

**THE USE OF CORPORATE IDENTITY MEDIA AS A MARKETING
TOOL AMONG FAST MOVING CONSUMER GOODS
MANUFACTURERS IN KENYA**

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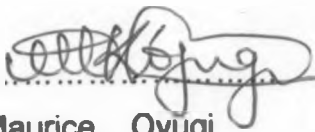
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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILMENT OF THE REQUIREMENTS OF THE MASTERS
DEGREE IN BUSINESS ADMINISTRATION (MBA),
FACULTY OF COMMERCE,
UNIVERSITY OF NAIROBI**

NOVEMBER , 2004

DECLARATION

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

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Date: 03-02-2005

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

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DEDICATION

Dedicated to my wife Lilian and sons Roy and Frank, with love

ACKNOWLEDGEMENT

I am indebted to many special, outstanding individuals who played a crucial role in enabling me complete this project. The lecturers and students in the MBA class were reliable, helpful and always willing to assist. I will forever remain grateful to them.

Special thanks to my supervisor, Ms Margaret Ombok , for her persistent encouragement, immense knowledge of marketing and invaluable contribution and guidance that have enriched the results of this study. Her commitment and dedication is exemplary.

To my wife Lilian, for her endless patience and understanding throughout the project.

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Lastly to God Almighty, from whom all good things come.

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ABSTRACT

The objectives of this study was to determine the extent to which Corporate Identity media is used as a marketing tool by firms dealing in Fast Moving Consumer Goods in Kenya, to determine the benefits of the use of the media, and the challenges faced by the firms in using the various corporate identity media. The study targeted senior managers involved in strategy formulation.

A descriptive survey was used, and the questionnaire consisted of open-ended, structured and semi-structured questions, which was pre-tested for clarity. The 'drop and pick later' method was used to administer the questionnaire to respondents in Nairobi and Kisumu, while those located in other towns received the questionnaires through mail. This was a census study. The data was analyzed using frequency distribution, percentages, mean scores and standard deviations.

The results show that the firms dealing in Fast Moving Consumer Goods use the different media available for communicating their corporate identity, to various extents. There is a bias towards the visual identity, and the use of the marketing mix variables. The firms have also benefited from the application of the media, and face several challenges, both internal and external. Opportunities for building stronger corporate identity exist in internal marketing, corporate social responsibility and media relations. Corporate communications is handled by diverse departments and personnel.

Some limitations of the study are evident. This include the fact that it was restricted to the Fast Moving Consumer Goods industry, and the reluctance of some firms to participate in the study. Suggestions for further research include the use of the corporate identity media by firms engaged in the manufacture of goods in specific categories and image research to

establish if perception of the firms by stakeholders is aligned to the identity the firms wish to portray.

CHAPTER ONE

INTRODUCTION

1.1 Background

The political and economic environment in Kenya has changed considerably in the last ten years, as a result of reforms triggered by structural adjustment programs(Njau,2000).According to Njau (2000) the reforms were recommended by the World Bank and the International Monetary Fund (IMF), and were tied to disbursement of aid. The programs encouraged liberalization of trade and tariffs, as well as a market driven exchange rate system. The government removed price controls on consumer goods, and deregulated the industry in 1994. This lowered the barriers to entry, and the forces of demand and supply were allowed to dominate and determine trade. Imports liberalization eroded profitability and market share of existing consumer goods companies.

Njau (2000) further states that, coupled with increasing globalization, the business environment changed fast, competition increased due to proliferation of new entrants and consumer goods companies were forced to develop response strategies in order to cope with the changing environment and ensure survival. These response strategies include investment in technology, innovation ,new market development , strategic alliances and acquisitions, re-engineering and divestment (Njau,2000) . He gives the example of East African Breweries Limited, a leading Fast Moving Consumer Goods firm which invested heavily in manufacturing technology, increased its spend on research and development, entered into an alliance with Guinness Plc (now known as Diageo) and re-engineered its processes, structures and operations in order to compete effectively as the environment changed in the late 90's .

Effective application of the marketing mix variables is a response strategy which imparts competitive advantage to firms, who often increase their advertising spend in a competitive environment, and invest in new distribution channels (Aaker,2003). East African Breweries Limited drastically increased its advertising and market research budget in 1998 to maintain its market share (Njau ,2000).

In spite of the responses discussed above, consumer goods companies continue to operate in an unpredictable environment. The environment keeps changing, consumer tastes and preferences always evolve (Schiffman and Kanuk,2001). Because of scarce resources, the firms are under pressure to get maximum benefits from their marketing strategies (Aaker ,2003). Change is a constant and results from new markets, regulatory change, new technologies, economic forces and competition (Murphy,1992). As the environment changes, the organization itself responds, by changing its identity (Lynch,2000). Among the changes that businesses have made is a shift in marketing emphasis from product brands to corporate branding (Hatch and Schultz, 2003). Differentiation requires positioning , not the products, but the entire organization (Hatch and Schultz ,2003).

Baker (2000) adds that the current trend is to shift to the company brand, in which it is the subjective aspects of service and reputation associated with a company which will position it in the consumer's mind and in the market place. According to Aaker (1996), the shift to corporate branding has gained popularity because building strong product brands is now harder than before. This is due to increased pressure to compete on price, proliferation of competitors, increasingly fragmented markets, complex brand strategies and relationships and resistance to innovation. To build a strong corporate image, firms need to develop strong positive corporate identities, and transmit this to their consumers and other publics (Goodman,1998).

1.1.1 Fast Moving Consumer Goods

According to Palmer (2000), Fast Moving Consumer Goods are convenience items that tend to be relatively cheap and are purchased on a regular basis, such as tea and toothpaste. The purchase involves minimum decision-making effort. An individual tends to purchase a particular brand of item on a regular basis (Palmer,2000). Buyers have easy access to the products as they are generally sold through many retail outlets (Kotler,1999). The firms dealing in these goods apply the marketing mix variables (product, price, place and promotion) , and have a tendency to spend heavily on advertising and on sales promotion aimed at the buyer rather than the retailer (Palmer,2000). The packaging aspect of the marketing mix is also important as the package acts as a promotional tool in its own right (Palmer, 2000). Kotler (1999) adds that the items tend to be cheaply priced with the aim of selling high volumes at low margins .

Hongo (2002) states that Fast Moving Consumer Goods require comparably little capital investment as opposed to industrial goods. The firms play an important role in economic development, as they pay taxes to the government, offer employment and sustain the advertising industry (Kenya Association of Manufacturers Directory,2003).

In Kenya, like in other countries, the fast moving consumer goods firms have faced various challenges which include increasing competition, changes in regulation, changing life styles of consumers, distribution requirements, rising costs of advertising , corporate requirements/ ethical concerns and homogenization of products in the consumer's mind (Murphy,2000). They have responded by divesting, investing in technology, strategic alliances, innovation and restructuring (Njau,2000). As a result of fierce competition, these firms practise a lot of strategic marketing (Hongo,2002). Corporate identity is an important aspect of strategic marketing (Baker,2000).

A strong corporate identity would enable these firms to benefit from corporate advertising, enjoy better relations with investors and the media, develop better ways of communicating with employees, manage government affairs effectively and also manage communication in a crisis (Argenti,1998). An example of a crisis within the local fast moving consumer goods industry occurred in 2003 when the 'Pambazuko Kenya' consumer promotion by Kenya Breweries Limited had a credibility problem (Daily Nation, Tuesday May 6,2003). The firms can also apply the corporate equity found in a well managed corporate identity to new products and line extensions (Murphy,1992). This requires effective use of the various corporate identity media available to them.

1.1.2 Corporate Identity

Fill (1998) defines corporate identity as the formation of the cues by which stakeholders can recognize and identify the organization. Ind (1998) states that corporate identity is formed by the organization's history, its beliefs and philosophy, ownership, people, the personality of its leaders, ethical and cultural values and its strategies. He adds that it is unique, and is formed through the shared experience of individuals.

Goodman (1998) argues that every corporate body has some form of identity. The precise nature of its attitudes ,aspirations, personality and function is not always apparent to the outside world. Image and identity coincide when the character of the company projected to the public is also the character of its actions, values and beliefs (Goodman,1998). To build trust, organizations need sincerity, clear and well articulated values, and a consistency of purpose (Ind,1998).

1.2 Statement of the problem

Balmer and Gray (2003) state that corporate branding brings to marketing the ability to use the vision and culture of the company explicitly as part of its unique selling proposition, or as part of its unique organizational value proposition. They also argue that employees are key to building relationships with all the firm's stakeholders. Duncan and Moriarty (1997, 1998) have suggested that knowledge of communication processes can expand and improve brand relationships, making companies recognize their interactivity with stakeholders in everything they do.

Balmer and Gray (2003) further argue that the gap and interface analyses can be used as vehicles for diagnosing and managing the corporate brand and its identity. He adds that the gaps between strategic vision, organizational culture and corporate image serve to identify key problem areas for corporate brands. For firms to establish these gaps and address them, they need to continuously evaluate their corporate identities, and ensure that it is aligned to strategy (Goodman, 1998). Therefore, a consistent identity should be transmitted to stakeholders. This means that firms should be able to use all media available to them to transmit their identity, for holistic identity management systems (Ind, 1998).

Fast Moving Consumer Goods firms can leverage their interactions with retailers, suppliers, investors, the media, local communities and government to develop a positive corporate image, besides the use of marketing mix variables. Argenti (1998), states that as it becomes harder for products to distinguish themselves due to increased competition, the corporate identity and corporate brand becomes more of a differentiator and a determinant of purchasing behavior. Hence Fast Moving Consumer Goods firms can benefit from effective transmission of their identities, especially since they are in mature markets, where there is a tendency for products to be seen as commodities as a result of competition (Ind, 1998).

