CONSUMER'S PERCEPTION OF CORPORATE REBRANDING STRATEGY BY KENYA AIRWAYS

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BY

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D61/P/8150/02

A Management Research Project Submitted In Partial Fulfillment of the Requirements of the Master Degree in Business Administration (MBA), Faculty of Commerce, University of Nairobi

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DECLARATION

This Management Research Project is my original work and has not been submitted for another degree qualification of this or any other University or Institution of learning.

Signed .... Date: 29-10-2005...

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This Management Research Project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This study is dedicated to my wife Christine and our two daughters Lyndah and Laura who supported me morally during this program. Their unwavering support and understanding gave me strength to carry on even when the challenge of balancing my office work and studies seemed unbearable.

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LIST OF ABBREVIATIONS

AMA- the American Association

APQC- American Productivity and Quality Centre

BA-British Airways

CEOs-Chief Executive Officer

'C'-check- A type Aircraft maintenance that is scheduled

COMESA-Common Markets of East and Southern Africa

ET- Ethiopian Airlines

K- Emirates Airlines

IATA- International Air Transport Association

IT- Information Technology

KAA-Kenya Airports Authority

KCB- Kenya Commercial Bank

KLM- Royal Dutch Airlines

KQ- Kenya Airways

PR—Public Relations

PTA- Preferential Trade Agreements

QR-Qatar Airways

SAA-South African Airlines

SV-Swiss Air

ABSTRACT

Airlines are facing stiff competition as many players venture into the industry. To counter the effects, KQ has resorted to rebranding as a strategy of repositioning itself in the minds of the consumers. Since the introduction of the KQ new livery, no study has been done to determine the consumer perception towards the new image. Consumer perception would be a more effective way of determining the success of such a strategy. The objectives of the study were to establish the extent of consumer awareness of the corporate rebranding strategy adopted by Kenya Airways and to determine the consumer's perception of the Kenya Airways' corporate rebranding strategy. This was a descriptive research which targeted all the customers who travel on KQ and who buy their tickets from the KQ sales offices at Barclays Plaza, Jomo Kenyatta Airport and Yaya Center. A sample size of 200 customers was interviewed using convenient sampling. Primary data was collected using a structured questionnaire and a response rate of 89% was achieved. Descriptive statistics was used to summarize and analyze the data. Frequency distribution, percentages, mean score and standard deviation were used to determine the extent of awareness of the changes by the respondents and their perception towards the changes.

The study findings indicated that most of the respondents were Male, Married, aged between (31 -35) years, had university and college education, were Kenyans, and were in charge of making the decision on the airline to fly. The findings further show that most respondents were aware of the change in colour design/style on the tail, engine, wings and main body of the aircraft, New KQ logo, change in style of presentation of the logo, the colour types/shades have changed i.e. green, black, red, that the tail-sign has been removed from the logo, while the least known changes were removal of the tail sign from the logo and removal of KQ website from the logo. The female respondents were more aware of the changes as compared to the male and Kenyans were more aware of the changes as compared to non – Kenyans. The main sources of awareness were television, newspapers, plane, billboards, Msafiri magazine, internet, word of mouth, street banners while radio was the least source of awareness.

In regard to consumer perception, majority of the respondents felt that the new colours are fresh and exciting, KQ now looks more dynamic and easily recognizable, the new style of presentation is Kenyan in appearance, acceptable across cultures and uniquely African, the presentation of the new logo is more bold and appealing, the new appearance is modern, and that KQ new look is warmer and friendly. The KQ rebranding exercise achieved its main objective of repositioning the airline to a great extent. This is evident by high levels of awareness and positive attitudes by the consumers towards the changes made. The main limitation of the study was the use of predetermined questionnaire which may have limited respondents from bringing other relevant issues, which the researcher may not have mentioned. Secondly, the area of rebranding has not been extensively studied hence the scarcity of literature material.

CHAPTER ONE

INTRODUCTION

1.1 Background

Globalization is an aspect of the new world system that represents one of the most influential forces in determining the future course of the world. It has had significant impacts on all economies of the world with major effects on efficiency, productivity and competitiveness (Intriligator, 2001). Achieving success in the different markets in which the firm operates is largely dependent on the firm's ability to manage its marketing activities on a global basis (Hewett, 2002). Globalization of companies is continually growing in response to the changing environment of international trade. This accelerating trend is a result of global consumer convergence in social economic, demographic characteristics, habits and culture. These forces are leading international companies to be both consumer-driven and geographically-driven (Intriligator, 2001).

As countries adopt trade regional trading blocks, pressure on developing countries such as Kenya reinforces the need to align and identify with blocks like PTA, COMESA and East African Community. Many organizations now consider the pursuit of global strategies as offering distinct benefits of cost reduction, improved quality, better ability to meet customer needs and increased competitive leverage (Johnson & Scholes, 2001). Liberalization of the world economy has reduced trade protection leading to a more liberal world trading system. This has effectively increased the movement of capital and other factors of production. Businesses have found themselves in a more competitive environment than before or even collaborating with new global players (Stoner et al, 2001). Organizations which were mainly focused on the local market have extended their range in terms of markets and production facilities to a national, multi-national, international or even global reach.

Organizations in Kenya have had to adopt various strategies in dealing with the challenges brought about by globalization and liberalization (Kibera and Waruingi, 1998). Some of the ways include entering into strategic alliances through which organizations are able to exploit their strengths, potentials and competencies hence creating a competitive advantage. Kenya Airways chose to work with another international airline, the Dutch Royal Airline, KLM, as its strategic partner where they pooled resources for joint purchasing, shared route coverage, and human resource training. The arrangement also gave KQ a financial backing necessary for its growth and expansion. Other response strategies may take the form of venturing into new markets, new product development, business diversification, brand extensions, pricing strategies, promotions and brand repositioning or rebranding (Kotler, 2000).

1.1.1 The concept of perception

According to Kotler et al (1999) a person's buying choices are influenced by four major psychological factors- motivation, perception, learning, beliefs and attitudes. He further adds that Perception depends not only on the physical stimuli but also on the stimuli's relation to the surrounding field and on conditions within the individual. Perception can be defined as the process of receiving, organizing and assigning meaning to information or stimuli detected by our five senses. It is an approximation of reality. Our brain attempts to make sense out of the stimuli to which we are exposed. What we perceive is the meaning we give to something sensed (Kotler, 2000). It is further said that perception is the critical activity that links the individual consumer to group, situation, and marketer influences (Hawkins et al, 1992).

Information processing is a series of activities by which stimuli are transformed into information and stored (Hawkins et al, 1992). The processing of information has four major steps; exposure, attention, interpretation, and memory. The first three of these constitute the perception process. Exposure occurs when a stimulus such as a billboard comes within the range of a person's sensory receptor nerves-such as vision. Attention occurs when the receptor nerves pass the sensations on to the brain for processing. Interpretation is the assignment of meaning to the received sensations. Memory is the short-term use of the meaning for intermediate decision making or the longer-term retention of the meaning. According to Hawkins et al (1992), the four steps suggest a linear flow from exposure to memory. However, these processes occur virtually simultaneously and are clearly interactive. That is, our memory influences the information we are exposed to, attend to, and the interpretations we assign. At the same time, memory itself is being shaped by the information it is receiving.

1.1.2 Rebranding strategy

Pearce and Robinson (1997), define strategy as the building of defences against competitive forces, or as the finding of positions in the industry where competitive forces are weakest. Grant (2000) further alludes that the ability to identify and occupy attractive segments of an industry is critical to the success of an organization. Hill and Jones (2001) conclude that the strategies an organization pursues have a major impact on its performance relative to its peers. It is therefore imperative for organizations to come up with effective brand strategies that will create a niche.

Branding is said to be the creation, development and maintenance of a mutually-valuable relationship with a strategically selected group of customers, through the medium of a fresh and compelling elaborated proposition that is delivered consistently over time (Valley, 2004). It allows a company to differentiate themselves from the competition and, in the process, to bond with their customers to create loyalty. A position is created in the marketplace that is much more difficult for the competition to poach (Webster, 2002). It involves increasing name recognition and awareness in your target market so that it is easier to sell what you have. Aaker (2000) suggests that the brand is a 'mental box' and defines brand equity as a set of assets (or liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service. He further alludes that a brand is a collection of perceptions in the mind of the consumer. The primary purpose of branding is to establish a meaningful differentiated presence that will increase the ability to attract and retain loyal customers and improve market place ability (AMA, 2001). According to Rooney (1995), organizations are using branding as a strategic tool in today's business environment. Companies use branding in order to distinguish their product offerings from competition (Jobber, 2001).

When a brand is attacked by competition, organizations have to rethink their brand strategy and may have to introduce rebranding strategy as a means to repositioning itself and further enhancing its differentiated presence. Wikipedia (2005), defines rebranding as the process by which a finished or near finished product or service developed with one brand or company or product line affiliation is marketed or distributed with a different identity, this can be done purposefully or out of necessity. The arena of corporate re-branding has seen considerable activity in recent years, with many organisations treating a change of name as a prerequisite to transforming their image. The phenomenon of corporate name changes reflects the dynamic nature of markets today. Firms need to change, often radically, to address the expectations of customers and other stakeholders (Wikipedia, 2005). Rebranding is often necessary when one company acquires another along with its products. Companies in Kenya that have used rebranding includes; Celtel from Kencell (Sokoni, January 2005), Alico to CFC Life. Rebranding can also be used for market segmentation purpose, for example Kenya Commercial Bank, Standard Chartered Bank, Barclays Bank, Mumias sugar, and recently Nation television to NTV have demonstrated this fact. Ansley et al (2004) confirms that getting internal stakeholders on board, maintaining customer loyalty, added costs for media, changing exterior signage and vehicles, and reprinting letterheads and company-store items are some of the key challenges that must be tackled while embracing rebranding as a strategy.

1.1.3 The airline Industry

Alexa et al, (2003), have observed that air travel remains a large and growing industry. It facilitates economic growth, world trade, international investment and tourism; therefore it is vital to the globalization taking place in other industries. Companies within the industry need to be able to recognize and adapt to any new advancements in technology that can be used to their advantage, in order to build a competitive advantage over their competitors. Future estimates of aircraft and passenger activity are based on history, industry trends, and economic trends. Given the industry's overcapacity, weakened balance sheets, and high debt levels, companies will continue to shrink its capacity, conserve cash, and try to restore profitability before chasing market share gains. Consumer confidence has also fallen sharply over the last few years, reflected by economic recession, insecurity and government activity. Companies now must find new methods and ways to attract customers and gain competitive advantages.

