

**MEASURING BRAND EQUITY; AN INVESTIGATION OF THE KENYAN
MALTED BEER INDUSTRY IN THE EAST AFRICAN BREWERIES
LIMITED AND KEROUCHE INDUSTRIES**

**BY
EDWIN GATHANGU WAMBUGU**

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DECLARATION

I, the undersigned, declare that this research project in its form and content is my original work and that the same has never been represented by any other college, institution or university for academic or any other purpose to the best of my knowledge.

Signed Date.....

EDWIN GATHANGU WAMBUGU

D61/70275/2009

This project has been presented with my approval as the Appointed Supervisor

SignedDate.....

Mr. Victor Ndambuki

ACKNOWLEDGEMENT

Many praise and thanks to almighty God for giving me the strength and perseverance to complete this piece of work. Special thanks to my supervisor, Mr. Victor Ndambuki and my lecturer Dr. R.Musyoka for their precious time and advice they gave me from the inception of the proposal to writing of the final report.

I also wish to express my gratitude to my lecturers and the university at large for the attention and the resources that they gave me to see me through the course. Special thanks also go to my MBA classmates for their support and advice not forgetting the late Dominic Muthumbi. Guys we toiled together throughout the course and we made it.

Lastly, i can't forget to thank my family for their moral and financial support without whom it would have been impossible to complete this study. And for my brothers you're my unsung heroes. Thank you a million times for the moral support that you gave to see me through the course.

DEDICATION

I dedicate this work to my family members for their great support.

ABSTRACT

Measuring brand equity has been a big challenge for brand managers and marketers in Kenya and Africa in general. As a manager one need to have the necessary skills to measure brand equity overtime so as to be kept up to date of the health of a brand and know which direction the brand is headed. The challenge for most brand managers is to develop credible and sensitive measures of brand strength to enable them track the health of a brand overtime. Various scholars have come up with effective and efficient models and parameters to measure brand equity and have demonstrated how best one can make use of them. The research focused on the various managers of different brands who are responsible in managing these brands and concentrated on East African Breweries Ltd and Keroche industries ltd, two main beer industries in the Kenyan market.

The aim of this research was to find out the brand equity measurement practices in the beer industry and explain the challenges encountered when measuring brand equity.

For this purpose the researcher did a survey where he interviewed thirty eight respondents who were mainly managers of the various beer brands. The questionnaire comprised eight questions covering the two objectives.

The main findings showed that the two beer industries used almost similar measures which include brand loyalty, brand awareness, perceived quality, and brand association to measure brand equity as suggested by authors such as Aaker. The study also found out that the main challenges that were experienced by managers in the practice were, poor training, underfunding in research and lack of cooperation from staff, retailers and middlemen.

The practical implication of this research is that learning institutions offering marketing courses should integrate brand management skills that will help marketing managers or brand managers to be able to participate professionally in brand building activities and measuring brand equity. This will help a great deal address the challenges faced by most managers while measuring brand equity and managing brands in general.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The biggest challenge for marketers and to be precise brand managers is to measure brand equity of their brands and comparing their strength among competing products. Designing an effective model to measure brand strength of their products is a headache to most of them. Brand equity measurement provides an opportunity to generate insights about the basic principles for effective brand building and brand management overtime. Most brand managers often use financial measures such as sales figures, cost analyses, margins, profit and return on assets (ROA) to determine performance of their brands. But these measures tend to be short-term, so an attractive investment proposal tends to be defined as one that will deliver immediate financial results. Unfortunately the best way to achieve in such a system is to starve the brand by cutting back on the brand-building efforts that will not payoff in the current time period. Thus the challenge for most brand managers is to develop credible and sensitive measures of brand strength that supplement financial measures with brand asset measures. When guided by both type of measures, the incentive structure become more balanced, and it becomes easier to justify and defend brand-building activities.

Many companies offer a number of brands across a variety of markets and countries and if these brands are managed separately and independently, or on adhoc basis, then the overall resource allocation among the brands may not be made appropriately. Likewise if strategic decisions are

made blindly without proper measurement then resource allocation made to the different brands will not be of value and would end up hurting the company's overall performance.

1.1.1 The concept of brand equity

Brand equity is a set of assets (and liabilities) linked to a brand's name and a symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers (Aaker, 1996). It is the outcome that accrues to a need/want satisfier when the brand name is added on. It is the incremental contribution (money) per year obtained by the brand in comparison to the underlying product (or service). The incremental contribution is driven by the individual customer's incremental choice probability for the brand in comparison to his or her choice probability for the underlying product with no brand-building efforts. The method provides what if - analysis capabilities to predict the likely impacts of alternative strategies to enhance a brand's equity. Farquhar (1989) defines brand equity from the managerial point of view as the added value with which a brand name endows a product.

Brand equity is one of the most popular concepts in marketing today and one of the most used term in marketing research. Brand equity definition stems from the concept of a 'brand.' A brand is the total sum of all that is known, thought, felt and perceived about a company, service or product. Branding therefore is the process of making products and companies into brands-the consistent and disciplined way a company communicates a brand's essence to the public.

According to Aaker (1996) the major assets categories that contributes towards brand equity include; Brand loyalty Brand awareness/knowledge Perceived quality and Brand associations. Usually it has been suggested that brand equity be considered from the perspective of three

separate entities: firm, trade and consumer. From the firm perspective, brand equity incremental cash flow arising from the use of the brand name. From the customer point of view, brand equity is generally considered to be something to do with value and from the trade point of view, brand equity is leverage (in terms of acceptance and distribution) arising from using the brand name. This brings us yet to another important asset that contributes towards brand equity; Brand leveragability.

1.1.2 Beer Industry

Kenya has two players in the beer industry: East African Breweries limited which enjoys the largest market share and Keroche industries Ltd. East African Breweries Limited (EABL) formerly branded as Kenya Breweries was founded in 1922 by two white settlers, George and Charles Hurst. The company is owned by the Dodd family of Kenya. By 1990, most of the shareholders were Kenyan and the company was very successful. EABL has an annual turnover of Kshs 35 Billion and it has the largest share of the beer industry in the region. The group employs more than 1000 people across East Africa. EABL has been awarded the accolade of the "Most Respected Company in East Africa", five years in a row (2000, 2001, 2002, 2003 & 2004) and more recently as 2nd runners up in 2009 in a survey conducted by Pricewaterhouse Coopers and the Nation Media Group. Tusker is the main brand of East African Breweries with over 30% of the Kenyan beer market selling more than 700,000 hectolitres per year. Tusker is also the largest beer brand in the Diageo group of companies. It is a 4.2% ABV alcoholic content. The brand was first marketed in 1923, shortly after the founder of Kenya Breweries Ltd, George Hurst, was killed by an elephant during a hunting accident. It was in this year that the elephant logo, that is synonymous with Tusker Lager, was incorporated. The slogan "Bia Yangu, Nchi

Yangu", means "My Beer, My Country" in Swahili which works as part of a brand positioning statement for consumers who are truly nationalistic. EABL has also a number of brands under its name such as; pilsner lager, white Cap lager, Allsopps, Tusker Malt lager, White Cap light, Senator lager, spirits, and non-alcoholic beverages such as Alvaro and Malta Guinness.

Keroche industries limited, initially produced wines and spirits until the year 2008 when they decided to venture into beer manufacturing a market dominated by the EABL. Keroche first launched a brand almost similar to Tusker lager that was named Summit Lager and shortly after, Summit Malt. Undoubtedly good news for Kenyan beer consumers, but will the windfall be to the advertisers and marketers who, according to the Steadman Group-a market poll researcher- have lost over 21% of revenues from the beverage industry? One thing is clear to analysts: Keroche faces a daunting task against sector leader, East Africa Breweries Limited (EABL). The new kid on the block will have to contend with one of the best organized distribution networks in the country and the powerful brand recognition from a company that has been operating in Kenya for over 80 years. Keroche have been in the alcohol business for over ten years now and, in the process, have faced some big challenges, including a major tax case against the Kenya Revenue Authority (KRA) for a KES1billion tax claim. Keroche Breweries won the case, but the KRA is appealing the decision at the Court of Appeal. For EABL, the entry of Keroche is another irritant for the battle hardened brewery that previously faced accusations from members of the Kenyan Parliament that its newest product in the market, non-alcoholic drink Alvaro, actually contained alcohol. In an all-out advertising war, Keroche would struggle to match EABL, which reportedly has a war chest of over KES350m. But by aiming at the low end of the market, Keroche might just chip at EABL market share. However, EABL is not going to take it lying low and a bitter war, including massive co-operate espionage, is not far-fetched. With its

marketing prowess, and having hounded out a much stronger competitor in SABMiller, EABL should be well placed to ward off major competition from Keroche. However, Keroche has turned out to be surprisingly resilient against its largest competitor and all indications show that it has done its research well and knows what it will do to compete against EABL.

