

**THE EXTENT TO WHICH CONSUMER PROMOTIONS BUILDS  
AWARENESS OF DAIRY PRODUCTS:  
THE CASE OF CONSUMERS IN NAIROBI.**

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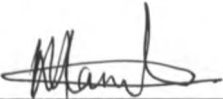
**WARUTERE MIANO MARTIN**

**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN  
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
DEGREE OF MASTERS OF BUSINESS ADMINISTRATION (MBA),  
FACULTY OF COMMERCE , UNIVERSITY OF NAIROBI**

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## DECLARATION

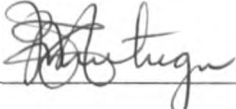
This project is my original work and has not been submitted for a degree in any other university.

Signature 

Date 19/11/2003

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

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## DEDICATION

**This study is first dedicated to God.**

**Through Him all things were made; without Him nothing was made  
that has been Made. John 1:3**

**To my mother ;who introduced to me Christian values.**

**To my brothers and sisters ;Mwai,Muthoni,Maina ,Mwangi, and  
Nyokabi.**

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Delight yourself in the Lord and He will give you the desire of your heart  
Psalm 37:4

**GOD BLESS YOU ALL.**

## ABSTRACT

Precisely, due to dynamic nature of market in the 21<sup>st</sup> century, firms should focus their attention to their markets. The market place, not the factory, ultimately determines which companies will succeed.

This study was conducted with the objective to determine the extent to which consumer promotions builds awareness of dairy products. The focus of the study was the consumers in Nairobi.

To achieve the objective, a sample of 108 customers was picked and a questionnaire was administered to each of them. The questionnaire had open and close ended questions. The four main supermarket chains in Nairobi which include Uchumi, Nakumatt, Tusker and Ukwala were picked. Three respondents were picked from each of the 36 branches of the four chains. A recruitment guide was used to determine the extent of awareness. Every tenth customer leaving the supermarket was asked to fill the recruitment guide to determine the awareness status and then the questionnaire if one qualified. The researcher picked the next person in cases where one failed to qualify. The respondents filled in the questionnaires as the researcher waited. This reduced instances of non – response.

Data collected was analysed using the percentages, means and standard deviations.

Factor analysis was used to reduce the variables and determine interrelationships. Analysis of data indicated that consumer promotions have actually increased dairy brand awareness especially by firms that practices it, for example, the recent Tuzo promotions whereby if you bought one packet of Tuzo milk packet, you were given another free packet of milk.

The recommendations drawn from the study were that players in the industry should take concern of the identified factors that were deemed crucial in enhancing brand awareness. If these considerations are implemented, then companies can be sure to have a competitive edge over others that do not put them into consideration.

The researcher proposed future researchers that take to determine brand awareness focusing on companies themselves, since this study focused on consumers.

Marketing managers need factual, market-based information that will help them design innovative ways on consumer promotions in order to build brand awareness. This will increase their market share and profitability, both in the short and long run.

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## CHAPTER ONE INTRODUCTION

### 1.1 Background

As we move into the twenty-first century, the Kenyan economy will become more and more market driven. Customer needs including those of the organizations will in turn have to be more critically analyzed and appropriately satisfied. Failure to do this, an organization will find itself at the brink of collapse for lack of customers. It is wrong for an organization to assume that it is currently providing quality products. What is needed is a systematic customer survey to determine key areas of strengths and weaknesses as it endeavors to operate in more business like manner. Organizations have therefore to provide better commodities than hither to before since the customers want “value for their money” (Kibera 1999).

(Mbau 2000) notes that the past one-decade has witnessed unprecedented emergence of various forces that have posed serious challenges to the traditional premises and practices of marketing. These forces include stiff competition, globalization of product markets, deregulation, increasing convergence of consumer preferences, dumping, explosion of information technology, a desire to access a portfolio of international brands and a difficulty in establishing new brands (Capron and Hulland, 1999).

Consumers have become better educated, more inquisitive and demanding while products have become increasingly complex and specialized. All these constitute a new marketing environment and pose serious challenges to the survival and profitability of firms.

(Mburu 2001) notes that to cope with these challenges an increasing number of firms have undertaken various measures including horizontal mergers and acquisitions, restructuring and reorganizations with a view to becoming a fast changing, high value creators of niche markets so as to avoid being swept by the wayside new product developments and now the most current one, retrenchment (Omondi 1999, Mbau 2000).

However attractive any or a combination of these measures may be, they have to be customer oriented since it is the customers who determine which product survive in the market (Omondi, 1999). To cope with these changes, firms need to build brand awareness (Aaker, 1991). Its important as individual and industrial consumers are overwhelmed by

choice and thus the distinction of a firm's output had better stand out (Mbau, 2000).

Kenya Dairy Board (KDB) was established by an act of parliament in 1958, the Dairy Industry Act, Cap 336 of the laws of Kenya, with the responsibilities to develop, promote and regulate the dairy industry.

Dairy processing was first officially adopted in Kenya on 22<sup>nd</sup> August 1925, upon the incorporation of Kenya Co-operative Creameries (KCC) as a public limited company by shares, under the company's ordinance of 1921 and 1923. On 8<sup>th</sup> February 1932, the company was again registered under the co-operative societies ordinance of 1931, thereby giving it a dual nature. Over the years, the dairy industry has been run through the co-operative movement (KCC Articles of Association, 1984). The mission of the Kenya Dairy Board is to facilitate the stake holder's activities towards a sustainable dairy industry that provides quality and affordable milk and milk products.

#### **Functions of the board**

Enforcement of National Standards for the Dairy Industry, Promotion of the code of practice for handling, processing and distribution of milk and milk products, Training for industry by itself or in collaboration with industry stakeholders, Facilitation of dairy industry stakeholders' activities, Promotion of dairy consumption of certified quality, Maintenance of a data bank for the dairy industry information and regulate dairy imports.

In its endeavor to develop, promote and regulate the dairy industry, the Kenya Dairy Board wishes to advise dairy producers, milk vendors and dairy consumers of the dangers inherent in milk of uncertified quality, particularly raw milk. Hawking of raw milk raises concern in respect with public health hazards that are believed to be associated with informal milk marketing especially brucellosis, tuberculosis and typhoid.

The board appeals to dairy producers to set up farmers associations for organized milk marketing. In this regard hygienic handling. Processing and distribution of milk products is essential (KDB 2002).

The dairy industry Act (chapter 336) gives an indication of the products to be covered and includes fresh milk, fermented dairy like mala, yoghurt and dairy products like butter, cream, ghee, cheese, ice-cream and powdered milk.

Promotional campaigns have been very heavily used in recent years. For example, by the late 1980's some 60 percent of supermarket sales were estimated to involve items that were put on promotion. (Resenbloom, 1995). A consumer promotion is any time bound program of a seller that tries to make an offer more attractive to buyers and requires their participation in the form of an immediate purchase or some other attraction (Tellis, 1998).

Consumer promotion generally holds for a well-defined time period that is announced to consumers. A permanent price-cut is not a consumer promotion nor is a continuous sweepstakes such as state lottery. Consumer promotion generally require consumers to participate by using a coupon, entering a sweepstakes using a sample or buying the product by a specific date (Tellis, 1998). Consumer promotion consist of a diverse collection of incentive tools mostly short-term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade (Kotler, 1999).

There are over twenty different types of sales promotions. These can be conveniently classified on two dimensions; the channel of distribution (either trade, retail or consumer promotion) and the characteristic of the promotion (either communicative or incentive promotion), whereas advertising offers a reason to buy, sales promotion offers an incentive to buy.

Evidence suggests that some consumers react to promotion signals without considering relative price information. Experimental results show that low need for cognition, individuals react to the simple presence of a promotion signal whether or not the price of the promoted brand is reduced but that high need for cognition individuals react to a promotion signal only when it is accompanied by a substantive price reduction. Past research has shown that these promotions may cause dramatic increases in sales for the promoted brand (Blatterberg, Eppen and Lieberman 1981; Dodson, Tybout and Sternthal 1978; Guadagni and little 1983; Kumer and Leone 1988). This sales increase is generally assumed to result from customers evaluating the promoted brand more favourably because of its reduced price and therefore altering their brand choice behaviour. (Dickson and Swayer 1988) polled consumers in a supermarket

immediately after each had placed their brand selection in their shopping cart of those consumers who had just selected a brand that was on promotion, less than 15 percent actually knew the amount of the associated price cut.

The findings suggest that, for some consumers, the promotion signal alone may be sufficient to stimulate a change in brand choice behaviour. Over time, some consumers interpret a promotion marker as a proxy for a price cut so that the simple presence of a promotion signal heads the consumer to presume that the price of the promoted brand has been discounted. If the consumer assumes that the price has been discounted but does not proceed to verify this by comparing the promoted price to some standard (such as the price of other brands within the category or the price of the unprompted brand in the consumer's memory), the potential exists for a less than optimal decisions by the consumer and increase in the market share of the promoted brand and without a concomitant price cut. (Hoyer 1989).

Promoting a brand with both a promotion signal and a price cut will on average increase the likelihood that an individual will choose that brand. (Blatterberg 1981). The fact that consumers can be segmented based simply on need for cognition into those who do and do not use promotion signals as a proxy for a price cut effectively advances the idea that promotion effects are moderated by individual difference variables. This indicates the importance of the consideration of individual difference variables in future study of promotion. Although the effect of the promoted brand is widely recognized, relatively little is known about the individual difference variables moderating this effect.

Sales promotion tools are used by most organizations, including manufacturers, distributors, retailers, trade associations and non-profit organizations. Churches for example, often sponsor bingo games, theatre parties, testimonial dinners and raffles.

A decade ago, the advertising-to-sales promotion ratio was about 60:40. Today, in many consumer-packaged goods companies, sales promotion accounts for 65-75 percent of the combined budget. Sales promotion expenditures have been increasing as percentage of budget expenditure annually for the last two decades. (Kotler, 1999).

Principal agents in Consumer Promotional activities include: -

**Promoters** are firms that wish to market products to consumers.

**Agencies** are the organizations that prepare or place Consumer promotions for firms. Firms can always prepare their promotions in house. However, because of the advantages of specialization, a firm is better off focusing on producing or Marketing its products, resorting to the expertise of agencies to prepare its promotions. (Tellis, 1998)

**Media** are the means through which promotions reach consumers. They include Television newspapers, radio, magazines, mail and telephone.

**Distributors** cover wholesalers, retailers and other agents who undertake the physical transfer of goods from firms to consumers. A tradition of post promotion (follow up) research to evaluate channel member responses to promotions is needed if manufacturers expect to make steady progress in improving the effectiveness of promotions. Thus, they play a critical role in the marketing of goods. Much of consumer promotion is geared to motivating distributors to carry and promote products to consumers. (Rosenbloom, 1995)

The **consumer** is the *raison detre* for the other four agents and thus for all Consumer promotion. One of the most important impacts on the role of promotion was the development of the marketing strategy which is most relevant for the study of promotion. Consumer orientation, segmentation, target marketing and positioning. Today these concepts pervade the practice of marketing and they are the foundation of advertising and sales promotion strategy.

Brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. A link between product class and brand is involved. (Aaker, 1991).

According to the American Marketing Association, a brand is a “name”, term, sign, symbol or design or a combination of them intended to identify the goods and services of sellers and to differentiate them from those of competition.”

Many firms today are engaging in heavy promotion of their products and as one does a particular promotion the competitor attacks with another promotion the following day. Although consumer promotion is widely recognized, relatively little study has been done on extent it builds brand awareness in Kenya, hence the need for this study.

## 1.2 Statement of the problem

While thousands of new products are introduced to the market every year estimates are that as many as 90 percent of them fail within the first year of introduction. Many of these failures are due to the fact that the new product or brand lacks the promotional support needed either to encourage initial trial by a sufficient number of consumers or to induce enough of those trying the brand to repurchase it. (Belch, 1990)

Today there are large number of brands available, constant changes in price promotion and amount of other information consumers may need or prefer to keep in mind. Markets however, are quite sensitive to price promotions, possibly because even a small group of consumers who are informed and respond to the low price is enough to cause a serious loss in a sellers sales. (Kotler 1999)

The dairy Industry continues to post a decline in the production and marketing of its products. Statistics indicate that the total milk produced and marketed declined by 23.9 percent from 180 million litres in 1999 to 157 million litres in 2000. Butter and ghee declined by 57.8 percent from 268 tonnes to 113 tonnes during the same period, while cheese production declined from 464 tonnes in 1997 to 315 tonnes in 2000. Economic survey 2001, and budget speech 2001/2002. Being at the core of many Kenyans livelihood, the industry continues to receive much attention from both the public and private sectors and as such it has become one of the most important agro-based industries in Kenya (Kenya Dairy Board, 1999).

Consumers are becoming less brand loyal and purchasing more on the basis of value and convenience. Many purchase decisions are being made in the store by consumers who are increasingly time poor and facing “hyper-choice” or too many choice options. (Belch, 1990).When consumers make purchase decisions in the store they are very likely to be attentive and responsive to promotional deals. Buying a brand that is on special or being displayed can also be a way of simplifying the decision-making process and dealing with the problem of over choice.

