# CORPORATE BRANDING STRATEGY AND PERFORMANCE OF SAFARICOM LIMITED

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI
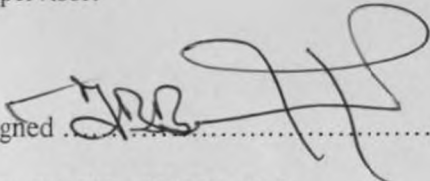
NOVEMBER, 2012

## DECLARATION

I, the undersigned, declare that this research project is my original work and that it has not been presented in any other university or institution for academic credit.

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

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# DEDICATION

I dedicate this thesis to my family for their understanding and support during the study period.

# ACKNOWLEDGEMENTS

First of all, I would wish to thank my son Ryan, family, and friends for their support, encouragement and understanding especially when I was not there for them during the study period; I wouldn't have made it this far without them.

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Most important of all I extend my gratitude to the Almighty God for providing me with strength, knowledge and vitality that helped make this project a reality

Thank you all.

## ABSTRACT

Companies are trying to influence consumers into buying their product instead of their competitors' products. To do so, they need to differentiate themselves. They need to convince the customers that their product offers a higher value. Since corporate brand values originate from organisational heritage and culture, and guide employee behaviours, they enable the company as a whole to unite behind a particular strategic intent. The concept of corporate branding finds its origin in product branding. Branding refers to the creation of such a distinctive product or service. Corporate branding brings to marketing the ability to use the vision and the culture of a company as part of a unique selling proposition (Hatch and Schultz, 2003). The idea of corporate branding is based on the assumption that consumers create images of companies based on the whole experience of these companies (Heding et al., 2009). The objective of the study was to determine corporate branding strategy and performance of Safaricom Limited. This research used a case study design. A case study refers to the collection and presentation of detailed information about a particular individual unit, example participant, a group or an event. A case study was therefore appropriate for this study because it allowed for a detailed investigation of a single subject. Primary data was collected from the company (Safaricom ltd) by use of interview guide in order to determine how corporate branding strategy has influenced performance of Safaricom ltd. The data was collected from two senior managers in each of the following departments: retail department, sales and marketing department and customer care department. The data collected was analyzed using content analysis since it's a case study. This involved reviewing what the respondents have indicated to see what themes emerges out of their responses. The study found that corporate branding strategy help in improving organization performance through creating the company and product awareness, it helps in pushing up sales, performance, enhancing customer satisfaction and that corporate branding strategy seeks to create unique identity and position for its product and services and ensures that both product and organization create value beyond that of their competitors. Employee involvement in corporate branding strategy helps in successful implementation of the corporate branding strategy through ensuring responsibility in the implementation thus improving the adaptability and effectiveness, employees of Safaricom Ltd through face to face contact with subscribers are able to identify customers' needs and are able to advise marketing on these areas.

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# CHAPTER ONE:  INTRODUCTION

## 1.1 Background of the Study

In today's society Companies are trying to influence consumers into buying their product instead of their competitors' products. To do so, they need to differentiate themselves. They need to convince the customers that their product offers a higher value. Since corporate brand values originate from organisational heritage and culture, and guide employee behaviours, they enable the company as a whole to unite behind a particular strategic intent. The concept of corporate branding finds its origin in product branding. Branding refers to the creation of such a distinctive product or service. Corporate branding brings to marketing the ability to use the vision and the culture of a company as part of a unique selling proposition (Hatch and Schultz, 2003). The idea of corporate branding is based on the assumption that consumers create images of companies based on the whole experience of these companies (Heding et al., 2009). Corporate branding requires a holistic approach to brand management, in which all members and aspects of an organization behave in accordance with or are in line with the brand (Harris and de Chernatony, 2001).

There has been tremendous growth in the Telecommunication industry in Kenya to meet the increasing need capacity, technological development and increase in economic activities. There has been significance growth of revolutionary products in the mobile telephony industry example Internet usage on smart phones, mobile money transfer service, such as Mpesa, orange money, Yu cash and Airtel money ,Mobile banking .

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According to Communications Commission of Kenya 4th quarter sector statistical report in 2011, Kenya had a total of 25.27 million subscribers. Competition has become very stiff in telecommunication industry, organisations in this industry have to come up with strategies that will enable then have sustainable competitive advantage over others.

Safaricom Ltd is a leading mobile network operator in Kenya in the telecommunication sector. It was formed in 1997 as a fully owned subsidiary of Telkom Kenya. In 2000, Vodafone group of Pl acquired 40% stake and management responsibility. It has over 2000 employees. The company boasts of over 17million subscribers. Safaricom has three competitors in the Mobile operator industry namely, Airtel Kenya, wireless and Essar's Yu. It's also listed and has shares trading on Nairobi Stock exchange. Despite the stiff competition, Safaricom is still the leading company in Telecommunication industry. The paper will examine whether corporate branding strategy it contributes to its performance.

### 1.1.1 Branding strategy concept

When examining brands, a number of different definitions can be found. Keller (1998) defines a brand as "a name, term, sign, symbol or design, or a combination of them intended to differentiate them from those of competitors". Further, the author argues that a brand gains meaning for customers through their personal experiences, commercial messages, interpersonal communications and other means, in all possible interactions between them and the brand. Kapferer (1997) on the other hand, focuses

more directly on the aspects of customer perception in his brand definition. He states a brand to be a living memory built on a person's interactions with a brand. The brand further differentiates a company from competitors by surrounding its offering with additional meaning.

Both definitions above emphasize the importance of differentiation. Through branding an offer can be differentiated from that of competitors. Brands can also be beneficial for customers. As long as a brand incorporates added-value for the customers, a brand also brings added-value to the company (Keller, 1998). Added-value, or brand equity as it is also referred to, is defined by Riezebos (2003) as "the contribution of the brand name and its related connotations to the consumer's valuation of the branded article as a whole". Morrison (2001) points out that creating added-value is a difficult task since a brand is much more than just a logo or a name. Moreover, the value of a brand is determined by how it is perceived by customers. Michell et al. (2001) state brands to play a role of a "mental patent". Thus, brands are regarded as assets to companies, even though they cannot be controlled by anyone except for those having perceptions about them (Morrison, 2001).

Even though brands and brand strategies are important, creating a brand is not enough in order to achieve a sustainable advantage. Brands have to be carefully managed through coherent messages in order for customer perception to correspond to what the firm desires. If no brand management actions are taken, the brand will be completely controlled by the customers. Brand management therefore can also be referred to as branding (Morrison, 2001). Successful brand development and brand management begins with a fundamental marketing strategy and the development of a marketing

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program. Marketing strategy involves the concepts of market segmentation, targeting and positioning. Superior marketing through being relevant, distinctive, consistent, cohesive and creative leads to superior customer awareness, preference and buying action (Webster JR & Keller. 2004).

A successful brand strategy contributes to the establishment of a product's position, protection from competition and enhancement of the product's performance in the market. It should further generate a powerful bargaining position, both with retailers and distributors given a better market acceptance, quality assurance, increased profit margins and benefits of manufacturer's marketing efforts. A successful brand strategy can also support the market segmentation, enabling the creation of a distinct image in order to create a market niche and a foundation for price differentiation (Sinclair & Seward, 1988). Brand positioning incorporates a brand's core values, and requires points of both similarity and difference compared to competing brands. The differing points are what drive the customer's behavior, and the similar ones break even with the competitors and negate their intended points of difference (Webster JR & Keller, 2004).

In spite of branding not being a new activity, it has gained increased attention in recent years. This is mainly due to the massive increase in the amount of commercial messages people are exposed to and the massive increase in the number of products the customers face. Decreasing product differentiation and the fact that important economies of scale can be obtained through communication are other explanations (Nilson, 1998).

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Today, branding is seen as a core marketing activity and to brand or not to brand is no longer the question. Rather, companies need to ask themselves how brands and branding activities should be managed within their own organizations. If no specific brand name is created, the company name will usually function as brand name, which is often the case in industrial marketing (Webster JR & Keller, 2004).

When discussing branding in a financial service context the brand is related to the company or corporate brand, which is the highest level in Keller's brand hierarchy. Product brands within financial services are relatively few and far between, and the banking and financial services industry has long been characterized by monolithic identities (Debling, 2000). There is also a difficulty of achieving differentiation at the banking product level since the product attributes in this sector are very easy to copy. This means the service quality has become an increasingly important factor for success and survival in the banking sector. Provision of high quality service helps in meeting customer satisfaction and its consequent loyalty and market share, soliciting new customers, improved productivity, financial performance and profitability. It has also become an important research topic because of its important relationship to corporate marketing and financial performance (Cui, Lewis and Park, 2003).

### 1.1.2 Corporate branding strategy

A brand is defined as "a name, term, sign, symbol or design, or a combination of them intended to differentiate them from those of competitors. A brand gains meaning for customers through their personal experiences, commercial messages, interpersonal communications and other means, in all possible interactions between them and the

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Corporate brand architecture is defined by core values shared by different products with a common and overall brand identity, which play a decisive part in coordinating the brand-building process. The role of the corporate brand is to give credibility in cases such as communications with government, the financial sector, the labour market, and society in general (Urde, 2003). Organizational values, core values and added values are the foundation of a corporate brand. The interaction among them forms the value-creating process of the corporate brand (Urde, 2003).

