DETERMINANTS OF BRANDING STRATEGY WITHIN THE MAJOR COMMERCIAL BANKS IN KENYA

BY

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DECLARATION

I, the undersigned, declare that this project is my original work and that it has not been presented in any other university or institution for academic credit.

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This project has been submitted for examination with my approval as university supervisor.

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DEDICATION

I dedicate this thesis to my family for their understanding and support during the study period.

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First of all, I would wish to thank my entire family for their understanding when I was not there for them during the proposal period; I wouldn't have made it this far without them.

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Most important of all I extend my gratitude to the Almighty God for providing me with strength, knowledge and vitality that helped make this project a reality

Thank you all.

ABSTRACT

In the ever changing world where customers' preferences and behavior in making decisions about which product to buy or service to use the selling company has to build and retain their brand in a way which makes it essential to the customer. Customers respond differently to company and brand images. Brand 'image' is defined as perceptions about a brand as reflected by the brand associations held in consumer memory (Keller, 1993). Brand identity is the way a company aims to identify or position itself. The brand identity clearly specifies what the brand aspires to stand for and has multiple roles (Konecnik and Go, 2008). In this study, descriptive research design in form of a survey will be used. Descriptive research portrayed an accurate profile of persons, events, or situations (Robson, 2002). Survey allows the collection of large amount of data from a sizable population in a highly economical way. It allowed the researcher to collect quantitative data, which was analyzed quantitatively using descriptive and inferential statistics (Saunders et al, 2007). The population of interest of this study was the major commercial banks that are operating in Kenya. There are five major commercial banks which includes Kenya commercial bank, co-operative bank, standard chartered, Barclay's banks and Equity bank. Questionnaire was be designed to identify the establish the determinants of branding strategy amongst the major commercial banks in Kenya.Before processing the responses, the completed questionnaires was be edited for completeness and consistency. Descriptive analysis was be employed; this was include the use of weighted means, standard deviation, relative frequencies and percentages. The data was then be coded to enable the responses to be grouped into various categories. Descriptive statistics was be used to summarize the data. This includes percentages and frequencies, tables and other graphical presentations as appropriate was be used to present the data collected for ease of understanding and analysis.

The most important factors for the customers brand choice of bank were related to the awareness, associations and attitude towards the brand of the bank. A personal relationship with the customers was the most important part according to the findings in this research. However, the bank sector of today is moving further away from a personal relationship with their customer. The number of electronic touch points has increased in Kenya over the last

decade such that even deposits can be undertaken through automated teller machines. Internet banking is also on the rise. This presents the risk that customers may feel less connection and loyalty to the bank, as the personal relationship disappears. The need for marketers to alter perceptions and create consumer preference for a particular bank calls for similar branding strategy employed in traditional packaged goods. Banks should make customers feel something about doing business with them (Alvarez, 2001).However since the banks are shifting towards a more anonymous customer orientation, the theory is not supported. The results from this study point out that the most important factors when it comes to brand association are the employees and the relation created between businesses and the employees at the bank.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

In the ever changing world where customers' preferences and behavior in making decisions about which product to buy or service to use the selling company has to build and retain their brand in a way which makes it essential to the customer. Customers respond differently to company and brand images. Brand 'image' is defined as perceptions about a brand as reflected by the brand associations held in consumer memory (Keller, 1993). Brand identity is the way a company aims to identify or position itself. The brand identity clearly specifies what the brand aspires to stand for and has multiple roles (Konecnik and Go, 2008). First, it is a set of associations that the brand strategist seeks to create and maintain. Secondly, it represents a vision of how a particular brand should be perceived by its target audience. Thirdly, upon its projection the brand identity should help to establish a relationship between a particular brand and its clientele by generating a value proposition potentially either involving benefits or providing credibility, which endorses the brand in question (ibid). An effective identity establishes the offering's characteristics and value perceptions, conveys the character in a distinctive way, and delivers an emotional power beyond a mental image. The identity must be conveyed through every communication vehicle and brand contact, including symbols, colors, slogans, atmosphere, media and special events (Kotler and Keller, 2007).

The process of branding originated as a means by which a firm could differentiate its goods or services from those of its competitors (Boyle, 2007). Now, however, brands are renowned for offering consumers a unique set of perceived benefits not found in other products. Branding is generally seen to offer a range of perceived advantages and benefits for both buyers and sellers including providing images and information on quality, offering recognition, reassurance, security and exclusivity, contributing to brand image and identity, market segmentation, the mutual development and strengthening of trading relationships, and legal protection (Jones, Shears, Hillier and Clarke-Hill, 2002).

According to Simoes and Dibb (2001 cited in Jones *et al*, 2002) branding plays a special role in service companies since strong brands increase customers' trust of the invisible, enable them to better visualize and understand the intangible and reduce customers' perceived financial, social or safety risk. They further stress that branding for services is different than branding for tangible products because it is the company which is the primary brand (Jones *et al*, 2002).

1.1.1 Branding strategy concept

When examining brands, a number of different definitions can be found. Keller (1998) defines a brand as "a name, term, sign, symbol or design, or a combination of them intended to differentiate them from those of competitors". Further, the author argues that a brand gains meaning for customers through their personal experiences, commercial messages, interpersonal communications and other means, in all possible interactions between them and the brand. Kapferer (1997) on the other hand, focuses more directly on the aspects of customer perception in his brand definition. He states a brand to be a living memory built on a person's interactions with a brand. The brand further differentiates a company from competitors by surrounding its offering with additional meaning.