Therefore this research seeks to answer the question, **“To what extent does consumer promotion build awareness of dairy product ?”**

### **1.3 Objective**

The main objective of this study was to determine the extent to which consumer promotions build the awareness of dairy products.

### **1.4 Importance of the study**

1. The main findings of this study are expected to be of value to managers and specifically brand managers of firms in Kenya, by showing the value of consumer promotion, the findings will give a justification for having to or not having to invest in consumer promotion.
2. The study is also expected to contribute to the existing literature that will be useful to academicians and researchers.
3. The research findings are also expected to be useful and relevant to managers in other industries in Kenya. Relevant inferences can be made and adjusted to fit into other industries in Kenya about brand awareness.
4. The business community, which will find out more effective, means of using consumer promotion strategies.
5. The main findings will benefit dairy industry's management in designing effective and efficient consumer promotion for their products.
6. The study is a good groundwork upon which further research into other issues related to consumer promotion can be studied.
7. Potential investors who would wish to invest in the industry will find the study a good base to carry out an analysis of the industry.
8. The consumers will be aware of many different types of consumer promotion tools.



## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

A consumer promotion is any time bound program of a seller that tries to make an offer more attractive to buyers and requires their participation in the form of an immediate purchase or some other attraction (Tellis, 1998).

Consumer promotions are sales promotions that a manufacturer offers consumers directly. They have a major advantage of independence from dealers and retailers. As a result, manufacturers can design the promotion to pass through to consumers.

However, consumer promotions are costly, risky and require considerable organization. For this reason, firms plan and execute various aspects of their promotions. (Richard, 1987).

In deciding to use a particular incentive, marketers have several factors to consider. First, they must determine the size of the incentive. A certain minimum is necessary if the promotion is to succeed. A higher incentive level will produce more sales response but at a diminishing rate.

Second, the marketing manager must establish conditions for participation. Incentives might be offered to everyone or to selected groups. A premium might be offered only to those who turn in proof-of-purchase sales. Sweepstakes might not be offered in certain regions or to families of company personnel or to persons under a certain age.

Third, the marketer has to decide on the duration of promotion. If the period is too short, many prospects will not be able to take advantage of it. If the promotion runs too long, the deal will lose some of its "act now" force. According to one researcher, the optimal frequency is about three weeks per quarter and optimal duration is the length of the average purchase cycle. Of course the optimal promotion cycle varies by product category and even by specific product. (David, 1982)

Fourth, the marketer must choose a distribution vehicle. Fifteen cents off coupon can be distributed in the package in the stores, by mail, or advertising. Each distribution method involves a different level of reach, cost and impact.

Fifth, the marketing manager must establish the timing of promotion. For example, brand managers develop calendar dates for annual promotions. These dates are used by the production, sales and distribution departments.

Finally, the marketer must determine the total consumer-promotion budget. The budget can be built from the ground up, with the marketer choosing the individual promotions and estimating their total cost. The cost of a particular promotion consists of the administrative cost (printing, mailing and promoting the deal) and the incentive cost (cost of premium or cents-off, including redemption costs), (Kotler 1999).

Many people including some professionals have serious misconceptions about Consumer promotions. One misconception is that Consumer promotions constitute unnecessary incentives that inevitably erode a brand's value. Actually, consumer promotions span a wide spectrum of activities, many of which have a long-term positive effect on a brand's appeal. For example, sales conferences generate great enthusiasm among manufacturers, retailers, trade conventions help suppliers contact their clients, consumer sampling generates trial for new brands and coupons can contain vital information on brand features.

A second misconception is that Consumer promotions are adhoc attempts to shore up a declining brand, although promotions may constitute a weapon of last resort that firms can use to remedy. Some problems with a marketing plan, promotions require advance planning to be effective. Good planning ensures that atleast one of the firm's brands is always on some type of promotion, competing with promotional offers by rival firms. An even more important role of Consumer promotion is to price discriminate among segments of consumers who differ in information loyalty or price sensitivity to the brand.

A third misconception is that Consumer promotions constitute short-term tactics while advertising constitutes long-term strategy. Although some firms may adopt this approach to advertising and promotion, it is a poor strategy. Consumer promotions are most effective when they constitute an intrinsic part of the Marketing strategy and are closely linked with advertising. (Tellis, 1998).

### **Studies done on consumer promotion and brand awareness**

(Kioi 2001) found out that, the entrance of new players has aggravated the industry characteristics and a new competitive environment is evident as we experience increasing number of branded dairy products on the supermarket shelves.

Mulili (2000) found out that majority of enterprises promote their goods and services either passively or within a limited geographic area. 11.7 percent of the enterprises indicated that they only used special discounts once in a while. The usage of the special discounts was tied to the quantities purchased whereby a customer who buys in large quantities is given the discount. Ideally pricing for most small business enterprise product is mainly through bargaining, haggling thus making each price a special discount. The business premise is also used as the showroom where goods are displayed either inside or outside the premises. This could be attributed to the low levels at which they operate, lack of finances, inadequate managerial skills and inadequate knowledge as to the usefulness of the sales promotional tools.

Maina (2001), observed that the promotional messages must be consistent with the language and customs of the particular target society. It is commonly accepted that certain product categories, such as food and beverages have a very high degree of cultural grounding, where such cultural differences make standardization more difficult than in other categories.

Magana (1998) found out that sales promotion effort also requires some improvement in the area of focussing the effort to the needs of the consumers. A customer-based orientation in developing promotional program is therefore of paramount importance in order to have the desired impact in the future.

For all sales promotional activities planned program personnel should also ascertain the types of promotional incentives that would be applicable for the particular target group and the amounts. This means that marketing research programs should be undertaken regularly so as to keep a breast of changing consumer needs and expectations and enhanced through the use of appropriate media to inform target audience of the existence of the promotional campaign.

Jones (1990) observed that sales promotion must be carried out in a planned and well-disciplined fashion. He suggests further that to test the soundness of the planning of each promotional program, it is important to estimate what proportion of the promotion is to counter aggressive promotional action of the largest and most direct competition.

## 2.1 DIFFERENT TYPES OF CONSUMER PROMOTION

The most visible forms of sales promotion are those aimed at the ultimate purchaser of the product. Sales promotion aimed at the consumer is particularly useful when the manufacturer is introducing a new product. A gentle promotion can overcome the consumer's natural hesitancy to try something new. Consumer promotion can also be used to encourage consumers to buy more of the product at one time, thus increasing total usage. Despite logic to the contrary, the consumer who has a reserve supply of a product will be inclined to use more of it than if the item in use is the only one on hand. How many times have you continued to use a bar of bath soap, when it has become paper thin because you had no spare bars in the house? (Kibera, 1988).

Finally, the manufacturer may simply want to provide the consumer with additional incentive to pick the "right" brand from an often large number of brands available in the market place.

Some of the most common and successful sales promotion techniques aimed at the consumer include the following: -

### 2.2.1 Coupons

A coupon is a certificate with a stated value, which is presented to a retail shop for a price reduction of a specified item. Coupons may be distributed in newspapers, magazines, door to door and by post. The purchase of a coupon is to bring customers into a particular shop and build the sales volume of a specific brand. Uchumi Supermarkets in Nairobi use coupons quite often. (Kibera, 1988).

Are certificates from firms offering consumers some fixed savings off the retail price of the product if they meet some conditions? The precise conditions typically relate to a precise period of time, sizes or quantities of the product and the geographic region for which the coupon is good. The actual reduction in price is offered by the retailer who is guaranteed reimbursement by the manufacturer for the face value of the coupon plus some processing costs. The face value of a coupon is the shilling amount clearly printed on the coupon, which a consumer can save by making a relevant purchase. Coupon redemption is the consumers claiming of the cash value of a coupon. (William, 1985).

Coupons are of four types based on mode of distribution.

Media coupons are sent through the media, typically the print media. They take the name of the media through which they are available. Magazine coupons appear in the pages of the period.

Free Standing Inserts (FSIs) are separate advertising sections of a newspaper, typically the Sunday newspaper. This is by far the most popular distribution vehicle. Direct mail coupons are mailed directly to households based on general or specific, mailing lists. These coupons have become increasingly important as they form a means of targeting specific consumer groups. Package coupons appear on product packages. Retailer based coupons are manufacturer through display shelf handout; (Tellis 1998).

Coupons are Certificates entitling the bearer to a stated saving on the purchase of a specific product mailed, enclosed in other products or attached to them, or inserted in magazine and newspaper ads. Redemption rate varies with mode of distribution. Coupon can be effective in stimulating sales of a mature brand and inducing early trial of a new brand (Kotler, 1999).

Several researchers have tried to identify the coupon user, but with limited success. Some demographic variables are positively related to coupon usage but only weakly. Four such variables are income, education, household size and media exposure, which are generally positively related to coupon usage. Higher educated households may be better informed about the value of coupons, or receive more coupons through their wider subscriptions to newspapers and magazines. Thus they are more likely to be aware of and use many brand's coupons when available. The relationship of income to coupon usage is mixed. The reason may be that to the extent that higher income households are better educated, they would redeem more coupons, but to the extent that they are less price sensitive, they may redeem fewer coupons. Households with wider exposure to the media, especially the Sunday newspapers, have more opportunities to see, clip and thus use coupons. (Henry, 1993).

Researchers have met with greater success when describing the characteristics of coupon usage. Brand loyalty is the single most important characteristics that affects

coupon usage. In general consumers who are more loyal to brands tend to use coupons less, probably because their choice of brands is based on preference rather than on price. At the same time, consumers who use coupons tend to use them for the brands they favor. The two findings together imply that coupon users are likely to switch to a brand if it can be purchased at a lower price within the coupon; however, if coupons are available on two or more brands, they will buy the brand they prefer with the coupon. Other characteristics of coupon users are that they are price conscious, involved with shopping and venturesome. These findings are not surprising in that consumers' search for, clipping, storage and usage of coupons require considerable effort and planning. (Tellis, 1998).

Coupons have two types of effects on sales, short term and long term. The short-term effect is the change in the probability of buying the brand while the coupon is valid. The long-term effect is the change in probability of repurchasing the brand later in the absence of coupons. The long-term effect of coupons has been a controversial topic, with three contrary positions.

One position is that coupons can reduce the probability of repurchasing the brand after the coupon expires. Two factors may support this claim. First according to attribution theory, coupon redeemers may attribute or ascribe their purchase to the coupon and not to any innate preference for the brand. When a coupon is no longer available they may not rebuy the brand. Second redeemers may come to expect further coupons from the firm and may not buy the brand until the next coupon drop. A second position based on learning theory posits that coupons increase the probability of repurchasing the brand. This change could occur for two reasons. First coupon redeemers could get used to buying the brand even when the coupon is withdrawn. Second coupon users learn new features of the brand and then repurchase it because they like such features. Either of these two reasons would imply specific circumstances for the brand (such as its being new or modified) and specific intent by the firm to induce learning on the part of consumers. (Richard, 1987).

A third school of thought based on price discriminatory theory posits that coupons do not affect the probability of buying the brand. According to this view, coupon users

form a distinct segment of consumers who will look for and use coupons whenever they are available. Sales increase when a coupon is available, as these consumers cease to buy the brand; sales decline after coupon drop because these consumers buy the brand; sales decline after coupon drop, because these coupons, because these consumers cease to buy the brand. However, such purchases and coupon redemptions cause neither an increase nor a decrease in the innate probability of repurchasing the brand among these consumers or among regular buyers. This position implies that firms use coupons to discriminate between loyalists and switchers.

Which of these three positions is right? Careful analysis by at least one study on a mature brand and product category suggests that the first two viewpoints are not strongly supported. That is, the usage of coupons does not induce attribution or learning on a substantial scale. The probable reason is that coupons have become such a pervasive phenomenon and are so extensively used (but by a relatively small group of consumers) that any change in preference due to coupons has already taken place much earlier in the buying experience of these consumers. However, the situation is likely to be different for a new or modified brand. In this case, consumers have much to learn about the product, and a coupon could include learning and higher repurchase. Thus for mature products, firms should use coupons to price discriminate among consumer segments. But for new or modified products, firms could use coupons to induce consumer learning about the brand. (Gordon, 1995).

### **Strategic Implications**

When analyzing the profitability of coupons, managers must consider many important issues. First of all, redemptions are not incremental sales, some regular buyers also redeem coupons. Thus managers need to measure separately the regular and incremental sales and the redemptions. The analyst must estimate the proper baseline sales in the absence of the coupon. This baseline should correct for seasonal and competitive effects. Most importantly, the baseline must include the sales that would have occurred anyway in the absence of coupons.

Second, all incremental sales are made with a coupon. As discussed above, some portion of incremental sales may involve consumers who planned to use coupons but did not, or others who saw the advert. Bearing the coupon and decided to buy the

brand. Failure to identify this portion of sales may lead to its inclusion as baseline sales and render the coupon less profitable than it is, (Peter, 1992).

Third, the fixed costs of distribution need to be carefully monitored. The fixed costs of distribution vary depending on which vehicle is used.