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Companies are faced with the challenge of organizing their resources and internal processes so that the core values for which the corporate brand stands can be strengthened, differentiated and expressed as added value for consumers. The linkage between core values and corporate brand is decisive for a firm's brand equity and competitive position. Management and organization-wide support is crucial in this process (Urde, 2003). A corporate brand is not necessarily limited to a single corporation. It can also apply to a variety of corporate entities, such as corporations, their subsidiaries, and groups of companies (Balmer and Gray, 2003). Balmer (1998) asserts that corporate identity, as an important corporate asset, represents the firm's ethics, goals and values, to differentiate the firm from its competitors.

Because markets are becoming more complex and products and services are quickly imitated and homogenized, maintaining credible product differentiation is increasingly difficult, requiring the positioning of the whole corporation rather than simply its products. Thus, the corporate values and images emerge as key elements of differentiation strategies (Hatch and Schultz, 2001). The assumption for creating a corporate brand is that a corporate brand will support all aspects of the firm and differentiate the firm from its competitors (Harris and de Chernatony, 2001; Balmer, 2001).

Corporate branding enables firms to use the vision and culture of the whole organization explicitly as part of its uniqueness (Balmer, 2001; de Chernatony, 1999). de Chernatony (2001) calls for firms to integrate their strategic vision with their brand building. Corporate brands can increase the firm's visibility, recognition and reputation to a greater extent than can product brands. Balmer and Gray (2003)

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maintain that one of the benefits of strong corporate brands is that investors may seek them out deliberately. They furthermore offer more chances for strategic or brand alliances, and play an important role in the recruitment and retention of valuable employees. Alan (1996) attributes the surge of corporate branding to the rising costs of advertising, retailer power, product fragmentation, new product development cost efficiencies, and consumers' expectations of corporate credentials.

### 1.1.3 Organizational performance

Firm's performance is the measure of standard or prescribed indicators of effectiveness, efficiency, and environmental responsibility such as, cycle time, productivity, waste reduction, and regulatory compliance. Performance also refers to the metrics relating to how a particular request is handled, or the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it. It is the outcome of all of the organisation's operations and strategies (Venkatraman and Ramanujam, 2001). It is also the extent to which an individual meets the expectations regarding how he should function or behave in a particular context, situation, job or circumstance. Oakland (1999) is of the view that performance is what people do in relation to organizational roles.

Performance measurement systems provide the foundation to develop strategic plans, assess an organisation's completion of objectives, and remunerate mangers (Alderfer, 2003). Although assessment of performance in the marketing literature is still very important, it is also complicated (Andersen and Segars, 2001). While consensual measurement of performance promotes scholarly investigations and can clarify managerial decisions, marketers have not been able to find clear, current and reliable

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measures of performance on which marketing merit could be judged (Manogran, 2001). Two approaches have been adopted in the literature to measure financial performance. Longer term performance has been chosen for two reasons: firstly because that is what the customers of "retail" products such as unit trusts might be expected to be looking at, particularly in view of the charging arrangements which make shorter term investment unwise. Secondly, one of the attractions of looking at "real" products rather than theoretical studies is the question of how administrative costs contribute to the results. In principle, such costs might appear in either front-end or regular annual management charges. Using five-year offer-to-bid figures should capture such effects regardless of the choices of individual firms as to how to split costs between the two types of charges.

The financial performance of institutions is usually measured using a combination of financial ratios analysis, benchmarking, measuring performance against budget or a mix of these methodologies. The common assumption, which underpins much of the financial performance research and discussion, is that increasing financial performance will lead to improved functions and activities of the organizations. The subject of financial performance and research into its measurement is well advanced within finance and management fields. It can be argued that there are three principal factors to improve financial performance for financial institutions; the institution size, its asset management, and the operational efficiency (Fitzgerald, Johnston, Brignall, Silvestro and Voss, 2000).

As with any method of analysis designed to measure business performance, there are limitations and imperfections associated with the use of financial ratios, particularly the use of very few ratios in isolation (Im and Workman, 2004). Hence this research endeavours to bring together several performance measures, financial ratios, and linear programming techniques and investigate the interplay between them rather than focusing on any individual measure in isolation.

With organizations operating in very volatile environment, the managements concern is how to achieve organizational performance. Organizational performance involves recurring activities to establish organizational goals, monitor progress towards the goals, and make adjustments towards achieve those goals more effectively and efficiently (Carter, 1997). The question is why some organizations perform better than others. This paper will use tools such as balanced score card to examine whether corporate branding strategy is effective in organizational performance. It will focus on Safaricom limited, an organization operating as a Mobile network operator in telecommunication industry in Kenya.

### 1.1.4 Telecommunication Industry in Kenya

Kenya's Telecommunication market has grown tremendously over the last few years. Competition has significantly increased with there being four network mobile operators on the market. There being several players on the market and with Kenya communications commission of Kenya being a body mandated to level play and control the market, this has resulted in the prices dropping by over 70% in the past four years.

Due to revolution in technology, there has been an increase in subscribers in the industry example mobile money transfer services, mobile internet access on the handset and not to forget that handsets are produced with smart applications such as android, blackberry, windows mobile, messenger and many more applications. Increased demand for mobile telephone has also been accelerated due to cheap cost of purchasing handsets since the government removed taxation on handsets. The network mobile operators are Safaricom ltd, Airtel Kenya limited, Telkom Orange and Essars's Yu. They are competing on products and services with most of them offering similar products.

Competition has been made stiff by the introduction of Mobile Number Portability (MNP) where customer have the freedom of changing and moving to another network with the number they were using on the previous network. Earlier in Kenya we had two Mobile network operators, Celtel and safaricom and then, safaricom dominated the market. But with more network operators on board, competition has become stiff and safaricom has to come up with strategies that will help it maintain sustainable competitive advantage. This paper will examine the corporate branding strategy used by Safaricom and whether it's effective in the Company's performance.

### 1.1.5 Safaricom Limited

Safaricom Ltd is a leading mobile network operator in Kenya. It was formed in 1997 as a fully owned subsidiary of Telkom Kenya. In 2000, Vodafone group of PL acquired 40% stake and management responsibility. The company has over 2000

employees stationed in major towns across the country .The company boasts of over 17million subscribers .Safaricom  provides a broad range of first class products and services for telephony, Edge, Broad band Internet and fax.

Safaricom has three competitors in the Mobile operator industry namely Airtel Kenya, wireless and Essar's Yu. In the previous years, Safaricom limited dominated the market but with increase in the competitors, it's supposed to come up with strategies which will help it achieve sustainable competitive advantage over its competitors. The competition is very stiff ,the products safaricom offers are also offers by its competitor .For mobile money transfer safaricom limited  has Mpesa , Airtel kenya has airtel mobile money transfer service, orange wireless has orange money and Yu has yu money.

In the previous year's Safaricom dominated because the competition was between safaricom and zain and those days customer preferred safaricom because it was cheaper since it used per second billing while zain used per minute billing which was expensive. But with the current competition, the prices have dropped by 70% and all its competitors have per second billing as well .Internet service is also offered by the other mobile network providers. Initially it was said that customers are able to move to other networks because of fear of losing the mobile number they are used to, but competition has seen to it that now with introduction of Mobile Number portability (MNP) a subscriber is free and able to join another network used the mobile number they acquired on a previous Mobile Network provider. Despite the stiff Competition

safaricom Limited is still the leading mobile network operator in Kenya. This paper will examine safaricom's leadership in the mobile industry in terms of performance is due to its corporate branding strategy.

## 1.2 Research Problem

A brand can be defined as a name, a term, a sign, a symbol or a design or a combination of them intended to differentiate them from those of competitors. A corporate brand relates the entire organization's multiple stakeholders and its products and services to each other through their relationship with the corporation. Corporate branding strategy seeks to create unique identity and position for the organization's products, services and it ensures both product and organization create value beyond that of their competitors (Ind.1997). Organizational performance in today's business world is a major focus for many organization, both profit and nonprofit. Performance should be broader based to include effectiveness, efficiency, economy, quality, consistency behavior and normative measures. Managers work hard and come up with smart strategies such as corporate branding strategies to ensure their organization perform and achieve the desired company targets and objectives.

The mobile communication industry is experiencing rapid growth; over the last three to four years there have been steady growth in the number of telecoms operators .This is as a result of high rate at which cellular technologies are emerging n the world and consequent increase in economic activities. The significance introduction of products like M-pesa, Yucash, Airtel money, Orange money and mobile banking, reduction in cost of mobile handsets, reduction in call charges and the growth of mobile penetration has fuelled this industry.According to CCK's (Communication

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Commission of Kenya) reports 2010, it is expects that number of subscribers will increase to 29.28 million. To support the telecommunication growth in Kenya, The CCK has licensed for mobile operators namely Safaricom, Airtel, YU, and Orange.

At the moment Safaricom Limited is a leading company in the telecommunication industry. Despite the very Volatile environment in which its operating in. It has managed to remain in the lead in terms of performance and customers. It is said to be commanding 70 percent of the market share. It has sustainable competitive advantage over its competitors. This paper will examine whether its corporate branding strategy is one of the reasons behind its success at the moment.