1.2 Statement of Research Problem

Measuring brand equity has been taken for granted in most industries and in many organizations. According to Aaker (1991) there exist certain indicators and measures of brand equity, which include brand loyalty, brand awareness, perceived quality and brand associations. Good management starts with good measurement, and the key to managing a portfolio is a common set of measures. Therefore duty lies with the management to determine how best to manipulate these indicators and come up with an effective model to measure brand strength within a product category. Most researchers have focused their study on brand management and have also tried to measure brand equity from consumers point of view, but to the best of my knowledge no researcher has made efforts to find out why most brand managers do not measure brand equity and the challenges involved in the practice.

The questions that this study endeavored to answer were how does one develop a successful measurement model to assess the health or strength of a brand overtime using the model formulated and lastly what are the challenges involved in brand equity measurement?

1.3 Research Objectives

- i. To establish brand equity measurement practices in East African Breweries Limited and Keroche industries.
- ii. To explain the challenges involved in brand equity measurement

1.4 Importance of the Study

This research aims at providing an insight to managers of various brands, how best they can develop a good measurement tool of measuring brand strength which should act as a starting point of establishing a brand-specific tracking system.

It will also enrich business management students or scholars with knowledge of measuring brand equity not only within a product category but also across product categories.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter summarized the different writings by different authors about the subject of this study. The chapter reports on what has been published on the study topic by accredited scholars and researchers. The chapter also conveys the knowledge and ideas that have been established on measurement of brand equity.

2.2 Brand Loyalty

Brand loyalty is a major component of brand equity and is a measure of the attachment that a customer has to brand. Aaker (1991) defines loyalty as the attachment that a customer has to a brand and thus he considers it to be a primary dimension of brand equity. On the contrary, Keller, (1993) sights loyalty as a consequence of brand equity (when favorable attributes results in repeated purchase). It reflects how likely a customer will be likely to switch to another brand, especially when the brand makes a change, either in price or in product features.

A brand's value to a firm is largely created by the customer loyalty it commands. Aaker, (1991) considering loyalty as an asset encourages and justifies loyalty building program which then help create and enhance brand equity. Brand loyalty is a key consideration when placing value on a brand that is to be bought or sold, because a, highly loyal customer base can be anticipated to generate a very predictable sales and profit stream. In fact, a brand without a loyal customer base is usually vulnerable.

2.2.1 Brand Awareness

Awareness refers to the strength of a brand's presence in the consumer's mind. It is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. Awareness is measured according to the different ways in which consumers remember a brand ranging from recognition (have you been exposed to this brand before?) to recall (what brands of this product class can you recall?) to top of mind (the first brand recalled) to dominant (the only brand recalled). Recognition reflects familiarity gained from past exposure, whereas a brand is said to have recall if it comes to consumer's mind when its product class is mentioned (Aaker, 1991). Brand awareness makes it easier for consumers to identify products with well-known brand names (Sullivan, 1998).

2.2.2 Perceived Quality

Perceived quality can be defined as the customer's perception of the overall quality or dominance of a product or service with respect to its intended purpose, relative to alternatives (Zeithaml, 1988). Perceived quality is often a major (if not the principal) strategic thrust of a business as among all brand associations, only perceived quality has been shown to drive financial performance. It is usually at the heart of what people are buying, and in that sense, it is a bottom line measure of the impact of brand identity. More interesting, though, perceived quality reflects a measure of "goodness" that spreads over all elements of the brand like a thick syrup. When perceived quality improves, so generally do other elements of customer's perception of the brand. To understand perceived quality, the identification and measurement of the underlying dimension will be useful.

2.2.3 Brand Associations

Brand equity is supported in great part by the associations that consumers make with a brand. These associations include product attributes, a celebrity spokesperson, or a particular symbol (Aaker, 1996). To create brand equity, it is important that the brand have some strong, favorable and unique brand association. Creating strong, favorable and unique associations is a real challenge to many marketers, but very vital in building customer-based brand equity. Favorable brand associations are created by convincing consumers that the brand possesses relevant attributes and benefits that satisfy the needs in way that they form positive overall brand judgments.

According to Aaker, (1991, brand associations can be classified into three major attribute and attributes, benefits and attitudes. Attributes are those descriptive features that characterize a service or a product. Attributes are further subdivided into product related and non-product related. Benefits are the personal value consumers attach to the product or service. Benefits can further be distinguished into three categories functional benefits, experimental benefits and symbolic (self-expressive) benefits. Brand attitudes are consumers overall evaluations of a brand, which is most one because it is directly associated with consumers buying behavior.

2.2.4 Brand Leveragability

Brand leveragability refers to the potential of a brand to extend to related, or even unrelated, product categories. One recipe for strategic success is to create and leverage assets. With its awareness, perceived quality, associations and customer loyalty, a brand can easily leverage

itself to other product categories. A strategic question, then, is how that brand can be leveraged to create larger and stronger business entities. Leveragability of a brand then is good parameter of measuring a brand's strength.

2.3 Measures of Brand Equity

A few research organizations have helped in addressing this problem of measuring brand equity and although their models differ, they have used almost similar terms and constructs. This organizations include; Young and Rubicam, Total Research and Interbrand.

2.3.1 Young and Rubicam's Brand Asset Valuator

The most ambitious effort to measure brand equity across products, termed the Brand Asset Valuator, is that of Young and Rubicam a major global advertising agency, who measured brand equity for over 400 global brands and more than 8,000 local brands in twenty-four countries. Each brand was examined using a thirty-two item questionnaire that included, in addition to a set of brand personality scales, four sets of measures: Differentiation, relevance, esteem and knowledge. Differentiation measures how distinctive the brand is in the marketplace. Relevance measures whether the brand has personal relevance for the respondent. Is it meaningful to him or her? Esteem measures whether a brand is held in high regard and considered to be the best in its class. Closely related to perceived quality and the extent to which the brand is growing in popularity. Lastly knowledge as an understanding as to what a brand stands for. Young and Rubicam put forth the hypotheses that brands are built sequentially along these four dimensions.

2.3.2 Total Research's EquiTrend

EquiTrend, developed by Total Research, provides a nice contrast to the Young and Rubicam measures. EquiTrend is based on a small set of simple yet powerful questions. Although limited in scope compared to Young and Rubicam study, EquiTrend has developed data over time that greatly enhance its ability to make judgments about the dynamics of brand equity and its effects. EquiTrend is based on the measures of three brand equity assets. The first is salience, the percentage of respondents who have an opinion about the brand. Thus, like the Young and Rubicam knowledge measure, it goes beyond more conventional concepts of awareness, recognition, and recall by demanding that respondents hold an opinion. The second, perceived quality, is at the heart of EquiTrend in part because it has been found by Total Research to be highly associated with brand liking, trust, pride and willingness to recommend. It is essentially the average quality rating among those who had an opinion about the brand. The third, user satisfaction, is the average quality rating a brand receives among consumers who use the brand most often. It provides a look at the strength of brands within their user base. The three measures are then combined into an EquiTrend brand equity score

2.3.3 Interbrand's Top Brands

Interbrand, a UK-based branding consulting company, used a very different approach to identify the strongest brands in the world. It's a set of criteria, chosen subjectively, included the business prospects of the brand and the brand's market environment, as well as consumer perceptions. Five hundred brands were evaluated based on seven criteria: firstly, leadership, a brand that leads its market sector is more stable and powerful than the second, third and fourth placed brands. The criterion reflects economies of scale for the first placed brand in communication and distribution, as well as the problems that also-rans have in maintaining distribution and avoiding price erosion. Secondly, stability; long lived brands with identities that have become part of the fabric of the market and even culture are particularly powerful and valuable. Thirdly, market; brands are more valuable when they are in markets with growing or stable sales levels and a price structure in which successful firms can be profitable. Fourthly, international; brands that are international are more valuable than national or regional brands, in part because of economies of scale. More generally, the broader the market scope of a brand, the more valuable it is. Fifthly, Trend; the overall long-term trend of the brand in terms of sales can be expected to reflect future prospects. A healthy, growing brand indicates that it remains contemporary and relevant to consumers. Sixth is; Support, brands that have received consistent investment and focused support are regarded as stronger than those that have not. However the quality of support should be considered along with the level of support. Lastly, Protection, in terms of a brand's legal trademark which is critical to the brand's strength.