The airline industry is one of the most competitive and strategic industries in the world. Functioning on a business cycle and being run by individual companies, there are many factors which come in to play when trying to differentiate amongst the airlines. One main factor to gain a competitive advantage in the industry is by using information technology (IT) to its fullest extent. Each airline industry has four goals: avoid flying with any empty seats, maximize to the total net revenue to the airline, attract customers from other airlines, and to create customer loyalty programs for regular passengers (Devlin, 2003).

The other features of the airline industry as highlighted by the Airline Business Magazine (August, 2003) include a market size estimated at over USD 310 Billion dollars, key players in the industry number over 200, intense competition, growth rate of about five per cent per annum and high level of innovation.

1.1.4 Background of Kenya airways

Kenya Airways was established in February 1977 following the break up of the East African Community and subsequent disbanding of the jointly-owned East African Airways (www.Kenya-airways.com, April 20 2005). Since the successful privatization, the airline has been in the limelight for its exemplary performance and has been a role model in the country to other public institutions that are undergoing privatization. It has continued to chart out its course with a clear focus and business direction as reported in its charter of 2000. It is the collective belief in Kenya Airways that success in business, begins with having a clear vision, which is to be a world class network airline.

The airline has faced a variety of challenges since its inception (KQ Financial Report, 2003/04). These include trying to shed off its parastatal culture, loss making, overstaffing, process inefficiency, intense competition both regionally and internationally, global insecurity (terrorism), soaring fuel prices, shifting customer expectations and rapid technological changes such as e-commerce and introduction of more sophisticated jets. Esipisu (May 2005) highlighted high operating costs, under-capitalization, and government interference as the major impediments to the growth of the aviation industry in Africa. Lack of training, lack of professionalism on the part of leaders, lack of inter-airline co-operation and inaccessibility to major world alliances, had also contributed to the poor state of air transport in Africa.

In an effort to counter the challenges, Kenya airways has undertaken numerous response strategies. The first strategy was to restructure and privatize the organization so as to address loss-making and inefficiencies. Fleet modernization, network expansion, e-commerce, strategic partnership with KLM and precision air are among the successful measures taken (KQ Financial Report 2004/05). In April this year, KQ adopted corporate rebranding as a key strategic decision to redeem its image and entrench itself in the market as a key player among other world-class airlines.

1.1.5 Rebranding strategy by Kenya Airways

The corporate Rebranding exercise undertaken by the airline is known as the 'Kenya airways corporate livery re-design' (KQ brief to Advertising Agency, 2005). The livery of Kenya Airways refers to the colours and logo design that adorn the aircraft usually on the tail. The momentous decision to update and refresh its existing livery is in line with global airline industry trends and is part of Kenya Airways drive to become a world-class airline. To this end, the new identity was intended to capture the image of what the global community would expect of an African airline, in particular Kenya Airways on the back of its voting as African Airline of the year 2004.

The new livery was unveiled when the airline received its new Boeing 777 Aircraft that donned the new look. The new corporate colours feature "KQ code" name as its trademark (The Standard Business, Tuesday, 26, April 2005). In what is seen as corporate makeover by the national carrier, the airline has replaced its KA logo with a new one in which KQ is inscribed on the aircraft. The new logo is decorated on the plane's tail and will be rolled out to other materials in a planned schedule that is envisaged to take two years (KQ Marketing Plan 2005/06).

In his speech during the unveiling ceremony 25 April, 2005, the Airline's Managing Director and CEO Mr. Titus Naikuni confirmed the adoption of an IATA code 'KQ' instead of 'KA'. He cited this as the name that the world over, the customers, the travel trade and media use when referring to the airline. The commercial director on his part reiterated that the new branding was in line with the airline's desire to advance the aspirations of being the pride of Africa in all the markets it serves. (The Standard Business, Tuesday, 26, April 2005).

According to the airline's advertising brief to the Agency (2005), the airline considered the rebranding as part of an exercise aimed at reflecting an image of a world-class airline. Through a new livery design Kenya Airways sought to achieve a bold, fresh, exciting and uniquely African look while retaining the Kenyan heritage. Keeping in mind that the bulk of its passengers are now originating from countries outside of Kenya, KQ has tried to put itself in their shoes and anticipate what they would expect of an African Airline, which is Kenyan in appearance. The old branding of Kenya Airways was familiar but old fashioned; it had Stripes and the logo as 'KA'. The new Livery was to be a key statement of branding signalling change.

A striking new identity that signals Kenya Airways as a world class carrier and one that is also proudly African. This would be instantly recognizable in the destinations KQ flies to, acceptable across cultures and clearly differentiated from key competitors.

The rebranding is planned to affect the appearance of stationery, vehicles and other relevant material (Marketing Status proceedings, 2005). The idea for rebranding was to use the opportunity of the delivery of the two Boeing-777s Aircrafts in April and May 2005.This was an ideal PR platform to maximize exposure for Kenya Airway's new world-class livery and corporate identity. The new livery would be phased in over two years by keeping with the normal scheduled aircraft maintenance (what is known as 'C' Checks), (Meeting proceedings, February 2005).

The Sources of Inspiration for the new design was three fold; as national carrier, the airline had to have embodiment of national symbols and foster nationalistic pride .The second factor is the airline being the Pride of Africa, it had to have the shield which is an Icon symbolic of African identity. The third factor is competitors where KQ's major competitors have already introduced new liveries, which proudly exhibit their names and national colours, but lack the African boldness of Kenya Airways proposal. The process of selecting an agency plus a design is described in appendix 5.

The major type of cost to be incurred during the rebranding exercise would be engineering cost which involves each aircraft being repainted in the new livery, using existing planned maintenance checks over the next two years. A cost saving is anticipated in the long run because of the use of less green and red paint, and maintenance of the red paint. Other costs include purchasing costs where no additional stationery costs are expected to be incurred as these items are ordered on a month-to-month basis hence no write-off costs. (KQ Procurement plan, 2005). The rotable items such as cutlery, blankets, pillows, crockery and linen are to be faced out in two years hence cushioning the cost.

Marketing department deferred all the routine branding exercise for the 2004/05 financial year. These savings was carried forward to 2005/06 financial year to re-brand the KQ outlets across the network. There was also no promotional material being held in the stores. Re-order was to be done once a decision was made. Sales Shops and vehicle rebranding would be spread over 2 years when repainting was planned to be carried out. (KQ Marketing plan 2005/06).

1.2 Statement of the problem

The airline industry plays a significant role in economic development of any country. The major contribution is the provision of air transport service to passengers, cargo and mail. A country such as Kenya which relies heavily on foreign earnings through the export of its agricultural produce is a direct beneficiary of airline services. The movement of people and goods for investment is also made possible through the airline services. Tourism is one of Kenya's main contributors of the national income and the movement of the tourists is also made easy by airlines that operate in various parts of the world. Over and above this, airlines also provide direct employment to many people and the direct contribution to the exchequer can not be overemphasized.

The open skies policy and liberalization has made competition become stiffer in the airline industry (Airline Business Magazine, 2004). Kenya Airways is no exception and it faces more of external competition from major players such as British Airways (BA), Emirates (EK), South African Airways (SAA), and Ethiopian Airlines (ET). The strong product and service offerings from these major players has dented the image of Kenya Airways in the minds of customers - for example the rating of SAA as the African Airline of the year and EK as the best Airline to the Far East (Aviation & Allied Business, 2003). To reverse this negative perception, Kenya Airways has resorted to rebranding as a way of changing customer attitudes and perceptions and solidifying its reputation.

Rebranding has been ascertained as an effective strategy which has helped organizations turn around their fortunes. Kaikati (2003) highlights the success of Accenture, a global consulting giant which reincarnated by going down the road to rebranding, restructuring and repositioning. Other local examples of successful rebranding are Kenya Commercial Bank, Barclays Bank, Celtel Kenya and Firestone (Financial Standard, April, 2005). Since adoption of rebranding strategy, these companies have come out strongly in the minds of their customers and this has solidified their reputations.

It is therefore important for companies having rebranded, to determine how consumers perceive such strategies so as to determine if the company is heading in the right direction. Knowing the consumer perception towards such ventures is important because all these efforts are aimed at satisfying them. Since the introduction of the Kenya Airways new livery, no study has been done to determine the consumer perception towards the new image. Consumer perception would be a more effective way to determine the success of the rebranding strategy and it would also provide feedback for continuous improvement (Wandera, 2005).

A study by Chaudhary (1993) focused on customer attitude toward airline marketing. The scope of this study was on marketing of services with special reference to the airline services. This was done before rebranding strategy by KQ and besides it was broad in nature which captured various aspects of marketing. Studies by Mutia (2002), and Thiga (2002), although on airline industries, did not focus on perception of rebranding by airlines. Studies on perception done by Mokaya (2003), Mwandikwa (2003), Ngesa (1989), Kandie (2002), Opero (2002), Nyaoga (2003) and Sossion (2003) were on other service industries mainly in banks and telecommunication sectors. Since all the studies carried out were not on rebranding, their findings may not be applied on the KQ case.

Since Kenya Airways rebranded its products (aircrafts, promotions materials, and offices) to capture customers, there has been no study to determine the consumer perception. According to Kotler et al (1999), perception is very important since it determines the consumer's buying choices as influenced by the external stimuli in his surrounding. Hawkins et al (1992) further alludes that knowledge of the perception process is an essential guide to marketing strategy. The information on consumer choice will act as a basis to determine whether rebranding will work or not. The study therefore intended to close the gap by seeking answers to the following questions:

(i) Are the consumers aware of the corporate rebranding strategy (livery redesign) adopted by Kenya Airways?

(ii) How do the consumers perceive the Kenya Airways Corporate rebranding strategy?

1.3 Objectives of the Study

The objectives of the study were to:

(i) Establish the extent of consumer awareness of the corporate rebranding strategy adopted by Kenya Airways

(ii) Determine the consumer's perception of the Kenya Airways' corporate rebranding strategy

1.4 Importance of the Study

The findings of this study may be useful to the following:

(i) Kenya Airways in determining the effectiveness of the corporate rebranding strategy

(ii) Other organizations who may adopt the same strategy if faced by stiff competition and if they wish to reposition themselves in the market.