Fourth, maximizing the redemption rate is not necessarily good. Even though the low redemption, increasing the redemption rate increases the costs per redemption, increasing the redemption rate is not necessarily beneficial to the firm. Increasing the redemption rate is useful only if the additional consumers redeeming the coupon would not have bought the brand in the absence of the coupon.

Fifth, managers need to consider the intangible benefits of coupons. The use of coupons may produce intangible benefits such as increasing consumer awareness or liking of the product and stimulating retail promotions such as double coupons. These intangible benefits must also be considered when evaluating the overall strategy. Such costs may not be easily quantified and may lead to an incorrect conclusion that coupons are profitable. (Richard, 1987).

#### **Advantages and limitations of coupons.**

Coupons have a number of advantages that make them popular consumer promotional tools for both new and established products. First, coupons make it possible to offer price reduction to those consumers who are price sensitive without having to reduce the price to everyone. Price sensitive consumers will generally seek out or purchase because of coupons, whereas those who are not as concerned about price of a product without having to rely on retailers for cooperation, which can often be a problem.

Coupons are generally regarded as being second only to sampling as a promotional technique for generating trial. Since a coupon lowers the price of a product, the consumer's level of perceived risk associated with trial of a new brand is reduced. Coupons can be an effective way of encouraging repurchase after initial trial. As was



shown earlier, many new products include a cents-off coupon inside the package to encourage repeat purchase, (Patrick, 1988).

Coupons can also be useful promotional devices for established products. They can be used to encourage nonusers to try a brand, to encourage repeat purchase among current user, and to get users to try a new and improved version of a brand. Coupons may also be helpful in getting users of a product to trade up to more expensive brands. There are of course, a number of problems associated with the use of coupons. First, it can be difficult to estimate how many consumers will use a coupon and when. Response to a coupon is rarely immediate as the average amount of time taken to redeem a coupon anywhere from two to six months. While redemption may be expedited through the use of an expiration date, coupons are generally not as effective as sampling for inducing initial product trial in a short time period. (Gordon, 1985) A problem associated with using coupons to attract new users to an established brand is that it is very difficult to prevent the coupons from being received and used by consumers who already use the brand.

#### **Factors Affecting Coupon Redemption**

1. Method of distribution.
2. Product class size.
3. Audience reached by coupon.
4. Consumers "need" for product.
5. Brand's consumer franchise /market share.
6. Degree of brand loyalty.
7. Face (monetary) value of coupon.
8. Brand's retail availability distribution.
9. Whether new or old (established) brand.
10. Design and appeal of coupon ad.
11. Discount offered by a coupon.
12. Competitive activity.
13. Size of a coupon drop.
14. Size of purchase required for redemption.
15. Level of general support for advertising and promotion.
16. Consumer attitude and product usage/number of potential users.

17. Period of time since the coupons were distributed.
18. Growth trend.
19. Timing, if brand is subject to seasonal influences.
20. Demographics, such as age, family size, annual income and expenditures.
21. General level of mis-redemption in the couponed area.

David and Phyllis. "Factors Affecting Coupon Redemption Rates." (1982)

Coupons mis-redemption or fraud occurs in a number of ways including: -

- Redemption of coupons by consumers for brands not actually purchased.
- Redemption of coupons by sales clerks in exchange for cash.
- The gathering and redemption of coupons by store managers or owners without the accompanying sale of the product.
- The gathering or printing of coupons by criminals who sell them to unethical merchants who in turn redeem them. (Belch, 1990.)

### 2.2.2 Samples

Marketers use free samples for several reasons: to stimulate the trial of a product, to increase the sales volume in the early stages of the product's life cycle, or to obtain the desirable distribution. Samples may be distributed by post, door to door or in shops, or included with another product. (Kibera, 1988).

The size of the sample is important. If it is too small, it may not provide the consumer with a good test. If it is too large, it may lose its impact. The sample should be smaller than the product on the retailer's shelves, and be packaged, as it usually is, in a miniature of the regular product package in order to generate product recognition.

Offer of a free amount of a product or service delivered door to door, sent in the mail, picked up in a store, attached to another product or featured in an advertising offer (Kotler, 1999).

Sampling involves a variety of procedures whereby consumers are given some quantity of a product for no charge to induce trial. Sampling is generally considered to be the most effective way of generating trial, although it is also the most expensive. As sales promotion technique, sampling is often used as a way of introducing a new product or brand to

the market. However, sampling is also used for established products- particularly by large companies. Some companies do not use sampling for established products since samples may be ineffective in inducing a satisfied user of a competitive brand to switch and may result in giving the product away to the firm's current customer- who would buy it anyway. There may be an exception to this when significant changes or modifications (new and improved) are made in a brand, (Henry, 1993).

Sampling is the free or subsidized availability of the product for consumer's trial. It is the most effective means of disseminating knowledge about and generating trial of a new product. Because a sample offers direct experience of the product, it reduces much of the risk to consumers of buying a product they have never experienced. If a product also serves an unmet need of consumers and if the price is right, sampling is a method of choice for generating quick trial and sales.

The main reason for the rapid growth of sampling is the recent shift in firms' expenditures from incentives to value pricing for fear that incentives could devalue a brand in the eyes of consumers. Value pricing is a strategy in which firms maintain a fixed price that reflects the fair value of the brand, while promoting the brand with advertising and informative, sales promotions. Sampling is one of the most effective, informative promotions. Another possible reason for the shift to sampling is the large number of new products and the proliferation of brands, both of which make it difficult for consumers to be familiar with all the alternatives in the market. (Peter, 1992).

#### **Types of sampling**

Sampling can take three basic forms: samples, trial coupons and trials. First, firms can physically distribute the product to consumers. Items distributed in this way are called samples. For example, small boxes of cereals, soaps and shampoos are often mailed to consumers for them to try at leisure in the privacy of their homes.

Second, the firm may distribute a coupon with a much higher face value than regular coupons to subsidize the risk to the consumer of trying the product or service. Such coupons are called sampling coupons or trial coupons. If the coupon have the same value as the price of a product, the offer is equivalent to a free sample. For example, restaurants frequently offer coupons with high face values for new locations, menus, or serving times. Compared to sampling, trial coupons save the firm the cost of

distributing samples while giving consumers the burden of redeeming the coupons or paying part of the cost of the product. (Henry, 1993)

Third, firms may make the product or service available to consumers to try out in a specific location and time period. This form of promotion is called trial. For example, most automobile dealers let buyers test-drive a vehicle they are considering buying. Some grocery stores offer trials of new food items at specific locations in their sales on weekends. Many magazine publishers will allow consumers to try out their publication for an entire month to reduce consumers' uncertainty about the product. Alternatively, they might hope that preference (or at least inertia) would inhibit cancellations. Mail-order book and compact disc clubs allow members the option of trying out a monthly selection and returning it if it does not meet with their satisfaction. (John, 1987)

#### **Cost of Sampling**

Sampling is one of the most expensive types of consumer promotions. Per delivered unit, sampling can cost several times more than coupons. Several factors account for the higher costs of sampling. To begin with, the firm incurs the cost of producing and packaging the sample. Even though the materials per se may not amount too much, the fixed costs of setting up the manufacturing system and processing the special size units are substantial. Second, sampling involves distribution costs. These costs could be more than those of coupons, because the samples weigh more than the coupon and need special packages. Third, because of the bulkiness of samples, they cannot be easily delivered through newspapers and magazines as coupons are. Firms resort to the more expensive route of mail distribution. Of course, the use of mail also provides the benefit of more accurate targeting of the samples, especially if an appropriate mailing list exists. (Richard, 1987)

In addition, sampling involves hidden cost in the form of the risks of the product being misused. Such misuse occurs because the sample by design is targeted to new users who are unfamiliar with the brand and even the product category. In their eagerness to try the new item, consumers may not read the instructions carefully leading to dissatisfaction with the product, or what could be worse, harm to them.

#### **Conditions favouring sampling**

When exactly should sampling be used, given its high costs? Sampling is most useful when the product has one or more distinct advantage over a

competing brands but the target consumer is unaware of all or has forgotten about this advantages. The most urgent situation is the introduction of new products. Indeed many experts consider sampling to be essential to the launch of the new products. But sampling may not be restricted to that situation alone. A second situation for sampling is when a product have been modified and the firm would like consumers to give it another try. Yet another occurs when the product remains the same, but the firm would like to target a new segment of the consumers who are not currently using the brand. A fourth situation favouring sampling is poor visibility of a Small share brand in a clouded market. (Tellis 1998).

Competing advertisement and promotions may increase the level of noise to the point that a smaller brand efforts are inadequate. In such cases, sampling can cut thorough the noise and provide a brand with unique exposure and trial

The three criteria that are effective for a sampling programme:"-

1. The products are of relatively low unit value, so samples do not cost too much.
2. The product are divisible, which means that they can be broken into small sample sizes that are adequate. For demonstrating the brands features and benefit to the user.
3. The purchase cycle for these products is relatively short, so the consumer will consider making an immediate purchase or will not forget about the brand with the next purchase occasion for the product does occur.

#### **Benefits and limitations of sampling**

There are several important benefits of using a sampling program.

First, samples are an excellent way of inducing a prospective buyer to try a product or service. One expert estimates that approximately 75 percent of the household receiving a sample will try it. The trial rate generated by a sampling programme are much higher than those produced by advertising or other sales promotion techniques. Getting the consumer to try a product leads to a second benefit of sampling, which is that as ample allows the consumer to experience the brand direct and thus gains a greater appreciation for its benefits. This can be particularly important when a product features and benefits are difficult to describe through other means such as advertising. Many products such as food, beverages, and cosmetics are examples of products where such features are most appreciated when experienced directly. (William, 1985)

Obviously the market must feel the brand has some unique or superior benefits for a sampling programme to be worthwhile. If this is not the case, the sampled consumers will revert back to other brands and will not become repeat purchasers. The cost of sampling programme can only be recovered by getting a sufficient number of consumers to become regular users of the brand. Another possible limitation to sampling is the fact that the benefits of some products are difficult to gauge immediately, and the learning period required to appreciate the brand may require supply the consumer with large amount of the brand than is unaffordable. For example, a product such as an expensive skin cream that is promoted as being effective at preventing or reducing wrinkles would have to be used over an extended time period before any effect might be noticed (Belch, 1990)

### **Sampling methods**

One of the basic decisions that the sales promotion or brand manager must make concerns the method by which the sample will be distributed. The sampling method chosen is important not only in terms of costs but also in terms of influencing the type of consumer who receives the sample. The goal in choosing a sampling method is to find an effect, cost efficient method that gets the product to the best prospects for trial and subsequent repurchase. Some of the more widely used sampling methods, along with the pros and cons of each, are shown in the table. Some of the basic distribution methods include door-to-door, direct mail, in-store and on package approaches.

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### Summary of sampling methods

Eight basic sampling media	Uses	Limitations
1. Door to door	Virtually any product can be delivered in this way	Most expensive means of sampling. Problem with leaving perishables if occupants absent. Illegal in some areas
2. Direct mail	Best for small, light products that are non-perishable.	Rising postal costs
3. Central location	Best for perishable such as food or when personal demonstration is required	If in store, some offer must be made to all retailers . Usually involves cost of sales training if in public place, maybe illegal in some areas.
4. Sample pack in stores	Best method for attracting retail support, because retailers sell the packs at a premium unit price.	Requires retail acceptance like any other new product.
5. Cross-product sampling in or on pack.	Good for low-cost sampling of a manufacturer's other products	May necessitate special production for trial sizes.
6. Co-op package distribution.	Good for narrow audiences such as college students, military personnel, bridges.	Trial limited to users of "carrier" product Restricted for large products. Little appeal to trade
7. Newspaper or magazine distribution.	Relatively low cost method of a sample distribution for flat or pouchable products	Seem to be regarded by media vehicle recipients as "cheap" and is often disregarded resulting in less trial than with other sampling methods. Obviously limited to certain product types.
8. Any of above with coupon	Increases post sample' trial rate by using purchase incentive.	Additional cost of coupon handling

John and Larry p 105 Advertising and Promotion Management ( 1987).

### **2.2.3 Prizes (Contests, Sweepstakes, games)**

Prizes are offers of the chance to win cash, trips or merchandise as a result of purchasing something. A contest calls for consumers to submit an entry to be examined by a panel of judges who will select the best entries. A sweepstake asks consumers to submit their names in a drawing. A game presents consumers with something every time they buy-bingo numbers, missing letters, which might help them win a prize (Kotler, 1999).

Sweepstakes are drawings in which winners are determined purely by chance.

Because of this sweepstakes cannot be limited to buyers of the brands.

Contests are games or combinations of games and sweepstakes in which winners are at least partly determined by rules. Compared to contests, sweepstakes are easier to execute and less likely to go wrong. The primary purpose of sweepstakes and contests is to boost sales generating excitement about the product.

Contests can serve as an occasion to educate or re educate consumers about the product. Firms can achieve this goal by building clues or features of the game around attributes of the product. But the educational role of sweepstakes is limited to supplementary material included with the drawing (Tellis, 1998).

