Ferrell and Hartline, 2008). Targeting is another strategy employed under the tier 1 strategies where the marketers choose the specific subgroup to pursue (Grewal and Levy, 2010). Marketers opt to either use niche marketing where they select one segment and design different marketing mixes or micro-marketing where they customize their products for a small number of people (Strauss and Frost 2009). The third tier 1 strategy is differentiation where the marketers bring out the differences of their products in comparison to those of competitors (Ferrell and Hartline, 2008). There are five differentiation strategies that a marketer can choose to employ (Strauss *et al*, 2006), all of which will be discussed further in the second chapter. The final strategy under tier 1 strategies is positioning where the marketers influence the consumer perception of the product (Chaffey, 2011).

Tier 2 strategies consist of the marketing mix variables which included: the Product which is also known as the online offer (Strauss and Frost 2009). It is segmented into two: core product which is the part of the product that adds digital value to the customer and the extended product which seeks to enhance the value of the product (Chaffey and Smith, 2008). the next variable is the Price which is also known as the online value (Strauss and Frost 2009). It is the value the customers get for their money. A marketer could use different pricing strategies such as differentiation pricing that is based on high quality and performance, cost leadership pricing which is based on low pricing (Jelassi and Enders, 2008), dynamic pricing which is based on

different price levels for different customers and online bidding where the customer bids for the best price (Strauss and Frost 2009). The third variable is Place which is also known as the internet for distribution and seeks to see to it that the product has moved from the seller to the buyer. It has three categories of people: the producer, the intermediary and the customer. Finally the last variable is the promotion which is the e-marketing communication tool (Strauss and Frost, 2009) which the marketers use the ten communication variables to communicate to the customer and stakeholders about the product (Chaffey and Smith, 2008). The final strategy under tier 2 strategies is Customer Relationship management where the marketers seek to build long term business relationships with the customers (Chaffey, 2011).

1.1.3. Brand equity

Marketers today carry out brand their products with the aim of creating knowledge of the brand to the customers. Consequently, customers respond to these marketing activities being carried out and this creates a given effect in regard to the branded product. The effect that is achieved is what is termed as brand equity (Kotler and Keller, 2012). Brand equity can either be positive whereby the customers have a strong connection to the brand or negative brand equity where the customers react less favourably to it than they do to the unbranded version of the product. It is therefore important for the brand managers to bear in mind that there are four main aspects that a brand must excel in so as to build its brand equity. These four areas are: the brand's difference from the competitors' brands, the relevance of the brand to the consumer, consumer knowledge of the brand and the consumers' regard and respect for the brand (Kotler and Armstrong, 2012).

To achieve high brand equity, McDaniel, Lamb and Hair (2007) state that a brand must have high awareness, perceived quality and brand names. Keller (2013) states that building a successful brand entails creating brand awareness, giving the brand a meaning in the mind of the

consumer through brand performance and brand imagery, knowing how the consumer responds to the brand through their judgement of and feelings toward the brand and finally ensuring the customer has developed a bond with the brand. Building brand equity consists of the development of a favourable, memorable and consistent image of the brand in the consumer's mind (Etzel, Walker and Stanton, 2007).

Keller (2011) summarizes brand equity using the Customer Based Brand equity model. This model entails four levels that a marketer must ensure to brand his product along: The first step is to create brand identity where the marketers use brand associations to communicate what the brand stands for (Aaker, 1991); secondly, highlighting the brand meaning by bringing out the brand's functional and performance related attributes (Keller *et al*, 2012); thirdly influencing brand responses where the marketer seeks to get positive customer opinions as well as emotional attachment toward the brand (Keller, 2001); and finally attaining brand relationships where the customer feels that he or she is in synchrony with the brand and as a result the customer exercises brand loyalty (Kapferer, 1997).

1.1.4. Parastatals in Kenya

According to the States Corporation Act, Cap 446, a state corporation is a body corporate established by the President, by order, to perform the functions specified in the order; it can also be described as a body corporate established by an Act of Parliament or by a written law; or a bank or financial institution licensed under the Banking Act but owned by the Government or another state corporation (The State Corporations Act Cap 446, 1987). In 2007, Kenya embarked on a development journey for the next 25 years to achieve her long term vision, the Kenya Vision

2030. Its aim is to create a globally competitive and prosperous country with a high quality of life by 2030. It has three key pillars: the economic pillar that seeks to achieve an average economic growth rate of 10 per cent per annum and sustaining this till 2030, the social pillar whose aim is to create a just, cohesive and equitable social development in a clean and secure environment; and the political pillar which aims at realizing an issue-based, people-centred, results-oriented and accountable democratic system. One of the foundations of the Kenya Vision 2030 is the public sector reforms, which seeks to create an efficient, motivated and well-trained public service that is citizen-focused and results oriented (Sessional Paper No. 10 of 2012). Parastatals are running their everyday activities, inclusive of marketing activities, on this vision.

1.2. Research Problem

In today's world almost everything has gone digital, meaning there is an expansive use of computer technology in virtually everything. The internet is a global network of interconnected networks. The interconnection is done using networked devices such as computers, MP4s, cell phones and blue tooth devices to send and receive data in form of files and documents (Strauss, El-Ansary and Frost, 2006). Customers can therefore access the internet wherever they are and at whatever time and they come with the demand to access products on a 24-7 basis at a fast, reliable and efficient way (Deitel *et al.*, 2001). Being that the Web, which is not constrained by geographical boundaries, is a very efficient mode of providing products and services a vast number of companies are setting up and running their operations online (Deitel *et al.*, 2001). Consequently, consumer data from survey results, product sales information etc. are collected from very many sources, filtered into databases and converted to marketing knowledge which is then used by the marketers to come up with a marketing strategy. Organizations are as a result

collecting a vast amount of data which provides an opportunity to the e-marketers to gather insights on their customers (Etzel, Walker and Stanton, 2007).

One of the key foundations of the Kenya Vision 2030 is to create efficiency in the public sector whilst remaining people-centred and results-oriented (Sessional Paper No. 10 of 2012). In bid of achieving the Kenya 2030 goals, parastatals today have taken marketing more seriously and are being seen to brand themselves with the main aim of creating brand awareness of the products they offer to their customers, as well as building customer relationships in bid of being people-centered. Digitalization of the systems used in parastatals today is also evident. In their marketing departments, these statutory boards have digital presence which is evident through websites and social media links such as Twitter, Facebook and Instagram. The main aim of having social media presence and using the internet to serve their customers is to become more efficient and accessible to the public. The marketers are therefore employing e-marketing strategies in bid of building brand equity for their organizations.

Both local and global studies have been carried out in the area of e-marketing and brand equity. In Kenya a related study was carried out by Masika (2013) who focused on the influence of mobile marketing on brand equity, a case study of Safaricom Limited. His findings were that most marketers are opting to use mobile marketing to build brand equity since there is a high adoption of mobile app and mobile web by most customers. Another study was carried out by Nyairo (2016) on the effect of social media use on building brand equity among three star hotels in Nairobi County. She reports that using social media to increase brand equity is beneficial as it increases brand awareness, improves brand image and brand loyalty. In her findings she also reports that the use of social media may also have negative effect on equity hence creating negative equity. Global studies on this field have also been carried out by As'ad and Anas (2014)

whose study was on the impact of social media marketing on brand equity, an empirical study on mobile service providers in Jordan. The findings of their study were that social media marketing has a significant effect on brand equity and that accessibility and credibility affects brand equity of an organization. Satheeka and Nalin (2016) carried out a study on effect of social media marketing on brand equity of online companies. They report that there is a significant relationship between social media marketing and brand equity of online companies.

These studies depict the significance that e-marketing, in general, has on building brand equity in firms within the private sector. There is therefore, a clear gap on the intrinsic detail of the actual path taken by e-marketers to building brand equity, as well as the need to cover the research on e-marketing in the public sector. This study resultantly seeks to answer the questions what impact do e-marketing strategies employed by marketers have on building brand equity? Is there any significant difference in the parastatals' brand equity when e-marketing strategies are employed? This study therefore seeks to outline the impact, both negative and positive, of the e-marketing strategies employed by parastatals in Kenya on their bid to build brand equity.

1.3. Research Objective

The objective of the study is to determine the impact that e-marketing strategies have on the brand equity of parastatals in Kenya.

1.4. Value of the Study

We are living in a digital age and most customers are and in the near future, all customers will use the internet as a medium of buying goods because of its efficiency and speed. Online customers today are barely loyal due to the vast number of products they have offered to them

via the internet. Marketers that seek to attract and retain their customers as well as build their brand equity have to stand out by employing e-marketing strategies as part of their marketing plans otherwise they face the risk of losing out. This study therefore seeks to assist marketers in the knowledge of how e-marketing strategies impact on building brand equity and can be used by marketers as a point of reference to the different e-marketing strategies to employ in bid of building stronger brands.