Yadin (2002) explains that corporate identity can be applied as a positioning strategy, and provides the concept of reputation monopoly, a positioning strategy used by a manufacturer to convince his market that his product is the best in the field, and that there is no viable alternative. Some challenges faced by organizations in communicating their corporate identities include the failure of the mission and vision to unify the actions of individuals, fragmented structures in business units leading to various forms of overt communications and the difficulty of unifying internal and external communications (Goodman,1998).

Most of the available studies done on corporate identity media is mainly literature review, spearheaded by Balmer (2001), Hatch and Schultz (2003) and Bouchikhi and Kimberley (2003). Some marketing research work has been done on corporate branding (such as Brown and Dacin,1997). Locally, Mwandikwa (2003) carried out a study on the perception of corporate identity features in the banking sector, from the customers' perspective. This study addressed the corporate image aspect, as perceived by customers, and did not deal with the media used by managers to transmit the firm's corporate identity .

The media applied determines the impact of the transmission effort (Balmer and Gray,2003). A study should however, be conducted to determine the media used by companies in Fast Moving Consumer Goods industry and the extent to which they are used. The current study was in response to the above need.

Specifically, the study sought responses to the following questions:

- 1 To what extent do companies dealing in Fast Moving Consumer Goods use corporate identity media in building corporate image?
- 2 What benefits have they obtained from the use of these media?
- 3 What are the challenges they face?

1.3 Objectives of the study

The objectives of this study were:

- i) To determine the extent to which corporate identity media are used by firms dealing in Fast Moving Consumer Goods in Kenya .
- ii) To determine the benefits of the use of corporate identity media in building the image of the firms.
- iii) To establish the challenges faced by the firms in using the various corporate identity media.

1.4 Importance of the study

The results of this study may be of use to the following: -

- (a) The Fast Moving Consumer Goods firms will be in a position to use the research findings and recommendations from the study to develop and/or implement corporate identity management strategies.
- (b) Research and advertising firms: - They will gain important knowledge on new areas of research in line with the corporate identity media strategies. Advertising firms are expected to identify new opportunities for corporate advertising, from the findings of this study.
- (c) Academicians and scholars: - Corporate Identity is expected to gain importance in the future , especially in strategic marketing management. This study is expected to contribute to the existing literature in the field of marketing, specifically in corporate communications, and to therefore act as a stimulus for further research to develop new insights in this area.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter describes the conceptual framework of the research, and defines the concept of corporate identity, its importance and how it evolved over the years. The corporate identity media model and the variables considered in the research are also explained.

2.2 The Concept of Corporate Identity

Corporate identity is the core values of a firm, what it stands for, how it wants to be perceived, the traits it wants to project, the important relationships it has (Murphy,1992). A corporate identity program differentiates the company in a positive and memorable way. It projects the unique personality of the organization and positions it in the market place (Goodman,1998). Saturn created customer perceptions by selling the company, not the car (Aaker,1996) . It sold the company's values and culture, its employees and customer attitudes towards the company. This gave the product a strong credibility (Aaker,1996). Employees contribute to the identity of the firm. Because corporate identity is created by people, it is difficult to copy (Aaker,1996).

Murphy (1992) further explains that a corporate identity program is a carefully designed system of all the visual elements which serve as points of public contact. Although the corporate name and logo are key elements in this system, they are not the only elements, contrary to common understanding (Fill,1998). He further argues that the modern corporation is very complex, and communicates to its public in many different ways. Each is an opportunity to transmit its identity, create an image of the organization and build its reputation (Fill,1998).

The firm communicates to its public through promotional media, such as print, electronic and direct mail. However, public perceptions are formed by many other, more permanent media: for example, company-owned visibility assets which include headquarters and branch offices, factories, distribution facilities, office layout, retail outlets, signage, vehicles, letterheads, staff uniforms, customer service, business forms and stationery, product design, packaging and point-of-purchase displays (Argenti,1998). Each company has its own unique set of these visibility assets, which collectively form the company's visibility quotient (Murphy,1992). A firm that successfully employs these visual communications techniques is perceived with more confidence.

According to Argenti (1998), people seek consistency and if perceptions about a corporation fail to match with reality, customers take their business elsewhere. The identity is central to a firm's strategic vision, and drives organizational associations (Argenti,1998). Brooke Bond Kenya Limited changed its name to Unilever Tea Kenya Limited in order to align its identity with the parent company's strategic mission of global corporate branding and shared values of vitality (Daily Nation, July 24, 2004).

Corporate identity should be designed to match the firm's marketing strategy. Murphy (1992) gives the example of restaurant chains (such as MacDonalds) which depend on strong corporate identities for value-added differentiation, and apply the same to re-shape and re-define themselves to appeal to specific market segments. The corporate identity program closes the perception gap between the identity the firm wants to portray and perceived image (Ind,1998). Balmer (2001) outlines the benefits of corporate identity management which include market positioning, the nurturing of a new corporate personality (mix of internal value systems within the organization), improving the organization's corporate communications and visual identity, as

well as beginning the task of changing the image (and overtime the reputation) held of an organization by stakeholder groups.

Because Johnson and Johnson had such a clear identity as an ethically sound company, it was able to weather the Tylenol crisis in a way that other organizations of lesser stature could not (Argenti,1998). Kodak survived a product withdrawal in 1986 because its strong corporate identity had resulted in innate brand strength (Aaker,1996). By developing a strong corporate identity, a company is able to leverage competencies that create customer value at a competitive advantage (Keegan,1995). Hatch and Schultz (2003) posit that a positive corporate identity supports the firm's integrated marketing communications activities.

To stay competitive in a changing environment, many companies attempt radical transformation by adopting a brand new business model, entering a different industry, merging with another firm or deploying a new global strategy (Bouchikhi and Kimberley,2003). They argue that these efforts often fail. The management literature offers many explanations, focusing on issues such as sunk costs, cognitive inertia, organizational routines, resource bases, core competencies and organizational politics, among others. While none of these explanations is wrong, per se, none recognizes that an organization's fundamental identity can be the primary constraint on its adaptive capacity (Bouchikhi and Kimberley ,2003).

They add that just as the identity of individuals may come to be anchored in some combination of gender, nationality, profession, social group, lifestyle, education achievements or skills, so an organization's identity may be anchored in some combination of geographical place, nationality, strategy, core business, technology, knowledge base, organization design, operating philosophy or governance structure. This combination of identity anchors confers the organization with a set of distinctive attributes that key stakeholders (employees, owners, suppliers, customers and shareholders) view as core, enduring and

distinctive. The respective weighting of these anchors may vary considerably from one organization to another (Bouchikhi and Kimberley,2003). Balmer (1995) states that corporate identity change programs have variously been used as a vehicle to assist in strategy formulation, culture change, effective corporate communication, articulating a corporate strategy, articulating/changing the organization's culture, and ensuring that the organization's visual identity is fashionable. He further adds that this is indicative of the multi-disciplinary nature of the domain with the type of identity change reflecting the aspects of the organization's identity that require attention.

Of interest is a statement on corporate identity penned by a group of consultants and academics under the auspices of the International Corporate Identity Group (ICIG), an organization which aims to promote the strategic nature of corporate identity (Balmer,2001). This is known as the 'Strathclyde Statement', and states that every organization has an identity. The identity articulates the corporate ethos, aims and values, and presents a sense of individuality that can help to differentiate the organization within its competitive environment (Balmer,2001). When well managed, corporate identity can be a powerful means of integrating the many disciplines and activities essential to an organization's success. It can also provide the visual cohesion necessary to ensure that all corporate communications are coherent with each other and result in an image consistent with the organization's defining ethos and character (Balmer,2001).

Balmer (2001) further explains that by effectively managing its corporate identity, an organization can build understanding and commitment amongst its diverse constituents. This can be manifested in an ability to attract and retain customers and employees, achieve strategic alliances, gain the support of financial markets and generate a sense of direction and purpose. Corporate identity is a strategic issue. Corporate identity differs from traditional brand marketing since it is concerned with all of an organization's stakeholders and the multi-faceted way in which an organization communicates (Balmer,2001).

2.3 Importance of corporate identity

Bouchikhi and Kimberly (2003) noted that corporate identity sets boundaries on how much an organization can change and still remain the same in the eyes of its key constituencies. The organization should be able to accomplish change without altering its perceived essence. Identity can also constrain change, because people draw much of their personal identity from that of the organizations to which they belong. It shapes how the members of the organization view the world and frame issues. Companies with an identity anchored in brand marketing concern themselves with differentiation, brand awareness and consistency, customer loyalty and communication. Those with an identity anchored in manufacturing will tend to pay extra attention to engineering, production capacity, productivity, quality, product innovation and long term investment. Organizational identity also has important political implications. It influences the distribution of resources and power among stakeholders, both internal and external. Changing a company's identity disrupts the balance of power between the constituencies that have vested interest in the current identity and those whose interest would be better served by a new identity.

2.4 Evolution of Corporate Identity

Balmer (2001) outlines the evolution of the theory relating to corporate identity since the 1950's. He also spells out the main developments in the theory of corporate identity management. There are four stages:

2.4.1: Stage One: -1950's-1970's.

During this period, the focus was on the concept of the corporate image. Boulding (1956) noted that humans have to rely on images and concluded that there was a *priori* link between an individual's image of an organization and the person's behaviour towards the organization. Martineau (1958) pointed out that if the image was of such importance it deserved the attention of senior managers. There are three distinct disciplinary approaches to corporate image in this

stage . The psychology paradigm defines corporate image as a mental image or idea that is a visual, sensory or spatial analogy of reality (Grunig,1993).The graphic design paradigm focuses on how an organization communicates an image through a name and/ or icon (Baker and Balmer,1997).

