

**FACTORS THAT DETERMINE BRAND LOYALTY:  
THE CASE OF TOOTHPASTE USERS IN WESTLANDS NAIROBI KENYA**

**BY**

**MWANGI FRANCIS MAINA**

**D61/P/8339/03**

**SUPERVISOR: T.M .MUTUGU**

**UNIVERSITY OF NAIROBI  
POWER KARENTE LIBRARY**

**A management Research Project Report Submitted in Partial Fulfillment of the  
Requirements for the Award of the Degree of Master of Business Administration  
(MBA)**

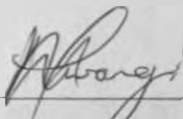
**School Of Business  
University Of Nairobi**

**August, 2007**



## DECLARATION

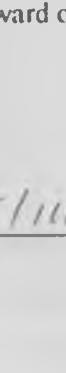
This management research project is my original work, and has not, to the best of my knowledge been submitted to any other university for award of a degree

Signed  Date 5/11/07

MWANGI FRANCIS MAINA

REG NO. D61/P/8339/03

This management research project has been submitted with my approval as the supervisor.

Signed  Date 15/11/07

TOM MUTUGU

Senior Lecturer,

School of Business

University of Nairobi

## **DEDICATION**

To Almighty God for the gift of life and intellectual capacity to handle this project. To my dear wife Wanucii and our wonderful son Adrian, without whose support, inspirations and understanding the project could not have been completed.

## ACKNOWLEDGEMENT

My dream of pursuing MBA degree would not have been possible without the support and assistance of quite a number of people. The space may be limited to name all of them but they should know that I am most grateful to all of them.

I am deeply indebted to my supervisor Mr Tom Mutugu, Senior Lecturer, Department of Business Administration. He has patiently and diligently guided me through out this research. Without his advice, this project would not have become a reality. He greatly inspired me and encouraged me throughout the research period. He actually went out of his way and availed himself for consultation all the time.

Much thanks goes to all members of staff of the School of business (UON) for their support and advice. I wish to specifically thank all of my lecturer of whom I have encountered through out the course work which was the foundation of this project.

My sincere thanks go to all members of my family for their love and support during the entire study period. Special thanks to my mother, Rakeri, for having taught me, at a very tender age, that nothing good just come that easily. May God richly reward her.

I would also like to thank all my fellow MBA students of whom we have struggled together to get this far. My colleagues also did understand my struggle, specifically Olale, and Gladys who assisted me so much in typing.

There are other people who assisted me but have not been mentioned here. I am grateful to all of them. May almighty God bless all of us.

<b>LIST OF TABLES</b>		<b>Page</b>
Table 4.1	Number of respondents	25
Table 4.2.1	Gender representation	26
Table 4.2.2	Marital status	27
Table 4.2.4	Level of education	29
Table 4.2.5.1	Public formal employment	30
Table 4.2.5.2	Private formal employments	31
Table 4.2.6	Self employment	32
Table 4.2.7	Income per month	33
Table 4.2.8	Residential area	34
Table 4.3	Top of mind toothpaste	36
Table 4.4	Toothpaste brands that respondent always use	37
Table 4.5	Number of times one uses toothpaste in a day	38
Table 4.6	Why respondent prefer the brand	39
Table 4.6	Importance of factors	41
Table 4.8	Satisfaction of respondents with their toothpastes	42
Table 4.9	Respondents recommendation to others	43
Table 4.10	Married couples and what they use	44
Table 4.11	Influences on couples	45

## ABSTRACT

The study was conducted with the objective of finding out the factors that determine brand loyalty while buying tooth paste, and to find out the most important of these factors

The study was undertaken in the Westlands area of Nairobi. A sample of 200 consumers was targeted to answer the questionnaire and a response rate of 70% was achieved. A recruitment guide was used to determine the loyal customers. The primary data was collected using a semi-structured questionnaire, and were analyzed using frequency distribution, mean scores and standard deviation. Ranking of factors was also done. The data presentations were made using tables.

The study findings revealed that there are many factors that customers consider important in making decision of which toothpaste to buy determine. Some of these factors were Prevent tooth cavities, Fights bad breath, Reduce gum bleeding, Cleans between teeth, Cleans between teeth, Keep fighting germs, Prevent exposed root cavities, Strengthen weak tooth enamel, Prevent gums inflammation, Remove stains, Remove stains, Prevent tartar, Whitens the teeth

Ranking of these factors was later done to determine the most important factor. The ranking revealed that the most important factor that is mostly considered to be that of preventing tooth cavities

The research was conducted in only in an urban setting and for that reason it would be wise for a similar research to be done in rural areas so as to compare the findings. This would give the findings a more generalized opinion on the whole issue.

## TABLE OF CONTENTS

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENT	iii
LIST OF TABLES	iv
ABSTRACT	v
TABLE OF CONTENTS	vi
<b>CHAPTER ONE</b>	
1.0 Introduction	
1.1.1 Brand and Brand Loyalty	1
1.1.2 Importance of Brand Loyalty	2
1.2 Toothpaste industry in Kenya	3
1.2 Statement of the Problem	6
1.3 Objectives of the Study	7
1.4 Importance of the study	7
<b>CHAPTER TWO: LITERATURE REVIEW</b>	
2.1 Introduction	8
2.2 The concept of Brand And Brand loyalty	8
2.2.1 What is Brand	8
2.2.2 Importance of strong brands	9
2.2.3 Threats to brands	10
2.2.4 Brand Equity	11
2.2.5 Brand loyalty	11
2.2.6 Measuring brand loyalty	14
2.3 Developing and enhancing loyalty	15
2.3.1 Need to develop loyalty	18
2.4 How loyalty generates value	19
2.4.1 Reduced marketing costs	20

2.4.2 Trade leverage	20
2.4.3 Attracting new customers	20
2.4.4 Time to respond to competitive threats	20
2.4.5 Other ways of generating value	20
2.5 Toothpaste History	21
2.6 Review of studies previously carried out	22

### **CHAPTER THREE: RESEARCH METHODOLOGY**

3.0 Research methodology	24
3.1 Introduction	24
3.2 Research design	24
3.3 Population	24
3.4 Sample Size	24
3.5 Data collection	25
3.6 Data analysis techniques	25

### **CHAPTER FOUR: DATA ANALYSIS AND FINDINGS**

4.1 Data editing and coding	26
4.2 Demographic Characteristics of respondents	27
4.3 Top of mind toothpaste	37
4.4 Toothpaste brands that respondent always use	38
4.5 Number of times one uses toothpaste in a day	39
4.6 Why respondent prefer the brand	40
4.7 Extent to which statements are important when purchasing toothpaste	41
4.8 Satisfaction of respondents with their toothpastes	43
4.9 Response to whether respondents would recommend their brand of toothpastes to anyone else	44
4.10 Responses to whether if respondents were married, they used the same toothpastes with their partners	45
4.11 Responses to whether the respondents were influenced or not by their spouses to use the same toothpastes as their partners	46



## **CHAPTER FIVE: DISCUSSIONS, SUMMARY AND CONCLUSIONS**

5.1	Introduction	48
5.2	Discussions	48
5.2.1	Consumer perception on the different brands	48
5.2.2	Factors determining loyalty	49
5.2.3	Most Important loyalty factor	50
5.3	Recommendations	50
5.4	Limitations of the study	51
5.5	Suggestions for future Research	51

<b>REFERENCES</b>	<b>52</b>
-------------------	-----------

<b>APPENDICES</b>	<b>54</b>
-------------------	-----------

Appendix 1: Letter of introduction

Appendix 2 : Recruitment guide

Appendix 3: Questionnaire

## CHAPTER ONE

### 1. Introduction

#### 1.1 Brand and Brand loyalty

The American Marketing Association defines a brand as: a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. (Kotler, 2004)

(Randall, 2000), Brand Loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand continually. It occurs because the consumer perceives that the brand offers the right product features, image, or level of quality at the right price. Consumer behavior is habitual because habits are safe and familiar. In order to create brand loyalty, advertisers must break consumer habits, help them acquire new habits, and reinforce those habits by reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future.

The image surrounding a company's brand is the principal source of its competitive advantage and is therefore a valuable strategic asset. Unfortunately, many companies are not adept at disseminating a strong, clear message that not only distinguishes their brand from the competitors', but distinguishes it in a memorable and positive manner. The challenge for all brands is to avoid the pitfalls of portraying a muddled or negative image, and instead, create a broad brand vision or identity that recognizes a brand as something greater than a set of attributes that can be imitated or surpassed. In fact, a company should view its brand to be not just a product or service, but as an overall brand image that defines a company's philosophies. A brand needs more than identity; it needs a personality. Just like a person without attention-grabbing characteristics, a brand with no personality can easily be passed right over. A strong symbol or company logo can also help to generate brand loyalty by making it quickly identifiable.

From the design of a new product to the extension of a mature brand, effective marketing strategies depend on a thorough understanding of the motivation, learning, memory, and

decision processes that influence what consumers buy. Theories of consumer behavior have been repeatedly linked to managerial decisions involving development and launching of new products, segmentation, timing of market entry, and brand management. Subsequently, the issue of brand loyalty has been examined at great length. Branding is by far one of the most important factors influencing an item's success or failure in the marketplace, and can have a dramatic impact on how the "company behind the brand" is perceived by the buying public. In other words, the brand is not just a representation of a company's product; it is a symbol of the company itself, and that is where the core of brand loyalty lies.

### **1.1.2 Importance of Brand Loyalty**

There are three main reasons why brand loyalty is important:

**Higher Sales Volume** – Many companies lose customers with time which illustrates the challenges companies face when trying to grow in competitive environments. Reducing customer loss can dramatically improve business growth and brand loyalty, which leads to consistent and even greater sales since the same brand is purchased repeatedly.

**Premium Pricing Ability** - Studies show that as brand loyalty increases, consumers are less sensitive to price changes. Generally, they are willing to pay more for their preferred brand because they perceive some unique value in the brand that other alternatives do not provide. Additionally, brand loyalists buy less frequently on cents-off deals - these promotions only subsidize planned purchases.

**Retain Rather than Seek** - Brand loyalists are willing to search for their favorite brand and are less sensitive to competitive promotions. The result is lower costs for advertising, marketing and distribution. Specifically, it costs four to six times as much to attract a new customer as it does to retain an old one.

The assumption underlying marketing thinking seems to be that consumers are divided into two distinct groups: loyal buyers of a brand and loyal buyers of other brands. The marketing task is to keep existing loyal buyers happy and to tempt buyers of rival brands.

to become loyal buyers of our brand. This is the rationale of most promotion activity: Tempting people to buy our brand once by offering them some extra inducement, some of them will become hooked and remain as new loyal buyers. (Randall, G 2000)

The percentage level of buyers in a range of fields who claim to be loyal to one brand varies from 71% in cigarettes to 23% in rubbish bags. Toothpaste loyalty stands at 61% (Randall, 2000)

A brand can only be strong if it has a strong supply of loyal customers (Kapferer, 1999). This gives a brand stability of future sales. When a customer is loyal, he is likely to speak well to others about the brand (Aaker, 2000). Loyalty is actually a manifestation of deep relationship between the brand and the customer (Kotler, 2000)

Brand loyalty comes when customers know that they will get the same features, benefits and quality each time they buy the brand. This means that customers will become loyal to particular toothpaste if they get the same experience or more from their preferred brand (Kotler, 1999).

## **1.2 The toothpaste industry in Kenya**

Toothpaste is a paste or gel dentifrice (a paste, liquid or powder used to help maintain good oral hygiene) used to clean and improve the aesthetic appearance and health of teeth. It is almost always used in conjunction with a toothbrush. Toothpaste use can promote good oral hygiene: it can aid in the removal of dental plaque and food from the teeth; it can aid in the elimination and/or masking of halitosis; and it can deliver active ingredients such as fluoride to prevent tooth and gum (gingiva) disease. Most people in developed world consider toothpaste a necessity and use it at least once a day (The Wikipedia encyclopedia, 2007)

The key players in the Kenyan toothpaste industry include Colgate-Palmolive East Africa, Unilever and Glaxo SmithKline. Colgate was the first major brand in the Kenyan market. By the onset of the 1980s, East Africa industries (Unilever) had already

introduced toothpaste manufacturing in their product lines, and SmithKline Beecham (GSK) had introduced Aquafresh into the market. Interestingly enough, there were more variants and line extensions of toothpaste brands in the 80s than there were in the 90s. This was mainly because of the following four reasons. First most of the brands were being imported ready for distribution, there was increased liberalization of trade, the fact that it was a relatively new market, the demand for toothpaste and other products were high and finally the factor of retailer infrastructure growth and increase in disposable income. Some of the most publicized brands in the 80s include: Colgate, Colgate MFP, Aquafresh, McLean's, Sensodyne, Close up, Close up Non-fluoride; and Pepsodent (The Steadman Group, 2005)

Product promotion, which used to lean so much on chemical content or ingredients, has also changed over time to be result-oriented. For example, Colgate was promoted as MFP fluoride, close up (whitening) as Non-fluoride. This has changed to either close up white, Colgate fresh confidence and so on. Competition in this sector seemed to have picked up in the 80s where marketing activities were clearly visible on publicity channels. Infiltration by cheaper foreign brands notwithstanding, the original parent brands – Aquafresh, Colgate and Close up still control over eighty per cent of the market. Their new line extension control a further nine to twelve per cent while other smaller brands (White dent, Cliden, Promise etc) take up the rest. Colgate still dominates the toothpaste sector with the highest market share, followed by Aquafresh and close up respectively. However, Aquafresh commands the highest growth per annum averaging between fifteen to twenty five percent annually. White dent toothpaste, the largest brand in Tanzania – manufactured by Chemi-Cotex industries, was introduced into the Kenyan market four years ago but has only managed to commend a five percent market share to date. Twiga Chemicals industries introduced Cliden toothpaste eight years ago but failed to capture the anticipated market share (The Steadman Group, 2005).

The year 2004/05 was a turning point in the toothpaste industry, as this witnessed the introduction of various line extensions by the three major players. Colgate-Palmolive introduced Colgate Herbal, Colgate Triple Action, Colgate fresh Confidence, Colgate

Total Colgate Sensitive Fresh (2006) in addition to the original Dental Cream. Unilever Close up Ultra, Close up active gel (2006) in addition to Close up Tingly red.

Glaxo SmithKline – Aquafresh Herbal, Aquafresh Extreme, Lemon Mint, Mild n' Mint. Chemi-Cotex – introduced white dent Herbal besides the original White dent. All the new brands were targeted at the high end market segment. Parent brands remained in place to fight off the cheaper brands by mainly introducing smaller and affordable packaging. Presently, other than the brands mentioned above, imported brands are readily available in major super markets and retail outlets including pharmacies. Sensodyne, now owned by Glaxo SmithKline, still remain the largest 'medicinal' toothpaste available in Kenya today. However, Colgate has introduced the Colgate sensitive fresh strip in year (2006) to give Sensodyne a run for its market share (the Steadman Group, 2006).

