USAGE OF BRAND EQUITY ASSETS IN POSITIONING BRANDS (THE CASE OF AGROCHEMICAL INDUSTRIES BASED IN NAIROBI)

BY

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CLARATION

s research project is my original work and has not been presented for a degree at the iversity of Nairobi or any other University

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DEDICATION

This study is dedicated to my husband Evans and lovely daughters Kelly and Angel with love.

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ABSTRACT

This study sought to investigate the usage of brand equity assets in positioning brands in agrochemical industries based in Nairobi. The study was also on how effective brand equity have been in the fight against counterfeits in this industry. The research was conducted using a population of seventeen agrochemical companies located in Nairobi

The study concentrated on the brand equity assets, which includes brand awareness, brand loyalty, and perceived quality and brand association. The problem was that there has been an increase of counterfeit products in the agricultural industry and many stakeholders have become concerned including the government. The government and the industry have issued an alert to the farming community of existence of the fake products but have not been able to deal with the problem because of lack of support by affected companies whenever products or packaging materials are recovered by inspectors or police. When there is co-operation the courts give low penalties to such culprits. This has not only affected the industry through loss of sales and relationship with their customers but also the government in terms of tax revenue

Owing to these challenges, the need for the industry to understand and implement the concept of brand equity assets should be looked at seriously. The study therefore has two objectives:

1. To determine the major brand equity assets used to position brands in agrochemical companies.
2. To determine how effective brand equity assets have been in the fight against counterfeits

Both primary and secondary data was collected. Secondary data was obtained through

extensive review of literature while primary data was collected using a partially structured questionnaire comprising of three parts. Part one was on general marketing information of the companies, part two on brand equity assets and part three on measure of effectiveness of brand equity assets on the fight against counterfeits.

The study found that many of the firms do not really understand the concept of brand equity assets. They may have some activities to implement brand awareness but do not put their effort fully on it. All the companies interviewed do not have brand managers and the marketing managers they have do not have the skill have effectively implemented the brand equity asset concept.

The researcher recommends that the agrochemical companies should deliberately adopt and implement fully the concept of brand equity in order to handle to problem of counterfeit effectively rather than continue applying it haphazardly, thereby failing to realize its full benefits. The companies should also engage qualified personnel with skills to handle marketing activities.

The companies should continue to improve the packaging of their products and train the farmers intensively on how to identify fake products. Counterfeiters should be given stiff penalties and if they are stockists should not be allowed to operate their business until the Pest Control Products Board (PCPB) is satisfied they have met the requirements to operate again.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The purpose of marketing is to create preference for the company's brand. If customers perceive one brand as superior, they will prefer it and pay more for it. Brand equity is the value of these additional cash flows generated for a product because of its brand identity. *(Doyle, 1998)*

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

Consumers have become better educated, more inquisitive and demanding while products have become increasingly complex and specialized. All this constitutes a new marketing environment and pose serious challenges to the survival and profitability of firms *(Mbau, 2000)*

Today and in the foreseeable future, there may be no such thing as a solid and/or substantial lead over ones competitors. Too much is changing too quickly for anyone to be complacent and no single company is safe *(Ngatia, 2000)*

According to Morgan 1994, whilst it is concerned with the task of developing and managing assets that arise from the interaction of the firm with entities in its external environment, *(Srivastava, 1998)*, consumer decision making with respect to products and marketing organizations is believed to be guided by high order mental constructs such as consumer satisfaction, perceived value, trust and commitment. *(Mbau, 2000)*

Deregulation and globalization have in particular turned around the Kenyan marketing environment over the last ten years. Deregulation meant that anyone who has anything to sell could avail it to the market, sell it anywhere, at the prices he or she pleases to whoever he or she pleases without any restrictions. Competition is stiff and markets are being saturated with competitors quickly posing a serious challenge to the survival and profitability of firms *(Ngatia, 2000)*

Given such a prevailing situation, there is a need for firms in the industry to chat a route away from the reliance on prices as the primary competitive arena and to seize any profitable opportunities that could be exploited to create and serve new markets. The answer to this challenge lies in brand equity. *(Aaker and Biel, 1993)*.

1.1.1 Brand and Brand Equity

According to the American Marketing Association, a brand is a "name, term, sign, symbol or design or a combination of them", intended to identify the goods and services of one seller or groups of sellers and to differentiate them from those of competitors (*Keller 1998, Aaker 1991, Kotler 2000)*

A brand is a focal point for all the positive and negative impressions created by the buyer over time as he comes into contact with the brands, products, distribution channels, personnel and communication. *(Kapferer, 1998)*

Brand equity is defined as the brand assets (or liabilities) linked to a brand's name and symbol that add to (or subtract from) a product or service. These assets can be grouped into four dimensions: brand awareness, perceived quality, brand associations and brand loyalty. *(Aaker, 1996)*

The Marketing Science Institute defines brand equity as the set of associations and behaviours on the part of the brand's customers, channel members, and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name, and that gives the brand a strong, sustainable, and differentiated advantage over competitors *(Keller, 1998*)

Farquhar (1998), further defines brand equity as the added value to the firm, the trade, or the consumer with which a given brand endows a product while Marketing Facts defines it as the willingness for someone to continue to purchase your brand or not. *(Keller, 1998)*

Most marketing observers agree that brand equity is defined in terms of the marketing effects uniquely attributable to the brand. That is, different outcomes result from the marketing of a product or service because of its brand name or some other brand element as compared to outcomes if that same product or service did not have the brand identification *(Mburu, 2001).*

Brand equity emphasizes the point that a brand signals to the customer the source of the product, and protects both the customer and the firm from competitors who would attempt to provide products that appear to be identical *(Doyle, 1998).*

More than a decade ago, Michael Porter suggested four basic competitive positioning strategies that companies can follow – three winning strategies and one losing strategy. The three winning strategies include:

a) **Overall Cost Leadership**

b) Differentiation

c) **Focus**

The positioning strategy that most agrochemical companies have adapted is the differentiation strategy through packaging.

However, in an era when most firms are hard put to explain the money worth of their products and how they differ from the competition, no point of differentiation is likely to prove more powerful than branding *(Tom Peters, 1998)*

The importance of package design has been noted as an often-overlooked aspect of product decisions, even though good packaging is a critical element in the positioning of the product. Good packaging design, in addition to differentiating the product from competitors, can intensify shelf impact. *(Doyle, 1998*)

In a press release, Twiga Chemical Industries LTD and Syngenta EA announced a process of providing renewed education on the application and use of Actellic Super. In regard to the very serious problem of FAKE product, the Government, Twiga Chemical Industries Limited and Syngenta have over the years continually upgraded the product packaging specifications and run numerous advertising campaigns to continually advice the farming public on how to recognize a genuine Actellic Super. A further security feature through the use of TAMPER PROOF HOLOGRAMS will be added as part of the packaging in the very near future. *(East African Standard, March, 2002)*

In 1995/96, as a result of product piracy Twiga changed the packaging of the small packs into 200gm, 500gm and 1kg tailor-made Twiga plastic bottles and tops.

In 1997/98, in order to fight pirating of Actellic Super, which at this time had become a serious problem Twiga worked very closely with the PCPB and the CID. At the same time Twiga and Zeneca exploring ways of changing the packaging. *(Update of the Marketing of Actellic Super, 2001)*

1.1.2 The Problems of Counterfeits

Counterfeits have hit the market hard and affecting the market share of powerful brands. They tend to be lower quality and priced lower. Price sensitive customers are easy targets of counterfeits. Modern counterfeiting is a post industrial revolution phenomenon that has rapidly accelerated in the twentieth century with mass production techniques and the development of a huge market for branded goods.

The term counterfeiting is primarily used in relation to the copying of trademarks, packaging and labeling. It is estimated that counterfeiting accounts for around 5 - 7 per cent of world trade. This is an average across all industry sectors and countries, so for some, the percentage figure will undoubtedly be very much higher. The music and computer software industries, for example, suffer from particularly high levels of counterfeiting.

Industries that find themselves competing with counterfeiters suffer a direct loss in sales. Some markets are even dominated by counterfeiters, creating barriers of entry for the producers of the genuine product. Consumers, who are deceived into believing that they bought a genuine article when it was in fact a fake, blame the manufacturer of the genuine product when it fails, creating a loss of goodwill.

Countries also suffer from the consequences of counterfeiting and some of the harmful effects include loss of tax revenues, loss of job opportunities and the use of proceeds of counterfeiting to fund other crimes. In countries where counterfeiting is rife there may be a lack of much-needed foreign investment and subsequent foreign know-how because IP rights are not being adequately protected.

Consumers buy counterfeit goods for two reasons. The first reason is that the consumer knows the goods are counterfeit but doesn't care. Consumers who knowingly buy counterfeit goods do so because they want to own certain goods, the ownership of which confers a certain social status, but are unable or unwilling to pay the price for the genuine item. Designer labels immediately spring to mind in this category.

The second reason why counterfeit goods are bought is that the consumer is unable to distinguish between the counterfeit and the genuine item. The advancement of technology and its use by counterfeiters has allowed better copies to be made of both the actual product and the packaging. For example, modern computers, scanners and colour printers have not only made it easier to mimic packaging and documentation, but have also reduced the skill level required to produce passable copies.

Technology has also meant improved production methods so that illegal manufacturers are able to put out more counterfeit goods, increasing the likelihood of the consumer buying counterfeit goods. The internet has opened up a whole new distribution channel for counterfeiters and pirates. The internet has also, allied with improved printing technology, had an increasing role to play in the availability of fake documentation. (http://www.m of.go.jp/~customs/cfeit-e.htm. 2001)

In case of farmers in Kenya, the only source of income is agriculture where they get very little profit due to effects of drastic weather changes together with use of fake products to control pests and diseases in the field and during storage. *(Crops Monthly Report, November 1999, MOA, Kasarani Division).* Actellic Super Dust, which controls Larger Grain Borer (LGB) in stored maize, has been a target of counterfeits. The government issued an alert on fake pesticides as pests continued destroying hundred of tonnes of maize grain in Machakos and Makueni District. *(Daily Nation, January, 2002).*

Twiga Chemicals Industries, which formulates and distributes Actellic Super in Kenya on behalf of Sygenta AG of Switzerland, however, insist that the product is still effective in the control of Larger Grain Borer, despite rows by farmers that the pesticides have failed to protect their maize grain and blames unscrupulous stockists and traders for selling fake pesticides to farmers. A report by Kenya Agricultural Research Institute, dated January 2002, also states that "genuine Actellic Super Dust affords good control of LGB. The control failure reported is, therefore, due to other factors and not pest resistance. *(Daily Nation, March , 2002).*

This has greatly affected farmers who depend on maize growing as a source of income. According to the Director of Agriculture and Livestock Development, Larger Grain Borer has been effectively controlled by use of Actellic Super Dust but due to its popularity, this product has now been targeted and faked by some unscrupulous businessmen. *(Daily Nation, January 2002)*

Muchiri (2002), reports that for the last ten years or so, the AAK in collaboration with the PCPB inspectors and the Ministry of Agriculture have been conducting training to farmers, stockists and large scale growers on various issues of pesticides. Pesticides' stockists have been trained on among other issue identification of unregistered and fake products. This has kept illegal manufacturers or formulators of unregistered products out of business or has narrowed the scope of their business to Hardwares and other business people who do not have specialized shops. In an effort to ensure survival, the trend is changing. The PCPB inspectors have noted – a sharp rise in fake products. The most affected products are those with demand.

Agrochemical companies have therefore to spend a lot of resources on brand strategies to strongly position and differentiate the brands strongly against counterfeits

Efforts by PCPB inspectors to get rid of these products have been limited by several factors:

- Lack of documents to lead to the source of the suppliers of the fake materials.
- High cost in terms of time and money in doing such investigations.