(iii) Future researchers and scholars- in using the study as a source of reference and stimulating interests for further research

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, literature on meaning and importance of perception, measurement of perception, hierarchy models in communication, meaning and importance of Branding, brand strategies, meaning and reasons for Rebranding, benefits of rebranding and rebranding strategies has be covered.

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2.2 Meaning and importance of perception

According to Kotler et al (1999) a person's buying choices are influenced by four major psychological factors- motivation, perception, learning, beliefs and attitudes. He further adds that Perception depends not only on the physical stimuli but also on the stimuli's relation to the surrounding field and on conditions within the individual. Perception can be defined as the process of receiving, organizing and assigning meaning to information or stimuli detected by our five senses. It is an approximation of reality. Our brain attempts to make sense out of the stimuli to which we are exposed. What we perceive is the meaning we give to something sensed (Kotler, 2000). It has further been said that perception is the critical activity that links the individual consumer to group, situation, and marketer influences (Hawkins et al, 1992).

Kotler (2000) goes on to allude that people can emerge with different perceptions of the same object because of three perceptual processes; selective attention, selective distortion and selective retention. According to Loudon et al (1979), in selective attention, consumers tend to screen out some stimuli and notice some because people are exposed to tremendous amount of daily stimuli. What an individual chooses to notice depends on his/her situation in terms of his needs, what he anticipates or stimuli with large deviations. On the other hand, Loudon et al (1979) describes selective distortions as the tendency to twist information into personal meanings and interprets information in a way that will fit our preconceptions. He further describes selective retention as a process in which people forget much of what they learn but retain information that supports their attitudes and beliefs.

Information processing is a series of activities by which stimuli are transformed into information and stored (Hawkins et al, 1992). The processing of information has four major steps; exposure, attention, interpretation, and memory. The first three constitute the perception process. Exposure occurs when a stimulus such as a billboard comes within the range of a person's sensory receptor nerves-such as vision. Attention occurs when the receptor nerves pass the sensations on to the brain for processing. Interpretation is the assignment of meaning to the received sensations. Memory is the short-term use of the meaning for intermediate decision making or the longer-term retention of the meaning.

According to Hawkins et al (1992), the four steps suggest a linear flow from exposure to memory. However, these processes occur virtually simultaneously and are clearly interactive. That is, our memory influences the information we are exposed to, attend to, and the interpretations we assign. At the same time, memory itself is being shaped by the information it is receiving.

Exposure occurs when stimulus comes within a range of our sensory receptor nerves for example the KQ's new image has been placed within this range through press, billboard and radio advertising. For an individual to be exposed to a stimulus requires only that the stimulus be placed within the person's relevant environment. The individual need not receive the stimulus for exposure to have occurred (Hawkins, 1992). We seek information that we think will help us to achieve our goals. We are exposed to a large number of stimuli on a more or less random basis during our daily activities.
Attention occurs when the stimulus activates one or more sensory receptor nerves and the resulting sensations go to the brain for processing. We are constantly exposed to thousands of stimuli than we can process. Attention is determined by stimulus, the individual and the situation (Finn, 1988).
Interpretation is the assignment of meaning to sensations. It is function of the pattern formed by the characteristics of the stimulus, the individual and the situation. It involves both a cognitive or factual component and an affective or emotional response (Hawkins, 1992).Cognitive interpretation is a process whereby the stimuli are placed into existing categories of meaning, which is an interactive process (Cohen and Basu, 1987) .Affective interpretation is the emotional or feeling response triggered by a stimulus such as an ad (Aaker,1988).
Memory plays a critical role in guiding the perception process. It has a long-term storage component and a short-term active component. These are not distinct entities; active memory is simply that portion of total memory that is currently activated or in use.

According to Schiffmann and Kannuk (2005), there are various factors that influence perception. Firstly, nature of the stimuli- its intensity, size, contrast, repetition, motion, novelty /familiarity, individual past experience. The second is related to social aspects of perception- the characteristics of perceiver, ones acceptance leads to seeing favorable characteristics in others, characteristics of the perceived; status, role and other visible traits.

Schiffmann and Kannuk (2005) have further given various factors that may distort perception; the first one is physical appearances, where people tend to attribute the qualities of certain people to others who may resemble them, whether or not they consciously recognize the similarity. A second cause of distortion is stereotypes- this serves as expectations of what specific situations, people or events will be like, and they are important determinants of how such stimuli are subsequently perceived. Thirdly, irrelevant cues- when required to form a difficult perceptual judgment, consumers often respond to irrelevant stimuli. Highly priced cars for example can be purchased because of their colour, style or luxury options, rather than on the basis of their mechanical or technical superiority. Fourth, first impressions- these tend to be lasting, yet the perceiver does not know which stimuli are relevant, important or predictive of later behaviour. First impressions are lasting and it is therefore important to introduce a new product after it has been thoroughly perfected. The other factors as given by Schiffmann and Kannuk (2005) are jumping to conclusions, halo effect, anchoring and adjustment, attribution theory, and availability bias.

Information is the primary raw material the marketer works with in influencing consumers (Hawkins et al, 1992). Therefore the knowledge of the perception process is an essential guide to marketing strategy. For example in retail strategy, store interiors are designed with frequently sought out items separated, so that the average consumer will travel through more of the store hence increasing total exposure (Floch, 1988). Other areas that have applied this information includes brand name and logo development (Abrams, 1981), media strategy (Boss, 1981), advertisement and package design (MacKenzie, 1986), advertising evaluation, regulation of advertising and packaging and advertising aimed at children (Singh et al, 1988).

2.3 Measurement of perception

In consumer behaviour, perception research has been used to study a wide range of marketing strategy issues. Schiffman et al (1992), confirms that perception research is undertaken to ascertain the likelihood that consumers will accept a proposed new product idea, to gauge why a firm's target audience has not reacted more favourably to its revised promotional theme or to learn how target customers are likely to react to a proposed change in the firm's packaging and label.

A variety of techniques have been devised to measure perception. Njuguna (2000) used similar techniques to study attitudes of customers towards electricity efficiency. One of the commonly used scaling techniques is Likert Scale which was developed by Likert in 1932. Usually, the individual is asked not only if they agree or disagree to the statement, but also to indicate the extent to which they agree by choosing one of the following five categories: Strongly agree; Agree; Neutral/Don't know; Disagree; and Strongly disagree. This produces a numerical score and a value is given to each category. The Likert Scale is one of the techniques used in this study to measure existing perceptions towards new rebranding corporate strategy adopted by Kenya Airways.

Semantic Differential Scale is another technique that was developed by Osgood et al in 1957. It comprises a number of semantic scales based on bipolar objectives (e.g. good/bad, hot/cold, etc.). The respondents are asked to rate a concept in terms of a positioning between +3 and –3. Proponents of the technique identified three main clusters of similar scales, which they labelled: Evaluation, Potency and Activity. This accounted for nearly 50% of the total 'meaning' of the concept - irrespective of the concept, the adjectives used or the respondents interviewed, (Williams, 1997).It is further alluded that semantic differential can be used to develop graphic consumer profiles of the concept under study (Schiffmann et al, 1992). Semantic differential profiles are also used to compare consumer perceptions of competitive products, and to indicate areas for product improvement when perceptions of the existing product are measured against perceptions of the 'ideal' product. For the Kenya Airways new brand image can be compared with the competitor's such as British Airways.

The other techniques include Rank Order Scales where subjects are asked to rank items such as products or retail stores in order of preference in terms of some criterion, such as overall quality or price/value for the money. Guttmann's Scalogram Analysis which was designed by sociologist Louis Guttmann in 1950 is based on the cumulative ordering of items. It aims at determining the underlying order within a series of questions by means of obtaining dichotomous responses i.e. the respondent is required to answer yes' or 'no' to each question. Scalogram Analysis is a very useful technique for examining small shifts or changes in perceptions and while such scales do not have equal-appearing intervals, they are generally reliable (Williams, 1997). Thurstone Scale technique was designed in 1929. It requires the collection of as many statements as possible about the issue towards which perceptions are to be measured. These statements must be simple and unambiguous and must distinguish between different perceptions that people may hold towards the issue.

This study will therefore apply the technique of Likert Scale in trying to ascertain the various perceptions that exist among the consumers towards the KQ corporate rebranding strategy.

2.4 Hierarchy Models in communication

Behavioural scientists (Lancaster et. al.1999) have formulated a number of sequential models attempting to shed light on the process consumers pass through on their way to action or purchase. According to Kotler (2001), once the target market and its perceptions are identified, the marketing communicator must decide on the desired audience response, which can be cognitive, affective or behavioural in nature. That is, the marketer might want to put something into the consumer's mind, change a perception, or get the consumer to act. In the case of KQ, the Marketing department worked on a communication campaign that attempted to work on the consumer's perception to get used to the new image of the airline that depicts a world-class airline through its rebranding (KQ Advertising report, 2005). Consumers were exposed to a series of stimulus to get their attention and hopefully change their warped perception towards KQ. The different models of consumer response stages are summarised as the four best-known response hierarchy models as detailed by Kotler (2001).

Response Hierarchy Models

Perception Stages/ Models	AIDA MODEL	HIERARCHY-OF-EFFECTS MODEL	INNOVATION-ADOPTION MODEL	COMMUNICATIONS MODEL
Exposure	Attention	Awareness Knowledge	Awareness	Exposure Reception Cognitive response
Attention Stage	Interest Desire	Liking Preference Conviction	Interest Evaluation	Attitude Intention
Interpretation and Memory Stage	Action	Purchase	Trial Adoption	Behaviour

***Source**: Kotler, P. (2001). "Marketing Management," Millennium Edition, Prentice Hall of India Private Ltd., New Delhi, pp. 555*

The researcher feels that the study should adopt the AIDA model which superimposes well with the stages of perception i.e. Exposure- Attention – Interpretation and memory.

AIDA is an acronym for Attention/ Awareness, Interest, Desire and Action which originated from St. Elmo Lewis in the late 1800s. It is a basic marketing tool, consisting of four separate cognitive phases a person must go through to accept a new idea or purchase a new product

(McGinnis et al, 1996). In the case of the Kenya Airways rebranding, one has to internalize the idea through the same cognitive process before accepting the new look of KQ. Everyone, whether or not they realize it, assesses new ideas, products and activities using this model. The stages are well defined

Attention/Awareness-for customers to buy a product/service or idea, they must be made aware of it. The same principle holds true for the KQ rebranding campaign. The marketing department had to bring the program to the customer's attention, increasing public awareness of what the campaign is all about. The actual launch presentations, press releases, radio and TV advertisements and use of billboards are techniques used by KQ to raise awareness (Marketing Brief, 2005). This confirms what Hawkins (1992) said that people are exposed to a large number of stimuli on a more or less random basis during their daily activities.