The main competitive strategies adopted by almost all the players are essentially advertising and sales promotions. Packaging for Colgate brands has remained more generic, but Close up ultra white and Aquafresh Extreme have opted to create packaging that is more appealing to the high end market that they are targeting. Nonetheless, the packaging designs have remained basically the same. Predominant colours have been retained for consistent brand identity; it is only the herbal brands that spot some green color to symbolize the naturalness of the brands. The material texture for Aquafresh Extreme and Close up ultra white has been altered slightly to enhance the visual aesthetics of the brands by appearing to sparkle a bit (The Steadman Group, 2006).

Other competitive strategy adopted by the players is the brand line extension strategy and pricing.

Coupled with all these competition, toothpaste manufacturers are slowly recognizing the need to develop a sustainable competitive advantage strategy based on non price competition (Aaker, 1991) The best identified means is by developing consumer loyalty to a brand.

### 1.3 Statement of the Problem

The toothpaste industry is a very important sub sector of the Kenyan economy. Far from being a major source of employment and revenue, its role in the promotion and maintenance of oral hygiene cannot be understated (The Steadman Group, 2005). In the wake of stiffening competition and the emergence of homogeneous products that are perceived by consumers to be of the same functional quality and performance, manufacturers have found themselves in a very tight spot: to differentiate their products, attract and retain consumers. Besides, the present day marketer is confronted with a highly informed and enlightened consumer who demands value for money through delivery of superior quality products and services. Moreover, there is an unparalleled demand for information about certain brand issue such as content, ingredients, open dating, directions for use and safety precautions among others (Baker, 1991).

Through the adoption of a distinctive pack and brand name, manufacturers are able to differentiate their products at the point of sale and develop advertising and promotional strategies designed to create consumer preference for their products (Kotler, 2003).

Aaker (1991), argues that if substantial value exists in the brand and perhaps in its symbol and slogans, consumers will continue to purchase the brand even in the face of competitors with superior features, price and convenience. In view of this, toothpaste manufacturer must aim at building brand loyalty as a means of retaining and growing market share. This is important because, as brand loyalty increases, vulnerability of the customer base to competitive action is reduced. ( Aaker,1991)

At present the Kenya economy has improved and is growing at 6.1% as compared to the vesteryear. This will translate to higher cost of living as witnessed in the markets after the recent budget was read. All these coupled with high level of unemployment and underemployment has prompted the customers to seek diligently for quality value for their money and thus resulting to brand loyalty.

Toothpaste firms have resorted to major advertisement of their brands in the recent past which may be seen as strategic enhancement of brand loyalty. This is in line with the fact that retaining customers is a more efficient strategy than attracting new customers (Rosenberg, 1983). There has been many study done in the past about brand loyalty for other brands. However, there has not been a study done showing the factors that determine brand loyalty for toothpaste and thus why the research becomes necessary. The research therefore seeks to answer the following questions:

- i Are there factors that determine brand loyalty in toothpaste industry
- ii What is the most important factor in determining toothpaste brand loyalty

### **1.3 Objective of the study**

The main objectives of this study were:

- i To establish the factors that determines toothpaste loyalty
- ii To determine the most important factor in determining toothpaste loyalty

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

This study will be of interest and useful to:

- i Manufacturers who will get to know the factors that determine toothpaste loyalty and thus they may improve on existing brands or they may come up with new brands.
- ii Retailers who will be guided on which brands to stock in their limited shelf space
- iii Academicians who may see this as a good basis for further research on toothpaste loyalty especially on demographic dimensions.



## CHAPTER TWO

### 2.0 LITERATURE REVIEW

#### 2.1 Introduction

This chapter deals with the review of the literature that is paramount to the study. It addresses the concept of brand loyalty and the factors that affect it and also gives a brief history of toothpaste products. The chapter also tries to find out the inherent value of brand loyalty to the toothpaste industry and the possible factors that determine toothpaste loyalty.

#### 2.2 The concept of brand and brand loyalty

##### 2.2.1 What is a brand?

The American Marketing Association defines a brand as a name, term, sign, symbol or design or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (Kotler 2003).

Kotler points out that brand differ form other assets such as patents and copyrights which have expiration dates. He further states that a brand is a complex symbol that can convey up to six levels of meaning namely: attributes, benefits, values, culture, personality and user (Kotler 2003)

Masters (2005) argues that “customers buy products but choose brands. While product, satisfy a customer’s functional needs, Brands provide the emotional benefits that connect with their hearts and minds. A brand is a promise of benefit, it is a combination of perceptions in customer’s minds about who you are, what you do and what value you bring to them

Kotler (2003) suggests that the ‘Art of marketing is largely the art of brand building. When something is not a brand, it will probably be viewed as commodity’ Customers always evaluate commodity on the basis of affordability and availability. This makes it

crucial to move an offering away from being considered as a basic commodity so as to have a chance of making satisfactory profit.

Doyle (1997) argues that successful brands create wealth by attracting and retaining customers and thus brands are at the heart of marketing. He advocates for decommoditizing of a company's offering.

Adcock D (2001) points out that brands don't have a physical presence or any objective existence but they do provide a mass of values and promises that act as powerful stimuli for consumer decisions leading them to buy or perhaps not to buy. He further states that a brand can be either an asset or liability depending on the attitude of the customers towards it. He argues that the strength of a brand is reflected in four ways which are brand awareness, brand beliefs, brand association and brand loyalty.

Adcock suggests that the most obvious manifestation of a brand is the name which triggers all the associations related to the brand.

Nilson (1999) argue that a name becomes a brand if it fulfills the criteria of: carrying distinct values, differentiating, appealing and having a clear identity.

## **2.22 Importance of strong brands**

Randall (1994) suggests that great brands are extremely long lived, (for example Gillette (razors), brook bond (tea) and Colgate (toothpaste) which reflect the fact that strong brands are really wanted by consumers. He argues that brands can be friends, can bring security, confidence and pleasure to people's lives.

Research done by Doyle (1989) sums up the importance of strong brands in manufacturer's point of view as follows:

Brands with a market share of 40 percent generate three times the return on investment of those with a share of only 10 percent. This means that there is a direct proportion relationship between the brand market and return on investment. This was also shown by the fact that, for UK grocery brands, the number one brand generates over six times the

return on sales of the number two brands while the number three and four brands are unprofitable

The research also found out that, for US consumer goods, the number one brand earned a 20 percent return, the number two earned around 5 percent and the rest lost money. On the other hand Premium brands earn 20 percent more than discount brands.

It also found out that it can cost six times as much to win new customers as to retain current users, meaning that it is cheaper to retain once customers. Finally the findings noted that the best feasible strategy to achieve profitably and growth is to focus on brand differentiation, rather than cost and price.

### **2.2.3 Threats to brands**

Randall (1994) argues that brands are always under threat from competitors and changes in the market place. He further notes other new threats as:

Fragmentation of markets which is due to technology and manufacture's own actions and changing economic and social trends. For example the shift of technology to mobile telephony has revolutionised the usage of telephone booths in Kenya.

Repertoire buying – where consumers buy several brands for slightly different purposes. For example a consumer may decide to buy two toothpaste brands where one is the ordinary used in the morning and the other one is 'medicinal' to be used at bedtime.

Media cost inflation and Fragmentations, for example satellites, pay as you view etc which make it increasingly difficult to reach a small market through traditional campaigns. In Kenya the dominant pay tv – DSTV has now been challenged by GTV, which will lead to escalating cost of heavy advertising campaign.

Changing lifestyles and changing values also poses a threat to brands. For example youngsters are now going for 'gold coated' teeth which may require a different toothpaste altogether.

On the other hand he argues that sustainable brand competitive advantage may come from Technology, production costs, consumer franchise, marketing expertise and distribution (Randall ,1994)

## 2.24 Brand Equity

Aaker, (1996) defines brand equity as a set of assets (and liabilities) linked to a brand name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and or that firm's customers. These assets are: First brand loyalty, which refers to a deeply held commitment to re-buy or re-patronize a preferred product or service in the future. Secondly we have brand name awareness, which refers to the strength of a brand's presence in the consumer's mind. Thirdly we have brand associations which are normally the associations that consumers make with a brand which might include product attributes, a celebrity spokesperson, or a particular symbol. Finally we have perceived quality which refers to a measure of goodness that spreads over all elements of the brand, and which may differ from actual quality.

Our study will mainly deal with the brand loyalty which is the core subject of our research. The study will help as analyze the factors that customers considers important in becoming loyal to certain toothpaste.

## 2.25 Brand loyalty

Oliver defines loyalty as a deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behaviour (Krugman 1998).

On the same issue Kotler points out the buyers can be divided into four groups according to brand loyalty status

- 1 Hard-core loyals –consumers who buy one brand all the time
- 2 Split loyals –consumers who are loyal to two or three brands.
- 3 Shifting loyals –consumers who shift from one brand to another
- 4 Switches – consumers who show no loyalty to any brand (Kotler, 2003)

Kotler further notes that each market consists of different number of the four types of buyers. A brand loyal market is one with a high percentage of hard-core brand loyal buyers. Toothpaste markets are fairly high brand loyal markets. Companies selling in a brand loyal market have a hard time gaining more market share, and companies that enter such a market have a hard time getting in. This is the reason why **White dent** toothpaste, the largest brand in Tanzania – manufactured by Chemi-Cotex industries, was introduced into the Kenyan market four years ago but has only managed to command a **five** percent market share to date. Twiga Chemicals industries introduced **Cliden** toothpaste eight years ago but failed to capture the anticipated market share (The Steadman Group, 2005).

Kotler argues that a company can learn great deal by analyzing the degrees of brand loyalty as follows: First By studying its hard core loyal the company can identify its product's strengths. Secondly the split loyal analysis will help the company pinpoint which brands are most competitive with its own. Finally the study of shifting loyal where the company can learn about its marketing weaknesses and attempt to correct them.

Kotler is quick to caution that a company must carefully interpret what is behind the observed purchase patterns. This is because what appear to be brand loyal purchase patterns may reflect habit, indifference, a low price, a high switching cost, or the non-availability of other brands (Kotler 2003).

On the other hand Aaker points out that loyalty can be categorized into five levels. He argues that although not all the five levels may be represented in a specific product class, each level represent a different marketing challenge. These categories include from the bottom to the top. *The non-loyal buyer (switcher)* where the customer is completely indifferent to the brand and perceives each brand as adequate. *The habitual buyer* where the buyers are satisfied with the product or at least not dissatisfied and thus have no reason to switch. *Satisfied buyer* these are buyers who over and above being satisfied with the product, they have switching costs in time, money, or performance risk associated with switching. *Likes the brand* are buyers who consider the brand a friend. This could be based on a set of use experiences or a high-perceived quality. But the liking

cannot be traced to anything specific. Lastly we have *Committed customers* who are buyers who have a pride of discovering and /or being users of a brand. The brand is very important to this buyer either functionally or as an expression of who they are (Aaker, 1991).

From the above it means that developing a high degree of brand loyalty among consumers is an important goal of marketing strategy. Brand loyalty represents a favourable attitude towards a brand, resulting in consistent purchase of the brand over time. It happens after consumers learn that one brand can satisfy their needs (Assael, 1998).

To be truly loyal, the consumers must hold a favourable attitude toward the brand in addition to purchasing it repeatedly (Day, 1969). Brand loyalty is brand specific. Consumers will be loyal to brands in one category and will have little loyalty to brands in other categories (Assael, 1998).

From the foregoing, one can clearly say that developing a highly consistent market share of brand loyal consumers is the ultimate goal of today's marketing strategy (Schiffman, 1994). But why do companies want loyal customers? Aaker (1991), notes that loyalty of existing customers represents a strategic asset, which, if properly managed and exploited, has the potential to provide value in a number of ways.

Aaker gives four advantages of having loyal customers. First is *a reduced marketing cost* where customers with brand loyalty reduce the marketing costs of doing business. It is simply much less costly to retain customers than to get new one. Loyalty of existing customers represents a substantial entry barrier to competitors because a lot of resources may be required to entice the customers to switch. Secondly is *trade leverage* where strong brands will ensure preferred shelf space because marketers know that customers will have such brands on their shopping list. Thirdly is *attracting new customers* where a customer base with a satisfied segment can provide assurance to a prospective customer. A large satisfied customer base provides an image of the brand as an accepted successful

product, which will be around for a long time and will be able to afford product improvement. Brand awareness can also be generated from the customer base. Friends and colleagues of a brand's customers will become aware of a product just by seeing it. This exposure will be more effective than even seeing an advertisement. Finally is the advantage of *time to respond to competitive threats*. This is where by in case a competitor develops a superior product, a loyal following will allow the firm time needed for the product improvements to match or neutralize the competitor one.

In order to reap the above benefits, companies must not only manage loyalty but they must also enhance it (Aaker, 1991). Companies should also ensure repeat purchase which will enhance commitment and eventually loyalty (Assael, 1998).

## 2.26 Measuring brand loyalty

Aaker (1991) argues that there are several approaches to measuring loyalty. He gives preference to behaviour measures which include repurchase rates, 'percent of purchases as well as number of brands purchased. He however goes further to give other approaches which are based upon five loyalty constructs. The first one is the *switching costs*, if switching costs are high, loyalty is likely to be high also. This means that the manufacturer of a certain brand should ensure that the switching costs to other brands are high so that the loyalty remains high.

The other approach is by *measuring satisfaction*. This involves measurement of the level of satisfaction and/or dissatisfaction. This means that the more satisfied a customer is, the more the more loyal he is to that brand.

On the other hand is *liking of the brand*. A positive effect can result in resistance to competitive entries. Here, answers to questions such as whether customers like the brand and whether there are feelings of warmth toward the brand, are sought.

Fourthly is *commitment*. This is indicated through interaction and communication with the brand. In this case the extent to which the brand is important to a person in terms of his or her activities and personality really matters (Aaker, 1991).

Finally is *price premium*. This means that if customers are buying a brand at a premium, then the loyalty to such a brand is higher as compared to a brand going at ordinary price.

### 2.3 Developing and Enhancing Loyalty

Brands are strong when they enjoy loyalty (Kotler, 2003). In Kotler's view, to achieve loyalty, a product must go beyond achieving visibility and differentiation.

It should develop deep relationships with the customer group where the brand becomes a meaningful part of the customer's life and/or self-concept. When this occurs, the customer will be highly loyal (Kotler 2003).