2.3.4 The Brand Equity ten

From the above three efforts to measure equity across products Aaker, (1996) proposed a set of general measures and termed them as Brand equity Ten. As the name suggests, ten measures were chosen. The measures which were nominated were grouped in five categories. The first four categories represent customer perceptions of the brand along the four dimensions of brand equity; loyalty, perceived quality, associations and awareness. The fifth include two sets of market behavior measures that represent information obtained from the market-based information rather than directly from customers.

2.4 Loyalty Measures

Loyalty is a core dimension of brand equity. A loyal customer base represents a barrier to entry, a possible price premium, time to respond to competitor innovations and a bulwark against deleterious price competition. A basic indicator of loyalty is the amount a customer will pay for the brand in comparison with another brand offering similar or fewer benefit. The price premium may be the best single measure of brand equity available, because it directly captures the loyalty of customers in a most relevant way. If they are they should logically be willing to pay a price premium; if they are not willing to pay more, the loyalty level is shallow. Satisfaction (or liking) is a direct measure of how willing customers are to stick to a brand.

2.4.1 Perceived Quality and Leadership Measures

Perceived quality is one of the key dimensions of brand equity. It has been proven in studies using statistical models to directly affect both Return On Investments (ROI) and stock returns. Perceived quality can be measured with scale such as; High quality versus shoddy quality or

consistent quality versus inconsistent quality. Leadership can be measured by scales that ask whether a brand is; a category leader, growing more popular or respected for innovation.

Perceived quality is a key strategic variable for many firms. Total Quality Management (TQM) or one of its relatives has been central to many firms for the past decade, and perceived quality is usually the end goal of TQM programs. For many brands perceived quality defines the competitive milieu and their own position within that milieu. Some brands are price brands, and others are prestige or premium brands. Within those categories, the perceived quality position is often the defining point of differentiation. Perceived quality is usually at the heart of what the customers are buying and in that sense; it is a bottom-line measure of the impact of brand identity. Even when the brand identity is defined by the functional benefits, most studies will show that perceptions about those benefits are closely related to perceived quality. When perceived quality improves, so generally do other elements of customer perception of the brand.

2.4.2 Associations /Differentiation Measures

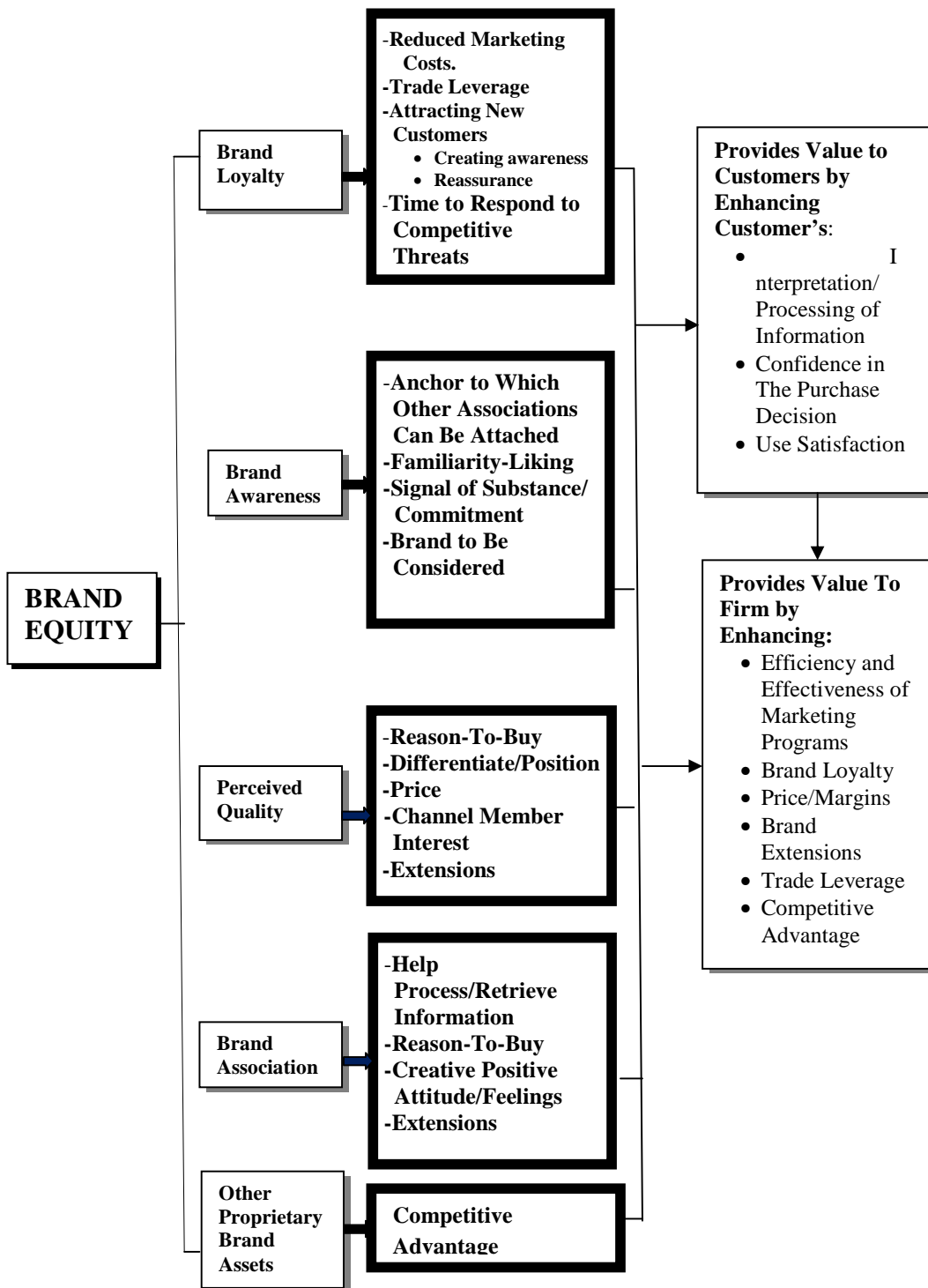
Measurement of associations can be structured by using three perspective of brand identity: the product as a product (value), brand -as- person (brand personality) and the brand-as-organization (organization associations). One role of brand identity is to create a value proposition. The value proposition which usually involves a functional benefit is basic to brands in most product classes. The value measure provides a summary indicator of the brand's success at creating that value proposition. Brand value can thus be measured by asking whether the brand proves good value for the money or whether there is a reason to this brand over the others. Brand personality is the second element of associations/ differentiation. For some brands, the brand personality provides links to the brand's emotional and self-expressive benefits as well as a basis for brand-

customer relationship and differentiation. Candidate scales for measuring this would include: does this brand have a personality? Or is this brand interesting? An organization association is likely to be a factor particularly when brands are similar with respect attributes, the organization is visible or when a corporate brand is involved. To tap the brand-as-organization, scales such as these could be considered: the brand is made by an organization I would trust or I admire brand a organization. Differentiation is a summary measure of brand association. The three sets of measures of brand association all tap various dimensions of how the brand can be differentiated from its competitors. Measures of differentiation could include: this brand is different from the other brands or this brand is basically the same as the other brands.

2.4.3 Awareness Measures

Awareness reflects the presence of the brand in the mind of customers. It can be a driver in some categories, and it usually has a key role to play in brand equity. Brand awareness reflects both the knowledge and salience of the brand in the customer's mind. Awareness can be measured in different levels including the following; Recognition ("have you heard of brand A?") Recall ("what brands of beer can you recall?")

