THE DETERMINANTS OF BRAND EQUITY IN THE BOTTLED DRINKING WATER INDUSTRY IN NAIROBI.

BY

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DECLARATION

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

Signed.. Date. 22/10/2002.............................

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

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DEDICATION

To my Parents Mr. and Mrs. Jonah Kisese Nthenge:

If there be a place somewhere after this life, I will be looking for you.

ACKNOWLEDGEMENTS

I am greatly indebted to thank my parents, Mr. and Mrs. Jonah Kisese Nthenge for the financial, moral and psychic support they offered me throughout my study period. Without their sponsorship and value for education, I would not have taken my MBA course.

Special thanks go to my university supervisor, Dr. R.M. Musyoka, who patiently and conscientiously guided me through the research. Without his dedication, tireless efforts, positive suggestions and interest in my work, this project would not have been successful. Such kinds of men are rare to come about!

I am also grateful to my colleagues (the MBA 11 Class of 2002) for their valuable suggestions and contributions throughout the study period. I wish them joy and happiness and above all, I wish them love.

I am also indebted to thanking all the respondents and research assistants who participated in the study. Without them, this study would not have been as scientific as it has emerged to be.

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ABSTRACT

This study was conducted in the period between June and September 2002. The study had an objective of finding out the determinants of brand equity in the bottled drinking water industry in Nairobi.

To achieve the objectives of the study, primary data was collected from 108 respondents selected from five middle-income estates in Nairobi. The middle-income estates of concern were Umoja, Embakasi, Buruburu, Komarocks and Jericho. Respondents were systematically selected where houses were numbered and randomly selected where houses were not numbered.

The primary data was collected through structured questionnaires that contained several factors that the researcher felt had a bearing in influencing each of the four aspects of brand equity (Brand Awareness, Brand Loyalty, Brand Associations and Brand Perceived Quality). Respondents were then required to rate each of these factors on a five point Likert scale with rating ranging from very important (5) to not important at all (1).

The major findings of the study were that:

1) Product differentiation, effective brand communications, word of mouth communications, quality assurance and effective distribution are important factors in influencing brand awareness in the bottled drinking water industry in Nairobi

2) Augmented product and product liability, effective distribution, positive associations, effective brand communications and price differentiation are important factors that enhance brand loyalty in the industry.

3) Organizational associations, brand value associations and personality associations are important factors in enhancing brand associations in the industry

4) Quality attainment and organizational image, service that comes with the brand, brand value proposition and effective brand communications are important factors that enhance brand perceived quality in the industry.

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

The researcher proposed future researches that take to determine the direction of these factors if they are to enhance equity in the industry. In this research, the researcher sought to only identify the factors that enhance brand equity in the bottled water industry, without going further to determine the directions that these factors take.

CHAPTER ONE
INTRODUCTION

1.1 Back ground.

For the last one decade, the marketing environment facing Kenyan firms has been very dynamic. The general trend in this dynamism has been a shift from a stable, non-volatile, predictable and an uncompetitive environment to one that is quite volatile, unpredictable, and quite competitive. Up tc the early 1990s, many firms in Kenya enjoyed unchallenged monopolies and government protectio At this time, the production marketing philosophy seems to have dominated since competition was minimal and consumers did not have much of a choice in the offerings that were in the market. At this time, competitive pricing was the main weapon to winning against any competition.

The last one-decade has witnessed unprecedented emergence of various forces that have posed serious challenges to the traditional premises and practices of marketing in Kenya. These forces include globalization of product markets, deregulation, increased 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 (Ngatia, 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. Globalization has spearheaded the integration of the Kenyan economy with other world economies so that Kenya is now part of the global village. These two forces have in effect brought i many new players in virtually every industry ranging from the pharmaceutical industry, consumer goods industry to the service industry and every other industry. Deregulation and globalization als mean that newly created markets are bound to be saturated with competitors quickly since any willing firm can enter into such new market. Such is the case for the bottled drinking water marke Kenya. Though the market emerged a few years ago, many competitors have already come in anc others have even tried and pulled out of the market (e.g. Buffalo brand, Maarufu brand). In effec this flocking of many players in already existing and emerging markets has seen a proliferation of brands in virtually every product category. Today, the average Kenyan consumer is exposed in his her shopping trip to many times as many offerings as ten years ago. Competition is stiff and mark are being saturated with competitors quickly posing a serious challenge to the survival and profitability of firms.

Though adversity and changing consumer preferences have worked negatively for many firms in Kenya, these forces have on the other hand brought fortune to other firms. Adversity and changes consumer preferences have been instrumental in creating new markets. The recent emergence of t bottled drinking water market in Kenya, for example, resulted from the failure of the city council t provide city residents with clean drinking water, with many tapped water consumers beginning to doubt its purity and cleanliness. This saw the creation of a marketing opportunity for firms to com up with a product that could satisfy this emerging need. Many firms came in quickly, offering branded bottled water seeing the proliferation of bottled water brands in urban areas and subsequently resulting to stiff competition in the industry.

Given such a prevailing situation, there is a need for firms in the industry to chat a route away fron the reliance on prices as the primary competitive arena and to seize any profitable opportunities tha could be exploited to create and serve new markets.

The answer to this challenge lies in brand equity (Aaker and Biel, 1993). Brand equity is a set of assets or liabilities linked to a brand name or symbol that add to or subtract from the value of the product or service to a firm or to that firm's customers (Aaker, 1996). The five major aspects of brand equity are: 1) Brand awareness, 2) Brand loyalty, 3) Perceived quality, 4) Brand associations and 5) Other proprietary assets (Aaker, 1996).

These brand equity assets help a firm to generate and implement strategies that improve its efficiency and effectiveness in the market place (Barney, 1991). Brand equity is seen to have two distinct advantages. First, brand equity provides a competitive edge. Secondly, brand equity has the ability to endure environmental changes (Farquar, 1990). Brand equity should be thought of as a multi dimensional concept that depends on what knowledge structures are present in the minds of consumers and what actions a firm can take to capitalize on the potential offered by these knowledg structures (Keller, 1993). Marketers have for far too long tended to assume that brand equity factor do not play a crucial role towards value creation, and have focused on sales growth and market shai (Srivastava et al, 1998). This inhibits the full potential of their brands.

Strong brands are a company's most precious asset (Kapferer, 1997). Having a well built strong brand is such a valuable asset to a firm that the financial community has placed extraordinary prices on the value of established brands, treating them as tangible assets with the potential to grow in value rather than depreciate (Aaker and Biel, 1993). There is a growing recognition that a significa proportion of the market value of firms today lies in intangible off- balance sheet assets rather than in tangible book asset (Capraro and Srivastava, 1997). The emphasis is then turning from the short term payoffs of price promotion to longer-term strategy. In the absence of a strong understanding (the specific marketing principles and concepts about value creation, equity building activities canno but continue being haphazard, unfocused and ignored at the detriment of potentially good products and the firm (Mbau, 2000).

If then brand equity is such a valuable asset to a firm, the challenge that many firms in the Kenyan bottled water industry are facing today is how to create and manage the equity of their brands. The question many firms are facing is as to what brand strategies and programs to have to add value to their brand name beyond the functional benefits their product provides. Managers are challenged to initiate and attempt new ideas, the emphasis being on applying new technology, educating the market, developing the industry infrastructure and creating new standards (Tom Peters, 1988). The firm with the greatest innovation and creativity will most likely win while those who only think about sharing the markets will never get involved in emerging businesses (Tom Peters, 1988). Hence, managers in Kenya are expected to discreetly discern and be able to apply principles and practices that effectively enhance brand equity. Planning and implementation of brand strategy usually focuses on creating (or enhancing) visibility, brand associations, and/or deep customer relationships (Aaker and Joachimsthaler, 2000).

As managers in the bottled water industry in Nairobi try to influence brand equity for their brands, becomes essentially important for them to know what factors are really important (from the customers' point of view) in enhancing each of the aspects of brand equity. It is only through sucl knowledge that managers can be able to come up with focused marketing strategies and programs that will be instrumental in enhancing the equity of their brands.

It is with these ideas in mind that this study seeks to reveal the important factors that influence brai equity in the bottled water industry in Nairobi.

1.2 Statement of the problem.

Immediately after the emergence of the bottled water industry in Nairobi due to the failure of the City Council to provide residents with clean drinking water, many firms came up with different brands of the product to exploit this marketing opportunity. After sometime, however, some brands that had come in to the market pulled out while others still remain in the market. The brands that pulled out did so certainly not because they had wished to, but to a greater extent because they wer not able to create value for themselves, their firms and their customers. The brands that are still in the market have been able to do so because they have created value for themselves, their firms and customers and thus, profitable. The fact that some brands pulled out while others remain does not mean that some did not have marketing programs and strategies while others have/ had. They all ha these. They all had brand names, pricing strategies, distribution strategies, packaging and positionin strategies.

In considering these facts, one might therefore wonder what is it that makes some brands in the industry successful and others fail. There must be some factors of prime consideration in drawing marketing strategies and programs in the industry if a brand is to succeed (by way of enhancing its equity) in the industry in Nairobi.

Few researches have been done on the subject of brand equity. One research conducted in Europe sought to measure brand equity scores for several mineral water brands in five European countries (Aaker and Biel, 1993). This study revealed that equity was greatly influenced by how long a brand has been in the market. Brands had a higher equity score in markets that they had been for some time and much lower scores in markets that they were yet to fully establish themselves.

A local related research sought to investigate the creation and application of brand equity in Kenya in the pharmaceutical industry (Mbau, 2000). This study revealed that personal selling is the most important factor in building brands in the industry. Advertising and pricing were considered as moderately important factors in brand building in the industry. This observation was explained by the fact that pharmaceuticals are essential and sensitive goods, which must be selectively and cautiously marketed.

Another related research sought to determine the important factors in creating quality perceptions (an aspect of brand equity) that affect brand choice in the soft drink industry in Nairobi (Mburu, 2001). Among the most important factors identified were; information about the brand and its uniqueness, brand performance and company responsibility, company's commitment to the brand. value delivered by the brand and its quality among others.

To the best knowledge of the researcher, no research has ever been done on the subject of brand equity and brand building practices in the bottled water industry in Kenya. This could be attributec to the fact that this industry emerged recently and the market is still growing.

Brands that have been able to survive in the bottled water industry in Nairobi are most likely the ones that have implemented marketing programs that auger well with the important determinants o value creation in the industry. This research seeks to reveal these important determinants of value creation by answering the question **"What factors are important in enhancing brand equity in the bottled drinking water industry in Nairobi?**

1.3 Research objective.

The main objective of this study was to establish the important factors in enhancing brand equity ir the bottled water industry in Nairobi.

1.4 Significance of the study

1. The findings of this study are expected to be of value to managers of firms already in the bottled water industry in Nairobi and of those to come up in the future. By showing the important factors that shape a brand's equity in the industry, managers can have insights and guidelines to help them in formulating marketing strategies and programs that put these factors into consideration and thus, be instrumental in enhancing their brand's equity.

2. The study is also expected to contribute to the existing literature in the field of branding and bran building that will be useful to academicians and researchers.

3. The study findings could also be of use to players in the industry in other markets other than Nairobi. Inferences drawn from what is happening in the bottled water industry in Nairobi could giv strategic insights to players in other markets.

CHAPTER TWO

LITERATURE REVIEW

This chapter is concerned with replicating what other scholars say about the factors that enhance brand equity in general. It starts with introducing the concept of brand equity and its four major aspects, and goes on to identify factors that are important specifically to enhancing each aspect of brand equity and cited by other previous scholars. It is from all these factors identified in this chapter that the researcher will seek to know which among them are important in enhancing equity in the industry of concern.