This study also seeks to assist the senior managers of the parastatals in Kenya to know the best e-marketing strategies to employ so as to increase brand equity of parastatals. To these strategies more financial support could be increased thereby enabling the marketing teams to enhance their marketing skills in bid of achieving the Kenya vision 2030 goals. The study will also shed light on the strategies that are likely to cause negative equity and this knowledge will enable them to avoid putting their focus on the given area. The study will also highlight the areas of weakness in the organization in terms on building equity and this information will be used to come up with better marketing plans for their organizations.

Finally, in future, the findings of this study may be used by scholars and other researchers as well as academicians to draw out further areas of research. Studies on parastatals' brand equity as well as e-marketing strategies employed by parastatals in Kenya are few and this study could be used as a point of reference and one to provide insights on the impact e-marketing strategies have on the brand equity of parastatals in Kenya. This study could also be used to develop additional theories in future.

CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter entails a review of literature, both theoretical and empirical, that supports this study. The conceptual framework will also be discussed showing the impact that e-marketing strategies are having on building brand equity.

2.2. Theoretical Foundation

This study is founded on the Customer Based Brand Equity Model and the E-marketing Strategy.

2.2.1. Customer Based Brand Equity

Brand equity is defined as a set of assets and liabilities that are linked to a brand that add to or subtract from the value given by a product (Aaker, 1996). It is the marketing and financial value that a brand has and determines its strength in the market (Pride and Ferrell, 2010). Being that the heart of successful marketing depends on understanding the needs and wants of consumers and creating products to satisfy their needs (Keller et al, 2012) brand equity can best be described from the consumer's point of view. The customer based brand equity model developed by Keller Kelvin Lane is thus used in this study. Customer based brand equity can be defined as "the differential effect that brand knowledge has on consumer response to the marketing of that brand" (Keller *et al*, 2012). Keller (2001), states that the Customer Based Brand Equity model was created to guide managers on how they can build strong brands on the basis of how the customers perceive the brand. The model is based on the assumption that the power of the brand is found in the customer's mind. It has four major steps to building a strong brand:

Firstly, brand identity whereby marketers create brand associations such as the brand name, logo, symbol etc. that try to show what the brand stands for as well as the promise the customer should

expect to receive upon consumption of the brand (Aaker, 1991). The main aim of brand identity is to create awareness to the customer, and is also known as brand salience. A salient brand is one which comes to the mind of the consumer with ease and he/she usually makes sufficient purchases of the brand (Keller *et al*, 2012). The marketer's aim at this point is to ensure that the customer can recall and recognize the brand meaning that the customer can link the brand name, logo etc. to some associations in memory. It is at this step that the managers ensure that there is differentiation, that is to say, that the brand stands out amongst other brands of the same category in the market (Kotler & Armstrong, 2012).

Secondly, brand meaning which looks at the more functional and performance-related attributes of the brand (Keller *et al*, 2012). A brand becomes meaningful to a customer when they can draw the tangible and intangible benefits from it (Keller, 2001). It is categorized into two: Firstly, brand performance which focuses on the intrinsic characteristics as well as tangible benefits of the product ensuring that they meet the customers' functional needs for example the product features, style and design, reliability of the product etc. The consumers evaluate the functional and emotional performance capabilities to determine whether or not to continue purchasing the brand (Chernatony and McDonald, 1998). Secondly, brand imagery which seeks to meet the customer's psychological and social needs. The customer views the brand abstractly as opposed to what the brand actually does. The influences are from external sources, not directly from the brand for example heritage and experiences, user profiles, personality and values, purchase and usage situations (Keller *et al*, 2012).

Thirdly, brand response which entails knowing the customer thinks and feels about the brand. The way a customer responds to the brand can be categorized into two: brand judgement i.e. the opinions and evaluations the customer has toward the brand; and brand feelings which are the

emotional reactions the customer has towards the brand (Keller, 2001). Good branding results in the consumer's perception of the values of the brand such that it adopts a personality (Chernatony and McDonald, 1998). Brand personality reflects the feelings that customers have toward a brand (Keller, Aperia and Geargson, 2012). Customers tend to choose brands like they do friends as it reflects their actual or aspired image (Chernatony and McDonald, 1998).

Lastly, which is at the top of the CBBE pyramid is brand relationships. At this level, brand resonance is experienced whereby the customer feels that he and the brand are in synchrony (Keller, 2001). The customer views the brand as a friend and for the friendship to flourish there must be trust, dependability, understanding and care (Aaker, 1996). Customer loyalty is built and sustained by respecting the brand features that initially attracted the buyers (Kapferer, 1997). Customer loyalty is evident through repeat purchases in high volumes; attitudinal attachment where the brand is not purchased out of habit but because there is attachment to the brand and in most cases a 'love' for the brand; a sense of community whereby the customer feels a sense of belonging in regard to other customers of the same brand; and finally, active engagement where the customer decides to invest more time or energy or resources over and beyond the purchasing costs incurred (Keller, 2001).

The Customer Based brand equity model assumes that a brand's strength is determined by the customer (Keller, 2001). It assumes that external branding alone is what builds brand equity. However, internal branding is the first element a firm needs to consider as it's seeking to build its brand equity. The other stakeholders such as employees are key at building the brand's equity. The model assumes that all customers are the same and will grow with the brand all the way until they attain resonance. However, some customers such as opinion leaders and may not wait to get to the top of the pyramid, not because the brand has failed but because of their nature. On the

other hand, laggards may choose to hang on, simply because they don't like the idea of moving to another brand as opposed to the fact that they are actually loyal. The model is however useful to this study as it brings out the various variables that are individually impacted by the application of e-marketing strategies

2.2.2. The E-marketing Strategy

E-marketing strategy is the use of information technology to reach marketing objectives (Khammash, 2009). Straus *et al* (2006), state that organizations today collect a lot of data owing to the use of information technology. Data are collected from primary, secondary and internal sources, filtered and converted into marketing knowledge and finally used to create e-marketing strategy. The e-marketing strategy occurs in two categories: tier 1 and tier 2 strategies. There are four tier 1 strategies:

Firstly, marketers employ market segmentation as a strategy whereby they use the data collected and classify customers into groups on the basis of distinct differences in characteristics, needs or behaviours, as they might need different products or marketing programs (Kotler and Armstrong, 2012). E-marketers base segmentation on four categories: Geographic segments which outline the locations of computers in cyberspace (Straus, El-Ansary and Frost, 2006). Technology reaches across national boundaries globally and this means there are billions of potential customers (Laudon and Traver, 2009). Organizations find data collected from these computers in cyberspace useful as it informs them which specific locations to target based on the proportion of net users in the area; Demographic segments which include age, sex, or social group (Chaffey, 2011). E-marketers also consider millennials who control information quickly and use many technology gadgets simultaneously, ethnic groups which have vast differences in terms of needs and behaviour while using the internet and influentials who are a group of individual that

influence others and are usually the first to research as well as use online products-they are online opinion leaders (Strauss *et al*, 2006) ; the third category of segmentation in psychographic segments which include personality, lifestyles, opinions, interests, value etc.; and finally behavioural segmentation that uses actual consumer behaviour or product usage to segment the market (Ferrell and Hartline, 2008). It involves benefit segmentation based on consumers' desired benefits of the product which e-marketers deduce by evaluating what people actually do online, and product usage segmentation that is categorised as light, medium and heavy product usage. Marketers segment internet users according to technology-use characteristics and choice of browser (Strauss and Frost, 2009).

The second strategy is targeting which is the process of evaluating the market segments according to their attractiveness and then choosing which one(s) to pursue (Grewal and Levy, 2010). It involves selective communication with different segments. Common customer segments that are targeted online include: most profitable customers e.g. top 20% customers by profit, larger companies, smaller companies, brand loyal customers etc. (Chaffey, 2011). In e-marketing an attractive segment must be accessible through internet, sizeable, with potential to grow and have the ability to bring back profits. There are two main internet targeting strategies: niche marketing where the marketers select one segment and design many different marketing mixes for it; and micro-marketing/individualized targeting which entails tailor made products for a small number of people (Strauss and Frost 2009).