Contests and Sweepstakes are similar in that they both imply opportunities to win something. A contest offers prizes based on the skills of entrants. To enter a contest, it is necessary to create something-a jingle, a name a product, a recipe- and submit it, together with proof of product purchase, to be judged. Contests are used to generate traffic at the retail level. (Kibera, 1988). Sweepstake offers prizes based on the luck of the entrants. To enter a sweepstake, it is only necessary to submit one's name in order to have a chance to win that is equal to that of anyone else who enters

Sweepstakes are employed to stimulate lagging sales and like contests, are used with other sales promotion methods. Contests are highly popular and tend to attract hundreds of participants. Sweepstakes are very popular in the East African region and are used by both local and multinational firms. (Kibera, 1988) Companies look for ways to generate interest and excitement among consumers for their products and



services. Many marketers view these types of promotions having an appeal and glamour those tools such as cent-off coupons lack. Contests and sweepstakes are exciting to consumers because, as one expert has noted, consumers have a “pot-of gold at the end of the rainbow mentality” and think they can win the big prizes being offered.

There are differences between contests and sweepstakes. A **contest** is a promotion whereby consumers compete for prizes or money on the basis of skills or ability and winners are determined by judging the entries or ascertaining which entry comes closest to some predetermined criteria. Contests usually provide a purchase incentive by requiring a proof of purchase to enter or an entry form that is available from a dealer or advertisement. (Belch, 1990)

A **sweepstake** is a promotion whereby winners are determined purely by chance and cannot require a proof of purchase as a condition for entry. Sweepstakes only require that the entrant submit his or her name for consideration in the drawing or selection of the prize or prizes. While this is often done on an official entry form, hand written facsimile entries must also have a chance element or odds of winning associated. The use of scratch off cards with instant winners is a popular promotional tool. Some games take place over a longer time period and require more involvement by consumers. Games such as bingo are popular among retailers and fast food chains as a way of building store traffic and repeat purchase. (Tellis, 1998).

Because they are easier to enter, sweepstakes attract more entries than contest and have become a widely used consumer promotion technique. Also they are easier and less expensive to administer since every entry does not have the random selection of a winner from the pool of entries or generation of a number to match against those held by sweepstakes entrants.

Contests and sweepstakes can be an effective way of getting the consumer involved with a brand by making the promotion product relevant. For example, contests use of the brand can increase involvement levels. Some contests require consumers to read an advertisement or package or visit a store display to gather information needed to

enter. Of course, marketers must be careful not to make their contests too difficult to enter, as this may discourage participation among key prospects in the target audience and the contest may end up attracting only habitual or professional contests entrants. (Kotler, 1999).

### **Problems with contests and sweepstakes**

While the use of contests and sweepstakes continues to increase, there are a number of disadvantages and problems associated with these types of promotions that should be noted. One problem with many sweepstakes and/or contest promotions is that they often do little to contribute to the consumer-franchise building effort for a product or service and may even detract from it. The sweepstakes or contest often becomes the dominant focus and completely overshadows the brand. Thus, little has been accomplished other than to give out substantial amounts of money and/or prizes. Many promotional experts question the effectiveness of contests and sweepstakes and some companies have even stopped using them. (Tellis, 1998).

There are also numerous legal problems and considerations that impact the design and administration of contests and sweepstakes. A final problem that continues to detract from the effectiveness of contests and sweepstakes is the presence of professionals or hobbyist who submit large numbers of entries but have no interest in or intention to purchase the product or service. Consumers can enter as many times as they wish. Professional players will enter as many as several hundred entries per sweepstakes, depending on the nature of the prizes and the number of entries the promotion attracts. There are even newsletters available that inform them of all the contests and sweepstakes being held, the entry dates, estimated probabilities of winning for various numbers of entries, information on how to enter and solutions to any puzzles or other information that might be needed to enter a contest. The presence of these professional entrants not only defeats the purpose of the promotion but may also deter entries from consumers who feel that their chance of winning is limited.

## Guidelines for developing successful sweepstakes

### **Terms**

- Clarify who is eligible.
- Indicate regions where promotion is not valid.
- Make sure “No purchase necessary” is conspicuous.
- Declare termination date of promotion.
- Clarify random drawing procedures.

### **Entries**

- Offer a facsimile entry.
- Put no limit on mail entries, but restrict submission to one per outer envelope.
- State that mutilated or illegible entries will be disqualified.
- State that mass entries will be disqualified.
- Declare deadline for entries.
- List addresses for sending entries, requesting more information and getting list of winners.
- Disclaim liability for lost entries, quality of merchandise and lost or stolen entries.

### **Prizes**

- Detail prizes.
- Disclose odds of winning.
- Affirm that decision of judges is final.
- When applicable, state that prizes will be handed only to parents or guardians.

### **Winners**

- Indicate that winners will be notified.
- State that winners will be required to sign an affidavit of eligibility.
- Reserve the right to use winner’s names and photographs for publicity.

Wood and Douglas J.)p 46, “Hands On: Playing by the rules,” PROMO Magazine (April, 1994).

#### **2.2.4 Cash refund offers**

Provide a price reduction after purchase rather than at the retail shop. Consumer sends a specified "Proof of purchase" to the manufacturer who "refunds" part of the purchase price by mail. (Kotler, 1999). Refunds or rebates are offers to return some portion of the product purchase price, usually after supplying some sort of proof of purchase. Consumers are generally very responsive to refund or rebate offers, particularly as the size of the savings increases. Thus, refunds and rebates are used by all types of companies ranging from packaged goods companies to manufacturers of major appliances and automobiles. The use of money back offers /cash refunds ranks second to coupons among packaged goods companies.

Refund offers are often used by packaged goods marketers as way to induce trial of new product or to encourage users of another brand to switch. The savings offered through a cash refund offer may be perceived by the consumer as an immediate value that lowers the cost of the item. Of course the savings are realized only if the refund or rebate offer is redeemed by the consumer. Redemption rates for refund offers typically range from 1 to 3 percent for print and point-of purchase offers to 5 percent for in/on package offers.

Refund offers can also be an effective way to encourage repeat purchase. Many offers require consumers to send in multiple proofs of purchase as condition for receiving the refund. In some cases the size of the refund offer may even increase as the number of purchases gets larger. Many packaged goods companies are switching away from cash refund offers only to the use of coupons or cash/coupon combinations. By using coupons in the refund offer, the marketer enhances the likelihood of repeat purchase of the brand.

The use of refunds-or as they are more commonly referred to, rebates-has become a widely used form of promotion for consumer durables. Products such as cameras, sporting goods, appliances televisions, audios and video equipment, computers. (Bearden, 1999). A study of consumer's perception of rebates found a negative relationship between the use of rebates and the perceived efforts and difficulties associated with the redemption process. It was also found that consumers perceive

manufacturers as offering rebates to sell products that are not faring well. Nonusers rebate redemption process as too complicated and to have negative perceptions of a manufacturers' motives for offering rebates. Thus, it is important that companies using rebates simplify the redemption process and use other promotional elements such as advertising to retain consumer confidence in the brand.

When small refunds are being offered, marketers might find other promotional incentives such as coupons or bonus packs more appropriate and effective. Marketers must be careful not to overuse refund or rebate offers and thus confuse consumers over the real price and value of a product or service. Also consumers can become dependent on rebates and delay their purchases or only purchase brands for which rebate is available. Many retailers have become disenchanted with rebates and the burden and expense of administering these programs. (Gravens, 1996).

### **2.2.5 Bonus Packs**

Bonus packs offer the consumer an extra amount of a product at the regular price by providing larger containers or extra units. Bonus packs result in lower cost per unit for the consumer and thus provide extra value, as well as more of the product, for the money. There are several advantages to using bonus pack promotions, first, the bonus pack gives marketers a direct way of providing extra value to the consumer without having to get involved with things such as coupons or refund offers. The additional value of a bonus pack is generally obvious to the consumer and can have a strong impact on the purchase decision right at the time of purchase. (Belch, 1990).

Bonus packs can also be an effective defensive maneuver against a competitor's promotion or introduction of a new brand. By loading current users with large amounts of their product, a marketer can often remove these consumers from the market and make them less susceptible to a competitors promotional efforts. Bonus packs often receive favourable response from retailers and may result in larger purchase orders and favourable display space in the store as well. Bonus pack promotions can be particularly effective when cooperation and relationships with retailers are favourable. It should be noted, however, that bonus packs often require additional shelf space and generally do not provide any extra profit margins for the

retailer. Thus, the marketer can encounter problems with these promotions if trade relationships are not favourable. Another problem with bonus packs is they may appeal primarily to current users who probably would have purchased the brand anyway or to promotion sensitive consumers who may not become loyal to the brand. (William, 1985).

### **Bonus Plans**

Bonus plans are programs in which a buyer can accumulate points toward free purchases of the same or other products. Frequent flier plans are probably the best-known example. However, most hotels, car rental agencies, telephone services and credit card companies have their own system of bonus plans, many of which also reward users with travel miles.

Many retailers and some manufacturers have had or tried to develop such plans jointly or individually. The primary purpose of bonuses is to attract and keep loyal consumers. Such plans become particularly relevant when the product is frequently purchased, competition is strongly enough that product differentiation is hard to maintain and consumers focus on price differentials. In that environment, bonuses to attract loyalty and focus consumer's attention away from price. Bonuses are also a promotional tool that large firms with high overheads can better afford than small firms and new entrants. Thus large, established firms can use these programs to compete effectively against price competition from new or small firms. (Bearden, 1999).

### **Principles of effective bonus plan**

Four important principles can ensure that bonus plans achieve their goals and do not become just another cost for the firm:

**Targeting promising consumers:** Since the purpose of bonus plans is to build loyalty, firms need to target customers who are likely to be loyal or heavy consumers of their product.

**Building loyalty:** The starting point of a good bonus plan is to reward customers for sticking to the brand. The reward structure should be designed so that the longer a customer stays with a program the better the benefits. This approach pays off especially over the long run, because loyal customers are easier to retain over time

and pay higher prices. The bonus plan of the airlines is a good example. After a consumer earns miles for one ticket, he or she is still motivated to stay with the airline in order to earn a second or third free ticket for family members. Further, as consumers join programs of other firms that also offer free miles on the same carrier, their commitment to the first airline increases. (Cohen, 1985).

**Creating value for customers:** The bonus plan should create new value that a consumer could not just buy or get in the market.

**Creating a profit rather than a cost center.**

Bonus plan should be structured to become profit centers over the long run.

### 2.2.6 Price-off- deals

Provides the consumer with a reduction in the regular price of the brand. Price off reductions are typically offered right on the package itself through specially marked price packs. Typically price-offs range from 10 to 25 percent off the regular price, with the reduction coming out of the manufacturer's profit margin, not the retailer's. It is very important to maintain its support and cooperation. There are several reasons why marketers use price off promotion. First, price offs are controlled by manufacturers, which enables them to ensure that the promotional discount does reach the consumer rather than being kept by the trade. As with a bonus pack price offs deals usually present a readily apparent value to the shop per particular when he or she has a "reference price point" for the brand and thus recognizes the value of the discount. Thus, price offs can provide a strong influence at the point of purchase when price comparisons are being made. Price-off promotions can also be useful in encouraging consumers to purchase large quantities and thus preempt competitor's promotions and assist in obtaining trade support. (Patrick, 1988).

Price off promotions may not be favourably received by retailers since they can create pricing and inventory problems. Most retailers will not accept packages with a specific price shown on the package. Thus, the familiar X amount off the regular price must be used. Also, as with bonus packs, price offs deals often appeal primarily to regular users rather than attracting non-users. Finally, it should be noted that the Federal Trade Commission has a set of specific regulations regarding the conditions

that price off labels must meet and the frequency and timing of their use. (Gordon, 1995).

### **Price Packs**

Price packs (also called cents-off packs) are new packages on which the firm offers a temporary lower price to the consumer. The offer may involve a sign on the package showing the lower price (for example, "5 shillings off), multiple packs (for example, "two for the price of one"), or large packs (for example, "contains 25 Percent more"). Mulili (2000) found out that most firms however engage in the participation of show exhibitions especially in their areas of operation as one way of promoting their organizational products.

### **Differential benefit of price pack**

We can easily understand the role of price packs by comparing them to coupons. Here again, three differences in benefits are salient. As an incentive, price packs have a higher response rate than coupons. The reason is that the price pack is visible to most shoppers who intend to make a purchase in the category and it requires minimal effort to use. Although coupons are more widely distributed than price packs, consumers have to make an effort to find, clip, save and use the appropriate coupons.

On the other hand, price packs have a much lower discriminatory power than coupons. Price sensitive consumers are unlikely to notice the price pack unless it is promoted, while all regular buyers of the product get its benefit even if they are not aware of it. (William, 1985) Third, price packs are primarily an incentive promotion. They have a minimal communicative role beside from the routine communication contained on any package .

A firm can use price packs if it wants an immediate increase in sales, especially among impulse buyers or those who make their decisions in the store by comparing prices. Manufacturers of national cereal brands can also price packs to combat market share losses to private labels and generics, which sell primarily as lower price imitations of national brands. Finally, retailers tend to schynchronize their own promotions with price packs, especially if they are a well-known brand. So manufacturers can use packs to stimulate retail promotions. (Belch, 1990).