2.1 The concept of Brand Equity

Brand equity is a recent concept born in the 1980s. The concept has aroused intense interest among marketing managers and business strategists from a wide variety of industries. The Marketing Science Institute, a consortium of over 50 leading firms in the US, for example considers brand equity as one of its top research priorities (Olson and Jacoby1989).

From a managerial perspective, brand equity is a set of assets (and liabilities) linked to a brand's 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 (Aaker, 1991). This set of assets includes; Brand awareness, Brand loyalty, Brand associations, perceived quality and other proprietary assets (e.g. patents, good distribution channel relations). (Aaker and Biel, 1993)

A company may view brand equity as the future discounted value of the profit stream that can be attributed to the price premium or enhanced loyalty generated by the brand name (Aaker and Biel, 1993).

From the customers' point of view, brand equity is the value added to the functional product or service by associating it with the brand name (Aaker and Biel, 1993). Brand equity therefore, represents the 'added value' endowed to a product as a result of past investments in the marketing of the brand (Keller 1998). It 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, command more loyalty, and run more efficient marketing programs and therefore command a higher asset value (Batra, Myers and Aaker, 1998).

The concept of brand equity has been prominent because of: a) the financial community's interest in placing a value on brands (see table 1). In Britain, for example, the asset value of a brand can be included in the firm's balance sheet, so it has major financial implications on debt-equity ratio, depreciation and amortization, taxation etc and b) reaction against the frequency of short term price competition that dominates many industries (Aaker and Biel, 1993).

Table 1. The most valuable brands of the world

Brand	Industry	Brand value millionS
Coca-Cola	Beverages	83.845
Microsoft	Software	56.654
IBM	Computers	43.781
General electrics	Diversified	33.502
Ford	Automobiles	33.917
Disney	Entertainment	32.275

Source: The Wall Street Journal (June 1999)

A brand's asset value can command such high prices because of what it gives the company that owns it: access to a distribution net work, with shelf facings in the stores; high consumer awareness and loyalty, leading to a stream of repurchases (and therefore income) in the years to come; and economies in terms of marketing expenses, especially in the costs of launching new brands (Batra, Myers and Aaker, 1996).

2.2 The concept of Perceived Quality.

Perceived quality is the customers' perception of the overall quality or superiority of a product or service relative to relevant alternatives and in respect to its intended purpose to him (Keller, 1998). It is therefore an assessment of customers' perception of a brand on the basis of what they think constitutes a quality product. Quality means that the brand will be a premium brand as opposed to a value or economy entry. It therefore has enhanced customer benefits and it commands a price premium.

Perceived quality is a special type of association, partly because it influences brand associations in many contexts and partly because it has been empirically shown to affect profitability (as measured by return on investment and stock return (Aaker, 1996).

Achieving perceptions of quality is usually impossible unless the quality claim has substance. Understanding what quality means to the customer segments as well as supportive cultures and a quality improvement process that will enable the organization to deliver quality products and services is required to generate high quality (Aaker, 1996).

2.2.1 The importance of perceived quality as a brand equity asset

a) Perceived quality drives financial performance.

Though it is not easy linking financial performance to any intangible asset (whether it is people, information technology or brand equity), several studies have shown that perceived quality could really drive a firm's financial performance.

Studies using the PIMS data base (annual data measuring more than 100 variables for over 3000 business units) have shown that perceived quality is the single most important contributor to a company's return on investment (ROI), having more impact than market share, research and development or marketing expenditure (Jacobson and Aaker, 1987).

A study on 77 firms in Sweden revealed that perceived quality is a major driver of customer satisfaction, which in turn has a major impact on ROI (Anderson, Fornell and

Lehmann, 1994). Another study of 33 publicly traded firms over a four-year period showed that perceived quality had an impact on stock return, the ultimate financial measure (Aaker and Jacobson, 1994).

b) Perceived quality as a strategic thrust.

Perceived quality is a key strategic variable for many firms. Total Quality Management (TQM) or one of its relatives has been central to many firms for the past decade and perceived quality is usually the end goal of TQM programs (Aaker, 1996). Many firms explicitly consider quality to be one of their primary values and include it in their mission statements. A study in which 250 managers were asked to identify the most sustainable competitive advantage of their firms showed that perceived quality was the most frequently named asset (Aaker, 1986).

Perceived quality is often the key positioning dimension for corporate brands. A survey of managers showed that quality was the most mentioned basis of strong differential advantage (Aaker, 1989). Some brands are price brands and others are prestige or premium brands. Within these categories, the perceived quality position is often the defining point of differentiation.

c) Perceived quality as a measure of brand goodness.

Perceived quality is at the heart of what customers are buying and in that sense, it is the bottom line measure of the impact of brand identity (Aaker, 1996). Perceived quality reflects a measure of "goodness" that spreads over all elements of the brand. Even when the brand identity is defined by functional benefits, perceptions about these benefits are closely related to perceived quality (Aaker and Biel, 1993). When perceived quality improves, so generally do all other elements of customers' perception of the brand.

2.2.2 Disparity Between Objective (actual) and Perceived quality.

Several researchers (e.g Dodds and Monroe 1984, Garvin 1983, Holbrook and Cotfman 1985, Jacoby and Olson 1985, Parasuraman,Zeithaml and Berry1986) have emphasized on the difference between objective and perceived quality. Some scholars, for example, distinguish between mechanistic and humanistic qualities. "….mechanistic (quality) involves an objective aspect or feature of a thing or event; humanistic (quality) involves the subjective response of people to objects and is therefore, a highly relativistic phenomenon that differs between judges (Holbrook and Corfman, 1985). Objective quality is the term used in literature to describe the actual technical superiority or excellence of products (Anderson ands Chambers, 1985) and (Monroe and Krishnan, 1985).The term objective quality therefore, refers to measurable and verifiable superiority on some predetermined ideal standard or standards. The term objective quality is related closely to but not the same as other concepts used to describe technical superiority of a product.

Other authors (e.g. Garvin, 1983) discuss product-based quality and manufacturing based quality. These concepts are not identical to objective quality because they too are based on perceptions. Even though measures of specification may be actual (rather than perceptual), the specifications themselves are set on the bases of what managers perceive to be important. This is evidenced by the study done by Morgan (1985) for General Electric Company.

The disparity between objective and perceived quality can be very frustrating to management (Rust, Zahorik and Keiningham, 1996). These scholars give the example of what has been happening in the recent years in the US motor industry. They observed that in the recent years, customers in the US have tended to consider Japanese cars to be of a higher quality than American cars. So when Chrysler marketed a car that was identical (in all but the trim) to a Japanese car, customers consistently rated the American version worse. Everything about the cars was the same, and they were made in the same plant. Objectively, there was no difference between the two cars. Chrysler management knew for a fact that their car was just as good, but customers perceived the quality to be lower.

Perceived quality may differ from actual quality for a number of reasons. Customers may be overly influenced by a previous image of poor quality. They may not believe new claims, or may not be willing to take time to verify them. It thus becomes critical to protect a brand from gaining a shoddy quality reputation from which recovery is difficult and sometimes impossible (Aaker, 1996). Second, a Company may be pursuing quality on dimensions that are not important to the customer. Customers may not recognize the efforts or may not see any benefits accruing from such efforts. There is thus, a need to see that investments and quality resonate with the customers. The key to influencing quality perceptions is understanding the cues that customers associate with quality (Aaker, 1996). It is important to understand the little things that customers use as a basis for making judgments on quality. Customers have over the years increased their expectations of product quality and it has not been easy achieving satisfactory quality levels.

2.2.3 The antecedents of perceived quality

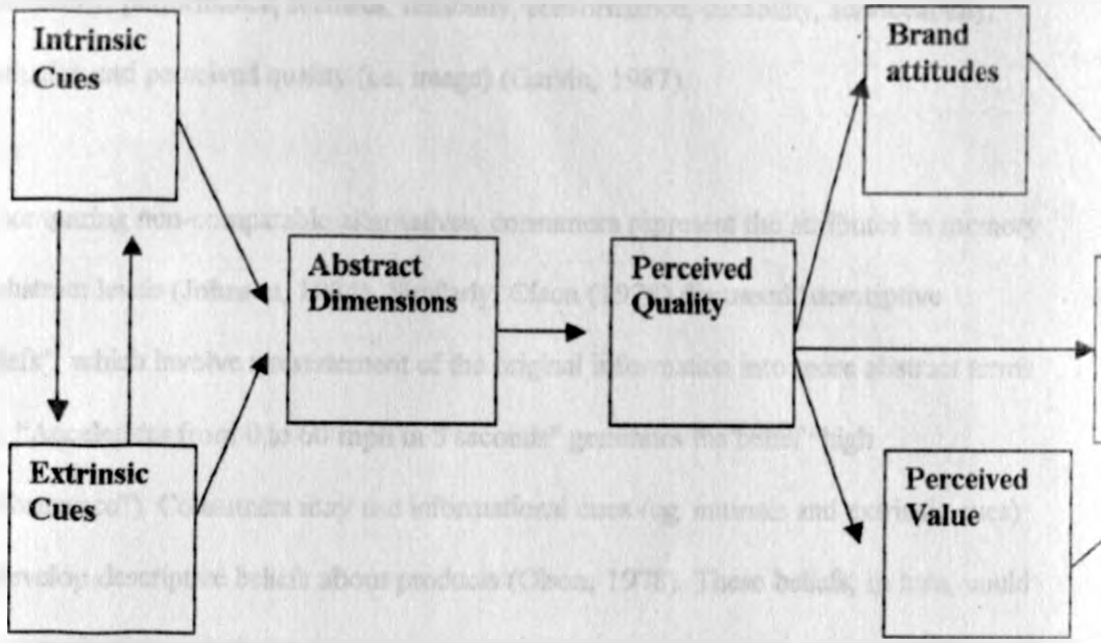
At the most concrete level, these antecedents include intrinsic and extrinsic cues.(See Fig. 1). These concrete cues are summarized by the consumer in mid-level perceptual abstractions, such as style and performance-considered dimensions of perceived quality (Aaker and Biel, 1993).

Moving from left to right, the figure shows an increase in abstraction and dimensionality and a decrease in measurability. This increasing level of abstraction is consistent with other conceptualizations of product attributes (e.g, Geistfeld, Sproles and Badenhop, 1977; Olson and Reynolds, 1984) known as means end chains.

Lower level attributes that signal quality have been dichotomized into intrinsic and extrinsic cues (Olson and Jacoby, 1972) and (Olson, 1977). To them, intrinsic cues refer to concrete, physical properties of the product (i.e. lower level specific brand beliefs). Intrinsic attributes cannot be changed without altering the nature of the product itself and are consumed as the product is being consumed (Olson and Jacoby, 1972). Examples of intrinsic cues include color, texture, miles per gallon and horsepower. Extrinsic cues are product related, but not part of the physical product itself.

Extrinsic cues are external to the product, and changing them does not change the physical product (Zeithaml, 1988). Examples of extrinsic cues to quality include price, brand name, level of advertising and warranty

Fig 1. Perceived quality model



Source: Aaker and Biel, 1993

2.2.4 The dimensions of perceived quality

Generalizing about quality across products is difficult for managers and researchers. Specific and concrete intrinsic attributes differ widely across products, as do the attributes consumers use to infer quality (Aaker and Biel, 1993). Obviously, the attributes that signal quality in fruit juice (e.g., color, presence of pulp) are not the same as those indicating quality in automobiles. Even within a product class, specific attributes may provide different signals about quality.

Whereas the concrete attributes that signal quality, differ across products, higher-level abstract dimensions of quality can be generalized to categories of products (Zeithaml, 1988). For instance, one scholar proposed that product quality can be captured in 8 dimensions: performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality (i.e. image) (Garvin, 1987).