Several studies have been carried out in Kenya before, addressing the aspects brand marketing strategies. Such studies include: Mbugua (2003) conducted a study on the usage of social marketing strategies in changing public behavior. A case for rural enterprise and agribusiness promotion project, Anyika (2007) did a study on brand marketing strategies applied by the major motorcycle marketing firms in Kenya while Isabwa (2008) studied the application of marketing strategies by political parties in Kenya. Others ;Ricardo (2005) did a study on use of Branding Strategies in Agribusiness Commodities in Brazil, Minoo (1997) did a study on Clothing branding strategies; influence of brand personality on advertising in Portugal.

Lomax and Modar (2006 ) did a study on corporate re-branding in the UK ,the main aim of the study was to understand better the infrequent process of re-naming in order to help others undertaking a rebranding process, Keller ( 2006) did a study on Importance of Corporate brand personality traits to a successful 21st Century business in USA. The literature available so far, indicates that there has since been no study

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aimed at addressing corporate branding strategy and performance in Kenya hence the knowledge gap. This study will be guided by the following research question formulated to aid in gathering the information regarding the research topic. The question is how has corporate branding strategy influenced performance of Safaricom limited?

## 1.3 Objective of the study

The objective of the study was to determine corporate branding strategy and performance of Safaricom Limited.

## 1.4 Value of the Study

The study will be valuable to the various stakeholders in the telecommunication industry. The study will provide information on corporate branding strategy and performance of safaricom limited. This will expand their knowledge on strategic responses in telecommunication institutions and identify areas of further study.

The policy makers will obtain knowledge of the financial telecommunication sector dynamics and the responses that are appropriate to corporate branding strategy; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector participation. The study will also help the mobile phone companies in its strategy development particularly in this competitive era in the telecommunication sector. The study will be of great importance to future researcher and scholars as it will add to field of knowledge on determinants of corporate branding strategy and performance.

# CHAPTER TWO: LITERATURE REVIEW

## 2.1 Introduction

The wider objective of this study is to study the corporate branding strategy and performance of Safaricom limited. Therefore this chapter will review theoretical as well as empirical literature on corporate branding strategy and organization performance.

## 2.2 Branding Strategy

Branding strategy is a focal issue for firms operating in today's international market place. Kapferer (1992, pp 46-7 argues that branding means more than just giving a brand a name to a product or products: "brands are a direct consequence of strategy of market segmentation and product differentiation 'Firms utilize a combination of brand attributes to meet the expectations of specific customers in various economic conditions. Numerous corporate and product, brands are actively competing in the world markets. Corpotate branding refers to the strategy in which brand and corporate name are the same (de charnotony, 1997); product branding builds separate brand identities for different products. The imagery varies from one brand to another in product branding, despite the fact that a single company may own multiple product brands (Davies and Chun, 2002).

Investing in branding is considered to offer such a company major competitive advantage. Brand names or brand equity are often considered to be important resources which the firm possesses (Bharadwaj et al., 1993; Capron and Hulland, 1999; De Chernatony and Segal-Horn, 2001; Keller, 1993). Aaker (1992a) suggests that brand equity contributes to firm value through loyalty, awareness, perceived

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quality, and other brand assets. He cautions however that it can be expensive to achieve a brand that provides a firm with a competitive advantage. Brand investment may suffer if organizations concentrate on short-term profits through price reductions and other sales promotion activities that generate more immediate and easily measurable results.

## 2.3 Corporate branding strategy

Among the changes business make as they move towards globalization is shift in marketing emphasis from product brands to corporate branding. In an era when companies can longer base their strategy on predictable market or stable product range, the rules for competition change. Differentiation requires positioning, not for products but for the whole organization.

The values and emotions symbolized by the organization become key elements in of differentiation strategies and the organization itself moves centre stage ;( Harris and de chenartony, 2001). Brown and Dacin, 1997 argue that a strong brand has significant influence in creating positive consumer perceptions of existing products and new product extensions.

Balmer and Greys, 2003) literature review on corporate branding presents a different version that has been developed during the years prior. They conclude that corporate brands are leading to the development of new branch of marketing which should be known as "corporate level marketing" (Balmer and Greyser 2003).

Aaker, (2004a) defines a corporate brand as a brand that represents heritage, value, culture, people and strategy. Corporate branding congruent with the strategic brand vision (Schultz and Hatch 2003) dwells on developing brands at an organizational level (Knox and Bickerton 2003) which requires managing interactions with multiple stakeholders (Balmer and Grey 2003, Knox and Bickerton 2003,Hatch and Schultz 2003,Aaker 2004b) A corporate brand is defined primarily by associations (Aaker 2004b), and thus can develop the leverage and organization's core values must be the guiding light of the brand building process, both internally and externally. They must be built into the product, express behavior and reflected in communication. Core values influence continuity and credibility of building a corporate brand.

According to Balmer and Grey (2003), corporate brand and product brand are different in terms of their composition, constituencies, maintenance, and disciplinary roots. Hatch and Schultz ( 2003) distinguish six differences between product branding and corporate branding as follows: the shift in focus from product to corporation in the branding effort; the different exposure the firm is subject to which makes the firm's behavior and its interaction with the society more visible; the relation of the brand to all company stakeholders, not just customer; the requirement of the organization's wide support; the temporal dimensions of corporate brands includes past and future, not just present; and finally the greater reach of corporate brands than product brand means corporate brand take on more strategic importance.

Corporate brand contributes to the images formed and held by organization and community members, investors, partners, suppliers and other interested parties (all company stakeholders). A corporate brand relates the entire organization's multiple stakeholders and its products and services to each other through their relationship with the corporation.

Corporate branding strategy seeks to create unique identity and position for the organization's products, services and it ensures both product and organization create value beyond that of their competitors(Ind.1997).Corporate branding strategy can create added value for the organization and implement its vision and create a unique position in the market.

## 2.4 Game Theory

The process of branding originated as a means by which a firm could differentiate its goods or services from those of its competitors (Boyle, 2007). However, brands are today renowned for offering consumers a unique set of perceived benefits not found in other products. Branding is generally seen to offer a range of perceived advantages and benefits for both buyers and sellers including providing images and information on quality, offering recognition, reassurance, security and exclusivity, contributing to brand image and identity, market segmentation, the mutual development and strengthening of trading relationships, and legal protection (Jones, Shears, Hillier and Clarke-Hill, 2002).

Game theory uses mathematics to study strategy. Game theory studies more than just one board games, sports, and games of luck. It also studies that things like business and military decisions. In game theory, people call all of these situations "games". In other words, you can use game theory to study any situation where more than one person makes choices. The players in such a game are not even always people. Players can companies, militaries, or other things. Each player wants something such as a company seeking to make as much sales as its potential, or a country wants to win a war. Sometimes players work together, but often they are competing each other.

Economists have long used game theory to analyze a wide array of economic phenomena, including actions,Faruk Gul,(2008).This research usually focuses on particular sets of strategies known as equilibria in games .These "solution concepts" are usually based on what is a required by norms of rationality.

In non–cooperative games, the most famous of these is the Nash equilibrium. A set of strategies is Nash equilibrium if each represents a best response to the other strategies. So, if all the players are playing the strategy in the Nash equilibrium, they have no unilateral incentive to deviate, since their strategy is best they can do given what others are doing. The payoff of the game theory are generally taken to represent the utility of individual players.

Often in modeling situations the payoffs represent money, which presumably corresponds to an individual's utility .This assumption, however can be faulty. A protopical paper on game theory in economics begins by representing a game that is an abstraction of some particular economic situation.  One or more solution concepts

are chosen, and the author demonstrates which strategy sets in the presented game are equilibria of the appropriate type. Naturally one might wonder to what use this information should be put. Economics and business professors suggest two uses: 'descriptive' and 'prescriptive'.

## 2.5 Corporate Branding As A Strategy Positioning Choice

Basically Branding is about creating a unique position and distinguishing the organization from its competitors. Schmidt and Ludlow (2002) defined positioning as it is normally used in marketing to denote the distinctive market position which a brand has, or wishes to have in regard to competition. They presented a holistic a proach to positioning. Keller (2000) identified some characteristics for a successful brand which is effectively positioned. De Chernatony and McDonald (2003) explored two types of competitive brand advantage: cost- driven and value-added. Positioning is the differentiation of a brand or a product according to the target market perception relative to similar offerings in the given markets. All elements of a company's behavior affect the position in customers mind. Tadevosyan et al (2008) argued that there is a lake of research on corporate branding positioning.

Brand positioning refers to consumer's perception and insights about a special brand as well as the niche the brand occupies in their minds. Strategic position of a corporation is the outcome of decisions made at the corporate level, and is influenced by external environment and internal environment such as the availability of internal resources and core competencies, and expectations of various internal stakeholders and external stakeholders (Johnson, scholes, and Whittington, 2006).

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Strategic Position at organizational level is a long term process of developing the organization's overall competitive advantage in market place. It identifies organizations place in the environment in relation to vision, mission and core competency (Hooley, 2001; Hamel and Parahalad ,1993)It also requires manager to take deliberate and proactive actions to identify and develop the organization's competitive position based on its operational and experiental dimensions rather than promotional effort ( Kalafaties ,Tsogas ,and Blankson ,2000).

## 2.6 Organizational Performance

According to Kaplan and Norton (2000), an organizations best performance measurement tool is the balanced scorecard. This is because the measure includes both financial and non-financial parameters. In his research on organization performance measurement tools, Kurtzman (1997), found that 64 percent of companies questioned were measuring performance using measurement tolls similar to the balanced scorecard. According to Kaplan and Norton, the parameters of measurent within the balanced scorecard have evolved overtime and thus organizations performance can be measured in four parameters namely ;financials ,customer service, internal business processes and learning and growth.