2.5 Figure 2.1 How Brand Equity generates value



Source: Aaker (1991)

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter entails the methodology and design used in gathering data so as to establish brand equity measurement practices and the challenges involved while measuring the same in the two beer manufacturing industries in Kenya. The sample populations are the employees who work directly for East African Breweries Ltd and Keroche Industries. It also explains validity of the instruments used in the study. These include questionnaires and interviews used to collect the data.

3.1 Research Design

As indicated in the problem, the study design is a case study predicated on EABL and Keroche Industries. This is due to the fact that these two are indeed the only players in the malted beer industry in Kenya.

3.2 Population of the Study

The population of this study will be the Brand managers, regional representatives and sales managers of the two companies. They are best placed to answer the research questions and thus the research objectives.

3.3 Sample Design

A simple random sampling technique was used to select the sample size based on the convenience and availability of the respondents.

In this case consists of 42 employees from the two beer industries and to be specific 2 brand managers, 18 regional representatives, 10 sales managers and 12 marketing executives. This sample is ideal because it incorporates players that are unclassified.

3.3.1 Table 1. Target population table

Population category	Sample size
Brand managers	2
Regional representatives	18
Sales managers	10
Marketing executives	12
Total	42

3.4 Data Collection Method

The research involved both primary and secondary data. Primary data was collected by use of both close-ended and open ended questionnaire administered by the interviewer to the respondents. Secondary data was collected from the companies' monthly newsletters, annual reports and the internet.

A questionnaire is a set of questions which enable a researcher to obtain certain answers. It can be open or closed questions. According to Dillman (2000), open questionnaires allow respondents to give answers in their own way. Fink (1995) indicates that closed questions provide a number of alternative answers from which the respondent is instructed to choose. The researchers used both open and closed questions. The questions were short and to the point. This enabled many respondents to understand them. The researcher made the questions general and not to target a certain cluster of employees to be held questionable.

Five questionnaires were pre-tested using other population similar to the intended one. This reduced problems of comprehension or other sources of confusion. Oppenheim (1992) indicated that the researcher should encourage respondents by explaining to them the purpose of the survey, how the results could benefit them and the little time it will take to complete.

3.5 Data Analysis

Data collected by the foregoing questionnaire was analyzed by the use of quantitative methods. Quantitative analysis involves creating tables and frequencies to determine the quantities, while qualitative analysis describes the quality of information gathered. The information has been presented in tables, graphs and charts and then interpreted. These measures were deemed adequate for the comprehensive analysis of study of this data.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the results of the analysis of data gathered by the researcher in the course of this study. The study includes the detailed information about the survey and the respondents in general. It gives both theoretical and graphical presentation in a summary form of all the study findings. The findings of the analysed data were presented on tables, graphs and charts to reflect different response rates amongst the respondents. The analysis of the response rate was conducted and the obtained data was subjected to quantitative and qualitative analysis.

4.2 Presentation of results (Quantitative Analysis)

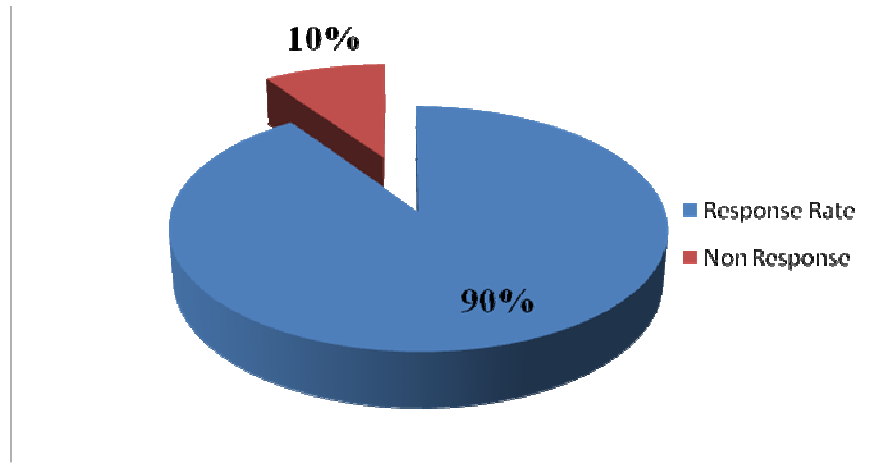
4.2.1 Respondents Rate Analysis

Table 4.1 Response Rate

Response Rate	Frequency	Percentage
Response Rate	38	90%
Non Response	4	10%
Total	42	100%

Source: Author (2011)

Figure 4.1 Response Rate



Source: Author (2011)

Table 4.1 and figure 4.1 above analyses the number of questionnaires administered to respondents. Out of the questionnaires distributed out to the field, only a few were not resumed. As indicated in table 4.1 from the study conducted, 90% responded and 10% did not respond.

Mugenda and Mugenda (2003) proposed that while administering questionnaires, a response rate of 50% is adequate for analysis and reporting. He further suggested that 60% is good response while 70% is very good. The researcher therefore considers the response rate good and sufficient for data analysis, reporting and drawing conclusions

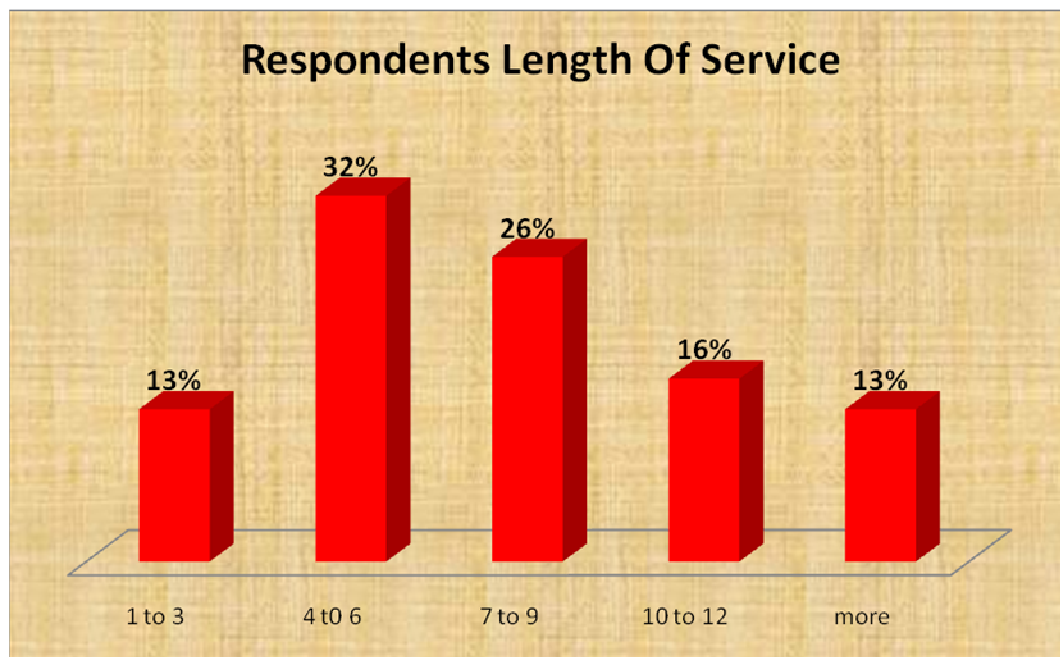
4.2.2 Respondents Length of service with current employer

Table 4.2 Respondents length of service

Duration (years)	Frequency	Percentage
1 to 3	5	13%
4 to 6	12	32%
7 to 9	10	26%
10 to 12	6	16%
more	5	13%
Total	38	100%

Source: Author (2011)

Figure 4.2 Respondents length of service



Source: Author (2011)

From the table and figure 4.2 above it is clear that majority (32%) of the respondents had worked for their current employer for 4-6 years, 26% for 7-9 years, 16% for 10-12 years, 13% for more than 12 years and 13% for 1-3 years.