Both definitions above emphasize the importance of differentiation. Through branding an offer can be differentiated from that of competitors. Brands can also be beneficial for customers. As long as a brand incorporates added-value for the customers, a brand also brings added-value to the company (Keller, 1998). Added-value, or brand equity as it is also referred to, is defined by Riezebos (2003) as "the contribution of the brand name and its related connotations to the consumer's valuation of the branded article as a whole". Morrison (2001) points out that creating added-value is a difficult task since a brand is much more than just a logo or a name. Moreover, the value of a brand is determined by how it is perceived by customers. Michell et al. (2001) state brands to play a role of a "mental patent". Thus, brands are regarded as assets to companies, even though they cannot be controlled by anyone except for those having perceptions about them (Morrison, 2001).

Even though brands and brand strategies are important, creating a brand is not enough in order to achieve a sustainable advantage. Brands have to be carefully managed through coherent messages in order for customer perception to correspond to what the firm desires. If no brand management actions are taken, the brand will be completely controlled by the customers. Brand management therefore can also be referred to as branding (Morrison, 2001). Successful brand development and brand management begins with a fundamental marketing strategy and the development of a marketing program. Marketing strategy involves the concepts of market segmentation, targeting and positioning. Superior marketing through being relevant, distinctive, consistent, cohesive and creative leads to superior customer awareness, preference and buying action (Webster JR & Keller, 2004).

1.1.2 Determinants of Branding Strategy

A successful brand strategy contributes to the establishment of a product's position, protection from competition and enhancement of the product's performance in the market. It should further generate a powerful bargaining position, both with retailers and distributors given a better market acceptance, quality assurance, increased profit margins and benefits of manufacturer's marketing efforts. A successful brand strategy can also support the market segmentation, enabling the creation of a distinct image in order to create a market niche and a foundation for price differentiation (Sinclair & Seward, 1988). Brand positioning incorporates a brand's core values, and requires points of both similarity and difference compared to competing brands. The differing points are what drive the customer's behaviour, and the similar ones break even with the competitors and negate their intended points of difference (Webster JR & Keller, 2004).

In spite of branding not being a new activity, it has gained increased attention in recent years. This is mainly due to the massive increase in the amount of commercial messages people are exposed to and the massive increase in the number of products the customers face. Decreasing product differentiation and the fact that important economies of scale can be obtained through communication are other explanations (Nilson, 1998).

Today, branding is seen as a core marketing activity and to brand or not to brand is no longer the question. Rather, companies need to ask themselves how brands and branding activities should be managed within their own organizations. If no specific brand name is created, the company name will usually function as brand name, which is often the case in industrial marketing (Webster JR & Keller, 2004).

When discussing branding in a financial service context the brand is related to the company or corporate brand, which is the highest level in Keller's brand hierarchy. Product brands within financial services are relatively few and far between, and the banking and financial services industry has long been characterized by monolithic identities (Debling, 2000). There is also a difficulty of achieving differentiation at the banking product level since the product attributes in this sector are very easy to copy. This means the service quality has become an increasingly important factor for success and survival in the banking sector. Provision of high quality service helps in meeting customer satisfaction and its consequent loyalty and market share, soliciting new customers, improved productivity, financial performance and profitability. It has also become an important research topic because of its important relationship to corporate marketing and financial performance (Cui, Lewis and Park, 2003).

1.1.3 Banking Industry in Kenya

The Kenyan Banking sector has demonstrated a solid growth over the past few years. The industry continues to offer significant profit opportunities for the major participants. Banks generally earn their revenues from taking in funds and lending them out at a higher rate. The spread between deposits and loans continues to be around 8.5%, offering much profit potential. Profit after tax of the overall banking system increased by 38.61%, or Kshs 5.08 billion, from Kshs 13.15 billion in December 2005 to Kshs 18.22 billion in December 2006. There are forty-six bank and non-bank financial institutions, fifteen micro finance institutions and forty-eight foreign exchange bureaus in Kenya. Thirty-five of the banks, most of which are small to medium sized, are locally owned.

The industry is dominated by a few large banks most of which are foreign-owned, though some are partially locally owned. Six of the major banks are listed on the Nairobi Stock Exchange. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banks' interests and addresses issues affecting member institutions. The commercial banks and non-banking financial institutions offer corporate and retail banking services but a small number, mainly comprising the larger banks, offer other services including investment banking, Lipe and Salterio, (2000).

1.1.4 Major Commercial Banks in Kenya

There are five major bank in Kenya, they include; Kenya commercial bank, co-operative bank, standard chartered, Barclays banks and equity bank. Barclays has operated in Kenya for over 90 years. Financial Strength coupled with extensive local and international resources have positioned Barclays Bank of Kenya as a foremost provider of financial services. Barclays has established an extensive network of 117 outlets with over 230 ATMs spread across the country. The bank's financial performance over the years has built confidence among the Bank's shareholders, with a reputation as one of the leading blue chip companies on the Nairobi Stock Exchange.

Equity Bank commenced business on registration in 1984. It has evolved from a Building Society, a Microfinance Institution, to now the all-inclusive Nairobi Stock Exchange and Uganda Securities Exchange public listed Commercial Bank. The bank is credited for taking banking services to the people through its accessible, affordable and flexible service provision. Equity Bank was named the best performing Africa Investor 40 Company in this year's African Investor Series Awards held at the New York Stock Exchange. Standard Chartered was formed in 1969 through a merger of two banks: The Standard Bank of British South Africa, founded in 1863, and the Chartered Bank of India, Australia and China, founded in 1853. It has concentrated on consumer, corporate and institutional banking and on the provision of treasury services - areas in which the Group had particular strength and expertise. Since 2000 the Bank has achieved several milestones with a number of strategic alliances and acquisitions, which have extended the customer and geographic reach and broadened the product range that Standard Chartered offers.