Interest-to generate interest in the new rebranding, Kenya Airways set-up a model sample of the newly branded tail of an aircraft at the Kenyatta Avenue/Uhuru highway round-about for visibility. A billboard was also erected where people would sign and give comments regarding the new look of the airline. The billboard was fully signed within three days which exhibited interest (KQ Advertising Agency Report, 2005).

Desire-The new look by KQ conforms with the internal code of IATA and also raises the airlines' stature as a world class airline with improved safety, more efficient processes, and a reliable and customer-focused airline. With all these being communicated with the new branding, customer's interests were heightened. (The Standard Business, Tuesday, 26, April 2005).

Action-the airline's performance in the last three months since inception of the rebranding strategy indicates a growth in numbers of people either making enquiries or doing the actual reservations. This is an indication of a direct effect of the marketing strategy (KQ's Marketing report, June 2005). A recent caption on TV showing participation by KQ in an air show that was held in France in the month of May, showed a positive reception by the international community which portrayed a revitalized perception towards what had been known as an 'African' airline synonymous with poor service.

2.5 Meaning and Importance of Branding

Branding has been around for centuries and it is a means to distinguish the goods of one producer from those of another. According to Keller (1998), the word "brand" comes from an old norse word which means to "burn" as brands were and still are the means by which owners of livestock mark their animals to identify them.

According to American Marketing Association (2001), a brand is a name, term, sign, symbol, or design or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition. Creating a brand therefore involves coming up with brand elements such as choosing a name, logo, symbol, package design, or other attributes that identifies a product and distinguishes it from others.

The branding strategy is aimed at influencing people's perception of a brand in such a way that they are persuaded to act in a certain manner for example to buy or use the products and services offered by the brand, purchase these at a higher price points. Branding is typically an activity that is undertaken in a competitive environment, with the aim of persuading people to prefer the brand to competition (Van Gelder, 2002).

Contemporary brand thinking takes the role of branding in to the realms of corporate strategy and intangibles management. This came about as the branding specialists realized that brand is not only an outside representation of a product, service or organization i.e. brand image and positioning, but also has an internal significance to its organization. During the mid-nineties, businesses began shifting focus from product brands to corporate branding (de Chernatony 1999, Hatch and Shultz, 2003). King (1991) is considered to be the first author to make a clear distinction between product and corporate brands, emphasizing the importance of a multidisciplinary approach in order to manage them. It is after 1995 when more research on corporate branding is published. Balmer and Gray (2003) conclude that corporate brands are leading to the development of a new branch of marketing, which should be known as "corporate-level-marketing"

Aaker (2004) further defines a corporate brand as a brand that represents an organization and reflects its heritage, values, culture, people and strategy. A corporate brand is defined primarily by organizational associations (Aaker 2004) and thus can develop and leverage organizational characteristics, as well as product and service attributes. Urde (2003) goes ahead to state that corporate brands must reflect organizational values.

According to Wheeler (2003), Brand identity is the visual and verbal expression of a brand. Identity supports, expresses, communicates, synthesizes and visualizes the brand and hence it is the shortest, fastest, most ubiquitous form of communication available. Hence brand identity is an asset that needs to be managed, nourished, invested in and leveraged. Kapferer and Macrae (1997) wrote about a brand's essence and identity i.e. what does a brand stand for? Brand identity thus precedes brand image. Thus it became important to first have a consistent self-image of the brand in order to know how it can be expressed and how it affects the external perception of the brand. According to Aaker et al (2000), a brand identity statement implies a promise to consumers and a commitment by the organization. Branding has thus been translated in to a business strategy through subsequent activities such as marketing, innovation, communications, distribution, sales and IT, all aimed at providing the consumer with an experience that encourage a specific behaviour such as try, purchase or use more. Aaker et al (2000), mentions that within the traditional model, where the communication strategy worked towards exposing the brand, the goal was to build the brand image-a tactical element that drives short-term results.

Aaker (1997) defines a brand personality as "the set of human characteristics associated with a given brand. She creates a brand personality measurement scale with five dimensions that help to explain the symbolic and self-expressive functions of a brand; Sincerity, competence, excitement, sophistication, and ruggedness. According to Aaker (1997), brand personality, like human personality, is both distinctive and enduring. For example, Standard Chartered Bank is viewed as sophisticated, while KCB is viewed as sincere and authentic.

Brand equity, as defined by Farquhar (1989) is "the 'added value' with which a given brand endows a product". Brand equity has also been defined as "enhancement in the perceived utility and desirability a brand name confers on a product: (Lassar, Mittal and Sharma, 1995). According to Aaker (1996), brand equity is asset of assets (or liabilities) linked to a brand's name and symbol that adds to (or subtracts) the value provided by a brand or service. These assets can be grouped in to four major dimensions: Brand name awareness, brand loyalty, perceived quality and brand associations. When the purchase or use of a particular brand gives the customer a positive feeling, that brand is providing an emotional benefit. The strongest brand identities often include emotional benefits, (Aaker, 1996). According to Gobe' (2001), emotional aspect of brands is what makes a key difference for consumers. He argues that emotional brands share a set of common values that make them highly sought. These values are; a great corporate focused people; a communication style and philosophy that stands out and an emotional hook that draws consumers to their promise.

Branding is said to be a promise, a pledge of quality. It is the essence of a product, including why it is great, how it is better than all competing products. It is an image, combination of words, letters, symbols, and colours. It is the process by which the true character and purpose of the company or organization is communicated. Branding has to do with customer perceptions and their behaviours when buying; it is not a characteristic of a product, a graphic design, a company or category (www.indiana.edu , 20 May, 2005, 1800 Hrs). Branding is essentially about communicating a strong purpose or promise; it is about telling others what you stand for.

Randall (2000) highlights branding as a fundamental strategic process that involves all parts of the firm in its delivery. It is about marketing, but is not confined to the marketing department, The brand must always deliver value, and the value must be defined in consumer terms, the brand has a continuing relationship with its buyers and users; this may change over time, but the firm must always work to maintain it, because competition is getting fiercer all the time, and because structural changes undermine the status quo, branding must be continuously adapted so that it is both effective and efficient

The American Association (2004) cites the primary purpose of branding to be the establishment of a meaningful differentiated presence that will increase the ability to attract and retain loyal customers and improve marketplace ability. It involves increasing name recognition and awareness in the target market,
The purchasing decision involves a conscious and unconscious weighing up of product and its price and how the customer 'feels' about the company that supplies it. The brand represents an intangible and often emotional element of the purchasing decision. Through brands, a closer relationship with customers can be built and for this reason, brands can become a valuable asset to the business. Branding adds value to the company or products in the customer's mind

through a combination of the name, image, colours, logo and packaging and must be consistent and constantly reinforced whenever you communicate with customers (APQC, 2001).

2.5.1 Brand strategies

Randall (2000) argues that brands are so important that they should be the concern of top management, and it is at that level that the thinking must start. He insists that it must be at the centre of the board's corporate strategy. Many companies however pay lip service to the idea and short-sighted decisions often weaken brands. Top management must agree on the certain key issues on branding (Randall, 2000): the branding model they are using, the brand architecture for the company- this is the framework within which each brand fits, the definition of brand essence for each brand .The model must then be defined and communicated throughout the company as a basic standard, otherwise, there is no chance of widespread common understanding. The decisions made at corporate level include; company brand- the role of the company if any, in the branding process. Large firms have a corporate identity with associated design of logos and house styles. As times change companies would do well to consider rebranding in light of the global developments, umbrella and pillar brands, global, regional, international and local brands, must decide which brands can succeed at global level.

Kompella (2002) raises key issues to be addressed in coming up with a branding strategy; these questions are intrinsic to brand building and are very basic such as; which is the best method to build a brand? What are the best planning processes to be followed? Is there a foolproof technique that works across product categories? Should each brand follow a different brand-planning technique? Who is the custodian of the brand plan? Branding is about what a brand is supposed to stand for, about what the brand is supposed to deliver to consumers, about brand intent and that communication is only a facet of the entire exercise. Marketing departments of organizations need to follow brand planning models. Most companies do not use branding models of any type, never mind having customized branding models of their own. This is surprising as, in the absence of a scientific brand planning approach; the marketing role is then relegated to identifying gaps in the marketplace and creating products to fill in these gaps.

Branding is not about getting your prospects to choose you over your competition; it's about getting your prospects to see you as the only solution to their problem (Frankel 1995). According to Aaker (2001), branding is the most misunderstood concept in all of marketing, even among so-called professionals. For example, people think successful branding is about awareness. It is not, after all, everyone knows about cancer, but how many people actually want it? Branding is way more than just your logo or name. It's the reason why people evangelize you. Real branding raises your bottom line revenues, lowers customer acquisition cost, increases customer retention and profitability. (Aaker, 2001) further alludes that the objective of a brand strategy is to create a business that resonates with customers. He further suggests that this process must involve a detailed analysis from three perspectives of the customer, competitor, and self analysis.

2.6 Meaning and reasons for Rebranding

Rebranding is defined as the process by which a finished or near-finished product or service developed with one brand or company or product line affiliation is marketed or distributed with a different identity (Wikipedia, 2005), and this can be done purposefully or out of necessity. It further states that rebranding is necessary when one company acquires another, along with its products. For example, Celtel Kenya was originally referred to as Kencell Communication and Alico Kenya is currently trading as CFC Life.

New Coke and British Airways ethnic liveries are both attempts at rebranding that had to be aborted due to a poor reception from the public. BA's world art tailfins were well received abroad, but failed to please the carrier's key customers, British and North American travelers. Rebranding can also be defined as the act or process of building a concept in the minds of people that is associated with an entity. It may include naming, logos, and ads and product functions, product design, customer service and other aspects (source:http://www.gnu.org)

The reasons for Rebranding are many and varied as alluded in Wikipedia (2005). Companies sense they are losing touch with its customers and need a fresh start, others are emerging from poor results, or even scandal, and they want to leave their old corporate clothes behind. A brand is an organization's or a company's attempt to have a connection or relationship with people but when that relationship is fading and customers are no longer engaged, it could be time to rebrand. Customer perception is the main driver towards rebranding because each supplier of a product or service must have a positive connection/perception with its customers.