Taking a loyal customer to be the one who has a commitment to continue to do business with a company on an on-going basis, developing brand loyalty simply means seeking to create committed customers (Christopher, 1995)

Christopher (1995) gives the process of loyalty building in the form of a ladder whereby the customer has to be converted into a client, then into a supporter, then an advocate and ultimately into a partner

To convert the customer into a client requires that a pattern of repeat buying is established. This is done by making it possible for the customer to do business with the company. But being a client does not necessarily signal commitment. Since many clients may express high levels of dissatisfaction with the product or service and then switch. A customer-oriented approach becomes necessary to turn the clients into supporters- they are pleased with the product or service. If they are really impressed with the quality of the relationship, they may well become advocates - they tell others about their satisfaction with the offer. The power of word-of-mouth is high and can do even more than advertising. The ultimate expectation should be to make the advocate a partner-a situation



where a mutually rewarding relationship has been achieved and neither party intends to leave the other (Christopher, 1995)

Customer loyalty is seen as a two way street (Webster, 1994). According to Webster(1994), customers remain loyal to the company that serves their needs and preferences with a total set of related products and services, while on the other hand, companies demonstrate and maintain their loyalty to the customers by becoming knowledgeable about them and responding to them with enhanced product offerings (Webster 1994) To Webster (1994), the commitment to deliver superior value to customers contains an explicit commitment to managing customer loyalty. A company that has commitment towards customer loyalty should be able to exhibit that through releasing the resources necessary to retain those good customers by offering them a broad range of related products and services that will keep them loyal as their needs change and evolve over time (Reichheld, 1993).

The maintenance and enhancement of loyalty is also achieved through following some basic rules (Aaker, 1991)

Treat the customer right Stay close to the customer

Measure/manage customer satisfaction.

Create switching costs

Provide extras



BRAND  
LOYALTY

Figure1. Adapted from "Managing Brand Equity", D. Aaker (1991). The Free Press, New York, USA, pg 50.

**Treat the customer right** A product or service that functions as expected provides a basis for loyalty since customers have no reason to switch. Customers should be treated with respect and a positive interaction maintained all the time (Aaker, 1991)

**Stay close to the customer** The Company should have its people; including top executives keep contacts with the customers who use their products. This makes them (customers) know that they are valuable (Aaker, 1991).

- **Measure/manage customer satisfaction:** Regular surveys of customer's satisfaction/dissatisfaction are particularly useful in understanding how customers feel and in adjusting products and services.
- **Create switching costs:** One way of creating switching costs is to create a solution for a customer problem that may involve redefining the business. Another approach is to reward loyalty directly. A good example here are the airlines frequent-flyer clubs (Aaker, 1991). Others are Nakumatt smart card and Uchumi U card, which are loyalty cards where by the loyal customers are rewarded through accumulation of points each time they buy in these stores. The accumulated points are latter redeemed by the customers at a rate determined by these stores.
- **Provide extras:** It is relatively easy to change customer behaviour from tolerance to enthusiasm by just providing a few extra unexpected services. An explanation of a procedure or a simple apology may be good examples here (Aaker, 1991).

Considering the above, it is clear that the loyal customer wants to be recognized. He therefore has to be identified, a direct bond has to be established with him and he should be the focus of special attention. Customers should be treated as friends and not as accounts - the basis to a long lasting relationship (Kapferer, 1999)

In the words of Kotler (2003), brand loyalty is built by meeting the customers expectations or even better, exceeding them. Kotler (2003) gives the example of Nordstrom, an American department store with very high customer loyalty rating. A man came into Nordstrom with an automobile tyre asking for his money back. Nordstrom gave him 'back' his money though the store does not sell tyres (Kotler, 2003)

### **2.3.1 Need to develop loyalty**

In today's low-growth and highly competitive market place, retaining brand loyal customers is critical for survival (Evans, 1997) Keeping customers is often a more efficient strategy than attracting new customers (Rosenberg, 1983)

Brand building process has been eroding due to being neglected and loyalty levels have been falling generally (Aaker, 1991)

On the side of consumers, they have become more confident and more demanding. They simply want the products and services that satisfy them and have no time for the ones which do not. More and more consumers have a need to distinguish themselves from one another to express their individualism. For this reason, they demand quality that is sustained (Baker, 1992)

Further, today's customers are tougher, more informed and so sensitive to poor service that they often walk away and never come back (Bearden, 1995) To make it worse, the average dissatisfied customer tells nine or ten other people (Albrecht, 1985).

Many marketing managers are concerned with a growing trend toward brand switching. Among the reasons given for the decline in brand loyalty are consumer dissatisfaction with products, the many new products appearing in the markets and consumers' increased concern on price at the expense of brand loyalty (Schiffman, 1994).

The other causes of declining brand loyalty according to Schiffman include the increase in sales promotion 'deals' by almost all players, the increase in comparative advertising and the increased diversity of shoppers (unmarried men and women, husbands, teenage and children) (Schiffman, 1994).

The purposes for building brand loyalty may also be seen in the very tenets of the new marketing concept. Whereas the objective of marketing in the old concept was just to make a sale, under the new marketing concept, the objective is to develop a customer relationship in which the sale is just the beginning (Webster, 1994).

## 2.4 How loyalty generates value

When brand loyalty exists, there is value created in the eyes of the customers. Several functions through which this happens have been given as below (Kapferer, 1999)

First is *identification*. This gives a consumer benefit which is to be clearly seen, to make sense of the offer and to quickly identify the sought-after product. Secondly is *practicality* which serves to allow savings of time and energy through identical repurchasing.

On the other hand is *guarantee*. This gives the consumer the benefit of being sure of finding the same quality no matter where or when he buys the product or service. There is also the benefit of *optimization*. This gives the consumer the benefit of being sure of buying the best product in its category, the best performer for a particular purchase.

The sixth function is *characterization*. The consumer benefit that goes with this is to have a confirmation of one-self-image or the image that one present to others. We also have the function of *continuity*. This brings the consumer benefit of satisfaction brought about through familiarity and intimacy with the brand that one has consumed for years.

The seventh function is *hedonistic*. This normally gives the consumer benefit of satisfaction linked to the attractiveness of the brand, to its logo and its communication.

Finally we have *ethical* function. This gives the consumer benefit of satisfaction linked to the responsible behavior of the brand in its relationship with society (ecology, employment, citizenship) (Kapferer, 1999)

One important question to ask is if brand loyalty is of any strategic value. Aaker (1991) argues that loyalty of existing customers represents a strategic asset that has potential to provide value in several ways.

Aaker (1991) puts it that brand loyalty provides value through the following:

#### **2.4.1 Reduced marketing costs**

It is much less costly to retain customers than to get new ones. Existing customers are relatively easy to hold if they are not dissatisfied. The higher the loyalty, the easier it is to keep customers happy and they will have no reason to switch (Aaker, 1991). At the same time, Aaker mentions that the loyalty of customers represents a substantial entry barrier to competitors as a lot of resources may be required to entice the loyal customers to switch.

#### **2.4.2 Trade leverage**

Strong loyalty towards a brand will ensure a preferred shelf space because the retailers know that customers will always buy the brand (Aaker, 1991).

#### **2.4.3 Attracting new customers**

Assurance to prospective customers is provided by a satisfied customer base. A satisfied customer base provides an image of the brand as accepted and successful, and one that will be around and capable of product improvements (Aaker, 1991).

Brand awareness can be generated from the customer base. This awareness may come from a favourable word-of-mouth from the loyal customers (Webster, 1994), or may be a result of friends and colleagues of users just seeing the brand being used (Aaker, 1991).

#### **2.4.4 Time to respond to competitive threats**

As a result of loyalty, the company enjoys the benefit of having time to improve the brand in the case of a superior competing brand being developed. This is because loyal customers do not just move quickly to the superior competitor (Aaker, 1991).

#### **2.4.5 Other ways of generating Value**

Brand loyalty means that the brand has repeat customers. A repeat customer is more valuable than a new one because of a number of reasons like, multiple purchases from the same customer, the loyal customers will pay a somewhat higher price and the opportunity to sell other products and services to the loyal customer (Webster, 1994).

## 2.5 Toothpaste History

The earliest known reference to a toothpaste is in a manuscript from Egypt in the Fourth Century A.D., which prescribes a mixture of powdered salt, pepper, mint leaves, and iris flowers. The Romans used toothpaste formulations based on human urine. An Eighteenth Century American toothpaste recipe containing burnt bread has been found. Another formula around this time called for dragon's blood (a resin), cinnamon, and burnt alum.

However, toothpastes or powders did not come into general use until the Nineteenth century in Britain. In the early 1800s, the toothbrush was usually used only with water, but tooth powders soon gained popularity. Most were home made, with chalk, pulverized brick, and salt being common ingredients. An 1866 Home Encyclopedia recommended pulverized charcoal, and cautioned that many patented tooth powders then commercially marketed did more harm than good.

In 1892, Dr. Washington Sheffield of New London, Connecticut manufactured toothpaste into a collapsible tube. Sheffield's toothpaste was called Dr. Sheffield's Creme Dentifrice. He first came up with the idea of toothpaste in a collapsible tube after his son travelled to Paris and saw painters using paint from tubes. In 1896, Colgate Dental Cream was packaged in collapsible tubes imitating Sheffield.

By 1900, a paste made of hydrogen peroxide and baking soda was recommended. Pre-mixed toothpastes were first marketed in the 19th century, but did not surpass the popularity of tooth-powder until World War I. In New York City in 1896, Colgate & Company manufactured toothpaste in the first collapsible tube, similar to that recently introduced for artists' paints.

Fluoride was first added to toothpastes in 1914, and was criticized by the American Dental Association (ADA) in 1937. Fluoride toothpastes developed in the 1950s received the ADA's approval. Countries limit and suggest different amounts acceptable for health. Much of Africa has a slightly higher percent than the U.S.

In June, 2007, the US Food and Drug Administration and similar agencies in Panama, Puerto Rico and Australia advised consumers to avoid, return, or discard certain brands

of toothpaste manufactured in China, after batches of Chinese made toothpaste were found to be contaminated with the poisonous chemical Diethylene glycol, also called Diglycol or Diglycol stearate, (or labelled as "DEG" on the tube). The chemical is used in antifreeze as a solvent and is potentially fatal.

Toothpaste is most commonly sold in flexible tubes, though harder containers are available. The hard containers stand straight up, availing more of the toothpaste and saving shelf space.

## **2.6 Review of studies previously carried out**

This is a summary of the studies previously carried out in relation to brand loyalty.

There is no study which has been specifically carried out in regards to toothpaste loyalty. However, some related issues have been studied as shown below.

Kisese (2001) Determinants of Brand Equity in the bottled water. The investigation covered issues related to bottled water only.

Giathi (2001) conducted a research on the loyalty status of consumers to various cigarette brands in Nairobi. He noted the five most important factors that determine loyalty as availability of cigarettes, information about the brands, level of Nicotine, income of the smokers and satisfaction derived from smoking.

Kwena (2001) Impact of branding on consumers choice: A case of new domestic sugar brands. He found that branding of the sugar product did enhance the perceived quality of sugar.

Wambugu (2002) factors that determine store loyalty: The case of large supermarkets in Nairobi, where availability of all types of merchandise, location of supermarket, convenient operating hours, prompt service, and courtesy of employees prices of the product among other factors were found to be five most important.

Other study carried out include Mwangi (2005) researched on the factors determining the choice of milk store brands by consumers in Nairobi. He found out and ranked the most important factors as quality, packaging, trust in the retailer's name, and low price offered.

Dorothy (2006) Factors that determine brand loyalty – case of the petroleum marketing industry in Kenya. The survey found out product quality and quarantees as being the single most important factor

On the other hand Mulewa (2006) influence of packaging and labeling on consumer preference for toothpaste brands. A case of shoppers selected in retail outlets in Nairobi CBD. The survey found out that Attribute such as brand name, color, design, and pack size as the most important factors.

From the above literature review, it is evident that there is no study done that specifically deals with tooth paste loyalty and thus there exists a knowledge gap which this study will try to fill.



## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter sets out the research methodology that was adopted so as to enable the researcher establish the factors that determine toothpaste loyalty. The research setting, the population of interests, sample size, data collection instruments and data analysis techniques are discussed.

#### **3.2 Research Design**

The study was conducted in Nairobi city specifically the Westlands area. This was mainly because Westlands is becoming a city within a city where there are even twenty four hours shopping malls. Also Westlands is a cosmopolitan area and thus it was believed that it would provide respondents from many parts of the country.

Finally Nairobi was considered more convenient in terms of accessibility, time schedule and financial resources that were available to the researcher.

#### **3.3 Population of the study**

The target population of this study comprised of all those who use toothpaste in various income brackets, professions, ages and education backgrounds. Our respondents were picked from shopping malls in the heart of the town of Westlands.

#### **3.4 Sample design**

A sample of two hundred respondents was selected, drawn from Westlands Nairobi. The respondent sampling was on stratified basis. Questionnaires were administered fairly to ensure fair representation of the various demographics of toothpaste users. The respondents were chosen on a convenience basis of sampling. A recruitment guide for respondents was used to ensure that only loyal consumers were included in the sample (see appendix 2)

### **3.5 Data collection method**

The study used primary data as the source of information. A structured questionnaire was administered to the respondents. The questionnaires was administered directly to the respondent which helped to increase the response rate. Where necessary the questionnaires were left behind and picked later which helped to increase proportion of usable responses.

The questionnaire consisted of structured as well as semi – structured questions

Part one of the questionnaire dealt with consumer's brand preference and factors influencing these preferences.

Part two addressed the respondent bio-data.

### **3.6 Data Analysis**

The completed questionnaires were edited for completeness and consistency across respondents. Coding of data was done that enabled the responses to be categorized for analysis.

Descriptive statistics was used. This included tables, graphs, charts and percentages that represented the response rate and information on the other variables that the study considered.

Due to large number of variables considered, factor analysis was employed. This assisted further establishment of any interdependencies between factors affecting brand loyalty and demographic factors to the respondents such as gender, age, education level, income level etc. Statistical package for social sciences (SPSS) (data analysis software) was used in the analysis of the data. Epi Data was also be used where necessary.

## CHAPTER FOUR

### 4.0 DATA ANALYSIS AND FINDINGS

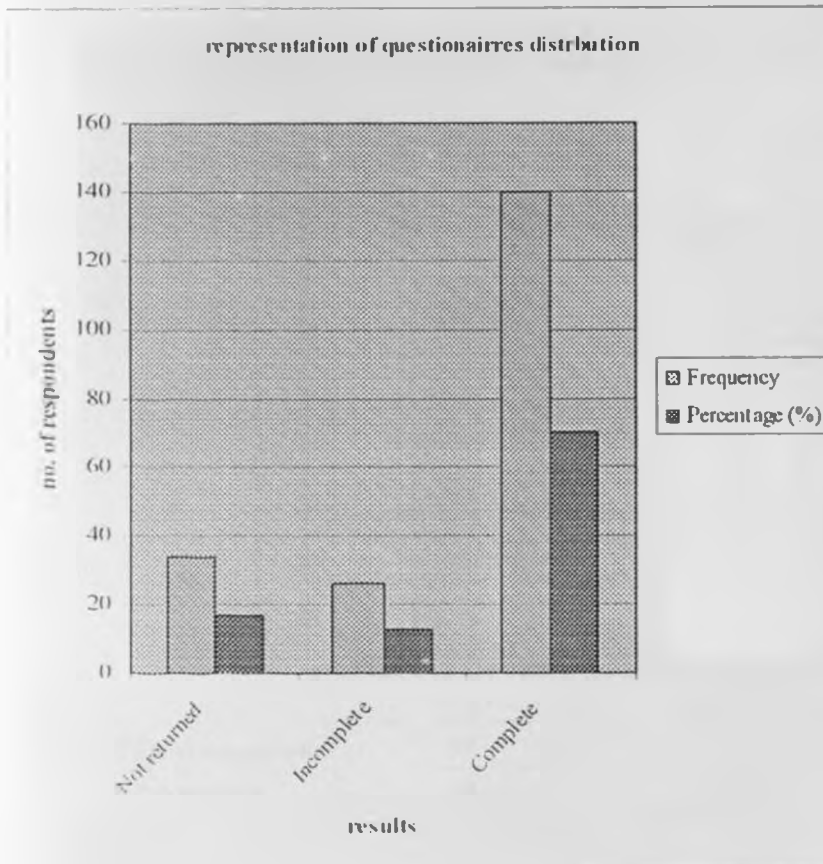
#### 4.1 Data editing and coding

The questionnaires were edited and coded after they were filled in. All the complete questionnaires returned by the respondents were usable for data analysis.