## **Regulation of Price Packs**

Like coupons, price packs also have the potential for misuse, through primarily by manufacturers and retailers. For example, retailers can raise the regular price of the price packs by the amount of the cents off offered, or they can break twin packages to sell each separately at the regular price. Manufacturers may misuse price packs by suggesting that the price of the pack is a special, when in fact it is equivalent to the regular price of the brand. (Gordon, 1995).

### **2.2.7 Rebates**

Rebates are guarantee by firms to reimburse consumers directly for the purchase of a product, subject to certain conditions. Technically, the term has the same meaning as refund, except that rebate is used for durables and refund for non-durables. The typical conditions for a rebate are the mailing in of: -

1. The refund voucher ,
2. A proof of purchase from the product container or package and
3. The sales receipt.

The rebate is similar to the coupon. However, rebates differ from coupons in one important way: they require much greater effort to redeem.

To redeem rebates, consumers need to collect all three pieces of information just listed. Consumers need to make a copy of the sales receipt if they need one for their records. Some rebates require original receipts, making redemption even more difficult if consumers also need the original for reimbursement. (Tellis, 1998).

To get the proof of purchase consumers must sometimes wait till the product is consumed. For example getting the proof of purchase from a shampoo container requires the container to be empty. By that time, consumers may misplace the sales slip or the rebate voucher, or they may forget all about the rebate. These difficulties with redemption lead to three characteristics that distinguish the use of rebates relative to coupons.

First, rebates require higher face values to motivate consumer's redeemers to redeem them. Even the rebates have a lower redemption rate than coupons. Second, rebates are more powerful means of price discriminating between consumer segments. Only

consumers who are very price sensitive, well organized and have adequate time will pay the list price. Third, rebates cause an increase in purchase without redemption that may be higher than that for coupons. Compared with coupons, many more consumers decide to buy with the hope of redeeming the rebate and do not actually do so. (William, 1985).

Rebates also have the same problem of mis-redemption as do coupons. The problem with that scheme is that in effect it amounts to a group redemption with the proceeds from several rebates going to one party. Most rebates explicitly prohibit such redemptions. Also, any large-scale redemption program is prone to fraudulent redemptions by requiring fictitious receipts, names and addresses to avoid being discovered.

#### **2.2.8 Premiums (Gifts)**

Premiums are rewards or gifts that a single firm gives consumers free or at a reduced price that is used as an extra incentive for purchases. (Belch 1990).

A merchandise offered at a low cost or free as an incentive to purchase a particular product. (Kotler, 1999). The manufacturer of the gift itself does not reap any special benefit aside from the sales. Examples include a toothbrush with the purchase of toothpaste. A premium is a term that is offered free or at a substantially reduced price to stimulate the purchase of the product being promoted. It is intended to produce quick sales. It does not have to be related to the product, although it is directly associated with its sale; but it should be a useful item that consumers would want to pay the retail price for. A premium can be attached to, or put inside, the package of the product itself.

Premiums can be broadly classified into three groups based on their mode of distribution:

- *In-pack or with purchase premiums* are inside the pack or come with the purchase of the product. These premiums provide an instant incentive or reward for buying the brand.

- *Mail-in premiums* are premiums a consumer can claim by mailing proofs of purchase obtained from multiple purchases of the product. Consumers do not have to make any payment for the premium.
- *Self-liquidating premiums* are premiums a consumer can buy by mail for a price in addition to supplying proofs of purchase obtained from the product. The term *self-liquidating* means that the selling price to the consumer covers the firm's purchase price, packaging costs and mailing costs. (Tellis, 1998).

### **The logic of Premiums.**

The logic of a premium is similar to that of a gift: give consumers something of value that they would not normally have or buy for themselves. A good premium is one that is inessential, infrequently purchased and has a low turnover. As a result, it is not easily available, tends to be overpriced and may be of poor quality. For example, stationery marketers may give a uniquely designed letter opener to managers who purchase office stationery. Because the letter opener is a low-cost, slow moving low-volume durable, it is not widely available in good designs. The firm can get a good price and good quality by ordering it at one time on a large scale with minimal storage and handling costs.

In addition because of its bulk purchase, the firm could also order a special design not generally available. Thus the premium could be of low cost to the firm but a good value to consumers. However, demand and supply factors are not the only considerations in choosing premiums. A good premium should have a natural match with the product being promoted. (Miller, 2000).

### **Goals of Premiums**

Effective premiums serve several goals. First, these small gifts can earn the goodwill of consumers. For this purpose, premiums may be selected as gifts-items to which consumers would not normally treat themselves. Secondly premiums provide an incentive to buy the product. For this purpose, premiums may be selected because the firm can obtain them at a much lower cost than can the buyer. Thirdly premiums stimulate repurchasing and possibly loyalty, by requiring buyers to turn in several

proofs of purchase, as in the mail in premium or the collector's set. Fourthly premiums remind consumers of the product being promoted. For this purpose, the premium must be closely linked to the product so that at every use, the consumer is reminded of the product. For example, a specially designed toothbrush with the name of the advertised brand could be a greater premium for a toothpaste; it would remind the consumers who used it. The same holds for a letter opener offered as a premium for buying stationery. Alternatively, the premium could be designed to repeatedly present a brand's message. (Peter, 1992).

### **2.2.9 Tie-Ins**

Tie-ins are joint promotions for two or more items by one or more firms. A tie in is different from premium in that both parties to the tie-in share in the costs and benefits of the promotion. (Kotler, 1999).

#### **Role of Tie-ins**

A successful tie-in is one that creates an economy or a benefit for consumers and the firms in the tie in. The economy can be used to increase profits to the firm or lower prices to consumers. The benefit increases the interest in and the visibility and sales of the promoted brand. The use of tie-ins has increased substantially in recent years. One reason may be that the greater fragmentation of media and markets has made it more difficult for firms to reach consumers. Another reason may be that the smaller budgets during the recessionary years of the early 1990's increased the importance of economies in promotion such as those available from tie ins. (Gravens, 1996).

#### **Bases for Tie-ins**

While the items in a tie in do not need to have any specific link, such a link can enhance the value of the promotion. Here are some bases for linking tie-ins:

##### **Complementary Products**

The two brands in the tie-in are complementary. An example is the offer of a bottle of white wine with the purchase of a thanksgiving turkey.

**Complementary Services.** The two services in the tie in complement each other. An example is a tie in for a hotel room at a resort and an airline ticket to that destination.

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**Same Consumer segment.** Each party to the tie-in appeals to the same target segment. For example, cereal companies sometimes tie-in with video game marketers to offer children video games at reduced rates with multiple proofs of purchase of cereal boxes.

**Same Consumption Occasion.** The two brands in the tie-in are consumed on the same occasion.

**Same purchase Location.** The two brands in the tie-in are consumed at the same location. Many products and services are related in that they are purchased at the same location. For example, grocers sometimes run promotions in which consumers who buy a certain amount at their store within a specified time period may obtain dinner at lower price.

**Same Theme.** The two brands in the tie-in have a common theme. Tie-ins with a common theme can enhance attention and memorability of the theme while generating excitement and sales.

**Same Cause.** The two brands in the tie-in support the same cause. In one form of tie-ins that has increased sustainability, companies promise to donate a certain fraction of their sales to a consumer's favourite cause of charity. Such tie-ins not only have the immediate benefit of increased sales but also increase the goodwill the firm enjoys with the target consumers. (William, 1985).

This list of potential bases for tie-ins is not exhaustive. Indeed, the potential for novel and exciting tie-ins limited only by the creativity of promoters.

### **Management of Tie-ins**

Because more than one party is involved, tie ins require more coordination than most other promotions. Here are some simple tips that make the management of tie –ins more effective.

**Keep the promotions simple.** During the planning stage, tie ins may get complicated as each party adds on what seem like creative variations. However, simplicity ensures smooth coordination of the promotion and easy adoption for consumers.

**Share responsibility.** The responsibilities and costs of the promotion should be shared equally between the partners or made proportionate to the benefit.

**Have similar images.** The images of the two brands or parties that are in a tie in should not clash. A brand with a brash image should not associate with a classy

image. One with a low quality image should not associate with one with a premium image.

**Have clear benefits and economics.** Perhaps the most important principle in a tie-in is that the economy to the firm should be easy to obtain and the benefit to consumers should be clear. (Tellis, 1998).

#### **Free trials**

Inviting prospective purchasers to try the product without cost in the hope that they will buy the product. Auto dealers encourage free test drives to stimulate purchase interest. (Kotler 1999).

#### **Patronage awards**

Values in cash or in other forms that are proportional to patronage of a certain vendor or group of vendors. Most airlines offer frequent flier plans. (Kotler, 1999).

#### **Product warranties**

Explicit or implicit promises by sellers that the product will perform as specified or that the seller will fix it or refund the customers money during a specified period. (Kotler, 1999).

#### **Cross promotions**

Using one brand to promote another non-competing brand. (Kotler, 1999).

### **2.3 BRAND AWARENESS**

#### **A good name is better than riches.**

#### **Cervantes, and Don Quixote.**

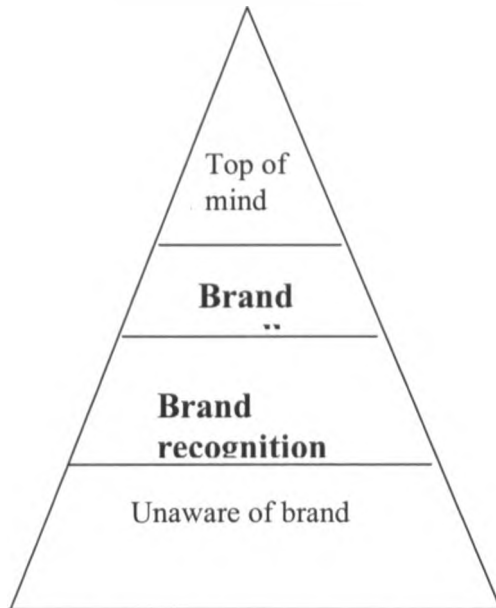
Brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. A link between product class and brand is involved. (Aaker, 1991). Is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category.

According to the American Marketing Association, a brand is a “name”, term, sign, symbol or design or a combination of them intended to identify the goods and services of sellers and to differentiate them from those of competition.” (Keller, 1998).

Brand awareness involves a continuum ranging from an uncertain feeling that the brand is recognized, to a belief that it is the only one in the product class. This continuum can be represented by 3 very different levels of brand awareness: brand recognition, brand recall and top of

mind. The role of the brand awareness in brand equity will depend upon both the context and upon which level of awareness is achieved.

#### **THE AWARENESS PYRAMID**



*Aaker, 1991 Managing Brand equity.*

#### **Brand recognition**

Its based upon an aided recall test i.e. the respondents are given a list of brand names, from a given product class. Then customers are asked to identify those names they have heard before. Here although there need be a link between the brands and the product class. It need not be strong. Brand recognition is a minimal level of brand awareness. It's particularly important when the buyer chooses a brand at the point of purchase.

#### **Brand recall**

It's based upon asking a person to name the brand in the product class. It stands "unaided recall" examples, name of a toothpaste they know! the respondent is not assisted by having the names provided.

Unaided recall is a substantially more difficult task than recognition and is associated with a stronger brand position. A person can recall minimal items on an aided recall basis than on unaided recall basis.

The first named brand in unaided recall task has achieved top-of-mind awareness, a special position. In every sense it's a head of the other brands in the person's mind.

## **Dominant brand**

A still strong position not presented in figure will be that of a dominant brand. A brand that is only brand recalled for a high percentage of the respondents.

Having a dominant brand provides a strong competitive advantage in many purchase situations, it means that no other brand will even be considered. (Aaker, 1991).

Recognition is simply remembering that there was past exposure to the brand. Exposure is important because consumers prefer an item they have previously seen to one that is new to them so when the brand choice is made, the familiar brand will have an edge. When consumers see a brand several times they realize that company is spending money to support the brand and companies will not spend money to support bad brand.

When a brand is promoted many times familiarity factor comes in, brand becomes more visible than other brands that are not being exposed. This visibility constitutes awareness building.

For example number one brand in the world is - Coca-Cola with \$69.9 billion assets, Coke is exposed so many times, brands name must be short for people to remember easily. Slogans, tagline help increase brand awareness.

## **Creating Brand Awareness**

A lot of resources are required to create brand awareness level. For that to be possible a broad sales base is required. Companies make sure all the brands are called by the corporate name, so all brands become corporate brand example Toyota, Mitsubishi, Sony.

### **Be different and memorable.**

Do not copy somebody else colour, name. Occupy your own special name Publicity goes on with brand relations. For example the December tusk promotion, which run "help tusk save lives" promotion.

Do not give five million shillings and go away, do many times with small amounts. People talk about you without you paying. However, publicity should usually play a role and sometimes carry the ball (ensure press coverage). Its less expensive than media advertising, if well planned its very effective. People are more interested in learning about a new story than reading, advertising. The problem is to generate events on issues associated with the brand that are news worthy.



### **Slogan or jingle**

Slogan or Jingle can make a big difference. Slogan is the tagline slogans help recall. The slogan should be short and memorable.