In comparing non-comparable alternatives, consumers represent the attributes in memory at abstract levels (Johnson, 1984). Similarly, Olson (1978) discussed "descriptive beliefs", which involve a restatement of the original information into more abstract terms (eg. "Accelerates from 0 to 60 mph in 5 seconds" generates the belief "high performance"). Consumers may use informational cues (eg. intrinsic and extrinsic cues) to develop descriptive beliefs about products (Olson, 1978). These beliefs, in turn, could affect evaluation and choice.

Researchers have contended on the basis of exploratory research that six dimensions could be generalized across categories of durable goods: a) ease of use, b) functionality, c) performance, d) durability, e) serviceability and f) prestige (Brucks and Zeithaml, 1991). Other researchers have found consistent dimensions of perceived quality across seven service industries. These dimensions include: a) reliability, b) responsiveness, c) assurance, d) empathy, and e) tangibles (Parasuraman, Zeithaml and Berry, 1985).
In summary, the antecedents of perceived quality range from concrete and specific attributes that are either intrinsic or extrinsic though abstract dimensions that capture key perceptual facets of quality.

2.2.5 Measuring perceived quality

Perceived quality can be measured with scales such as the following:

* High quality versus shoddy quality

* Best in category versus worst in category

* Consistent quality versus inconsistent quality

* Finest quality versus average quality versus inferior quality (Aaker, 1996).

2.3 Brand loyalty equity asset

At the core of every successful brand is a nucleus of loyal customers. These "true believers" understand the brand better, purchase more often and recommend the brand to others. Brand loyalty is a preference for a particular brand that results in the brand's repeated purchase (Belch and Belch, 1995). It implies existence of habitual buyers who are desirous of maintaining a valued relationship with a particular brand (Mbau, 2000). When leaving home to buy some non durable, low involvement products, a consumer may make a shopping list that includes specific brand names because the consumer has developed brand loyalty for them. Brand loyalty is therefore the consistency with which a consumer continues to buy the same brand of a particular product (Churchill and Peter, 1995). Brand loyalty occurs when favorable 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 in others; they may reflect favorable, strong and unique associations that go beyond the objective reality of the product (Park, 1991). If customers purchase the brand even in the face of competitors with superior features, price and convinience, then substantial value exists in the brand or in its symbol or name. Consumers with a strong, favorable brand attitude should be more willing to pay premium prices for the brand (Starr and Robinson, 1978).

Brand loyalty serves an acceptance- rejection function. Not only does it 'select in' certain brands, it also 'selects out' certain others (Jacoby and Kyner, 1973). Before one can speak of being loyal, one must have the opportunity for being disloyal; there must be a choice.

Brand loyalty is a function of decision- making, evaluative process. It reflects a purchase decision in which the various brands are psychologically (perhaps even physically) compared and evaluated on certain criteria and the most rewarding brand(s) is /are selected (Jacoby and Kyner, 1973). In some product categories, buyers develop strong allegiances to short lists of brands. These allegiances come from first hand experiences, side comments, outside experts, past advertising and so on (Aaker and Biel, 1993). Such loyalties can be very hard to change.

The strong brands have gone a step beyond achieving visibility and differentiation to develop deep relationships with a customer group, that is, the brand becomes a meaningful part of the customer's life and /or self-concept. When a deep relationship occurs, the functional, emotional, and/or self-expressive benefit will have a relatively high intensity. The customer will be highly loyal and he or she will be likely to speak to others about the brand, discussing merits and defending short comings (Aaker and Joachimshaler, 2000).

2.3.1 Why seek brand loyalty?

Brand loyalty is at the heart of any brand's value. Brand loyalty represents one of the many advantages of creating a positive brand image and high equity. It represents a revenue stream that can go on for a long time and hence has considerable value to the brand (Mbau, 2000).

Loyal customers can be and should be the foundation for marketing strategy. Beyond the profit they generate, loyal customers provide the basis for brand development and improvement. The brand that loses sight of its loyal customers has lost direction, and is vulnerable to losing market share (Mill city, 2001).

As a brand's percentage of loyal customers goes up, market share increases and the brand becomes more profitable. Share rises because those customers who become repeat purchasers are no longer lost to the competition. In addition, repeat customers are more profitable than new customers- attracting new customers involves investing far more marketing and promotion funds.

2.3.2 Brand loyalty enhancement strategies

One critical way to develop brand loyalty is to provide the consumer with a quality product, which leads to satisfaction. Providing high quality products (accompanied by heavy advertising) can lead to an overall increase in brand loyalty (DeNitto, 1993). Recent studies(e.g Macinnis, 1997) suggest that consumers will become brand loyal to high quality brands if these products are offered at a fair price This is why some major brands lower their prices.

Brand loyalty could also be cultivated through sales promotions. Marketers can use a coupon premium whereby the consumer saves special coupons, proof of purchase seals or prizes free. Frequent flyer programs have been successful in building travel loyalty for several airlines. Consumers fly on the same airline in order to build up mileage points that can be exchanged for free trips. These programs have been expanded so that consumers can earn points of buying many different items, such as making phone calls with certain companies or staying at certain hotels or using a certain credit card (Cullinane, 1992).

Increasing the usage of existing customers of the brand could also increase loyalty. In essence, the goal would be to increase the amount consumed per occasion, or to suggest new usage occasions and opportunities. The effect of increasing usage would be to reduce the time between purchases (Colin, 1993).

Strengthening the relationship between the consumer and the brand can enhance loyalty (Aaker, 1996). This can be done by:

1. Increasing brand awareness
2. Improving perceived quality
3. Having an efficient and clear brand identity
4. Treating 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)

5. Staying close to the customer

The company should have its people including the top executives keep contacts with the customers who use their products. This makes the customers know that they are valuable (Aaker, 1991)

6. Managing customer satisfaction

7. Providing extras

It is relatively easy to change customer behavior from tolerance to enthusiasm by just providing a few extra-unexpected services. An explanation of a procedure or a simple apology may serve to enhance loyalty for example (Aaker, 1991)

8. Creating switching costs

One way of creating switching costs is by creating a solution to a customer problem that may involve redefining the business. Another approach is to reward loyalty directly. A good example here is the airline frequent- flyer clubs (Aaker, 1991).

9. Creating frequent buyer programs

Companies can also develop loyal customers through loyalty schemes like membership clubs (Kotler, 2000). Companies interested in launching a membership program must think carefully about the benefits to offer, the costs of offering these benefits, the annual membership fee, the minimum number of members needed and the costs of possibly having to terminate the program. Done well, a club can be a strong loyalizing tool. Done poorly, it could lead to heavy costs and embarrassment. Loyalty schemes however, will not compensate for offerings where the fundamentals are not right such as poor product or service.

In 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 created with the customer and the customer should be the focus of special attention. Customers should be treated like friends and not as accounts- the basis to a long lasting relationship (Kapferer, 1999). Brand loyalty is, in other words, built by meeting the expectations of customers or even exceeding them (Kotler, 2000)

2.3.3 Measuring Brand Loyalty.

A basic indicator of loyalty is the amount a customer is willing to pay for the brand in comparison with another brand offering similar or fewer benefits. For example, a consumer may be willing to pay 15% more for Coke than for Softa. This is called the price premium associated with the brand's loyalty (Aaker, 1996). This price premium may be low or high depending on the two brands being compared.

The price premium measure is defined with respect to a competitor or a set of competitors who must be clearly specified. A set of competitors is usually preferred for measurement because the brand equity of a single competitor can decline while the equity of other competitors remains stable. In such a case, using the declining competitor as a point of comparison would give an erroneous perspective of the brand's health (Aaker, 1996).

The price premium can be determined by asking consumers how much they would be willing to pay for the brand. This is called the dollar (or shilling) metric (Aaker, 2000). For instance, a consumer might be asked, "how much more would you pay to be able to purchase Keringet brand of mineral water instead of Mt. Kenya brand?"

A more sensitive and reliable measure of price premium can be obtained using the conjoint or trade off analysis (Green and Srinivasan, 1990). This well developed market research approach presents consumers with a series of simple choices, which are then analyzed together in order to determine the importance of different dimensions to consumers. For example, consumers might first be asked, "would you prefer a Corolla at $14000, a Honda at $13000, a Saturn at $12500 or a Toyota at $12000? If the Saturn is selected, then the process is repeated but this time withn the Saturn priced at $13000. if the Honda is then chosen, the next set will include the Honda with a $13500 price. The order of the brand in terms of their value then emerges.

A basic driver and indicator of brand loyalty is customer satisfaction. Satisfaction is a direct measure of how willing customers are to stick to a brand (Aaker, 1996). This measure could have a reference on the last use experience from the customer's view. Consumers could be asked relevant questions like:

* Are you satisfied with the brand?

* Are you delighted with your experience with the brand?

* Does the brand meet your expectations?

* Would you buy the brand on the next opportunity?

* Would you recommend the brand to others?

* Were there problems associated with the use of the brand?

Satisfaction can also be measured by asking direct questions about loyalty. For example, are you loyal to this brand? Do you buy mostly on price? (Kotler, 2000)

Another type of loyalty measure would be the level of loyalty in terms of the number of brands, where customers would be asked if they felt loyal to one, two, three or more brands, or if they see all brands as pretty much the same. The percentage of customers who are loyal to a given brand or include it in a set of two or three preferred brands can be a relevant statistic to know which brand has more equity (Aaker and Joachimshaler, 1993).

2.4 Brand Awareness Equity Asset

Brand awareness reflects the presence of a brand in the mind of customers. It reflects both the knowledge and salience of a brand in the consumers' mind (Aaker, 1996) Brand awareness involves a continuum ranging from an uncertain feeling that the brand is recognized, to the belief that it is the only one in the product class. Three levels of brand awareness can represent the continuum namely: Brand recognition, Brand recall, and Top of Mind (Aaker, 1991).

Brand awareness is often an under valued asset. Awareness has been shown to affect perceptions and even tastes. 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). The

Intel Inside company has for example transferred awareness into perceptions of technological superiority and market acceptance.

Brand knowledge and image can be conceptualized in terms of a brand node or trace in memory with brand associations, varying in strength, connected to it as reflected by consumers' ability to identify the brand under different conditions (Rossiter and Percy, 1987).

Brand awareness can be a driver in some product categories, and it usually has a key role to play in brand equity, since it could affect perceptions and attitudes (Aaker, 1996)

2.4.1 Brand awareness creation strategies.

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 and Hutchimon, 1987).

Two guidelines are important in enhancing brand awareness:

1. Developing a slogan or jiggle that creatively pairs the brand and the appropriate category or consumption cues. Additional use should be made of other brand elements-logos, symbols, characters and packaging (Aaker, 1991).
2. Creatively paring the brand with its corresponding category or other appropriate cues through a wide range of communications options (Aaker, 1991).

Advertising is another strong strategy in creating and enhancing brand awareness (Kotler, 2000).

2.4.2 Measuring Brand Awareness

Awareness measures can reflect in part the scope of the brand's reach in terms of segments.

Awareness can be measured on different levels including the following (Aaker, 1991):

* Recognition (have you heard of brand x?)

* Recall (what brands can you recall in the product category?)

* Top of mind (what is the first- named brand in a recall test?)

* Brand dominance (what is the only brand recalled?)

* Brand familiarity (is brand x familiar to you?)

* Brand knowledge and salience (you have an opinion about the brand?)

* Graveyard statistic (recall level of those who recognize the brand)

2.5 Brand Associations Equity Asset

A brand association can be anything that connects the customer to the brand. It can include user imagery, product attributes, use situations, organizational associations, brand personality and symbols (Aaker and Joachimshaler, 2000). The meaning a consumer associates with a certain brand upon hearing the brand's jiggle or seeing the brand name, logo or colour scheme profoundly influences how well the brand is remembered (Le pla, 2000). Associations are the mental short cuts to a company's brand promise and an important part of creating customer loyalty. Successful associations help a company develop deeper customer relationships by influencing in a positive way its customers' senses, minds, and emotions during the buying experience (Le pla, 2000).