While the reasons for rebranding can all be reduced to a desire to improve a company's bottom line or indeed to just survive in a competitive environment, there are actually a variety of very different motivations for going down this route. Corporate rebranding is expensive, distracting for employees and other stakeholders, and fails more often than it succeeds, yet it is increasingly common. Nilewide (2004) further highlights sound reasons for rebranding and the most obvious being the need to signal that the organization really has changed and this must impact on customer perception. This may be due to mergers or demergers, new strategies and cultures. Many rebranding exercises fail to reflect real organizational change, and are often the acts of new CEOs seeking to leave their mark. Nilewide (2004) further suggest that any rebranding exercise should be based on getting the answers to a number of key questions.

What will happen if a company does not make this change? - While the change may be exciting for those involved, the change should not be pursued if the answer is nothing much. For KQ, change was inevitable as the airline was facing stiff competition from strong players such as BA and EK whose customer perception was more favourable as indicated by the industry ratings (Travel Magazine, 2004). What changes should be signaled? - If the CEO drives the change, there is a good chance of success, but it must be a fundamental change and not just window dressing, hence the change should be driven by both internal and external factors, not just the company's desires. The KQ's top management is at the forefront of driving the rebranding process enhancing its successful implementation (KQ Marketing Report, 2005). Are the key stakeholders aware and positive about the change? – Machiavelli, (1532) in his book The Prince, alluded that change is only ever weakly supported and often violently opposed. The existing views of stakeholders are too easily overlooked. In the KQ case, some stakeholders in form of a focus group were involved in the process of selecting the ideal images to be adopted (KQ Advertising Report, 2005). This however may not have reflected the views of the majority customers. How will competitors react? - While the company is busy making the change, competitors may respond by increasing their relationship building activities with the company's customers. KQ key competitors such as BA and EK reacted by increasing its frequencies to East Africa and giving extra incentives to travel agents (KQ internal Market Intelligence, June 2005). On a positive note however, Qatar Airways (QR), which is a new player that will join the market in November 2005 has chosen to work with KQ by applying for commercial agreements (KQ commercial managers' report, June 2005). This is an indication of a positive view towards KQ by QR especially after rebranding.

Rebranding can be as little as a change in logo or slogan, to a change in name and all accompanying identity elements (Wikipedia, 2005). The failures of rebranding programs are a warning that rebranding is complex and costly, and carries high risks. These risks come not only from the new brand not matching the changed organization, but also from the considerable distraction that comes with it. When British Airways was in the midst of its tailfin rebranding program, it lost sight of the impact that the expense of the exercise had on those within the airline affected by other cost-cutting measures, to the extent that a strike cost it a further 125 million pounds (Source: http://www.airlines.afriqonline.com/airlines, 1800 hrs, 17 Jul 2005).

2.6.1 Benefits of rebranding

The primary purpose of rebranding is to establish a meaningful differentiated presence that will increase the ability to attract and retain loyal customers and improve marketplace ability (The American Association, 2004). The purchasing decision involves a conscious and unconscious weighing up of product and its price and how the customer feels about the company that supplies it. The brand represents an intangible and often emotional element of the purchasing decision. Through brands, a closer relationship with customers can be built. For this reason, brands can become a valuable asset to the business. Rebranding therefore adds value to the company or products in the customer's mind through a combination of the name, image, colours, logo and packaging and must be consistent and constantly reinforced whenever you communicate with customers (APQC, 2001).

The benefits of rebranding according to www.is4profit.com (20 May, 2005, 1100 Hrs) includes differentiation of products from those of competition which makes it more difficult for them to compete for your customers. Rebranding also helps to introduce new products or services more quickly because of the relationship and trust that customers already feel towards a brand, it aids in attracting a higher price because a brand is perceived to represent particular values that are important to the customer. Rebranding communicates with customers using consistent messages, therefore improving their effectiveness. It also gives some degree of legal protection especially where the brand designs, logos or names are registered. There is also the benefit of building a positive image of a business in the minds of the customers and contribution to building profit through its perceived value in the target market. Rebranding therefore has to go beyond simple awareness building to recognition of quality and value.

2.6.2 Rebranding strategies

Andrews (1971) defines strategy as a pattern of objectives, purposes, or goals and the major policies and plans for achieving these goals stated in such a way as to define what business the company is in or is to be. Strategy therefore not only focuses on the goals and objectives of the organizations and the means of achieving them, but also gives an indication of the nature of the company and its business, both in the present and in the long run. Robust brands have always had to evolve to remain desirable. Managing brands for the long run may involve rebranding (Kaikati, 2003). Rebranding is expected to provide a golden opportunity for a complete transformation as may be seen by Blue Ribbon Sport which successfully transformed itself into Nike.

Wikipedia (2005) highlights pitfalls that may face a rebranding campaign. One of them is rebranding trap - While the rebranding process seems fairly scripted, there are specific requirements that must be met. The new name must undergo intensive research and analysis that include global trademark and URL availability. Alternatively, the new name must be available for a fair price and it must be inoffensive, short, memorable, and easy to pronounce. KQ had to commission several local and international agencies to come up with an ideal design (KQ Agency brief, Sep 2004). Before deciding to rebrand a product or even to tweak its logo and look, corporate managers should ascertain what the customers think of it, especially whether customers appreciate the nationality of the brand. An example is where two airlines (BA and Swissair Group) attempted to disassociate themselves from their respective heritage and roots and the results were disastrous. An organization must keep in mind the customer perception before deciding on a new image.

Induced rebranding temptations - Mergers are often followed by mega-rebranding campaigns. The newly formed company may be tempted to retain the substantial equity and value of both old names. By simply slapping old company names together, the new company attempts to reinforce a perception that this is a merger of equals. It subsequently moves to a shorter name that projects the most clout with the public. Rather than just jamming the existing company names together, merging companies need to explore other options. Celebrity rebranding - a company may face unique perils in relying exclusively on powerful celebrities in their rebranding efforts. The problem occurs when relations with the celebrity sours, the brand usually suffers.

Kaikati and Kaikati, (2003) has given strategic options that organizations may adopt. Phase-in/phase-out strategy- during the phase-in stage, the new brand is tied in some way to the existing brand for a specific introductory period. After a transition period, the old brand is gradually phased out. Disney implemented this strategy in its Paris theme park. When the theme park opened for business in 1992, it was referred to as Euro Disney but was subsequently rebranded Disneyland Paris. The new name is intended to help locate the theme park precisely on the map of Europe.

Combined rebranding strategy via one umbrella brand- This strategy combines the existing brands in some manner. For example, umbrella branding may be appropriate for some companies while a single banner brand is used worldwide for almost the entire product line of the company. The global brand is sometimes used as an umbrella or endorsee brand. National BankAmerica used to issue cards under 22 names around the globe before consolidating them all under the Visa umbrella. The Visa name was selected because it is pronounced the same in most languages.

Translucent warning strategy- The third strategy relies on alerting customers before and after the actual brand name change. This is usually accomplished through intensive promotion, in-store displays, and product packaging. Consider the case of rebranding Marathon in the UK. When the big-selling Marathon chocolate bar was rebranded as Snickers in the UK, there was concern that changing such a well-known brand might have a devastating impact on sales- the rebranding campaign was however successful.

Sudden eradication strategy- This strategy involves dropping the old brand name almost overnight and immediately replacing it with the new name, with no transition period. This strategy is appropriate when the organization wants to disassociate itself from it's old image. Dying brands with no hope of resuscitation are viable candidates for a sudden eradication strategy, but companies have to develop a well-thought-out policy for handling the death and burial of their aging brands.

Counter-takeover strategy- This strategy is implemented usually after an acquisition. While acquirers tend to hold on to their own brand to show that they are the dominant owners, in counter-takeover rebranding, the acquirers reverse roles. They abandon their own brand in favour of the acquired brand, an admission by the acquirers that the acquired brand is more popular and respected than their own brand. Although this strategy is less compelling, it may be appropriate when competitors are aggressively gaining global clout by building up their respective global brands.

Retrobranding strategy- Companies that admit their error by reinstating a name they abandoned some time ago implement this strategy. While the rebranding responsibility may be delegated to the marketing department, top management must sponsor the initiative and model behaviour that supports the rebranding initiative. Top management should explain the reasons for change to all employees by regularly communicating to keep them current on the process of building a new identity.

The KQ approach may not be pegged to any particular strategy stated by Kaikati et al (2003). However the airline took the views of some its key stakeholders into consideration while adopting the change through an organized focus group. This emanates from the realization that customer satisfaction is the driving force to the success of any business venture. However, since the size of the focus group was too small (forty executives), their views may not bring out the general feelings of other consumers hence the need to carry out this study with a view of ascertaining the perception of a bigger sample of the customers who use KQ's services. Rebranding is aimed at changing the perception of the consumer towards KQ which has been dented by the strong competition in the market. KQ has also been trying to shade off its old image where consumers knew it as an old African airline which could not compete favourably with major players such as BA, EK, SAA and SV.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research design, the population of the study, sample and sampling design, data collection method, operationalizing of the rebranding elements and data analysis techniques used in the study.

3.2 Research Design

This was a descriptive survey intended to establish the perception of consumers towards Kenya Airways Corporate Rebranding strategy. According to Donald and Pamela (1998), a study concerned with the finding out who, what, which and how of a phenomenon is a referred to as a descriptive design. A similar study has been used by Kiilu (2004).

3.3 The Population

The population of interest in this study consisted of all the customers who travel on KQ and they buy their tickets from the KQ sales offices at Barclays Plaza, airport office and Yaya centre. The three locations are the only KQ sales offices in Nairobi that sell airline tickets. The other outlets are travel agencies and the customers who buy tickets from such locations are not necessarily KQ customers as they may be buying tickets to travel with other airlines.

3.4 Sample and sampling design

A sample of 200 KQ customers was included in the study. Convenient sampling was used to select the respondents as they walk in to buy the tickets. As a way of pre-selection, respondents were asked whether they had travelled on KQ before. Those whose answers were yes, were the ones given the questionnaire to fill.