Financial measures focus on the net worth of the organization to the shareholders. It is thus the profits of the organization .Helmkamp (1983), uses trend analysis as a form of financial performance measure. Trend analysis is normally used to analyze financials over a number of years and can be then used as a measure of growth on profitability.

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This is represented by profitability ratios. Reave (2007), defines accounting profits are net worth flows for a particular period in time. The financial performance in this case is measured by the firm's annual turnover, net profits, total assets turnover and earnings per share.

Financial performance can also be analyzed using ratios. The firm's solvency and financial performance can clearly be derived from financial reports and which can be compared over time (Glautier, 2001).In a study using more powerful statistical tools than his predecessors; wood (2005) indicates that financial ratios proved to be useful in the perception of failure in that such failure could be predicted at least five years earlier. He indicates the limitation of ratio usage in financial performance evaluation as having arisen from methodology of univariate evaluation. This means that every ratio is evaluated independently or in isolation of the rest hence failure to give overall analysis.

Learning and growth in the organization can be linked to motivation that employees get in their organizations .The motivation is driven by the compensational programmes existing within an organization. organ (1991),defines an ideal compensational programme in the perspectives ;first ,a standard level of pay high enough to meet the market rate, secondly as one that provides internal equity third one that has incremental rewards for the above average performance.

Growth in organizations also requires motivation. Cole (1995) defined motivation as a term used to describe processes both instinctive and rational by which people seek

to satisfy basic drives, perceived needs and personal goals which trigger human behavior .It is thus to say that organizations employee learning curve will depend on the motivation thereof. Huczynski (2001) connects organizations social arrangement with performance and he refers to the experiments of the 1927 by saying that they prove that people need social contact at work to better performance.

As Senior (2006), however puts it, it is the organizational change, being an ongoing process that is characterized by the fine tuning or matching between the organizations strategy, structure, people and processes. Such effort is typically manifested in all levels of the organization to specifically touch on the following; refining policies and procedures, creation of specialized units, developing personnel, fostering individual and group commitment, promoting confidence in accepted norms and beliefs and clarifying established roles.

## 2.7 Determinant of Branding Strategy

One notable model created by Aaker (1991) who describe brand equity as a set of assets such as name awareness, loyal customers, perceived quality and associations that are linked to the brand and add value to the product or service. The development of brand equity can create associations that can drive market positions to persist over long time periods and be capable of resisting aggressive competitors (ibid).

While Aaker explains the issue from the perspective of the firm Keller (1993) mentions and explains the importance of understanding brand equity from the customer's perspective. Keller (1993) states that even though the eventual goal of any marketing program is to increase sales, it is first necessary to establish knowledge

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structures for the brand so that customers respond favorably to the marketing activities for the brand. Ambler *et al.* (2002) mentions five dimensions as being of great importance when measuring the consumer mindset. These are: Brand awareness (recall, recognition) Brand association (strength, favorability, uniqueness of perceived benefits and attributes) Brand attitude (perceived quality of, and satisfaction with, the brand) Attachment (or loyalty), and Activity (how much consumers talk about, use, seek out information, promotions, etc. regarding the brand).

### 2.7.1 Branding

Investing in branding is considered to offer such a company major competitive advantage. Brand names or brand equity are often considered to be important resources which the firm possesses (Bharadwaj et al., 1993; Capron and Hulland, 1999; De Chernatony and Segal-Horn, 2001; Keller, 1993). Aaker (1992a) suggests that brand equity contributes to firm value through loyalty, awareness, perceived quality, and other brand assets. He cautions however that it can be expensive to achieve a brand that provides a firm with a competitive advantage. Brand investment may suffer if organizations concentrate on short-term profits through price reductions and other sales promotion activities that generate more immediate and easily measurable results.

There appear to be few differences between services branding and physical product branding in terms of the concepts and definitions employed (Dall'Olmo Riley and de Chernatony, 2000). Both external and internal perceptions of the brand are important (Berry, 2000; De Chernatony and Segal-Horn, 2001). However, the service experience and service performance are more important in building service brands

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(Berry, 2000; De Chernatony and Segal-Horn, 2001). Brand investment activities should result in a cost-effective market position as well as a brand positional advantage. The link to a cost effectiveness position is based on Aaker's (1992a) suggestion that because the brand generates loyalty, other marketing costs can be reduced. Dall'Olmo Riley and de Chernatony (2000) have examined the commonality in the literatures on relationship marketing and branding. They conclude that service brands play an important role in building relationships with customers.

Although branding has an extensive history and brand management practices have existed for decades, brand equity as a central business concept for many organizations has only really emerged in the past twenty years. Much of that interest is initially driven by the mergers and acquisitions boom of the 1980's where it became apparent that the purchase price paid for many firms largely reflected the value of their brands (Leone; Rao; Keller; Luo; McAlister and Srivastava, (2006). The clear implication of these transactions is that brands were one of the most important intangible assets of a firm. As a result of that realization many different academic and industry models of branding and brand equity have been proposed in recent years. These models share certain basic premises about brand equity. The power of a brand lies in the minds of the consumers and what they have experienced, learned and felt about the brand over time (Leone *et al.*, 2006). One notable model created by Aaker (1991) who describe brand equity as a set of assets such as name awareness, loyal customers, perceived quality and associations that are linked to the brand and add value to the product or service.

The development of brand equity can create associations that can drive market positions to persist over long time periods and be capable of resisting aggressive competitors (ibid). While Aaker explains the issue from the perspective of the firm Keller (1993) mentions and explains the importance of understanding brand equity from the customer's perspective. Keller (1993) states that even though the eventual goal of any marketing program is to increase sales, it is first necessary to establish knowledge structures for the brand so that customers respond favorably to the marketing activities for the brand. Ambler *et al.* (2002) mentions five dimensions as being of great importance when measuring the consumer mindset.

These are: Brand awareness (recall, recognition) Brand association (strength, favorability, uniqueness of perceived benefits and attributes) Brand attitude (perceived quality of, and satisfaction with, the brand) Attachment (or loyalty), and Activity (how much consumers talk about, use, seek out information, promotions, etc. regarding the brand).

### 2.7.2 Brand awareness

Brand awareness refers to the strength of a brand's presence in consumers' minds. It is an important component of brand equity (Aaker, 1991; Keller, 1993). In particular, brand name awareness relates to the likelihood that a brand name will come to mind and the ease with which it does so. Brand awareness consists of brand recognition and brand recall performance Keller, 1993). People will often buy a familiar brand because they are comfortable with the familiar (Aaker, 1991). Or there may be an assumption that a brand that is familiar is probably reliable, is in business to stay and of reasonable quality (ibid). Aaker's (1991) figure with four stages of brand

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Brand awareness might be thought of as a buyer's ability to identify a brand within a category in sufficient detail to make a purchase. It is important to remember that sufficient detail does not always require identification of the brand name. Often it is no more than a visual image that stimulates a response to the brand. Recall of the name is not necessarily required because brand awareness may proceed through brand recognition. When a brand is recognized at point of purchase brand awareness does not require brand recall. This is a key point in the consideration of brand awareness as a communication objective.

Brand recognition and brand recall are two separate types of brand awareness (Percy and Rossiter, 1992). The difference among the two is essential especially in advertising and creating an advertising strategy. That depends on the communication effect that occurs first in the buyer's mind i.e. category need or brand awareness. Brand recall relates to consumers' ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type of probe as a cue. It requires that consumers correctly generate the brand from memory (Keller, 1993). The role of brand recall can be crucial for frequently purchased products for which brands decisions usually are made prior to the store.

In some categories there are so many recognized alternatives that the buyer is overwhelmed (Aaker, 1991). Generally, if a brand does not achieve recall it will not be included in the consideration set. While recognition even based on only a few exposures persists, recall decays through time (ibid).

Recall is difficult as it requires either an in-depth learning experience or many repetitions. Top-of-mind recall is even more demanding. Hence maintaining a strong top-of-mind awareness through constant exposure can create not only brand awareness but also brand salience that can inhibit the recall of other brands.

Brand recognition relates to consumers' ability to confirm prior exposure to the brand when given the brand as a cue. It requires that consumers' correctly distinguish the brand as having been seen or heard previously (Keller, 1993). In many purchase situations the brand is quite literally presented to the consumer first and this is what stimulates the consumer to consider the relevancy of category need i.e. Do I really need or want this? The sequence in the buyer's mind is recognition of the brand reminding him/her of the category need. However, sometimes a brand may actually fail a recall test, yet be recognized at the time of the purchase decision and thereby consumed (Percy and Rossiter, 1992).

There is no exact evidence how brand value is created hence there is a broad-based agreement that one of the major contributors to brand equity is advertising (Coob-Walgren, Ruble and Donthu, 1995). According to Prentice (cited in Cobb-Walgren *et al.*, 1995) the consumer's perception of brand value comes from many sources but essentially it is based on ideas-rational or emotional that set the brand above competing brands. Advertising is the most common kind of marketing activities that instills ideas about a brand's uniqueness in the mind. Advertising can create awareness of the brand and increase the probability that the brand is included in the consumer's evoked set.

It can contribute to brand associations which when sorted in accessible memory translate into non-conscious but reliable behavioral predispositions. Advertising can affect the perceived quality of a brand as well as influence usage experience (Cobb-Walgren *et al.*, 1995).