At a time when many brands are at or near parity in terms of technology (or are perceived to be so by consumers) , the only difference between brands is often the associations attached to them (Batra, Myers and Aaker,1993). By creating favourable associations, a marketer can set his or her brand apart, which often enables the marketer to gain market share and /or to charge a higher price (or at the minimum, to avoid losing share to competitive brands that charge lower prices or run frequent consumer or trade promotions.

2.5.1 Brand Associations Creation Strategies

Brand associations exist whether a company manages them or not (Le pla, 2000). If a company knows which associations its customers react positively , it can build them into an even stronger asset. Developing great associations as part of a company's brand building efforts will not only create stuff of memories, but deeper customer relationships and loyalty also. Coca-Cola has done a masterful job building both the colour and the contoured bottle shape as visual and tactile brand associations.

Much of brand management involves determining what associations to develop and then creating programs that will link the associations to the brand. Brand associations are created by marketing programs that link strong, favorable and unique relationships to the brand in memory (Mbau, 2000). A link to the brand is stronger when it is based on many experiences or exposures to communications rather than to few. The strength depends on how the marketing program and other factors affect consumers' brand experiences. These can be facilitated by the consumers' personal relevance of information and the consistency with which this information is presented overtime (Keller, 1993).

A well-positioned brand will have a competitively attractive position support by strong associations. It will rate high on a desirable attribute scale such as friendly service or occupy a position distinct from that of competitors, for example if it is the only store offering home delivery. Positioning could also reflect how a company would like to be perceived (Aaker, 1991).

Some guide lines to having strong and successful associations as given by Le pla (2000) include:

a) Making associations obvious

Good associations should be so obvious that anyone looking at them for three seconds will understand what they mean

b) Reinforcing brand name and product

The bunny used in Energizer batteries was very memorable in tests, but viewers couldn't remember what product it represented. People were confusing Energizer with Duracell. The bunny was clearly named the "Energizer Bunny" and displayed a picture of an Energizer battery on its drum.

c) Using associations for the life of the brand

It takes effort and time to build associations. Companies might get tired of their own associations and be tempted to abandon them. This is a costly mistake. It hurts customer loyalty and makes it more difficult to sell subsequent branded products because the customer has lost his or her emotional link to the product.

A brand association may be linked to certain factors such as who makes the product, where the product is made and where it is purchased. Others deal with related people, places or things such as:

(1) Country of origin (2) Channels of distribution (3) Characters and celebrities (4) Events and sponsorship (5) Spokes people and endorsers (Keller, 1998).

The degree of creating secondary associations must be judged by considering the awareness of the relevant entity and the nature of transferability of its associations. The target market should have heard of the company, person, place or event that is linked to the brand. What people think about it should also be put into consideration. Hence, the other entity in question must have sufficient awareness and the desired meaning. It should be credible (Keller, 1998)

2.5.2 Measuring Brand Associations.

Measurement of associations can be structured by using three of the perspectives on brand equity. These perspectives are: the brand as product (value); the brand as person (brand personality); and the brand as organization (organizational associations) (Aaker, 1996).

a) Value

One basic role of brand identity is to create a value proposition. If the brand does not generate value, then it has a low equity.

The value measure provides a summary indicator of the brand's success at creating that value proposition. Brand value can thus be measured by the following: Whether the brand proves good value for money, whether there is a reason to buy the brand over others.

b) Brand personality

Brand personality is very important especially for brands that have only minor physical or functionality differences and are consumed in a social setting where the brand can make a visible statement about the consumer. To measure personality, we need measures that will reflect the existence of a strong personality but are not product specific. Candidate scales might include the following: Does this brand have a personality? Is this brand interesting? Do you have a clear image of the type of a person who would use the brand? Is this brand rich in history?

c) Organizational associations

Brand as organization is particularly likely to be a factor when brands are similar with respect to attributes, when the organization is visible, or when a corporate brand is involved.

To tap the brands as organization, scales such as the following could be considered: Is this brand made by an organization you would trust? Do you admire the brand's organization? Would you be proud to do business or be identified with the brand's organization?

CHAPTER THREE

METHODOLOGY

3.1 Research Design

In terms of the fundamental purpose this study was basically exploratory seeking to explore the important factors in enhancing brand equity in the bottled water industry in Nairobi. In terms of the method of data collection, the research design of this study was typically a survey that employed a questionnaire to get the views of the respondents that formed the basis of the primary data needed for the study.

3.2 The Population

The population of interest for this study was the target consumers of bottled water in Nairobi. These consumers are typically the middle class (in terms of socio- economics) in Nairobi. In drawing the sampling frame for these consumers, the researcher decided to adopt the classification done by Mburu (2001) on the consumers in Nairobi in terms of their socio- economic classes. In his classification, consultation with the Central Bureau of Statistics led to a simple model of identifying the middle class estates in Nairobi (see appendix 3). In the model, information about consumption expenditure shares by income groups and broad expenditure categories drawn from the Economic Survey 2001 pg. 189, that gave the incomes for various groups and how they spend their incomes, helped delineate middle income estates by considering how much they spend on rent and housing per annum.

3.3 The sample

Five estates were randomly selected from the list of all middle income estates identified as making up the population of interest. Among the selected estates were Umoja 1, Kariobangi South, Embakasi. Buru Buru, and Komarocks. From each of these estates, 30 respondents were picked up to be included in the sample aiming at a total of 150 respondents. Where houses were numbered, every kth house (depending on how large the estate is and aiming to have 30 houses) was picked after a random start. Where houses were not numbered, judgmental sampling was used, but caution was taken to ensure that respondents were not picked from a concentrated / limited area.

3.4 Data collection instrument and procedure

Primary data was collected by use of a questionnaire (see appendix 2). The questionnaire was favoured because the population of interest are literate- can read in English and write in the language without difficulties. The questionnaire was also favoured because of the problem of fixing appointments for interviews with respondents who are hardly in their houses. The questionnaire also helped beat the time constraint since many questionnaires can be filled simultaneously once availed to the respondents, unlike in an interview where only one respondent could be interviewed at a time.

The questionnaire is divided into two major parts. Part one is an introductory part that sought to have personal details about the respondent. Part two of the questionnaire contains a list of factors that influence equity. This part can be divided into four sections (depending on what aspect of equity the factors influence). Section one consisted of factors that influence brand awareness, section two of factors influencing brand loyalty, section three those influencing brand associations and section four those influencing brand's perceived quality. Here, respondents were required to rate the importance of each factor in influencing the relevant aspect of equity using a five point Likert scale ranging from very important (5) to not important at all (1). The same scale had been used in previous similar researches and yielded satisfactory results. This part of the questionnaire provided data that on analysis enabled the researcher meet the research objective (i.e. determining the important factors that influence each aspect of equity and thus, overall equity in the bottled water industry in Nairobi).

The questionnaire was availed to respondents to fill as the researcher waited. This helped reduce instances of non-response. For respondents who were not able to fill the questionnaire as the researcher waited, they were given time to fill it so that the researcher collected it the following day.

3.5 Data analysis

Factor Analysis was used to summarize and analyze the responses. The rationale for using Factor Analysis was that there was a large number of factors or objects to be considered. The other rationale was that no variable(s) was/ were designated as being predicted in looking at the interrelationship among all the possible variables that may impact on Brand Equity taken together. Further, the technique helped see whether the variables had a small number of factors in common which accounted for their inter-correlation. This analysis sought to rank the factors in terms of their importance in enhancing every aspect of equity. A SPSS (Statistical Package for Social Sciences) program was used.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS.

4.1 Introduction

This chapter sets out to present in summary and statistically analyze the primary data that was gathered from the respondents of the study. 25 questionnaires were given out to respondents in each of the five middle-income estates (selected as stated out in chapter three) that constituted the sample of the study, to make up a total of 120 questionnaires. Out of the 120 questionnaires given out, the researcher was able to get 108 questionnaires back, representing a 90% return rate. The researcher deemed this return rate to be satisfactory for the analysis to draw valid conclusions.

As indicated previously in chapter three, an SPSS (Statistical Package for Social Sciences) computer package was used to analyze the data. A summary of the collected data for each factor in each aspect of brand equity is presented by the use of tables to give a clearer picture of the scores of responses that were gathered. Later factor analysis was employed to meet the research objective. This analysis served as a data reduction technique by combining related statements into fewer factors that enabled the researcher to screen out the most important factors in enhancing each of the aspects of brand equity. This was achieved by the application of the Eigen Values in the analysis where factors that had an Eigen value of 1 and above were deemed to be significant in building brand equity in the bottled water industry in Nairobi.

4.2 Descriptive Summary of the Collected Data.

This section summarizes the collected data by the use of means and the standard deviations. This summary serves to show which variables had the highest mean scores and which variables had the least scores.

4.2.1 Brand awareness

Table 2(a) below summarizes the mean scores and the standard deviations of the variables under brand awareness

Table 2(a) Descriptive Statistics on Brand Awareness (n= 108)

Variable	Mean	Std. Deviation
Var. 1 Advertising Levels	3.91	1.13
Var. 2 Information from Relatives and Friends	2.98	1.26
Var. 3 Extent of Distribution	3.74	1.12
Var. 4 Clarity of 'What the Brand Stands for' Message	2.94	1.20
Var.5 Conspicuousness of the Label	3.31	1.31
Var. 6 Uniqueness of the Packaging	3.55	1.16
Var.7 Levels of Store Merchandising	2.85	1.15
Var.8 Advertising Media used	3.42	1.35
Var. 9 Influence From Opinion Leaders	2.59	1.41
Var.10 How Easy the Brand Name is to Articulate	3.44	1.31
Var.11 Types of Outlets Used	3.06	1.31

(Where n is the number of respondents)

The table shows that variable 1 (Advertising Levels) was rated the highest, followed by variable 3 (extent of distribution) and by variable 6 (Uniqueness of packaging) respectively. The least rated variables were variable 9 (influence from opinion leaders). variable 7(Levels of Store Merchandising) and variable 4 (Clarity of the positioning message).

It is worth noting that no variable scored less than 2, meaning that no variable fell on 'important' rating or below

4.2.2 Brand Associations.

Table 2(b) below shows the descriptive data (mean and the standard deviations) of the variables under brand associations.

Table 2(b) Descriptive Statistics on Brand Associations.

Variable	Mean	Std. Deviation
Var.1 The Value for Money the Brand Gives You	4.24	.93
Var.2 Price	4.16	.88
Var.3 Extent of Distribution	3.67	.90
Var.4 The Organization's Reputation	3.61	1.06
Var.5 The Outlet Image	3.33	1.13
Var.6 Distribution Channels Used	3.09	1.21
Var.7 Endorsers Used (e.g, WHO, KBS.)	3.62	1.40
Var.8 What the Brand Stands For	2.86	1.34

Variable 1 (the value the brand gives you) and variable 2(Price) were rated the highest. scoring more than 4.this means that they were tending towards very important rating. Variable3 (extent of distribution), variable7 (Endorsers used), Variable4 (the organization's reputation), variable 5 (the outlet image) and variable 6 (distribution channels used) were rated next respectively, with all generally tending towards important rating. Only variable 8 (what the brand stands for) scored less than 3 and was tending towards 'somehow important rating'

4.2.3 Brand loyalty

Table 2(c) below shows the means and standard deviations for the variables under brand loyalty.

Table 2(c) Descriptive Statistics on Brand loyalty.