The marketing and public relations paradigm views the concept from the customers and other stakeholder groups and deals with image formation which is based on 'the experiences, impressions, beliefs, feelings and knowledge that people have about a company ' (Bevis in Bernstein, 1984: 1.25). In recent years, the concept of corporate image has been eclipsed by the distinct but related concept of corporate reputation.

2.4.2: Stage Two: - 1970's-1980's.

This period witnesses the ascendancy of the concepts of the corporate identity and corporate personality, and sees a growth of interest in the United Kingdom. British graphic design, image research and corporate communications consultants play an important role in disseminating knowledge about corporate identity, corporate image and corporate visual identification through their consultancy work and publications.

The period saw a gradual change of emphasis away from questions of perceptions from the perspective of customers, to internal concerns and the role of personnel. Olins (1979) hypothesized that organizations in their formative years develop a personality which mirrors that of the founders. Recent examples include Richard Branson (Virgin Group) and Bill Gates (Microsoft). Olins (1979) refers to this stage of development as the 'heroic' identity.

2.4.3 Stage Three-1980 to Present

Academic writer Russell Abratt (1989) provided a comparative literature review of corporate identity and a conceptual model which, for the first time, integrated the concept of corporate personality, corporate identity and corporate image. Van Reil (1995) integrated the concept of corporate identity, image and reputation within a broad framework of corporate communications management. Organizational behavior theorists also became influential (Albert and Whetten, 1985). Emphasis was given to the corporate identity/corporate image interface by a number of writers such as Abratt (1989). Balmer (1997) expanded the image-identity interface to cover other areas-philosophy, positioning and the environmental interfaces such as demographic, economic, natural, technological, political and cultural forces which impinge upon the various facets of corporate identity management.

2.4.4 Stage Four-The Present

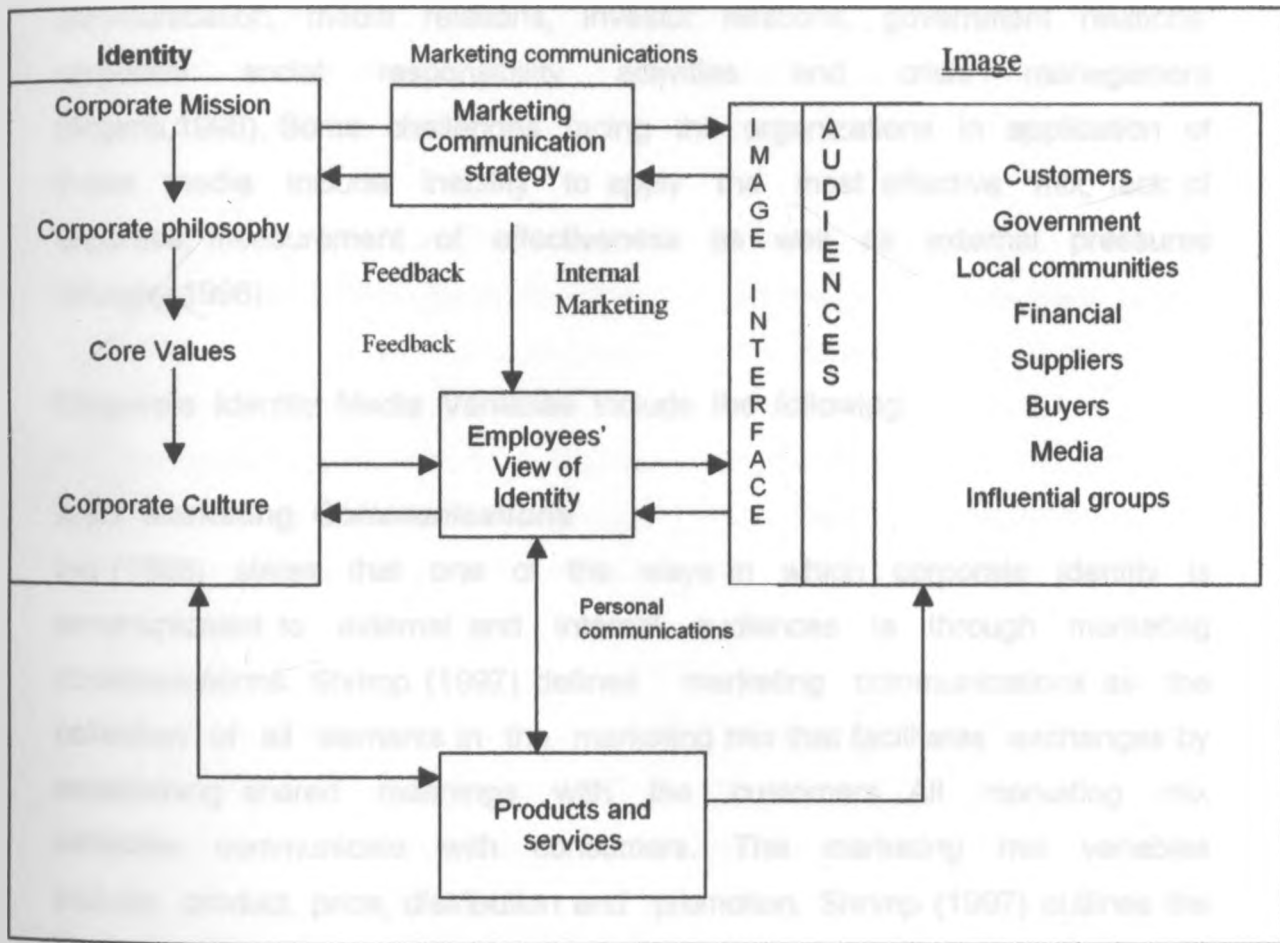
This stage is notable for the cross-disciplinary emphasis of the area, and a breaking down of barriers caused by national and linguistic factors (Balmer, 2001). This has led to an increased consensus on the fundamental tenets of corporate identity formation and management, and greater clarity between the concepts of corporate personality, identity, image and communication. Also, the differences between product brands and corporate brands have been clearly articulated.

2.5 Corporate Identity Media- The Model

Ind (1998) provides a model on integrated approach to communications, originally articulated by Abratt (1989). Abratt argued that there are three aspects to image management: corporate personality, corporate identity and corporate image. Personality encompasses areas such as corporate philosophy, values and strategy which influence the identity. Abratt (1989) saw identity as concerned with communication objectives and structures. The identity then interfaces with the organization's various audiences to

form an image based on organizational reality. The model recognizes inter-relatedness: that effective corporate brands achieve a unity between all forms of communication in the delivery of a tonally consistent message (Ind,1998). Its value is to ensure that communications relate to the organizational identity and consequently have credibility with both employees and external audiences (Ind,1998). It also recognizes the diversity of the audiences organizations have to communicate with and that people will have different views.

Integrated approach to communications



Source; Nicholas Ind (1998), *Making the Most of Your Corporate Brand*, Financial Times Management, London, 1998; pp 24. Adapted from Abratt, 1989

2.6 Corporate Identity Media

The Wordfinder (1996) defines media as “ agencies or means of doing something”. Corporate Identity Media means the tools which Fast Moving Consumer Goods firms can use to transmit their corporate identity to their publics at the point of contact. The firm's publics include customers/consumers, employees, government, investors and the community/society. Hence corporate identity influences customer attractiveness, employee motivation and investor confidence (Hatch and Schultz , 2003).

Organizations can apply the corporate identity media through the marketing mix variables (product, price, distribution and promotion), employee communication, media relations, investor relations, government relations, corporate social responsibility activities and crisis management (Argenti,1998). Some challenges facing the organizations in application of these media include inability to apply the most effective mix, lack of expertise, measurement of effectiveness as well as external pressures (Murphy,1996).

Corporate Identity Media Variables include the following:

2.6.1 Marketing Communications

Ind (1998) states that one of the ways in which corporate identity is communicated to external and internal audiences is through marketing communications. Shrimp (1997) defines marketing communications as the collection of all elements in the marketing mix that facilitates exchanges by establishing shared meanings with the customers. All marketing mix variables communicate with consumers. The marketing mix variables include product, price, distribution and promotion. Shrimp (1997) outlines the promotion tools as personal selling, advertising, sales promotion, sponsorship marketing, publicity, marketing public relations, point-of- purchase communications, direct marketing and exhibitions. Kotler (1999) states that

product aspects include name, variety/range, quality, design, features, size, package, warranties and returns.

In Fast Moving Consumer Goods firms and other product businesses, physical interaction with the product, or its appeal, defines consumer attitudes. Aspects of the product, such as the country of origin, communicate a distinct style of the organization. Product form and function creates emotive responses (Ind,1998). The package is a key media for communicating corporate identity, and aspects such as color, shape, size, text, brand mark, material used and label are applied by companies for this purpose. With reference to distribution, such aspects as channels used, location, vehicles and inventory can transmit a firm's corporate identity (Goodman, 1998). List price, discounts, allowances, payment period and credit terms are examples of how price can communicate a firm's corporate identity (Ind,1998).

Goodman (1998) avers that the marketing communications efforts should be an accurate reflection of the firm's identity, and should be consistent across all communication tools. It should grow out of the essence of the organization, to avoid a credibility gap. Ind (1998) adds that companies should manage the expectations created through marketing communications by delivering on claims made (by the companies) through their products and services. To be credible, companies and their communications advisors need to understand their identities and that of their competitors.

2.6.2 Employee Communications/ Internal Marketing

According to Ind (1998) employees are an effective means of communicating the corporate identity, synergistically with an effective marketing communications strategy. In service businesses, the experience or direct interaction with employees is crucial to the process of image formation (Goodman,1998). Employees should understand the nature of the organization's identity and support its values and aspirations. Management needs to express this

identity through active internal marketing of the communications strategy (Argenti,1998). Internal communications programs are often motivational and developmental. The spin-off is the creation and definition of company values to the employees.