### 2.7.3 Brand associations

A brand association is anything linked in memory to a brand (Aaker, 1991). The association not only exists, but it has a level of strength. A link to a brand will be stronger when it is based on many experiences or exposures to communications rather than few. A brand image is a set of associations usually organized in some meaningful way. A well-positioned brand will have a competitively attractive position supported by strong associations. Brand image is defined as perceptions about a brand as reflected by the brand associations held in consumer memory. Brand associations are the other informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers. The favorability, strength and uniqueness of brand associations are the dimensions distinguishing brand knowledge. This plays an important role in determining the differential response that makes up brand equity especially in high involvement decision settings (Keller, 1993).

The strength of associations depends on how the information enters consumer memory and how it is maintained as part of the brand image. Strength is a function of both the amount or quantity of processing the information receives at encoding, how much a person thinks about the information, the nature or quality of the processing the information receives at encoding and the manner in which a person thinks about the information (Keller, 1993). When a consumer actively thinks about and elaborates on

awareness and the role of brand equity is dependent upon both the context and which level of awareness that is achieved. The lowest level (except awareness), brand recognition, is based upon aided recall test. It is especially important when choosing a brand at the point of purchase.

The second level is brand recall. Brand recall is based upon asking a person to name the brand in a product class, also termed as unaided recall since the respondent is not assisted by having the names provided. The first-named brand in an unaided recall task has achieved top of- mind awareness, which is a special position. In a very real sense such a brand is ahead of the others in a person's mind. Brand awareness plays an important role in consumer decision making for three major reasons (Keller, 1993): It is important that consumers think of the brand when they think about the product category. Raising brand awareness increases the likelihood that the brand will be a member of the consideration set, the handful of brands that receive serious considerations for purchase.

It can affect decisions about brands in the consideration set even if there are essentially no other brand associations. Consumers have been shown to adopt a decision rule to buy only familiar, well established brands. It affects consumer decision making by influencing the formation and strength of the brand associations in the brand image. A necessary condition for the creation of a brand image is that a brand node has been established in memory and the nature of that brand node should affect how easily different kinds of information can become attached to the brand in memory.

the significance of product or service information, stronger associations are created in memory. This strength in turn increases both the likelihood that information will be accessible and the ease with which it can be recalled.

Favorability is reflected in the consumers' belief that the brand has attributes and benefits that satisfy their needs and wants such that a positive overall brand attitude is formed (Keller, 1993). Consumers are unlikely to view an attribute or benefit as very good or bad if they do not also consider it to be very important. Hence, it is difficult to create a favorable association for an unimportant attribute. Not all associations for a brand will be relevant or valued in a purchase or consumption decision. Associations might facilitate brand recognition or awareness or lead to inferences about product quality hence it might not always be considered a meaningful factor in a purchase decision. Moreover, the evaluations of brand associations may be situational or context dependent and vary according to consumers' particular goals in their purchase or consumption decisions (Day, Shocker and Srivastava, 1979 cited in Keller, 1993).

Attributes are the descriptive features that characterize a product or service. Attributes are distinguished according to how directly they relate to product or service performance. Product-related attributes are defined as the ingredients necessary for performing the product or service function sought by consumers. Non-product related attributes are defined as external aspects of the product or service that relate to its purchase or consumption. Price is a particularly important attribute association because consumers often have strong beliefs about the price and value of the brand and may organize their product category knowledge in terms of the price tiers of different brands (Blattberg and Wisniewski, 1989).

User and usage imagery attributes can be formed directly from a consumer's own experience and contact with brand users or indirectly through the depiction of the target market as communicated in brand advertising or by some other source of information. User and usage image attributes can also produce brand personality attributes which in turn may reflect emotions or feelings evoked by the brand (Keller, 1993). Benefits are the personal value consumers attach to the product or service attributes. They constitute what consumers think the product or service can do for them. Benefits can be further distinguished into three categories to the underlying motivations to which they relate (Park, Jaworski and MacInnis, 1986).

Functional benefits; are the more intrinsic advantages of product or service consumption and usually correspond to the product-related attributes. These benefits are often linked to fairly basic motivations such as physiological and safety needs. Experiential benefits which are the second category relate to what it feels like to use the product or service and also usually correspond to the product related attributes. These benefits satisfy needs such as sensory pleasure, variety and cognitive stimulation. Symbolic benefits as the third category are more extrinsic advantages of product or service consumption. They usually correspond to non-product related attributes and relate to underlying needs for social approval or personal expression and outer-directed self-esteem. Consumers may value the prestige, exclusivity or fashionability of a brand because of how it relates to their self-concept (Solomon, 1983 cited in Keller, 1993).

## 2.7.4. Brand attitude

Brand attitudes are important because they often form the basis for consumer behavior. One widely accepted approach to brand attitudes is based on a multi attribute formulation in which brand attitudes are a function of the associated attributes and benefits that are significant for the brand (Keller, 1993). Keller, (1993) highlights four important characteristics to be understood about brand attitude: Brand attitude depends upon the currently relevant motivation. As a result, if a buyer's motivation changes so might the buyer's evaluation of a brand, Brand attitude consists of both a cognitive and affective component. The cognitive or logical belief component guides behavior and the affective or emotional feeling component energizes the behavior.

The cognitive component may comprise a series of specific benefit beliefs. In and of themselves these are not the attitude but rather the reasons for the brand attitude. In almost any product category what one is looking for is the brand that meets the underlying motivation better than alternative brands. As long as a motivation to behave exists, a buyer will choose some brand that best meets that motivation from the alternatives of which he/she is aware. Bolton and Drew (1991) speculate that perceived service quality is a function of a consumer's residual perception of the service's quality from the prior period and his or her level of satisfaction with the current level of service performance. This notion suggests that satisfaction is a distinct construct that mediates prior perceptions of service quality to for the current perception of service quality (Cronin and Taylor, 1992) as follows; If one considers service quality to be an attitude, a study by Oliver (1980) suggests that in the absence of prior experience with a service provider, expectations initially define the level of

perceived service quality, upon the first experience with the service provider, the disconfirmation process leads to a revision in the initial level of perceived service quality, subsequent experiences with the service provider will lead to further disconfirmation which again modifies the level of perceived service quality, and the redefined level of perceived service quality similarly modifies a consumer's purchase intentions towards that service provider (Oliver, 1980).

### 2.7.5. Brand loyalty

Aaker (1991) presented a figure based on five levels of loyalty. The first level contains the non-loyal buyer who is completely indifferent to the brand. The second level includes buyers who are satisfied with the product or at least not dissatisfied. There is basically no dimension of dissatisfaction that is sufficient to stimulate a change especially if that change involves effort. The third level consists of those who are also satisfied and in addition have switching costs such as costs in time, money or performance risk associated with switching.

The fourth level consists of consumers that truly like the brand. Their preferences may be based upon an association such as symbol, a set of use experiences or high perceived quality. The top level is the committed customers who have a pride of discovering and/or being users of a brand. The brand is very important to them either functionally or as an expression of who they are. Their confidence is such that they will recommend the brand to others. The value of the committed customer is not so much the business he/she generates but rather the impact upon others and upon the market itself (Aaker, 1991). Loyalty is a core dimension of brand equity. The perceived quality, the associations and the well-known name can provide reasons to

buy and can affect use satisfaction (Aaker, 1991). A loyal customer base represents a barrier to entry, a basis for a price premium, time to respond to competitor innovations and a fortification against harmful price competition.

Successful brands achieve higher customer loyalty. Unsuccessful brands or new brands have to attract customers. The need to do so hits the net margin since it is much more expensive in advertising, promotion and selling to win new customers than to hold existing satisfied ones (Doyle, 1990). Loyalty is of sufficient importance that other measures such as perceived quality and associations can often be evaluated based on their ability to influence it. A basic indicator of loyalty is the amount a customer will pay for the brand (price premium) in comparison with another brand offering similar benefits (Aaker, 1996).

Attitudinal loyalty concepts conclude that consumers engage in extensive problem-solving behavior involving brand and attribute comparisons leading to strong brand preferences (Bennet and Rundle-Thiele, 2002). Attitudinal loyalty is strongly connected to the cognitive school of thought which emphasize the role of mental processes in building loyalty. Behavioral loyalty is the observable outcome of attitudinal loyalty. Without knowledge and understanding of the attitude towards the act of buying the brand, it is difficult to design marketing programs to modify behavioral loyalty. This is particularly the case in a non-stable environment with changing needs or environments (Bennet and Rundle-Thiele, 2002).Developing a high proportion of loyalty consumers is the ultimate goal for marketing practitioners.

## 2.7.6. Brand activity

Word-of-mouth (WOM) communication is without doubt among the strongest factors forming expectations and regularly in primary purchasing behavior (Mossberg, 1995). In general WOM communication has been researched less for services than it has been for manufactured goods despite the fact that its importance for the services sectors has long been established (Berry and Parasuraman, 1991 cited in Gounaris *et al*, 2003). This importance stems from the fact that service quality is hard to evaluate in advance of the purchase therefore WOM becomes a powerful factor which consumers consider (Gounaris *et al*, 2003). When consumers' perceptions of service quality are high they are willing to recommend the company to others which means they develop positive WOM. The outcome of this communication process is used by individuals who are not familiar with either the service or the provider as signals of quality (Parasuraman, Zeithaml and Berry1988).