3.5 Data Collection method

Primary data was collected using a structured questionnaire. The respondents were actual travellers who come to buy tickets from the KQ sales offices at Barclays Plaza, airport office and Yaya centre. In each of the three offices, customers who were walking in to buy tickets were asked to fill the questionnaire. Majority of the respondents (50%) were those at the

Barclays Plaza office because this was the most centrally located office and is based at the city centre hence more people would buy tickets here than in other offices. The other half of the respondents was those at the airport office and Yaya centre and was equally distributed.
The questionnaire was designed based on the research questions in the study. It was divided into three sections; Section A contained general information on respondents. In section B awareness of changes was tested using the dichotomous questions where respondents answered either yes or no. Respondents were also requested to indicate the source of awareness of the change where options were provided and they were to tick as appropriate. Section C used Likert scale to determine the perception of respondents on such attributes identified in the literature as well as the reasons that KQ gave for the changes such as modern, bold, appealing, exciting, fresh warm and uniquely African.

3.6 Operationalizing the rebranding elements

The rebranding elements considered were Logo, style of presentation of the logo: the "K", removal of website from logo, colour types, colour design-tail, engine, wings and main body, removal of tail sign from logo and colour and position of the slogan: "the pride of Africa". The sources of awareness considered were TV, radio, internet, Msafiri magazine, plane, billboards, newspapers and posters. The changes and awareness levels were tested using a dichotomous key. The perception of the changes was tested using a Likert scale.

Components of perception	**Expanded definition**	**Properties to be measured**	**Relevant questions**
Exposure	Awareness	• Logo • Style of presentation of the logo: the "K" • Removal of website from logo • Colour types/shades i.e. Green, Black, Red • Colour design-tail, engine, wings and main body • Removal of tail sign from logo • Colour and position of the	**1, 2, 3, 4, 5, 6, 7**

		slogan: "the pride of Africa"	
Attention	Source of awareness	• TV • Radio • Internet • Msafiri Magazine • Plane • Billboards • Newspapers • Posters • **Others**	**8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18**
Interpretation and memory	Feelings and related actions due to the changes	• Logo: • Style of presentation of the logo: the "K" • Removal of website from logo • Colour types/shades i.e. Green, Black, Red • Colour design-tail, engine, wings and main body • Removal of tail sign from logo • Colour and position of the slogan: "the pride of Africa"	**19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31,**

3.6 Data Analysis

Descriptive statistics were used to summarise and analyse the data. Section A of the questionnaire was analysed using frequency distribution and percentages. Data in section B and C were analysed using mean score and standard deviation to determine the extent of awareness of the changes by the respondents and their perception towards the changes.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

The section presents the analysis and findings from the primary data that was gathered from the respondents. All completed questionnaires were edited for completeness and consistency. The response rate of 89 % (181) was achieved from the total target of 200 questionnaires. However 3 questionnaires were considered unusable due to being incomplete at the editing stage. This response rate compares well with previous studies such as Opero (2002) with 91%, Njuguna (2004) with 91%, and Nyaoga (2003) 88%. Summaries of data findings together with their possible interpretations have been presented by use of percentages, frequencies, mean scores and standard deviations.

4.2 Demographic Profiles of the Respondents

The demographic profiles of the respondents i.e. age, level of education, gender, marital status, nationality and decision maker on the airline one flies were analyzed to determine the general classification of the respondents. The results of the analysis are found on table 1.

Age of respondents

The respondents were asked to indicate their age bracket. The results showed that 28% of the respondents were aged between 31-35 years, 22% between 26–30 years, 17% below 25 years, 15% between 41-45 years, 12% above 45 years and 7% between 36-40 years. This show that majority of the respondents were aged between 31 – 35 years.

Level of Education of respondent

On the level of education, the findings showed that 43% of the respondents had college education, 42% had university education, 7% had 'O' level education and the remaining 7% had 'A' level education. This shows that most of the respondents had college and university education.

Table 1: Demographic Profiles of the Respondents

Age of respondent		
	Frequency	**Percent**
31 - 35 years	49	27.53
26 - 30 years	39	21.91
Below 25 years	30	16.85
41 - 45 years	27	15.17
Above 45 years	21	11.80
36 - 40 years	12	6.74
Total	**178**	**100**
Level of Education of respondent		
College	76	42.70
University degree	75	42.13
'O' level	12	6.74
A level	12	6.74
Non Response	3	1.69
Total	**178**	**100**
Gender of respondent		
Male	112	62.92
Female	66	37.08
Total	**178**	**100**
Marital Status of respondent		
Married	112	62.92
Single	63	35.39
Divorced	3	1.69
Total	**178**	**100**
Nationality of respondent		
Kenyan	127	71.35
Non Kenyan	51	28.65
Total	**178**	**100**
Decision Maker on the airline one Fly		
Self	123	69.10
Travel agent	28	15.73
Company	27	15.17
Total	**178**	**100**

Source: research data

Gender of respondent

This question was intended to capture the number of male and female interviewed. The results show that 63% of the respondents were male and 37% were female. Thus majority of the respondents were male.

Marital Status of respondent

Respondents were asked to indicate their marital status. From the results 62.92% of the respondents were married, 35.39% were single and the remaining 1.69% was divorced. This shows that most of the respondents were married.

Nationality of respondent

The research found it necessary to determine the nationality of the respondents. The findings indicate 71.39% of the respondents were Kenyans while 28.65% were non- Kenyans. This implies the majority of the respondents were Kenyans.

Decision Maker on the airline one Fly

The respondents were to indicate who determines the airline they fly. This question was aimed at determining the decision maker on the airline one flies. The findings show that 69.10% of the respondents were the decision makers, 15.73% relied on the travel agents and 15.17% were influenced by their company. This shows that most of the respondents decided on the airline they fly by themselves.

4.3 Consumers' awareness of the corporate rebranding by KQ and sources of awareness of the changes.

This section looked at awareness of corporate rebranding by KQ and the sources of awareness of the changes. This was tested using dichotomous questions where respondents were to answer either yes or no, and indicate the source of awareness of the changes by ticking the appropriate source.

4.3.1 Awareness of consumers on corporate rebranding by KQ

The consumer awareness was based on colour design/style, new logo, style of presentation of new logo, removal of tail-sign from logo and removal of KQ website from the logo. Respondents were asked whether or not they were aware of these changes.

Table 2: Awareness of consumers on corporate rebranding by Kenya Airways

	Frequency	
Changes	**Aware**	**Not aware**
The colour design/style on the tail, engine, wings and main body of the aircraft have changed	157	21
New KQ logo	151	27
Change in style of presentation of the logo	141	37
The colour types/shades have changed i.e. green, black, red	139	48
The tail-sign has been removed from the logo	94	84
Colour and position of the slogan "the pride of Africa" has changed	85	93
KQ website has been removed from the logo	52	126

Source: research data

The findings indicate that those aware of the change in colour design/style on the tail, engine, wings and main body of the aircraft are 157, New KQ logo 151, Change in style of presentation of the logo 141, The colour types/shades have changed i.e. green, black, red 139, that the tail-sign has been removed from the logo 94, while the least known changes are removal of the tail sign from the logo 85 and removal of KQ website from the logo 52, (Table 2).

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Table 3: Awareness level and Gender of the respondent

Changes	MALE				FEMALE			
	Aware		Not Aware		Aware		Not Aware	
	No.	%	No.	%	No.	%	No.	%
New KQ logo	91	81.25	21	18.75	60	90.91	6	9.09
Change in style of presentation of the logo	84	75	28	25	57	86.36	6	9.09
KQ website has been removed from the logo	25	22.32	87	77.68	27	40.91	39	59.09
The colour types/shades have changed i.e. green, black, red	79	70.54	33	29.46	60	90.91	6	9.09
The colour design/style on the tail, engine, wings and main body of the aircraft have changed	100	89.29	12	10.71	57	86.36	9	13.64
The tail-sign has been removed from the logo	55	49.11	57	50.89	39	59.09	27	40.91
Colour and position of the slogan "the pride of Africa" has changed	52	46.43	60	53.57	33	50.00	33	50.00

Source: research data

From the findings, it shows that 81% of male are aware of the new logo while 91% of the female are aware. Regarding the change in style of presentation of the logo, 75% of the male respondents are aware and 86% of female are also aware. 91% of female have noticed the removal of the KQ website from the logo whereas only 41% of the male have noticed. As far as a change in the colour types/shades is concerned, 71% of male are aware against 91% of female. On the other hand 89% of male are aware of change in colour design/style while 86% of female are aware. 49% of male are aware of the removal of the tail sign while 59% of female are aware. Lastly, 50% of female have noticed the change in the colour and position of the slogan 'the pride of Africa' whereas 46% of male have noticed. This indicates that more female are aware of the changes as compared to the male (Table 3).

Table 4: Awareness level and Age of the respondent

Changes	Awareness	No. & %	Below 25	31 - 35	41 - 45	26 - 30	36 - 40	Above 45
New KQ logo	Aware	No.	27	43	18	36	12	15
		%	90.00	87.76	66.67	92.31	100.00	71.43
	Not aware	No.	3	6	9	3		6
		%	10.00	12.24	33.33	7.69		28.57
Colour and position of the slogan "the pride of Africa" has changed	Aware	No.	24	39	18	33	12	15
		%	80.00	79.59	66.67	84.62	100.00	71.43
	Not aware	No.	3	10	9	6		6
		%	10.00	20.41	33.33	15.38		28.57
KQ website has been removed from the logo	Aware	No.	9	13	6	9	6	9
		%	30.00	26.53	22.22	23.08	50.00	42.86
	Not aware	No.	21	36	21	30	6	12
		%	70.00	73.47	77.78	76.92	50.00	57.14
The colour types/shades have changed i.e. green, black, red	Aware	No.	30	43	15	27	12	12
		%	100.00	87.76	55.56	69.23	100.00	57.14
	Not aware	No.		6	12	12		9
		%		12.24	44.44	30.77		42.86
The colour design/style on the tail, engine, wings and main body of the aircraft have changed	Aware	No.	27	49	21	33	12	15
		%	90.00	100.00	77.78	84.62	100.00	71.43
	Not aware	No.	3		6	6		6
		%	10		22.22	15.38		28.57
The tail-sign has been removed from the logo	Aware	No.	21	22	12	18	9	12
		%	70.00	44.90	44.44	46.15	75.00	57.14
	Not aware	No.	9	27	15	21	3	9
		%	30.00	55.10	55.56	53.85	25.00	42.86
the colour and position of the slogan "the pride of Africa" has changed	Aware	No.	9	28	9	24	3	12
		%	30.00	57.14	33.33	61.54	25.00	57.14
	Not aware	No.	21	21	18	15	9	9
		%	70.00	42.86	66.67	38.46	75.00	42.86

The cross comparison of the age and the awareness of the respondents shows that majority of young people (35 years and below), are more aware of the changes as compared to the older people (Table 4).