The Co-operative Bank of Kenya Limited ('the Bank') is incorporated in Kenya under the Company's Act and is also licensed to do the business of banking under the Banking Act. The Bank went public and was listed on December 22 2008. Shares previously held by the 3,805 co-operatives societies and unions were ring-fenced under Coop Holdings Co-operative Society Limited which became the strategic investor in the Bank with a 64.56% stake History of KCB dates back to 1896 when its predecessor, the National Bank of India opened an outlet in Mombasa. Upon independence the Government of Kenya acquired 60% shareholding in National & Grindlays Bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government acquired 100% of the shares to take full control of the largest commercial bank in Kenya. National and Grindlays Bank was renamed Kenya Commercial Bank.

1.2 Research Problem

Brand investment activities should result in a cost-effective market position as well as a brand positional advantage. A successful brand strategy contributes to the establishment of a product's position, protection from competition and enhancement of the product's performance in the market. It should further generate a powerful bargaining position, both with retailers and distributors given a better market acceptance, quality assurance, increased profit margins and benefits of manufacturer's marketing efforts. This study seeks to establish the determinant of branding strategies among commercial banks in Kenya with special reference to major commercial banks in Kenya.

Being in service industry with saturated market, this leads to a strategy to gain market share by winning customers from other companies while offering quality and solutions that lock-in the previous customer base. Lowering customer defection rates can be profitable to commercial banks; research has shown that it is a more profitable strategy than gaining market share or reducing costs (Zeithaml, Berry and Parasuraman, 1996). In an empirical study linking customer satisfaction to profits, Fornell and Wernerfelt (1987) examine the impact of complaint-handling programs on customer retention and concluded that marketing resources are better spent keeping existing customers than attracting new ones. Keeping and satisfying customers might very well lead to an increased Word-Of-Mouth (WOM) and thereby the brand superiority.

Locally the study identified few studies done on branding strategy ; Chemayiek (2005) did a study on consumers' perception of corporate rebranding strategy by Kenya airways, Muta(2009) conducted a study on branding strategy for the Kenya agricultural research institute and its products and Mwiti (2009) did a study on the extent of adoption of branding concept by Kenyan cooperative societies, a case of sacoos offering front office services in Nairobi province, to the researcher knowledge no know local study that has been conducted to determine the determinant of branding strategy adopted by commercial bank in Kenya , this study seeks fill the existing research gap by conducting study to determine the determinants of branding strategy amongst major commercial banks in Kenya .

1.3 Objective of the Study

The purpose of this study was to establish the determinants of branding strategy within the major commercial banks in Kenya.

1.4 Value of the Study

The study will be valuable to the various stakeholders in the banking industry. The study will provide information on determinants of branding strategy amongst the major commercial banks Kenya and to potential and current scholars. This will expand their knowledge on strategic responses in financial institutions and identify areas of further study.

The policy makers will obtain knowledge of the financial sector dynamics and the responses that are appropriate to branding strategy; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector participation. The study will also help the banks in its strategy development particularly in this competitive era in the financial market.

The study will be of great importance to future researcher and scholars as it will add to field of knowledge on determinants of branding strategy.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The process of branding originated as a means by which a firm could differentiate its goods or services from those of its competitors (Boyle, 2007). Now, however, brands are renowned for offering consumers a unique set of perceived benefits not found in other products. Branding is generally seen to offer a range of perceived advantages and benefits for both buyers and sellers including providing images and information on quality, offering recognition, reassurance, security and exclusivity, contributing to brand image and identity, market segmentation, the mutual development and strengthening of trading relationships, and legal protection (Jones, Shears, Hillier and Clarke-Hill, 2002).

2.2 Branding Strategy

Branding strategy is a focal issue for firms operating in today's international marketplace. Kapferer (1992, pp. 46-7) argues that branding means more than just giving a brand name to a product or products: "brands are a direct consequence of the strategy of market segmentation and product differentiation". Firms utilize a combination of brand attributes to meet the expectations of specific customers in various economic conditions. Numerous corporate and product, brands are actively competing in the world markets. Corporate branding refers to the strategy in which brand and corporate name are the same (de Chernatony, 1997); product branding builds separate brand identities for different products. The imagery varies from one brand to another in product branding, despite the fact that a single company may own multiple product brands (Davies and Chun, 2002).

Investing in branding is considered to offer such a company major competitive advantage. Brand names or brand equity are often considered to be important resources which the firm possesses (Bharadwaj et al., 1993; Capron and Hulland, 1999; De Chernatony and Segal-Horn, 2001; Keller, 1993). Aaker (1992a) suggests that brand equity contributes to firm value through loyalty, awareness, perceived quality, and other brand assets. He cautions however that it can be expensive to achieve a brand that provides a firm with a competitive advantage. Brand investment may suffer if organizations concentrate on short-term profits through price reductions and other sales promotion activities that generate more immediate and easily measurable results.

2.3 Theoretical review

The process of branding originated as a means by which a firm could differentiate its goods or services from those of its competitors (Boyle, 2007). However, brands are today renowned for offering consumers a unique set of perceived benefits not found in other products. Branding is generally seen to offer a range of perceived advantages and benefits for both buyers and sellers including providing images and information on quality, offering recognition, reassurance, security and exclusivity, contributing to brand image and identity, market segmentation, the mutual development and strengthening of trading relationships, and legal protection (Jones, Shears, Hillier and Clarke-Hill, 2002).