- Where receipts are issued, the address/physical location and telephone numbers are misleading.
- Lack of support by affected companies whenever products or packaging materials are recovered by inspectors or police.
- Low penalties to such culprits given by courts.
- Sale of those products by Distributors who are not specialized in Agro-chem and thus are not visited during inspections.
- Desire by stockists to purchase products at low prices and make higher profits if they sell at recommended prices of similar products.
- Liberalization of the markets.
- Lack of knowledge to differentiate the correct from the fake products among most farmers, although this problem has been minimized by farmer's trainings.
- The hawking nature of the illegal suppliers to remote areas or direct to consumers.
- The Improved Technology that almost exacts the original item (label and container)
- The type of container used for packaging that is for sticking a label, inscribing (metallic/plastic) or printing on the container e.g. carton
- The targeting nature by the illegal suppliers for pick demand seasons for the various regions that do not normally coincide with the inspection programmes *(Muchiri, 2002)*

Counterfeit products deny the government its rightful share of revenue, erode the market of genuine products and destroy the image of established brands. Dealers in counterfeit products, through evasion of duty and VAT, enjoy as high as 50 per cent leverage over their counterparts. There is no way a compliant manufacturer can effectively compete with such a trader. *(Steve Smith, 2001)*

Available statistics indicate that trade on counterfeit products has cost the Kenya government loss of Sh10 billion annually in tax revenue and the collapse of its major industries.

(Financial Standard. February, 2001)

According to the International Marketing Study Guide, though some view counterfeiting as 'victimless' crime particularly in relation to branded consumer goods, serious damage is caused at the so-called 'heavy end' of counterfeiting: fake aircraft components represents a direct threat to life, as do fake engineering parts of all sorts; even more serious still is the threat of counterfeit medicine sold to the Third World, but missing the active ingredient that works on the illness in question. But so long as willing buyers exist to be supplied by people with no qualms about free riding on the backs of others, counterfeiting is a problem that can only be contained, not contaminated. *(International Marketing Study Guide, 1999).*

1.2 Statement of the Problem

Agriculture is a main source of income and employment of most of the rural population and part of the urban population. According to Ministry of Agriculture and Rural Development, Annual Report for 2001, 16,000 farm families in Nairobi Province depends on agriculture as a source of income.

This population depends on agrochemical to protect their crops from pests and diseases. The current strength and performance of agrochemical in terms of market share has significantly fallen and has greatly been affected by counterfeits. A very common example of a product affected by counterfeits in this industry is Actellic Super Dust, a product marketed and sold by Twiga, Chemicals to control Larger Grain Borer among stored maize. According to a press release by the Minister of Agriculture on Actellic Super Dust, some unscrupulous characters have been packaging fake material and selling to unsuspecting farmers in various parts of the country including Nairobi , Malindi, Nyeri, Kericho, Kakamega, Kitale, Kitui and Migori.This has affected not only the market share of Twiga Chemicals but also the relationship between the farmers and sales representatives of Actellic Super Dust. Farmers have lost their harvest due to the effects of the Larger Grain Borer. The government through the District Commissioners from both Machakos and Makueni, issued an alert on fake pesticides as pests continued destroying hundreds of tonnes of maize grain in these areas. Farmers are unable to differentiate the fake packages and even the product itself from the real product. *(Daily Nation/Tuesday, January ,2002)*

The study will address the following questions:

a) What are the major brand equity assets used to position brands in agrochemical companies?
b) How effective have these assets been in the fight against counterfeits?

1.3 Objectives

1) To determine the major brand equity assets used to position brands in agrochemical companies.
2) To determine how effective brand equity assets have been in the fight against counterfeits

1.4 Importance of the Study

The study intends to help agrochemical companies and other companies which have been greatly been affected by counterfeits to effectively identify strategies to sustain their brands and even make them more powerful.

It will also help farmers who are the most affected by fake products to differentiate between real products and counterfeits.

Majority of the farmers have small acres of land. and thus their harvest is also small. Use of counterfeits unknowingly plus the poor rainfall patterns which have hit the country for the last three years have made especially small scale farmers desperate and poor.

Scholars, academicians and researchers will also find the project of importance to them. especially those who want to research further on problems of counterfeits.

1.5 Definition of Terms

Brand equity – the value of a brand, based on the extent to which it has high brand loyalty, name awareness, perceived quality, strong brand associations, and other assets such as patents, trademarks and channel relationships *(Kotler and Armstrong, 1996)*

Counterfeit goods - those that bear an unauthorized representation of a trademark, patented invention, or copyright work that is legally protected in the country where it is marketed. *(International Marketing Study Guide, 1999)*

Farm Families – number of families practicing any form of agriculture activity and are accessible by extension officers from the Ministry of Agriculture and Rural Development. *(Ministry of Agriculture)*

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Brands are at the heart of marketing and business strategy. Marketing is about decommoditizing the company's offer. If a company's offer is perceived to be the same as those of competitors, then consumers will be indifferent and will choose the cheapest or most accessible *(Doyle, 1998)*

Many companies think that they have a brand when what they actually have is name recognition. Marketers therefore need to manage their brands carefully in order to preserve brand equity. Nike, Coca-Cola, Disney, IBM, BMW, Levis, McDonald, Marlboro, Mercedes, Sony, Xerox: what is it that these companies have that other brands do not have? The answer is all of the brand basics – a distinctive product, consistent delivery, and alignment between communications and delivery – plus personality and presence. *(International Marketing Study Guide, 1999)*

According to Mbau (2000), an organization should try to meet the need of its various chosen target groups by developing differentiated products and/or services, messages and marketing. *(Kotler, 1988)*.

A successful brand is one, which customers want to buy and retailers want to stock – it achieves a high market share. Typically, a brand leader obtains twice the market share of the number two brand, and the number two brand obtains twice the share of the number three. *(Doyle, 1998)*

To build brand equity, a company needs to do two things: first, distinguish its product from others in the market; second, align what it says about its brand in advertising and marketing with what it actually delivers. A relationship then develops between brand and customer – a relationship arising from the customer's entire experience of the brand. As the alignment grows stronger, so does the brand. *(International Marketing Study Guide, 1999)*

Brand equity is the value of a brand's overall strength in the market *(Perreault and McCarthy, 1996)*

Consumers prefer high equity brands because they find it easier to interpret what benefits the brand offers, feel more confident of it, and get more satisfaction from using it. Because of such consumer preferences, the brand can charge a higher price, commands more loyalty, and run more efficient marketing programs and therefore command a higher asset value *(Batra, 1998)*

According to Young and Rubicam, brand equity growth in a firm can be achieved by building on four brand elements

- Differentiation – a brand cannot exist in the long run unless consumers can distinguish it from others
- Relevance – to attract and retain consumers, the brand needs to convince them that it is relevant to their individual needs
- Esteem – ensure that consumers have regard and esteem for the brand's capabilities
- Familiarity – If the brand has established itself as distinctive, appropriate and highly – regarded, its ultimate success will depend on *familiarity*, that is, whether the brand is truly well – known and is part of consumer everyday lives. (*Chernatory and McDonald, 1991)*

2.1 Brand Equity Assets

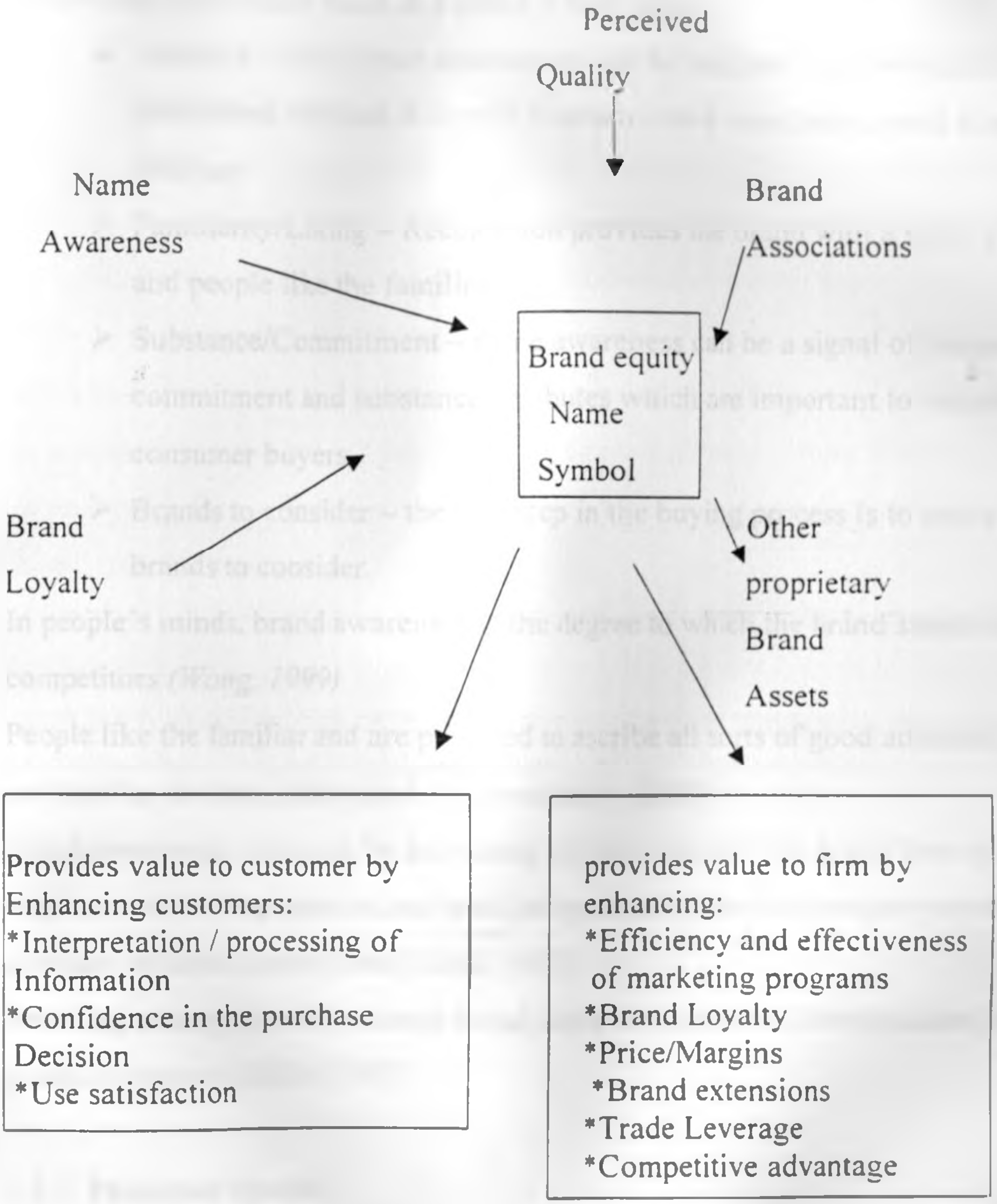
According to Aaker (1996), brand equity is defined as a set of assets (and liabilities) linked to a brand name and symbol that adds to (or subtracts from) the value provided by the product or service to a firm and/or that firm's customers.

Aaker further categorizes major brand equity assets as

- Brand name awareness
- Brand loyalty
- Perceived quality
- Brand associations
- Other proprietary brand assets

Management of brand equity involves investment to create and enhance these assets. Brand equity reflects bonds between the firm and its customers and channel. Brand equity may be the result of extensive advertising and superior product functionality (Keller et al. 1998).