*Table 4.1 Number of respondents*

Questionnaires distribution	Frequency	Percentage (%)
Not returned	34	17
Incomplete	26	13
Complete	140	70
Total	200	100

*Figure 1*



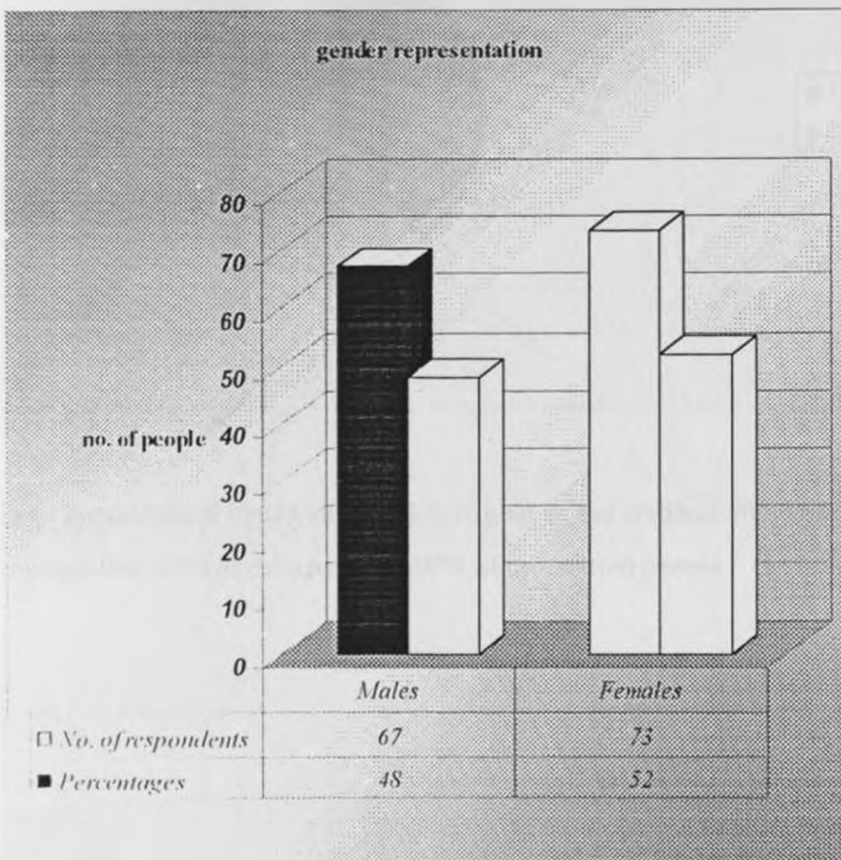
The total number of the questionnaire that were distributed were 200 of which 34 were not returned and 26 were not completed. However 140 of the questionnaires were successfully answered. This represent 70% which the researcher accepted as sufficient for the purpose of data analysis. This compared favourably to other studies such Ngatia (2000) with 68%, Wambugu (2002) with 75% and Kwena (2002) with 79%

#### 4.2 Demographic Characteristics of respondents

Table 4.2.1 Gender representation

Quantity	Males	Females
No. of respondents	67	73
Percentages	48	52

Figure 2



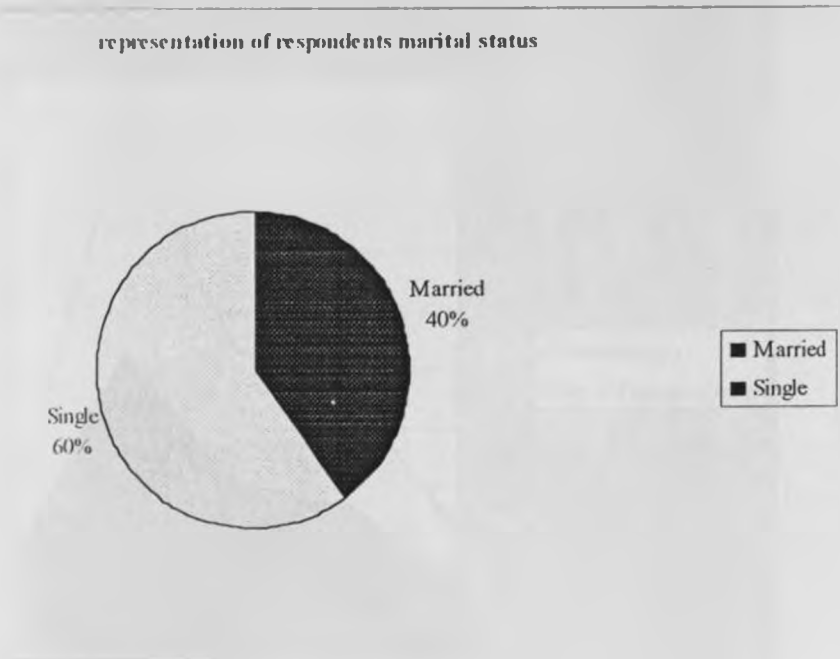
As shown on the table and the diagram above, there were more women than men that took part in answering the questionnaire. The number of men was 67 and the women were 73.

#### 4.2.2. Marital status

Table 4.2.2

Marital status	Married	Single
No. of respondents	56	84
Percentages	40	60

Figure 3



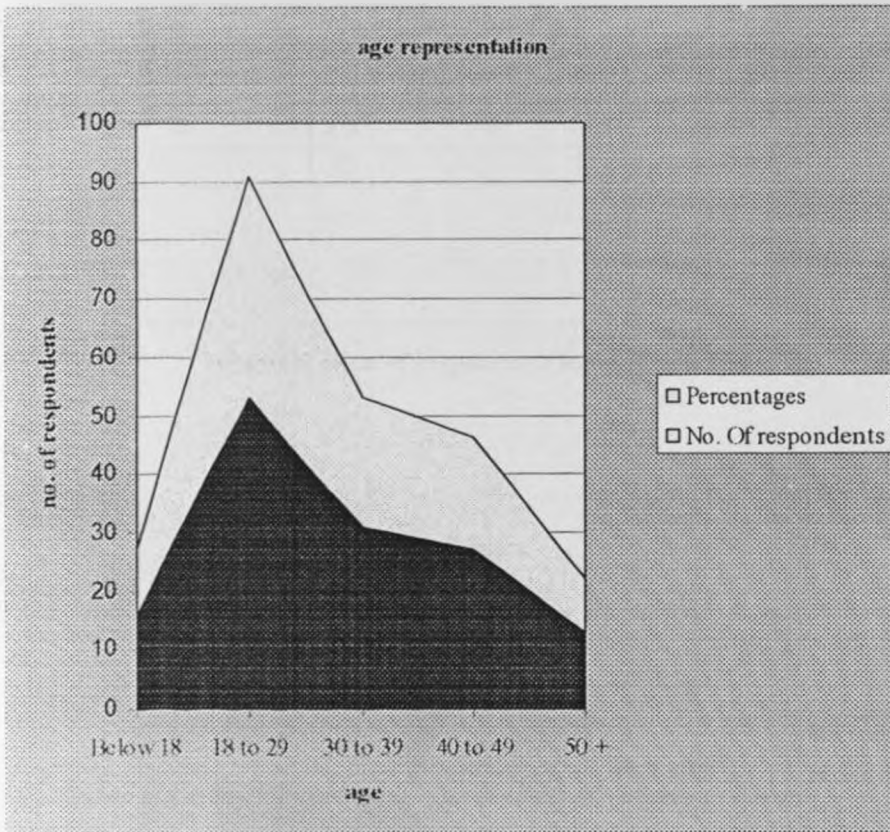
According to the table and figure shown above most of the respondents were single as their percentage was 60% as compared to 40% of unmarried people.

### 4.2.3 Ages

**Table 4.2.3**

Age (in years)	No. of respondents	Percentages
Below 18	16	11.4
18 to 29	53	37.9
30 to 39	31	22.1
40 to 49	27	19.3
50 +	13	9.3

**Figure 4**



It was noted that most of the respondents were between the ages of 18 and 29 years which was representing almost 38 % of the sample population. The second largest group

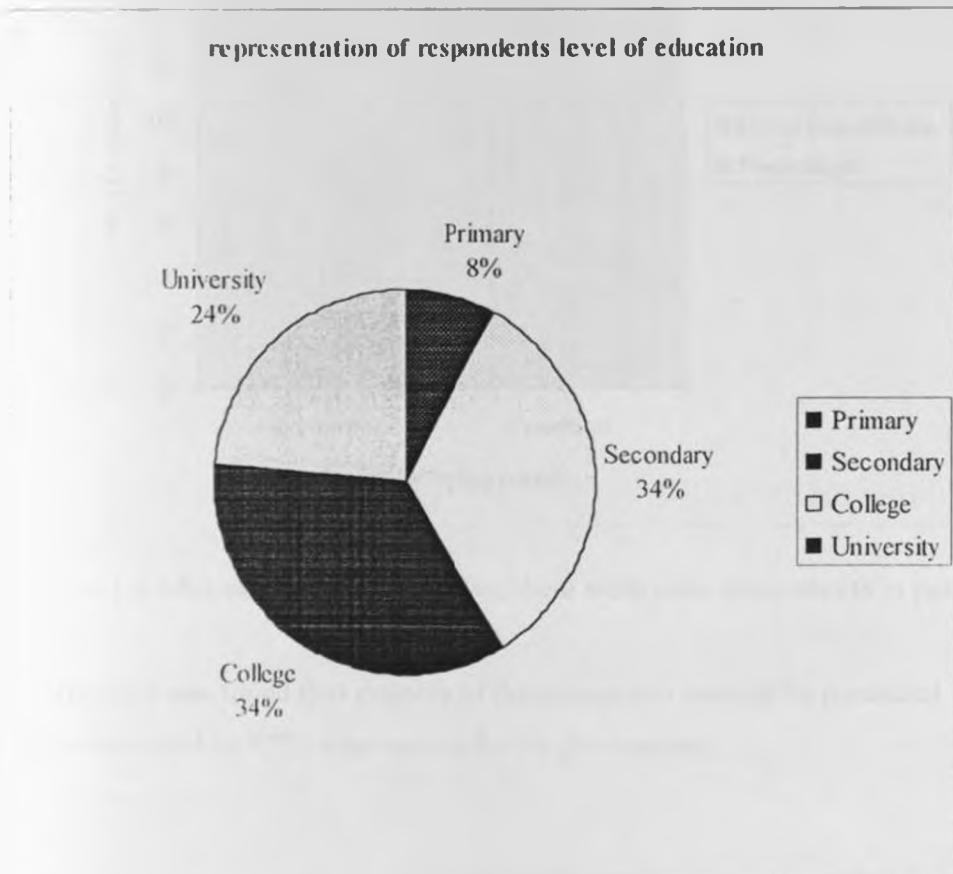
which was representing 22% of the respondents was that which had respondents between the ages of 30 to 39 years 27 respondents were between the ages of 40 and 49 years while those who were below 18 years and above 50 years were 16 and 13 respondents respectively. The high percentage of 37.9% of ages between 18-29yrs shows that majority of those who work as employees in Westlands are young people.

#### 4.2.4 Level of education

Table 4.2.4

Level of education	No. of respondents	Percentages
Primary	11	7.8
Secondary	47	33.6
College	49	35
University	33	23.6

Figure 5



As represented in the pie chart above 49 (35%) have attained college level while 33(23.6%) have attained university level. This shows that majority of the respondent 58.6% have at least college education.

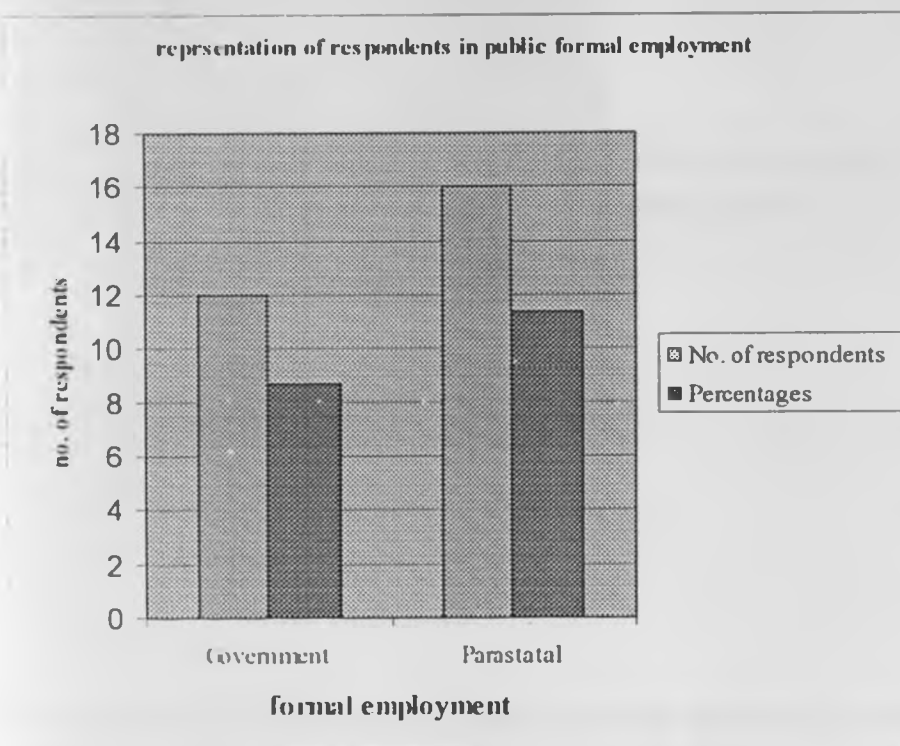
#### 4.2.5 Occupation

##### (A) Formal employment

Table 4.2.5.1 public formal employment

Public	Government	Parastatal
No. of respondents	12	16
Percentages	8.7	11.4

Figure 6(i)