For employees to reflect the claims and messages made in advertising, they need to know what the messages are, and be able to translate them into supportive behavior (Ind,1998). The tools which management can use to communicate the organization's identity to employees include publications, face-to-face meetings, presentations and open door policy.

2.6.3 Government Affairs

This refers to relations with government agencies to advocate for matters in the organization's interest (Goodman ,1998). Such matters include taxation, regulatory and ethical issues (Oliver,1997). In some cases firms provide position papers and information designed to persuade the government agency (Goodman,1998). Government relations demands high ethical standards, for example, operating within the firm's Code of Business Conduct. Maintaining the highest standards for proprietary and ethical behavior is the best approach to developing a reputation for honesty and integrity (Goodman,1998). Because government influences activities of firms through regulation, for example, the tobacco industry, it is important for firms to maintain good relations with it. Firms with a strong positive identity from the government's perspective stand to benefit (Argenti,1998).

The various tools used by organizations in communicating their corporate identity to government include setting up of regulatory/ government affairs offices within the firm's premises, lobbying , top management communication and political action committees.

2.6.4 Investor Relations

Investor relations is important because shareholder stability is valuable. Loyal shareholders are more willing to accept a longer term view of a company's strategy and are likely to support its strategies, such as an acquisition or a merger (Goodman,1998). The organization should communicate its strategy and performance to investors to enable them make rational judgments. The best way to deliver the information is through direct contact with the Board of Management of the firm, an interactive process which allows the organization to demonstrate its commitment to the long-term (Oliver,1997). Effective communication of strategy correlates directly with the valuation of a firm's stock.

An example which demonstrates this is the case of Uchumi supermarkets, a leading retail business in Kenya. Having retained a financial consultant to bail it out of a cash flow crisis, its share price rebounded after a dismal performance and adverse publicity (Daily Nation, August 4,2004). It's strong corporate identity as the icon of indigenous retail networking in Kenya won it the support of shareholders (especially the government, the largest shareholder) consumers and suppliers, who stood by it during difficult times (Daily Nation, August 3,2004). Fast Moving consumer Goods firms can learn from this situation. Organizations communicate their corporate identities to investors through Annual/ Quarterly Reports, Investor Briefings, the Press and Annual General Meetings (AGMs) (Argenti ,1998).

2.6.5 Media Relations

Argenti (1998) states that the media has a lot of influence on people's lives and shapes their attitudes on issues, lifestyles and behavior. Companies are now obligated to release certain information regularly, such as Annual performance reports. The significance of positive media relations is exemplified in the case of the retail chain, Uchumi Supermarkets. Adverse

publicity on the retail chain affected investor confidence (Daily Nation, August 3, 2004).

To build better relations with the media, firms need to know the right journalists for particular stories to ensure correct communication of the firm's position on specific issues (Goodman,1998). The firm should also respond to media calls correctly (Oliver,1997) . To build a successful media relations program, firms should involve media relations personnel in strategy formulation, develop in-house capabilities , and use outside counsel sparingly, only to help out with major stories (Argenti,1998). This ensures that the way the firm relates with the media is always consistent with its corporate identity. The tools that organizations can use in communicating their identity to the media include telephone, press briefings, wire services, media interviews and press conferences.

2.6.6 Corporate Social Responsibility

Kotler (1999) states that corporate social responsibility is based on the social marketing concept, which calls upon marketers to build social and ethical considerations into their marketing practices. He defines this as cause-related marketing, that is, an activity by which a company with a product or service to market builds a relationship or partnership with a 'cause' or a number of 'causes' for mutual benefit. Through this, they raise their corporate reputation and profile, increase loyalty of stakeholders and build sales (Oliver,1997).

Goodman (1998) states that programs for the community create perceptions in the minds of the people. Many corporate citizenship efforts project the organization as a good citizen or neighbor, a reflection of its identity. The organization links its business goals to the corporate citizenship programs (Argenti,1998). The social equity resulting from these activities create a positive corporate image which helps the firm retain the support of its

customers and neighbors during a crisis. Smith (1994) further explains the benefits of good corporate citizenship which include greater name recognition, fewer regulatory hurdles and a stronger synergy among business units. Firms engage in corporate citizenship through sponsorship, donations to particular causes, outreach programs and green marketing. These are corporate identity media with respect to corporate citizenship (Oliver, 1997).

2.6.7 Crisis Management

According to Argenti (1998), a crisis is a major catastrophe that may occur either naturally or as a result of human error. It can include tangible devastation, such as destruction of assets and loss of lives, or intangible devastation, such as the loss of an organization's credibility. Goodman (1998) posits that whereas some industries such as chemical and energy-related organizations (such as oil and gas utilities) are more crisis prone, today every organization is at risk. This includes the Fast Moving Consumer Goods manufacturers. Those firms who are prepared for crises often manage them with minimal damage to the organization's credibility (Oliver, 1997). How an organization handles a crisis reflects its identity. Getting senior management to pay attention may be the most important part of crisis communication before rather than after the crisis develop (Argenti, 1998).

Goodman (1998) further argues that no one can predict when a crisis will occur. Planning for a crisis as a fact of corporate life is the first step in its resolution. He outlines examples of crises as product failure, drastic loss of market share, falling inventory, an employee caught doing something illegal (such as industrial espionage), a strike by the work force, natural disaster or a terrorist bomb attack. The firm also transmits its corporate identity to its publics, based on the steps it has put in place to avoid a crisis developing easily (Goodman, 1998). Such steps include crisis management procedures, training and workshops for staff on crisis management,

environmental impact audits and communication with stakeholders ,for example, the police.

2.6.8 Other organizational assets

This refers to tangible and intangible assets (Ind,1998). According to Argenti (1998), these assets are used by firms as media for corporate advertising, and are intended to benefit the image of the organization rather than just its products and/or services. He adds that the assets also enhance financial investments by creating awareness among analysts within the financial community, and also enhance impressions about particular issues involving the organization. Examples of such assets include corporate symbols, logos and office design. Argenti (1998) further argues that these assets are a tremendous resource for positioning of the organization for future success. Balmer (2001) states that the assets shape the visual identity of the organization.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Design

This was a descriptive study aimed at determining the extent to which manufacturers dealing in Fast Moving Consumer Goods use corporate identity media, the benefits of using them and challenges they face. According to Donald and Pamela (1998), such a study concerned with finding out what, where and how is a **descriptive study**. Mwandikwa (2002) had used the descriptive design in a related study successfully.

3.2 Population

The population of interest in this study included all manufacturing firms dealing in Fast Moving Consumer Goods in Kenya as per the Kenya Association of Manufactures Directory (2003) which listed 48 (forty eight) of these firms (see appendix I). A census study was carried out because of the small number of the population.

3.3 Data Collection Methods

Primary data was collected using structured questionnaires which were mailed to respondents outside Nairobi and Kisumu. For respondents located in Nairobi and Kisumu, the drop and pick later method was used to administer the questionnaire. Respondents were individuals at the level of Public Relations Manager or its equivalent. One respondent from each firm was studied. The questionnaire was pre-tested to confirm clarity of questions. The questionnaire was divided into four sections as follows:

Section A consisted of open-ended questions aimed at generating the demographic data of the firms.

Section B contained likert -type questions on the extent of use of the Corporate Identity Media as a marketing tool.

Section C contained questions on the benefits enjoyed by firms using Corporate Identity Media.

Section D consisted of questions aimed at determining the challenges the firms encounter in the use of corporate identity media.

3.4 Operationalizing the Corporate Identity Variables.

In order to operationalize the corporate identity variables, the determinants were defined as shown in the table below. The questionnaire used the likert scale to measure the extent to which the variables are used by the firms. Ngatia (2000), Maina (2001) and Mwaura (2002) had used the likert scale successfully in related studies.

Table 3.1 Operationalizing The Corporate Identity Media:

Broad Dimension	Variable	Measures	Related Questions
Marketing Communications	Product	Quality Quantity/Size Color Functions User groups Country of Origin Appeal Guaranty Warranty Innovation Patent Trade Mark Product variety Product Name Returns Product design	1
	Package and Labeling	Package shape Package design Symbols on pack Color Brand Mark	1

	Package size Package material Font/Text Graphics on Label Shelf life/Expiry dates	1
Price	Bargains Discounts Allowances Rebates Geographical pricing Discriminatory pricing Promotional pricing Price range	2
Distribution	Channels used Image of outlet Delivery schedules Branding of Distribution vehicles Customer care Appearance of staff Location of outlet	2
Promotion	Face-to-face interaction Telemarketing Direct marketing Advertising slogans Media used Use of celebrities Use of opinion leaders Size of advertising budget Agency used Consumer promotions Trade promotions Website Exhibitions	2
Publicity	News items Editorials	3
Public relations	Corporate sponsorship Events marketing Speakers bureaus Coalition support	3

	Point of Purchase Communication	Displays Posters Signage Co-branded staff uniforms	3
Employee Communication	Employee Communication	Employee publications Face-to-face meetings Electronic mail (Email) Open door policy Informal meetings Bulletin/Notice boards Presentations Letters Video Teleconferencing Grapevine Closed Circuit Television	4
Government Affairs	Government Affairs	Regulatory office Lobbying Code of Business Conduct Top management involvement External affairs Political action committees	5
Investor relations	Investor relations	Annual/Quarterly reports Investor briefings Newspapers Annual General Meetings	6
Media Relations	Media Relations	Telephone Press briefings Wire services Media interviews Press Conferences	7
Corporate Social Responsibility	Corporate Citizenship	Green Marketing Community programs Sponsorship, such as education Concern over pollution Environmental activities, such as tree planting	8

Crisis Management	Management of a past crisis	Accepting liability Negotiation Compensation Timely communication	9
	Preparation for a crisis	Crisis management in strategic plans Training and workshops Dedicated budget Insurance cover Emergency procedures Relationship with experts Environmental impact audits Management commitment Relationship with activists Stakeholder communication, such as the police.	10
Other Organizational Activities and Assets	Other assets and activities which transmit the firm's identity	Company name Company slogan Company logo Company symbols Office layout Corporate colors Design of offices and buildings Business forms Stationery Vehicle branding Staff clothing	11

3.5 Data Analysis Techniques

Completed questionnaires were edited, then coded and keyed into the computer to facilitate statistical analysis with the help of the SPSS computer package. The data was analyzed using descriptive statistics that are indicative of the extent to which corporate identity media is applied as

a marketing tool from the perspective of manufacturers dealing in Fast Moving Consumer goods in Kenya.