Thirdly, marketers use differentiation which entails creating differences to the product's offering that makes it stand out from those of the competitor's. Marketers must seek to highlight the

benefits of the product and use it as a differential advantage over their competitors (Ferrell and Hartline, 2008). In e-marketing, a product's offering can be differentiated along five dimensions: product differentiation on the basis of product line whereby the marketer ensures that there is a limitless assortment of products offered to the customer (Strauss *et al*, 2006); by use of customization and bundling which entails offering a combination of products that suit customers' needs at an attractive price; and offering cheaper high quality products as a result of reduction of packaging costs (Strauss and Frost, 2009); service differentiation where the customer gets feedback on real time basis using 24 hour customer service using email (Strauss *et al*, 2006); personnel differentiation where there is engagement of consumers in a dialog with the company's personnel which enhances the consumer's experience by making him an active participant in the entire delivery process (Laudon and Traver, 2009) through use of chat rooms; channel differentiation where the customers have the chance to order wider variety of products at any time to be delivered to any location worldwide (Strauss and Frost, 2009). The use of pay bills also offers convenience to the customer (Strauss *et al*, 2006); and image differentiation which entails branding a product based on the experiences customers get from the services offered. For example if delivery of the product is fast and accurate, this brings customer satisfaction and this can be drawn from the reviews given or online feedback. E-marketers then take these customer experiences and brand their firms on the basis of their customer's experiences. This is called experience branding and it helps retain customers and attract target customers (Strauss and Frost, 2009).

The final strategy in tier 1 is positioning which entails creating an image of the product offering and its differentiated features in the consumer's mind (Ferrell and Hartline, 2008). It is the process of influencing the consumer perception of a product (Chaffey, 2011). The e-marketer's

main aim is to differentiate his firm or brand on the relevant bases important to customers, and out do his competitors (Straus *et al*, 2006). Positioning can be done on the basis of: product attributes e.g. size, colour, design etc.; technology where the marketer must ensure that his product is at the cutting edge of technology; benefits of the product where the marketer highlights what the customer will benefit from over and above the basic functions of the product. The marketer communicates the online value proposition of the product to the customer. An online value proposition is a statement of the benefits that a customer will get from the given product that cannot be found in competitor products (Chaffey, 2011); and user category where the marketer tailor makes a certain product for a given segment of the market based on their characteristics; competitor positioning where the marketers use their competitive advantages to position their firms or brands; and integrator positioning where the firm is positioned on the basis of providing everything the customer may need (Strauss and Frost, 2009).

The tier 2 strategies are the marketing mix and Customer Relationship Management.

The e-marketing mix is categorised into 4 Ps namely: Product termed as the online offer, the Price which is the online value, Place known as the internet for distribution and Promotion which is the e-marketing communication tool (Strauss and Frost, 2009). To ensure that the 4Ps are from a customer perspective, the marketers must establish the 4Cs namely Customer needs and wants (from the product), cost of the product (price), convenience to get the product (place) and communication which is promotion (Chaffey and Smith, 2008).

The product is the online offer made to the customer (Strauss and Frost, 2009). It is the bundle of capabilities and services offered to the customer (Laudon and Traver 2009). An online product has the core product and the extended product. The core product should add digital value to consumers. It should have features such as transaction services to existing customer base,

advertisements and sales of complementary products etc. (Chaffey and Smith, 2008). The firm may choose to sell merchandise, services or advertising on the website (Strauss and Frost, 2009). It also has the option of creating new brands for the online market or selling the current ones online (Strauss and Frost, 2009). The product should also have the ability to be repackaged by giving new business propositions to new customer segments. For complex products, the marketer should incorporate information on how to install, use and service the product all integrated online. This enhances customer interaction. Furthermore, the use of proactive customers who contribute to the design of new or improvement of existing products is important. It helps build relationships with the customers. Digital customers value online communities; the marketer should ensure that his website is interactive as it enhances product experience amongst customers. The extended product seeks to enhance product value. This can be done by use of tools that assist customers to use the product. Marketers can include: endorsements, awards, customer comments, testimonies, warranties, guarantees etc. as part of the product. This contributes to perceptions of product quality (Chaffey and Smith, 2008).

The price is the value that customers get for their money. It is the benefit ratio that is offered that is better than that of competitors. A firm could opt to use either cost leadership strategy where they seek to compete on low pricing or use of differentiation where they compete on high quality and performance or a combination of the two (Jelassi and Enders, 2008). Other pricing strategies used include: dynamic pricing which entails using different price levels for different customers; and online bidding which involves a customer bidding for the price of the product. This helps the firm optimize inventory management (Strauss and Frost, 2009). Marketers of digital products use different kinds of pricing models for their digital products namely: Subscriptions where the customers pay to for a digital product for a given time period; Pay per view where customers pay

to download a product; and bundling where the marketers group products suitable for the customers and sell at reasonable and attractive prices. The price of a digital product comprises, the basic price, discounts, guarantees and warranties, add-ons on extra products, order cancellation terms, refund policies (Chaffey and Smith, 2008).

Place can be described as the distribution of the products from the supplier to the customers. It has three participants: producer, intermediary and customer/buyer. It could either be direct marketing where the product moves from producer to customer or use of agents as intermediaries. Shorter distribution channels result in lower costs. However, some intermediaries perform channel functions more efficiently than the producers (Strauss and Frost, 2009). Furthermore, the use of many agents makes the product readily available to target consumers (Chaffey and Smith, 2008).

Promotion is the element of the marketing mix that is used to communicate to the consumer and other stakeholders about the product (Chaffey, 2011). The ten communication tools in the promotion mix are applicable online. They include: advertising which includes interactive displays; packaging where the marketers include virtual tours or the real packaging of the product; Sponsorship where the firm includes an online event or service; direct mail where the marketers use e-mail and e-newsletters; word of mouth which uses viral videos and options such as email a friend or the share option button; Public relations where the firm has presence in social networks such as Facebook and Twitter and also issues newsletters; sales promotion where there are online loyalty programs and offers on products; selling which entails having virtual sales people and chat rooms; and exhibitions where the firm has online marketing exhibitions (Chaffey and Smith, 2008). Marketers must also seek to have Integrated Marketing Communications (IMC) which seeks to deliver a consistent, coordinated, coherent message across channels of communications (Ferrell and Hartline, 2008).

This is defined as the process of building and sustaining long-term business relationships with customers (Chaffey, 2008). It involves treating each customer differently based on their characteristics (Chaffey and Smith, 2008). Its main goals are to build customer trust, orient itself around the customer by knowing specific details of each customer, maximize on the customer's contribution toward company profit and to develop interactions with existing and potential customers (Raab *et al*, 2008). It has four main elements: Customer selection which entails segmentation and targeting of customers to develop different product offerings (Chaffey, 2011); Customer acquisition which seeks to acquire new customers and retain existing customers through the use of promotional tools and other incentives (Jelassi and Enders, 2008) ; Customer retention which involves ensuring that customers who have made their first time purchases do repeat purchasing and those who are repeat customers are retained for as long as possible; and finally customer extension which sees to it that the firm maximizes on the lifetime value of a customer. e-CRM is the use of the internet and IT systems to manage customer relationships (Jelassi and Enders, 2008).

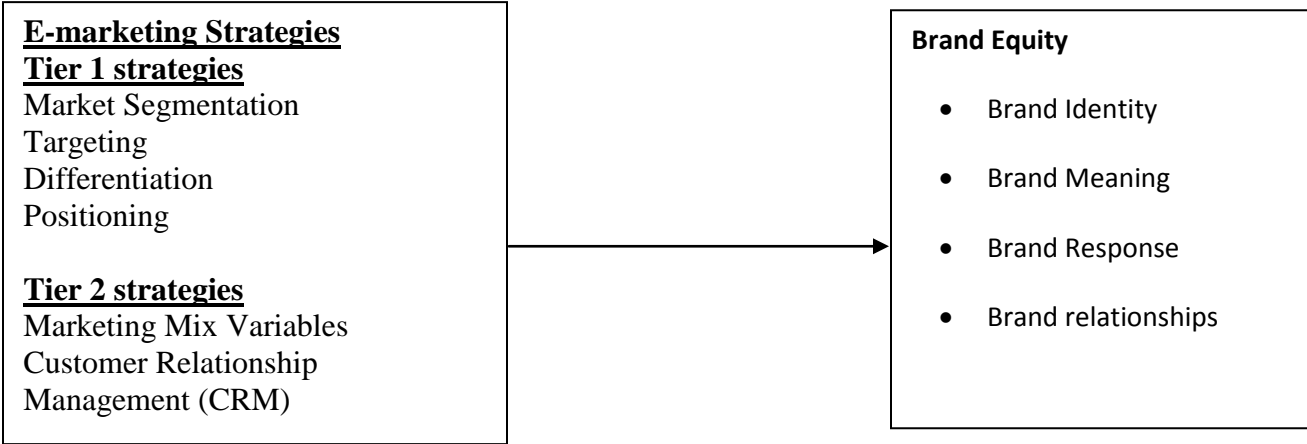
The e-marketing strategy concept fails to put into consideration the seventh variable of the marketing mix which is the People. People are key elements used in during the process of ensuring a product moves from its destination to the customer. For example a de-motivated customer care attendant would easily fail to respond to emails hence enhancing customer dissatisfaction. A firm may also employ agents to deliver the products and if these agents are not paid on time, they delay deliveries hence causing customer dissatisfaction. However, the model contributes to this research by outlining the variables that relate to building brand equity.