2.3.1 Game Theory

Game theory uses mathematics to study strategy. Game theory studies more than just board games, sports, and games of luck. It also studies things like business and military decisions. In game theory, people call all of these situations "games." In other words, you can use game theory to study any situation where more than one person makes choices. The players in a game are not even always people. Players can be companies, militaries or other things. Each player wants something such as a company seeking to make as much sales as its potential, or a country wants to win a war. Sometimes the players work together, but often they are competing against each other. Economists have long used game theory to analyze a wide array of economic phenomena, including actions, bargaining, fair division, oligopolies, social network formation, voting systems and to model across such broad classification as behavioral economics, Faruk Gul, (2008). This research usually focuses on particular sets of strategies known as equlibria in games. These "solution concepts" are usually based on what is required by norms of rationality. In non-cooperative games, the most famous of these is the Nash equilibrium. A set of strategies is Nash equilibrium if each represents a best response to the other strategies. So, if all the players are playing the strategies in Nash equilibrium, they have no unilateral incentive to deviate, since their strategy is the best they can do given what others are doing.

The payoffs of the game are generally taken to represent the utility of individual players. Often in modeling situations the payoffs represent money, which presumably corresponds to an individual's utility. This assumption, however, can be faulty.

A prototypical paper on game theory in economics begins by presenting a game that is an abstraction of some particular economic situation. One or more solution concepts are chosen, and the author demonstrates which strategy sets in the presented game are equilibria of the appropriate type. Naturally one might wonder to what use this information should be put. Economists and business professors suggest two primary uses: 'descriptive' and 'prescriptive'.

2.4 Determinant of Branding Strategy

One notable model created by Aaker (1991) who describe brand equity as a set of assets such as name awareness, loyal customers, perceived quality and associations that are linked to the brand and add value to the product or service. The development of brand equity can create associations that can drive market positions to persist over long time periods and be capable of resisting aggressive competitors (ibid). While Aaker explains the issue from the perspective of the firm Keller (1993) mentions and explains the importance of understanding brand equity from the customer's perspective. Keller (1993) states that even though the eventual goal of any marketing program is to increase sales, it is first necessary to establish knowledge structures for the brand so that customers respond favorably to the marketing activities for the brand.

Ambler *et al.* (2002) mentions five dimensions as being of great importance when measuring the consumer mindset. These are: Brand awareness (recall, recognition) Brand association (strength, favorability, uniqueness of perceived benefits and attributes) Brand attitude (perceived quality of, and satisfaction with, the brand) Attachment (or loyalty), and Activity (how much consumers talk about, use, seek out information, promotions, etc. regarding the brand).

2.4.1 Branding

Investing in branding is considered to offer such a company major competitive advantage. Brand names or brand equity are often considered to be important resources which the firm possesses (Bharadwaj et al., 1993; Capron and Hulland, 1999; De Chernatony and Segal-Horn, 2001; Keller, 1993). Aaker (1992a) suggests that brand equity contributes to firm value through loyalty, awareness, perceived quality, and other brand assets. He cautions however that it can be expensive to achieve a brand that provides a firm with a competitive advantage. Brand investment may suffer if organizations concentrate on short-term profits through price reductions and other sales promotion activities that generate more immediate and easily measurable results.

There appear to be few differences between services branding and physical product branding in terms of the concepts and definitions employed (Dall'Olmo Riley and de Chernatony, 2000). Both external and internal perceptions of the brand are important (Berry, 2000; De Chernatony and Segal-Horn, 2001). However, the service experience and service performance are more important in building service brands (Berry, 2000; De Chernatony and Segal-Horn, 2001).

Brand investment activities should result in a cost-effective market position as well as a brand positional advantage. The link to a cost effectiveness position is based on Aaker's (1992a) suggestion that because the brand generates loyalty, other marketing costs can be reduced. Dall'Olmo Riley and de Chernatony (2000) have examined the commonality in the literatures on relationship marketing and branding. They conclude that service brands play an important role in building relationships with customers.

Although branding has an extensive history and brand management practices have existed for decades, brand equity as a central business concept for many organizations has only really emerged in the past twenty years. Much of that interest is initially driven by the mergers and acquisitions boom of the 1980's where it became apparent that the purchase price paid for many firms largely reflected the value of their brands (Leone; Rao; Keller; Luo; McAlister and Srivastava, (2006). The clear implication of these transactions is that brands were one of the most important intangible assets of a firm. As a result of that realization many different academic and industry models of branding and brand equity have been proposed in recent years. These models share certain basic premises about brand equity. The power of a brand lies in the minds of the consumers and what they have experienced, learned and felt about the brand over time (Leone *et al.*, 2006).

One notable model created by Aaker (1991) who describe brand equity as a set of assets such as name awareness, loyal customers, perceived quality and associations that are linked to the brand and add value to the product or service. The development of brand equity can create associations that can drive market positions to persist over long time periods and be capable of resisting aggressive competitors (ibid). While Aaker explains the issue from the perspective of the firm Keller (1993) mentions and explains the importance of understanding brand equity from the customer's perspective. Keller (1993) states that even though the eventual goal of any marketing program is to increase sales, it is first necessary to establish knowledge structures for the brand so that customers respond favorably to the marketing activities for the brand. Ambler *et al.* (2002) mentions five dimensions as being of great importance when measuring the consumer mindset. These are: Brand awareness (recall, recognition) Brand association (strength, favorability, uniqueness of perceived benefits and attributes) Brand attitude (perceived quality of, and satisfaction with, the brand) Attachment (or loyalty), and Activity (how much consumers talk about, use, seek out information, promotions, etc. regarding the brand).

2.4.2 Brand awareness

Brand awareness refers to the strength of a brand's presence in consumers' minds. It is an important component of brand equity (Aaker, 1991; Keller, 1993). In particular, brand name awareness relates to the likelihood that a brand name will come to mind and the ease with which it does so. Brand awareness consists of brand recognition and brand recall performance Keller, 1993). People will often buy a familiar brand because they are comfortable with the familiar (Aaker, 1991). Or there may be an assumption that a brand that is familiar is probably reliable, is in business to stay and of reasonable quality (ibid).