Have only one slogan at a time. A symbol should be linked to the brand so that it can create and maintain awareness.

It involves a simple image, which is much easier to recall than a word or phrase, which are not linked to the brand.

There are often creative ways to win symbol exposure besides using advertising example use of

- ❖ Exhibitions
- ❖ Contests
- ❖ Sponsorships

Involves shape of the brand colours, writing on label, product tagline Exposing the symbol to all consumers so as they can distinguish your brand from others. Primary role of sports sponsorship is to maintain and create awareness thus the Caltex equator rally, the physical sponsorship rally calendar are meant to generate exposure to spectators to view them live in television and from others to read about them either before or after the occurrence.

### **Create Brand Extensions**

One way to give brand recall and to make the brand name more salient is to put the name on other products or to use name on all your products example Sony on all electronics was selected so that it's widely used hence benefit from multiple promotion efforts. Mitsubishi was used on more than 25,000 products including vehicles, financial products, and food products.

### **Using cues**

Awareness campaign can be created by cues.

One brand cue that is particularly useful is the package because is the active stimulus with which the shopper is confronted/stimulated.

### **Recall requires repetition**

It's very important that the brand is recalled as often as possible. Recall is difficult; it requires an in-depth learning, experiences and many repetitions. Top of mind-recall is of course even more demanding. For a brand like coke to maintain high levels of top-of-mind recall relatively high levels of repetitions may be needed indefinitely; it requires of course high spending.

### **The recall Bonus**

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 brand.

## **2.4 HOW AWARENESS WORKS TO HELP THE BRAND THE VALUE OF BRAND AWARENESS (Aaker, 1991).**

### **❖ Anchor to which other associations can be attached.**

Brand recognition is the first basic step in the communication task. It is only after establishing a brand name that we can associate it with other attributes. Learning about features and benefits of a new product is difficult without achieving recognition. With recognition established the task is simply to attach a new association such as attribute.

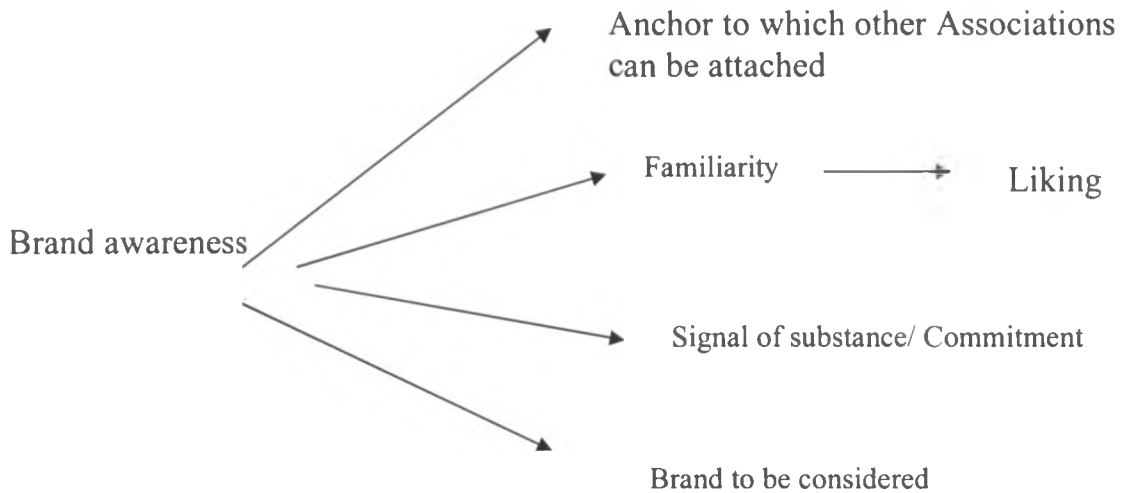
### **❖ Familiarity/ liking.**

Recognition provides the brand with a sense of familiarity-and people like the familiar. Especially low involvement products like soap, chewing gum, paper towels, sugar, disposable pens, familiarity can sometimes drive the buying decision. Studies have shown a positive relationship between the number of exposure and liking. The level of liking was found to increase with the number of exposures.

### **❖ Substance/commitment.**

The first step in the buying process is to select a group of brands to consider (consideration set). Brand recall is crucial to getting into consideration set. The first firms that come to mind will have an advantage. The role of the brand recall (or better yet, top-of mind recall) can also be crucial for frequently purchased products (fast moving consumer goods) like coffee, detergents and headache remedies for which the brand decisions are usually made prior to going to the store. Case studies have shown a relationship between recall and consideration set. Generally, if a brand does not achieve recall, it will not be included in the consideration set. However, people do recall brands that they dislike strongly. Hence it is important for the brand to be remembered for the right reasons.

A study on coffee market clearly showed the impact of awareness. For 19 successful periods, market share and advertising expenditure were obtained and linked to the results of 19 coincident telephone surveys. From the results, it was demonstrated that advertising impacted on market share only indirectly through its impact upon awareness and attitude. Furthermore, there was much influence on a change on awareness as there was via a change in attitude, suggesting awareness can be an important factor independent of changes in attitudes (Aaker, 1991).



Aaker ,1991 Managing Brand equity

Building brand awareness is a long-term process. What a brand does today predicts what it will do tomorrow. Consumer promotions are short-term and temporary, whether they are reduction, a tie in with another brand, a coupon , or some other incentives,

Tips on making promotion an effective brand building tool,

- Make sure the promotion is justified, a new store opening , and other kinds of celebrations are all good reasons for running a promotion. They put the brand name in the forefront. Celebrating spring or back-to school time are not good reasons to run a promotion, they are too generic.
- Tie the promotion to brand's image, birth dates and anniversaries.
- Look at every promotion both for the sales job it can do and as a communications tool.

A promotion is one of a brand's many voices, it can help build brand awareness if it says the right things. For example, Tuzo milk could run a coupon promotion, thus offering a price reduction and use the promotion to reinforce the name Tuzo (Chevron, 1998). Sometimes the impact of a contest or incentive promotion can be significantly increased by trying it in the international level (Rosenbloom,1995). But usually, when a brand is price promoted too often, the consumers begins to devalue it and buy it mainly when it goes on sale. So there is risk in putting a well-known brand leader on promotion over 30 percent of the time. Dominant brands offer deals less frequently, because most deals only subsidize current users. (Kotler, 1999)

## **CHAPTER THREE**

### **3.0 RESEARCH DESIGN**

#### **3.1 INTRODUCTION.**

This chapter sets out the research methodology that was adopted so as to meet the objective stated in chapter one of this study. The research setting, the population of study, sampling method, data collection instruments and data analysis techniques are discussed.

#### **3.2 THE RESEARCHER SETTING**

The study was a survey conducted within Nairobi, because the chain supermarkets are concentrated within the city of Nairobi. The four supermarkets are the largest in Kenya in terms of turnover (Kyalo, 2001). Furthermore, all the four are chain stores since they have at least to branches each (Kotler, 1990). The Choice of Nairobi as study area considered its convenience in terms of accessibility, time schedule, financial resources, and the fact that it had been revealed by the turn of this century more than half of the population of the world would be settled in cities.

#### **3.3 POPULATION**

The target population for this study comprised of all the dairy product consumers in Nairobi because it provides the largest market opportunities for dairy products both in geographical terms and the number of market segments. This includes all those customers who do their shopping in the four main supermarket chains within Nairobi. A survey done by Wambugu (200) indicated that Uchumi had 23 branches out of which 17 were in Nairobi, Nakumatt had 10 and 7 of them were in Nairobi, Tusker had 8 with 7 of them in Nairobi and Ukwala had 5 branches in Nairobi out of its total 7. The number of the four chains in Nairobi was therefore 36. (appendix 4). All the branches customers in Nairobi will form the target population for this study.

#### **3.4 SAMPLING**

A sample of 108 respondents was selected from the 36 branches of the chain stores. Mburu (2001) had a sample of 150 customers. For each branch, three customers respondents were picked. To get the three from each store branch, convenience sampling was used and every tenth customer leaving the supermarket was asked to complete the questionnaire. The selected sample was enough for conclusions about the population,

and statistical tools used in data analysis. A recruitment guide for respondents was used to ensure that only customers aware of dairy brands were selected in the sample (appendix 1)

### **3.5 RESEARCH INSTRUMENTS**

Primary data was used in the study. The questionnaires consisted of both open and close ended questionnaires and it was in two parts. The questionnaires was administered to the consumers as they left the supermarket. The respondents filled in the questionnaire as the researcher waited. This helped reduce the instances of non-response.

Omutira (2001) used Likert scale to measure responses relating to the level of extent of quality awareness to TQM. The five point Likert scale was used to measure responses relating to extent of brand awareness in dairy industry, item scores were assigned to each of the response.

### **3.6 DATA ANALYSIS**

After collecting the data, the completed questionnaires were edited for completeness and consistence across respondents and to locate omissions. Responses were coded to facilitate basic statistical analysis.

Chege (2001) used descriptive statistics consisting of frequencies to determine the extent of utilization of marketing mix variables in shipping industry. Descriptive statistics was used to analyze the data; mean, percentages, tables, and bar graphs were used. The analysis was done using Statistical Package for Social Scientists (SPSS). Mbau (2000) used SPSS to summarize, cross tabulate and sort out the data to give appropriate rankings and strength of various factors.

Factor analysis was also used for analysis due to the large number of variables or objects being considered. No variables had been designed as being predicted by others and the researcher intended to look at the interrelationship among all the possible variables that may impact on brand awareness.

## CHAPTER FOUR

### 4.0 DATA ANALYSIS

Summary of the collected data for each factor in consumer promotion is presented by the use of tables to give a clear picture of the scores of responses that were gathered. Later factor analysis was employed to meet the research objective. This analysis served as a data reduction technique by combining related statements into fewer factors that enabled the researcher to screen out the most important factors enhancing brand awareness.

This was achieved by the application of the Eigen values in the analysis where factors that had Eigen values of 1 and above were deemed to be significant in building awareness of dairy products in Nairobi.

#### 4.1 DATA EDITING AND CODING

**Table 4.1 Number of Respondents**

Targeted Respondents	Actual Respondents	% Response Rate
108	100	92.6%

**Source: Research Data**

Form the table above, the response rate was 100 (92.6%). The researcher deemed this as adequate and sufficient for the purpose of data analysis. This compares with other studies such as Wambugu (2002) with 75% and Ngatia (2000) with 68%.

## 4.2 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

### 4.2.1 EDUCATION

**Table 4.2 Educational Levels of The Respondents**

	<b>Frequency</b>	<b>percentage</b>
<b>Primary</b>	<b>9</b>	<b>9</b>
<b>Secondary</b>	<b>30</b>	<b>30</b>
<b>College</b>	<b>32</b>	<b>32</b>
<b>University</b>	<b>29</b>	<b>29</b>
<b>Total</b>	<b>100</b>	<b>100</b>

From table 4.2 above 32 (32%) of the respondents have college education while 29 (29%) have university education. This means that 61% of the respondents have minimum of college education.

### 4.2.2 OCCUPATION

**Table 4.3 Occupation of the respondent**

	<b>Frequency</b>	<b>percentage</b>
<b>Formally employed(private sector)</b>	<b>30</b>	<b>30</b>
<b>Formally employed(public sector)</b>	<b>20</b>	<b>20</b>
<b>Informally employed(private sector)</b>	<b>6</b>	<b>6</b>
<b>Informally employed (public sector)</b>	<b>6</b>	<b>6</b>
<b>Self employed</b>	<b>20</b>	<b>20</b>
<b>Unemployed</b>	<b>18</b>	<b>18</b>
<b>Total</b>	<b>100</b>	<b>100</b>

#### **Source research data**

From table 4.3 above, it can be concluded that formally private sector employees form the majority of respondents with 30 (30%). This category is followed by formally employed Public Sector workers with 20

(20%) of all the respondents, this can be attributed to the relatively better pay that the private companies give to their employees. Further, private companies are at the moment the major source of employment in Kenya.

### 4.2.3 AGE

**Table 4.4** Age of the respondent in years

Age(years)	Frequency	percentage
Below 18	9	9
19-24	19	19
25 –29	22	22
30 –34	18	18
35 –39	23	23
Above 40	9	9
Total	100	100

#### Source research data

The results above indicate that most of the respondents are between the ages of 35 – 39 years forming 23% of all the respondents. Majority of consumers are between the ages of 19 years to 39 years. These are the young adults whose consumption is relatively high.

### 4.2.4 GENDER

**Table 4.5** Gender of the respondent

Gender	Frequency	percentage
Male	37	37
Female	63	63
Total	100	100

#### Source research finding

From the research findings, majority of the respondents were female with 63% score.



## 4.2.5 MARITAL STATUS

**Table 4.6 Marital status of the respondent**

Marital status	Frequency	Percentage
Single	55	55
Married	45	45
Total	100	100

### Source research finding

From the research findings, it can be seen that 55 (55%) of the respondents were single, mainly the young adults.