2.3. Impact of E-marketing strategies on building Brand Equity

The e-marketing tier 1 strategies which include segmentation, targeting, differentiation and positioning are used by marketers to create strong, favourable and unique brand associations which are part of brand meaning, a building block in customer based brand equity (Keller *et al*, 2012). The long-term success of a brand is dependent on consumer perception of the value of the brand. The unique performance characteristics of the brand appeal to the customer. Marketers influence this perception by differentiating their brands from those of competitors for example customization of the product to suit the customer's needs (Chernatony and McDonald, 1998). The differentiation and positioning strategies used by marketers determine the encounters customers have with the brand therefore eliciting brand judgement and feelings. These responses influence consumer behaviour i.e. whether or not to have a repeat purchase (Keller *et al*, 2012). The tier 2 e-marketing strategies which include the offer, value, distribution and communication as well as CRM are used by marketers mainly to ensure that brand relationships are built and maintained (Strauss and Frost, 2009). When customers are experiencing brand resonance they invest their time and resources in the brand. They may opt to join chat rooms, clubs receive product updates etc (Keller, 2012)

2.4. Conceptual Framework

The conceptual framework of the study shows the relationship between the independent variable which is e-marketing strategies and the dependent variable which is brand equity. This is illustrated in figure 2.2.



Independent Variable

Dependent Variable

Figure 2.1 Conceptual Framework

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This chapter highlights the methodology that was used by the researcher during the process of data collection and data analysis with the aim of achieving the objectives of the study. It outlines the research design, data collection techniques, and concludes with the data analysis and presentation that was used for the study.

3.2. Research design

The study adopted a descriptive cross-sectional research design. It was descriptive as it concerned itself with describing the characteristics of Parastatals in Kenya. Kothari and Garg, 2014, states that descriptive research design describes the characteristics of a given group. The study was also cross-sectional because it measured the e-marketing strategies (cause) and the brand equity (effect) at the same time. According to Ghauri and Gronhaug, 2005, cross-sectional research design measures the cause and effect at the same time.

3.3. Data Collection

The type of data that was acquired during the study was primary data. The data was collected using questionnaires as the research instrument. One questionnaire each was administered to the marketing department in selected parastatals that have employed branding as a strategy and have heavy online presence in Kenya using the drop and pick method; these were self-administered. The types of questions that were used in the questionnaires were structured questions which had a list of alternatives the respondents should choose from, unstructured questions which gave the respondent the chance to answer freely and matrix questions which shared the same set of questions to be ranked.

3.4. Data Analysis

The data that was collected from the questionnaires was edited, coded and tabulated. According to Munyoki and Mulwa, 2012, before data can be analysed it must go through the process of editing which entails checking for consistency as well as cleaning it, coding and finally tabulating the data. The data collected was qualitative in nature. It was first summarized using descriptive statistics where the mean scores as well as standard deviations were derived. The purpose of using descriptive statistics is to be able to make a meaningful description of the scores given to the data (Mugenda and Mugenda, 2003). To determine and explain the relationship between the variables, the data was analysed using cross tabulation and Chi square test was used to evaluate the test of independence.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS

4.1. Introduction

This chapter presents the results from the survey data analysis and discussion of the finding of the study on the impact of e-marketing strategies on brand equity of parastatals in Kenya. The data was gathered using questionnaires as the research instrument. The questionnaire had structured questions, unstructured questions and matrix questions based on the objectives of the study. The discussions are presented in the sections addressing specific research questions.

4.2. Response rate

The study targeted 19 parastatals in Nairobi County each of which received a questionnaire. However, the study indicated that only 12 questionnaires were received back by the researcher. Thus the response rate was 63.1 % which was considered sufficient to enable the researcher to make conclusions and recommendations. The non-response rate came about as a result of failure of some organizations to accept to fill in the questionnaires; some questionnaires that were returned were unfilled and as such no data could be drawn from them.

4.3. Demographic Information

The study focused on collecting information from the marketing department and as such the general information that was collected on the respondents included the gender, age group, the position held in the organization as well as the level of education.

4.3.1. Gender

The study showed that there were more women than men in the sample. 41.7% of the respondents were male and 58.3% were female. Table 4.1 summarizes this information:

Table 4.1 Distribution of respondents by Gender

Gender	Frequency	Percent
Male	5	41.7
Female	7	58.3
Total	12	100.0

Source: Research Data, (2018)

4.3.2. Age group

The study categorized the respondents' age group into five categories Age group 18-25 years had a percentage of 8.3%, 26-35 years had a percentage of 25%, 36-45 years was at 16.7%, 46-54 years had a percentage of 41.7% and age group 55 and above had a percentage of 8.3%. This data is summarized in Table 4.2.

Table 4.3.2: Distribution of respondents by Age group

Age Group	Frequency	Percent
18-25 years	1	8.3
26-35 years	3	25.0
36-45 years	2	16.7
46-54 years	5	41.7
55 years and above	1	8.3
Total	12	100.0

Source: Research Data, (2018)

4.3.3. Position held in the organization

Most of the respondents were in middle level positions within the marketing department of the firm. The titles with regard to the firms deferred but they were categorized into three classes: senior level manager, middle level officer and Office Assistant. 33.3% were senior level managers whereas 50% were middle level officers. The remaining 16.7% were office assistants within the marketing department of the organizations. Table 4.3 shows this information

Table 4.3.3: Position held in the organization

Position held in the organization	Frequency	Percent
Middle Level Officer	6	50.0
Office Assistant	2	16.7
Senior Level Manager	4	33.3
Total	12	100.0

Source: Research Data, (2018)

4.3.4. Level of Education

The study grouped the level of education into six categories which included KCSE, Certificate, College Diploma, University Degree, professional qualifications and other qualifications. The highest percentage of respondents had a University Degree at 50%, this was followed by professional qualifications with a percentage of 16.7%. The respondents with KCSE, Certificate, College Diploma and other qualifications each had a score of 8.3%. Table 4.4 summarizes this information.

Table 4.3.4: Level of Education

Level of Education	Frequency	Percent
KCSE	1	8.3
Certificate	1	8.3
College Diploma	1	8.3
University Degree	6	50.0
Professional qualifications	2	16.7
Other qualifications	1	8.3
Total	12	100.0

Source: Research Data, (2018)

4.3.5. Online services provided by parastatals.

From the 12 parastatals in the study, each respondent indicated that their organization was having some level of online presence. This means 100% of the sample was having online presence. Table 4.5 summarizes these findings.

Table 4.3.5: Online services provided by parastatals

Online services provided by parastatal	Frequency	Percent
Yes	12	100.0
No	0	0.00
Total	12	100.0

Source: Research Data, (2018)

4.4. E-marketing strategies

The study sought to find out the influence that e-marketing strategies had on parastatals' brand equity. The e-marketing strategies were categorized into two tiers: the first one had four variables namely market segmentation, targeting, differentiation and positioning while the second tier had two variables namely marketing mix and Customer Relationship Management.

4.4.1. Market Segmentation

The respondents were firstly asked to identify the type of market segmentation their organization uses to divide the market in bid of providing suitable products or marketing programs. The four categories of segmentation that were listed were geographical, demographic, psychographic and behavioural. The findings indicated that 33.3% of the organizations use geographical segmentation, 33.3% use demographic segmentation while 8.3% use psychographic and 25% use behavioural segmentation. The findings are summarized in table 4.6

Table 4.4.16: Type of Market Segmentation used

Type of market segmentation	Frequency	Percentage
Geographical	4	33.3
Demographic	4	33.3
Psychographic	1	8.3
Behavioral	3	25.0
Total	12	100%

Source: Research Data, (2018)

The study further sought to find out the effect that market segmentation had on the organizations' brand equity. The respondents were required to fill in the extent to which they

agreed to various statements that indicated the effect that marketing segmentation had on the brand equity of their organizations. Their responses were given weights and a mean and standard deviation was then derived so as to interpret the data. The mean scores were then categorised as follows: 1.0-1.9 not sure; 2.0-2.9 strongly disagree; 3.0-3.9 Disagree; 4.0-4.9 agree and above 5.0 strongly agree. This is summarized in table 4.7.