Aaker's (1991) figure with four stages of brand awareness and the role of brand equity is dependent upon both the context and which level of awareness that is achieved. The lowest level (except awareness), brand recognition, is based upon aided recall test. It is especially important when choosing a brand at the point of purchase.

The second level is brand recall. Brand recall is based upon asking a person to name the brand in a product class, also termed as unaided recall since the respondent is not assisted by having the names provided. The first-named brand in an unaided recall task has achieved top of- mind awareness, which is a special position. In a very real sense such a brand is ahead of the others in a person's mind. Brand awareness plays an important role in consumer decision making for three major reasons (Keller, 1993): It is important that consumers think of the brand when they think about the product category. Raising brand awareness increases the likelihood that the brand will be a member of the consideration set, the handful of brands that receive serious considerations for purchase.

It can affect decisions about brands in the consideration set even if there are essentially no other brand associations. Consumers have been shown to adopt a decision rule to buy only familiar, well established brands. It affects consumer decision making by influencing the formation and strength of the brand associations in the brand image. A necessary condition for the creation of a brand image is that a brand node has been established in memory and the nature of that brand node should affect how easily different kinds of information can become attached to the brand in memory.

Brand awareness might be thought of as a buyer's ability to identify a brand within a category in sufficient detail to make a purchase. It is important to remember that sufficient detail does not always require identification of the brand name. Often it is no more than a visual image that stimulates a response to the brand. Recall of the name is not necessarily required because brand awareness may proceed through brand recognition. When a brand is recognized at point of purchase brand awareness does not require brand recall. This is a key point in the consideration of brand awareness as a communication objective.
Brand recognition and brand recall are two separate types of brand awareness (Percy and Rossiter, 1992). The difference among the two is essential especially in advertising and creating an advertising strategy. That depends on the communication effect that occurs first in the buyer's mind i.e. category need or brand awareness

Brand recall relates to consumers' ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type of probe as a cue. It requires that consumers correctly generate the brand from memory (Keller, 1993). The role of brand recall can be crucial for frequently purchased products for which brands decisions usually are made prior to the store. In some categories there are so many recognized alternatives that the buyer is overwhelmed (Aaker, 1991). Generally, if a brand does not achieve recall it will not be included in the consideration set. While recognition even based on only a few exposures persists, recall decays through time (ibid). Recall is difficult as it requires either an in-depth learning experience or many repetitions. Top-of-mind recall is even more demanding. Hence maintaining a strong top-of-mind awareness through constant exposure can create not only brand awareness but also brand salience that can inhibit the recall of other brands.

Brand recognition relates to consumers' ability to confirm prior exposure to the brand when given the brand as a cue. It requires that consumers' correctly distinguish the brand as having been seen or heard previously (Keller, 1993). In many purchase situations the brand is quite literally presented to the consumer first and this is what stimulates the consumer to consider the relevancy of category need i.e. Do I really need or want this? The sequence in the buyer's mind is recognition of the brand reminding him/her of the category need. However, sometimes a brand may actually fail a recall test, yet be recognized at the time of the purchase decision and thereby consumed (Percy and Rossiter, 1992).

There is no exact evidence how brand value is created hence there is a broad-based agreement that one of the major contributors to brand equity is advertising (Coob-Walgren, Ruble and Donthu, 1995). According to Prentice (cited in Cobb-Walgren *et al.,* 1995) the consumer's perception of brand value comes from many sources but essentially it is based on ideas-rational or emotional that set the brand above competing brands. Advertising is the most common kind of marketing activities that instills ideas about a brand's uniqueness in the mind.

Advertising can create awareness of the brand and increase the probability that the brand is included in the consumer's evoked set. It can contribute to brand associations which when sorted in accessible memory translate into non-conscious but reliable behavioral predispositions. Advertising can affect the perceived quality of a brand as well as influence usage experience (Cobb-Walgren *et al.*, 1995).

2.4.3 Brand associations

A brand association is anything linked in memory to a brand (Aaker, 1991). The association not only exists, but it has a level of strength. A link to a brand will be stronger when it is based on many experiences or exposures to communications rather than few. A brand image is a set of associations usually organized in some meaningful way. A well-positioned brand will have a competitively attractive position supported by strong associations. Brand image is defined as perceptions about a brand as reflected by the brand associations held in consumer memory. Brand associations are the other informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers. The favorability, strength and uniqueness of brand associations are the dimensions distinguishing brand knowledge. This plays an important role in determining the differential response that makes up brand equity especially in high involvement decision settings (Keller, 1993).

The strength of associations depends on how the information enters consumer memory and how it is maintained as part of the brand image. Strength is a function of both the amount or quantity of processing the information receives at encoding, how much a person thinks about the information, the nature or quality of the processing the information receives at encoding and the manner in which a person thinks about the information (Keller, 1993). When a consumer actively thinks about and elaborates on the significance of product or service information, stronger associations are created in memory. This strength in turn increases both the likelihood that information will be accessible and the ease with which it can be recalled.

Favorability is reflected in the consumers' belief that the brand has attributes and benefits that satisfy their needs and wants such that a positive overall brand attitude is formed (Keller, 1993). Consumers are unlikely to view an attribute or benefit as very good or bad if they do not also consider it to be very important. Hence, it is difficult to create a favorable association for an unimportant attribute. Not all associations for a brand will be relevant or valued in a purchase or consumption decision. Associations might facilitate brand recognition or awareness or lead to inferences about product quality hence it might not always be considered a meaningful factor in a purchase decision. Moreover, the evaluations of brand associations may be situational or context dependent and vary according to consumers' particular goals in their purchase or consumption decisions (Day, Shocker and Srivastava, 1979 cited in Keller, 1993).