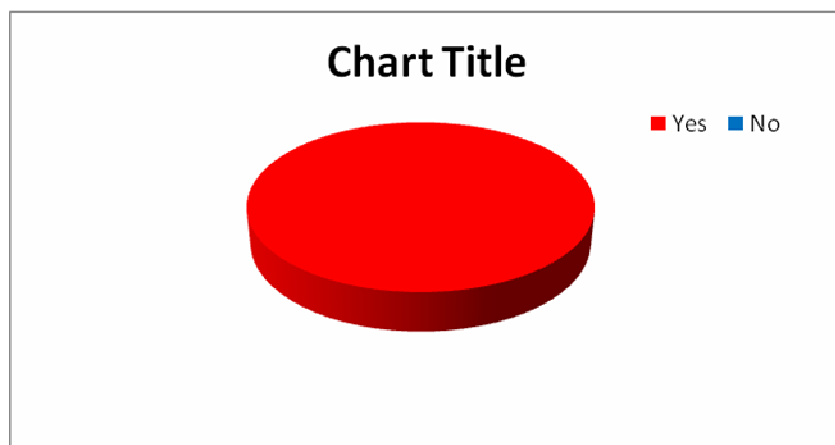
4.2.3 Participation in the Design and Development of Brand Strategies

4.3 Participation in Development of Brand Strategies

Response	Frequency	Percentage
Yes	38	100%
No	0	0%
Total	38	100%

Source: Author (2011)

Figure 4.3 Participation in Development of Brand Strategies



Source: Author (2011)

Interpretation

According to the study all the respondents (100%) indicated that they were involved in the design and the development of brand strategies as indicated by table 4.3 and figure 4.3.

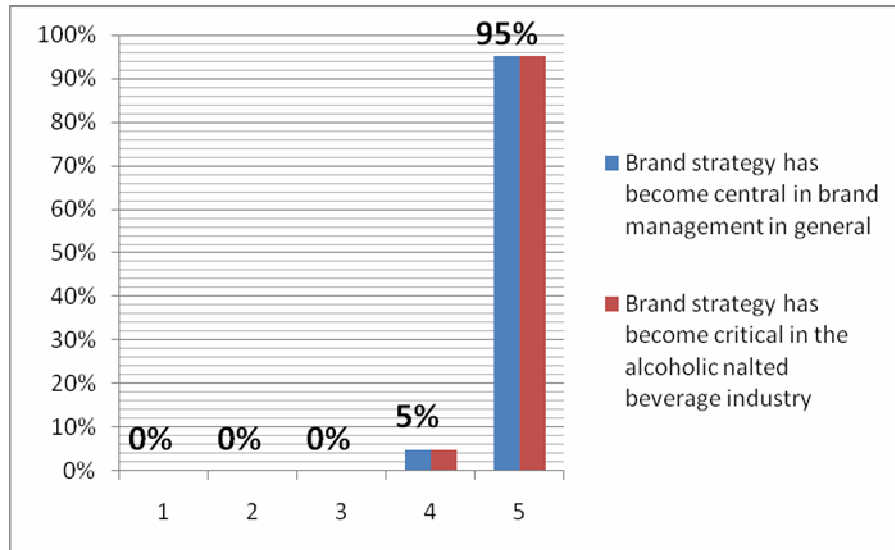
4.2.4 Brand Strategy

Table 4.4 Brand strategy in brand management and malted alcoholic beverages

Rating 1= (totally disagree) to 5= (totally agree)	1	2	3	4	5
Brand strategy has become central in brand management in general	0	0	0	2	36
Percentage	0%	0%	0%	5%	95%
Brand strategy has become critical in the malted alcoholic beverages in Kenya.	0	0	0	2	36
Percentage	0%	0%	0%	5%	95%

Source: Author (2011)

Figure 4.4 Brand strategy in brand management and malted alcoholic beverages



Source Author (2011)

Interpretation

According to the table 4.4 and figure 4.4 95% of the respondents strongly agreed that brand strategy has generally become central in brand management. 95% also totally agreed that brand strategy has become critical in the alcoholic malted beverage industry. Only 5% of the respondents did not totally agree and chose the rating of 4 which is approximately closer to the rating of 5. Therefore majority were of the opinion that brand strategy is vital in the industry.

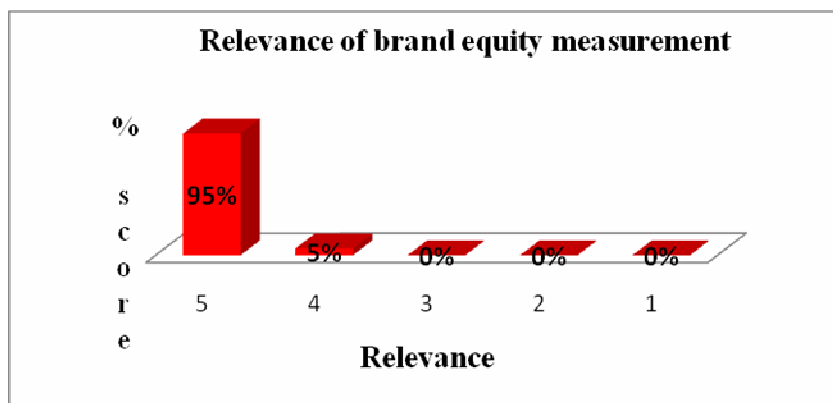
4.2.5 Relevance of brand equity measurement in the alcoholic beverage industry.

Table 4.5 Relevance of brand equity measurement

Rating 1=not relevant at all, to 5=extremely relevant.	5	4	3	2	1
Score	36	2	0	0	0
Percentage	95%	5%	0%	0%	0%

Author: Source (2011)

Figure 4.5 Relevance of brand equity measurement



Source: Author (2011)

Interpretation

According to the table 4.5 and figure 4.5 above, 95% of the respondents indicated that brand equity measurement was extremely relevant in the alcoholic beverage industry. 5% of the respondents gave a rating of 4 which is very close to 5 in terms of relevance.

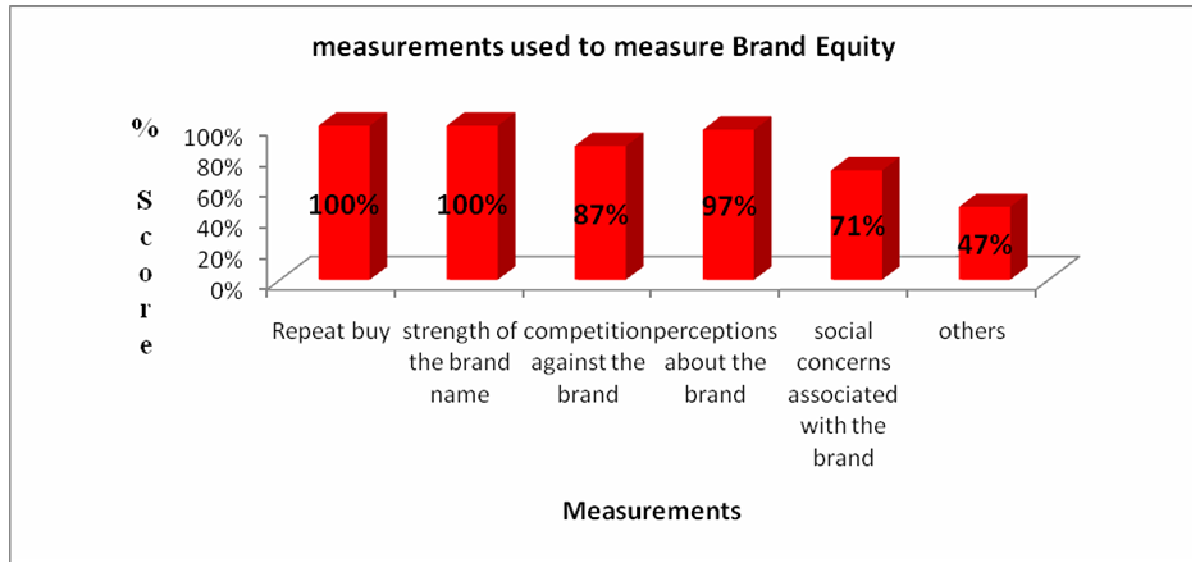
4.2.6 Measurements used to measure brand equity.

Table 4.6 Measurements used to measure brand equity.

n=38	Frequency	Percentage
Characteristic		
Repeat buy (brand loyalty)	38	100%
strength of the brand name (brand awareness)	38	100%
competition against the brand	33	87%
perceptions about the brand (perceived quality)	37	97%
Social concerns associated with the brand. (brand associations)	27	71%
others	18	47%

Source: Author (2011)

Figure 4.6 Measurements used to measure brand equity.