Table 4.4.17: Influence of market segmentation on brand equity of parastatals

Influence of market segmentation on brand equity	N	Mean	Standard deviation
Creates brands suitable for each segment hence promoting the brand performance and enhancing the brand image	12	4.00	0.60
Use of opinion leaders helps promote brand awareness	12	3.50	1.09
The choices made on brand associations i.e logo, name, sign etc are based on the characteristics of the segment	12	3.83	0.83
Customization of products per segment promotes emotional attachment to the brand	12	3.92	0.51
Customization of products per segment promotes brand loyalty and a feeling of belonging with the customers	12	4.08	0.51
Overall Mean		3.87	0.71

Source: Research Data, (2018)

The findings showed that it was agreeable that market segmentation is used to create brand suitable for each segment thereby promoting brand performance and brand image. This was indicated by a mean of 4.00 and a standard deviation of 0.60. The study also indicated that it was not agreeable to state that the use of opinion leaders promotes brand awareness in parastatals. This was derived from the mean of 3.50 and standard deviation of 1.09. In relation to the statement that the choices made on brand associations of parastatals are based on the

characteristics of the segment being served, it was not agreeable that this was true. This was evident from the mean of 3.83 and a standard deviation of 0.83. It was agreeable that customization of products sold by parastatals per segment promotes emotional attachment to the brand. This was shown by a mean of 3.92 and a standard deviation of 0.51. The respondents agreed to the statement that customization of products in parastatals per segment promotes brand loyalty as shown from the mean of 4.08 and a standard deviation of 0.51.

4.4.2. Targeting

The study required the respondents to indicate the type of targeting strategy their organizations use. These strategies were classified into two: niche marketing and individualized marketing also known as micro-marketing. The study showed that 58.3% of the organizations use Niche marketing while 41.7% of organizations use micro-marketing. Table 4.8 shows a summary of these results.

Table 4.4.28: Type of targeting strategy used

Type of targeting strategy	Frequency	Percentage
Niche Marketing	7	58.3%
Micro-marketing	5	41.7%
Total	12	100%

Source: Research Data, (2018)

To find out the effect that targeting had on the brand equity of parastatals, respondents were given a set of statements to indicate the extent to which they agreed to various aspects of the strategy in regard to building brand equity. Each extent was given different weights so as to enable interpretation of data and then a mean and standard deviation of each statement was

calculated and the score used was as follows: 1.0-1.9 not sure; 2.0-2.9 strongly disagree; 3.0-3.9 Disagree; 4.0-4.9 agree and above 5.0 strongly agree. These were summarized as shown in table 4.9.

Table 4.4.29: Influence of targeting on brand equity of parastatals

Influence of targeting on brand equity	N	Mean	Standard deviation
Targeting enables marketers to create brands suitable for each customer hence promoting the brand performance and enhancing the brand image	12	3.67	0.89
Targeting helps deduce the judgments and feelings that customers have toward the brand	12	4.00	0.60
Through targeting our marketers are able to know the appropriate and most appealing brand associations to choose i.e logo, name, sign etc	12	4.08	0.67
Targeting enables our marketers to create different marketing strategies suitable for the selected segment hence promoting brand awareness.	12	3.83	0.83
Customization of products per customer promotes brand loyalty and a feeling of belonging with the customers	12	3.58	1.08
Overall Mean		3.83	0.82

Source: Research Data, (2018)

The results exhibited by the study indicated that it was not agreeable to state that targeting enables marketers to create brands suitable for each customer hence promoting brand performance and enhancing the brand image. This was drawn from the mean of 3.67 and a standard deviation of 0.89. The mean of 4.00 and standard deviation of 0.60 indicated that it was agreeable that targeting helps deduce customer judgements and feelings toward the brand. In regard to targeting being used as an influence in choosing the most appropriate and most

appealing brand associations, the study revealed using a mean of 4.08 and a standard deviation of 0.67, that this was agreeable. Responses from the study regarding the use of different marketing strategies for the different market segments indicated a mean of 3.83 and a standard deviation of 0.83 meaning that it was not agreeable to state that the use of different strategies per segment promotes brand awareness in parastatals. Similarly, customization of products per customer indicated a mean of 3.58 and a standard deviation of 1.08 meaning that it was not agreeable that it brought about a feeling of belonging and brand loyalty to customers.

4.4.3. Differentiation

Respondents were asked to indicate the method of differentiation used by the marketers in their organizations. Five methods were outlined and they included: Product line differentiation, Service differentiation, personnel differentiation, channel differentiation and Image differentiation. The results showed that Product line differentiation scored 41.7%, Service differentiation scored 41.7% and Channel differentiation scored 16.6%. Image differentiation and personnel differentiation both had a score of 0%. This information is summarized in table 4.10.

Table 4.4.310: Methods of differentiation used in parastatals

Methods of differentiation used in parastatals	Frequency	Percentage
Product line differentiation	5	41.7%
Service differentiation	5	41.7%
Channel differentiation	2	16.6%
Image differentiation	0	0%
Personnel differentiation	0	0%
Total	12	100%

Source: Research Data, (2018)

The effect of differentiation on the brand equity of parastatals was determined through the responses indicated by the different respondents. The responses were given weights and a mean score as well as standard deviation derived for every statement. The score was derived using the given scale: 1.0-1.9 not sure; 2.0-2.9 strongly disagree; 3.0-3.9 Disagree; 4.0-4.9 agree and above 5.0 strongly agree. Table 4.11 indicates the summary of all the responses indicated as mean and standard deviation.

Table 4.4.311: Effect of differentiation on brand equity of parastatals

Effect of differentiation on brand equity	N	Mean	Standard deviation
Differentiation assists our marketers to know the feelings and judgments that customers have toward the brand as they receive immediate feedback from the customers using emails, chats and phone calls.	12	3.83	0.83
Differentiation is used by our marketers to create brand awareness amongst present and potential customers	12	3.33	1.37
Differentiation helps create a sense of belonging to the customers who are involved in conversations with the personnel in regard to product delivery. This belonging contributes to brand loyalty	12	4.00	0.85
Differentiation is used by our marketers to determine the brand associations to use so as to communicate the unique benefits of the product.	12	3.25	1.22
Overall Mean		3.60	1.07

Source: Research Data, (2018)

The results of the findings indicated that it not was agreeable that differentiation assists marketers to know the feelings and judgements that customers have towards the brand. This was derived from the mean score of 3.83 and standard deviation of 0.83. The mean score of 3.33 and standard deviation of 1.37 indicated that it was not agreeable to say that differentiation is used to create brand awareness amongst potential and present customers of parastatals. With a mean score of 4.00 and standard deviation of 0.85 it was agreeable to state that differentiation in parastatals helps to create a sense of belonging to the consumers and consequently brand loyalty is attained. It was however not agreeable to state that differentiation is used to determine the brand associations of the organizations. This was drawn from the mean score of 3.25 and a standard deviation of 1.22.

4.4.4. Positioning

Positioning was classified into five categories. The respondents were required to indicate the type of positioning strategy their organization uses. The five categories were indicated as: Product attribute positioning, Product benefits positioning, User category positioning, Competitor positioning and Integrator positioning. The results indicated that Product attribute positioning had a percentage score of 16.7%, Product benefits positioning had 50.0%, User category positioning scored 16.7%, Competitor positioning as well as Integrator positioning each had a score of 8.3% each. The summary of this information is in table 4.12

Table 4.4.412: Types of positioning used in parastatals

Types of positioning used in parastatals	Frequency	Percentage
Product attribute positioning	2	16.7%
Product benefits positioning	6	50.0%
User category positioning	2	16.7%
Competitor positioning	1	8.3%
Integrator positioning	1	8.3%
Total	12	100%

Source: Research Data, (2018)

To determine the effect that positioning has on the brand equity of parastatals, a set of statements were given each of which the respondents were expected to fill in, according to the rank of agreeability in their opinion. The responses were assigned different weights and a mean score and standard deviation derived per statement. The mean scores were scaled as follows: 1.0-1.9 not sure; 2.0-2.9 strongly disagree; 3.0-3.9 Disagree; 4.0-4.9 agree and above 5.0 strongly agree.