As shown on the table and the diagram above, there were more respondents in public

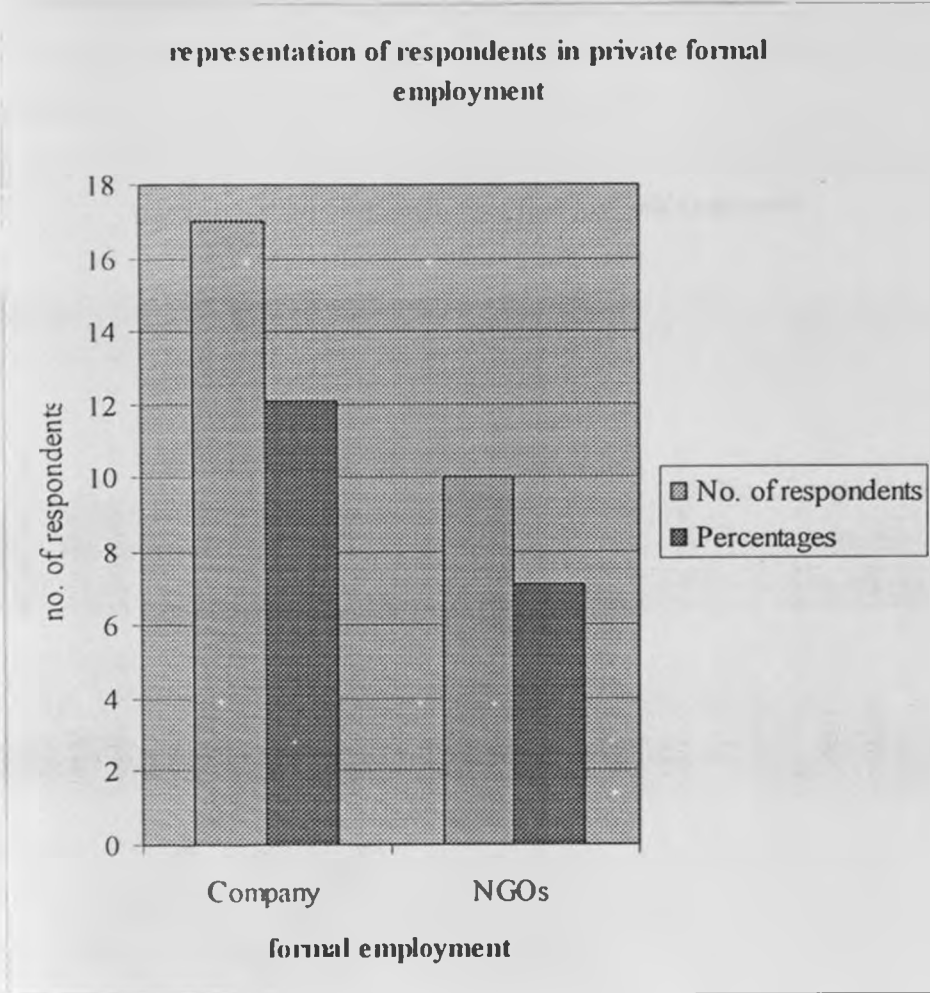
In this category it was found that majority of the respondent worked for parastatal (11.4%) as compared to 8.7% who worked for the government.



**Table 4.2.5.2 private formal employments**

Private	Company	NGOs
No. of respondents	17	10
Percentages	12.1	7.1

**Figure 6(ii)**



As shown on the table and the diagram above, there were more respondents in private formal employment that were working in companies than in the NGOs.

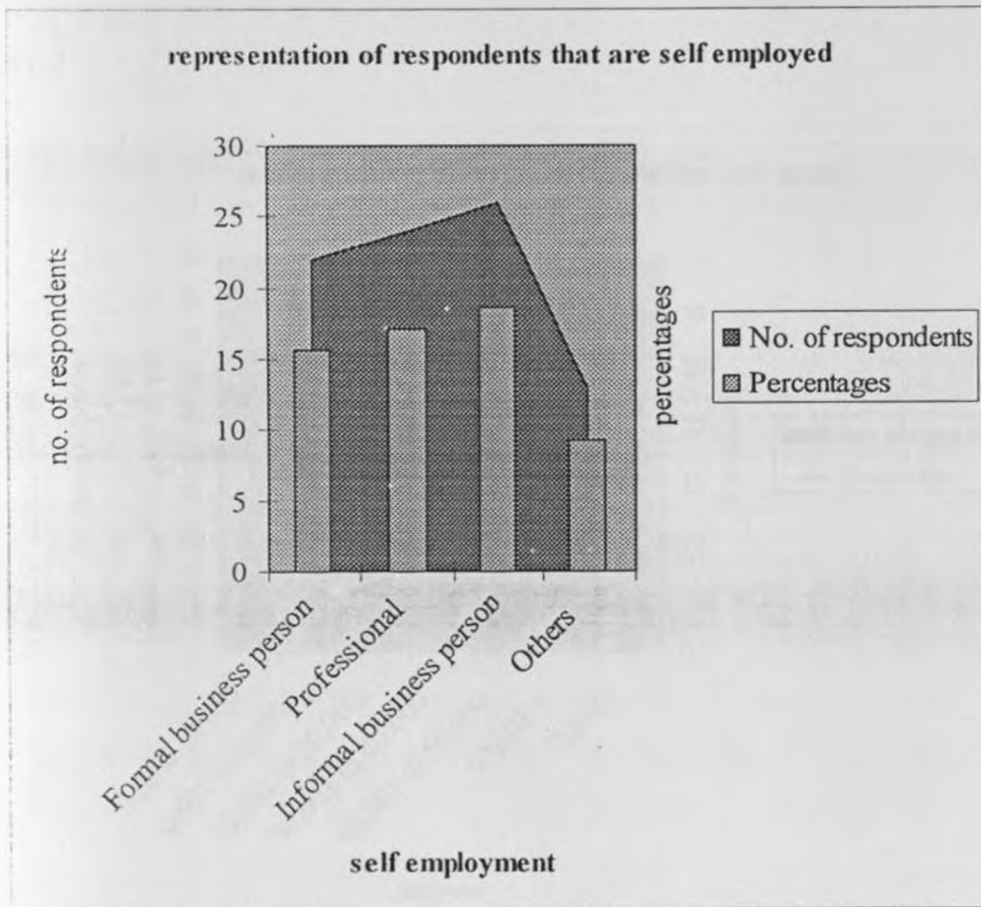
In this category many of the respondents came from private companies (12.1%) as compared to NGO that had (7.1%).

**(B) Self employment**

**Table 4.2.6**

<b>Self employment</b>	<b>No. of respondents</b>	<b>Percentages</b>
Formal business person	22	15.7
Professional	24	17.1
Informal business person	26	18.6
Others	13	9.3

**Figure 6(iii)**



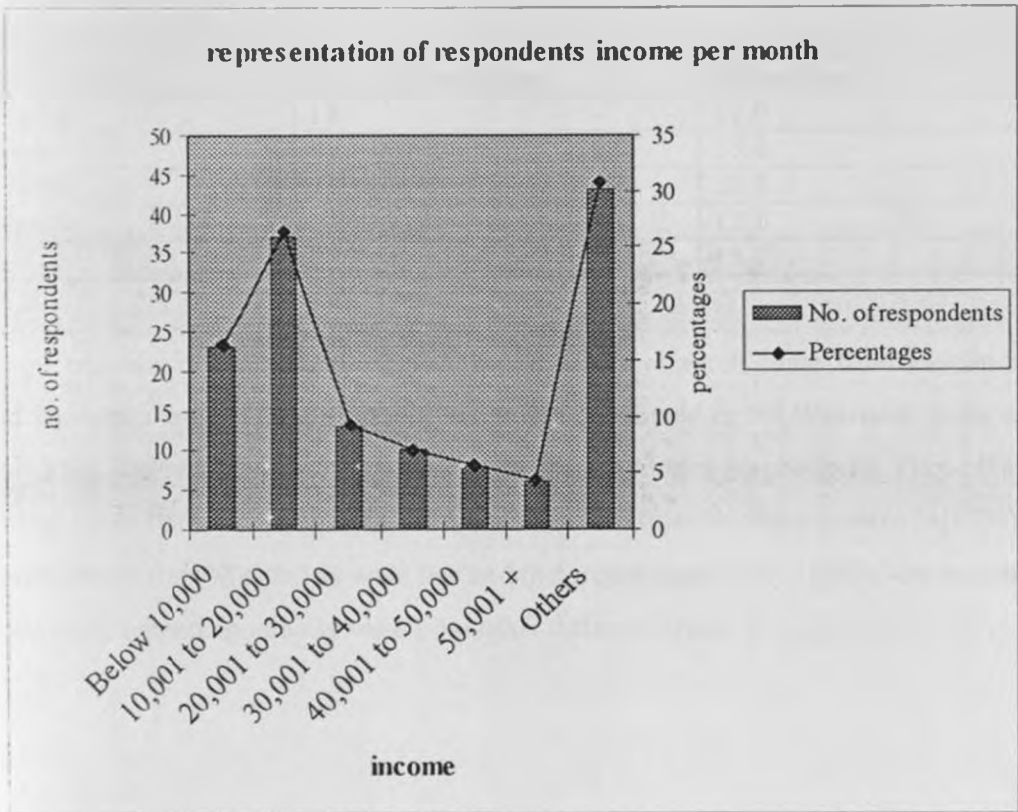
As shown on the table and the diagram above, there were more respondents who were self employed than professionals. Self employed in Informal business were represented by 18.6% respondents followed by those who were professionals that were represented by 17.1% of respondents. 15.7% of respondents were in the formal businesses while 9.3% of the respondents were either in other forms of businesses or basically unemployed

#### 4.2.7 Income per month

Table 4.2.7

Income per month( Kshs)	No. of respondents	Percentages
Below 10,000	23	16.4
10,001 to 20,000	37	26.4
20,001 to 30,000	13	9.3
30,001 to 40,000	10	7.1
40,001 to 50,000	8	5.7
50,001 +	6	4.3
Others	43	30.8

Figure 7



It was noted that most of the respondents did not feel comfortable revealing their income packages hence most of them did not answer. This unfortunately was the largest percentage of the sample population being represented by 30.8 %. However this group also contained those who did not know how much exactly they attained in a month and

those that did not have jobs. 37(26.4%) respondents received 10,000 to 20,000 every month while 16.4% of the respondents got less than 10,000 every month. Those that received more than 20,000 but less than 30,000 were 9.3% and those that received or got more than 30,000 but less than 40,000 were 7.1%. As the income increased so did the number of respondents receiving the particular package hence those that got 40,001 to 50,000 and more than 50,001 shillings were 8 and 6 respondents respectively.

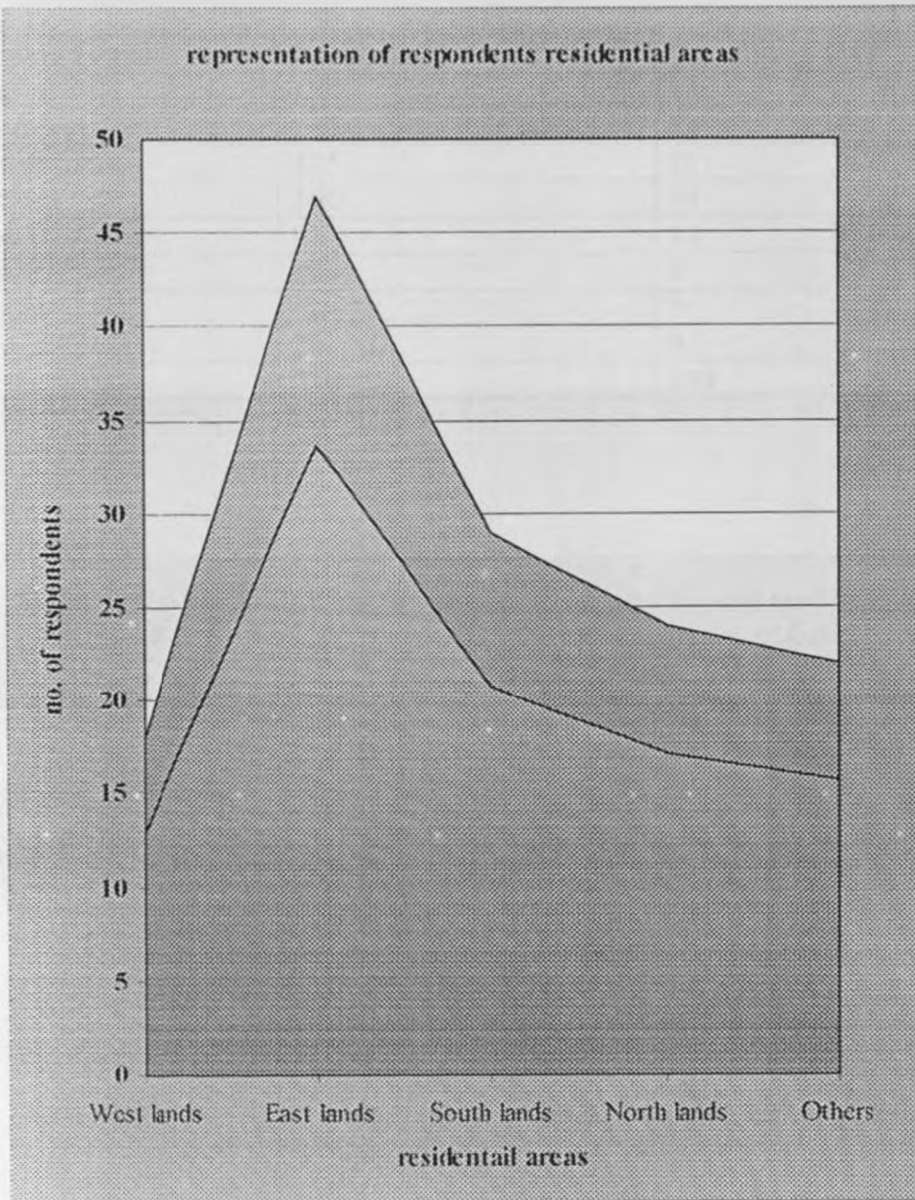
#### 4.2.8 Residential area

*Table 4.2.8*

<b>Residential areas</b>	<b>No. of respondents</b>	<b>Percentages</b>
West lands	18	12.9
East lands	47	33.6
South lands	29	20.7
North lands	24	17.1
Others	22	15.7

The large number of respondents that took part in the research came from Eastlands parts of Nairobi although they did their businesses or worked in the Westlands parts of Nairobi. This was represented by a total number of 47(33.6%) respondents. Those that came from Southlands were 29(20.7) and those that were from Northlands were 24(17%). The respondents from Westlands were few and they represented only 18% of the sample population. 22 other respondents were from other different areas