A commercial setting involves a subtle change for the term loyalty (Rundle-Thiele, 2005).One of the main reasons for this change is that customers can persevere in a commercial relationship without a feeling or an attitude of devoted attachment. These loyal behaviors demonstrate that the customer has faith in the brand. Loyalty is the key to the longevity of any brand and one type of loyalty is word of mouth (ibid). Word of mouth (WOM) is the most commonly used measure of loyalty and Reichheld (2003 cited in Rundle-Thiele, 2005) has demonstrated that WOM measures correlate to company profits and growth. WOM is a strong indicator of loyalty and growth because when Thiele, 2005).

## 2.8 Corporate Branding and Organizational Performance

A strong corporate branding strategy can add significant value in terms of helping the entire corporation and the management team to implement the long-term vision, create unique positions in the market place of the company and its brands, and not the least to unlock the leadership potential within the organization ((Parasuraman, Zeithaml and Berry, 1988). Hence a corporate branding strategy can enable the corporation to further leverage on its tangible and non-tangible assets leading to branding excellence throughout the corporation. There are thousands of unique corporate brands. Companies like Microsoft, Intel, CNN, Samsung, Mercedes and many others are good examples.

A strong brand is about building and maintaining strong perceptions in the minds of customers. This takes time to establish and many resources to keep. An ancient and famous Indian proverb says: "If you don't have a goal, how can you know when you have arrived?" In order to establish and grow a corporate brand successfully, the management team has to track and measure the strength of the current corporate brand and the entire brand portfolio (Aaker, 1991). There are several benefits for employing a branding strategy that a corporation can exploit. A strong corporate brand is no less or more than the face of the business strategy, portraying what the corporation aims at doing and what it wants to be known for in the market place. The corporate brand is the overall umbrella for the corporations' activities and encapsulates its vision, values, personality, positioning and image among many other dimensions.

A corporate branding strategy creates simplicity; it stands on top of the brand portfolio as the ultimate identifier of the corporation. A corporate brand can very often assist the corporation and the management to focus in on the core vision and values. Once this overall platform has been established and implemented, it serves as a great stepping stone for revisiting any other brands in the corporations' portfolio - to have a new approach to and look at its various brand identities. This ultimately will lead to the final brand architecture of the corporation and set the strategy for how branding and brands will play an important role to achieve the corporate objectives (Doyle, 1990).

There are obvious cost efficiencies in terms of reduced marketing and advertising spending as the corporate brand replaces budgets for individual product marketing efforts. Even a combined corporate and product branding strategy can often enable management to reduce costs and exploit synergies from a new and more focused brand architecture. In the last couple of years, corporate brands have become very strong drivers of financial value for corporations. Corporate brands by themselves have become valuable assets on the company balance sheet with market values very often much beyond book value.

# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 Introduction

This chapter focused on the research design, methods of data collection, data collection instruments and procedures, and the data analysis. This chapter shows how research was executed, how respondents was approached, where and how the research was completed.

## 3.2 Research Design

This research used a case study design. A case study refers to the collection and presentation of detailed information about a particular individual unit, example participant, a group or an event. It gives a systematic way of looking at events, collecting data, analyzing information and reporting results.

According to Cooper and Schindler (2003), the case study places more emphasis on full contextual analysis of fewer conditions or events thus enabling intensive study of the social units. A case study was therefore be appropriate for this study because it allowed for a detailed investigation of a single subject.

## 3.3 Data collection

Primary data was collected from the company (Safaricom ltd) by use of interview guide in order to determine how corporate branding strategy has influenced performance of Safaricom ltd. The data was collected from two senior managers in each of the following departments: retail department, sales and marketing department

and customer care department. Secondary data was also used in this study to provide additional information .This was obtained by use of desk search techniques from published reports and other company documents.

### 3.4 Data Analysis

The data collected was analyzed using content analysis since it's a case study. This involved reviewing what the respondents have indicated to see what themes emerges out of their responses. It involved observation and detailed description of objects, items or things that comprise the study (Mugenda, 1999). Bernard Berelson ,(1979)defined Content Analysis as "a research technique for the objective, systematic, and quantitative description of manifest content of communications" (Berelson, 74). Content analysis is a research tool focused on the actual content and internal features of media. It is used to determine the presence of certain words, concepts, themes, phrases, characters, or sentences within texts or sets of texts and to quantify this presence in an objective manner.

Cooper and Schindler (2011) emphasizes that content analysis measures the semantic content of 'what' aspect of the message. Its breath makes it flexible and wide ranging tool that is used as a problem specific technique. Nachmas, (1996) also defines content analysis as a technique for making inferences by systematically and objectively identifying characteristics of messages and using the same to relate to trends.

## CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF
## RESULTS

### 4.1 Introduction

This chapter presents the data analysis and interpretation of the study. The primary data was collected using an interview guide and analysis was done through content analysis to determine corporate branding strategy and performance of Safaricom Limited.

### 4.2 General Information

The study found that interviewees held various job titles which included head of Technical, Policy, Research and Development, Finance, Human Capital Development and Administration, Legal Affairs, ICT and Corporate Communication. The study also revealed that the interviewees aged between 35 years to 53 years, this shows that interviewees were well distributed in terms of their age.

The study further revealed that interviewees had served in at safaricom for over four years since, this is an indication that respondent had served in the organization long enough to give credible information to the study

### 4.3 Corporate Branding Strategy

In order to determine whether safaricom use corporate branding as a strategy in their operation, the interviewee were requested to indicate whether safaricom use corporate branding as a strategy in their operation from the findings the interviewees indicated that safaricom was using corporate branding as a strategy in their operation. The study requested the interviewee to indicate which department was involved the creation of

corporate branding strategy at safaricom, from the finding the study found that the department involved in the creation of corporate branding strategy were business enterprises, marketing department and operation department.

The study requested the interviewee to indicate which corporate branding strategies are used in the company, the study revealed that the corporate branding strategy used at safaricom were advertising, corporate social responsibility, promotion , sponsorship, safaricom 7s , sakata ball , lewa marathon ,  customer service and the safaricom slogans . The interviewees were requested to indicate who develops the corporate branding strategy in at safaricom, the study revealed that corporate branding strategy at safaricom were developed by the marketing employees, head of various departments, the business enterprise employees and various stakeholders in the organization like the top management .

The interviewee were requested to indicate how corporate branding strategy was important to safaricom , from the findings  it was established that corporate branding strategy helped safaricom subscribers to identify themselves with safaricom ,help the companies to market itself, help the customers to easily identify safaricom from its competitors , it help the company management to implement long term visions and  it enhances the image of the organization  and brings out the organization positions in the industry.

The study also requested the interviewee to indicate the employees who were involved in the implementation of the corporate branding strategy at safaricom, from the finding the study revealed that the employees who were involved in the

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implementation of corporate branding strategy at safaricom were employee in all department who are affected by or cold be affect the achievement of an organization objective , their views must be a components to the decision making process in the organization , middle and to managers were involved in the implementation of corporate branding strategies.

Branding strategy is a focal issue for firms operating in today's international market place. Kapferer (1992) argues that branding means more than just giving a brand a name to a product or products: "brands are a direct consequence of strategy of market segmentation and product differentiation 'Firms utilize a combination of brand attributes to meet the expectations of specific customers in various economic conditions.

Numerous corporate and product, brands are actively competing in the world markets. Corporate branding refers to the strategy in which brand and corporate name are the same (de charnotony, 1997); product branding builds separate brand identities for different products. The imagery varies from one brand to another in product branding, despite the fact that a single company may own multiple product brands (Davies and Chun, 2002)

On the interviewee opinion on how long safaricom has used the corporate branding as a strategy, it was found that safaricom used corporate branding strategy since its inception; the company has consistently used the corporate branding strategy since its incorporation with few changes on the same. The study further requested the interviewee to indicate the key determinants of successful implementation of

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corporate branding strategy at safaricom, from the findings the study found that the key determinants of successful implementation of corporate branding strategy at safaricom were corporate strategy , top management support , organizational culture , pace of innovation , add value lever , resources , brand vision, financial resources , business model , subscriber loyalty and trust on the company brand. Investing in branding is considered to offer such a company major competitive advantage. Brand names or brand equity are often considered to be important resources which the firm possesses (De Chernatony and Segal-Horn, 2001; Keller, 1993). Aaker (1992a) suggests that brand equity contributes to firm value through loyalty, awareness, perceived quality, and other brand assets.

The interviewee were requested to indicate how corporate branding strategy help in achieving the overall organization objective, the study revealed that corporate branding strategy help in achieving the overall organization objective through safaricom main objective is to be communication leaders , through corporate its able to place itself strategically with the market , enhance efficiency and effectiveness of the organization through attaining a competitive advantage over its competitors thereby results into obtained organization goal and the more the company or product is know the higher the sales and the higher the profits.

Brown and Dacin, 1997 argue that a strong brand has significant influence in creating positive consumer perceptions of existing products and new product extensions. Balmer and Greys, 2003) literature review on corporate branding presents a different

version that has been developed during the years prior. They conclude that corporate brands are leading to the development of new branch of marketing which should be known as "corporate level marketing" (Balmer and Greyser 2003).