Source: Author (2011)

Interpretation

The researcher sought to find out what measurements they used to measure brand equity in their portfolio of brands. Out of the 38 respondents 100% suggested that they used both repeat buy and strength of the brand name, 97% used perceptions about the brand, 87% used competition, 71% used brand associations while 47% used other measures mainly leverage to measure brand equity. On average 84% used the measures above.

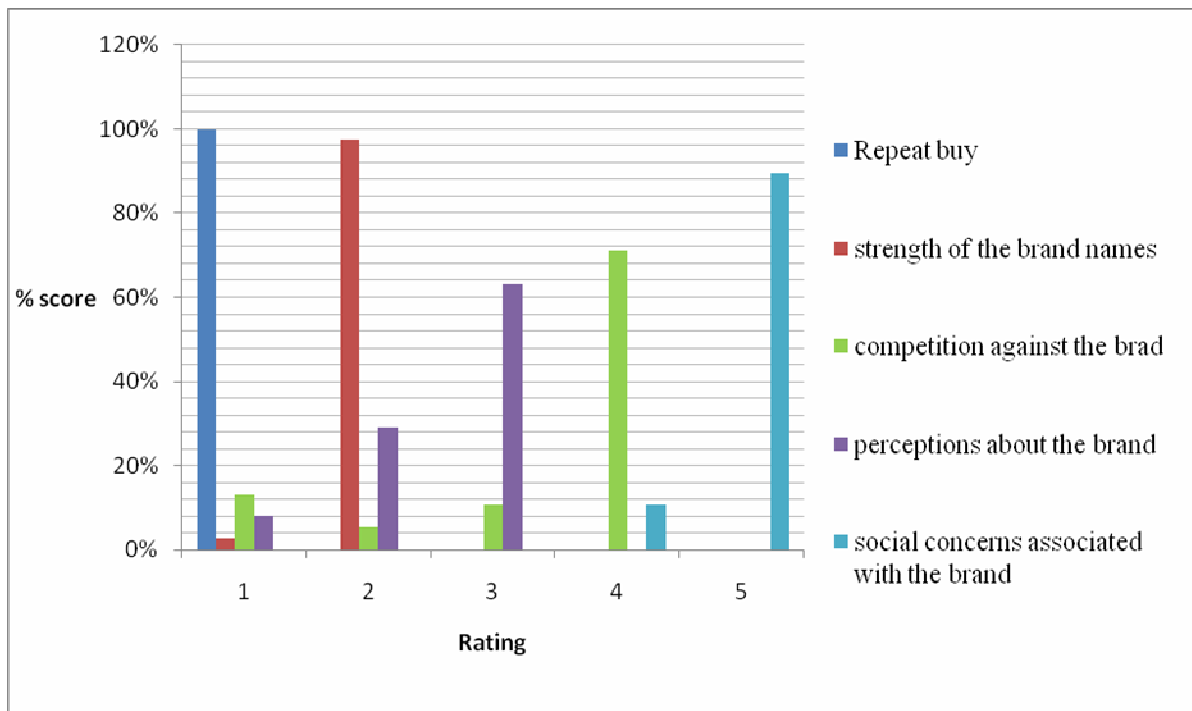
4.2.7 Most considered measures

Table 4.7 Most considered measures

Rating (1=most considered,5=least considered)	1	%	2	%	3	%	4	%	5	%
Repeat buy	38	100%	0	0%	0	0%	0	0%	0	0%
strength of the brand names	1	3%	37	97%	0	0%	0	0%	0	0%
competition against the brad	5	13%	2	5%	4	11%	27	71%	0	0%
perceptions about the brand	3	8%	11	29%	24	63%	0	0%	0	0%
social concerns associated with the brand	0	0%	0	0%	0	0%	4	11%	34	89%

Source: Author (2011)

Figure 4.7 Most considered measures



Source: Author (2011)

Interpretation

According to table 4.7 and figure 4.7 above the results established that repeat purchase was the most considered measure with 100% of the respondents indicating so. Strength of the brand name was the second most considered with 97% of the respondents, followed by perceptions of the brand with 63% of the respondents giving it a rate of 3 while the rest gave it a rate 2 and 1 at 29% and 8% score respectively. Competition against the brand was ranked fourth with majority of 71% respondents giving a rate of 4. Social concerns associated with the brand was the least considered measure with 89% of the respondents indicating so.

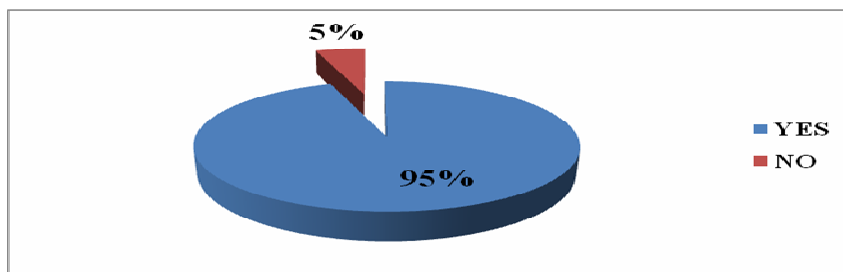
4.2.8 Challenges involved in brand equity measurement

Table 4.8 Challenges involved in brand equity measurement

Response	Frequency	Percentage
YES	36	95%
NO	2	5%
Total	38	100%

Source: Author (2011)

Figure 4.8 Challenges involved in brand equity measurement



Source: Author (2011)

Interpretation

From the table 4.8 and figure 4.8 it is clear that 95% of the respondents indicated that indeed there are challenges when measuring brand equity, while 5% of the respondents suggested otherwise.

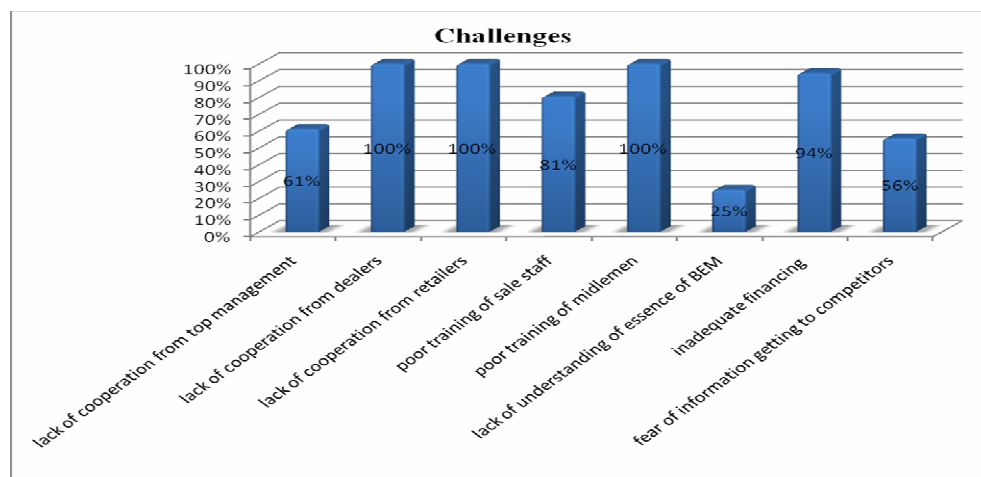
4.2.9 Challenges

Table 4.9 Challenges

Characteristic	Frequency	Percentage
Lack of cooperation from top management	22	61%
Lack of cooperation from dealers	36	100%
Lack of cooperation from retailers	36	100%
Poor training of sale staff	29	81%
Poor training of middlemen	36	100%
Lack of understanding of essence of BEM	9	25%
Inadequate financing	34	94%
Fear of information getting to competitors	20	56%

Source: Author (2011)

Figure 4.9 Challenges



Source: Author (2011)

Interpretation

From the table 4.9 and figure 4.9 demonstrates, out of the 36 respondents who indicated that they faced challenges while measuring brand equity, 100% emphasized lack of cooperation from top management, dealers and poor training of middlemen were the main challenges involved in measuring brand equity. Inadequate financing is also a main challenge with 94% of the respondents, 81% of the respondents voted for poor training of staff, 56% indicated fear of information leaking to competitors was also a challenge, 61% lack of cooperation from top management and 25% indicated that lack of understanding of essence of brand equity measurement was also a challenge.