FIGURE 1: How Brand Equity Generates Value



Source: Adapted from Aaker D. A., (1991) "Managing Brand Equity: Capitalizing on the value of a Brand Name, The Free Press

2.1.1 Brand Awareness

Brand awareness refers to the strength of a brand's presence in the consumer's mind (Aaker, 1996). Awareness is measured according to the different ways, in which

consumers remember a brand, ranging from recognition (Have you been exposed to this brand before?) to recall (What brands of this product class can you recall?) to "top of mind" (the first brand recalled) to dominant (the only brand recalled) *(Aaker, 1996)*
Awareness helps create value in a brand in four ways:

- Anchor to which other associations can be attached with recognition established, the task is simply to attach a new association, such as a product attribute
- Familiarity/Liking – Recognition provides the brand with a sense of familiarity and people like the familiar
- Substance/Commitment – name awareness can be a signal of presence, commitment and substance attributes which are important to industrial and consumer buyers
- Brands to consider – the first step in the buying process is to select a group of brands to consider.

In people's minds, brand awareness is the degree to which the brand stands out from its competitors *(Wong, 1999)*
People like the familiar and are prepared to ascribe all sorts of good attitudes to items that are familiar to them *(Aaker and Joachimsthaler, 2000)*
Brand awareness is created by increasing the familiarity of the brand through repeated exposure and strong associations with the appropriate product category or other relevant purchase or consumption cues *(Abba, 1987)*
Branding strategy should enhance brand name awareness and identification with the product category (*Keller 1998)*

2.1.2 Perceived Quality

Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives.

Perceived quality will directly influence purchase decisions and brand loyalty, especially when a buyer is not motivated or able to conduct a detailed analysis *(Aaker, 1991)*
This is a brand association that is elevated to the status of a brand asset for several reasons

- Among all brand associations; only perceived quality has been shown to drive financial performance
- Perceived quality is often a major (if not the principal) strategic thrust of a business
- Perceived quality is linked to and often drives other aspects of how a brand is perceived *(Aaker, 1996)*

Perceived quality is usually at the heart of what customers are buying, and in that sense, it is a bottom-line measure of the impact of a brand identity. More interesting, though, perceived quality reflects a measure of "goodness" that spreads over all elements of the brand like thick syrup.

Added values – the subjective beliefs of customers – are at the heart of building successful brands *(Doyle, 1998)*.

Mwedar (1987) argues that perceived quality is a whole wide range of resources and activities, which must be organized to maximize the satisfaction of the consumer. He notes that 'satisfaction or dissatisfaction' depends on the performance of the provider of a good or service relative to the expectations of the consumer. He goes on to state that expectations of product performance or service quality are like a norm that is usually set through product or service attributed, prior experience, advertisement or manipulation of the marketing mix. *(Mbau, 2000)*

Perceived quality provides value in several ways

- ➢ Reason –to – buy : - perceived quality influences brands which are included and excluded from consideration, and the brand that is to be selected
- ➢ Differentiate/Position – is a brand a super premium, premium, value or economy entry?

- A price premium – a perceived quality advantage provides the option of charging a premium price
- Channel member can offer a high perceived quality product at an attractive price, to draw traffic
- Brand extensions – perceived quality can be exploited by introducing brand extensions, using the brand name to enter new product categories *(Aaker, 1991)*

Product quality can be captured in eight dimensions: performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality *(Garvin, 1987)*

In a study conducted between coke and Pepsi, a panel of consumers was asked to taste coke and Pepsi. In blind tests (i.e. where the brand identity was concealed) 51 percent preferred Pepsi and 44 percent coke. In the open test (where brand identities were shown), preferences were completely reversed: 65 percent preferred coke and only 23 per cent Pepsi *(Doyle, 1998)*

2.1.3 Brand Loyalty

Oliver (1999) defines brand loyalty as a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, *despite* situational influences and marketing efforts having the potential to cause switching behaviour. *(Chaudhuri and Morris, 1999)*

Brand loyalty is important to a firm because a brand's value to a firm is largely created by the customer loyalty it creates. *(Aaker, 1996)*

Brand loyalty occurs when favourable beliefs and attitudes for the brand are manifested in repeat purchasing behaviour. Some of these beliefs may in some cases reflect the objective reality of the product while others; they may reflect favourable, strong and unique associations that go beyond the objective reality of the product *(Park, 1991)*

According to DeNitto (1993), providing high quality products (accompanied by heavy advertising) can lead to an overall increase in brand loyalty

Considering loyalty as an asset encourages and justifies loyalty – building programs, which then help create and enhance brand equity.

A brand without a loyal customer base usually is vulnerable or has value only in its potential to create loyal customers.

The loyalty of existing customers represents a substantial entry barrier to competitors in part because the cost of enticing customers to change loyalties is often prohibitively expensive *(Aaker, 1996)*.

A study of brand loyalty suggests that it cost six times as much to win new customers as to retain current users. A company's mishandling of a trigger event may turn good customers into vocal and unforgiving opponents *(MacMillan et al. 1996)*

According to Doyle (1998), strong brands can override the occasional hitches and even disasters, which destroy weaker brands. After samples of the leading brand of an analgesic, Tylenol, were poisoned, it was removed from retailers' shelves for several weeks. When distribution resumed, consumers returned to the brand, ensuring a complete recovery of its market position.

If customers are end consumers, customer satisfaction is linked directly to brand equity. For each brand, there are those who like and buy that brand and those who do not. Hence, it is important to note that brand equity is linked to the installed base of users *(Srivastava R.K 1998)*

Brand-loyal consumers may be willing to pay more for a brand because they perceive some unique value in the brand, that no alternative can provide *(Chaudhuri and Morris, 2001)*. Aaker (1991) discusses five levels of loyalty

- Committed buyer – likes the brand and considers it a friend
- Satisfied buyer with switching costs
- Satisfied/Habitual buyer – no reason to change
- Switchers/price sensitive
- Indifferent - no brand loyalty

2.1.4 Brand Association

A brand association is anything "linked" in memory to a brand. *(Aaker, 1991)*

Brand equity is supported in great part by the associations that consumers make with a brand. These associations might include product attributes, a celebrity spokesperson, or a particular symbol.

Brand associations are driven by the brand identity – what the organization wants the brand to stand for in the customer's mind *(Aaker, 1996)*

Associations not only exist but also have a level of strength. They are created by marketing programs that link strong, favourable and unique relationships to the brand in memory. A link to a brand is stronger when it is based on many experiences or exposures to communications rather than few. The strength depends on how the marketing program and other factors affect consumers' brand experiences. These can be facilitated by the consumer's personal relevance of information and the consistence with which this information is presented over time. *(Mbau, 2000)*

According to Keller (1998), favourable associations for a brand are those that are desirable to consumers and are successfully derived by the product and conveyed by the supporting marketing program. Associations can also be unique in the sense that they are not shared with competing brands. Beliefs about unique attributes and benefits that consumers value more favourable than for competitive brands can lead to more favourable brand evaluations and a greater likelihood of choice. These "points of difference" to the brand provide a competitive advantage and reason to buy *(Mbau, 2000)*

Brand association creates value to the firm and customers in several ways:-

- Help process/retrieve information – Association create a compact information chunk for the customer which provides away to cope
- Differentiate – Associations of the brand name play a critical role in separating one brand from another. If a brand is well positioned upon a key attribute in the product class, competitors will find it hard to attack
- Reason – to – buy: Some associations influence purchase decisions by providing credibility and confidence in the brand

- Create positive attitude/feelings – some associations are linked and stimulate positive feelings that get transferred to the brand
- Basis for extensions – by creating a sense of fit between the brand name and a new product, or by providing a reason to buy the extension *(Aaker, 1991)*

2.2 How Brand Equity is Created

Brand equity occurs when the consumer has a high level of awareness and familiarity and holds some strong, favourable and unique brand associations in memory. *(Mbau, 2000)*

The creation of strong brands required a long-term focus. It means investments in brand-building activities, which do not have an immediate pay-off. Many of today's companies have become too short-term oriented. They are unwilling to invest in building brands. Worse, they often destroy long-term brand equity by reducing brand support. While such activities can boost short-term earnings, they permanently erode the company's long-term market competitiveness. *(Doyle, 1998)*

Creating brand equity involves combining brand elements in a consistent and complementary manner so that collectively the brand is memorable, meaningful, transferable and protectable. Hence smart marketers will choose vivid brand names that suggest some concrete or abstract benefit, visually reinforced by a slogan or jungle than enhances awareness and image. Such a chosen brand, with inherent marketing value to build awareness and image as well as serve as a strong foundation to link associations, can provide a firm with a strong competitive advantage.

According to Murphy (1990), creating a successful brand equity entails blending various elements together in a unique way; the product or service has to be of high quality and appropriate to consumer needs, the brand name must be appealing and in tune with the consumers' perceptions of the product, the packaging, promotion, pricing and all other elements must similarly meet the tests of appropriateness, appeal and differentiation *(Mbau, 2000)*

Further Doyle (1998) adds that developing brand equity is a central issue for top management because it is a key determinant of corporate value. The average British and

American Company is valued by the stock market at around twice net balance sheet assets. However, companies with portfolios of strong brands are valued by the stock market at four times net assets.

2.3 Measuring Brand Equity

Most evaluations of brand equity involve utility estimation. Specifically, we attempt to measure the value (utility) of a product's features and price level and also measure the overall utility of a product when including brand name. The difference between total utility and the utility of the product features is the value of the brand. In other situations, the utility of the brand is measured directly and added to the feature utilities to produce an overall utility for the product.

Besides utilities, contributing factors such as current awareness levels of each brand, overall perceptions of each brand, and brands currently used should be measured. It is also useful to obtain estimates of marketing, advertising and promotional expenses for the major brands in the market. Together with utility estimates, this information provides a more complete picture of the relative value of each brand and allows you to understand the major forces driving brand equity: product features, price, market awareness, market perceptions and expenditures to build and support those brands. *(Www.google.com)*

One of the challenges managers face when attempting to measure brand equity is that there are numerous interpretations of this concept, each leading to different set of measures. For example, two independent groups of academics in the USA (Farquhar, 1989 and the work of Simon and Sullivan 1990) adopt a financial perspective, regarding brand equity as the incremental cash flow resulting from associating a brand name with a product. By contrast, Aaker and Biel (1993) take a value – added perspective, conceiving brand equity as the value added to the core product or service by associating it with a brand name. Keller (1993) takes more account of consumer behaviour, regarding brand equity as the result of consumers' responses to the marketing of a particular brand which depends on their knowledge of that brand *(Chernatory and McDonald, 1998)*

2.4 How Can a Firm Use Brand Equity to its Advantage

Brand equity can provide strategic advantages to a company in many ways:

- Allow the firm to change a price premium compared to competitors with less brand equity.
- Strong brand names simplify the decision process for low-cost essential products.
- Brand name can give comfort to buyers unsure of their decision by reducing their perceived risk.
- Maintain higher awareness of your products.
- Use as leverage when introducing new products.
- Often interpreted as an indicator of quality.
- High brand equity makes sure your products are included in most consumers' consideration set.
- A firm's brand can be linked to a quality image that buyers want to be associated with.
- Offer a strong defense against new products and new competitors
- Can lead to higher rates of product trial and repeat purchasing due to buyers' awareness of the firm's brand, approval of its image/reputation and trust in its quality.
- Brand names are company assets that must be invested in, protected and nurtured to maximize their long-term value to your company. Brands have many of the same implications as capital assets (like equipment and plant purchases) on a company's bottom line, including the ability to be bought and sold and the ability to provide strategic advantages.