To determine the extent of use of corporate identity media as a marketing tool among manufacturers dealing in Fast Moving Consumer Goods, mean scores were used which were calculated from a five-point Likert scale. The standard deviations indicated if there was significant differences in the use of the various media among firms. Frequency distribution and percentages were used to determine the benefits enjoyed by the firms, and the challenges faced by the organizations.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter contains summaries of data findings together with their possible interpretation. The chapter is divided into three sections, three of which are related to the objectives of the study. The first section analyses the general information of the Fast Moving Consumer Goods firms. The second section analyses the extent of the use of corporate identity media as a marketing tool. The third section analyses the benefits of using the corporate identity media as a marketing tool and the fourth section analyses the challenges faced by the firms in the use of corporate identity media in marketing.

A total of forty eight (48) questionnaires were distributed to the respondents, out of which forty two (42) responded by completing and returning the questionnaires. Six (6) did not respond. This gives a response rate of 87.5% and a non-response rate of 22.5%.

4.2 Analysis of General Information

The general information considered in the study included; number of years the firm has been in existence in Kenya, the number of employees, the number of products sold, the department handling corporate communications and the number of competitors.

4.2.1 The number of years the firms have operated in Kenya

The number of years the firm has existed in Kenya would give an indication of their experience in the market and the learning curve they have gone through, since the trading environment has gradually changed over the years. The following table depicts the findings:

Table 4.1 Distribution of firms by years of existence in Kenya

Years in Kenya	Number of firms	Percent
<10 years	1	2.4
11-20 years	9	21.4
21-30 years	9	21.4
31-40 years	12	28.6
41-50 years	6	14.3
>50 years	5	11.9
Total	42	100

Source; Research Data

The above table shows that most of the firms have been in existence for between 31 and 40 years (28.6%). Only one firm has operated in Kenya for a period less than 10 years. 73.8% of the firms have been in existence in Kenya for up to 40 years. 5 firms out of 42 have existed in Kenya for a period more than 50 years

4.2.2 Number of employees

The staff play a key role in the communication of the firm's corporate identity through their behaviors when they interact with customers and other stakeholders. The number of employees is also an indication of the size of the firm. The table below shows the distribution of firms by employees.

Table 4. 2 : Distribution of firms by number of employees

Number of Employees	Number of Firms	Percent
<50	5	11.9
51-100	9	21.4
101-150	12	28.6
151-200	8	19.1
201-250	4	9.5
251-300	3	7.1
>300	1	2.4
Total	42	100

Source; Research Data

The above table shows that 28.6% of the firms have employed between 101 and 150 people. More than half the respondents (61.9%) have engaged 150 people or less. Only one firm has over 300 individuals in employment.

4.2.3 The number of products sold

The number of products sold is an indication of how the firm has moved into various markets and segments over the years, hence contributing to the competitiveness in the industry. As the number of products sold increases, the firm needs to adopt various strategies to reach consumers and also increase share of market.

Table 4.3: Distribution of firms by number of products sold

Number of Products Sold	Frequency	Percent
<10	18	42.9
11-20	11	26.2
21-30	8	19.1
31-40	1	2.4
41-50	3	7.1
>50	1	2.4
Total	42	100

Source; Research data

Most of the respondents (69%) have a product portfolio of 20 or less. 42.9% of the firms have less than 10 products. 4 firms (9.5%) deal in more than 30 products as revealed in the table above.

4.2.4 Handling of Corporate Communications

This refers to the department which deals with corporate communications by the firm, through employees, marketing activities and all the media available. The firm's corporate communications agenda shapes the image which should be influenced by the identity it seeks to portray. Table 4.4 below shows the distribution of firms by department handling corporate communications.

Table 4.4 Distribution of firms by department handling Corporate Communications

Department	Number of firms	Percent
Administration	8	19.0
HR and Public Affairs	9	21.4
Corporate Affairs	10	23.8
Business Development	5	11.9
MD's office	7	16.7
Commercial	3	7.1
Total	42	100.0

Source; Research data

It is evident from the table that corporate communications is handled by various departments which include Administration (19%), Human Resources and Public Affairs (21.4%), Business Development (11.9%), Managing Director's office (16.7%), as well as Commercial Department (7.1%). 23.8% of the firms have Corporate Affairs department handling corporate communications activities.

4.2.5 Number of Competitor products

It was necessary to determine the number of competitor products since a strong corporate identity offers firms competitive advantage due to increased recognition and association by consumers. The number of competitor products also influences the choice and use of the various corporate identity media available to the firms (Argenti,1998). Table 4.5 shows the distribution of the firms by the number of competitor products.

Table 4.5 Distribution of firms by number of competitor products

Number of Competitors	Number of firms	Percent
0-5	6	14.3
6-10	12	28.6
11-15	4	9.5
16-20	3	7.1
21-25	2	4.8
26-30	3	7.1
31-35	7	16.7
>35	5	11.9
Total	42	100

Source; Research data

28.6% of the respondents compete with between 6 and 10 products from other firms. More than half of the firms (52.4%) have up to 15 competitor products in the same segment. Five firms (11.9%) out of 42 compete with more than 35 products from other firms.

4.2 Importance of elements of corporate culture

The researcher was interested in determining the importance of the various elements of corporate culture in the communication of corporate identity by the respondents. The degree of importance was measured using a five-point likert scale.

Table 4.6 The importance of the elements of Corporate Culture

Element	Mean score	Standard Deviation
Shared values	4.0714	.8379
Company structure	3.9762	.6044
Company systems	3.8095	.8900
Style	3.3810	.6228
Staff	3.9762	.7153
Skills base	4.1905	.6713
Company strategy	4.0238	.8111

Source; Research data

A mean score of >3 means that the variable is important, and a variable is very important if the mean score is >4 , as indicated in the questionnaire (Appendix II). The respondents consider all the elements important in the communication of their corporate identity to stakeholders, while skills base (mean score 4.1905), shared values (4.0714) and company strategy (4.0238) are very important. There is no significant differences in the ranking of these elements by the respondents, as seen in the value of the standard deviations.

4.4 Extent of use of Corporate Identity Media as a marketing tool

The first research objective was to determine the extent to which corporate identity media is being used as a marketing tool amongst manufacturers dealing in Fast Moving Consumer Goods. The respondents were asked questions focused on the corporate identity media variables which can be used as tools in marketing, and were asked to rate their extent of use on a five point likert scale ranging from Most often Used (5) to Not Used (1).

The scores of both 'Not used' and 'Sometimes Used' have been taken to represent a variable which is used to a small extent (S.E) by the firms (equivalent to 0 to 2.5 on the continuous likert scale ; $0 \leq S.E < 2.5$). The scores of 'Regularly Used' have been taken to represent a variable that is used to a moderate extent (M.E) by the firms (equivalent to 2.5 to 3.5 on the continuous likert scale ; $2.5 \leq M.E < 3.5$). The scores of both 'Often Used' and 'Most often Used' have been taken to represent a variable which is used to a large extent (L.E) by the firms (equivalent to 3.5 to 5.0 on the continuous likert scale ; $3.5 \leq L.E < 5.0$). A standard variation greater than 1 implies a significant difference on the use of the variable among the respondents.

The following tables show the findings on the extent of use of corporate identity media based on the corporate identity media variables which include marketing communications, internal marketing, government affairs, investor relations, media relations, corporate social responsibility ,crisis management and other organizational assets.

4.4.1 Extent of use of product attributes

The aim of the analysis was to find out the extent to which the respondents use product attributes to communicate the corporate identity of their firms to consumers and other stakeholders.

Table 4.7 The extent of use of product attributes

Product Attribute	Mean	Standard Deviation
Quality	4.3810	.8250
Quantity/size	3.1429	1.3357
Color	2.9524	.9866
Functions	2.8571	1.2410
User groups	2.5000	1.0876
Country of origin	1.6667	1.0969
Product appeal	3.4048	1.4660
Guarantee	2.8095	3.1331
Warranty	2.0952	1.3400
Product innovation	3.3571	1.4453
Patent	3.2143	1.6008
Trade mark	3.7857	1.4234
Product variety/range	2.8333	1.1877
Product name	4.1905	1.0178
Returns	3.2381	1.5111
Product design	3.2381	1.2842
Package shape	2.8810	1.1935
Package design	3.5714	1.3994
Symbols on pack	4.2381	1.2259
Color of the package	3.4524	1.5334
Brand mark	3.6905	1.3702
Package size	2.7381	1.3979
Package material	3.6905	1.2589
Font/text on material	2.3571	1.4111
Graphics on label	2.6190	1.5765
Shelflife/expiry dates	3.7619	1.2457

Source; Research data

Product quality, product name, package design, symbols on pack and expiry dates are used to a large extent by the firms to communicate their corporate identity to their stakeholders. However, with the exception of quality and color, there is a significant difference between the firms in the use of product attributes in communication of corporate identity.