Table 4.13 indicates the summary

Table 4.4.413: Influence of positioning on brand equity of parastatals

Influence of positioning on brand equity	N	Mean	Standard deviation
Positioning assists our marketers to elicit positive feelings and judgments by customers toward the brand as they receive benefits over and above the product functions.	12	4.08	0.51
Positioning is used by our marketers to build brand awareness through highlighting the unique selling point/online value proposition of the brand	12	3.75	1.42
Positioning is used by our marketers to determine the appropriate brand associations to use so as to communicate the attributes of the product.	12	4.00	0.43
User category positioning which entails tailor making products per customer promotes brand loyalty and a feeling of belonging with the customers	12	4.17	0.58
Overall Mean		4.00	0.74

Source: Research Data, (2018)

The findings of the study indicate that with a mean of 4.08 and a standard deviation of 0.51, it was agreeable to state that positioning elicits positive feelings and judgements by customers towards the brand as they receive benefits over and above product functions. The mean of 3.75 and standard deviation of 1.42 indicated that it was not agreeable that positioning is used to build brand awareness in parastatals by highlighting the unique selling point of the brand. It was agreeable that positioning is used in parastatals to determine the appropriate brand associations to use so as to communicate the attributes of the brand. This was derived from the mean of 4.00 and standard deviation of 0.43. The statement indicating that user category positioning promotes brand loyalty and a feeling of belonging with the customers was agreeable as was indicated using a mean of 4.17 and a standard deviation of 0.58.

4.4.5. Marketing Mix

The marketing mix variable had four different facets namely: digital price, digital product, digital place/distribution and online communication. Each of these were studied individually to find out whether or not parastatals offer them from a customer perspective which is a direct impact on brand equity. The characteristics of each of the four facets from the customer perspective were stated and these were assigned weights. Each statement was then given a mean score and a standard deviation for the sake of interpreting data. The overall mean scores of each of the four facets indicated the agreeability of whether or not the facets were aligned from the customer's perspective which would indicate whether or not they had an effect on brand equity. The overall mean scores were scaled as follows: 0-1.9 not sure; 2.0-2.9 strongly disagree; 3.0-3.9 Disagree; 4.0-4.9 agree and above 5.0 strongly agree. This summary was indicated in table 4.14

Table 4.4.514: Influence of the Marketing mix on brand equity of parastatals

Influence of positioning on brand equity	Mean	Standard deviation
Digital Product	3.90	0.65
Digital Price	3.54	1.17
Digital Place	3.88	0.87
Online Communication	3.85	0.83
Overall Mean	3.79	0.88

Source: Research Data, (2018)

4.4.6. Customer Relationship Management

The study sought to determine the effect that Customer Relationship Management has on the brand equity of parastatals. To do this a set of statements were set and ranks were given. The respondents were required to rank the statements according to their level of agreeability. The

statements were given different weights and a mean score and standard deviation was derived for each statement. The mean scores were scaled as follows: 1.0-1.9 not sure; 2.0-2.9 strongly disagree; 3.0-3.9 Disagree; 4.0-4.9 agree and above 5.0 strongly agree. Table 4.15 indicates the summary

Table 4.4.615: Influence of Customer Relationship Management on brand equity of parastatals

Influence of Customer Relationship Management on brand equity	N	Mean	Standard deviation
Customer relationship management highlights any issues customer may have hence enabling the marketers to improve on the brand image and brand performance	12	4.17	0.58
Customer relationship management sees to it that the customer interacts with the brand hence building brand resonance/ a feeling of belonging	12	3.92	0.79
Using customer relationship management marketers get the chance to create brand awareness to new customers.	12	3.75	1.06
Customer relationship management focuses on the customer as an individual. This encourages the customer to have positive feelings and judgments towards the brand	12	3.92	0.79
Overall Mean		3.94	0.80

Source: Research Data, (2018)

The study revealed that it was agreeable to state that customer relationship management was used to enhance the brand image and brand performance by highlighting the issues customers have. This was evident due to the mean of 4.17 and standard deviation of 0.58. It also revealed that it was not agreeable that customer relationship management ensures that the customer interacts with the brand hence enhancing brand resonance. This was drawn from a mean of 3.92 and standard deviation of 0.79. The mean of 3.75 and standard deviation of 1.06 indicated that it was not agreeable that customer relationship management is used to create brand awareness.

Similarly, it was not agreeable that customer relationship management in parastatals focuses on a customer. The evidence of this was in the mean of 3.92 and standard deviation of 0.79.

4.4.7. The influence of e-marketing strategies on brand equity of parastatals

The study sought to find out the impact that e-marketing strategies had on the brand equity of parastatals. The respondents were required to give the extent to which they agreed to the statements indicating the impact. Each statement was assigned different weights. These were then given mean scores and standard deviations. The scores were scaled as follows: 1.0-1.9 to no extent; 2.0-2.9 little extent; 3.0-3.9 moderate extent; 4.0-4.9 large extent and above 5.0 very large extent. The results were indicated in form of mean and standard deviation as indicated in table 4.16

Table 4.4.716: The Influence of e-marketing strategies on brand equity of parastatals

The Influence of e-marketing strategies on brand equity of parastatals	N	Mean	Standard deviation
E-marketing strategies used help create the brand identity of the organization	12	4.17	0.58
E-marketing strategies employed enhance the brand performance and brand imagery	12	4.00	0.43
The use of e-marketing strategies elevates the customer feelings towards the brand hence creating a positive brand response	12	4.17	0.58
e-marketing strategies used create strong brand relationships	12	4.08	0.67
Overall Mean		4.10	0.56

Source: Research Data, (2018)

The study showed that it was agreeable that e-marketing strategies employed by parastatals help create the brand identity of the organization. This was drawn from a mean of 4.17 and a standard

deviation of 0.58. The mean of 4.00 and standard deviation of 0.43 indicated that the e-marketing strategies employed enhance the brand performance and brand imagery of the organization.

Similarly, the mean of 4.17 and standard deviation of 0.58 indicate that it was agreeable that the use of e-marketing strategies elevates the customer feelings towards the brand hence creating a positive brand response and finally it was agreeable that e-marketing strategies used create strong brand relationships. This was drawn from a mean of 4.08 and a standard deviation of 0.67.

4.5. Discussion of the findings

The study's main objective was to find out whether e-marketing strategies had any influence on brand equity of parastatals in Kenya. From the descriptive statistics indicated above the data was evaluated using cross tabulations which revealed that each of the e-marketing strategies had an influence on aspects of brand equity and this was summarized in form of percentages. These calculations were done using Microsoft Excel. The scale that had been used to determine the mean was indicated as follows: 1.0-1.9 not sure; 2.0-2.9 strongly disagree; 3.0-3.9 Disagree; 4.0-4.9 agree and above 5.0 strongly agree. Each of the four facets of customer based brand equity model that is, brand identity, brand meaning, brand response and brand relationships, were measured against the e-marketing strategy model facets that is segmentation, targeting, differentiation, positioning, marketing mix and CRM, and a summary of the findings and calculations were indicated and interpreted as shown.

4.5.1. E-marketing strategies and Brand identity

Table4.5.117: The influence of e-marketing strategies on brand identity of parastatals

	Agree (4.0-4.9)	Disagree (3.0-3.9)	Cumulative percent
Segmentation		15.7%	15.7%
Targeting	18.3%		34.0%
Differentiation		14.93%	48.9%
Positioning		16.8%	65.7%
Marketing mix		17.5%	83.2%
CRM		16.8%	100.0%

The null hypothesis states that e-marketing strategies do not influence the brand identity of parastatals in Kenya. The alternative hypothesis states that e-marketing strategies influence brand identity of parastatals in Kenya. According to the study 18.3% agree to the assumption that targeting influences brand identity and the rest of the respondents do not agree that e-marketing strategies influence brand identity. With a confidence interval of 0.05 ($\alpha=0.05$) and degrees of freedom of 6 (6 categories), the Chi square test can be performed using the formula:

$$\chi^2 = \sum \frac{(o-e)^2}{e}$$

The study used Microsoft Excel to calculate the p value. The result was $p=0.035$. Being that $p<0.05$ we can reject the null hypothesis. This means that there is a relationship between e-marketing strategies and brand identity of parastatals in Kenya. The value of p was interpreted to mean that e-marketing strategies influence 3.5% of brand identity of parastatals in Kenya.

4.5.2. E-marketing strategies and Brand Meaning

Table 4.5.218: The influence of e-marketing strategies on brand meaning of parastatals

	Agree (4.0-4.9)	Disagree (3.0-3.9)	Cumulative percent
Segmentation	17.9%		17.9%
Targeting		16.2%	34.1%
Differentiation		14.3%	48.4%
Positioning	17.9%		66.3%
Marketing mix		15.6%	82.0%
CRM	18.4%		100.4%

The null hypothesis states that e-marketing strategies do not influence the brand meaning of parastatals. The alternative hypothesis states that e-marketing strategies influence brand meaning of parastatals. According to the study 17.9% of respondents agree to the assumption that segmentation influences brand meaning, 17.9% agree to the assumption that positioning influences brand meaning and 18.4% agree to CRM influencing brand meaning. With a confidence interval of 0.05 ($\alpha=0.05$) and degrees of freedom of 6 (6 categories), the Chi square test can be performed using the formula:

$$\chi^2 = \sum \frac{(o-e)^2}{e}$$

The study used Microsoft Excel to calculate the p value. The result was $p=0.034$. Being that $p<0.05$ we can reject the null hypothesis. This means that there is a relationship between e-marketing strategies and brand meaning of parastatals. The value of p was interpreted to mean that e-marketing strategies influence 3.4% of brand meaning of parastatals in Kenya.