2.5 Positioning Strategies/Approaches

According to Batra (1998) a positioning strategy can be conceived and implemented in a variety of ways that derive from the attributes, competition, specific applications, the types of consumers involved or the characteristics of the product class (*Wanjau, 2001*)

A product's position represents how a product is perceived relative to the competition on the determinant attributed desired by each segment *(Guiltinan, 1988)*

However, more than a decade ago, Michael Porter suggested four basic competitive positioning strategies that companies can follow – three winning strategies and one losing strategy. The three winning strategies include:

a) Overall Cost Leadership

Here, the company works hard to achieve the lowest cost of production and distribution so that it can price lower than its competitors and win a large market share.

b) Differentiation

Here, the company concentrates on creating a highly differentiated product line and marketing program so that it comes across as the class leader in the industry.

c) **Focus**

Here, the company focuses its effect on serving a few markets well rather than going after the whole market. *(Kotler, 1999)*

The positioning strategy that most agrochemical companies have adapted is the differentiation strategy through packaging. However, in an era when most firms are hard put to explain the money worth of their products and how they differ from the competition, no point of differentiation is likely to prove more powerful than branding *(Tom Peters, 1998)*

2.6 Counterfeits

Counterfeiting and piracy of intellectual property is a major international problem that is difficult to control, but a company also faces the legal loss of intellectual property but not providing for worldwide protection *(Cateora, 1999)*

Kaikati (1981) identified five different basic ways of forging famous trademarks, which have been developed

a) Reverse engineering

Stripping down the original product and then copying it, underselling the original manufacturer (e.g. electronic industry)

b) Counterfeiting

Altering the product's quality without altering the trademark (clothing, watches, drugs)

c) Outright piracy

False product in the same form and same trademark as the original e.g. records and tapes)

d) Passing off

Modifying both the product and trademark, adapting a trademark that is similar in appearance, phonetic quality, or meaning to the original product. All that is normally associated with the product is copied (e.g. Del Mundo for Del Monte, Coalgate for Colgate Toothpaste)

e) Wholesale infringement

Involves the questionable registration of famous brand names overseas rather than the introduction of faked products *(Paliwoda, 1993)*

While Levis and Wrangler clothing have long suffered from product imitations, and few have grieved over this except when challenging the manufacturers over poor quality of their goods to fine that they were in fact counterfeit. This is now spreading to higher value-added products such as heart pacemakers and to birth control pills which are look – alikes but contain only chalk *(Paliwoda, 1993)*

Counterfeiters will target any product where a profit can be made, irrespective of whether the counterfeits cause death of injury to consumers. For example, there have been numerous instances of counterfeit vodka being sold containing methylated spirits. Counterfeit pharmaceuticals are another prime example of the counterfeiter's total lack of conscience.

In many countries where counterfeiting is most prevalent there is an absence or inadequacy of intellectual property laws and a general lack of enforcement action.

In countries that have strong IP laws, it is often the case that the criminal justice system tends to treat those caught counterfeiting with less severity than those committing other crimes such as, for example, drug trafficking. Even if the law allows for heavy prison sentences for counterfeiting, these are generally not imposed. For example, in the UK the

Trade Marks Act makes counterfeiting a criminal offence punishable by up to ten years' imprisonment, though in practice sentences of more than a year are rarely given and in many cases the penalty is just a fine. The exceptions to this tend to be currency counterfeiting and where the goods counterfeited pose a health and/or safety risk. Counterfeiters will reuse the packing of genuine products, which they then fill with the fake product. This has occurred with spirits, agrochemicals, soft drinks and toner cartridges.

Generally, the less well regulated the distribution and sales channels are, the easier it is for the counterfeiter to get his goods into the market place and the more widespread the counterfeits are.

Local companies are asking for stiffer penalties to arrest the increasing circulation of counterfeit products in the Kenyan market, leading to loss of revenue. These companies estimate that they are losing not less than Sh1 billion annually to counterfeit products, eroding their profit margins and also confidence in their products.

The current fine of Sh2,000 or six months' imprisonment for offenders, they say, is too lenient to stop the practice. Companies are losing billions of shillings annually. "The fines are not effective enough to deter offenders because those found guilty are charged but resume their clandestine activities in a different location," said a leading industrialist.

The Statute Law (Miscellaneous Amendments) Bill 2000, passed this year which increased the fine from Sh2,000 to Sh500,000 and imprisonment from between three months and two years for first offenders, is yet to receive Presidential assent.

According to the Bill, the penalty for subsequent offences has been increased from Sh4,000 and six months imprisonment to Sh700,000 and five years imprisonment.

The Kenya Bureau of Standards (KEBS), however, argues that although the war against counterfeits is far from over, a lot has been achieved.

A total of 29 products have for instance been denied entry this year into the Kenyan market for failure to meet the Kenyan standards as the war against sub-standard and counterfeit product intensifies. The bureau disclosed that a number of local manufacturers or distributors have also been either prosecuted or fined heavily for manufacturing or offering for sale sub-standard goods.

KEBS public relations officer, Patricia Kimanthi, said in an interview that the bureau has intensified surveillance on substandard and counterfeit goods. In spite of this however, she admits that the war is far from over.

It has been established that the crisis is so deep-rooted and has adversely affected operations of top multi-nationals, notably the East Africa Industries (EAI), Reckitt and Coleman, Cussons, Cadbury and Ketepa.
The chief security officer at EAI, David Wa Njenga, confirmed that the company loses an estimated Sh47 million annually to counterfeits on the Omo brand alone. The exchequer is denied approximately Sh17 million from this activity.

The hardest hit brands are Royco Mchuzi Mix, Omo, Vaseline Petroleum Jelly and liquid, Lady Gay and Kimbo. He said the company had spent a lot of money over the last couple of years in marketing alone. He revealed that the fake products were being manufactured using either stolen packaging or sub-standard materials made by shady firms.

The sales manager for Sollatek (K) Ltd, Cosmas Musyoki, said they were being affected by imported counterfeits mainly from China. The impact of these products in the Kenyan market is not only the loss of revenue to the Government and company, but also has a serious health risk which, if unchecked, could lead to fatalities. There is also the loss of confidence in the product.

Counterfeit products deny the government its rightful share of revenue, erode the market of genuine products and destroy the image of established brands. Dealers in counterfeit products, through evasion of duty and VAT, enjoy as high as 50 per cent leverage over their counterparts. There is no way a compliant manufacturer can effectively compete with such a trader.

The most adversely affected by the influx of counterfeit goods are: Industry (loss of jobs. loss of sales, loss of market share, shrinking investment. low capacity utilisations. brand damage. risk of prosecution by consumers and enormous cost of tracking); the Government (evasion of taxes and non-conformity to legal standards) and consumers (health risk, no value for money).

And the country's weakening industrial base has given a leeway to outsiders to dominate the local market with South Africa companies the main beneficiaries. *(Financial Standard. February,*

According to Brauchli (1994), intellectual properties – trademarks. brand names. designs. manufacturing processes, formulas, - are valuable company assets that U.S officials estimate are knocked off to the tune of $ 200 billion a year due to counterfeiting and/or pirating. C*ateora. 1999)*

One step that brand owners can take to help stop and detect counterfeits is the used of anti-counterfeiting technologies. Anti-counterfeiting protection can either be overt (visible) or covert (invisible without special equipment or chemicals).

Overt technology is used where the manufacturer wants the security measure to be visible, for example a hologram on the packaging of a piece of software. Also falling into this category are devices that are only visible when held up to the light. e.g. a watermark. or are heat sensitive, for example where rubbing reveals the word "genuine". These are generally classed as overt as they do not require any special equipment or chemical to become visible to the naked eye (although sometimes because they are not instantly visible they are also called semi-covert).

Overt devices provide an easy method for checking whether the product is authentic without the requirement of specialized equipment. The downside of having an overt security device is the very fact it is on show makes it easier for the counterfeiter to copy it. The fake security device does not have to be an exact copy of the genuine device to fool the buyer; the critical factor is that it is a passable copy. (http://www.mof.go.jp/~customs/cfeit-e)

2.6.1 Five Corporate Strategies To Handle Counterfeits

Kaikati (1981) advanced the following counter-strategies from his research of counterfeits and their victims:

a) Compete and attempt to overcome the opposition

A feasible strategy when the firm's stakes and power are relatively high. The objective is domination and forcing the counterfeiters out of the market

b) Avoid conflict and withdraw from the fray

This is feasible where the firm's stakes and power are relatively low.

c) Accommodate the opposition, where the objective is appeasement

Customers may switch to their brand if they knew their products were being faked. The company, which is the victim of such action, is hoping that the problem will disappear

d)Collaborate

This is likely to be best when the firm's relations with the opposition are relatively positive

e)Compromise

In this situation, the firm's stakes are moderate and power is slight

2.7 Marketing of Agrochemicals

Kotler (1997) defined marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value to each other.

According to Kotler (1996), a company's marketing strategy will have to take several factors into account including the company's size and promotion in the market.

A dominant firm's objective is to remain number one. This objective breaks down into three subobjectives

1.To find ways to make the total market grow

2.To protect the current share through good offensive and defensive strategies

3.To expand the current market share further *(Akinyi, 1996)*

Kibera and Waruingi (1998) describes marketing as having two components

a) Controllable Variables – These are activities or decision areas which can be manipulated to achieve marketing objectives and include the 4P's of marketing or "Marketing mix"

b) Non-controllable Variables (Macroenvironmental factors) – which either facilitate or hinder the activities of markets. There are economic, political-legal, geographic, social, competitive and technological environments. They influence the degree of freedom an individual marketing executive has in making decisions on the product, price, place and promotion variables.

Agrochemical companies are usually in the business of increasing agriculture/Horticulture production, by supplying crop sector inputs and technical services when required.

The Agrochemical market in Kenya is mature. Real growth is around 2% per annum. Seasonal fluctuation can be large. New product entries and new 'player' entries will ensure market remains overtraded. Uganda and Tanzania privatization programme will continue and will represent the main areas of growth for the Agrochemical business. Kenya's agrochemical business will need to invest prudently in the outlying region. Generic competition in all sectors will increase with liberalization. *(Strategic Marketing Plan, Twiga Agriculture, 1997)*

2.7.1 Marketing Mix

Marketing mix is a set of marketing tools that the firm uses to pursue its marketing objectives in the target market *(Kotler, 1997)*

Marketing mix decisions must be made for both distribution channels and final consumers. There are four marketing tools in marketing mix: product, price, place and promotion

2.7.1.1 Product

In the marketing mix, product stands for two things. First, it is the actual goods or services that marketers offer their target markets. Second, it refers to the many ways in which those goods or services are enhanced to satisfy customers *(Churchill and Paul, 1995)*

Just like any other market, agrochemical companies use packaging and labeling as major aspects of enhancing a product.

Agrochemical customers involve both large scale and small scale farmers, therefore the strategy that they mostly use to make both targets afford the product is to avail products in different package sizes, from sachet size for small scale farmers to more than 20 kg/20 ml for large scale farmers. For example, Actellic Super which is used by both small and large scale farmers growing maize has four different package sizes – 200gm, 500gm, 1kg and 25kg. *(Strategic Marketing Plan, Twiga Agriculture, 1997)*

Labeling as an aspect of enhancing a product is also important in marketing of agrochemical. The labels on the packages are usually in English and Kiswahili, which are usually understood by most customers in Kenya. The label is marked in different colours with different meanings and agrochemical companies usually organize training for the Ministry of Agriculture extension staff, stockists and farmers to educate them on the importance of the labels. *(Agrochem News, September, 2001)*

The products are also marketed depending on the life cycle of the product. For example, cash cow and a star will require less advertising as compared to a problem child.

Since satisfactory experience in use is the major way in which brand values are acquired, having a quality product is the foundation upon which all other brand associations are built. If quality is allowed to deteriorate or if the brand is surpassed by competitive products, which work better, then its position will be undermined. *(Doyle, 1998)*

According to AAK Bulletin (2001), it is the responsibility of all players in the pest control industry to make sure that any product one is handling is genuine and meets the specifications of the PCPB. Failure to this, unrecommended fake and smuggled products will continue to be used by the ignorant consumers and the end result will be rejection of our farm produce in the international markets in addition, to the continued human health risks and environmental degradation. *(Agrochem News, March, 2001)* PCPB is strict in dealing with people handling unregistered products, and does not compromise with a dealer of such products and are immediately prosecuted within the laws of the country.