Variable	Mean	Std. Deviation
Var.1 Price	4.26	.94
Var.2 Consistency in Quality	4.58	.84
Var.3 Availability of the Brand	4.22	.90
Var.4 Company's Commitment to the Brand	3.44	1.11
Var.5 Associations that you have with the Brand	3.07	1.30
Var.6 Advertisement Levels	3.28	1.19
Var.7 Availability in Different Sizes	3.99	.95
Var.8 The Market Share that the Brand Commands	2.75	1.26
Var.9 How well the Brand Serves its Function	3.25	1.31
Var.10 Extent of Information that you have about the Brand	3.88	1.05
Var.11 How Long the Brand has been in the Market	3.12	1.37
Var.12 Efficiency of Service Offered at the Outlet	3.24	1.24
Var. 13 What other People Think of the Brand	2.84	1.27

Of all the 13 variables of concern, variable 2 (consistency in quality), variable1 (price), and variable 3 (availability of the Brand), ranked highly respectively, with a score greater than 4-tending to very important rating. Variables7 (Availability in different sizes),10 (extent of information that you have about the brand),8(the market share that the brand commands), 4 (company's commitment to the brand),6 (Advertisement levels),12 (efficiency of the service offered at the outlet),11 (how long the brand has been in the market) and 5(associations that you have with the brand) followed in that order with each of them scoring more than 3. Only variable 13 (what other people think about the brand) scored less than 3.

4.2.4 Brand perceived quality

The table below 2(d) below gives the descriptive data for the variables under perceived quality.

Table 2(d) Descriptive Statistics on Brand Perceived Quality.

Variable	Mean	Std. Deviation
Var.1 Price of the Brand	4.45	.70
Var.2 Image of Outlet	3.85	.98
Var.3 Advertising Levels	3.73	.99
Var.4 Your Past Experience with the Brand	4.16	.97
Var.5 Advertising Message	3.38	1.12
Var.6 The Brand Name	3.18	1.28
Var.7 The Company's Reputation	4.04	1.03
Var.8 Information Levels that you have about the Brand	4.09	.87
Var.9 Performance of the Br4and	4.00	1.00
Var. 10 Company's Commitment to the Brand	3.40	1.17
Var.11 Place of Bottling (at the Source or Plant)	3.38	1.41

Var.12 Courtesy of the Channel Members Handling the Brand	3.39	1.08
Var13. Attainment of Quality Accreditation	3.98	1.17
Var. 14 Kind of Endorsers used	3.46	1.22

From table 2(d) above, it is seen that variable 1(Price of the brand) was highest rated having a mean score of 4.45 –tending to very important a variable in enhancing the brand equity of mineral water in Nairobi. Variable 4 (Your experience with the brand), variable 8 (information levels that you have about the brand), variable 7(The company's reputation) and variable 9(Performance of the brand) were the next highly rated variables respectively having mean scores of 4.16,4.09, 4.04 and 4.00 respectively. All these variables were tending be the higher side in terms of importance in enhancing brand equity of mineral water in Nairobi.

All the other variables had a mean score of more than 3. This means that all these other variables were generally rated to be tending to be "important" as per the scale the researcher used. It is worth noting that none of the variables scored a mean of less than 3.

4.3 Factor Analysis

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

4.3.1 Brand Awareness

Table 3(a) Communalities

Variable	Initial	Extracted
Var. 1 Advertising Levels	1.00	.746
Var. 2 Information from Relatives and Friends	1.00	.649
Var. 3 Extent of Distribution	1.00	.737
Var. 4 Clarity of 'What the Brand Stands for' Message	1.00	.490
Var.5 Conspicuousness of the Label	1.00	.694
Var. 6 Uniqueness of the Packaging	1.00	.505
Var.7 Levels of Store Merchandising	1.00	.674
Var.8 Advertising Media used	1.00	.625
Var. 9 Influence From Opinion Leaders	1.00	.504
Var.10 How Easy the Brand Name is to Articulate	1.00	.402
Var.11 Types of Outlets Used	1.00	.578

Communalities represent the proportion of variance of a particular item that is due to common factors or that is shared with other items. The table above serves to estimate the communalities for each variable, that is, the proportion of variance that each item has in common with other items. For example, variable 1(Advertising levels) has 70.5% communality or shared relationship with the other factors; being the variable that has the greatest communality with the others. Variable 2 (information from relatives and friends) has 57.8% shared relationship with the other variables and so on and so forth

Table 3(b)

Correlation Matrix

	VAR 1	VAR 2	VAR 3	VAR 4	VAR 5	VAR 6	VAR 7	VAR 8	VAR 9	VAR 10	VAR 11
VAR1	1.00	.199	.030	.269	.213	.269	-.026	.472	.116	.319	-.009
VAR2	.199	1.00	.273	.037	-.066	-.025	-.121	.133	.151	.098	-.068
VAR3	.030	.273	1.00	.222	.017	-.014	.196	.070	.131	.062	.154
VAR4	.269	.037	.222	1.00	.276	.350	.280	.196	.121	.090	.111
VAR5	.213	-.066	.017	.276	1.00	.662	.328	.182	.188	.243	.282
VAR6	.269	-.025	-.014	.350	.662	1.000	.408	.282	.210	.169	.279
VAR7	-.026	-.121	.196	.280	.328	.408	1.00	.265	.214	.126	.401
VAR8	.472	.133	.070	.196	.182	.282	.265	1.00	.259	.368	.067
VAR9	.116	.151	.131	.121	.188	.210	.214	.259	1.00	.344	.375
VAR10	.319	.098	.062	.090	.243	.169	.126	.368	.344	1.00	.204
VAR11	-.009	-.068	.154	.111	.282	.279	.401	.067	.375	.204	1.00

The correlation matrix presented above is useful in examining the interrelationship between the variables of concern. The coding Var1 to Var 11 represent the variables that enhance brand awareness as they were in the questionnaire. Variable 6 (uniqueness of packaging) and variable 5 (conspicuousness of the label) are shown to be highly correlated having a correlation coefficient of 0.662. Variable 1(advertising levels) and Variable 6(advertising level) and Variable 7(levels of store merchandising) are also highly correlated having 0.472 and 0.408 correlation coefficients respectively.

Table 3(c) Total Variance Explained

Component	Initial Eigen values	% of Variance	Cumulative %	Extraction Sums of Squared Loadings	Cumulative %	Rotation Sums of Squared Loadings	% of Variance	Cumulative %
1	3.041	27.647	27.647	3.041	27.647	2.230	20.275	20.275
2	1.566	14.237	41.884	1.566	41.884	1.854	16.857	37.132
3	1.307	11.886	53.770	1.307	53.770	1.635	14.860	51.992
4	1.150	10.457	64.227	1.150	64.227	1.346	12.236	64.227
5	.862	7.835	72.062					
6	.678	6.163	78.225					
7	.656	5.966	84.190					
8	.567	5.152	89.342					
9	.495	4.501	93.843					
10	.380	3.453	97.296					
11	.297	2.704	100.000					

Extraction Method: Principal Component Analysis.

In using the Kaiser Normalization Criterion, we extract components that have an Eigen Value greater than 1. Using this analysis, the researcher was able to extract four major components. As indicated in the table above, variables 1,2,3 and 4 accounted for 27.647, 14.237,11.886, and 10.457 % of the total variance respectively accounting for a total of 64.23% of the total variance.

Table 3(d)

Rotated Component Matrix[a]

	Component			
	1	2	3	4
VAR1	.154	.820	-7.37E-02	4.758E-02
VAR2	-.275	.372	4.969E-02	.601
VAR3	.110	-8.17E-02	.142	842
VAR4	.610	.209	-.218	.398
VAR5	.717	.222	.187	-.183
VAR6	.781	.271	.128	-.129
VAR7	.665	-.142	.335	.166
VAR8	203	.675	.142	9.929E-02
VAR9	6.536E-02	.217	.755	.137
VAR10	8.872E-03	.559	.553	-7.26E-02
VAR11	.368	-.185	.706	5.988E-02

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

a Rotation converged in 8 iterations.

On rotating the components using the Varimax (Variance Maximization) method the researcher came up with the above-rotated component Matrix. From this Matrix, the researcher was able to discern what variables fall under what factor among the four major extracted factors. This was done by looking at each of the eleven variables and then deciding to which factor each variable falls depending on the percentage of variability it explains in the total variability of each factor. The variable is said to belong to the factor to which it explains most of the variation than any other factor. For example, looking at variable 1, it is clear that this variable belongs to factor 2, since it explains 82.0% of the total variability in factor 2. Variable 2 falls into factor 4 since it is in that factor where it explains most of the variability, that is it explains 60.1%of the variability in factor 4. The table below summarizes the four extracted factors and their constituent variables.

Table 3(e) Extracted Components and their Constituent Variables

COMPONENT	CONSTITUENT VARIABLES
1	**Var 4- Clarity of the positioning message** **Var 5- Conspicuousness of the Label** **Var 6- Uniqueness of packaging** **Var 7- Levels of Store Merchandising**
2	**Var 1- Advertising Levels** **Var 8- Advertising Media Used** **Var 10- How easy the Brand Name is to Articulate**
3	**Var 9- Influence From Opinion Leaders** **Var 11- Type of Outlets Used**
4	**Var 2- Consistency in Quality** **Var 3- Availability of the Brand**

From this analysis it is seen that the four extracted factors absorb all the eleven variables of concern that enhance brand awareness.

4.3.2 Brand Loyalty

The same analytical technique was applied to " factor out" the 13 variables examined under brand loyalty. This technique involved coming up with the communalities in the variables, Explaining the total Variance helping to assign the Eigen Values to all the variables and rotating the component Matrix. The tables below summarize the results of all these operations.

Table 4(a) Communalities

Variable	Initial	Extracted
Var.1 Price	1.00	.683
Var.2 Consistency in Quality	1.00	.674
Var.3 Availability of the Brand	1.00	.621
Var.4 Company's Commitment to the Brand	1.00	.677
Var.5 Associations that you have with the Brand	1.00	.668
Var.6 Advertisement Levels	1.00	.565
Var.7 Availability in Different Sizes	1.00	.671
Var.8 The Market Share that the Brand Commands	1.00	.583
Var.9 How well the Brand Serves its Function	1.00	.409
Var.10 Extent of Information that you have about the Brand	1.00	.566
Var.11 How Long the Brand has been in the Market	1.00	.768
Var.12 Efficiency of Service Offered at the Outlet	1.00	.264
Var. 13 What other People Think of the Brand	1.00	.809

These communality scores indicate the proportion of variance of each variable explained by the extracted components. For example, Variable 13(what other people think of the brand) is shown to have the highest communality score of 80.9% while Variable 12 (efficiency of the service offered at the outlet) is shown to have the least communality score of 26.4%.

Table 4(b) Correlation Matrix

	VA_1	VA_2	VA_3	VA_4	VA_5	VA_6	VA_7	VA_8	VA_9	VA_10	VA_11	VA_12	VA_13
VAR	1.0	-	.02	-	.00	.01	.14	02	-	07	-	04	03
VAR	-	1.0	.12	.49	.17	.21	-	.13	.36	.33	-	.22	.13
VAR	.02	.12	1.0	.19	.04	-	.18	-	03	.11	-	.01	07
VAR	-	.49	.19	1.0	.34	.21	-	.21	34	23	06	21	12
VAR	.00	.17	.04	.34	1.0	26	.10	.17	.29	.23	11	20	.46
VAR	.01	.21	-	.21	.26	1.0	.10	25	.10	-	07	10	.17
VAR	.14	-	.18	-	.10	.10	1.0	.24	.12	28	.07	16	
VAR	.02	.13	-	.21	.17	.25	.24	1 0	27	23	.21	14	08
VAR	-	.36	.03	.34	.29	.10	.12	.27	1.0	.22	.14	.19	.15
VAR1	.07	.33	.11	.23	.23	-	.28	23	.22	1.0	.20	13	.11
VAR1	-	-	-	.06	.11	.07	07	.21	.14	20	1.0	07	33
VAR1	.04	.22	.01	.21	.20	.10	.16	.14	.19	.13	07	1.0	06
VAR1	.03	.13	.07	.12	.46	.17	-	08	.15	11	.33	06	1.0

Table

Going by the correlation matrix above, it is evident that variable 2(price) and variable 4(the organization's reputation) had the highest positive correlation having a coefficient of 0.493. Variable 5(associations that you have with the brand) and variable 13(what others think of the brand) had also the high positive correlation having a correlation coefficient of 0.460. Other variables that had a somehow high correlation; having more than 0.3 correlation coefficient were between variable 4 (company's commitment to the brand) and variable9 (functionality of the brand), variable 4 (company's commitment to the brand) and variable 5 (associations that you have with the brand), variable 2 (consistency in quality) and variable 9 (functionality of the brand), variable 2 (consistency in quality) and variable10 (extent of information that you have about the brand), and between variable 11(how long the brand has been in the market) and variable 13, what other people think of the brand.