Attributes are the descriptive features that characterize a product or service. Attributes are distinguished according to how directly they relate to product or service performance. Product-related attributes are defined as the ingredients necessary for performing the product or service function sought by consumers. Non-product related attributes are defined as external aspects of the product or service that relate to its purchase or consumption. Price is a particularly important attribute association because consumers often have strong beliefs about the price and value of the brand and may organize their product category knowledge in terms of the price tiers of different brands (Blattberg and Wisniewski, 1989).

User and usage imagery attributes can be formed directly from a consumer's own experience and contact with brand users or indirectly through the depiction of the target market as communicated in brand advertising or by some other source of information. User and usage image attributes can also produce brand personality attributes which in turn may reflect emotions or feelings evoked by the brand (Keller, 1993). Benefits are the personal value consumers attach to the product or service attributes. They constitute what consumers think the product or service can do for them. Benefits can be further distinguished into three categories to the underlying motivations to which they relate (Park, Jaworski and MacInnis, 1986).

Functional benefits; are the more intrinsic advantages of product or service consumption and usually correspond to the product-related attributes. These benefits are often linked to fairly basic motivations such as physiological and safety needs. Experiential benefits which are the second category relate to what it feels like to use the product or service and also usually correspond to the product related attributes. These benefits satisfy needs such as sensory pleasure, variety and cognitive stimulation. Symbolic benefits as the third category are more extrinsic advantages of product or service consumption. They usually correspond to non-product related attributes and relate to underlying needs for social approval or personal expression and outer-directed self-esteem. Consumers may value the prestige, exclusivity or fashionability of a brand because of how it relates to their self concept (Solomon, 1983 cited in Keller, 1993).

2.4.4. Brand attitude

Brand attitudes are important because they often form the basis for consumer behavior. One widely accepted approach to brand attitudes is based on a multi attribute formulation in which brand attitudes are a function of the associated attributes and benefits that are significant for the brand (Keller, 1993). Keller, (1993) highlights four important characteristics to be understood about brand attitude: Brand attitude depends upon the currently relevant motivation. As a result, if a buyer's motivation changes so might the buyer's evaluation of a brand, Brand attitude consists of both a cognitive and affective component. The cognitive or logical belief component guides behavior and the affective or emotional feeling component energizes the behavior.

The cognitive component may comprise a series of specific benefit beliefs. In and of themselves these are not the attitude but rather the reasons for the brand attitude. In almost any product category what one is looking for is the brand that meets the underlying motivation better than alternative brands. As long as a motivation to behave exists, a buyer will choose some brand that best meets that motivation from the alternatives of which he/she is aware. Bolton and Drew (1991) speculate that perceived service quality is a function of a consumer's residual perception of the service's quality from the prior period and his or her level of satisfaction with the current level of service performance. This notion suggests that satisfaction is a distinct construct that mediates prior perceptions of service quality to for the current perception of service quality (Cronin and Taylor, 1992) as follows; If one considers service quality to be an attitude, a study by Oliver (1980) suggests that in the absence of prior experience with a service provider, expectations initially define the level of perceived service quality, upon the first experience with the service provider, the disconfirmation process leads to a revision in the initial level of perceived service quality, subsequent experiences with the service provider will lead to further disconfirmation which again modifies the level of perceived service quality, and the redefined level of perceived service quality similarly modifies a consumer's purchase intentions towards that service provider (Oliver, 1980).

2.4.5. Brand loyalty

Aaker (1991) presented a figure based on five levels of loyalty. The first level contains the non-loyal buyer who is completely indifferent to the brand. The second level includes buyers who are satisfied with the product or at least not dissatisfied. There is basically no dimension of dissatisfaction that is sufficient to stimulate a change especially if that change involves effort. The third level consists of those who are also satisfied and in addition have switching costs such as costs in time, money or performance risk associated with switching.

The fourth level consists of consumers that truly like the brand. Their preferences may be based upon an association such as symbol, a set of use experiences or high perceived quality. The top level is the committed customers who have a pride of discovering and/or being users of a brand. The brand is very important to them either functionally or as an expression of who they are. Their confidence is such that they will recommend the brand to others. The value of the committed customer is not so much the business he/she generates but rather the impact upon others and upon the market itself (Aaker, 1991). Loyalty is a core dimension of brand equity. The perceived quality, the associations and the well-known name can provide reasons to buy and can affect use satisfaction (Aaker, 1991). A loyal customer base represents a barrier to entry, a basis for a price premium, time to respond to competitor innovations and a fortification against harmful price competition.

Successful brands achieve higher customer loyalty. Unsuccessful brands or new brands have to attract customers. The need to do so hits the net margin since it is much more expensive in advertising, promotion and selling to win new customers than to hold existing satisfied ones (Doyle, 1990). Loyalty is of sufficient importance that other measures such as perceived quality and associations can often be evaluated based on their ability to influence it. A basic indicator of loyalty is the amount a customer will pay for the brand (price premium) in comparison with another brand offering similar benefits (Aaker, 1996).

Attitudinal loyalty concepts conclude that consumers engage in extensive problem-solving behavior involving brand and attribute comparisons leading to strong brand preferences (Bennet and Rundle-Thiele, 2002). Attitudinal loyalty is strongly connected to the cognitive school of thought which emphasize the role of mental processes in building loyalty. Behavioral loyalty is the observable outcome of attitudinal loyalty. Without knowledge and understanding of the attitude towards the act of buying the brand, it is difficult to design marketing programs to modify behavioral loyalty. This is particularly the case in a non-stable environment with changing needs or environments (Bennet and Rundle-Thiele, 2002).Developing a high proportion of loyalty consumers is the ultimate goal for marketing practitioners.