2.7.1.2 Pricing

The price of a good or service is its exchange value – that is, what the buyer would pay in exchange for the product. It consists of setting prices that support the organization's marketing strategy *(Churchill and Paul, 1995).*

Competition is a major factor affecting pricing in agrochemical and they therefore have to come up with pricing strategies that stay in the market. This is because most of the products sold in these companies have similar active ingredients and the marketer has to give a competitive price as compared to others. They also give discounts to bulk purchase. Twiga, agriculture gives 5% off for orders exceeding Kshs 100,000 in value *(Dealers Price List, Twiga Agriculture)*

The marketer has also to analyze the advantage of the competitor against his in drawing up his pricing strategies. For example, BASF has analyzed its DELAN as having two major competitions from DACONIL (Aventis) with the product following advantage

- Lower cost per Ha
- Well entrenched
- Breakdown during the rainy season
- No irritation
- More than one distribution agent

(DELAN 500SC, Marketing Plan, 2001)

And

CHLORTOCAFFORO (BAYER)

- Low price to the end user and bundling with COBOX
- Aggressive company with wide product range
- Strong backup support base *(DELAN 500SC, Marketing Plan, 2001)*

The price of DELAN is therefore based on the competitive advantages the above products have against it.

2.7.1.3 Channel of Distribution (Placement)

It consists of getting the product to the target market so that it will be convenient to buy *(Churchill and Paul, 1995).*

All agrochemical companies have made their product available even in the most remote area of the country through different intermediaries.

Usually they appoint sales representatives and locate them in different "territories" of the country. They are responsible in making contact with stockists and farmers and also training them.

They also appoint demonstrators who are answerable to the sales representatives and have small territories. They are mainly responsible in making contact with farmers mainly through motorbikes.

They also have stockists some who are wholesalers and others retailers. Wholesalers buy directly from the companies. Large-scale farmers such as wheat and flower farmers can purchase directly from the company.

The stockists are located strategically in agricultural growing area and companies through generous margins motivate them.

Agrochemical companies manufacture some products and others are imported. In the year 2000, there was a reduction of pesticides imported in Kenya in value and quantity according to statistics from Pest Control Products Board (PCPB) *(AAK. News,2001).*

2.7.1.4 Promotion (Communication)

This involves informing target markets about the organization and its product. This is the most important element of the marketing mix that most agrochemical companies use. *(Churchill and Paul, 1995)*

Farmers meetings are usually used to train farmers on safe use of the pesticides, which will encourage purchase from the customers.

The ultimate target of our training endeavor is the user who in the majority is the farmer. This is also evident from our training budget (*Wainaina J. 2001).*

The key promotion strategies of DELAN from BASF include

- Advertising – Ensure awareness and appropriate information is communicated to the end used and influencers
- Sales Promotion – Target distributors and influencers to ensure promotion of product.
- Relationship Marketing – Maintain, develops and grows relationships with key farmers and influencers using direct contact and direct mail.
- Publicity – editorials etc *(DELAN 500SC. Marketing Plan. 2001)*

CHAPTER THREE

3.0 RESEARCH DESIGN

Research designs can be classified as experimental, survey, case study, archival analysis and historical designs.(Wanjohi, 2002)

According to Emory (1985), research designs can be classified by the communication method used to gather primary source data. The researcher used survey design. Survey design involves questioning people and recording their responses for analysis. The most appropriate application are those where respondents are uniquely qualified to provide the desired information. The respondents chosen by the researcher fit in this category. Survey method provides descriptive information on feelings, beliefs and attitude. Questionnaires were used. The researcher used "drop and pick" later method. This is because it was cheaper than other survey methods such as mail survey, personal interviews and took less time since all the companies are located in Nairobi. Personal delivery encouraged fast response than mail delivery.

3.1 Population and Sample

The population of interest consisted of the main agrochemical companies based in Nairobi. According to the Pest Control Product Board (PCPB) list of accredited agrochemical companies, 2002 –2003, there are 17 firms involved in manufacturing, marketing and distribution of agrochemical products in Nairobi.

Distribution in this study refers to companies that distribute and sell products from parent companies and other accredited companies in and outside Kenya; it does not include stockists and retailers.

The respondents for the study included persons vested with the responsibility of marketing the firm's products. These were the heads of marketing or product development departments. The rationale for the selection of these respondents was the fact that they are associated with the performance of various marketing and brand management activities.

Since the population size was small, the researcher contacted all the companies so that each company had an equal opportunity of being interviewed. All the respondents targeted responded.

3.2 Data Collection Procedures and Analysis

Data was collected through questionnaires, which was dropped and picked personally by the researcher and one assistant who had initially made appointments with the marketing and product development managers of these companies. The questionnaires consisted of open-ended and structured questions and a 5-point Likert Scale. The questionnaires was in three parts and aimed at providing answers to the objectives of the study. Part One of the questionnaires was on general marketing information about the company and the products under study. Part Two involved the different brand equity assets and how the respective companies use the brand equity assets to position their brands. Part Three of the questionnaires aimed to find out how the companies have effectively used such strategies to fight against counterfeits.

Once received back, the questionnaires were checked for acceptability – completeness and quality

To ensure and increase accuracy and precision, the questionnaires were edited in order to detect errors and omissions, and were corrected to certify that minimum data quality standards were achieved. This simplified coding and tabulation. Data was classified into more usable form for analysis by use of simple tabulation. Frequency tables were used to display data. Pie charts and barcharts were used to make values and percentages more readily understood.

Some of the data involving interval scales were analyzed by arithmetic mean as a measure of central tendency. (eg Part 1, Q 2)

Descriptive statistical analysis such as proportions, mean and percentages were used. These methods of analysis were preferred for their ease of reference and interpretation by the beneficiaries of the study.

CHAPTER FOUR

4.0 DATA ANALYSIS AND FINDINGS

This chapter presents and discusses the analysis of data collected using questionnaires, then interprets the data in relation to the research objectives. In an effort to assess the usage of brand equity in positioning brands within the agrochemical industries based in Nairobi, seventeen firms were selected.

The questionnaires were hand delivered to the company by the researcher and one assistant and picked later. This method proved to be very effective because all the targeted respondents returned the questionnaires. The questionnaire was designed so as to provide pertinent responses that addresses the core elements of brand equity, that is, brand loyalty, awareness, perceived quality and brand associations.

4.1 Management of Brands

Table 1: Number of Years in the Market

Years	Frequency	Percentage
0-5	7	41%
6-10	0	0%
11-15	2	12%
16-20	2	12%
20-25	6	35%
TOTAL	*17*	*100%*

Ten companies have been in the market for at least ten years. They can therefore be able to give relevant information about use of brand equity assets in positioning brands. They therefore know the trend of brand awareness, loyalty and perceived quality of their brands.

TABLE 2: Ownership of the Company

OWNERSHIP	FREQUENCY	PERCENTAGE
Foreign	5	29%
Local	10	59%
Local and foreign	2	12%
Government owned	0	0%
Foreign and government	0	0%
TOTAL	17	100%

This table shows the ownership of the company and it is clear that most companies are locally owned. This means that being locally owned, the decisions made on use of brand equity assets are fully based on the response of the local market and there is no foreign interference. The management therefore operates the company based on the market response and is not answerable to foreign masters who may not understand the perception of the local market and how much is needed to create awareness and maintain loyalty. Different markets respond differently based on their culture and other factors.

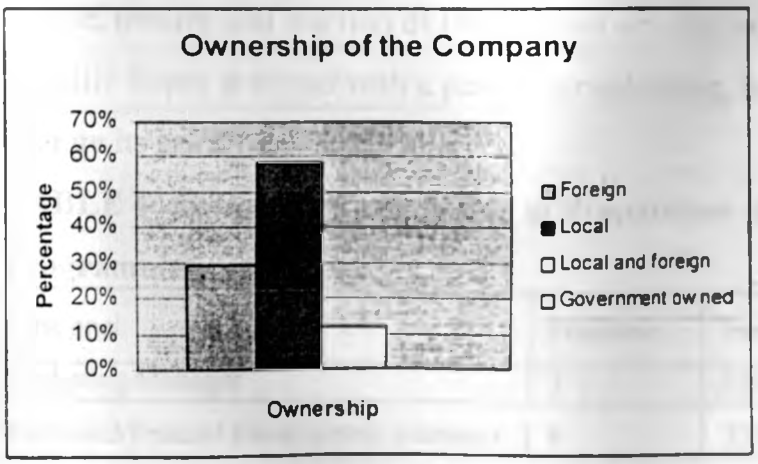


TABLE 3: Companies with Brand Managers

Companies	Frequency	Percentage
Without	17	100%
With	0	0%
Total	17	100%

This table clearly shows that all the companies targeted do not have a brand manager responsible for each particular brand. What they have are marketing managers, product development managers, general managers who are responsible for all the company's products. This means that they do not have enough time to concentrate on each brand. This partially explains why the damage of counterfeits in this industry is very high and why they have been unable to overcome the problem. The companies requires brand managers who are fully responsible in training farmers and stockists on how to identify fake products through identifying fake packages, and other features of the product such as colour, texture and reaction of the product on other substances, for example, if Actellic Super is mixed with a particular substance, how would it react, will it dissolve, change its colour and so on.

TABLE 4: Personnel Responsible in Preparation of Marketing and Promotion Programmes

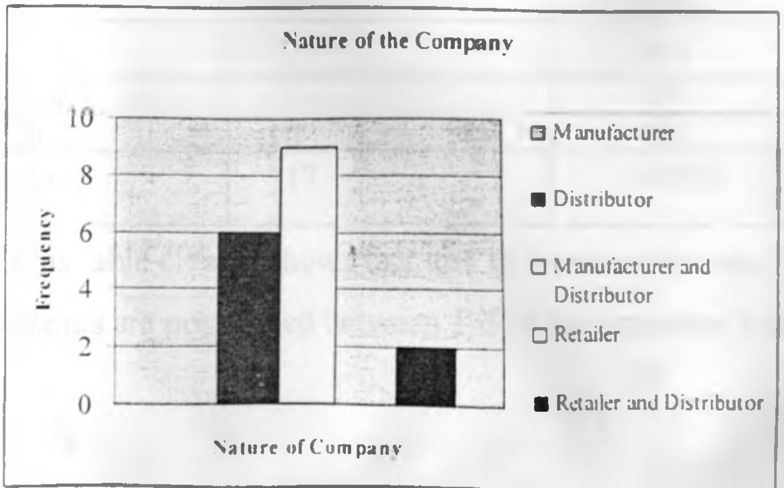
Personnel	Frequency	Percentages
Marketing Manager	3	18%
Technical/Product Development manager	6	35%
Marketing & Product Manager	1	6%
General Manager	4	24%
Managing Director	1	6%
Crop/Marketing Manager	1	6%
Sales Manager	1	6%
Total	17	100%

The table clearly shows that most firms have a technical/product development manager. These managers may only understand the technical side of the product but not the concept of brand equity assets. They may not understand the importance of brand awareness, perceived quality and brand loyalty in positioning brands and how effective this concept is in fighting counterfeits. One company has the Managing Director responsible in marketing activities. This means that he has many more responsibilities other than positioning the brand. Murphy (1990) argues that companies should develop a style and structure which recognizes the fact that their most valuable and important assets are their brands. They should then focus on proper management, development and exploitation of these assets in order to grow and prosper. This can be achieved if all the firms have a brand manager or at least a marketing manager.

TABLE 5: Nature of the Company

Nature	Frequency	Percentage
Manufacturer	0	0%
Distributor	6	35%
Manufacturer & Distributor	9	53%
Retailer	0	0%
Distributor & Retailer	2	12%
Total	17	100%

Nature of the Company



Nine out of the seventeen companies are involved in manufacture and distribution of the brand and therefore should understand their brands functionally and emotionally

4.2 Brand Awareness

TABLE 6: Medium of Creating Awareness

MEDIUM	FREQUENCY	PERCENTAGE
Radio	0	0%
Television	0	0%
Journals	0	0%
Combination	14	82%
Others	3	18%
Total	17	100%

Among the key elements in a brand are the name, logo, packaging, promotion and overall design and presentation. Creating strong brand equity entails blending all these various attributes together in a unique way to meet the tests of appropriateness appeal and differentiation.