Table 4(c) Total Variance Explained

Component	Initial Eigen values	% of Variance	Extraction Sums of Squared Loadings	% of Variance	Cumulative %	Rotation Sums of Squared Loadings	% of Variance	Cumulative %
1	2.868	22.064	2.868	22.064	22.064	2.187	16.820	16.820
2	1.422	10.935	1.422	10.935	32.999	1.692	13.017	29.837
3	1.360	10.458	1.360	10.458	43.457	1.630	12.535	42.372
4	1.199	9.226	1.199	9.226	52.683	1.228	9.442	51.815
5	1.110	8.536	1.110	8.536	61.219	1.223	9.404	61.219
6	.961	7.392						
7	.881	6.781						
8	.747	5.749						
9	.662	5.092						
10	.613	4.717						
11	.491	3.775						
12	.368	2.831						
13	.318	2.444						

Extraction Method: Principal Component Analysis.

From table 4 (c) above, only five components had an Eigen value of more than 1. These five components are seen to be explaining 61.219% of the total variance in the variables under brand loyalty; which is of course a good percentage of well more than 50%. The first component explains most variance in the variables explaining 22.064% of the total variance. It follows then that this component will absorb most of the variables when we come up with the rotated component matrix that will enable the researcher to discern what variables lie under what factor.

Table 4 (d) Rotated Component Matrix

	Component				
	1	2	3	4	5
VAR1	-.156	.277	.155	3.653E-02	.746
VAR2	.816	-3.35E-02	3.332E-02	-6.87E-02	3.437E-02
VAR3	.209	8.279E-02	.126	-.741	7.347E-02
VAR4	.798	-2.94E-02	.144	-6.37E-02	-.123
VAR5	.300	.119	.741	4.269E-02	.109
VAR6	.298	4.148E-02	.303	.607	.120
VAR7	-7.37E-02	.799	-1.31E-02	-7.96E-02	.144
VAR8	.259	.590	1.977E-02	.376	-.160
VAR9	.553	.276	.151	3.278E-02	-5.59E-02
VAR10	.310	.580	.103	-.342	-7.62E-02
VAR11	-.112	.336	.322	5.514E-02	-.732
VAR12	.387	.276	5.923E-02	.170	7.753E-02
VAR13	3.180E-02	-4.21E-02	.886	-1.40E-02	-.147

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 9 iterations

Going by the same criterion of extracting factors that have an Eigen Value greater than 1, five factors were extracted as earlier evident in table 4(c). These five factors and their constituent variables; as categorized in table 4(d) are summarized below.

Table 4(e) Extracted Components and their Constituent Variables

COMPONENT	CONSTITUENT VARIABLE(S)
1	**Var 2 Consistency in Quality** **Var 3 Availability of the Brand** **Var 4 Company's Commitment to the brand** **Var 9 Functionality of the Brand** **Var 12 Efficiency of the Service Offered at the Outlet**
2	**Var 7 Availability in Different Sizes** **Var 8 The Market Share that the Brand commands** **Var 10 Extent of Information you have**

	about the Brand Var 11 How Long the Brand has been in the Market
3	Var 5 Associations that you have with the Brand Var 13 What other People Think of the Brand
4	Var 6 Advertisement Levels
5	Var 1 Price

4.3.3 Brand Associations

Using the same approach to factor out the variables under brand associations, three factors were extracted. The tables that follow summarize the extraction process.

Table 5(a) Communalities

It is shown that 74.6% of the variance in variable 1(the value the brand gives you) will be explained by the factors to be extracted. The least variance is 49.0% for variable 4 (the organization's reputation).

Variable	Initial	Extracted
Var.1 The Value for Money the Brand Gives You	1.00	.746
Var.2 Price	1.00	.649
Var.3 Extent of Distribution	1.00	.737
Var.4 The Organization's Reputation	1.00	.490
Var.5 The Outlet Image	1.00	.694
Var.6 Distribution Channels Used	1.00	.505
Var.7 Endorsers Used (e.g, WHO, KBS.)	1.00	.674
Var.8 What the Brand Stands For	1.00	.625

Table 5(b) Correlation Matrix

	VAR 1	VAR 2	VAR 3	VAR 4	VAR 5	VAR 6	VAR 7	VAR 8
VAR1	1.00	.413	.075	.087	-.113	.013	.201	.262
VAR2	.413	1.00	.139	.026	.003	.118	.072	099
VAR3	.075	.139	1.00	.148	.120	.244	-.169	-.047
VAR4	.087	.026	.148	1.00	.502	.247	.202	.246
VAR5	-.113	003	.120	.502	1.00	.381	294	.317
VAR6	.013	.118	.244	.247	.381	1.00	.208	.343
VAR7	.201	.072	-.169	.202	.294	.208	1.00	.447
VAR8	.262	.099	-.047	.246	.317	.343	.447	1.00

From the correlation matrix above, it is seen that variable 5 (the outlet image) and variable 4(the organization's reputation) are the most highly correlated variables having a correlation coefficient of 0.502. Variable 1(the value the brand gives you) and 2 (price), and variable 7 and 8 are also highly positively correlated compared to the other variables having a correlation coefficient of more than 0.3.

Table 5(c) Total Variance Explained

Component	Initial Eigen values	% of Variance	Extraction Sums of Squared Loadings	% of Variance	Cumulative %	Rotation Sums of Squared Loadings	% of Variance	Cumulative %
1	2.354	29.429	2.354	29.429	29.429	2.065	25.813	25.813
2	1.469	18.368	1.469	18.368	47.797	1.547	19.334	45.148
3	1.295	16.181	1.295	16.181	63.979	1.506	18.831	63.979
4	.813	10.165						
5	.667	8.333						
6	.549	6.860						
7	.475	5.943						
8	.378	4.721						

Extraction Method: Principal Component Analysis.

Table 5(c) above shows that only 3 components had an Eigen value of more than 1. These three explain a total of 63.9% (well above 50%) of the total variance in the variables under brand associations.

Table 5(d). Rotated Component Matrix

a

	Component		
	1	2	3
VAR1	-7.28E-	.834	.211
VAR2	6.813E-	.801	-5.00E-
VAR3	.475	.285	-.656
VAR4	.692	5.329E-	.108
VAR5	.790	-.172	.200
VAR6	.699	.126	2.150E-
VAR7	.262	.140	.765
VAR8	.413	.251	.626

Extraction Method: Principal Component
Rotation Method: Varimax with Kaiser
a. Rotation converged in 7

A summary of the three extracted factors (those with an Eigen Value greater than 1) and their constituent variables, derived from the Rotated Component Matrix is presented below.

Table 5(e) Extracted Components and their Constituent Variables

COMPONENT	CONSTITUENT VARIABLE(S)
1	**Var 3 Extent of Distribution** **Var 4 The Organization's Reputation** **Var 5 The Out let Image** **Var 6 Distribution Channels Used**
2	**Var 1 The Value the band gives you** **Var 2 Price**
3	**Var 7 Endosers Used e.g. WHO,KBS** **Var 8 What the Brand Stands For**

4.3.4 Brand's Perceived Quality

Table 6(a) Communalities

Variable	Initial	Extracted
Var.1 Price of the Brand	1.00	.679
Var.2 Image of Outlet	1.00	.609
Var.3 Advertising Levels	1.00	.743
Var.4 Your Past Experience with the Brand	1.00	.736
Var.5 Advertising Message	1.00	.656
Var.6 The Brand Name	1.00	.700
Var.7 The Company's Reputation	1.00	.522
Var.8 Information Levels that you have about the Brand	1.00	.683
Var.9 Performance of the Br4and	1.00	.648
Var. 10 Company's Commitment to the Brand	1.00	.626
Var.11 Place of Bottling (at the Source or Plant)	1.00	.545
Var.12 Courtesy of the Channel Members Handling the Brand	1.00	.610
Var13. Attainment of Quality Accreditation	1.00	.648
Var. 14 Kind of Endorsers used	1.00	.612

Table 6(a) above shows that varaible3 (advertising levels) has the highest communality (74.3%) with the other variables under brand perceived quality followed by variable 4 (your experience with the brand), followed by variable6 (the brand name) which had 73.6% and 70.0% communality respectively. Variable 7 (the company's reputation had the least communality of 52.2%. it is worth noting that none of the variables had a communality score of less than 50.0%.

Table 6(b) Correlation Matrix

	VA 1	VA 2	VA 3	VA 4	VA 5	VA 6	VA 7	VA 8	VA 9	VA 10	VA 11	VA 12	VA 13	VA 14
VAR	1.0	.12	.12	.19	-	-	.00	.06	-	-	.03	-	.18	10
VAR	.12	1.0	.11	.11	.03	.11	.34	.01	-	.19	.06	.09	.39	24
VAR	.12	.11	1.0	.07	.35	.19	.13	-	.14	.21	-	-	-	-
VAR	.19	.11	.07	1.0	.16	.12	27	.30	.41	.21	22	.12	33	10
VAR	-	.03	.35	.16	1.0	.27	.06	.10	.24	.34	.12	.16	.02	08
VAR	-	.11	.19	.12	27	1.0	25	-	.07	04	-	-	-	-
VAR	.00	.34	.13	.27	.06	.25	1.0	.01	.26	.30	.21	.05	25	32
VAR	.06	.01	-	.30	.10	-	.01	1.0	.28	.19	.07	27	07	20
VAR	-	-	.14	.41	.24	.07	.26	.28	1.0	.34	.16	.13	26	08
VAR1	-	.19	.21	.21	.34	.04	.30	.19	.34	1.0	40	26	32	23
VAR1	.03	.06	-	.22	.12	-	.21	.07	.16	40	1.0	42	42	27
VAR1	-	.09	-	.12	.16	-	.05	.27	.13	.26	42	1.0	30	30
VAR1	.18	.39	-	.33	.02	-	.25	.07	.26	32	42	30	1.0	41
VAR1	.10	.24	-	.10	.08	-	.32	.20	.08	.23	.27	.30	41	1.0

From the correlation matrix above, the only variables that had a correlation of more than 40% (correlation coefficient of more than 0.4) was between variable 4 (your experience with the brand) and varaiable9 (performance of the brand), variable10 (company's commitment to the brand) and variable11 (place of bottling), variable11 (place of bottling) and variable12 (courtesy of the channel members handling the brand), variable 11(place of bottling) and variable13 (attainment of quality accreditation), variable13 (attainment of quality accreditation)and variable14 (kind of endorsers used). These had correlation coefficients of 0.417, 0.406, 0.4528, 0.424 and 0.413 respectively.