On how corporate branding strategy help in improving organization performance, the interviewee indicated that corporate branding strategy help in improving organization performance through creating the company and product awareness , it helps in pushing up sales , performance , enhancing customer satisfaction and that corporate branding strategy seeks to create unique identity and position for its product and services and ensures that both product and organization create value beyond that of their competitors .

The interviewee also indicated that employee involvement in corporate branding strategy help in successful implementation of the corporate branding strategy through ensuring responsibility in the implementation thus improving the adaptability and effectiveness , employee of safaricom through face to face contacts with subscriber are able to identify customers' needs and are able to advising marketing on these areas . According to Balmer and Grey (2003), corporate brand and product brand are different in terms of their composition, constituencies, maintenance, and disciplinary roots.

Hatch and Schultz ( 2003) distinguish six differences between product branding and corporate branding as follows: the shift in focus from product to corporation in the branding effort; the different exposure the firm is subject to which makes the firm's behavior and its interaction with the society more visible; the relation of the brand to

all company stakeholders, not just customer; the requirement of the organization's wide support; the temporal dimensions of corporate brands includes past and future, not just present; and finally the greater reach of corporate brands than product brand means corporate brand take on more strategic importance.

## 4.4 Benefits and Challenges of Corporate Branding Strategy

The study requested the interviewee to indicate the benefits of using the corporate branding strategy to safaricom, the study revealed that the benefits of using the corporate branding strategy to safaricom were to help the company develop trust and loyalty with customers, creating unique position in the market place and also enable organization to bring further leverage to its tangible and non-tangible assets, creating a platform to ensure customer loyalty , it also an avenue to good publicity and hence increase in company profits .

Corporate brand contributes to the images formed and held by organization and community members, investors, partners, suppliers and other interested parties (all company stakeholders). A corporate brand relates the entire organization's multiple stakeholders and its products and services to each other through their relationship with the corporation.

Corporate branding strategy seeks to create unique identity and position for the organization's products, services and it ensures both product and organization create value beyond that of their competitors(Ind.1997).Corporate branding strategy can create added value for the organization and implement its vision and create a unique position in the market.

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On the interviewee opinion on how corporate branding strategy add value to safaricom, the study found that corporate branding strategy add value to safaricom through attracting more customers, puts the company in a competitive edge , help the entire company and the management team to implement the long term vision and create unique position in the market place , it adds value to safaricom as new product are launched by safaricom are easily accepted by customers as the name is familiar with them .

Branding is about creating a unique position and distinguishing the organization from its competitors. Schmidt and Ludlow (2002) defined positioning as it is normally used in marketing to denote the distinctive market position which a brand has, or wishes to have in regard to competition. They presented a holistic a proach to positioning. Keller (2000) identified some characteristics for a successful brand which is effectively positioned.

The study requested the interviewee to indicate how corporate branding strategy enhance implementation of strategic plans in the organization, the study revealed that corporate branding strategy enhance implementation of strategic plans at safaricom by facilitating the achievement of the organization vision, mission and core value thus improving on the market share, make the company become focused on goal and vision call for teamwork.

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De Chernatony and McDonald (2003) explored two types of competitive brand advantage: cost- driven and value-added. Positioning is the differentiation of a brand or a product according to the target market perception relative to similar offerings in the given markets. All elements of a company's behavior affect the position in customers mind.

On the interview opinion on how the use of corporate branding strategy affected the company positively or negatively, the study found that the interviewee indicated that corporate branding strategy affected the company positively through facilitating the attainment of organization goal. The study also found that corporate branding strategy affected the company negatively through implementation has been met resistant by employees, who fear changes posing a threat to the implementation.

On the interviewee opinion on whether corporate branding strategy has affected the company relationship with it customers, the study revealed that corporate branding strategy has affected the company relationship with it customers by improving on customers confidence , brand loyalty , increased respect , recognition from customers and having exemplary customer services  and helping customer come back .The interviewee indicated that corporate branding strategy used by safaricom does contribute towards organization goals through the organization goal are met as all teams in safaricom work together cohesively and attracting innovations and increasing market share.

The study requested the respondent to indicate the success of the corporate branding strategy as adopted by safaricom Ltd in terms of customer perspective, the study revealed corporate branding strategy as adopted by safaricom Ltd helps them increase their market share, increase the customers delight index, help the company increase the customers retention through loyalty and help in attracting new customers. Corporate branding strategy help safaricom increase profitability through increased sales, help in cost reduction and help the increase in revenue growth. The study further revealed that corporate branding strategy help safaricom to increase employee morale and enhance streamlined process.

The study requested the respondent to indicated the challenges that they face in the implementation of the corporate branding strategy at safaricom , the study found that challenges that they face in the implementation of the corporate branding strategy at safaricom were that it was costly , to maintain relevance is sometimes hard work and they have to keep reinventing new ways of advertising the same products , creating value proposition which brings out a distinct explanation on the benefits of the brands because they are large and stable firm and can be trusted to deliver adequate product and services they might forget to cater for the small .

The interviewee indicated that the possible solutions to the challenges faced by safaricom in the implementation of corporate branding strategy were allocation of enough resource, top management support, involvement of all stakeholders , re-inventing itself and constantly introducing new products and corporate branding strategy is continuous process which safaricom tends to improve on to gain more market share .

The study also requested the interviewee to indicate how safaricom Limited's future in terms of corporate branding strategy , the study revealed that corporate barding strategy is continuous process which safaricom tends to improve to gain more market share and safaricom limited will continue using corporate branding strategy as long as it is in existence . The study further requested the interviewee to indicate some of the areas safaricom has not applied in terms of corporate branding strategy, the study revealed that these were pricing of products and services which seems more expensive compared to competitors and also per second billing of customers which is still expensive compared to its competitors. The study also revealed that Safaricom has not marketed the corporate brand to the world as a brand.

# CHAPTER FIVE: DISCUSSION, CONCLUSION AND

# RECOMMENDATIONS

## 5.1 Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses were based on the objective of the study. The researcher had intended to determine corporate branding strategy and performance of Safaricom Limited.

## 5.2 Discussion

The study revealed that safaricom was using corporate branding as a strategy in their operation. The study found that the departments involved in the creation of corporate branding strategy were business enterprises, marketing department and operation department. The study revealed that the corporate branding strategy used at safaricom were advertising, corporate social responsibility, promotion , sponsorship, safaricom 7s , sakata ball , lewa marathon , customer service and the safaricom slogans . The established that revealed that corporate branding strategy at safaricom were developed by the marketing employees, head of various departments, the business enterprise employees and various stakeholders in the organization like the top management.

Corporate branding strategy helps safaricom subscribers to identify themselves with safaricom ,help the companies to market itself, help the customers to easily identify safaricom from its competitors , it help the company management to implement long term visions and it enhances the image of the organization and brings out the organization positions in the industry. Employees who were involved in the implementation of corporate branding strategy at safaricom were employee in all

department who are affected by or cold be affect the achievement of an organization objective , their views must be a components to the decision making process in the organization , middle and to managers were involved in the implementation of corporate branding strategies.

The study found that safaricom used corporate branding strategy since its incorporation with few changes on the same. The study further found that the key determinants of successful implementation of corporate branding strategy at safaricom were corporate strategy , top management support , organizational culture , pace of innovation , add value lever , resources , brand vision, financial resources , business model , subscriber loyalty and trust on the company brand. Corporate branding strategy help in achieving the overall organization objective through safaricom main objective is to be communication leaders, through corporate its able to place itself strategically with the market, enhance efficiency and effectiveness of the organization through attaining a competitive advantage over its competitors thereby results into obtained organization goal and the more the company or product is know the higher the sales and the higher the profits.

It was established that corporate branding strategy help in improving organization performance through creating the company and product awareness , it help in pushing up sales, performance, enhancing customer satisfaction and that corporate branding strategy seeks to create unique identity and position for its product and services and ensures that both product and organization create value beyond that of their competitors. Employee involvement in corporate branding strategy help in successful implementation of the corporate branding strategy through ensuring responsibility in

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the implementation thus improving the adaptability and effectiveness , employee of safaricom through face to face contacts with subscriber are able to identify customers' needs and are able to advising marketing on these areas . The study revealed that the benefits of using the corporate branding strategy to safaricom were to help the company develop trust and loyalty with customers, creating unique position in the market place and also enable organization to bring further leverage to its tangible and non-tangible assets, creating a platform to ensure customer loyalty, it also an avenue to good publicity and hence increase in company profits.

The study found that corporate branding strategy add value to safaricom through attracting more customers, puts the company in a competitive edge, help the entire company and the management team to implement the long term vision and create unique position in the market place, it adds value to safaricom as new product are launched by safaricom are easily accepted by customers as the name is familiar with them. Corporate branding strategy enhance implementation of strategic plans in the organization, the study revealed that corporate branding strategy enhance implementation of strategic plans at safaricom by facilitating the achievement of the organization vision, mission and core value thus improving on the market share, make the company become focused on goal and vision call for teamwork.

The study found that corporate branding strategy affected the company positively through facilitating the attainment of organization goal. The study also found that corporate branding strategy affected the company negatively through implementation has been met resistant by employees, who fear changes posing a threat to the implementation. Corporate branding strategy affected the company relationship with

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it customers by improving on customers confidence, brand loyalty , increased respect . recognition from customers and having exemplary customer services and helping customer come back .The interviewee indicated that corporate branding strategy used by safaricom does contribute towards organization goals through the organization goal are met as all teams in safaricom work together cohesively and attracting innovations and increasing market share.