This table clearly shows that 82% of the firms use a combination of advertising medium to create awareness. The firms understand the importance of brand awareness in positioning brands. Brand awareness is a core asset in these firms.

TABLE 7: Position of the Brand in Consumer's Mind

POSITION	FREQUENCY	PERCENTAGES
1-5	12	71%
5-10	3	17%
10-15	1	6%
15-20	1	6%
20-25	0	0%
Total	17	100%

This table clearly shows that due to brand awareness, 71% of the firms think that their brands are positioned between 1-5 in the consumer's mind. Despite all the firms not

having a brand manager, they recog[illegible]
their brand. According to Aaker (1991), increasing awareness involves working along
a continuum that can be respected by three levels of brand awareness, namely,
recognition, recall and 'top of mind'.

Position of Brand in Consumers Mind

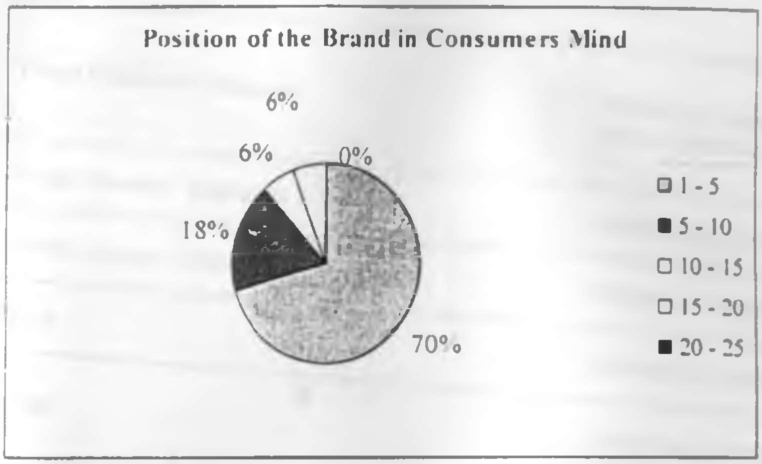


TABLE 8: Brands Involved in Sponsorship of Events

The table clearly shows that 71% of the brands sold by these firms expose their brands through sponsorship of events such as Ministry of Agriculture Shows, radio programme Ministry of Agriculture field days and sports such as football. Agrochemical industries therefore understand the customer's importance of increasing awareness to their client

Brand Involved in Sponsorship of Events

Sponshorship	Frequency	Percentage
Involved	12	71%
Not involved	5	29%
TOTAL	*17*	*100%*

Events Sponsored

Company	Event
Twiga Chemical Industries	Ministry of Agriculture show - Machakos
Twiga Chemical Industries	Karate radio programme
Amiran (Kenya Limited)	Billboards in football fields
Elgon	Billboards in football fields
BASF	Fastac (Oserian football club)
Unga Farmcare	Hotfair
Cooper Kenya Limited	Lottery
Sygenta	Radio programme
Farmchem	Field days
Murphy	Field days
Juanco	Hotfair
Hygrotech	Wheat growers association

TABLE 9: Evaluation of Impact of Marketing Activities

No of years	Frequency	Percentages
0-1	7	42%
1-2	6	35%
2-3	4	23%
3-4	0	0%
4-5	0	0%
Total	17	100%

The table shows that most firms evaluate their marketing activities after one year. Firms must recognize that brands are rare and precious assets that deserve to be treated with care and consideration. Hence the need to regularly evaluate impact of marketing activities to know whether the brand is meeting customer recognition

Brands, like anything else, must adapt or die and any change of advertising message, or packaging should be done in consultation with the consumers *(Mbau, 2000)*

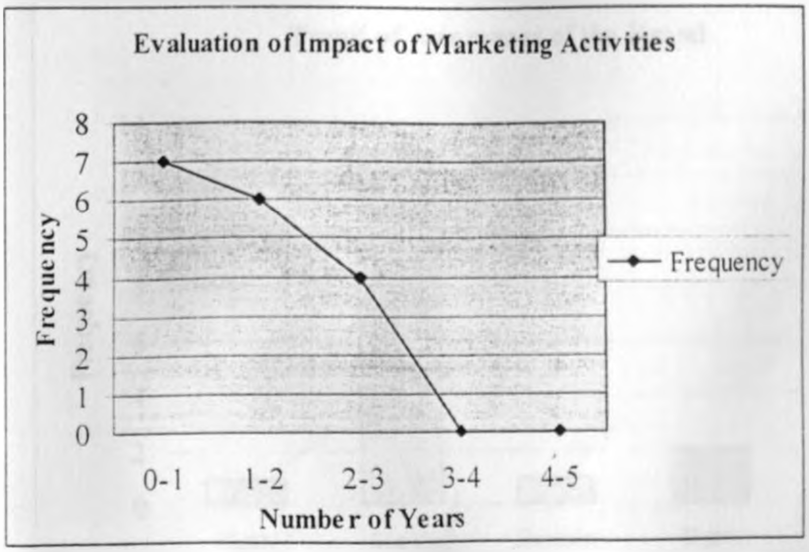
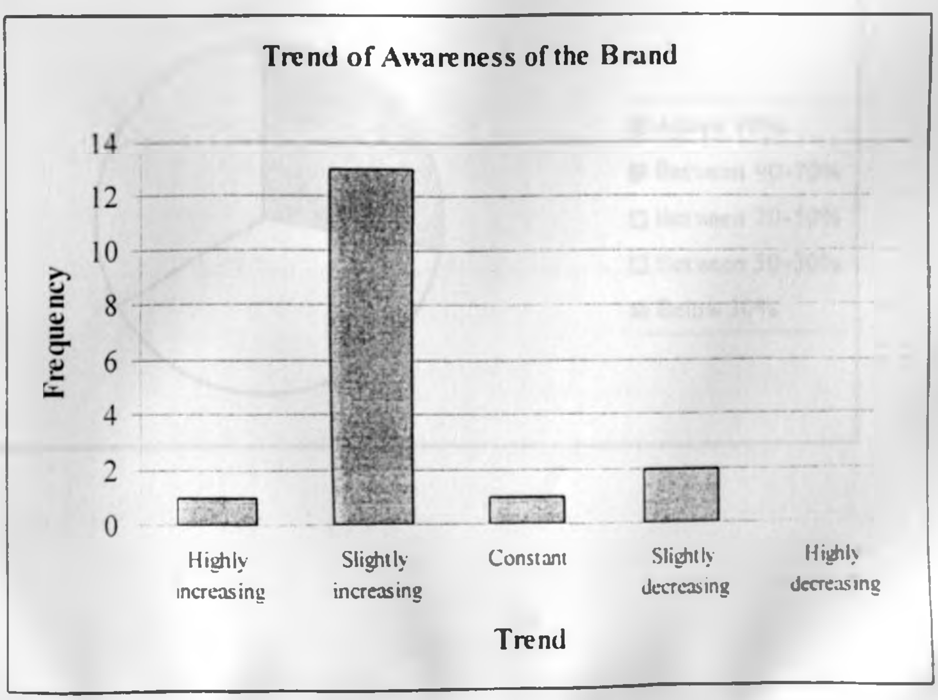


TABLE 10: Trend of Awareness of the Brands

Trend	Frequency	Percentage
Highly increasing	1	6%
Slightly increasing	13	76%
Constant	1	6%
Slightly decreasing	2	12%
Highly decreasing	0	0%
Total	17	100%

The trend of 76% of the firms that responded is slightly increasing. This shows that are responding to brand awareness activities such as advertising, sales promotion and personnel selling. Most agrochemical companies create awareness through sales promotion activities. The agrochemical industries downplay the role of price while emphasizing the place of packaging and sales promotion.



4.3 Brand Loyalty

TABLE 11: Percentage of Stockists Stocking their Company's Brand in Nairobi

Percentage	Frequency
Above 90%	5
Between 90-70%	0
Between 70-50%	7
Between 50-30%	6
Below 30%	0

The table shows that twelve firms have confirmed that 50% of the firms stock their brand. The level of loyalty of these brands is therefore high. Murphy (1990) observes that even though consumers have the ability to purchase whatever products or brands they wish, in practice they are remarkably loyal to familiar brands and desert them only reluctantly. The fact that 50% of the stockists of most of the target firms stock their products shows that customers are loyal to the brand.

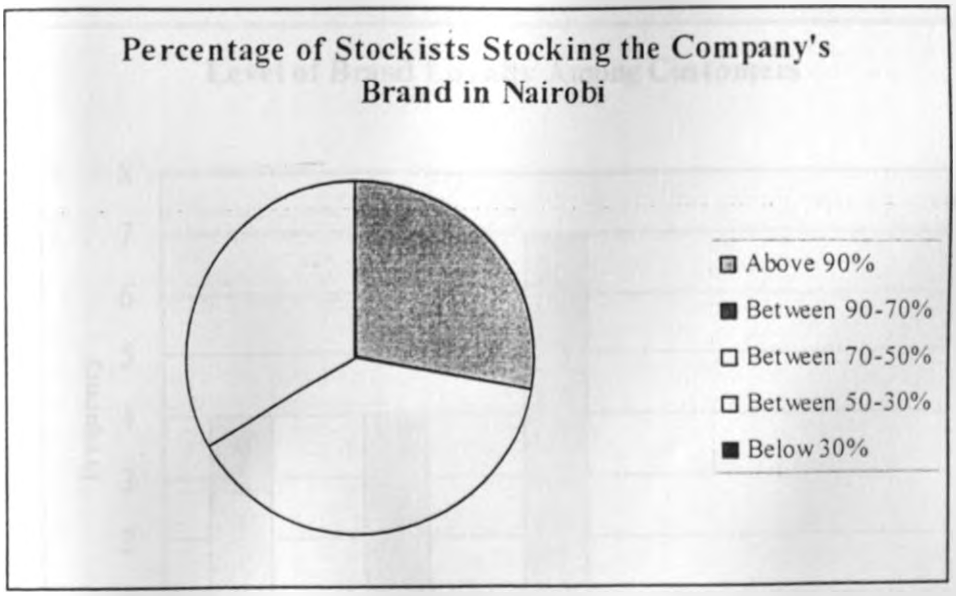


TABLE 12: Level of Brand Loyalty Among Customers

Level	Frequency	Percentages
Very loyal	4	24%
Loyal	4	24%
Neither loyal nor unloyal	7	40%
Slightly loyal	1	6%
Not loyal	1	6%
Total	17	100%

Only eight of the seventeen firms responded that their customers are very loyal or loyal. Seven firms show neither loyal nor unloyal. This is due to some dissatisfaction of the customers on using the brand. This can be attributed to fake products and customers may prefer not to stick to one product to minimize risk of failure of the product. The industries therefore need to improve loyalty of customers through training in order to create trust.