4.4.2 Extent of use of price, distribution and promotion variables

The aim of the analysis was to determine the extent of use of price, distribution and promotion variables as marketing tools in the communication of corporate identity .

Table 8 The extent of use of price, distribution and promotion variables

Variable	Mean	Standard Deviation
Price bargains	2.0238	1.3879
Price discounts	2.3095	1.2589
Price allowances	2.8571	5.0247
Rebates	2.6667	4.7043
Geographical pricing	2.3810	1.5610
Discriminatory pricing	1.8095	.9936
Promotional pricing	2.3810	.6968
Price range	3.2143	1.2790
Distribution channels used	3.9048	1.2259
Image of outlet	3.6905	1.1367
Delivery schedules	2.7143	1.1106
Branding of distribution channels	3.6667	1.3190
Customer care	3.4048	.8851
Appearance of your staff	3.7619	.7905

Location of outlet	3.8810	1.0639
Face to face interaction	3.8571	1.0017
Telemarketing	2.1190	1.2917
Direct marketing	3.5952	1.0606
Advertising slogans	3.2619	1.4324
Form of advertising used	3.7143	1.1537
Use of celebrities	2.4524	1.3471
Use of opinion leaders	1.5238	.8036
Size of advertising budget	3.5952	1.2699
Agency used	3.5238	1.3835
Consumer promotions	2.8810	1.4177
Trade promotions	2.5238	1.1527
Advertising on the web	2.1429	1.0723
Trade exhibitions	2.7143	1.0426

Source; Research data

Distribution and promotion variables are used to a large extent by the manufacturers dealing in Fast Moving Consumer Goods to communicate their corporate identity. The distribution variables used to a large extent include distribution channels, image of the outlet, branding of the distribution channels, the appearance of distribution staff and the location of the outlet. The promotion variables used to a large extent are personal selling (face-to-face interaction), direct marketing, the form of advertising used, the size of the advertising budget and the advertising agency used. It is evident from the above table that price variables are used to a moderate extent. Promotional pricing and discriminatory pricing are used by the firms to same extents (standard deviation < 1.0). This also applies to the use of opinion leaders (least used variable), customer care (consistent moderate use by the firms) and branding of distribution channels.

4.4.3 Extent of use of publicity and public relations

The analysis was done to determine the extent of use of publicity and public relations variables in the communication of corporate identity by the respondents.

Table 4.9 Extent of use of publicity and public relations variables

Variable	Mean	Standard Deviation
Release of news items	3.0476	1.3058
Editorials in key newspapers	2.5714	.9145
Events marketing	3.0952	1.2651
Speakers bureaus	1.6905	.9997
Coalition support	1.8333	.7938
Displays	3.1429	1.2986
Posters	2.8095	1.3478
Signage	3.2381	.8500
Co-branded staff uniforms	3.4762	1.3478

Source; Research data

The table above shows that publicity and public relations variables are generally used to a moderate extent by the manufactures of Fast Moving Consumer Goods as a marketing tool to communicate their corporate identity. Speakers bureaus and coalition support are used to a small extent. There is no significant difference between the firms in the use of editorials, speakers' bureaus, coalition support and signage (Standard deviation<1.0).

4.4.4 Extent of use of internal marketing variables

The researcher was interested in determining the extent of the use of employee communications variables as a marketing tool to communicate the firm's corporate identity to its employees.

Table 4.10 Extent of use of internal marketing variables

Variable	Mean	Standard Deviation
Employee publications	4.0238	1.0474
Face to face meetings	2.8095	1.1096
Electronic mail/email	4.1667	.8530
Open door policy	3.8810	1.1519
Informal meetings	3.7857	1.1377
Bulletin/notice boards	3.7619	1.0777
Presentations	3.5476	1.0407
Letters	2.5476	1.0170
Video	2.6429	1.0317
Teleconferencing	1.7143	1.0190
Grapevine	1.9286	1.2763
Closed circuit television	1.1190	.3278

Source; Research data

The above table shows that employee publications, electronic mail (email), open door policy, informal meetings, bulletin boards and presentations are used to a large extent by manufacturers dealing in Fast Moving Consumer Goods to communicate their corporate identity to staff. Closed circuit television is used to a very small extent, as exemplified by the low mean and standard deviation. Electronic mail is used to a large extent by most firms (standard deviation < 1.0).

4.4.5 Extent of use of government relations

The aim of the analysis was to find out the extent to which manufacturers of Fast Moving Consumer Goods use government relations variables to communicate their corporate identity to their stakeholders.

Table 4.11 Extent of use of government relations variables

Variable	Mean	Standard Deviation
Regulatory affairs office	2.0476	1.0809
Lobbying	2.3095	.6803
Code of Business Ethics	3.9286	1.1347
Top management involvement	3.9762	1.0474
External affairs office	3.4048	1.3078
Political action committee	1.1190	.3278

Source; Research data

It is evident from the above table that the code of business ethics and involvement of top management are used to a large extent relative to the other variables. The external affairs office also plays a prominent role in government affairs as seen in the outcome of the study. However, lobbying and political action committees are used to a small extent.

4.4.6 Extent of use of investor relations variables

The analysis was done to determine the extent of use of investor relations variables by the respondents as a marketing tool in communication of corporate identity. Table 12 below shows the results of the analysis.

Table 12 Extent of use of investor relations variables

Variable	Mean	Standard Deviation
Annual quarterly reports	4.6905	.6435
Investor briefings	3.7619	1.3217
Newspapers	3.1905	1.4855
Annual general meetings	3.9048	.9579

Source; Research data

The table shows that with the exception of newspapers, all the other investor relations variables are used to a large extent by the manufacturers dealing in Fast Moving Consumer Goods.

4.4.7 Extent of use of media relations variables

The researcher was interested in determining the extent to which media relations variables are used by manufacturers dealing in Fast Moving Consumer Goods to communicate their corporate identity to stakeholders.

Table 4. 13 Extent of use of media relations variables

Variable	Mean	Standard Deviation
Telephone	3.0476	1.1884
Press briefings	2.8333	1.1877
Wire services	1.2381	.4311
Media interviews	2.8810	1.1729
Press conference	2.9762	1.2394

Source; Research data

It is evident from the table that telephone is the popular medium for communicating the firms' corporate identity to the media . It is used to a moderate extent. With the exception of wire services, the other variables are used to a moderate extent. None is used to a large extent. There is no significant difference between the firms with regard to the extents to which they use wire services.

4.4.8 Extent of use of corporate social responsibility variables

The analysis was aimed at determining the extent of use of corporate social responsibility variables by manufacturers dealing in Fast Moving

Consumer Goods, as a marketing tool to communicate their corporate identity.

Table 4.14 Extent of use of corporate social responsibility variables

Corporate social responsibility variables	Mean	Standard Deviation
Green marketing	2.6667	1.1189
Community programs	3.8095	1.3111
Sponsorships such as health programs	3.3333	1.4427
Concern over pollution	3.0714	1.3862
Environmental activities such as tree planting	2.9048	1.4949

Source; Research data

The table above shows that community programs is used to a large extent by the firms to communicate their corporate identity. There is a significant difference in the use of the variables by the firms (standard deviation > 1.0). The use of green marketing and environmental activities is practiced to a moderate extent.

4.4.9 Extent of use of crisis management variables

The researcher was interested in finding out how firms , who have faced crises in the past, have handled them and how they used the opportunity to communicate what they (the firms) stand for. It was also relevant, to the study, to confirm if the manufacturers dealing in Fast Moving Consumer Goods have taken measures to avoid crises occurring again.

Table 4.15 (a) Extent of use of crisis management variables

Crisis management variables	Mean	Standard Deviation
Accepted liability	1.6905	.7805
Negotiated with affected parties	3.6905	.8968
Issued compensation	2.5238	.9170
Communicated freely and timely	3.0714	1.1130

Source; Research data

The above table indicates that negotiation with affected parties is used to a large extent by the manufacturers dealing in Fast Moving Consumer Goods. Timely and open communication is practiced to a moderate extent, while the firms are not keen to admit liability for the crisis (mean score 1.6905). With the exception of free and timely communication during a crisis, there is no significant difference in the extent of use of the other variables by the firms (standard deviation < 1.0). 90.5% of the respondents confirmed that they had faced a crisis in the past.

Table 4.15 (b) Distribution of firms by measures taken to avoid crises

Measures taken	Number of firms	
	Yes	No
Crisis management is in strategic plan	34 (90.5)	4(9.5)
Dedicated budget is available	39 (92.9)	3 (7.1)
Adequate insurance cover	40 (95.2)	2 (4.8)
Emergency procedures understood	40 (95.2)	2 (4.8)
Relationship with experts exist	37 (88.1)	5 (11.9)

Environmental audits done	40 (95.2)	2 (4.8)
Top management commitment	40 (95.2)	2 (4.8)
Relationship with activists in place	39 (92.9)	3 (7.1)
Regular communication with stakeholders	40 (95.2)	2 (4.8)

Source; Research data

From the table, it is evident that most of the firms have adopted measures to avoid crises developing . 11.9% of the respondents are yet to establish relationships with experts in crisis management.

4.4.10 Extent of use of other organizational assets

The aim of the analysis was to find out the extent to which manufacturers dealing in Fast Moving Consumer Goods use other organizational assets.