Table 5: Awareness level and Nationality of the respondents

Changes	KENYAN				NON KENYAN			
	Aware		Not Aware		Aware		Not Aware	
	No.	%	No.	%	No.	%	No.	%
New KQ logo	118	92.91	9	7.1	33	64.71	18	35.29
Change in style of presentation of the logo	111	87.40	13	10.2	30	58.82	21	41.18
KQ website has been removed from the logo	40	31.50	87	68.5	12	23.53	39	76.47
The colour types/shades have changed i.e. green, black, red	115	90.55	12	9.419	24	47.06	27	52.94
The colour design/style on the tail, engine, wings and main body of the aircraft have changed	121	95.28	6	4.7	36	70.59	15	29.41
The tail-sign has been removed from the logo	73	57.48	54	42.5	21	41.18	30	58.82
Colour and position of the slogan "the pride of Africa" has changed	73	57.48	54	42.5	12	23.53	39	76.47

Source: research data

Cross tabulation of the nationality of the respondents and the awareness indicate that; 93% of Kenyans are aware of the new KQ logo while 65% of non-Kenyans are aware. 87% of Kenyans are aware of the change in style of presentation of the logo whereas 59% of non-Kenyans are aware. Regarding the removal of the KQ website from the logo, 32% of Kenyans are aware while 24% of non-Kenyans are aware. 91% of Kenyans have also noticed the change in the colour types/shades while 47% of non-Kenyans have noticed. 96% of Kenyans are aware of the changes on the colour design/style on the tail, engine, wings and main body of the aircraft while 71% of non-Kenyans are aware. 57% of Kenyans are aware of the removal of the tail-sign from the logo while 41% of non-Kenyans are aware. Lastly, 57% of Kenyans are aware of the changes in the colour and position of the slogan "the pride of Africa" compared to

24% of non Kenyans. This indicates that most Kenyans are aware of the changes as compared to non Kenyans (Table 5).

4.3.2 Sources of awareness of the rebranding changes

The respondents were asked to indicate the various sources from which they learnt of the changes. This question was aimed at determining the sources of awareness and effectiveness of the various sources of communication.

Table 6: Sources of awareness of the rebranding changes

Source	**Frequency**
TV	145
Newspapers	94
Plane	88
Billboards	85
Msafiri Magazine	82
Internet	61
Word of mouth	58
Posters	54
Street banners	54
Radio	45

Source: research data

The respondents indicated various sources that created awareness about the changes made by KQ; television (145), newspapers (94), plane (88), billboards (85), Msafiri magazine (82), internet (61), word of mouth (58), posters (54), street banners (54), radio (45). This shows that television and newspapers were the main sources of awareness (Table 6).

4.4 Perception of Respondents on Rebranding Elements by KQ

Respondents were asked to indicate the extent to which they perceive the changes that Kenya Airways made in its new corporate logo. They were presented with a five point Likert scale to rank the factors. Where 5 = very large extent 4= large extent 3 = moderate extent 2 = less extent and 1 = no extent. Data has been analyzed using mean scores and standard deviations. A mean score greater than 4 (M>4) is considered to imply a very large extent, a mean score >3 but <4 is considered to imply a large extent while those with mean scores > 2 but < 3 imply to a moderate extent while a mean score < 2 imply to no extent. A standard deviation >1.5 implies a significant variance in the responses.

The findings are summarized in table 7.

Table 7: Extent of perception on the changes that Kenya Airways made in its new corporate logo

Changes	Mean	Std. Deviation
The KQ new colours are fresh and exciting	3.85	1.14
KQ now looks more dynamic and easily recognizable	3.82	1.20
The new style of presentation is Kenyan in appearance and acceptable across cultures	3.72	1.21
The presentation of the new logo is more appealing	3.72	1.15
The KQ new appearance is modern	3.70	0.93
The new logo is bold	3.69	1.10
KQ's new look is more warm and friendly	3.67	1.16
The KQ new logo is more attractive	3.61	1.15
The KQ new look is uniquely African	3.50	1.22
KQ now appears more stronger than most airlines	3.47	1.24
I now feel more safe to use KQ than before	2.91	1.45
The new look of KQ has made me more loyal to it	2.79	1.35
The re-branding by KQ has made me use its services more frequently	2.74	1.36

Source: research data

The following factors were established to be influential to a large extent with a mean score greater than 3 but less than 4; the KQ new colours are fresh and exciting (3.85), KQ now looks more dynamic and easily recognizable (3.82), the new style of presentation is Kenyan in appearance and acceptable across cultures (3.72), the presentation of the new logo is more appealing (3.72), the KQ new appearance is modern (3.7), the new logo is bold (3.69), KQ's new look is more warm and friendly (3.67),the KQ new logo is more attractive(3.61), the KQ new look is uniquely African (3.5), and KQ now appears more stronger than most airlines (3.47). However the factors: feeling safer to use KQ than before (2.91), the new look of KQ has made me more loyal to it (2.79) and the re-branding by KQ has made me use its services more frequently (2.740), were perceived to a moderate extent by the respondents. The standard deviation was reasonably low, <1.5, indicating that most of the answers given by the respondents were in agreement (Table 7).

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The objectives of this study were to establish the extent of consumers' awareness of the corporate rebranding strategy adopted by Kenya Airways and to determine the consumer's perception of the Kenya Airways' corporate rebranding strategy. Having concluded the analysis of the data, discussion, conclusion and recommendations are presented in this section.

5.2 Discussion

The corporate rebranding exercise undertaken by the airline is known as the 'Kenya airways corporate livery re-design' (KQ brief to Advertising Agency, 2005). The livery of Kenya Airways refers to the colours and logo design that adorn the aircraft usually at the tail. The momentous decision to update and refresh its existing livery is in line with global airline industry trends and is part of Kenya Airways drive to become a world-class airline. To this end, the new identity was intended to capture the image of what the global community would expect of an African airline, in particular Kenya Airways on the back of its voting as African Airline of the year 2004.

The findings indicate that the level of awareness by the consumers on corporate rebranding by Kenya Airways is generally high. Most of the respondents are aware that the colour design/style on the tail, engine, wings and main body of the aircraft have changed, New KQ logo, Change in style of presentation of the logo and the colour types/shades have changed i.e. green, black, red, while the least known changes are removal of the tail sign from the logo and removal of KQ website from the logo. The airline carried out a series of activities to generate interest and awareness about in the rebranding. A model sample of the newly branded tail of an aircraft was set-up at the Kenyatta Avenue/Uhuru highway round-about for visibility. A billboard was also erected where people would sign and give comments regarding the new look of the airline. The billboard was fully signed within three days which exhibited interest (KQ Advertising Agency Report, 2005).

The major sources of awareness were established to be the television, Newspapers, Plane, Billboards, and Msafiri Magazine This was an indication that these sources were the most effective in communicating the changes adopted by the airline. However the radio had the least score mainly because the nature of the changes was more visual than audio. For customers to buy a product/service or idea, they must be made aware of it. The same principle holds true for the KQ rebranding campaign where the marketing department had to bring it to the customer's attention, increasing public awareness of what the campaign was all about. The actual launch presentations, press releases, radio and TV advertisements and use of billboards are the techniques used by KQ to raise awareness (Marketing brief, 2005). This confirms what Hawkins (1992) said that people are exposed to a large number of stimuli on a more or less random basis during their daily activities.

It is also evident that the consumer perception has been influenced positively to a large extent by various factors as established in the following sentiments: The KQ new colours are fresh and exciting, KQ now looks more dynamic and easily recognizable, The new style of presentation is Kenyan in appearance and acceptable across cultures, The presentation of the new logo is more appealing, The KQ new appearance is modern, The new logo is bold, KQ's new look is more warm and friendly, The KQ new logo is more attractive, The KQ new look is uniquely African, and KQ now appears more stronger than most airlines. However when asked whether they now feel safer to use KQ than before, or if the new look of KQ has made them more loyal to it and whether the rebranding by KQ has made them use its services more frequently, the response was to a moderate extent. The standard deviation was reasonably low, <1.5, indicating that most of the answers given by the respondents were in agreement. This conforms to Wikipedia's (2005) arguments for rebranding. He argued that when companies sense they are losing touch with its customers and need a fresh start, or when emerging from poor results, or even scandal, and they want to leave their old corporate clothes behind, or when an organization attempts to have a relationship with people but when that relationship is fading and customers are no longer engaged, it could be time to rebrand. Customer perception is the main driver towards rebranding because each supplier of a product or service must have a positive connection/perception with its customers.

Nilewide (2004) further highlights sound reasons for rebranding and the most obvious being the need to signal that the organization really has changed and this must impact on customer perception. This may be due to mergers or demergers, new strategies and cultures. The new look by KQ conforms with the internal code of IATA and also raises the airlines' stature as a world class airline with improved safety, more efficient processes, and a reliable and customer-focused airline. With all these being communicated with the new branding, customer's interests were heightened. (The Standard Business, Tuesday, 26, April 2005). The airline's performance in the last three months since inception of the rebranding strategy in April 2005, indicates a growth in numbers of people either making enquiries or doing the actual reservations. This is an indication of a direct effect of the marketing strategy (KQ's Marketing report, June 2005). A recent caption on TV showing participation by KQ in an air show that was held in France in the month of May 2005, showed a positive reception by the international community which portrayed a revitalized perception towards what had been known as an 'African' airline.

5.3 Conclusion

It is worth noting that female are more aware of the various changes made by KQ as compared to the male which is a indication that women tend to notice such changes more easily then men. The implication of this is that Marketers should try to roll out their new products/ideas to women first because they are more receptive to changes as compared to men. The younger respondents of thirty five years and below are also more aware compared to the older people. The comparison between Kenyans and non-Kenyans indicates that majority of Kenyans are more aware of the changes. This is explained by the fact that Kenya is the home-base of KQ. However, since the KQ customer is a global/international one, there is need for the airline to create more awareness in the international arena through marketing communication tailored to address this market segment. It is also noted that TV and Newspapers have played a significant role in creating awareness in the market. These are the key media options that the airline can take advantage of, so as to have more impact.