Table 6(c)Total Variance Explained

Compon	Initial			Extraction Sums of Loadin			Rotation Sums of Squar		
	Tot	% Varian	Cumula e	Tot	% Varian	Cumula e	Tot	% Varian	Cum
1	3.23	23.11	23.11	3.23	23.11	23.11	2.14	15.30	[illegible]
2	1.86	13.33	36.44	1.86	13.33	36.44	1.84	13.16	28
3	1.56	11.21	47.65	1.56	11.21	47.65	1.82	13.01	41
4	1.31	9.37	57.03	1.31	9.37	57.03	1.75	12.54	54
5	1.03	7.39	64.42	1.03	7.39	64.42	1.45	10.39	[illegible]
6	.91	6.54	70.96						
7	.82	5.90	76.86						
8	.71	5.08	81.95						
9	.61	4.38	86.34						
10	.48	3.47	89.82						
11	.44	3.15	92.97						
12	.36	2.61	95.59						
13	.33	2.39	97.99						
14	.28	2.00	100.0						

Extraction method. Principle component analysis

Table 6(c) shows five components to have an Eigen value of more than 1. These components account for a total of 73.9% variance in the variables under brand perceived quality.

Table 6(d) Rotated component Matrix

	Component[a]				
	1	2	3	4	5
VAR1	.402	-.524	.267	-.372	183
VAR2	.760	-5.31E-02	-.109	8 980E-02	-9 20E-02
VAR3	.184	-.512	6 007E-02	661	-8 40E-02
VAR4	.187	9.363E-03	.837	3 443E-03	-2.03E-02
VAR5	-2.78E-02	9.699E-02	.127	.791	-5 66E-02
VAR6	2.175E-02	-7.90E-02	.179	.210	-.786
VAR7	549	.102	273	163	- 331
VAR8	-3.18E-02	7.911E-02	444	.147	676
VAR9	-6.78E-02	.184	.719	304	9 791E-03
VAR10	.285	.411	.201	.578	2 924E-02
VAR11	.329	.616	.236	8.945E-03	-4.20E-02
VAR12	.150	.716	8 514E-02	6 471E-02	252
VAR13	.656	.334	.306	-.105	5.144E-02
VAR14	.621	.254	-2.56E-02	.109	386

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

a Rotation converged in 9 iterations.

Table 6(d) above serves to help decide which variable(s) fall under what component- depending on what percentage of variance it explains in each component. A variable belongs to the component to which it explains most variance. The extracted components and their constituent variables are presented below.

Table 6(e) Extracted Components and their Constituent Variables

COMPONENT	CONSTITUENT VARIABLE(S)
1	**Var 1 Price of the Brand** **Var 2 Image of the Outlet** **Var 7 The Company's Reputation** **Var 13 Attainment of Quality accreditation** **Var 14 Kind of Endorsers Used**
2	**Var 11 Place of Bottling (Source or Plant**

	Var 12 Courtesy of the Channel Members handling the Brand
3	Var 4 Your Experience With the Brand Var 9 Performance of the Brand
4	Var 3 Advertising Levels Var 5 Advertising Message Var 6 The Brand Name Var 10 Company's Commitment to the brand
5	Var 8 Information Levels that you have about the Brand

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter sets out to draw conclusions that will seek to answer the research question set out earlier in chapter one. This question seeks to know the important factors that enhance brand equity in the bottled water industry in Nairobi. To answer this question, this chapter discusses the findings as revealed in chapter four. This chapter also contains implications of the findings and possible recommendations, including the limitations of the study as well as suggestions for further study.

5.2 Summary of Major Findings

This section seeks to answer the research question set out in chapter one-what factors are important in enhancing brand equity in the bottled drinking water industry in Nairobi? The answer to this question is guided by the revelations drawn from the previous data analysis chapter. Since brand equity is rather a wide concept comprising of several aspects, the researcher took the approach of coming up with the factors that enhance each of the constituent aspects of the broader concept.

After factoring out the components in each aspect, the researcher considered the constituent variables under each component and then sought to come up with one single marketing concept/ jargon that summarizes the variables. These culminating concepts were considered the important factors that enhance each of the aspects of concern. The tables below summarize the factors and their constituent variables for each aspect.

5.2.1 Conclusions on Important Factors in Enhancing Brand Awareness

The analysis undertaken in chapter four about brand awareness enhancement factors came up with four components. These components/ factors and their constituent variables are summarized in the table below.

Table 7(a). Brand Awareness Extracted Factors and their Constituent Variables

CONSTITUENT VARIABLE(S)	FACTOR
Var 4- Clarity of the positioning message **Var 5- Conspicuousness of the Label** **Var 6- Uniqueness of packaging** **Var 7- Levels of Store Merchandising**	**Product Differentiation**
Var 1- Advertising Levels **Var 8- Advertising Media Used** **Var 10- How easy the Brand Name is to Articulate**	**Effective Brand Communications**
Var 9- Influence From Opinion Leaders **Var 11- Type of Outlets Used**	**Word of Mouth Communication**
Var 2- Consistency in Quality **Var 3- Availability of the Brand**	**Quality Assurance and Effective Distribution**

5.2.2 Conclusions on Important Factors in Enhancing Brand Loyalty

Five components were extracted from all the initial variables that the researcher felt had a bearing in influencing brand loyalty. A summary of the conclusions comprising of the factors and their constituent variables follows in the tabled below.

Table 7(b). Brand Loyalty Extracted Factors and their Constituent Variables

CONSTITUENT VARIABLE(S)	FACTOR
Var 2 Consistency in Quality **Var 3 Availability of the Brand** **Var 4 Company's Commitment to the brand** **Var 9 Functionality of the Brand** **Var 12 Efficiency of the Service Offered at the Outlet**	**Augmented Product and Product Liability**
Var 7 Availability in Different Sizes **Var 8 The Market Share that the Brand commands** **Var 10 Extent of Information you have about the Brand** **Var 11 How Long the Brand has been in he Market**	**Effective Distribution**
Var 5 Associations that you have with the Brand **Var 13 What other People Think of the Brand**	**Positive Associations**
Var 6 Advertisement Levels	**Effective Brand Communications**
Var 1 Price	**Price Differentiation**

5.2.3 Conclusions on Important Factors in Enhancing Brand Associations

A summary of the findings about the important factors in enhancing brand associations and their constituent variables is tabled below

Table 7(c). Brand Associations Extracted Factors and their Constituent Variables

CONSTITUENT VARIABLE	FACTOR
Var 3 Extent of Distribution **Var 4 The Organization's Reputation**	**Organizational Associations**

Var 5 The Out let Image Var 6 Distribution Channels Used	
Var 1 The Value the band gives you Var 2 Price	Value Associations
Var 7 Endosers Used e.g. WHO,KBS Var 8 What the Brand Stands For	Personality Associations

5.2.4 Conclusions on the Important Factors in Enhancing Brand Perceived Quality

Analysis undertaken in chapter four factored out five components that absorbed al he variables that the researcher had felt had a bearing in influencing brand perceived quality. The important factors arising thereof are summarized below.

Table 7(d). Brand Perceived Quality Extracted Factors and their Constituent Variables.

CONSTITUENT VARIABLE(S)	FACTOR
Var 1 Price of the Brand Var 2 Image of the Outlet Var 7 The Company's Reputation Var 13 Attainment of Quality accreditation Var 14 Kind of Endorsers Used	Quality attainment and Organizational Image
Var 11 Place of Bottling (Source or Plant Var 12 Courtesy of the Channel Members handling the Brand	Service That Comes with the Brand
Var 4 Your Experience With the Brand Var 9 Performance of the Brand	Brand Value Proposition
Var 3 Advertising Levels	

Var 5 Advertising Message **Var 6 The Brand Name** **Var 10 Company's Commitment to the brand**	**Effective Brand Communications**
Var 8 Information Levels that you have about the Brand	**Extensive Brand Communications**

From the summary of conclusions drawn above, it is evident that several factors are important in enhancing the whole concept of brand equity. Some of the factors are shown to enhance more that one of the aspects of brand equity. Factors such as effective brand communications, product differentiation and having positive associations enhance at least two of the aspects of brand equity. Most of the other factors enhance one of either aspects of brand equity as shown in the conclusion.

5.3 Recommendations

As indicated in chapter one, due to the dynamism in the marketing environment in Kenya today, characterized by stiff competition, deregulation and globalization and changing consumer preferences, there is a need for marketers to cultivate a competitive edge for their brands by enhancing their brand's value to its consumers. But how then do players in the bottled water industry in Nairobi and by extension in other parts of our country enhance the equity of their brands? Conclusions drawn from this study may help to answer this question.

This study has revealed several factors to be important in enhancing each aspect of brand equity as discussed earlier. These factors do matter and have to be considered when drawing up marketing strategies and programs. From the conclusions drawn from the study, differentiation, effective communications, assurance of product quality and availability were shown to be important factors in enhancing brand awareness. If this be the case, marketers in the bottled water industry should effect these considerations in their marketing strategies. Differentiation is a strategy by which one firm attempts to distinguish its products from competitive brands offered to the same aggregate market (Stanton et al 1991). By differentiating its product, a firm may hope to create the impression that its product is better than that of competitors. These extensive actions taken by a business in the areas of new product introduction, R&D, marketing effort, and so on, generally have a positive effect on performance (Gravens et al, 1996). Players in the bottled water industry should therefore seek to differentiate their brands from competitors by either changing the packaging and labels, having clear positioning messages that have a promotional appeal that features a differentiating benefit and have high levels of store merchandising.

Effective communications have also been shown to be an important factor in enhancing brand awareness. How can firms in the industry ensure effective communications? Several approaches, if integrated in the marketing strategies can help achieve this. These approaches include improving on point of sale information. Firms could seek to have detailed and easy to read manuals on the use and care of their products. Package labels could also be used as an effective communication media (Stanton et al, 1991). More carefully prepared advertising could also help achieve effective positive communication. Concerns about false and misleading claims as well as adverts that might be offensive to some group or simply in poor taste have caused firms to review advertising content very carefully. Players in the industry should have these concerns when developing their advertising campaigns if they are ever to attain positive awareness of their brands.

Assurances in quality and availability have also been shown to be important factors in enhancing brand awareness in the industry. Though quality is extremely significant in many product categories, it's probably the most difficult of all image- building features to define. Personal tastes are deeply involved in defining quality. If this were the case then, players in the industry should learn how to pursue quality in dimensions that appeal to target consumers. One guideline in managing product quality is that the quality level should be compatible with the intended use of the product; the level need not be any higher (Stanton et al, 1991). Another key to the successful management of quality is to maintain consistency of product out put at the desired quality level. Assurance of availability of a brand could be achieved through good at timely demand management and forecasting so that the manufacturer or distributor ensures that the brand of concern is available as at when and where required. Together with good demand forecasting, this should be supported by well-established distribution channels and good relations with the channel members.

From the conclusions drawn earlier, several directions of action are important if a firm is to enhance the consumer loyalty to its bottled water brand. Service, assurances and guarantees that come with the brand are among the important factors that serve to enhance brand loyalty in the industry. Today's consumer is becoming more and more aware of not only of express warranties (those stated in writing or spoken words) but also of the concept of implied warranties (Stanton et al 1991). Implied warranty means that the seller intended a warranty, although not actually stated. Manufacturers should know that they are held liable for product caused injury, whether or not they are to blame for negligence in manufacturing. Bottled drinking water manufacturers can win consumer confidence if they offer not only express but also implied warranties. These can be achieved by ensuring guaranteed consistency in quality, guaranteed availability of the brand, showing company commitment to the brand, ensuring that the brand meets the consumer expectations and improving on the efficiency of service offered at the outlets.

A second important factor in enhancing brand loyalty derived from the study was having positive brand associations. Brand associations represent the links or connections that a consumer has in mind when he or she thinks of a particular brand. Consumers have generally been shown to be more loyal to brands for which they have positive associations. Positive associations can be created by consistently and repeatedly connecting a brand to a certain event, person, user, use occasion or quality claims. Player in the bottled water industry should take concern of trying to strongly connect their brands with either of these associations in their communication campaigns if they are to hook consumers to their brands.