4.5.3. E-marketing strategies and Brand response

Table 4.5.319: The influence of e-marketing strategies on brand response of parastatals

	Agree (4.0-4.9)	Disagree (3.0-3.9)	Cumulative percent
Segmentation		16.6%	16.6%
Targeting	16.9%		33.5%
Differentiation		16.2%	49.7%
Positioning	17.3%		67.0%
Marketing mix		16.4%	83.4%
CRM		16.6%	100.0%

The null hypothesis states that e-marketing strategies do not influence the brand response of parastatals. The alternative hypothesis states that e-marketing strategies influence brand response of parastatals. According to the study 16.9% of respondents agree to the assumption that targeting influences brand response, 17.3% agree to the assumption that positioning influences brand response of parastatals. With a confidence interval of 0.05 ($\alpha=0.05$) and degrees of freedom of 6 (6 categories), the Chi square test can be performed using the formula:

$$4.0. \chi^2 = \sum \frac{(o-e)^2}{e}$$

The study used Microsoft Excel to calculate the p value. The result was $p=0.035$. Being that $p<0.05$ we can reject the null hypothesis. This means that there is a relationship between e-marketing strategies and brand response of parastatals. The value of p was interpreted to mean that e-marketing strategies influence 3.5% of brand response of parastatals in Kenya.

4.5.4. E- marketing strategies and Brand relationships

Table 020: The influence of e-marketing strategies on brand relationships of parastatals

	Agree (4.0-4.9)	Disagree (3.0-3.9)	Cumulative percent
Segmentation	17.3%		17.3%
Targeting		15.2%	32.5%
Differentiation	17.0%		49.5%
Positioning	17.7%		67.2%
Marketing mix		16.3%	83.5%
CRM		16.6%	100.1%

The null hypothesis states that e-marketing strategies do not influence the brand relationships of parastatals in Kenya. The alternative hypothesis states that e-marketing strategies influence brand relationships of parastatals. According to the study 17.3% of respondents agree to the assumption that segmentation influences brand relationships, 17.0% agree to the assumption that differentiation influences brand relationships of parastatals and 17.7% agree to the assumption that positioning influences brand relationships in parastatals. With a confidence interval of 0.05 ($\alpha=0.05$) and degrees of freedom of 6 (6 categories), the Chi square test can be performed using the formula:

$$\chi^2 = \sum \frac{(o-e)^2}{e}$$

The study used Microsoft Excel to calculate the p value. The result was p=0.035. Being that p<0.05 we can reject the null hypothesis. This means that there is a relationship between e-marketing strategies and brand relationships of parastatals in Kenya. The value of p was interpreted to mean that e-marketing strategies influence 3.5% of brand relationships of parastatals in Kenya.

Table 021: The influence of e-marketing strategies on brand Equity of parastatals

	Number of e-marketing strategies that influence brand equity	Number of e-marketing strategies that do not influence brand equity
Brand identity	1	5
Brand meaning	3	3
Brand response	2	4
Brand Relationships	3	3

The null hypothesis states that e-marketing strategies do not influence the brand equity of parastatals in Kenya. The alternative hypothesis states that e-marketing strategies influence brand equity of parastatals. With a confidence interval of 0.05 ($\alpha=0.05$) and degrees of freedom of 4 (4 categories), the Chi square test can be performed using the formula:

$$\chi^2 = \sum \frac{(o-e)^2}{e}$$

The study used Microsoft Excel to calculate the p value. The result was p=0.001. Being that p<0.05 we can reject the null hypothesis. This means that there is a relationship between e-

marketing strategies and brand equity of parastatals in Kenya. The value of p was interpreted to mean that e-marketing strategies influence 0.1% of brand equity of parastatals in Kenya.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

This chapter outlines the summary of findings, conclusions drawn from the study and recommendation given to the parastatals in Kenya in bid of building brand equity. It also indicates the suggestions for further study and the limitations of the study.

5.2. Summary of Findings

The objective of the study was to determine the impact that e-marketing strategies have on brand equity of parastatals in Kenya. The study was founded on two theories, the Customer Based Brand Equity model and the E-marketing Strategy. Data was collected using questionnaires. 19 parastatals were randomly selected and a questionnaire each was issued using the drop and pick method. 12 questionnaires were collected and a 63.1% responses rate was recorded. The data was analyzed using Microsoft Excel.

To determine and explain the relationship between the e-marketing strategies and brand equity in parastatals in Kenya, the data was analysed using cross tabulation. Chi square tests were used to evaluate the test of independence. The study established that there was 100% use of online services in parastatals. The study also revealed that that e-marketing strategies influence 3.5% of brand identity, 3.4% of brand meaning, 3.5% of brand response and 3.5% of brand relationships of parastatals in Kenya. It also revealed that overall e-marketing strategies influence 0.1% of brand equity of parastatals in Kenya

5.3. Conclusion

From the findings of the study it can be concluded that there is a positive linear relationship between the e-marketing strategies and brand equity of parastatals in Kenya. This was evident from the p values that all scored < 0.05 which meant that the null hypothesis was rejected. The overall relationship indicated that there is 0.1% increase in brand equity with the use of e-marketing strategies.

5.4. Recommendations

The study recommends that the marketing managers of parastatals in Kenya should focus more attention on the use of e-marketing strategies in their marketing plan as there is a positive relationship between the increase of brand equity and e-marketing strategies.

5.5. Limitations of the study

The study failed to achieve 100% response rate due to some organizations lack of cooperation by refusing to receive the questionnaires and others handing in unfilled questionnaires. Most organizations previously listed as parastatals claimed that they were not under the bracket of parastatals and as such refused to receive the questionnaires. The study was focused on parastatals in Kenya and as such this study cannot be used to draw conclusions regarding other privately owned firms in Kenya.

5.6. Recommendations for further research

The study investigated the impact of e-marketing strategies on brand equity in parastatals in Kenya. It therefore recommends that a study should be carried out on the impact that e-marketing strategies have on the brand equity of privately owned institutions in Kenya. A further research

should be done to establish ways in which the marketing managers in parastatals in Kenya should use e-marketing strategies to improve their brand equity.

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APPENDIX II: LETTER OF INTRODUCTION

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: REQUEST TO FILL ACADEMIC RESEARCH QUESTIONNAIRE

I am a student of University of Nairobi pursuing a degree in Master of Science in Marketing (Brand and Sales Management option). I am currently conducting a study on **'The impact of e-marketing strategies on building brand equity in parastatals in Kenya'** in order to fulfil the requirements of the award of the degree in Master of Science in Marketing.

You have been selected to participate in this study. I kindly request you to assist me by completely, correctly and honestly filling the attached questionnaire.

The feedback you give will be highly confidential and strictly used for academic purposes only. Your acceptance and cooperation to fill this questionnaire will be highly appreciated.

Sincerely,

Susan Nderitu

APPENDIX III: QUESTIONNAIRE

Section A: Respondent Personal Profile

Kindly indicate the appropriate answer by ticking (✓)

1. What is your gender?
Male () Female ()
2. Under which age bracket do you fall under?
 - a. 18-25 years ()
 - b. 26-35 years ()
 - c. 36-45 years ()
 - d. 46-54 years ()
 - e. 55 years and above
3. State the position you hold in the organization:
4. Indicate your level of education:
 - a. KCSE ()
 - b. Certificate ()
 - c. College diploma ()
 - d. University degree ()
 - e. Professional qualifications ()
 - f. Other ()
5. Does your organization offer its services online?
 - a. Yes ()
 - b. No ()
 - c. Not sure ()

Section B: Market Segmentation

1. Market segmentation entails dividing a market into groups based on some characteristics so as to provide suitable products or marketing programs. There are four types of market segmentation. Kindly indicate by ticking (✓) which type your organization uses to divide its market:
 - a. Geographical segmentation- segmenting based on the number of internet users in a given area ()
 - b. Demographic segmentation- based on age, sex or social group of the consumers. The use of millenials, influential customer and ethnic groups is also included in this category ()
 - c. Psychographic segmentation- using personality, lifestyle, opinions and values of the customers ()
 - d. Behavioural segmentation- based on customer activity online(what people do online), type of technology used, (choice of browser and product usage ()
 - e. None of the above ()

To what extent do you agree with the following statements on the effect that market segmentation has on building the brand equity of your organization? Kindly indicate your answer by ticking (✓) in the appropriate column.

Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

Statement	5	4	3	2	1
Market segmentation assists our marketers to create brands suitable for each segment in accordance to the characteristics shown, hence promoting the brand performance and enhancing the brand image					
Market segmentation uses millennials and influential people, who are both opinion leaders, which helps promote brand awareness					
Through market segmentation our marketers are able to know the appropriate brand associations to choose i.e. logo, name, sign etc. The choices made on the associations are based on the characteristics of the segment					
Market segmentation enables our marketers to customize products per segment hence promoting emotional attachment to the brand which elicits positive feelings and judgment toward the brand					
Customization of products per segment promotes brand loyalty and a feeling of belonging with the customers					

Section C: Targeting

2. Targeting involves selecting market segments to focus all the marketing efforts based on the internet accessibility, size of the segment and potential for growth.

Kindly indicate by ticking (✓) which type of targeting strategy your organization uses to select its market segment:

- a. Niche marketing- the marketers select one segment and choose different marketing strategies on it ()
- b. Micro-marketing/individualized targeting- the marketers customize products per customer ()

To what extent do you agree with the following statements on the effect that targeting has on building the brand equity of your organization? Kindly indicate your answer by ticking (✓) in the appropriate column.

Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

Statement	5	4	3	2	1
Targeting assists our marketers to create brands suitable for each segment in accordance to the characteristics shown, hence promoting the brand performance and enhancing the brand image					
Targeting makes it easier for the marketers to deduce the judgments and feelings that customers have toward the brand as they are a specific group as opposed to being too generalized.					
Through targeting our marketers are able to know the appropriate and most appealing brand associations to choose i.e. logo, name, sign etc. The choices made on the associations are based on the characteristics of the segment					
Targeting enables our marketers to create different marketing strategies suitable for the selected segment hence promoting brand awareness.					
Customization of products per customer promotes brand loyalty and a feeling of belonging with the customers					

Section D: Differentiation

3. Differentiation seeks to create a unique difference in the product in comparison to those of competitors. Marketers usually highlight the benefits of the product to show the difference between itself and those of competitors. There are five ways in which a marketer can differentiate a product.

Kindly indicate by ticking (✓) which method of differentiation the marketers in your organization use:

- a. Product line differentiation-use of customization and bundling of products at an attractive price, offering cheaper high quality products, offering a variety of products ()
- b. Service differentiation-customer gets feedback on real time basis using chat rooms, emails and 24 hour customer care call centres
- c. Personnel differentiation- the customer communicates with the personnel through chat rooms or emails or phone calls making him/her part of the delivery process of the product ()

- d. Channel differentiation- where the customer can choose many products to be delivered at whatever time he chooses. The mode of payment is also made convenient for him e.g. use of pay bills or electronic cards ()
- e. Image differentiation- marketers brand the product based on experiences of their customers e.g. fast delivery, timely responses from personnel etc ()

To what extent do you agree with the following statements on the effect that differentiation has on building the brand equity of your organization? Kindly indicate your answer by ticking (✓) in the appropriate column.

⊕Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

Statement	5	4	3	2	1
Differentiation assists our marketers to know the feelings and judgments that customers have toward the brand as they receive immediate feedback from the customers using emails, chats and phone calls.					
Differentiation is used by our marketers to create brand awareness amongst present and potential customers					
Differentiation helps create a sense of belonging to the customers who are involved in conversations with the personnel in regard to product delivery. This belonging contributes to brand loyalty					
Differentiation is used by our marketers to determine the brand associations to use so as to communicate the unique benefits of the product.					

Section E: Positioning

4. Positioning involves influencing the consumer's perception of the product. Marketers differentiate the product on the relevant bases that are important to customers. The key is to ensure the customer has a positive perception of the brand in relation to the ones from competitors.

The following are the positioning strategies used. Kindly indicate by ticking (✓) which positioning strategy is used in your organization:

- a. Product attribute positioning- the marketers position the brand on the basis of the size, colour, best technology etc. ()
- b. Product benefits positioning- the marketers highlight the benefits the customer will receive over and above the main function of the brand ()
- c. User category positioning- the marketer tailor makes a product for a given segment or customer according to their characteristics ()
- d. Competitor positioning- the marketer highlights the competitive advantage the brand has over its competitors ()
- e. Integrator positioning- the marketer brands the product highlighting how it incorporates everything the customer would like to get from the product ()

To what extent do you agree with the following statements on the effect that positioning has on building the brand equity of your organization? Kindly indicate your answer by ticking (✓) in the appropriate column.

Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

Statement	5	4	3	2	1
Positioning assists our marketers to elicit positive feelings and judgments by customers toward the brand as they receive benefits over and above the product functions.					
Positioning is used by our marketers to build brand awareness through highlighting the unique selling point/online value proposition of the brand					
Positioning is used by our marketers to determine the appropriate brand associations to use so as to communicate the attributes of the product.					
User category positioning which entails tailor making products per customer promotes brand loyalty and a feeling of belonging with the customers					

Section F: Marketing Mix

5. To what extent do you agree with the following statements on the digital product of your organization? Kindly indicate your answer by ticking (✓) in the appropriate column.

Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

□

Statement	5	4	3	2	1
Our digital product includes advertisements, advice on product use, sale of complementary products etc					
Our digital product has room for proactive customers who assist with the design of new products and improvement of existing ones					
Part of the features of our digital product include: customer's comments, awards given to the firm, endorsements of products, testimonies of the product, warranties and guarantees.					
Our company website has an online community where our customers can interact.					

5. To what extent do you agree with the following statements on the **digital price** of your organization's product? Kindly indicate your answer by ticking (✓) in the appropriate column.

Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

5.

Statement	5	4	3	2	1
Our pricing is through subscriptions where customers need to subscribe for a given time period so as to access our products					
Our digital products are paid for using pay per view model where the customer pays for every download of the product					
We bundle our products and offer cheaper and more reasonable prices to our customers					
Our customers usually bid for the prices they want to pay					
Our products are priced at a premium because we offer high quality products in comparison to our competitors					
We give different pricing levels to different customer segments					

6. To what extent do you agree with the following statements on the **digital place/distribution** of your organization's product? Kindly indicate your answer by ticking (✓) in the appropriate column.

Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

Statement	5	4	3	2	1
Our products are distributed using at least one agent					
We deliver our products directly to the consumer.					

6. To what extent do you agree with the following statements on the **online communication (promotion)** of your organization's product? Kindly indicate your answer by ticking (✓) in the appropriate column.

Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

Statement	5	4	3	2	1
Our marketers use Direct mail e.g. e-mails, blogs, e-newsletters etc. to promote our products					
We at times hold online exhibitions to involve our customers on our product range					
The firm sponsors some sites and online events with the aim of promoting our products					
We have word-of-mouth options in our website page e.g. the					

share button or the email a friend button					
Our sales people are usually virtual/internet based and communicate with customers using chat rooms					
We usually have sales promotions and online loyalty programs					
We have presence on social network platforms such as Twitter, Instagram, Facebook etc where we have public relations officers enhancing our PR					
Our website has virtual tours and/or a display of our packaged products					
We engage out customers through interactive advertisements					
Our products are merchandized through promotional adverts and e-alerts					

Section G: Customer relationship Management

6. Customer relationship management entails building and sustaining long- term relationships with customers.

To what extent do you agree with the following statements on the effect that using customer relationship management strategy has on building the brand equity of your organization? Kindly indicate your answer by ticking (☐) in the appropriate column.

Key: Strongly agree (5); Agree (4); Disagree (3); strongly disagree (2); Not sure (1)

Statement	5	4	3	2	1
Customer relationship management highlights any issues customer may have hence enabling the marketers to improve on the brand image and brand performance					
Customer relationship management sees to it that the customer interacts with the brand hence building brand resonance/ a feeling of belonging					
Using customer relationship management marketers get the chance to create brand awareness to new customers.					
Customer relationship management focuses on the customer as an individual. This encourages the customer to have positive feelings and judgments towards the brand					

7. With regard to your organization kindly indicate the extent to which you agree to the following statements that indicate the impact that e-marketing strategies have on the brand equity of your organization. The scale is as follows: Very Large extent (5); Large extent (4); Moderate extent (3) Little extent (2); No extent (1)

Statement	5	4	3	2	1
E-marketing strategies used help create the brand identity of the organization					
E-marketing strategies employed enhance the brand performance and brand imagery					
The use of e-marketing strategies elevates the customer feelings towards the brand hence creating a positive brand response					
e-marketing strategies used create strong brand relationships					

7. Kindly outline any other e-marketing strategies (if any) that have been employed by your organization, other than the ones mentioned here.

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