Table 4.16 Extent of use of other organizational asset variables

Organizational asset variables	Mean	Standard Deviation
Company name	4.4048	.9386
Office layout	3.3095	1.0474
Company symbols	4.0952	1.1221
Corporate colors	4.7381	.5868
Company slogan	4.6190	.6968
Staff vehicles (type, branding)	3.3095	1.6600
Company logo	4.4048	.9892
Office design/Architecture	2.3095	1.4396
Business forms (such as receipts, invoices)	4.4524	.9423
Stationery	4.6190	.6608
Staff clothing	3.5952	1.0606

Source; Research data

It is evident from the table above that most of the organizational assets are used to a much larger extent compared to all the other variables available to the firms. Company name, corporate colors, company slogan, company logo, business forms and stationery are widely used as marketing tools to communicate the corporate identity of manufacturers dealing in Fast Moving Consumer Goods (mean score >4.4). There is no significant difference in the use of these variables by the respondents. Thus they are widely applied by the organizations.

4.5 Benefits of the use of corporate identity media as a marketing tool

This section was aimed at establishing the benefits enjoyed by the firms as a result of use of the corporate identity media. The respondents were asked to confirm if their organization enjoyed a particular benefit or not, and also specify any other benefits that have accrued to the firms.

Table 4.17 Distribution of firms by benefits enjoyed

Benefits	Number of firms	
	Yes	No
Customer loyalty	40 (95.2)	2 (4.8)
Competitive advantage	38 (90.5)	4 (9.5)
Better relationship with stakeholders	38 (90.5)	4 (9.5)
Effective communications effort	39 (92.9)	3 (7.1)
Stakeholder support	40 (95.2)	2 (4.8)
Reduced expenses on advertising and promotions	8 (19.0)	34 (81.0)

Others- customer care, positive corporate image, community support, organizational productivity	26 (61.9)	16 (38.1)
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Source; Research data

It is evident from the table above that majority of the firms have benefited from the use of the corporate identity media variables . Most of the firms (95.2%) indicated that they have enjoyed customer loyalty and stakeholder support. However, 81% of the firms have not benefited from a reduction in expenses incurred on advertising and promotions. 61.9% of the respondents specified that they have enjoyed improved customer care, a better corporate image, positive community support and improved organizational productivity as a result of use of the corporate identity media variables.

4.6 Challenges faced by firms in the use of corporate identity media as a marketing tool

The respondents were asked to state the challenges, if any, that they face when they use the corporate identity media as a marketing tool.

Table 4. 18 Challenges of using corporate identity media

Challenge	Frequency	Percent
Delay in approval of communication	14	33
Making consumers understand the basis of the price structure	17	40
Inadequate tools e.g. uniforms	12	29
The need to combine several tools	23	55
Constrained advertising budget	22	52
Changing historical customer perceptions	10	24

Misinterpretation of information by the media and other stakeholders	18	43
Unrealistic stakeholder expectations	12	29
Creating effective messages	20	48
Prevailing economic conditions	16	38
Lack of support from retail outlets	7	17
Poor backup infrastructure	13	31

Source; Research data

Twenty three firms (55% of the respondents) stated that the need to combine several of the communications variables to achieve impact is a challenge. 52% (22 firms) mentioned constrained advertising budgets. Other challenges mentioned by the firms included delays in obtaining approvals for use of the communication tools (33%), how to make consumers understand the basis of price structure (40%), inadequate tools such as uniforms (12%), how to change the customer perceptions about the firm (24%), misinterpretation of information by the media and other stakeholders (43%), unrealistic stakeholder expectations (29%), ability to create an effective message (48%), prevailing economic conditions (38%), lack of support from retail outlets (17%) and poor back-up infrastructure (31%).

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of the findings as well as the conclusions gathered from the analysis of data. The chapter incorporates the various suggestions and comments given by the respondents in the questionnaires. Findings have been summarized alongside the objectives of the study, conclusions have been drawn from the study and the recommendations for actions are also given.

5.2 Discussion

The aim of the study was to determine to what extent manufacturers dealing in Fast Moving Consumer Goods use corporate identity media as a marketing tool, as well as the benefits and challenges of using the media. As stated by Balmer (2001), the advent of corporate marketing has resulted in a shift in positioning strategies by firms. Effective communication of a firm's corporate identity offers competitive advantage in the market. From the data analysis, a good number of the manufacturers dealing in Fast Moving Consumer Goods have been in Kenya for more than 30 years. More than half of the respondents (61.9%) have less than 150 people in employment. It is likely they had employed more people before, but this number reduced as firms undertook restructuring in order to remain competitive (Njau,2000).

It was established that 26% of the respondents have a product portfolio of 11-20 products while in a particular segment, five firms compete with more than 30 products from other firms. Aaker (1996) had observed that intense competition has made building strong brands increasingly difficult. The study also shows that corporate

communications is handled by various departments, in line with Argenti (1998) who states that few managers recognize the importance of the communication function, and are reluctant to hire the caliber of staff to handle corporate communications. The research also shows that elements of corporate culture are considered important in the formulation of corporate identity strategy. This confirms the observations by Fill (1998) that the firm's mission and values relate to its culture. The mission, vision and values drive the strategic orientation of the organization. Mann (2003) states that the firm's corporate identity objectives should be built into the corporate strategy.

The study has established that manufacturers dealing in Fast Moving Consumer Goods use the various corporate identity media available to various extents. Aspects of marketing mix variables (product, place, price, promotion) are applied by the firms, but product quality, the package, distribution and advertising are used to a larger extent by the firms. This is because the competitiveness in the Fast Moving Consumer Goods industry is mainly at the point of sale (outlets) and within the distribution channel, as stated by Palmer (2000). Hence the tendency to spend heavily on advertising (Palmer,2000). Publicity and public relations is used to moderate extent , while opportunities to improve internal marketing activities are available, as shown in the study. Fill (1998) states that as a result of environmental changes, companies should try to communicate more honestly with employees. The study confirms that electronic mail is the most widely used mode of communication to staff by the firms. Other internal marketing variables should also be applied especially those which encourage face-to-face interactions. The use of the internal marketing variables by the firms, as shown by the study results, is inconsistent with Mann (2003) who observes that through- the- line marketing that

involves staff is the only way to strategically comprehend and manage corporate identity. He argues that the organization's corporate identity is a source of inspiration to staff, and provides leadership and direction which accelerates the adoption of the firm's values by employees.

The study has also established that manufacturers dealing in Fast Moving Consumer Goods use code of business ethics and the involvement of top management to a large extent when dealing with the government. This is in line with Kotler (1999) who explains the growing ethical concerns in Marketing, and stresses the use of business ethics. However, the firms can make more use of lobbying to achieve success in government relations, as they do not make most use of it, as seen in the research findings. Mann (2003) states that the relationship a firm has with the government is a key identity defining piece. He adds that proactive communications to government should only be done if sanctioned and monitored by a senior executive.

The study showed that the firms use annual general meetings (AGMs) and published quarterly reports to a large extent to communicate their corporate identity to investors. Fill (1998) observes that the firms use the two methods more often because they have to do it, since it is a legal requirement to hold the meeting and provide the performance report. The firms should open up and develop stronger relations with members of the media, through use of the media relations variables which are currently employed to a small extent by the firms to communicate their corporate identity, as determined in the study. This is not consistent with Mann (2003) who argues that managers should meet members of the media and seek to achieve a one-on-one relationship with them. He further suggests media training for those executives likely to be in the spotlight.

The study also established that corporate social responsibility activities are used by firms to various extents. According to Mann (2003), the activities a firm chooses to engage in is specific to its corporate identity and market sector. From the study, the manufactures dealing in Fast Moving Consumer Goods do not practice green marketing to a large extent, yet Mann (2003) explains that being "green" is a central aspect to a firm's corporate identity. He also adds that corporate governance is a corporate identity issue. A majority of the firms have experienced a crisis in the past, and are prepared in case a crisis develops. Mann (2003) argues that it is imperative to plan for disaster recovery, and senior managers should create an action plan, since the manner in which a firm handles a crisis influences its future performance, especially amongst the manufacturers of Fast Moving Consumer Goods because competition can capitalize on another firm's crisis to gain market share.

The study has determined that organizational assets, especially those which support the visual identity quotient, are very often used by firms dealing in Fast Moving Consumer Goods. These include company name, logo, color and slogan. According to Argenti (1998), these variables are key differentiators in the market place. However, this outcome confirms the observations by Balmer (2001) that most organizations do not see beyond graphic design when they seek the media through which they can communicate their corporate identity to the various stakeholders. The study has also established that the use of corporate identity media is beneficial to the firms. Although they face several challenges, most of these challenges are internal to the firms, and an internal audit can lead to prioritization of the right tasks which then minimizes the impact of these challenges on the execution of the corporate identity strategy (Mann,2003).

5.3 Conclusion

From this research, it is evident that manufactures dealing in Fast Moving Consumer Goods use corporate identity media as a marketing tool. The variables are used by the firms, to different extents. Effective communication of the firm's corporate identity calls for a concerted effort to use a combination of the media with the most impact in a given situation. Firms can gain advantage in the market place if they are adept at applying the various media in line with their long term strategies. It is also imperative that corporate identity activities is handled by a specialized department.

The widespread use of visual identity variables, such as company name, logo, slogan and symbols, lends credence to the fact that Fast Moving Consumer Goods firms are yet to recognize the other aspects of corporate identity beyond the visuals. By embracing the other variables, the firms will be able to build strong positive identities in innovative ways, and allocate scarce resources effectively. The marketing mix variables are appropriate for product marketing, but the increasing importance of corporate marketing calls for the use of the other variables available , in the correct mix, so as to enhance effectiveness of the tools, and deliver a holistic communications effort. Wilkinson (2004) aptly summarizes the need to use the various media in the correct mix when he states that " anyone managing a brand which has many stakeholders needs to recognize that each has its own requirements and needs appropriate resource, advertising agencies handling the consumer must be complimented by good financial public relations, and the marketing director has to be actively involved alongside the finance director".