## 4.3 a Importance of Promotions in brand Choice

**Table 4.7 Importance of Promotions in brand Choice**

Mean		3.43
Median		4.
Mode		4
Standard deviation		1.25
Percentiles	25	3
	50	4
	75	4

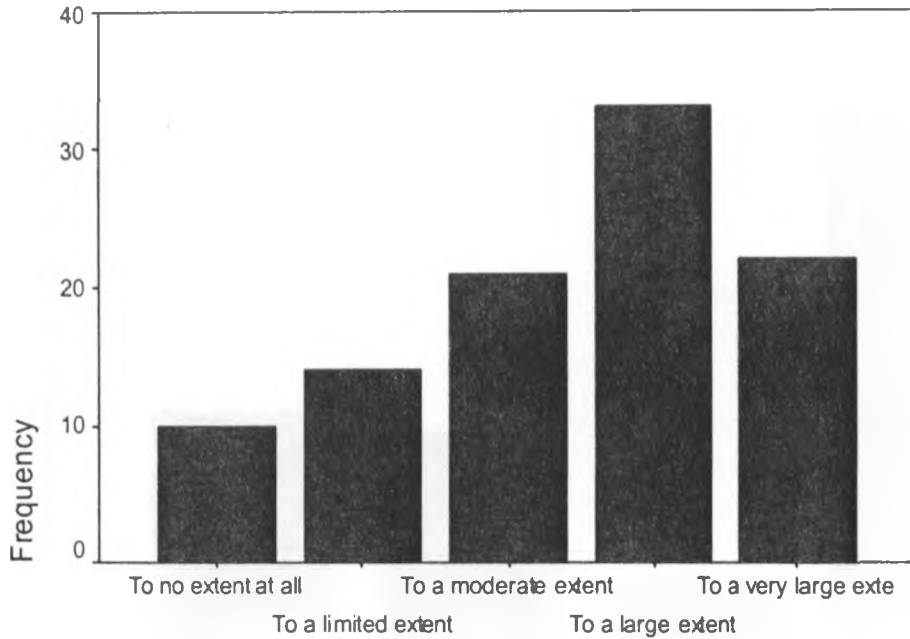
## 4.3 b Importance of Promotions in brand Choice

	Frequency	Percentage
To no extent at all 1	10	10
To a limited extent 2	14	14
To a moderate extent 3	21	21
To large extent 4	33	33
To very large extent 5	22	22
Total	100	100

### Source research finding

From the above tables, importance of promotion in brand awareness has both median and mode of 4.0 which indicates its important to a large extent on the likert scale

### Importance of Promotions in brand Choice



### Importance of Promotions in brand Choice

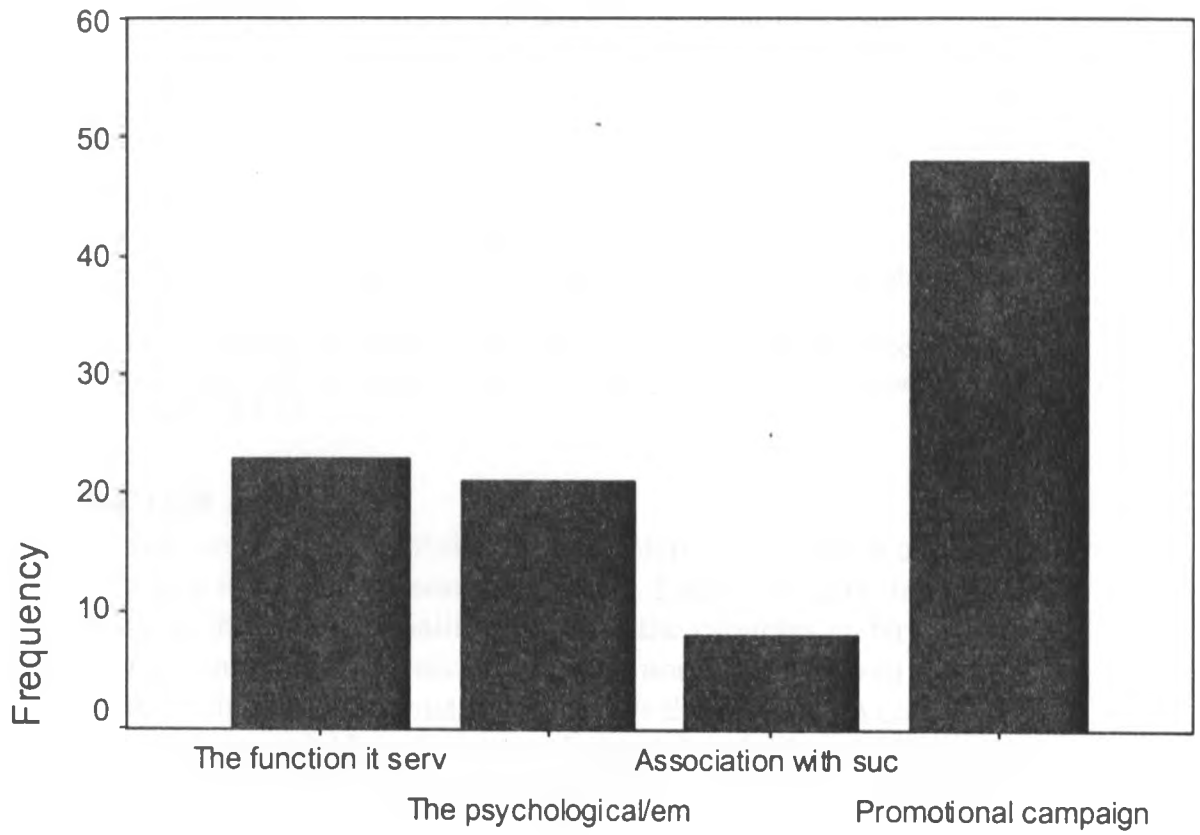
**Table 4.8 Attraction of The Dairy Brand**

	<b>Frequency</b>	<b>Percentage</b>
<b>Function it serves</b>	<b>23</b>	<b>23</b>
<b>Psychological/emotional satisfaction it gives</b>	<b>21</b>	<b>21</b>
<b>Association with success</b>	<b>8</b>	<b>8</b>
<b>Promotional campaigns</b>	<b>48</b>	<b>48</b>
<b>Total</b>	<b>100</b>	<b>100</b>

**Source: research data**

From the above table, 48% indicated that a promotional campaigns were important in attraction to Dairy brand

## Attraction of The Dairy Brand



## Attraction of The Dairy Brand

**Table 4.9 Mean and standard deviation**

N=100=number of respondent

Statistics	Promotional campaigns	Friends information	Proximity to diary	Label conspicuiness	Promo Media	Opinion leaders	Easy name	Out lets
Mean	4	3.23	2.98	3.03	3.53	2.53	2.15	2.26
Standard deviation	1.02	1.14	1.31	1.14	1.21	1.26	1.18	1.24

**Source research data**

The table summarize the mean scores and standard deviation of the variables under brand awareness.

Promotional campaigns was highly rated with a mean score of 4 ,followed by promotional media with the mean of 3.53.while easy to recall brand name was leastly rated with mean of 2.15.

**4.5 FACTOR ANALYSIS**

This section sets out to undertake thorough statistical analysis of the collected data to meet the research objective. Factor analysis starts by coming up with the communalities between the variables under each aspect of consumer promotions. This step is normally followed by coming up with correlation matrix that shows the correlation coefficients between any two variables of concern. Later the variables are factored out using the Principal Component Analysis Method. In the use of Principal Component analysis that seeks to combine two or more correlated variables into one factor, it is assumed that all variability in an item should be used in the analysis. The Kaiser Normalization criterion of selecting variables that have an Eigen value greater than 1 is also employed in the analysis.

**TABLE 4.10 Dairy Brand Awareness**

**Communalities**

	Initial	Extraction
VAR1. Extent of the contribution of promotional campaigns to awareness of dairy products	1.000	.787
VAR 2. Extent of the contribution of information from relatives and friends to the awareness of dairy products	1.000	.640
VAR 3. Extent of the contribution of proximity to dairy supplier on the awareness of the dairy product	1.000	.599
VAR 4. Extent of the contribution of conspicuous labels on the awareness of dairy products	1.000	.569
VAR 5. Extent of the contribution of the promotional media used on the awareness of dairy products	1.000	.796
VAR 6. Extent of the contribution of the influence of opinion leaders on the awareness of dairy products	1.000	.531
VAR7. Extent of the contribution of the ease in recalling brand name to awareness of dairy products	1.000	.677
VAR 8. Extent of the contribution of the type of outlets used to the awareness of dairy products	1.000	.555

Extraction Method: Principal Component Analysis.

**Source : Research Findings.**

Communalities represent the proportion of variance of a particular item that is due to common factors or that is shared with other items. The above table estimates the communalities for each variable, that is the, the proportion of variance that each items has in common with other items. For example variable 1 (promotional campaigns in building brand awareness) has 78% communality or shared relationship with other factors, information from relatives has 64.0% communality.

**TOTAL VARIANCE EXPLAINED**  
**TABLE 4.11 TOTAL VARIANCE EXPLAINED**

**Total Variance Explained**

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.710	21.379	21.379	1.710	21.379	21.379	1.630	20.375	20.375
2	1.247	15.590	36.968	1.247	15.590	36.968	1.222	15.277	35.652
3	1.162	14.530	51.498	1.162	14.530	51.498	1.160	14.494	50.146
4	1.035	12.941	64.439	1.035	12.941	64.439	1.143	14.293	64.439
5	.861	10.767	75.206						
6	.742	9.274	84.480						
7	.633	7.910	92.390						
8	.609	7.610	100.000						

**Extraction Method: Principal Component Analysis**

In using the Kaiser Normalization criterion, we extract components that have an Eigen value greater than 1. Using this analysis, the researcher was able to extract four major components. As indicated in the table above, variables 1,2,3,4 accounted for 21.379%, 15.590%, 14.530% and 12.941% of the total variance respectively accounting for a total of 64.44% of the total variance.

**Table 4.12 Communalities****Communalities**

	<b>Initial</b>	<b>Extraction</b>
VAR1 Extent to which samples increase dairy brand awareness	1.000	.741
VAR 2 Extent to which prizes increased dairy brand awareness	1.000	.645
VAR 3. Extent to which premiums(gifts) increased dairy brand awareness	1.000	.672
VAR 4 Extent to which free trials increased dairy brand awareness	1.000	.699
VAR 5. Extent to which product warranties increased dairy brand awareness	1.000	.451
VAR 6. Extent to which bonus packs increased dairy brand awareness	1.000	.694
VAR 7 Extent to which bonus plans increased dairy brand awareness	1.000	.635
VAR 8. Extent to which price-off deals increased dairy brand awareness	1.000	.770
VAR 9. Extent to which cash refund offers increased dairy brand awareness	1.000	.270
VAR 9. Extent to which tie ins increased dairy brand awareness	1.000	.747
VAR 10. Extent to which patronage awards increased dairy brand awareness	1.000	.667
VAR 11. Extent to which coupons increased dairy brand awareness	1.000	.807

Extraction Method: Principal Component Analysis.

These communality scores indicate the proportion of variance of each variable explained by the extracted components. For example variable 12, extent to which coupons increased dairy brand awareness, is shown to have the highest communality score of 80.7% while variable 9, cash refund offers is shown to have the least communality score of 27%.

**TABLE 4.13 Eigen values**

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.981	33.176	33.176	3.981	33.176	33.176	2.573	21.446	21.446
2	1.389	11.571	44.747	1.389	11.571	44.747	2.449	20.408	41.854
3	1.269	10.579	55.326	1.269	10.579	55.326	1.460	12.166	54.020
4	1.160	9.665	64.990	1.160	9.665	64.990	1.316	10.970	64.990
5	.900	7.501	72.491						
6	.691	5.758	78.249						
7	.660	5.496	83.745						
8	.514	4.286	88.031						
9	.433	3.608	91.639						
10	.398	3.315	94.955						
11	.335	2.791	97.746						
12	.270	2.254	100.000						

Extraction Method: Principal Component Analysis.

From the above table, only four components had an Eigen value of more than 1. These four components are seen to be explaining 64.38% of the total variance in the variables under different types of consumer promotions; which is a good % of more than 50%. The first component explains most variance in the variables explaining 33.176% of the total variance. It follows that this component will absorb most of the variables when we come up with the rotated component matrix that will enable the researcher to discern what variables lie under what factor.



**TABLE 4.14 ROTATED COMPONENT MATRIX**

Rotated Component Matrix

	Component			
	1	2	3	4
Extent to which samples increase dairy brand awareness	-.201	-.248	-6.857E-02	.797
Extent to which prizes increased dairy brand awareness	-3.760E-02	.748	.261	-.122
Extent to which premiums(gifts) increased dairy brand awareness	.219	.751	-.243	3.975E-02
Extent to which free trials increased dairy brand awareness	.184	.809	9.198E-02	4.783E-02
Extent to which product warranties increased dairy brand awareness	.415	.363	.289	.253
Extent to which bonus packs increased dairy brand awareness	.260	.422	.602	.293
Extent to which bonus plans increased dairy brand awareness	.544	.389	-2.453E-02	.434
Extent to which price-off deals increased dairy brand awareness	.742	.264	-1.055E-02	.388
Extent to which cash refund offers increased dairy brand awareness	.194	.238	.206	.365
Extent to which tie ins increased dairy brand awareness	.840	.136	.107	-.106
Extent to which patronage awards increased dairy brand awareness	.784	-2.402E-02	.167	-.156
Extent to which coupons increased dairy brand awareness	8.113E-02	-5.913E-02	.890	-7.478E-02

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 12 iterations.