The study revealed corporate branding strategy as adopted by safaricom Ltd helps them increase their market share, increase the customers delight index, help the company increase the customers retention through loyalty and help in attracting new customers. Corporate branding strategy has helped safaricom increase profitability through :-increased sales, cost reduction and increase in revenue growth. The study further revealed that corporate branding strategy help safaricom to increase employee morale and enhance streamlined process. The challenges faced in the implementation of the corporate branding strategy at safaricom were that it was costly, maintain relevance is sometimes hardwork and they have to keep reinventing new ways of advertising the same products, creating value proposition which brings out a distinct explanation on the benefits of the brands because they are large and stable firm and can be trusted to deliver adequate product and services they might forget to cater for the small.

The possible solutions to the challenges faced by safaricom in the implementation of corporate branding strategy were allocation of enough resource, top management support, involvement of all stakeholders , re-inventing itself and constantly introducing new products and corporate branding strategy is continuous process

which safaricom tends to improve on to gain more market share . The study also found that corporate barding strategy is continuous process which safaricom tends to improve to gain more market share and safaricom limited will continue using corporate branding strategy as long as it is in existence. The study established that these were pricing of goods which seems more expensive compared to competitors and also per billing of customers which is till expensive.

## 5.3 Conclusion

From the findings study found that safaricom was using corporate branding as a strategy in their operation, the departments involved in the creation of corporate branding strategy were business enterprises, marketing department and operation department, it was found that the corporate branding strategy used at safaricom were advertising, corporate social responsibility, promotion, sponsorship, safaricom 7s, sakata ball, lewa marathon, customer service and the safaricom slogans.

Corporate branding strategy helps safaricom subscribers to identify themselves with safaricom, help the companies to market itself, help the customers to easily identify safaricom from its competitors , it help the company management to implement long term visions and  it enhances the image of the organization  and brings out the organization positions in the industry.  Corporate branding strategy help in achieving the overall organization objective through safaricom main objective is to be communication leaders, through corporate its able to place itself strategically with the

market, enhance efficiency and effectiveness of the organization through attaining a competitive advantage over its competitors thereby results into obtained organization goal and the more the company or product is know the higher the sales and the higher the profits.

The study found that corporate branding strategy help in improving organization performance through creating the company and product awareness , it help in pushing up sales, performance, enhancing customer satisfaction and that corporate branding strategy seeks to create unique identity and position for its product and services and ensures that both product and organization create value beyond that of their competitors. Employee involvement in corporate branding strategy help in successful implementation of the corporate branding strategy through ensuring responsibility in the implementation thus improving the adaptability and effectiveness , employee of safaricom through face to face contacts with subscriber are able to identify customers' needs and are able to advising marketing on these areas .

## 5.4 Recommendations

The study recommends that there is need for the safaricom to involve all the employee in corporate branding strategy as it was revealed that corporate branding strategy at safaricom were developed by the marketing employees, head of various departments, the business enterprise employees and various stakeholders in the organization like the top management. Involvement of all employees in corporate branding strategy will help the company in the implementation of corporate branding strategy

There is need for organization to adopt corporate branding strategy as it was revealed that corporate branding strategy helps customers to identify themselves with the organization, help the companies to market itself, help the customers to easily identify safaricom from its competitors, it help the company management to implement long term visions and it enhances the image of the organization and brings out the organization positions in the industry.

There is need for the organization to adopt corporate branding strategy as it was found that corporate branding strategy help in achieving the overall organization objective, through corporate its able to place itself strategically with the market , enhance efficiency and effectiveness of the organization  through attaining a competitive advantage over its competitors thereby results into obtained organization goal  and the more the company or product is know the higher the sales and the higher the profits .

## 5.5 Areas For Further Research

From the findings, conclusion and recommendations the study further recommends that an in-depth study could also be carried out to look at the determinant of corporate branding strategy. The study looked at corporate branding strategy and performance of safaricom limited, another study should be carried out on other companies in telecommunication industry or on organizations in other sectors of the economy.

The study also recommends that an in-depth study should be carried out on factors influencing the adoption of corporate branding strategies. Further studies should also be carried on how employees of an organization contribute towards implementation of the corporate branding strategy.

## 5.6 Limitation of the Study

The method used is case study research design whereby the variables cannot be controlled by the researcher. The study used an interview guide as the instrument for collecting data. This was because time for the data collection was limited to two weeks. The information collected was sensitive and therefore the researcher holds a moral obligation to treat it with utmost propriety. The study was carried out in only one company due to financial constraints of the researcher.

The study was also limited to determine corporate branding strategy and performance of Safaricom Limited. The study did not look at all the telecommunication companies in the country or even in other countries.

## 5.7 Implication on Policy, Theory And Practice

The study will of great importance to policy makers as they will know that involving all employees in corporate branding strategy designing as this will help the organization during the implementation of corporate branding strategies. Corporate branding strategy is of great importance to the organization as it helps customers to identify themselves with the organization, help the companies to market itself, help the customers to easily identify safaricom from its competitors, it help the company management to implement long term visions and it enhances the image of the organization and brings out the organization positions in the industry.

Corporate branding strategy help the organization in achieving the overall organization objective, through corporate its able to place itself strategically with the market, enhance efficiency and effectiveness of the organization through attaining a competitive advantage over its competitors thereby results into obtained organization goal and the more the company or product is know the higher the sales and the higher the profits.

The policy maker will find this study of great importance as it was found that corporate branding strategy help in improving organization performance through creating the company and product awareness, it help in pushing up sales, performance, enhancing customer satisfaction and that corporate branding strategy seeks to create unique identity and position for its product and services and ensures that both product and organization create value beyond that of their competitors. Employee involvement in corporate branding strategy help in successful implementation of the corporate branding strategy through ensuring responsibility in the implementation thus improving the adaptability and effectiveness , employee of safaricom through face to face contacts with subscriber are able to identify customers' needs and are able to advising marketing on these areas .

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# APPENDICES

## Appendix I: Interview Guide

### Part A. General Information

1. Name of Employee

2. Job Title

3. Department

4. Gender

5. Age

6. How long have you served in the organization?

### Part B: Corporate Branding Strategy at Safaricom Ltd Kenya

7. Does your company use corporate branding as a strategy?

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8. Which department is involved in the creation of corporate branding strategy at your company?

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9. Which are the corporate branding strategies used in the company?

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10. Who develops the corporate branding strategy in your organization?

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11. How is corporate branding strategy important to you organization?

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12. Who are the employees involved in the implementation of the corporate branding strategy in your organization?

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13. For how long has the company used the corporate branding as a strategy?

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14. What are the key determinants of successful implementation of corporate branding strategy in your organization?

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15. How does corporate branding strategy help in achieving the overall organization objective?

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16. How does corporate branding strategy help in improving organization performance?

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17. How does employee involvement in corporate branding strategy help in successful implementation of the corporate branding strategy?

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**Part C: Benefits and challenges of corporate branding strategy**

18. What are the benefits of using the corporate branding strategy in the organization?

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19. How does corporate branding strategy add value to your organisation?

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20. How does corporate branding strategy enhance implementation of strategic plans in your organization?

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21. How has the use of corporate branding strategy affected the company positively or negatively?

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22. Has the use of corporate branding strategy affected the company relationship with it customers?

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23. How corporate branding strategy used by your organisation does contribute towards organization goals?

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24. Explain the success of the corporate branding strategy as adopted by safaricom Ltd in terms of

**Customer perspective**

Market share.................................................................

Customer delight index.................................................

Customer retention........................................................

Acquiring new customers...............................................

**Financial perspective**

Profitability.....................................................

Cost reduction...................................................

Revenue growth................................................

**Internal perspective**

Employee morale and satisfaction.....................................................

Streamlined   processes.......................................................

25. What are the challenges that you face in the implementation of the corporate branding strategy at the company?

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26. What are the possible solutions to the challenges faced by the organization in the implementation of corporate branding strategy?

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27. Explain the safaricom Limited's future in terms of corporate branding strategy?

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28. What are some of the areas safaricom has not applied in terms of corporate branding strategy?

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**Thank you**

# Appendix II: Introduction Letter

![University of Nairobi Coat of Arms]

# UNIVERSITY OF NAIROBI
## SCHOOL OF BUSINESS
### MBA PROGRAMME

Telephone 020-2059162
Telegrams "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 10|10|12

## TO WHOM IT MAY CONCERN

The bearer of this letter ... FAITH ... SHIHACH I ........................

Registration No. D61|75271|2009 ........................

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

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

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

[Stamp: UNIVERSITY OF NAIROBI — SCHOOL OF BUSINESS — 10 NOV 2012]

IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE

5th November, 2012

Executive Business Analyst / PMO
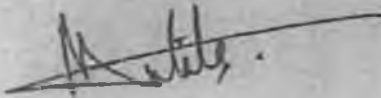
Safaricom Ltd

P.O. Box 66827- 00800

Nairobi.


Dear Sir/Madam,


**REF: DATA COLLECTION APPROVAL**

This is to confirm that FAITH SHIHACHI, An MBA student from the University of Nairobi doing a stud, on CORPORATE BRANDING STRATEGY AND PERFORMANCE OF SAFARICOM LIMITED, has been allowed to collect data related to the above study from Safaricom Ltd.

Yours Sincerely.

Nicholas Mulila

Executive Business Analyst / PMO

Safaricom