Price differentiation as another important factor in enhancing loyalty can be achieved by either pricing slightly higher or lower than the market going rate. However, caution should be taken to first know the consumer perceptions of high or low prices in the industry. A further marketing research could be necessary at this point to establish the direction of the price factor in enhancing brand loyalty. Generally, high price is evidenced to be associated with high quality and if this were the case in the industry, then players could consider pricing at slightly higher prices than the going rate to develop some kind of price differentiation and thus, help enhance loyalty.

As concerns brand associations, all the three perspectives of brand associations (value, personality, and organizational associations) as cited by Aaker (1996) were revealed to be important considerations in enhancing brand associations. As indicated earlier in chapter two, two indicators are important in measuring a brand's value. These measures are whether the brand proves good value for money and whether consumers a have a reason to buy the brand and not any others. If firms then are to create good value associations, it becomes necessary to ensure that their brand is a good value for the customers' money. Enacting quality checks that ensure consistency in quality, ensuring that the brand meets the required health standards and ensuring general customer satisfaction with the brand can ensure this.

Brand personality as another factor in enhancing brand associations becomes important especially for brands that have only minor physical of functional differences like bottled drinking water. For firms to create strong personality associations of their brands there is a need to focus on measures that will reflect the existence of strong personality but that are not product specific (Aaker, 1996). This can be achieved by drawing marketing communication strategies that will depict the brand as either interesting, that reveal a clear image of the type of a person who would use it, or as a brand with rich history.

Organizational associations being an important factor in enhancing a brand's associations can be enhanced when the organization is visible. Firms can make themselves visible and gain recognition by undertaking sponsorships of major events like tournaments, health campaigns or even clean ups. These activities would culminate to the organization being trusted, admired and consumers would even feel proud to be associated with the firm by buying its brand.

Product quality and corporate image, service that comes with the brand, the brand's value proposition and effective communications being important factors in enhancing a brand's perceived quality as revealed by this study can be achieved by planning and implementing marketing programs and strategies as discussed earlier in this chapter.

5.4 limitations of the Study

Like many other studies, this study was faced by a number of limitations. The major limitations were financial and time resources. This compelled the researcher to narrow down the scope of the study to Nairobi area only. Further, the researcher was also limited on the number of target respondents.

A rather smaller limitation was the problem of understanding of some basic marketing jargon and concepts by respondents. Though the researcher tried as much as possible to put these concepts through in a much more understandable language, the true meaning and weight of the concepts was feared to be lessened or altered in the process. This might have brought in the limitation of capturing or measuring what the researcher had intended to as intended and misinterpretations might have resulted there of.

5.5 Suggestions for Further Study

This study focused on a rather very wide concept of brand equity that is a whole composed of several other major concepts. This rendered the study a bit unfocussed and too wide for the time that was available. Future researches could be more focused and dig into the deeper details about one or two of the consistent concepts of brand equity.

This study ignored one of the five aspects of brand equity, that is other proprietary assets like brand name, logos, slogans, patents and trademarks. This is because these assets are not easily measured and are quite intangible. Future researches could focus on this aspect and seek to know what factors are important in enhancing it. They could for example attempt to know what kinds of brand names; trademarks or slogans help build a brand's equity for example. Cropping from the debate that marketers have had about these other proprietary brand assets and their value, future researches could also take the direction of attempting to know whether these assets really add to the value of the brand and thus its equity.

This study did not withstand the fact that there are two different categories of drinking water in the Kenyan market today, targeted to different kinds of consumers. These categories are the pure mineral drinking water that is targeted to the upper class and the premium drinking water, targeted to the lower income classes. This study ignored this categorization and generalized both as just bottled drinking water. Future researches could seek to recognize this categorization and compare the factors that are important in enhancing the equity of either category.

This study only attempted to reveal the factors that are important in enhancing brand equity. The study however was not concerned with defining the direction that these factors take if they are to enhance brand equity. For example price was revealed to be an important factor in enhancing brand loyalty without defining its direction. Is it when the price is high or low that loyalty is enhanced? Future related studies could go a step further and attempt to define the direction of these important factors that enhance brand equity in the bottled water industry in Nairobi.

APPENDIX 1: INTRODUCTORY LETTER TO RESPODENTS

UNIVERSITY OF NAIROBI

FACULTY OF COMMERCE

MBA PROGRAM-LOWER KABETE CAMPUS

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

P.O Box 30197
Nairobi. Kenya

24TH June 2002

Dear respondent,

I am a postgraduate student at the above university doing a research project as part of the requirements of the degree of Master of Business Administration. I am doing a research on "The Determinants of Brand Equity in the Bottled Drinking Water Industry in Nairobi". I therefore request you to kindly assist me by filling the attached questionnaire to the best of your ability and knowledge.

I assure you that the information you provide will be used solely for academic purposes and giving your identity on the questionnaire is optional.

Thank you in anticipation of your cooperation.

Yours sincerely

Edward Wambua Kisese
MBA Student

Dr. R.M. Musyoka
Lecturer/ Supervisor
Department of Business Admin.
Faculty of Commerce
University of Nairobi

APPENDIX 2: QUESTIONNAIRE

PART 1

What is your name? (Optional)---------------------------------------

Where are you located? (Estate)-------------------------------------

What is your occupation? --

What is your gender? (Tick appropriately) [Male] [Female]

PART 2

Please indicate (by ticking ✔ in the appropriate box) the extent to which each of the factors listed below are important in influencing your Awareness of bottled water brands in Nairobi.

Key: 5 Very important, 4 Important, 3 Some what important, 1 Not important at all

	5	4	3	2	1
1. Advertising levels	[ ]	[ ]	[ ]	[ ]	[ ]
2. Information from relatives and friends	[ ]	[ ]	[ ]	[ ]	[ ]
3. Extent of distribution	[ ]	[ ]	[ ]	[ ]	[ ]
4. Clarity of 'what the brand stands for' message.	[ ]	[ ]	[ ]	[ ]	[ ]
5. Conspicuousness of the label	[ ]	[ ]	[ ]	[ ]	[ ]
6. Uniqueness of the packaging	[ ]	[ ]	[ ]	[ ]	[ ]
7. Levels of store merchandising	[ ]	[ ]	[ ]	[ ]	[ ]
8. Advertising media used	[ ]	[ ]	[ ]	[ ]	[ ]

9. Influence from opinion leaders [ ] [ ] [ ] [ ] [ ]

10. How easy the brand name is easy to articulate/ recall [ ] [ ] [ ] [ ] [ ]

11. Type of outlets used [ ] [ ] [ ] [ ] [ ]

12. Others (Specify and rate)

Please indicate (by ticking ✔ in the appropriate box) the extent to which each of the following factors is important in influencing your loyalty to a particular brand of bottled water in Nairobi.

	5	4	3	2	1
1. Price	[ ]	[ ]	[ ]	[ ]	[ ]
2. Consistency in quality	[ ]	[ ]	[ ]	[ ]	[ ]
3. Availability of the brand	[ ]	[ ]	[ ]	[ ]	[ ]
4. Company's commitment to the brand	[ ]	[ ]	[ ]	[ ]	[ ]
5. Associations that you have with the brand	[ ]	[ ]	[ ]	[ ]	[ ]
6. Advertisement level	[ ]	[ ]	[ ]	[ ]	[ ]
7. Availability in different sizes	[ ]	[ ]	[ ]	[ ]	[ ]
8. The market share that the brand commands	[ ]	[ ]	[ ]	[ ]	[ ]
9. How well the brand serves its function	[ ]	[ ]	[ ]	[ ]	[ ]
10. Extent of information that you have about the brand	[ ]	[ ]	[ ]	[ ]	[ ]
11. How long the brand has been in the market	[ ]	[ ]	[ ]	[ ]	[ ]
12. Efficiency of the service offered at the outlet	[ ]	[ ]	[ ]	[ ]	[ ]
13. What other people think of the brand	[ ]	[ ]	[ ]	[ ]	[ ]

14. Others (Specify and rate)

Please indicate (by ticking ✔ in the appropriate box) the extent to which each of the following factors influence your having associations with bottled water brands in Nairobi.

	5	4	3	2	1
1. The value for money the brand gives you	[ ]	[ ]	[ ]	[ ]	[ ]
2. Price	[ ]	[ ]	[ ]	[ ]	[ ]
3. Extent of distribution	[ ]	[ ]	[ ]	[ ]	[ ]
4. The organization's reputation	[ ]	[ ]	[ ]	[ ]	[ ]
5. The out let image	[ ]	[ ]	[ ]	[ ]	[ ]
6. Distribution channels used	[ ]	[ ]	[ ]	[ ]	[ ]
7. Endorsers used (e.g. WHO,KBS)	[ ]	[ ]	[ ]	[ ]	[ ]
8. What the brand stands for	[ ]	[ ]	[ ]	[ ]	[ ]
9. Others (Specify and rate)					

Please indicate (by ticking ✔ in the appropriate box) the extent to which each of the following factors influence your quality perception of a bottled water brand in Nairobi.

	5	4	3	2	1
1. Price of the brand	[ ]	[ ]	[ ]	[ ]	[ ]
2. Image of the out let	[ ]	[ ]	[ ]	[ ]	[ ]
3. Advertising levels	[ ]	[ ]	[ ]	[ ]	[ ]
4. Your past experience with the brand	[ ]	[ ]	[ ]	[ ]	[ ]
5. Advertising message	[ ]	[ ]	[ ]	[ ]	[ ]
6. The brand name	[ ]	[ ]	[ ]	[ ]	[ ]
7. The company's reputation	[ ]	[ ]	[ ]	[ ]	[ ]

8. Information levels that you have about the brand	[ ]	[ ]	[ ]	[ ]	[ ]
9. Performance of the brand	[ ]	[ ]	[ ]	[ ]	[ ]
10. Company's commitment to the brand	[ ]	[ ]	[ ]	[ ]	[ ]
11. Place of bottling (at the source or at the plant)	[ ]	[ ]	[ ]	[ ]	[ ]
12. Courtesy of the channel members handling the brand	[ ]	[ ]	[ ]	[ ]	[ ]
13. Attainment of quality accreditation	[ ]	[ ]	[ ]	[ ]	[ ]
14. Kind of endorsers used	[ ]	[ ]	[ ]	[ ]	[ ]

15. Others (Specify and rate)

THANK YOU

APPENDIX 3

LIST OF MIDDLE CLASS ESTATES IN NAIROBI

Air Port View
Akiba (Langata)
Akiba (South C)
Ayany
Buru Buru Phase 1.2,3,4,5
Donholm
Eastleigh
Embakasi High Rise
Golden Gate
Golf Course
Harambee
Highway Estate Phase 1,2
High View
Imara Daima
Jamhuri
Kariobangi Civil Servants
Kariokor
Kibera High Rise
Komarock Infill B
Komarock Phase 2
Komarock Phase 2 Infill A
Komarock Phase 3
Langata Civil Servants
Maasai Estate
Madaraka
Magiwa
Mariakani
Mvuli Avenue
Nairobi West
New Pumwani (California)
Ngara
Ngei Phase 2
Ngumo
NSSF Complex (Sololo/ Hazina)
Onyonka
Otiende
Outering Estate
Pangani
Park View
Pioneer
Plains View
Pumwani High Rise

Reality (Nairobi South C)
River bank (Embakasi)
River bank (South B/Kariba Estate)
Rubia
Saika
Savannah
South Lands Phase 1
South Lands Phase 2
Sun View
Tena
Thika Road Site Estate
Thome
Ufunguo
Uhuru Gardens
Ushirika
Villa Franca
Woodley (Joseph Kangethe)
Zimmerman

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