Figure 8



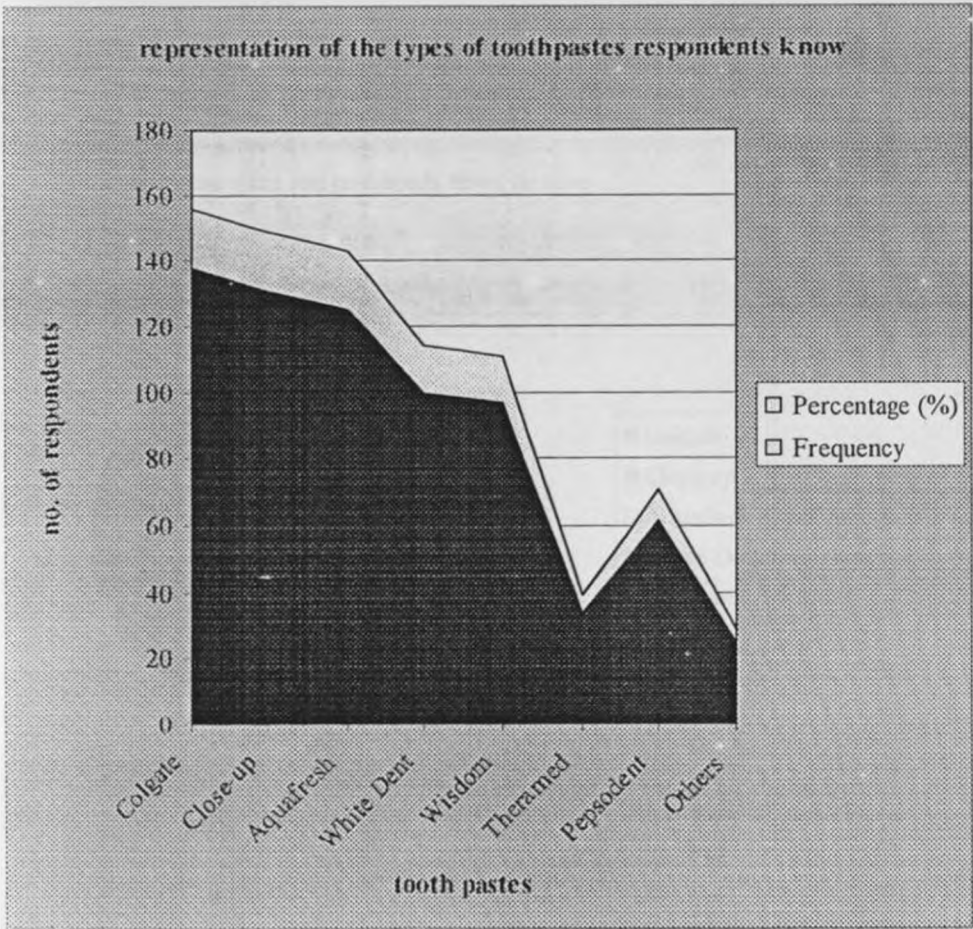
Section B

4.3 Top of mind toothpaste

Table 4.3

Toothpaste brand	Frequency	Percentage (%)
Colgate	138	18
Close-up	131	18
Aquafresh	125	18
White Dent	100	14
Wisdom	97	14
Theramed	34	5
Pepsodent	62	9
Others	25	4
<b>Total</b>	<b>712</b>	<b>100</b>

Figure 1



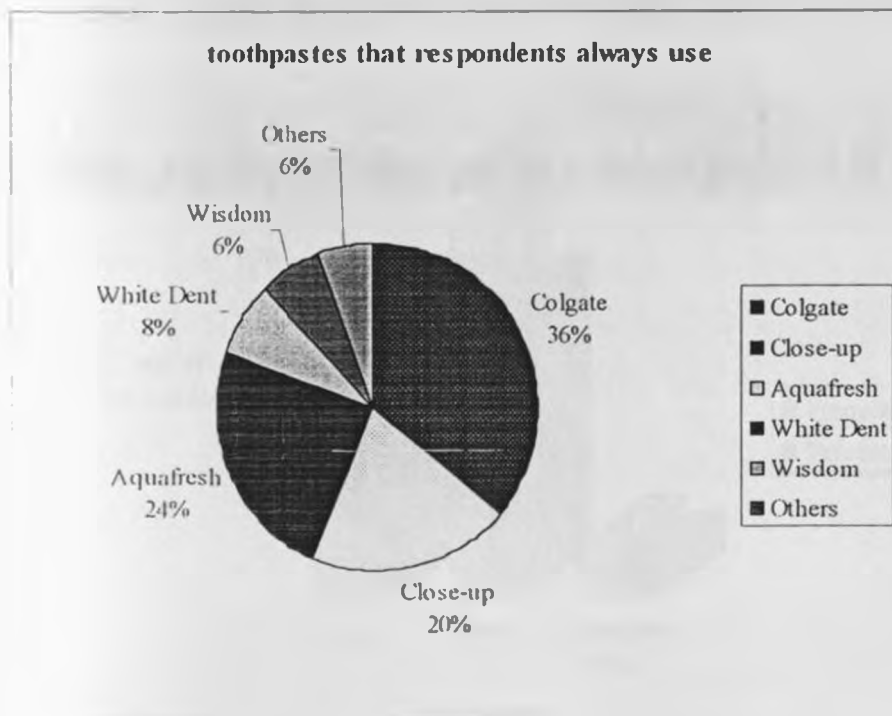
Most of the respondents were aware of Colgate which emerged as the top of mind toothpaste brand. However the respondents were also aware of Close-up and Aqua fresh, White dent and Wisdom were also quite known by the respondents. The rest of tooth pastes indicated above were considerably known. As for Sensodyne which fell under the others category was not widely known.

#### 4.4 Toothpaste brands that respondent always use

Table 4.4

Toothpaste brand	Frequency	Percentage (%)
Colgate	95	36
Close-up	52	20
Aquafresh	63	24
White Dent	20	8
Wisdom	16	6
Others	15	6
<b>Total</b>	<b>261</b>	<b>100</b>

Figure 2



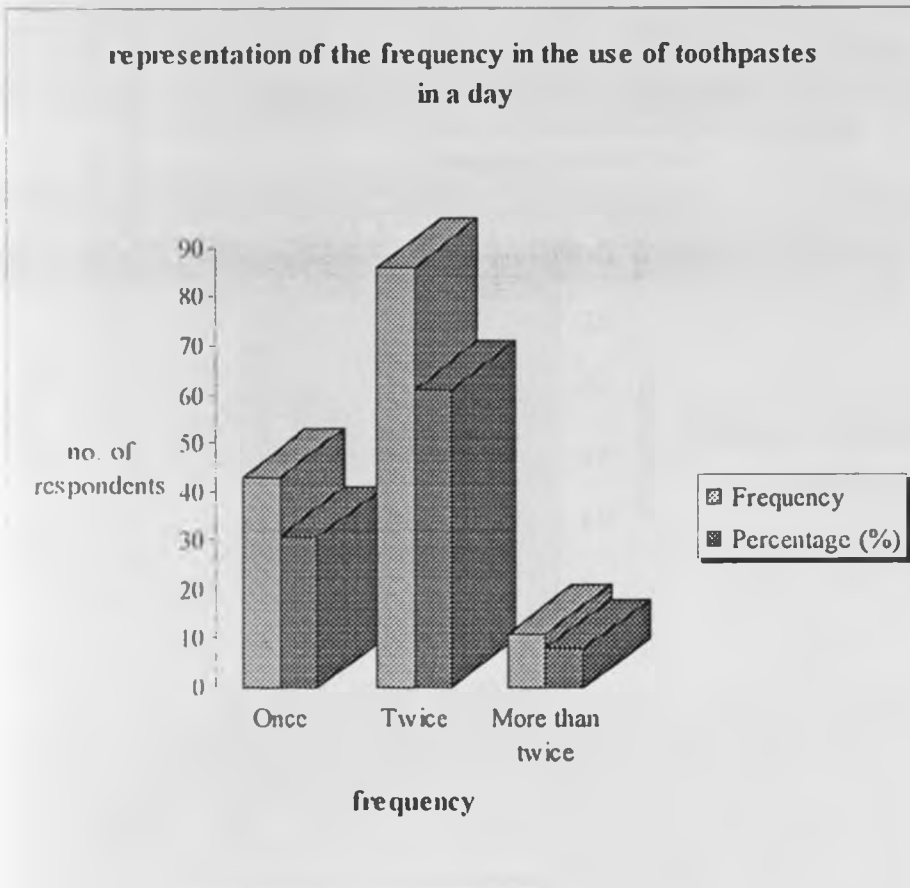
Most of the respondents (36%) used Colgate followed by Aqua fresh (24%) and then Close-up 20% of respondents. Only 8% uses White dent while 6% of respondent used Wisdom Other toothpastes were only used by 15% of the respondents.

**4.5. Number of times one uses toothpaste in a day**

**Table 4.5**

No. of times	Frequency	Percentage (%)
Once	43	31
Twice	86	61
More than twice	11	8
<b>Total</b>	<b>140</b>	<b>100</b>

**Figure 3**





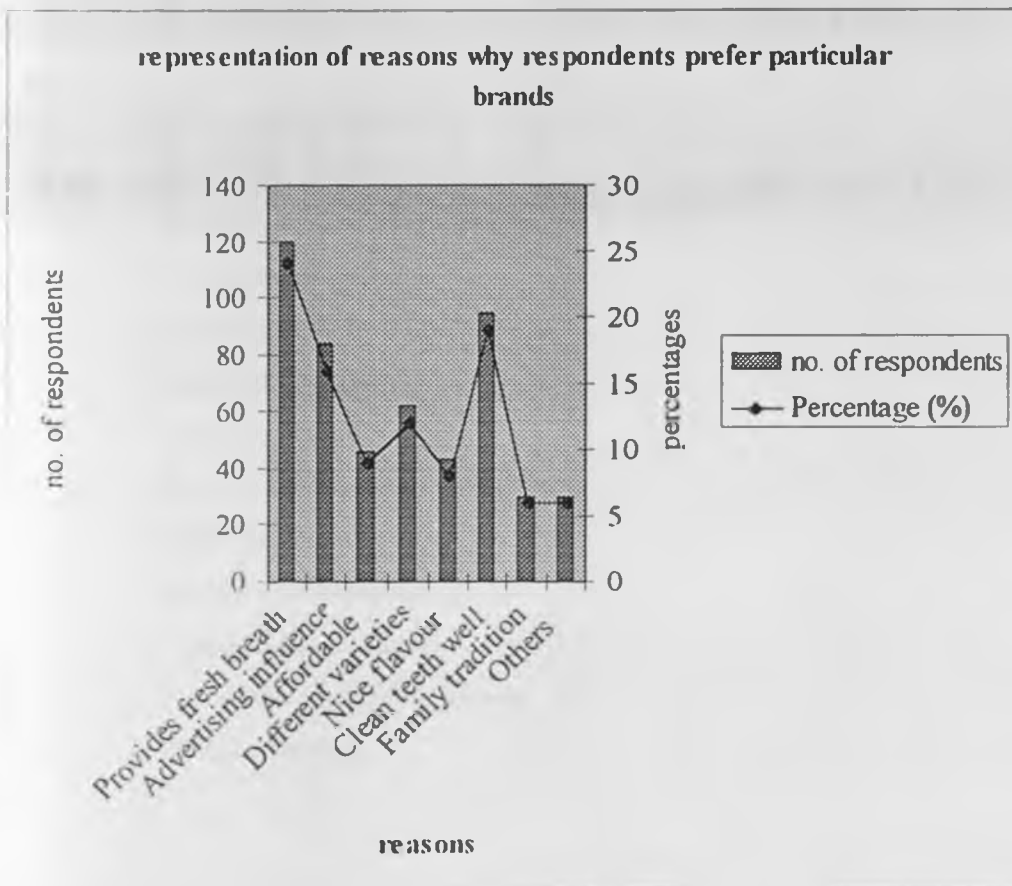
Most of the respondents used their tooth pastes twice daily being represented by 61% of the respondents. Those respondents that used their tooth pastes once daily were 31% while 8% of the respondents used toothpaste more than twice.

#### 4.6 Why respondent prefer the brand

Table 4.6

Response	Frequency	Percentage (%)
Provides fresh breath	120	24
Advertising influence	84	16
Affordable	46	9
Different varieties	62	12
Nice flavour	43	8
Clean teeth well	95	19
Family tradition	30	6
Others	30	6
<b>Total</b>	<b>510</b>	<b>100</b>

Figure 4



Most of the respondents 24% preferred their brands because most importantly provided fresh breath followed by the fact that they cleaned teeth well 19%. This shows that many people are sensitive to their breath. Third most chosen reason as to why respondents used their brands was that they were constantly being advertised hence they are influenced to buy them. Toothpastes that came in different varieties were also an added advantage hence preferred. Affordable and nice flavors that they had were also reasons as to why respondents preferred their brands. Family traditions were minor issues as to why respondents bought their toothpastes. A few others had their own reasons.