Going by the same criterion of extracting factors that have an Eigen value greater than 1, four factors were extracted as earlier evident in table 4.13. The table serves to help decide which variable(s) fall under what component depending on what percentage of variance it explains in each component. A variable belongs to the component to which it explains most variance.

Rotated Component Matrix	Component			
	1	2	3	4
VAR 1. Extent of the contribution of promotional campaigns to awareness of dairy products	.126	-.151	.118	-.857
VAR2. Extent of the contribution of information from relatives and friends to the awareness of dairy products	.216	-.517	.288	.493
VAR 3. Extent of the contribution of proximity to dairy supplier on the awareness of the dairy product	.453	3.388E-02	-.555	.291
VAR 4. Extent of the contribution of conspicuous labels on the awareness of dairy products	.631	.398	-2.454E-02	-.113
VAR 5. Extent of the contribution of the promotional media used on the awareness of dairy products	5.923E-02	.854	.153	.199
VAR 6. Extent of the contribution of the influence of opinion leaders on the awareness of dairy products	.723	-3.476E-02	-2.996E-04	-8.555E-02
VAR 7. Extent of the contribution of the ease in recalling brand name to awareness of dairy products	.200	9.469E-02	.792	2.428E-02
VAR 8. Extent of the contribution of the type of outlets used to the awareness of dairy products	.631	-.181	.321	.144

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 11 iterations.

On rotating components using the Varimax (Variance Maximization) method, the researcher came up with the above rotated component matrix. From this matrix, the researcher was able to discern what variables fall under what factors among the four major extracted factors. This was done by looking at each of the eleven variables and then deciding to which factor each variable falls depending on the percentage of variability it explains in the total variability of each factor. The variable is said to belong to the factor to which it explains most of the variation than any other factor.

## **CHAPTER FIVE**

### **5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Summary and conclusions**

The objective of the study was to determine the extent to which consumer promotions build the awareness of dairy products among consumers in Nairobi. The findings of the study are recorded in the previous chapter and the aim here is to highlight those findings in the light of the set objective.

As we move into the 21<sup>st</sup> Century, firms should focus their activities to their markets. The market place, not the factory, ultimately determines which companies will succeed. The dairy industry firms are beginning to be more market driven in many aspects.

The dairy industry emphasizes preference for the brand awareness element in its quest to meet the tests of appeal, appropriateness and differentiation of firms' various brands. This is achieved by heavy promotions of their dairy brands. Data from the study point to a rising

trend of awareness of the sectors' brands with a third of them having achieved the 'top – of – mind' position.

Dairy firms will have to appreciate that quest for successful brands call for long term view of brand profitability. This can be frustrating and risky in the short term for an investor but those firms that are patient and consistent with consumer promotions even when they absorb losses in the short and medium term stand to gain tremendous pay – offs which can last for decades when their brand awareness activities have matured.

With current competition, the study found that deliberate attempts are being made by the management of the dairy firms to improve all aspects of marketing mix variables in order to survive in the market. Products offered included milk and milk products like Butter, Cheese, Ghee, Yoghurt, Mala milk, Powdered milk and Ice – creams.

Most firms in the dairy industry are engaging in heavy promotions of there products in markets. Show room exhibitions especially in Agricultural Society of Kenya trade fairs are full of dairy firms stands promoting there products. Some firms in the dairy industry have

segmented their markets mainly on geographical basis. This ,however, is still too narrow to allow effective promotional campaigns.

The bottom line to continued investment in consumer promotions lies in being able to estimate the value underlying brand awareness. Such values require patent rights and constantly reminding consumers. But once developed, brand awareness increases market share of the brand, persist for long and can counteract unfair competition in the market.

## 5.2 RECOMMENDATIONS

Precisely building brand awareness is one of the core areas of marketing functions and strategies and will determine the success of firms in the future. Murphy (1990) argues that companies should develop a style and important assets are their brands.

This means that the role of brand awareness should turn the marketing manager away from the business premises to the market place where other entities of the firm are to be found. Heavy investments and on brand awareness should be emphasized.

The strategy which various managers of brands would choose to adopt must depend upon the brands' own life cycle as well as the development of brands' own market. It is the duty of managers to ensure that marketing functions recognize brands for what they are and ensure that they are available at an appropriate price, are properly presented and adequately advertised, heavily promoted and supported, in addition to having the full range of varieties and alternatives which the consumer might require.

Firm owners and managers must also realize that due to the rapid proliferation of similar products serving similar functions, the enormous value of brand awareness must effectively be used to tip the balance of customer's decision at the point of sale in favour of the company's brand.

The concept is already strong and growing in Kenya and given global trends, it is a matter of time before it is fully embraced and implemented by Kenyan firms. No doubt, the dairy sector shall not be left behind.

It is recommended that brands be promoted properly so that consumers become aware of some of the product(s) which are quite good and nutritious.



### 5.3 LIMITATIONS OF THE STUDY

- 1) The major limitations were financial and time resources. This compelled the researcher to narrow down the scope of the study to Nairobi area only.
- 2) Some respondents did not fill in the questioners. This reduced the response rate to 92.3%. Although, in Physics, its said that no machine is 100% efficient.
- 3) The small size of the sample (108) can affect reliability of the results and May affect conclusions made.
- 4) The study was on the four main supermarket chains in Nairobi. Other areas like the Coastal regions and Upcountry were left out. Therefore the results maybe difficult to generalize.
- 5) Some respondents actually required to be guided on what they referred to as technical marketing terms.

It can be said, however, that the execution of this study was done with a lot of care so as to minimize these limitations.

#### **5.4 SUGGESTIONS FOR FUTURE RESEARCH**

This study focused on a wider concept on extent to which consumer promotion builds awareness of dairy products. The study was too wide for the time available. The industry in itself is very crucial to the development of this country as it directly contributes to the issue of food security. With the introduction of competition in the marketing system, a lot has got to be achieved in the marketing of dairy products.

The research used a survey data from consumers perception of brand awareness. The meanings consumers attach to promotions and awareness of brands may in fact differ from what management perceptions of brand awareness should be measured.

The fact that consumers can be segmented based simply on need for cognition into those who do and do not use promotion signals as a proxy for a price cut effectively advances the idea that promotion effects are moderated by individual difference variables. This indicates the importance of the consideration of individual difference variables in future study of promotion. Although the effect of the promoted brand is widely recognized, relatively little is known about the individual difference variables moderating this effect.

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## APPENDIX 1 RECRUITMENT GUIDE

(Please help answer the following questions)

1. How many times do you buy dairy products in a week.

- i. Once
- ii. Twice
- iii. Three times
- iv. Four Times
- v. Others (Specify) \_\_\_\_\_

2. How long have you used this dairy products

- i. Less than 1 year
- ii. 1- 5 years
- iii. 5 – 10 years
- iv. More than 10 year

(If more than one year please give the questionnaire)

## APPENDIX 2: LETTER OF INTRODUCTION

UNIVERSITY OF NAIROBI

FACULTY OF COMMERCE

MBA PROGRAMME - LOWER KABETE CAMPUS

Telephone 732160 Ext.220

Telegrams "Varsity", Nairobi

Telex: 22095 Varsity

### TO WHOM IT MAY CONCERN

Dear Respondent,

REF: REQUEST FOR RESEARCH DATA

I am a postgraduate student at the University of Nairobi, Faculty of Commerce. In partial fulfillment of the requirements for the award of the degree in Master Business Administration, I am conducting a study entitled. "**The extent to which consumer Promotions builds awareness of Dairy Products: The case of Consumers in Nairobi.**"

You have been selected to form part of this study. I kindly, therefore request you to assist me in filling in the questionnaire. Kindly fill in all the questions

The information you give is to be purely used for the purpose of this research. It will be treated with the strictest confidence. In no way will your name (if available) appear in the final report.

A copy of the final report will be made available to you upon request. Your assistance and co-operation will be highly appreciated.

Thanking you in advance.

Warutere M.M

MBA Student

T.M MUTUGU

SUPERVISOR

SENIOR LECTURER  
DEPARTMENT OF BUSINESS ADM



**APPENDIX 3 QUESTIONNAIRE FOR THE RESPONDENTS**

**(Please help answer the following questions).**

**PART 1**

1. What is your name?  
(Optional).....
2. Where are you located?  
(estate).....
3. What is your education level?
  - i) Primary..... [ ]
  - ii) Secondary ..... [ ]
  - iii) College ..... [ ]
  - iv) University ..... [ ]
4. What is your occupation?  
.....
5. Please tick the age bracket in which you fall
  - i) Below 18 years [ ]
  - ii) 19-24 years [ ]
  - iii) 25-29 years [ ]
  - iv) 30-34 years [ ]
  - v) 35-39 years [ ]
  - vi) above 40 years [ ]
6. What is your gender (tick)  
Male [ ] Female [ ]
7. Please indicate your marital status
  - i) Single [ ]
  - ii) Married [ ]

**Part II**

Please respond to the questions below.

1. Do you know of any brand of dairy products.

Yes [ ] No [ ]

2. List your favourite daily products beginning with the most preferred one.

- i) .....
- ii) .....
- iii) .....
- iv) .....
- v) .....

3. How often do you take the brand you prefer?

- i) Everyday [ ]
- ii) Twice a week [ ]
- iii) Thrice a week [ ]
- iv) Any other (specify)

.....

4. What attracts you to your dairy brand?

- i) The function it serves [ ]
- ii) The psychological /emotional satisfaction it gives to me [ ]
- iii) Association with success [ ]
- iv) Promotional campaigns [ ]
- v) Any other (specify)

.....

5. How important is consumer promotions in the choice of the brand that you take?

- 5 To a very large extent [ ]
- 4 To a large extent [ ]
- 3 To a moderate extent [ ]
- 2 To a limited extent [ ]
- 1 To no extent at all [ ]

6. Please indicate the extent to which each of the factors listed below contributed to your awareness of dairy products.

Key: 5 To a very large extent 4 To a large extent 3 To a moderate extent  
2 To a limited extent 1 To no extent at all.

	5	4	3	2	1
1. Promotional campaigns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Information from relatives and friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Proximity to dairy supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Uniqueness of Packaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Conspicuous of the label	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Promotional media used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Influence from opinion leaders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. How easy the brand name is easy to recall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Type of the outlets used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Others (specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Please indicate the extent to which each of the following has increased your dairy brand awareness.

**Key:**

5 To a very great extent 4 To a great extent 3 Moderately  
2 Rarely 1 Not at all

	5	4	3	2	1
1. Samples	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Prizes (Contest and sweepstakes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Premiums (gifts)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Free trials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Product warranties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Bonus packs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Bonus plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Price off deals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 9. Cash refund offers
- 10. Tie ins
- 11. Patronage award
- 12. Coupons

8. Please indicate the extent to which each of the factors listed below are used by your dairy products suppliers. (Tick as appropriate).

- 5 Most commonly used    4 Commonly used    3 Moderately used  
 2 Rarely used    1 Never used

- |                                     | 5                        | 4                        | 3                        | 2                        | 1                        |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 1. Samples                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Prizes (Contest and sweepstakes) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Premiums (gifts)                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Free trials                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Product warranties               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Bonus packs                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Bonus plans                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Price off deals                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Cash refund award                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Tie ins                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Patronage award                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Coupons                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

**THANK YOU FOR YOUR COOPERATION**

APPENDIX 4: List of branches of the four chain supermarkets

**Uchumi**  
In Nairobi

1. Koinange Street
2. Market
3. Kimathi Street
4. Taveta Road
5. City Centre
6. Temple Road
7. Railway
8. Jogoo Road
9. Buruburu
10. Sarit Centre
11. Westlands
12. Nairobi West
13. Langata
14. Langata Hyper
15. Ngong Road
16. Ngong Hyper
17. Parklands

**Out of Nairobi**

- Mombasa – 2 branches  
Nakuru – 1 branch  
Kisumu 1 branch  
Meru - 1 branch  
Karatina – 1 branch  
Kisii - 1 branch

**Ukwala**

In Nairobi

1. Ronald Ngala St.
2. Tom Mboya St.
3. H. Sellasie Avenue
4. Mfangano I
5. Mfangano II

**Out of Nairobi**

Eldoret – 2 branches

**Nakumatt:**  
In Nairobi

1. Kenyatta Avenue
2. Kimathi Street
3. Uhuru Highway
4. Old Airport Road
5. Westlands
6. Village Market
7. Highridge

**Out of Nairobi**

Mombasa – 2 branches  
Kisumu - 1 branch

**Tusker Mattress**  
In Nairobi

1. Tom Mboya
2. Mfangano
3. Hakati Road
4. OTC
5. Rld Ngala Street
6. Off Rld Ngala Street
7. Moi Avenue

**Out of Nairobi**

Nakuru – 1 branch