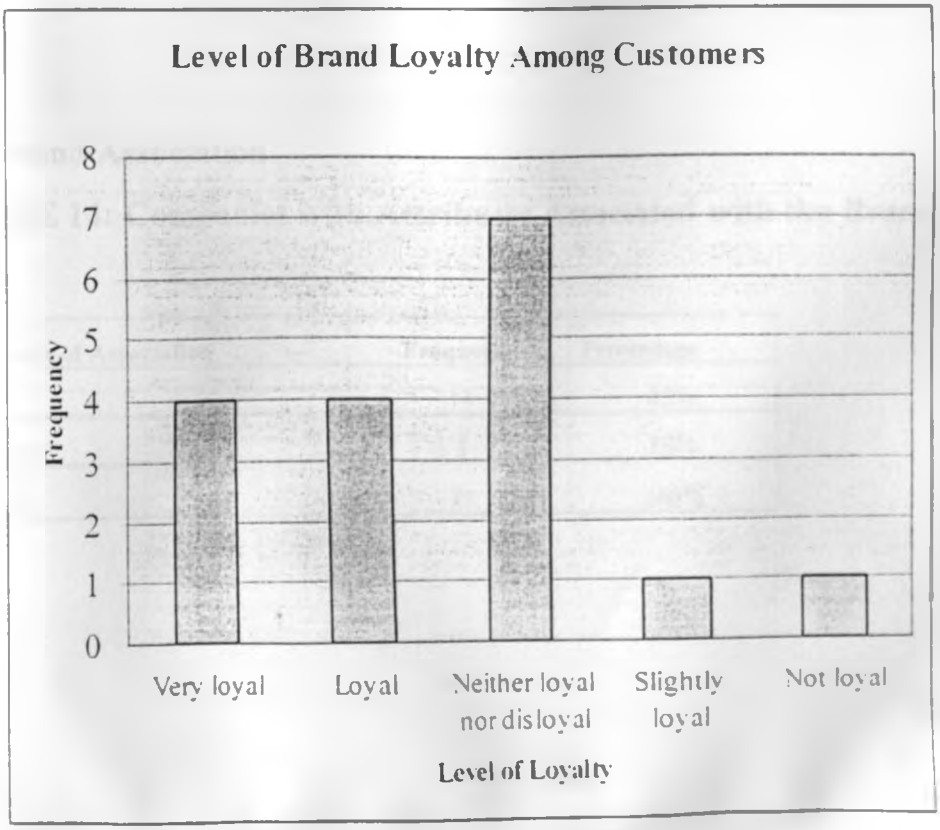


TABLE 13: Segments in which the Customers are Placed by the Company

Segment	Frequency	Percentage
Non customers	0	0%
Price-switches	10	59%
Passively loyal	0	0%
Fence sitters	2	12%
Committed	5	29%
TOTAL	*17*	*100%*

The segment shows that most customers are price switchers. They go for the product which they find cheaper thus may buy fake products only to blame the industries of their dissatisfaction. Agrochemical industries have several levels of distribution and any level can sell a fake product hence the price switchers become a target of fake products.

4.4 Brand Association

TABLE 14: Companies with Attributes Associated with the Brand

Existence of Association	Frequency	Percentage
With	14	82%
Without	3	18%
TOTAL	*17*	*100%*

It is clear that 82% of the companies have attributes associated with the brand. This increase brand awareness, loyalty and perceived quality. These firms are identified with specific events, which they constantly sponsor as a way of exposing and strengthening the relationship of their brands with their customer.

These associations are created when a firm uses knowledge about buyer's needs and preferences to build long term relational bonds between external entities and the firm.

TABLE 15: Whether Association of the Brand with a Recent Event has Increased Sales

Increase in sale	Frequency	Percentage
Yes	3	18%
No	4	24%
N/A	10	58%
Total	17	100%

Whether Association of the Brand With a Recent Event Has Increased Sales

4.5 Perceived Quality

TABLE 16: Value of Importance of Perception of Your Brand to Your Customers

Importance	Frequency
Very important	12
Important	5
Neither important nor unimportant	-
Slightly important	-
Not important	-
TOTAL	*17*

It is clear that 71% of the companies value the importance of customer perception towards their brands. Consumers, over time tend to develop feelings towards certain brands, which they extend to the brand as though the brand were a person. Their feelings reflect the overall perceived quality of the brand. How a customer perceives quality of a company brand will affect repurchase of the brand and also purchase of other products from the company. If the customers think the brand is low quality, they will not buy any other product from the company. Fake products affects perceived quality and can lead to shift of brand loyalty.

TABLE 17: Complaints of Poor Quality of Brands

Status	Frequency
Yes	15
No	2

Fifteen companies have experienced complaints of poor quality of their products. This can be attributed to fake products that cause customer dissatisfaction

TABLE18: Companies Affected by Counterfeits

	Frequency	Percentage
Affected	13	76%
Not affected	4	24%
Total	17	100%

It is clear that 76% of the companies are affected by counterfeits. This can be attributed to popularity of their brands, packaging which can easily be copied due to developing technology and also high price of agrochemical products

Companies Affected by Counterfeits

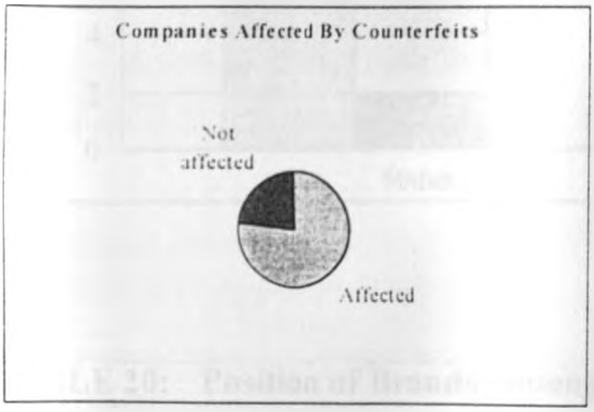


TABLE 19: Companies with Personnel to Fight Counterfeits

	Frequency	Percentage
With	10	59%
Without	2	12%
N/A	5	29%
Total	17	100%

Ten of the seventeen companies have personnel fighting counterfeits. Table 20 shows that twelve of the seventeen companies believe their brands are popular therefore a need to protect their brand through use of brand equity assets. The brands are popular due to high level of awareness created in the industry through training during field days, seminars and conferences.

With Personnel to Fight Counterfeits

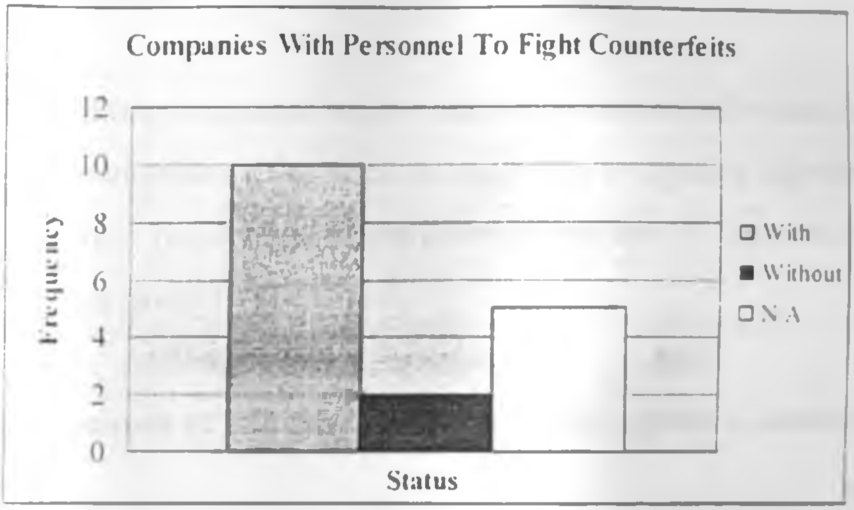


TABLE 20: Position of Brands Among the Counterfeits

Position	Frequency
Very popular	6
Popular	6
Neither popular nor unpopular	4
Slightly popular	1
Not popular	-
TOTAL	*17*

TABLE 21: Main People Dealing with Counterfeits

Group	Frequency
Manufacturing companies	0
Distributing companies	4
Stockists	16
Individual	15
Combination	2

Most of the companies believe that stockists and individuals are the main people dealing with counterfeits. The stockists may want to create a higher margin than allowed by the company. The companies are however not able to fight the counterfeiters due to low penalties given by the courts.

4.6 Measure of Effectiveness in the Fight against Counterfeits

Measure	Frequency
a) Increased market share of affected brands	6
b) Increased sales of affected brands	6
c) Reduced shift in brand loyalty	4
d) Use of brand equity assets increased costs of brands affected by counterfeits	0
e) Improved relationship between the company and the Clients	11
f) Reduced advertising costs	1
g) More farmers become loyal to our brand regardless of the counterfeit problem	1
h) Counterfeiters sell more than us	1
i) Cost of training farmers on how to identify fake products Reduces	0
j) Less customer complaints	1
k) Clients purchase other products from our company	0

This study identified the factors, which the companies use to measure effectiveness of brand equity assets to fight counterfeits

Eleven of the seventeen companies acknowledge that use brand equity assets improves relationship between the company and clients. This means improved brand loyalty and perceived quality. This will in turn increase the market share and sales of the affected brands. Counterfeits not only lower sales and market share of the brands but also increase costs of advertising to increase awareness and maintain loyalty.

Use of the concept of brand equity also reduces shift of brand loyalty

Counterfeits cause lack of trust in brands. A shift in loyalty is an extra cost to the company because they have to invest more on brand awareness and it may take years to regard the loyalty back.

To effectively use the brand equity concept tó fight counterfeit calls for a management whose skills, knowledge and vision are unquestionable. Hence the qualifications of top management is an important issue.

One firm feels that counterfeiters will sell more than the company's brand. This is due to the fact that brand equity assets increase the popularity of the brand thus tempting the counterfeiters to join the market.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary and Conclusions

It is clear from the study that many of the firms targeted do not fully understand the concept of brand equity. Most of the firms have been in the market for more than ten years and as much as they practice brand equity assets, they do fully understand the importance. The firms use a combination of media to create awareness and the impact of their activities is not well defined. The counterfeiters do not advertise their products at all but are able to shake the firms. These firms require putting more efforts in managing brands and investing in brand equity assets.

The study shows that none of the firms have brand managers. It is important for them to have brand managers so that they can concentrate all their efforts and skills in monitoring the activities of the counterfeiters. The counterfeiters are usually stockists and individuals who do not have much capital to fight a good war if these firms declare one. The key to the success of brands will be the commitment of firms in the development of brand equity, the brand management systems that support it and the ongoing investment in marketing programs that sustain it. Many of the firms do not have specific managers for communicating brand benefits and attributes. The management needs to evaluate their marketing activities regularly.

The industry is however emphatic on its preference for the brand awareness element in its quest to meet the tests of appropriateness, appeal and differentiation of firm's various brands. This is achieved by sponsorship of various events such as football, Ministry of Agriculture field days, training and shows and farmer's seminars. Data from the study show that the trend of awareness of most of the firms is slightly increasing. The firms therefore need to put more efforts in the awareness campaigns.

There is high level of loyalty of the firm's brands by the stockists. This can be attributed to effective performance of the brands but due to eagerness to earn more profits, the stockists also involve themselves in selling fake products.

Most of the customers are price switchers. This explains why the fight against counterfeit has been difficult to overcome. Price switching of these customers has encouraged stockists to sell fake products.

Most of the firms have attributes associated with their products. For example, Karate is associated with the game of Karate. This improves the perception of the customers towards the brand because the association signifies strength.

The sector is also keen to ensure that its products are perceived to be of very high quality and reliable. This has enabled customers to gradually develop positive feelings of trust, friendship and respect and a willingness to pay a premium price for these brands.

The study has identified improved relationship between the company and the clients as the most important measure of effectiveness in the fight against counterfeits. With fewer complaints of counterfeits among the customers, trust starts to build up and the relationship between the two parties increases. This will in turn increase the firm's market share and also sales.

As noted by Murphy (1990), major companies have already been redefining their marketing functions and overhauling the brand management status. This has been prompted by the need to respond quickly to technical changes, new and emerging tools of analyzing brand performance and brand equity. The case of Kenya tends to reveal that majority of the agrochemical companies embrace and aggressively implement some of the elements of brand equity in varying degrees. This revelation seems to suggest that it is not the adoption or implementation of brand equity concept that is the problem but rather a lack of knowledge and understanding of its operative variables and mechanisms.