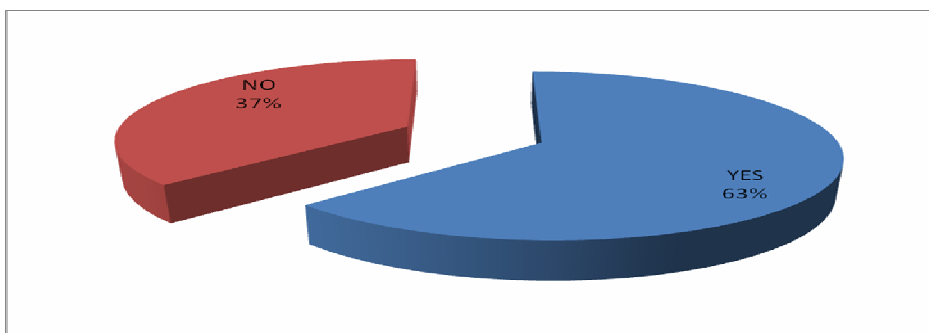
4.2.10 Brand Systems Audit

Table 4.10 Brand Systems Audit

Response	Frequency	Percentage
YES	24	63%
NO	14	37%
Total	38	100%

Source: Author (2011)

Figure 4.10 Brand Systems Audit



Source: Author (2011)

Interpretation

According to table 4.10 and figure 4.10, 67% of the respondents indicated that they perform brand system audit while 37 % do not.

4.2.11 Issues considered when performing Brand system Audit

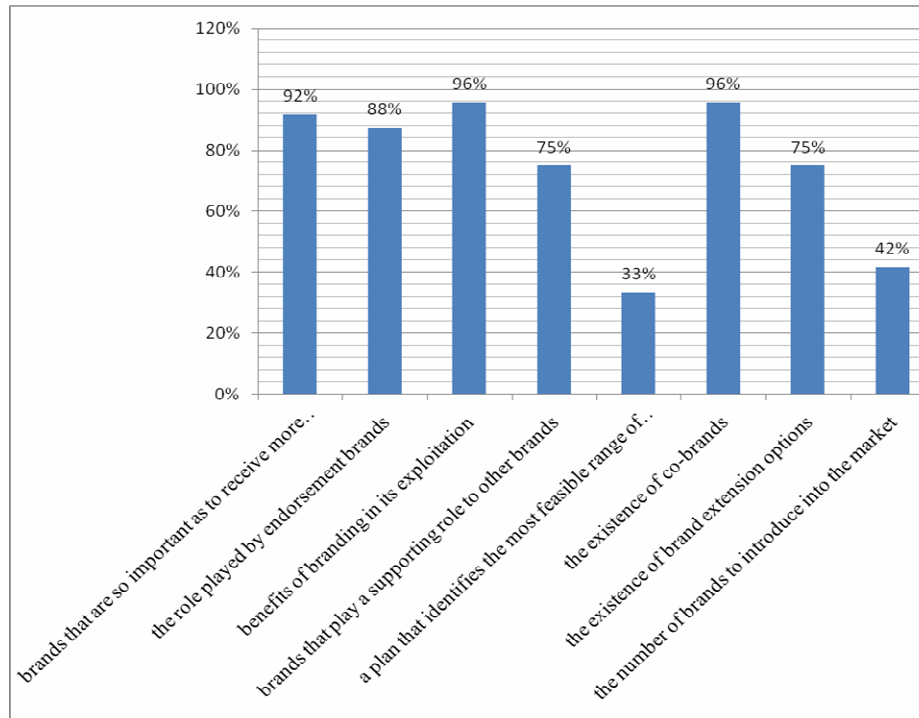
Table 4.11 Issues considered when performing Brand system Audit

N=24

Characteristic	Frequency	Percentage
Brands that are so important as to receive more than their share of resources	22	92%
The role played by endorsement brands	21	88%
Benefits of branding in its exploitation	23	96%
Brands that play a supporting role to other brands	18	75%
A plan that identifies the most feasible range of brands	8	33%
The existence of co-brands	23	96%
The existence of brand extension options	18	75%
The number of brands to introduce into the market	10	42%

Source: Author (2011)

Figure 4.11 Issues considered when performing Brand system Audit



Source: Author (2011)

Interpretation

The researcher sought to find out the issues that are considered by the respondents who had indicated that they perform brand systems audit. Out of the 24 who said they performed the task an average of 80% of them suggested that they certainly considered the issues above although “ a plan that identifies the most feasible range of brands” and ‘ the number to introduce into the market” did not receive a lot of consideration with a 33% and 42% score respectively.

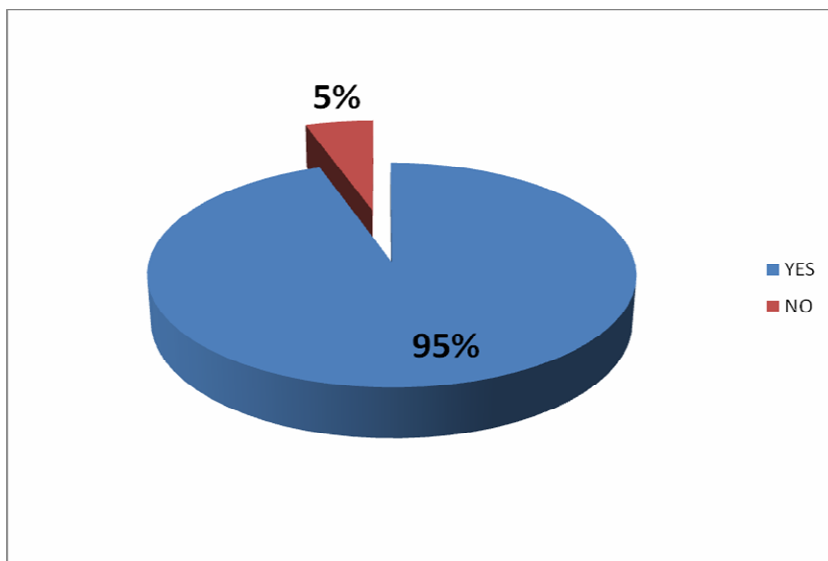
4.2.12 Comparing Brand Equity across other product classes

Table 4.12 Comparing Brand Equity across other product classes

Response	Frequency	Percentage
Yes	36	95%
No	2	5%
Total	38	100%

Source: Author (2011)

Figure 4.12 Comparing Brand Equity across other product classes



Source: Author (2011)

Interpretation

From the table 4.12 and figure 4.12, out of the 38 respondents on 95% indicated that they usually compare brand equity of their brands with those of other products in different product classes.

5% of the same respondents indicated that they did not compare.

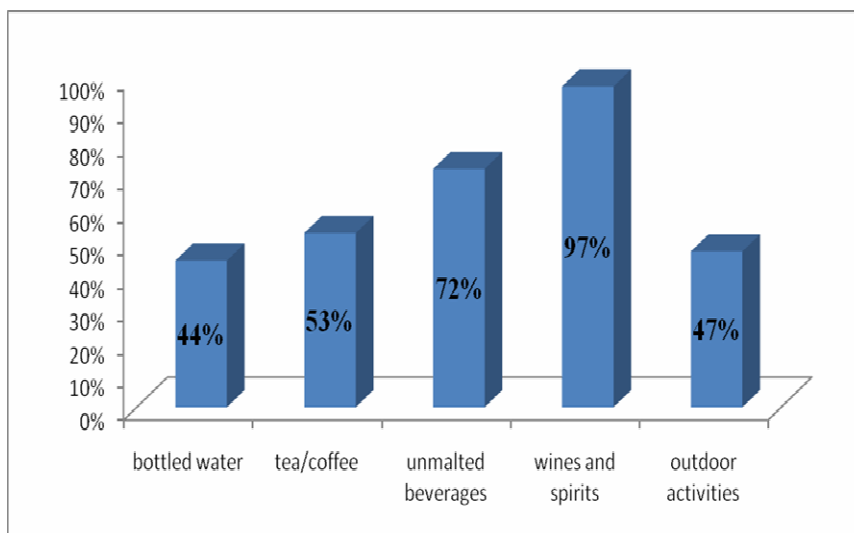
4.2.13 Competitors considered.