#### ***4.7 Extent to which statements are important when purchasing toothpaste***

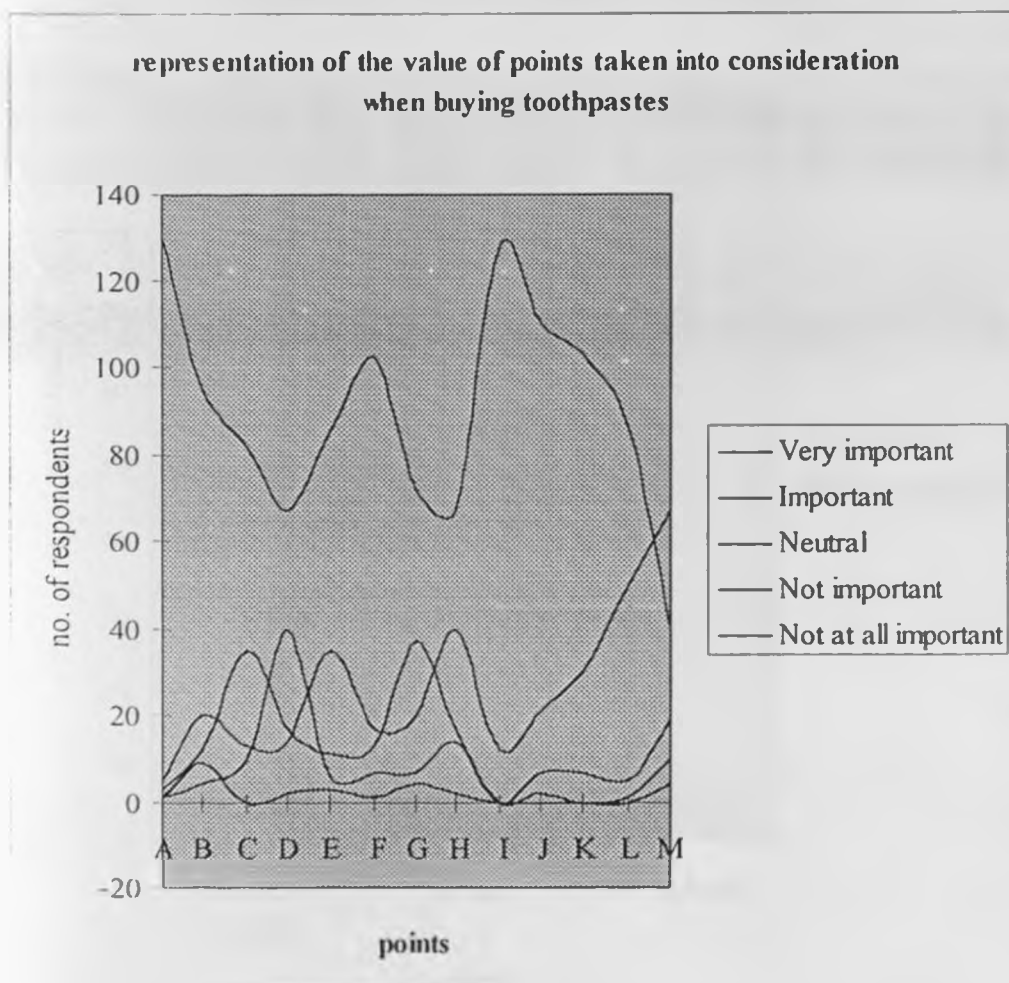
**Key**

- A - Prevent tooth cavities
- B - Prevent exposed root cavities
- C - Prevent gums inflammation
- D - Prevent tartar
- E - Prevent plaque build up
- F - Keep fighting germs
- G - Removes plaque
- H - Remove stains
- I - Fights bad breath
- J - Reduce gum bleeding
- K - Cleans between teeth
- L - Strengthen weak tooth enamel
- M - Whitens the teeth

Table 4.7

Statements	Very important	Important	Neutral	Not important	Not at all important
1. A	130	5	3	1	1
2. B	95	20	12	4	9
3. C	82	13	35	10	0
4. D	67	14	17	40	2
5. E	85	35	11	6	3
6. F	102	17	13	7	1
7. G	72	20	37	7	4
8. H	67	40	17	14	2
9. I	128	12	0	0	0
10. J	110	21	7	2	0
11. K	103	30	7	0	0
12. L	86	50	5	1	0
13. M	40	67	19	10	4

Figure 5



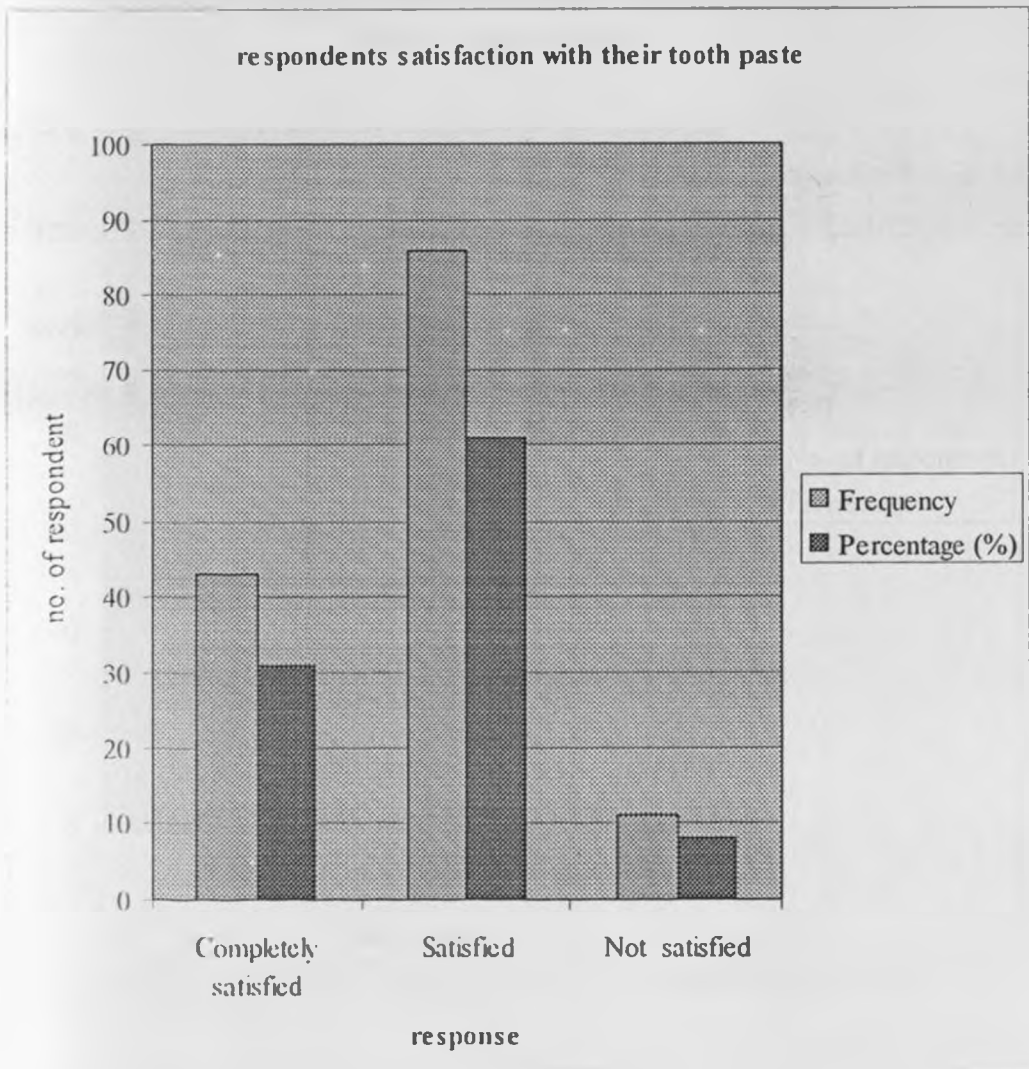
From the findings it shows that the respondents were consistent with the reasons why they love their brands. The statements that had high frequency were to Prevent tooth cavities, Fights bad breath and Reduces gum bleeding. These are just the same reasons they had given as to why they prefer their choice of brand.

**4.8. Satisfaction of respondents with their toothpastes**

**Table 4.8**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Completely satisfied	43	31
Satisfied	86	61
Not satisfied	11	8

**Figure 6**



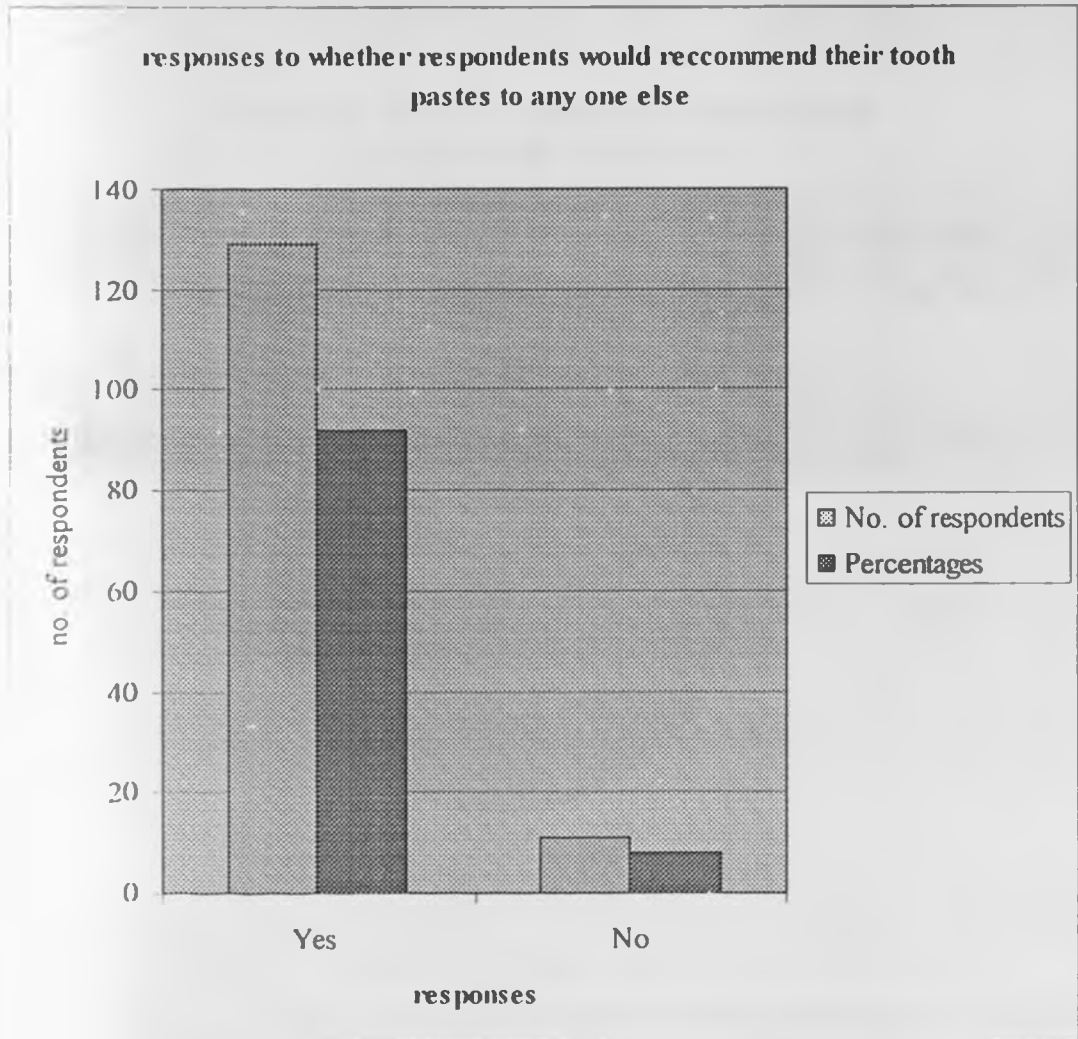
92% of the respondents were satisfied with their brands while only 8% were not satisfied

**4.9 Response to whether respondents would recommend their brand of toothpastes to anyone else**

**Table 4.9**

Response	Yes	No
No. of respondents	129	11
Percentages	92	8

**Figure 7**



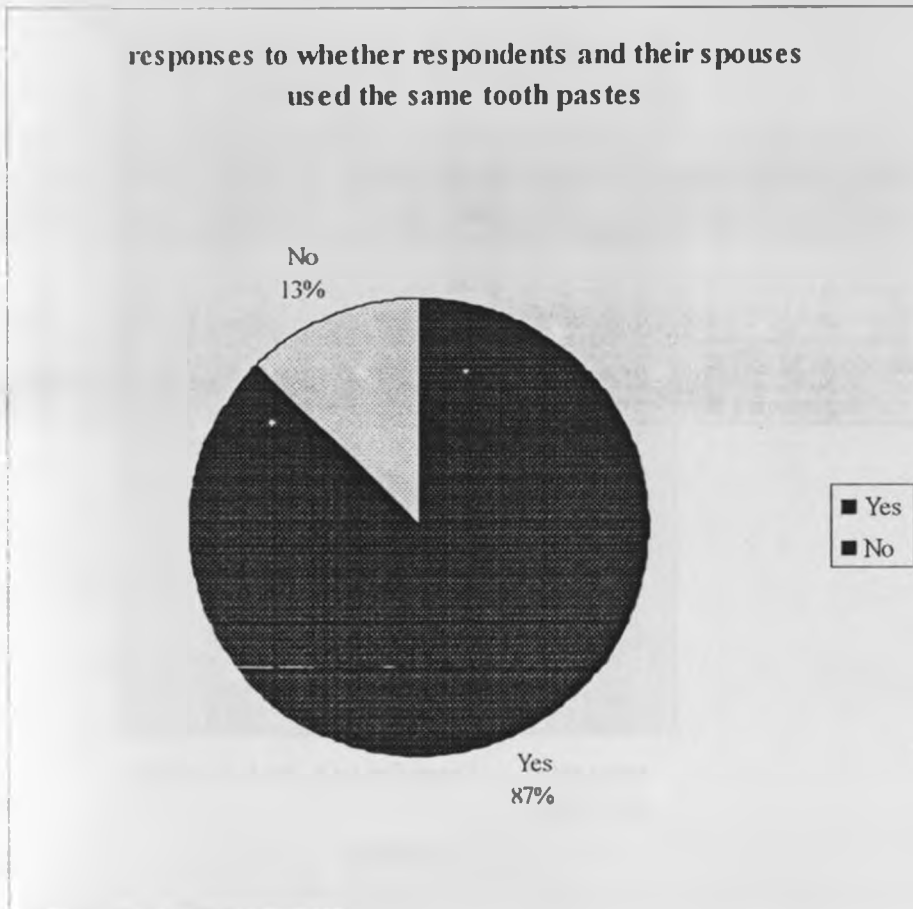
All of the 92% of the respondents would recommend their toothpastes to others while 11 respondents would not. This is consistent with their level of satisfaction. It shows that once a customer is satisfied s/he will always recommend the product to others.

**4.10 Responses to whether if respondents were married, they used the same toothpastes with their partners**

**Table 4.10**

Response	Yes	No
No. of respondents	49	7
Percentages	87.5	12.5

**Figure 8**



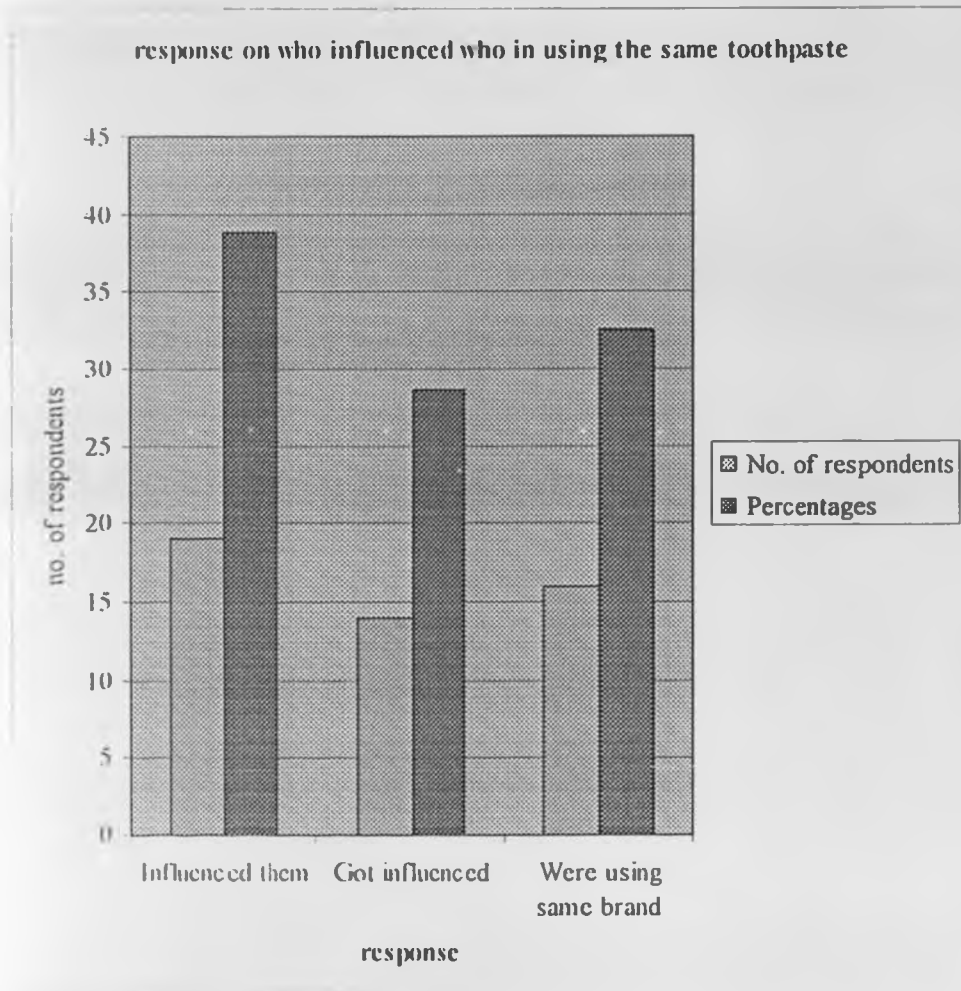
From the findings majority of the couples (87.5%) used the same toothpaste brand. Only 12.5% of the respondent that did not use the same brand of toothpaste.