With less counterfeits, there is reduced shift in brand loyalty. More farmers become loyal to the brands regardless of the counterfeit problem. Creation and application of brand equity can be viewed as difficult by firms whose perspectives are short term, as it requires patience and long term vision.

5.2 Recommendations

Brand equity assets are definitely important and will determine the success of firms in the future. Murphy (1990) argues that companies should develop a style and structure which recognizes the fact that their most valuable and important assets are their brands. They should then focus on the proper management, development and exploitation of these assets in order to grow and prosper.

Agrochemical companies should appoint brand managers and avoid carrying marketing activities through technical and general managers and Managing Directors. The brand managers should have skills to manage the brands effectively. They should transform brand equity into an operational concept which managers are able to relate with and apply. All decisions should be based on what could be produced to satisfy the needs and wants of customers.

The companies should also evaluate their marketing activities more frequently to find out whether they have any impact. The trend of awareness is slightly increasing in most firms. The firms need to increase the budget of brand awareness through more sales promotion, personnel selling and more advertising on billboards and where most farmers visit.

The companies need to work hand in hand with the authority in order to overcome the problem. The court also needs to extend stiffer penalties to the counterfeiters. The companies can also be more strict on their stockists and conduct stiffer inspections on the products that the stockists are selling. Any stockist selling fake products should not be allowed to operate again until the Pest Control Product Board (PCPB) is satisfied that the stockist has met the right requirements.

Loyalty of farmers can be increased through training the stockists and farmers together. Stockists are closer to the farmers and should be responsible in advising the farmers. Most of the farmers are price switchers. They need to be turned to committed customers and this is through improving the relationship between the firms and the clients. Counterfeiters soil this relationship because on the failure of the brands, the farmers turn against the companies.

It is the duty of the managers to ensure that marketing functions recognize brands for what they are and ensure that they are available at an appropriate price, are properly presented and adequately advertised and supported, in addition to having the full range of varieties and alternatives which the consumer might require.

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

5.3 Limitations of the Study

The agrochemical industry comprises of companies of different sizes such that some of the companies cannot afford to employ qualified marketing and brand managers. Some of the managers vested with marketing activities are not qualified and do not have the skills to do their work. Due to this, some of them had difficulties understanding some of the issues in the questionnaires.

Some of the companies were reluctant in answering some of the questions in the questionnaire especially the firms that have foreign ownership.

There were also financial constraints involving typing and printing the project and travelling to have the questionnaires completed.

5.4 Suggestions for Further Research

The study on counterfeits is very wide and not many researchers have studied the problem. This is not a problem that can be solved by a few parties in the market. It needs involvement of the manufacturing, distributing companies, stockists, consumers and the Government. They need to be more research on this issue.

There also need to be more brand equity research focusing on end-user, the consumer, and suggest other implications for marketing strategies and tactics.

Further research questions may be necessary to clarify the roles of various brand identities by considering more explicitly how brand names, logos, symbols and other trademarks can contribute markedly to position brands.

Research can also be done to determine the exact costs of counterfeits to the companies affected and the economy as a whole.

Research could also be done to develop more valid benchmarks for the direct approach to measuring brand equity. That is by establishing plausible descriptions of the relevant activities such as advertising, promotion, product and pricing or to design efficient and effective approaches to conducting tracking studies.

APPENDIX 1

KABURA ELIZABETH. A.
D61/P/7927/2000
P.O BOX 13145, 00100
NAIROBI. GPO
TEL: 0722798314
DATE: 29th JULY 2002

Dear Respondent.

I am a postgraduate student at the University of Nairobi. In fulfillment of the requirements for the award of the Masters in Business and Administration Degree. I am conducting a study titled **"USAGE OF BRAND EQUITY ASSETS IN POSITIONING BRANDS (THE CASE OF AGROCHEMICAL INDUSTRIES BASED IN NAIROBI)"**

Your organization, which falls within the population of interest. has been selected to form part of this study. This therefore is to kindly request you to assist me collect data by filling out the accompanying questionnaire.

The information provided will be used exclusively for academic purposes and will be treated with strict confidence. A copy of the research project will be made available to your organization upon request.

Your co-operation will be highly appreciated.

Thank you

Yours faithfully,

Kabura E A
MBA Student

Mr. T Mutugu
Supervisor & Senior Lecturer

APPENDIX 2

LIST OF ABBREVIATIONS

1. EAI - East Africa Industry
2. CID - Criminal Investigation Department
3. IP Laws - International Property Laws
4. KEBS - Kenya Bureau of Standards
5. LGB - Larger Grain Borer
6. PCPB - Pest Control Products Board
7. AAK - Agrochemical Association of Kenya
8. VAT - Value Added Tax
9. MOA- Ministry of Agriculture

APPENDIX 3

LIST OF ACCREDITED AGROCHEMICAL COMPANIES 2002 – 2003

NO	COMPANY	LOCATION
1.	AVENTIS CROP SCIENCE	NAIROBI
2.	JUANCO	NAIROBI
3.	BASF E.A. LTD	NAIROBI
4.	BAYER E.A LTD	NAIROBI
5.	ORBIT CHEMICALS	NAIROBI
6.	DERA CHEMICALS LTD	NAIROBI
7.	HYGROTECH	NAIROBI
8.	FARM CHEM LTD	NAIROBI
9.	AMIRAN (KENYA)	NAIROBI
10.	ELGON CHEMICALS	NAIROBI
11.	LACHLAN E. A	NAIROBI
12.	MURPHY CHEMICALS E.A	NAIROBI
13.	ORION E.A LTD	NAIROBI
14.	TWIGA CHEMICALS INDUSTRIES	NAIROBI
15.	UNGA FARMCARE LTD	NAIROBI
16.	COOPER, KENYA LTD	NAIROBI
17.	SYNGENTA E.A LTD	NAIROBI

Source: Pest Control Products Board (PCPB), 2002

APPENDIX 4

QUESTIONNAIRE

The questionnaire below is in three parts. Part One is on general marketing and product information of your company. Part Two is concerned with the brand equity assets used by your company. Part Three of the questionnaire aims to find out how these assets have effectively been used to fight against counterfeits affecting your products.

PART ONE

1. Name of the company...
2. How long have you been in the market

0-5 years	( )
6-10 years	( )
11-15 years	( )
16-20 years	( )
20-25 years	( )

3. Ownership of the company

Foreign	( )
Local	( )
Both local and foreign	( )
Government owned	( )
Foreign and Government	( )

4. Do you have a brand manager ( ) Yes( ) No
5. Who prepares your marketing and promotion programmes?

6. Does your company have a procedure of tracking and analyzing the effectiveness of marketing expenditures?

( ) Yes( ) No

7. What is the nature of your organization?
   ( ) Manufacturer ( ) Distributor ( )Manufacturer and Distributor
   ( ) Retailer ( )Distributor and Retailer

PART TWO

When answering, please consider the **brands affected by counterfeits**

Brand Awareness: Refers to the strength of a brand's presence in the consumer's mind

1. Which medium of advertising does your firm normally use to create awareness?
   ( )Radio ( )Television ( )Journals ( )Combination ( )Others
2. When you ask your consumers to name the product they mostly remember, where do you think your product will be placed in their minds
   ( ) Between number 1 – 5
   ( ) Between number 5 – 10
   ( ) Between number 10 – 15
   ( ) Between number 15 – 20
   ( ) Between number 20 - 25
3. Does your brand have a logo?
   ( ) Yes ( ) No
4. Is your brand involved in any sponsorship of events? If yes, quote some recent events it has sponsored
5. Do you train your farmers on how to use your brand effectively? If so, what is their response rate?

6. What is the level of awareness of your brand in these industries?
   ( ) Very highly familiar with the product
   ( ) Highly familiar with the product
   ( ) Neither familiar nor unfamiliar
   ( ) Slightly familiar
   ( ) Not familiar
7 After how long does your company undertake an evaluation of the impact of marketing activities?
   ( ) 0 year – 1 year ( ) 1 year – 2 years
   ( ) 2 years – 3 years ( ) 3 years – 4 years
   ( ) 4 years – 5 years
8 How would you describe the trend of awareness of your brands?
   ( ) Highly increasing ( ) Slightly increasing
   ( ) Constant ( ) Slightly decreasing
   ( ) Highly decreasing

Brand Loyalty: Refers to a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situation influences and marketing efforts having the potential to causing switching behaviour

1. What percentage of stockists in Nairobi stocks your brand?
   ( ) Above 90%
   ( ) Between 90 – 70%
   ( ) Between 70 – 50%
   ( ) Between 50 – 30%
   ( ) Below 30%
2. What are the level of brand loyalty among your customers?
   ( ) Very loyal
   ( ) Loyal
   ( ) Neither loyal nor unloyal
   ( ) Slightly loyal
   ( ) Not loyal
3. In which segment do you place your customers?
   ( ) Non customers
   ( ) Price switchers
   ( ) Passively loyal
   ( ) Fence sitters
   ( ) Committed
4. Have you ever experienced a loyalty switch with your brand?
   ( ) Yes ( ) No
5. Do you have a programme of strengthening your relationship with loyal customers?
   ( ) Yes ( ) No
6. Which category of your customers do you mostly target in your promotion messages?
   ( ) Loyals ( ) Fence sitters ( ) Non loyals ( ) Passive loyal ( ) all

Brand Association: Refers to anything "linked" in memory to a brand and comprises informational and associative memory links of brand knowledge, image and position

1. Do you have a symbol or an attribute, which is usually associated with your brand?
   ( ) Yes ( ) No
   If yes, which one

2. If your brand has a logo, what do you think it would stand for in consumers' mind? e.g. a lion would stand for strength

3. Name the recent event(s) which have been associated with your brand

4. Has association of your brand with this/these event(s) increased sales?
( ) Yes ( ) No

Perceived Quality: Refers to customer's perception of the overall quality or superiority of a brand with respect to its intended purpose, relative to alternatives

1. How does your company value the importance of perception of your brand to your customers?
( ) Very important
( ) Important
( ) Neither important nor unimportant
( ) Slightly important
( ) Not important
2. What strategies does your company have to improve perception of customers towards your brand?

3. Has your company included quality in the mission statement?
( ) Yes( ) No
4. Have your customers ever complained of poor quality of your brand?
( ) Yes ( ) No

PART C

1. How many of your products are affected by counterfeits?

2. Do you have anyone responsible in fighting against counterfeits?
( ) Yes ( ) No
3. What strategies have you used to protect your brand from counterfeits?

4. What is the level of awareness about counterfeits among your customers?

5. What is the position of your brand among these counterfeits?
( ) Very popular
( ) Popular
( ) Neither popular nor unpopular
( ) Slightly popular
( ) Popular
6. What do you think are the factors that have contributed to existence of these products in the agricultural products?

7. What may lead a farmer to purchase a fake product even after creating awareness?

8. Are there any circumstances where farmers encourage manufacture and sale of these products?

9. What has your company done to help these farmers?

10. Who are the main people dealing with counterfeits?

( ) Manufacturing companies
( ) Distributing companies
( ) Stockists
( ) Individuals
( ) Combination (Specify the combination)

11. According to you, what strategies can be used to *completely* fight counterfeits?

12. How would you tell whether brand equity assets (brand awareness, brand loyalty, brand association, perceived quality) have been effective in the fight against counterfeits? Tick the appropriate answer

a) Increased market share of affected brands
b) Increased sales of affected brands
c) Reduced shift in brand loyalty
d) Used of brand equity assets increases costs of brands affected by counterfeits
e) Improved relationship between the company and the clients
f) Reduced advertising costs
g) More farmers become loyal to our brands regardless of the counterfeit problem
h) Counterfeiters sell more than us
i) Cost of training farmers on how to identify fake products reduces
j) Less customer complaints
k) Clients purchase other products from our company

13. Please indicate other factors which show how effective brand equity assets have been in fighting counterfeits?

THANK YOU FOR YOUR CO-OPERATION

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