The study has also found out that majority of the respondents perceive the changes positively to a large extent and this implies that the KQ rebranding exercise (livery re-design) has achieved its main objective of repositioning the airline to a great extent. It is however still too early to judge the impact of rebranding in terms of customer loyalty and frequency of use of the airline service.

5.4 Recommendations

KQ should create more awareness outside Kenya as it was established that more non- Kenyans are not aware of the changes as compared to Kenyans. The other key issues that should have been addressed to enhance customer loyalty include improvement on service provision/consistency, being friendly and caring, offering affordable prices, convenience, suitable timing, frequency and destinations covered. If these had been included in the rebranding exercise, then consumer perception would have been influenced to a greater extent.

The KQ case of successful rebranding strategy may also be adopted by other companies who may use it as way of changing their fortunes especially when there is a sense of disconnection with customers. The KQ case demonstrates this clearly. The exercise aims at taking customer needs into consideration with a view of satisfying them thus is a strategy that should be utilized by other companies to improve on their image and compete favourably under stiff competition.

LIMITATIONS OF THE STUDY

The study was a survey and predetermined questionnaires were used. This may have limited respondents from bringing other relevant issues, which the researcher may not have mentioned. The area of rebranding has also not been extensively studied hence the scarcity of literature material.

SUGGESTIONS FOR FURTHER RESEARCH

This study was carried out immediately after the airline carried out the rebranding exercise and at the time of this research, the exercise was still going on. It would be interesting to find out the shift in consumer perceptions especially after a longer period –say two to three years. The study also focused broadly on the impact of rebranding on many issues- it would be interesting for one to study the impact on a particular issue such as the impact of rebranding on customer loyalty. Lastly the study focused on the consumer perception towards the KQ rebranding. It would also be interesting to determine the impact of rebranding on the perception of the travel agents who play a significant role in determining the choice of an airline to be used by the customer.

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APPENDICES

Appendix 1

Introductory letter

Tonny Tugee Chemayiek

Faculty of commerce

C/O MBA office

Department of Business Administration

University of Nairobi

P.O Box 30197

Nairobi

August, 2005

Dear respondent,

RE: Collection of Survey Data

I am a postgraduate student at the University of Nairobi, faculty of Commerce. In order to fulfil the degree requirement, I am undertaking a management research project to investigate the consumer's perception of corporate rebranding strategy by Kenya Airways.

You have been selected to form part of this study. This is to kindly request you to assist me collect the data by filling out the accompanying questionnaire which will be collected before you leave the ticketing office.

The information you provide will be used exclusively for academic purposes. My supervisor and I assure you that the information you give will be treated with strict confidence. At no time will your name appear in my report. A copy of the final paper will be availed to you upon request.

Your co-operation will be highly appreciated.

Thank you in advance.

Yours faithfully,

Tonny Tugee

MBA Student

Appendix 2

Questionnaire

Please take a moment to fill the following questions.

Section A

Your name ---(optional)

Please indicate your age bracket:

Below 25 years	( )	26- 30 years	( )
31- 35 years	( )	36- 40 years	( )
41- 45 years	( )	above 45 years	( )

Level of education

No formal education	( )	Primary level	( )
'O' level	( )	A level	( )
College	( )	University degree	( )

Gender

Male ( ) Female ( )

Marital status

Single ( ) Married ( ) Divorced ( ) Separated ( ) Widowed ( )

Nationality ____

Who makes the decision on the airline you fly?

Self ( ) Company ( ) Travel agent ( )

Section B

- **The level of awareness of consumers on corporate rebranding by Kenya Airways: -** Please indicate if you are aware of KQ rebranding in the following aspects? Please indicate "Yes" or "No"

No	Issue	Yes	No
1.	I am aware of new KQ logo		
2.	Am aware that the style of presentation of the logo has changed i.e. letters "kq" are different		
3.	Am aware that the KQ website has been removed from the logo		
4.	Am aware that the colour types/shades have changed i.e. green, black, red		
5.	Am aware that the colour design/style on the tail, engine, wings and main body of the aircraft have changed		
6.	Am aware that the tail-sign has been removed from the logo		
7.	I am aware that the colour and position of the slogan "the pride of Africa" has changed		

- **The source of awareness of the changes:** please tick the appropriate source(s) that made you aware of the changes adopted by Kenya Airways

No.	Source	Tick
8.	TV	
9.	Radio	
10.	Internet	
11.	Msafiri Magazine	
12.	Plane	
13.	Billboards	
14.	Newspapers	
15.	Posters	
16.	Word of mouth	
17.	Street banners	
18.	Others- specify	

Section C- Please indicate the extent to which you agree with the following regarding the recent changes that Kenya Airways made in its new corporate logo (livery redesign), on a scale of 1 to 5 where 1-no extent and 5-very large extent

No.	Issue	(5) Very large extent	(4) Large extent	(3) Moderate extent	(2) Less extent	(1) No extent
19.	The KQ new appearance is modern					
20.	The KQ new logo is more attractive					
21.	The presentation of the new logo is more appealing					
22.	The new logo is bold					
23.	The KQ new colours are fresh and exciting					
24.	The KQ new look is uniquely African					
25.	The new style of presentation is Kenyan in appearance and acceptable across cultures					
26.	KQ's new look is more warm and friendly					
27.	The rebranding by KQ has made me use its services more frequently					
28.	The new look of KQ has made me more loyal to it					
29.	I now feel more safe to use KQ than before					
30.	KQ now looks more dynamic and easily recognizable					
31.	KQ now appears more stronger than most airlines					

Appendix 5

Design selection process

Four design companies were asked to come up with some ideas (Ad brief, November 2004) - two were Kenyan and two international design firms. From their presentations, it whittled down the choices to one Kenyan company and four designs. Option 1-The old/current design, option 2- an adaptation of KQ old livery design but with a new logo, which departs from the old "KA/K7" to a more dynamic and easily recognizable "KQ", option 3-captured the Kenyan Heritage, using Kenyan national colours of green, black and red. With red being the most dominant. The Tail also featured the half shield of Kenya's national flag. Option 4- kept in mind the fact that KQ competitors proudly display their national colours and identity and draw strength from it. This design also captured the essence of African heritage with colours of the national flag, the pride of the nation and the continent as reflected in KQ's slogan. The tail featured the whole shield, which was uniquely African and instantly recognizable and option 5- the tail featured the colours of the flag on the tail and the new logo. (KQ Marketing report, March 2005)

According to the proceedings of a KQ marketing meeting (April, 2005), the designs were shared with the top management and the staff. The Staff were allowed to vote for the new corporate identity that would establish the airline as the obvious "Pride of Africa" around the world through: -Voting on the internal intranet for Head office staff, Voting by crew members and site was set up for the out-station staff.

An "Executive Forum" as focus group comprising of senior executives from leading companies and organizations from different markets was organized. The aim was to get the opinions of KQ's top customers who were selected from different cultures, and gauge their level of enthusiasm for the new livery and logo. There was an overwhelming support for the Option 4 (68%) and a positive feedback on the need for Kenya Airways to change, and majority of the members' were enthusiastic about the full shield. The head office staff were equally supportive of option 4 at 39% against the second highest (option 5 at 19%).Outstation staff had their votes split between option 3 and 4. An endorsement was then sought from the Executive forum for KQ to proceed with option 4 as the favourite design (KQ Commercial meeting proceedings Apr, 2005).

Finally, in the Marketing report on the selected design, (Apr 2005), the Chairman and the Board's approval was also sought to progress the phased introduction of the selected design as the proposed new KQ Corporate Identity Livery. This approval was to enable the new livery to be launched globally on the next Boeing 777 aircraft delivered in April 2005. In order not to forget its history, the new visual identity has retained the 'Kenya Airways' and 'The Pride of Africa' slogan on the fuselage but broadened the words to make them more visible from afar. They are also written in a different font type that is lively and eye-catching; the most dramatic change is however on the tail which now spots the national flag colours in a beautiful design with a similar corporate red spanning from one top corner of the tail to the belly of the fuselage. A large rounded black is at the other top corner and a flowing green from the lower part of the tail to belly side with the attendant strips of white splitting the bright colours to form artistic bands. A new letter 'K' in white replaces the two 'KA' at the tail and is a key feature on the corporate red- coloured engines as well.

Appendix 6

THE LOGOS

Old Look

Kenya Airways
The Pride of Africa
www.kenya-airways.com

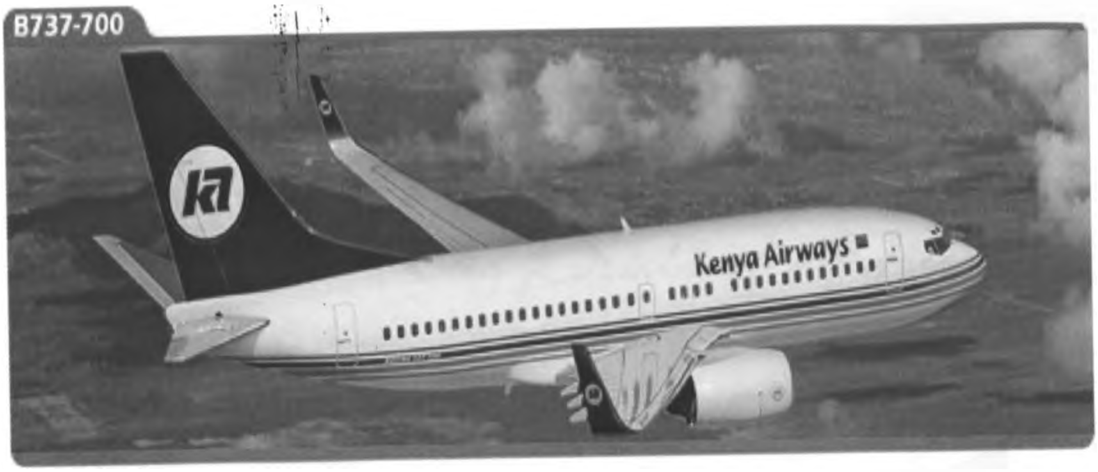
Kenya Airways
The Pride of Africa
www.kenya-airways.com

New Look

Kenya Airways

The Pride of Africa

The old look



New Look