**4.11 Responses to whether the respondents were influenced or not by their spouses to use the same toothpastes as their partners**

**Table 4.11**

Response	No. of respondents	Percentages
Influenced them	19	38.8
Got influenced	14	28.6
Were using same brand	16	32.6

**Figure 8**



Most of the respondents 38.8% influenced their spouses to use the same tooth paste as themselves, 28.6% were influenced while 32.6% respondents were already using the same brands when they got married. This shows that vast majority of married people 67.4% either got influenced or did influence the consumption of toothpaste brand .



## CHAPTER FIVE

### 5.0 DISCUSSIONS, SUMMARY AND CONCLUSIONS

#### 5.1 Introduction

This chapter highlights the findings of the study as well as conclusions and recommendations from the research undertaken.

#### 5.2 Discussions

The main objectives of this study were to establish the factors that determine toothpaste loyalty and to determine the most important factor in determining toothpaste loyalty.

##### 5.2.1 Consumer perception on the different brands

The findings revealed that the most popular toothpaste brand to be Colgate followed by Close – up and Aquafresh coming third with frequencies of 138,131 and 125 respectively. This can be attributed to the fact that both Colgate and close-up are brands that have been in the market for a very long time. However, when it comes to the usage, the combination changes to Colgate followed by Aquafresh and close-up comes third with 36%, 24% and 20% respectively. This findings tend to resemble those of Steadman Group (2005) which revealed that Colgate dominates the toothpaste industry with the highest market share, followed closely by Aquafresh and Close-up respectively.

The difference between the popularity of the brands in the top of mind question and that of the popularity in usage could be explained by the reasons such as the age of the brand in the market and the quality of the brands. Close-up came into the market before Aquafresh in as much Aquafresh has a large market share than Close-up. Advertising strategy may also contribute to this as in Close-up may be advertising with messages that tend to stick longer in peoples mind

Analysis of the findings reveals that majority of the users of toothpaste do use it twice a day (61%) as compared to those who use it once in a day (31%). This finding shows that the companies should develop messages to encourage more usage hence increasing their market share. On the other hand 8% of respondent uses it three times a day which is also

a challenge to the manufactures to know that people can use the product more than twice. They should come up with awareness to encourage more usage and to reward this group of people.

On the issue of brand preference, the findings revealed that factors such as: provides fresh breath, clean teeth well, Advertising influence and different varieties captured 24%, 19%, 12% and 12% respectively. This revealed why consumers prefers their brands of toothpaste. This shows that consumers are rational people who will only use toothpaste if it satisfies their expectation. It means that advertising alone wont woo the customers in using a certain brand for they will be watching the end result. On the other hand manufacturer should have a range of varieties especially when dealing with young generation.

### **5.2.2 Factors determining loyalty**

Most of the respondents rated most factors as most important and important. These factors were Prevent tooth cavities, Fights bad breath, Reduce gum bleeding, Cleans between teeth, Keep fighting germs among others. They only rated two factors as neutral that is prevents gum inflammation and removes stains. A few people felt that the factor that it prevents tartars is not important.

From the analysis then, it means that most loyal customers do not consider tartar as a threat to their teeth. This may be attributed to the fact that city council of Nairobi do regulate the chlorine they put in the water supplied. Also the consumer do not seem to particular in whitening their teeth.

All in all the consumers attached some level of importance to all the factors. These factors were noted as Prevent tooth cavities, Fights bad breath, Reduce gum bleeding, Cleans between teeth, Cleans between teeth, Keep fighting germs, Prevent exposed root cavities, Strengthen weak tooth enamel, Prevent gums inflammation, Remove stains, Remove stains, Prevent tartar, Whitens the teeth.

### **5.2.3 Most Important loyalty factor**

The findings revealed that the most important factor is that of preventing tooth cavities. This means that in as much there are many factors that customers consider before buying toothpaste, they are all wrapped with the aspect of preventing tooth cavities. This also reveals that consumers are sensitive to their oral health and they will go extra mile to avoid dentist at all cost.

This factor is also consistent with the customer's preference for their brand as they revealed that factors that it provides fresh breath and clean teeth well enjoyed the highest percentages. All these factors revolve around prevention of teeth cavities.

### **5.3 Recommendations**

From the research findings, it is apparent that there are factors considered important in determining brand loyalty of toothpaste. With this in mind the toothpaste manufacturer should ensure that they always put these factors into consideration when they are making their products. It is apparent from the findings that consumers in general give more weight in the functional benefits of the toothpaste as compared with emotional and self expressive benefits. Manufacturing companies must therefore consider on how to create advertising messages along these factors so as to attract and retain their customers.

On the basis of the findings it is also clear that some toothpaste brands are more popular than others but this does not translate into sales. This calls for manufacturers and marketers to find out why and to reposition these brands into consumers mind.

Finally it was noted that there is so much of influence when people get married and some tend to leave their brands to those of their spouses. The marketers should have a way of targeting these groups so as to make sure that it is their brands that are selected as compared to their competitors.

#### **5.4 Limitations of the study**

- 1 The sample size of 200 may have limited confidence in the results and this might limit generalizations to other situations and areas outside Nairobi.
- 2 The study was done in Westlands Nairobi. The purchasing behavior of Nairobi consumers may differ from other regions. The factor rating in this finding may not be applicable in other parts of the country.
- 3 The study was a survey. The use of predetermined questions may have forced respondents to respond to questions without even understanding them.
4. Some respondents refused to fill in the questionnaires. This reduced the response rate to 70% which in turn may have reduced the probability of reaching a more conclusive study. However, conclusions were made with this response rate.

#### **5.5 Suggestions for future Research**

The study could be extended in geographical scope to cover other regions. This would help in making more generalized deductions.

The study revealed a unique aspect where by popularity does not necessarily translates to purchasing of the product by the consumers (case of Close-up and Aquafresh).A study can be done to establish the reasons behind this phenomenon.

On the other hand the study only focused one aspect of Brand Equity i.e Brand loyalty. Further study could be carried out too asses factors influencing other Brand Equity such as Brand Awareness or Perceived Quality

Finally a study could also be done to address the consumer demographics on Brand Loyalty. This would help to find out whether education level, gender, marital status and age have impact on Brand Loyalty.

## REFERENCES

- Aaker, D A (1996), Building Strong Brands , New York, Free Press.
- Aaker, D A (1991) Managing Brand Equity , New York, The Free Press.
- Aaker, D A and Joachimsthaler, E (2000), Brand Leadership, New York, Free Press.
- Batra, Myers, and Aaker, (1996), Advertising Management , Prentice Hall Inc. New Jersey.
- Bearden, W O, (1995), Marketing: Principles and Perspectives, Chicago, Rochard D. Irwin Inc.
- Crispell, D and Brandenburg, K ,(1993), What's in a Brand , American Demographics.
- Leller, Kevin Lane, (1998), Strategic Brand Management: Managing, Measuring and Building Brand equity, Prentice Hall –India.
- Keller, and Houston, (1998), The effects of Brand name suggestiveness on Advertising recall,  
Journal of marketing, vol 62, no.1
- Kotler, and Armstrong, (1990). Marketing: An Introduction , Prentice Hall, New York
- Kotler, Philip, (2003). Marketing Management , Prentice Hall – India
- Kotler, Phillip (1999) Kotler on Marketing – How to create, Win and Market., New York, Free Press.
- Kwena, T.F.(2001) The impact of Branding on Consumer choice: the case of new domestic Sugar Brands , Unpublished MBA project , University of Nairobi.
- Kisese (2001), Determinants of brand Equity in bottled water, Unpublished MBA project, University of Nairobi
- Giathi (2001) , Factors that determine Brand loyalty:  
The case of cigarette in Nairobi, Unpublished MBA project, University of Nairobi.
- Wambugu (2002). Factors that determine store loyalty:  
The case of large supermarkets in Nairobi. Unpublished MBA project, University of Nairobi.
- Dorothy (2006), Factors that determine brand loyalty: The case of petroleum marketing industry in Kenya Unpublished MBA project, University of Nairobi.

- Mulewa (2006), Influence of packaging and labeling on consumer preference for toothpaste brands: The case of shoppers in retail outlets in Nairobi CBD. Unpublished MBA project, University Of Nairobi.
- Ries, And Ries (1998) , The 22 Immutable Laws of Branding. Harper Collins.
- Schiffman and Kanuk (2000) , Consumer Behaviour. Prentice Hall, India
- Stanton, M.J et.al.,(1991) fundamentals of Marketing . New York, McGraw Hill.
- Ivans, M.J et.al.,(1997), Applied consumer behaviour. England , Wesley publishing company.
- Randall,G.(2000), Branding: A practical guide to planning your strategy. 2<sup>nd</sup> Edition, Kogan page Limited, 120 Pentonville road, London
- Nilson, T. H. (1999), Competitive Branding, Winning in the Market Place with Value Added Brands. New York, Wiley and Sons Limited.

#### Websites

- Wikipedia encyclopedia,(2007) , [http:// in.wikipedia.org](http://in.wikipedia.org).

APPENDIX I

LETTER OF INTRODUCTION



UNIVERSITY OF NAIROBI  
FACULTY OF COMMERCE  
MBA PROGRAMME - LOWER KABETE CAMPUS

Telephone: 732160 Ext. 208  
Telegrams "Varsity", Nairobi  
Telex 22095 Varsity

P O Box 30197  
Nairobi, Kenya

DATE: .....

TO WHOM IT MAY CONCERN

The bearer of this letter: .....

Registration No: .....

is a Master of Business & Administration student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report on some management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

Thank you.



MO/ek

## APPENDIX 2

### RECRUITMENT GUIDE

(Please help answer the following questions)

1. Do you use toothpaste

Yes [ ]

No [ ]

If yes proceed to Q2 otherwise close the interview.

2. How many types of toothpaste are you using at present

One [ ]

two [ ]

three [ ]

more than three [ ]

3. If more than three times close the interview otherwise proceed



**APPENDIX 3**

**QUESTIONNAIRE**

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

**Part A**

1. Which toothpaste brand do you know?

(i) .....

(ii) .....

(iii) .....

Others .....

2. Which toothpaste brand do you always use?

(i) .....

(ii) .....

3. How many times do you use this brand of your choice in a day?

(i) One

(ii) Twice

(iii) More than twice

4. Why do you prefer the brand?

(i) .....

(ii) .....

(iii) .....

(iv) .....

Others specify

5 Please indicate the extent to which these statements are important to you when buying toothpaste

	Very Important	Neutral	No	Not at all	
	Important		important	important	
	5	4	3	2	1
1. Prevent Tooth Cavities	[ ]	[ ]	[ ]	[ ]	[ ]
2. Prevent exposed Root cavities	[ ]	[ ]	[ ]	[ ]	[ ]
3. Prevent Gum Inflammation	[ ]	[ ]	[ ]	[ ]	[ ]
4. Prevent Tartar	[ ]	[ ]	[ ]	[ ]	[ ]
5. Prevent Plaque Build Up	[ ]	[ ]	[ ]	[ ]	[ ]
6. Keep Fighting Germs	[ ]	[ ]	[ ]	[ ]	[ ]
7. Remove Plaque	[ ]	[ ]	[ ]	[ ]	[ ]
8. Remove Stains	[ ]	[ ]	[ ]	[ ]	[ ]
9. Fight Bad Breath	[ ]	[ ]	[ ]	[ ]	[ ]

- |                                    |                          |                          |                          |                          |                          |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 10 Reduce Gum Bleeding             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11 Clean Between Teeth             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12 Strengthen Weak<br>Tooth Enamel | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13 Whitens the teeth               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

6 What are the most important factors in your choice of toothpaste? Please rank all the factors below starting from No. 1 for the most important

- |                                 |                          |
|---------------------------------|--------------------------|
| 1. Remove Stains                | <input type="checkbox"/> |
| 2. Strengthen Weak Tooth Enamel | <input type="checkbox"/> |
| 3. Fight Bad Breath             | <input type="checkbox"/> |
| 4. Prevent Tartar               | <input type="checkbox"/> |
| 5. Whitens the teeth            | <input type="checkbox"/> |
| 6. Fights cavities              | <input type="checkbox"/> |

Other (specify) .....

7 Are you satisfied with your brand of tooth paste

- |                          |                      |
|--------------------------|----------------------|
| <input type="checkbox"/> | Completely satisfied |
| <input type="checkbox"/> | Satisfied            |
| <input type="checkbox"/> | Not satisfied        |

8 Would you recommend your brand to toothpaste to any one else

- |                          |     |
|--------------------------|-----|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No  |

9 If married, do both of you use the same toothpaste brand

Yes

No

If yes to go to number 10 otherwise go to part B

10 Were you influenced by your spouse to change the brand when you got married, or you influenced them or all of you were using the same brand before ?

Influenced them

Got influenced

Were using the same brand even before

### Part B

1. What is your name? (optional) .....

2. Where do you live (estate).....

3. What is your Gender? Male  Female

4. Please tick you occupation below as appropriate

a) Formal employment

Public

Government

Parastatal

Private

Company

NGO

b) Self employed

Formal business person

Professional

Informal business person

Any other specify \_\_\_\_\_

5 Please tick the age bracket in which you fall under

Below 18 years

18 - 29

30 - 39

40 - 49

Over 50 yrs

6. What is your highest level of Education?

Primary

Secondary

College

University

7 Please indicate your marital Status

Single

Married

8 Please Tick the bracket where you fall according to the amount of your income per month

Below 10,000

10,000 - 20000

20,000 – 30,000

30,000 – 40,000

40,000 - 50,000

Above 50,000

**THANK YOU FOR YOUR TIME AND COOPERATION**