2.4.6. Brand activity

Word-of-mouth (WOM) communication is without doubt among the strongest factors forming expectations and regularly in primary purchasing behavior (Mossberg, 1995). In general WOM communication has been researched less for services than it has been for manufactured goods despite the fact that its importance for the services sectors has long been established (Berry and Parasuraman, 1991 cited in Gounaris *et al*, 2003). This importance stems from the fact that service quality is hard to evaluate in advance of the purchase therefore WOM becomes a powerful factor which consumers consider (Gounaris *et al*, 2003). When consumers' perceptions of service quality are high they are willing to recommend the company to others which means they develop positive WOM. The outcome of this communication process is used by individuals who are not familiar with either the service or the provider as signals of quality (Parasuraman, Zeithaml and Berry1988).

A commercial setting involves a subtle change for the term loyalty (Rundle-Thiele, 2005).One of the main reasons for this change is that customers can persevere in a commercial relationship without a feeling or an attitude of devoted attachment. These loyal behaviors demonstrate that the customer has faith in the brand. Loyalty is the key to the longevity of any brand and one type of loyalty is word of mouth (ibid). Word of mouth (WOM) is the most commonly used measure of loyalty and Reichheld (2003 cited in Rundle-

Thiele, 2005) has demonstrated that WOM measures correlate to company profits and growth. WOM is a strong indicator of loyalty and growth because when Thiele, 2005).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter will focus on the research design, methods of data collection, the population, data collection instruments and procedures, and the data analysis.

3.2 Research Design

In this study, descriptive research design in form of a survey will be used. Descriptive research portrayed an accurate profile of persons, events, or situations (Robson, 2002). Survey allows the collection of large amount of data from a sizable population in a highly economical way. It allowed the researcher to collect quantitative data, which was analyzed quantitatively using descriptive and inferential statistics (Saunders et al, 2007).

3.3 Target Population

The population of interest of this study was the major commercial banks that are operating in Kenya. There are five major commercial banks which includes Kenya commercial bank, co-operative bank, standard chartered, Barclay's banks and Equity bank. The study being a survey of major commercial banks implies that data was is collected from all the 5 major commercial bank in Kenya. The census was being preferred to bring out all the unique characteristics of banking industry hence making the study credible for generalisation.

3.4 Data collection

In order to establish the determinants of branding strategy amongst the major commercial banks in Kenya, self-administered drop and pick questionnaires was be distributed to marketing managers and staff currently employed by these major commercial bank in Kenya. Questionnaire was be designed to identify the establish the determinants of branding strategy amongst the major commercial banks in Kenya. The study was target three respondents from each of the major commercial banks and administered with the questionnaire.

The study was mostly selected the marketing managers and staff in the marking department. This was made it easier to get adequate and accurate information necessary for the research. The researcher was use a likert scale questionnaire as the main data collection instrument. Secondary data a source was be employed with previous documents or materials to supplement the data received from questionnaires.

3.5 Data Analysis

Before processing the responses, the completed questionnaire was be edited for completeness and consistency. Descriptive analysis was be employed; this was include the use of weighted means, standard deviation, relative frequencies and percentages. The data was then be coded to enable the responses to be grouped into various categories. Descriptive statistics was be used to summarize the data. This includes percentages and frequencies, tables and other graphical presentations as appropriate was be used to present the data collected for ease of understanding and analysis.

3.6 Validity and Reliability

Validity may be defined as the ability of a test to measure what it purports to measure. Validation of the research instrument was be done by use of a pilot study. Prior to the actual study, pilot test of the measures was conducted against prospective sample population. The subjects to be approached during piloting was be marked so that they cannot be applied in the final study. The wording of items was carefully modified based on the pilot test outcomes and reviewed. Pre-testing the questionnaire was of great significance in this survey. The questions was be re-examined to ensure that they are not ambiguous, confusing, or potentially offensive to the respondents leading to biased responses. This was enhancing in increasing validity of the research instruments. The pre-test retest method was used to calculate reliability where value of R obtained was 0.890 an indication that the research instrument was reliable.

CHAPTER FOUR : DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents the research findings on an investigation establish the determinants of branding strategy within the major commercial banks in Kenya. The study was conducted on five major commercial bank in Kenya from where 5 respondents were selected from each bank, from the target respondent of 25 respondents, 25 respondents filled and returned their questionnaire making response rate of 100%. Descriptive analysis was used to analyze the data.

4.2 Demographic Information

The study sought to determine the respondent bank from the findings the study revealed that respondent were from various bank which were Kenya commercial bank , Equity bank , co-operative bank standard chartered and Barclays bank .

Table 4.1: Areas of specialization

Area	Frequency	Percent
IT Department	2	8.0
Finance Department	4	12.0
Operational Department	6	24.0
Sales And Marketing Department	11	44.0
Human Resource Department	2	8.0
Total	25	100

From the findings on the respondent areas of specialization, the study found that most of the respondents were in sales and marketing department, 24% of the respondent indicated that they were in operation department, 12% were in finance department, whereas those that were IT department and human resource department were shown by 8% in each case.

Table 4.2: Length of time in the bank

Length of time	Frequency	Percent
2 to 5 years	5	20.0
5 to 10 years	7	28.0
More than 10 years	13	52.0
Total	25	100

The study sought to determine the number of years the respondent had worked in the bank from the findings shown in table above , the study found that majority of the respondent as shown by 52% had worked in the bank for more than 10 years , 28% of the respondent had worked in the bank for 5 to 10 years whereas 20% had worked in the bank for 2 to 5 years , this shows that majority of the respondent had vast amount of knowledge about their banks and the subject under the study thus giving credible information to the study .