5.4 Recommendations

The firms have an opportunity to make use of internal marketing to effectively communicate their corporate identity to employees, since they play a key role in building the firm's identity. The means of communication used to a large extent by firms in internal communications, as shown in this research, are impersonal (publications and email) which may hinder effective communication of the identity to staff. The firms also have opportunities to fully exploit government affairs, investor relations, media relations and corporate social responsibility in building strong positive corporate identity. Corporate communications should be handled as a function, with the right personnel and support in place.

LIMITATIONS OF THE STUDY

Some firms did not participate in the study, and expressed concern over the possibility of divulging critical information. Also, the study was limited to Fast Moving Consumer Goods firms only. Other manufacturers in various manufacturing sectors, such as textiles, could be using the corporate identity media in various forms, extent and combinations.

SUGGESTIONS FOR FURTHER RESEARCH

The effectiveness of the various media available should be researched, so as to determine the correct combination and therefore, make appropriate use of resources. Image research on the perception of the organizations by the stakeholders should be done in order to ensure that it is consistent with the identity the organizations strive to portray. A study should also be carried out to establish the extent of the use of the corporate identity media by manufacturers of Fast Moving Consumer Goods in specific product categories, for example, beverages. Finally, a study should be carried out to determine the

level of consistencies and coherence of all corporate communications, irrespective of the media used, to determine alignment to the corporate identity strategy of manufacturers dealing in Fast Moving Consumer Goods.

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Appendix I

A LIST OF FAST MOVING CONSUMER GOODS FIRMS IN KENYA- KENYA ASSOCIATION OF MANUFACTURES DIRECTORY, 2003 EDITION

1. Anspar Ltd.
2. BAT Kenya Ltd.
3. Biersdorf (E.A) Ltd.
4. Bidco Oil Refineries
5. Bio Food Products.
6. Brookside Dairies.
7. Cadbury Kenya (LTD)
8. Castle Breweries Ltd.
9. Coca-Cola Africa Ltd.
10. Colgate Palmolive (E.A) Ltd.
11. CPC (K) Ltd.
12. Crown Foods Ltd.
13. Cussons & Co. Ltd.
14. DelMonte Kenya Ltd.
15. Unilever Kenya Ltd.
16. Excel Chemicals.
17. Eveready Batteries (K) Ltd.
18. Farmers Choice Ltd.
19. Haco Industries.
20. Kenya Co-operative Creameries (New K.C.C) Ltd
21. Highlands Cannery Ltd.
22. House of Manji Ltd.
23. UDV Kenya Ltd.
24. Jambo Biscuits.
25. Johnson Wax (E.A) Ltd.
26. GlaxoSmithkline Kenya Limited.

27. Mini Bakeries.
28. Kapa Oil Refineries.
29. East African Breweries Ltd (EABL)
30. Kenya Tea Packers (KETEPA) Ltd.
31. KWAL.
32. Sara-Lee Household.
33. Kuguru Foods Complex.
34. Limuru Dairies.
35. Mastermind Tobacco Ltd.
36. Menengai Oil & Soap Factory.
37. Mumias Sugar Co. Ltd.
38. Nestlé Food (K) Ltd.
39. Orbit Chemical Industries.
40. Unga Group.
41. Proctor & Gamble.
42. Wrigley Co. E.A.
43. Reckitt-Benkiser Ltd.
44. Spin Knit Limited.
45. Razco Food Products Limited.
46. Swan Industries Limited
47. True Foods Limited
48. Unga Group.

Appendix II

P.O. 147 GPO 00100
NAIROBI

10th August, 2004

Dear Sir/ Madam,

RE: REQUEST FOR RESEARCH DATA

I am a post graduate student in the Faculty of Commerce, University of Nairobi.

I am conducting a Management Research entitled “**The use of Corporate Identity Media as a marketing tool among Fast Moving Consumer Goods manufacturers in Kenya**”.

Your organization has been selected to form part of the study. I therefore, request you to assist by filling in the attached questionnaire. The information you give will be treated in strict confidence and is needed purely for academic purposes. In no way will your name appear in the final report.

A copy of the final report will be made available to you on request.

Your assistance and co-operation will be highly appreciated.

Yours Sincerely,

Maurice Oyugi
(Student)

M. Ombok
(Supervisor)

Appendix III

SECTION A

1) Number of years the firm has operated in Kenya.

2) Total number of employees _____

3) Number of products sold _____

4) Which department handles corporate communications?

5) Number of competitor products in the same segment _____

SECTION B

6) The culture of a company is exhibited to stakeholders in several ways. On a scale of 1-5, please indicate how important the following are to your organization in demonstrating its culture, where 5 is Most Important and 1 is Not Important. Please tick (✓) the appropriate box.

	Most Important	Very Important	Important	Somewhat Important	Not Important
Shared values					
Company structure					
Company systems					
Style					
Staff					
Skills base					
Company strategy					

7) Please indicate on a scale of 1-5 below, the extent to which your firm uses the following product attributes in communicating its values. Please tick (✓) the appropriate box

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Quality					
Quantity/Size					
Color					
Functions					
User groups					
Country of Origin					
Product appeal					
Guaranty					
Warranty					
Product Innovation					
Patent					
Trade Mark					
Product variety/range					
Product Name					
Returns					
Product design					
Package shape					
Package design					
Symbols on pack					
Color of the package					
Brand Mark					
Package size					
Package material					
Font/Text on package					
Graphics on Label					
Shelf life/Expiry dates					

8) The following price, distribution and promotion attributes are also used by firms to communicate their corporate values and attitudes to various stakeholders . Please indicate how often your firm uses each attribute when relating to its audiences, on a scale of 1-5 as above.

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Price Bargains					
Price Discounts					
Price Allowances					
Rebates					
Geographical pricing					
Discriminatory pricing					
Promotional pricing					
Price range					
Distribution Channels used					
Image of outlet					
Delivery schedules					
Branding of Distribution vehicles					
Customer care					
Appearance of your staff					
Location of outlet					
Face-to-face interaction					
Telemarketing					
Direct marketing					
Advertising slogans					
Form of advertising used					
Use of celebrities					
Use of opinion leaders					
Size of advertising budget					
Agency used					
Consumer promotions					
Trade promotions					
Advertising on the Web					
Trade Exhibitions					

9) Firms use the following ways in executing publicity and public relations campaigns, as well as communicating to consumers at the point of sale. On a scale of 1-5, please indicate how often your organization applies them.

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Release of news items					
Editorials in key newspapers					
Corporate sponsorship					
Events marketing					
Speakers bureaus					
Coalition support					
Displays					
Posters					
Signage					
Co-branded staff uniforms					

10) In communicating with , and to, employees, firms use various means. Please indicate how often your firm employs the various means given below in communicating its culture, values and strategy to staff, on a scale of 1-5 as above.

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Employee publications					
Face to face meetings					
Electronic mail (Email)					
Open door policy					
Informal meetings					
Bulletin/Notice boards					
Presentations					
Letters					
Video					
Teleconferencing					
Grapevine					
Closed circuit Television					

11) Please indicate how often your firm applies the following ways in relating to government agencies, based on a scale of 1-5, with 5 being Most often used, and 1 represents Not used.

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Regulatory affairs office					
Lobbying					
Code of business ethics					
Top management involvement					
External affairs office					
Political action committee					

12) Investor relations is important for the success of the company. Please indicate how often your company uses the various means listed below when communicating performance and strategy and other company matters to shareholders, on a scale of 1-5 as above.

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Annual/Quarterly reports					
Investor briefings					
Newspapers					
Annual General Meetings					

13) On a scale of 1-5 , please indicate how often your firm employs the following tools when relating to the Media (Print, Broadcast and Electronic).

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Telephone					
Press briefings					
Wire services					
Media interviews					
Press conference					

14) Please indicate how often your firm uses the following ways to communicate to stakeholders that it is a socially responsible organization.

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Green marketing					
Community programs					
Sponsorship, such as health					
Concern over pollution					
Environmental activities such as Tree planting					

15) Organizations do face crises at times. Please confirm if your firm has dealt with a crisis in the past.

Yes () No ()

If the answer to 15 above is Yes, please indicate how often your firm has applied the following ways in handling the crises.

	Most often Used	Often used	Regularly Used	Sometimes used	Not used
Accepted Liability					
Negotiated with affected parties					
Issued compensation					
Communicated freely and timely					

16) Below are some measures firms take to avoid a crisis developing and reducing the possibility of one taking place. Please indicate which ones your firm has taken. Please tick (✓) the corresponding box.

Crisis management is in strategic plan	
Training and workshops for staff done	
A dedicated budget is available	
Adequate insurance cover is in place	
Emergency procedures are clearly understood	
Relationship with experts exist	
Environment impact audits have been done	
Management commitment to crisis management	
Relationship with activists in place	
Regular communication with stakeholders, such as police	

17) On a scale of 1-5, please indicate how often your firm uses the following attributes as tools to communicate its values, beliefs and intentions.

	Most often used	Often used	Regularly Used	Sometimes used	Not used
Company name					
Office layout					
Company symbols					
Corporate colors					
Company slogan					
Staff vehicles (Type, Branding)					
Company logo					
Office design/ architecture					
Business forms (such as receipts, invoices)					
Stationery					
Staff clothing					

SECTION C

18) Below are some benefits which firms obtain as a result of using the various corporate communication tools. Please tick (✓) against those which apply to your organization.

- a) Customer loyalty ()
- b) Competitive advantage ()
- c) Better relationship with stakeholders ()
- d) Effective communications effort ()
- e) Stakeholder support ()
- f) Reduced expenses on advertising and promotion ()
- g) Others (Please specify) _____

SECTION D

19) What challenges have you faced in the application of the communication tools?

THANK YOU VERY MUCH FOR YOUR CO-OPERATION.