Table 4.13 Competitors considered.

n=36

Item	Frequency	Percentage
Bottled Water	16	44%
Tea/Coffee	19	53%
Unmalted Beverages	26	72%
Wines And Spirits	35	97%
Outdoor Activities	17	47%

Figure 4.14 Competitors considered.



Source: Author (2011)

Interpretation

From the table 4.13 and figure 4.13 above, out of 36 respondents who did confirm that they compared brand equity with those of other products, 97% indicated that they would consider wines and spirits as their competitors, 72% selected unmalted beverages, 53% tea or coffee, 47% outdoor activities and 44% malted beer. This clearly indicates that wines and spirits were largely considered by almost all respondents as their competitors.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The analysis of quantitative data that was collected from the primary sources as well as the qualitative data collected lead to some important conclusions. The main conclusion drawn from the analysis carried out in the previous sections of this paper is presented in this chapter.

5.2 Summary of the findings

The main aim of carrying out this research was to establish brand equity practices in the beer industry in Kenya and also explain the challenges faced while measuring brand equity. The research established that most respondents had worked for the current employer for a period of between four to twelve years which indicates that most of these respondents had enough experience in their jobs to respond to the questions posed by the interviewer. The research then confirmed that 100% of these respondents had been involved in the design and development of brand strategies either as brand managers, sales managers, and regional representatives. Majority of these managers believe that brand strategy was central in brand management and also critical in the beer industry.

Roughly all the respondents indicated that brand equity measurement was extremely relevant in the beer industry especially due to increased competition and highlighted the parameters they use to measure equity as Repeat buy (brand loyalty), Strength of the brand name (brand awareness), Perceptions about the brand (perceived quality), competition against the brand and social

concerns associated with the brand in the order of most considered to the least considered, respectively. Others mentioned included leveragability although by fewer managers.

The study also established the challenges most managers face while measuring brand equity. 100% of the respondents indicated that lack of cooperation from dealers, lack of cooperation from the retailers and poor training of middlemen were the main challenges they encountered in the process. Inadequate financing for purposes of paying research companies to measure brand equity was also a major challenge with 94% agreeing to it. Poor training of staff was another concern as most staff did not receive training on brand management at their education level. Lack of cooperation from the top management, fear of information getting into the hands of competitors and lack of understanding of the essence of brand equity measurements from other members of staff summarized the challenges that hindered brand equity measurement.

To address these challenges the respondents pointed out that they planning of a plan to entice dealers, top management and retailers in order to ensure that they cooperated and understood the need to measure brand equity. Training seminars, adequate financing to fund research and securing their data banks was also put forward as intended solutions to overcome these challenges. From the respondents' point of view, brand equity measurement will be a key tool to success not only to every brand in the market.

The research also made enquiries of whether these respondents perform brand systems audit on their brands and 63% of them indicated that they do perform the audit and 37% do not. From the study the researcher discovers that the issues considered by the managers in this process include ;

roles played by the endorser brands, benefits of branding, important brands that ought to receive more share of resources, existence of co-brands and brand extension options.

The study further establishes that majority of the managers do compare their brands' equity with those of other competing products and that most of them considers wines and spirit as major competitors. The second competitors are unmalted beverages with 72%, followed by tea or coffee, outdoor activities and lastly bottled water respectively.

5.3 Conclusions

The researcher has in this study been able to establish and evaluate the various practices applied in the beer manufacturing industries in Kenya and to be specific in East African Breweries Ltd and Keroche industries Ltd who are the major players in the Kenyan Market. The researcher has shown that the two organizations do actually measure brand equity of their various brands using some of the parameters put forth by the various scholars as mentioned in the literature review such as repeat buy (brand loyalty), Brand awareness, perceived quality, brand association, competition against the brand and leveragability. The study is also able to show the level of importance and relevance of measuring brand equity from managers of very successful brands and thus confirms the importance of brand equity measurement.

The research helps also to conclude the various and main challenges affecting brand equity measurement as poor training, under funding in research and lack of cooperation from the various players in managing and marketing brands. The study also concludes that the issues considered while carrying out brand systems audit include; roles played by endorser brands,

benefits of branding, strategic brands, existence of strategic brands and existence of brand extension options.

5.4 Recommendations

Finally, based on the outcomes of this study and the available literature on this area of brand equity measurement, the researcher would like to make the following recommendations that can be used to help solve the problem of designing an effective model to measure brand strength of various brands and also address the challenges involved in brand equity measurement.

That all learning institutions offering marketing courses should not only introduce a brand management course but also make it a mandatory course or a core unit. This will guarantee that every graduate will have basic skills of how to manage brands through measuring their equity and would also be able to extend those skills to others through training.

There is also need to enlighten the top managers on the importance of research as we know good management starts with good measurement. They should therefore be advised to fund research activities such as brand equity measurement adequately and made to remember that healthy brands are managed overtime and so health checks are essential in the long-run.

It is important that brand managers should also measure brands across products and markets so that they are able to benchmark against the best. Benchmarking is common when undertaking cost improvement programs; why not in branding. This also provides an opportunity to generate insights about the basic principles for effective brand building and brand management.

5.5 Suggestions for Further Studies

Generally, no research is an end in itself. Due to the limiting factors, it was not possible to carry out a comprehensive research on this area. Owing to the fact that it was only focused East African Breweries and Keroche Industries Ltd, there is need for further research on how and whether other organizations measure brand equity and if they measure, what are the challenges they face.

It is also important that one should use the measurement tools suggested by the various scholars to measure brand equity across product categories and markets.

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Appendix 1

INTERVIEW GUIDE-RESEARCH QUESTIONNAIRE

PART A

1. Gender

(Optional)

Male

Female

2. Age **(Optional)**

- 20 – 30 yrs

- 31 – 40 yrs

- 41 – 50 yrs

3. For how long have you worked with your current employer? **(Optional)**

- 1 – 3 yrs

- 3 – 5 yrs

- 5 – 7 yrs

- 7 – 9 yrs

- More – please state.....

4. Have you been involved in the design and development of brand strategies?

Yes

No

5. If yes, in what capacity? (Please state)

.....

6. Indicate the level of agreement with the following statements 1= total agree, 5= totally disagree.

1= (totally disagree) to 5= (totally agree)

	1	2	3	4	5
Brand strategy has become central in brand management					
Brand strategy is critical in the malted beverage industry in Kenya					

PART B

1. To what extent would you rate the relevance of brand equity measurement in the alcoholic beverage industry? Instructions: (1 for not relevant at all, 5 for extremely relevant).

Not relevant at all

Extremely relevant

1..... 2..... 3..... 4..... 5.....

2 What measurements do you use to measure brand equity in your portfolio of brands?

- i. Repeat Buy
- ii. Strength of brand name
- iii. Competition onslaught against the brand.
- iv. Perceptions about the brand
- v. Social concerns associated with the brand
- Others specify.....

3. To what extent do you use the measures outlined in question (2) in order of consideration?

Instructions: (1) for the most considered; 5 for the least considered).

PART C

1. Are there any challenges involved in brand equity measurements?

Yes

No

2. If yes, what are these challenges?

1) Lack of cooperation from top management

2) Lack of cooperation from dealers

3) Lack of cooperation from retailers

4) Poor training of sales staff

5) Poor training of middlemen

6) Lack of understanding of the essence of brand equity measurement from other members of staff

7) Inadequate financing for purposes of paying agencies to measure Brand equity.

8) Fear of information getting into the hands of our competitors?

Others (Please specify.....)

.....

3. How do you intend to overcome these challenges as identified above? (Please explain.

.....

.....

4. What is your view of the future of brand equity measurement practices in the Malted Beverages industry in Kenya?

.....

.....

5. Do you perform Brand Systems Audit?

Yes

No

6. If yes, what are the issues in consideration?

Brands that are the so important as to receive more than their share of resources

The role played by endorsement brands

Benefits of branding in its exploitation

Brands that play a supporting role to other brands.

A plan that identifies the most feasible range of brands

The existence of co-brands

The existence of brand extension options

The number of brands to introduce in the market.

7. Do you compare your Brand's Equity with those of other products?

Yes

No

8. If yes, being in the Malted Alcoholic Beverage Industry which of the following would you consider as your competitors?

- a) Bottled water
- b) Tea / Coffee
- c) Unmalted Beverages
- d) Wines and spirits
- e) Outdoor activities.