Table 4.3: Gender of the respondent

Gender	Frequency	Percent
Males	9	36.0
Females	16	64.0
Total	25	100

The researcher requested the respondent to indicate their gender, from the findings the study found that majority of the respondent were females as shown by 64% whereas 36% were males , this clearly shows that both gender were represented in the study and thus avoiding gender biasness in the study .

Table 4.4: Distribution of respondent by age

Age	Frequency	Percent
Below 25 years	2	8.0
25 to 35 years	6	24.0
35 to 45 years	6	24.0
45 to 55 years	11	44.0
Total	25	100

From the findings on the respondent age bracket, the study found that majority of the respondent as shown by 44% were aged between 45 to 55 years, those aged between 25 to 35 years and 35 to 45 years were shown by 24% in each case whereas 8% were aged between below 25 years an indication that all the age group were represented in the study.

Table 4.5: Respondent highest level of education

Level of education	Frequency	Percent
Post graduate	13	52.0
Graduate	9	36.0
Under graduate	3	12.0
Total	25	100

From the findings on the respondent highest level of education, the study found that majority of the respondent as shown by 52% indicated that they had attained post graduate level of education, 36% indicated that they had obtained graduate level of education whereas 12% indicated that they had attained undergraduate level of education .

4.3 Brand Awareness

Table 4.6: Rating commercial brand awareness by commercial banks

Brand awareness	Mean	Std deviation
The bank was known to our customers at the first time they were seeking their financial services	4.58	0.765
Customers are aware of the bank compared to its competitors	4.21	0.893
The bank is the first that came up in customers minds when they thinks of financial services	3.42	0.121
Customers earlier experience with the bank affects their choice of the bank	2.39	1.316
Advertising from that bank influence customers choice of the bank	1.98	1.078

The respondents were asked if their customer were more aware of the banks they currently transact with compared to other banks. The respondents strongly agreed that their customer were aware of the banks they used and it was well known to them and that they were very aware of the existence of those particular banks. The mean was of 4.58 which strengthened the findings that the respondents agreed with this statement. The standard deviation was just

0.765, an indication that the variance among respondents was low. The study wanted to find out if the bank customers were more aware of the banks compared to other banks. This was shown by mean of 4.21 which is an indicator that the majority of respondents agreed with the statement. However, some respondents might have used the banks for private services as well thus making the awareness stronger. The researcher sought to find out if the banks were the first in the customer mind when thinking of a financial service. There was an agreement that the first banks that came up to mind when thinking about financial services were the respondents' current banks, the agreement was not strong since the mean 3.42 which this research regards as neutral . The standard deviation was found to be 0.121. The statement might have been inaccurate and hard to estimate for the respondents. The study wanted to establish if earlier experience of the customer with the banks affected their choice of bank.

The respondents seemed to have earlier experience and mostly positive experience from their current banks. Hence, some of the respondents did not agree at all, as shown by mean of 2.39, either that the earlier experience did not affect the decision, or that they did not have any earlier experience at all. The standard deviation was quite high at 1.316, which probably further influenced the high number of low. Most answers indicated that earlier experience did matter for their choice of bank for services. The researcher sought to find out if advertising from the banks were an influencing factor for bank customers. None of the respondents did make their decision primarily on the advertising from the bank. The advertising might be a subconscious effect, and not amendable to an honest answer being given. The respondents simply did not make their decision primarily on advertising but rather from other sources of information. The mean being very low as shown by 1.98, there is was no agreement between respondents and the research statement.

4.4 Brand Association

Table 4.7: Respondent level of agreement on brand association

Brand association	Mean	Std deviation
Before the choice of that bank, customers had heard about positive thing about the bank	3.42	1.077
Customers connect to the bank's values	4.08	0.458
Customers find our bank to be unique compared to other banks	2.43	1.032
Our bank is the most suitable bank for our customers	3.91	0.982
Customers compares the bank with other banks before taking the decision	1.49	1.723
Customers had positive things in mind when thinking of the bank	3.79	0.791
The bank offers services that our customer needed	4.59	0.472
The offerings from the bank was an influencing factor in the customer choice	3.57	1.271

The study sought to find out if customers had heard of positive things about the bank before the choice of banks for financial services. The mean of 3.42 and standard deviation of 1.077 is evidence that customer talked about the banks and most often, they had heard positive things about the banks they use. The Standard deviation indicated a low variance among answers from the respondents. The customers could connect to the banks thanks to similar values. Shared values with the banks had a positive impact, not a strong one though. The researcher wanted to find out if the customers found the banks unique. The customers did not see their banks as unique compared to other banks as shown by mean of 2.43. This might be evidence that the offerings from different banks were homogenous, in other terms they all offered more or less the same services. This is further proved when looking at the mean that did not reveal agreement among the respondents with the statement.

The study sought to find out if the banks were the most suitable for the respondents. The respondents found their choice of bank to be suitable as shown by mean of 3.91. The score for being the most suitable was also strong. It seemed clear that the respondents found their banks good for their businesses. There was a quite high agreement between the respondents but the mean did not go above 4.0, so it could not be said that there was in agreement with the statement. The study sought to find out if customer compared the banks with other banks before taking the decisions. There was no evidence at all that customers sought and compared information about banks before they started doing business with them. The answers were divided over the whole scale, with only one scored highest which means that the respondents did not make the comparisons before deciding upon a bank. There was no agreement whatsoever among the respondents as shown by mean of 1.49 and standard deviation of 1.723.

The study wanted to find out if customers only had positive things in their minds when thinking of the banks. The banks the customers use seemed to be linked to something positive in their minds. The mean of 3.79 indicated that most of the respondents agreed with the statement. This indicated that the banks performed well and took good care of their customers. The bank brands seemed connected to something seen as positive in the minds of the respondents. The researcher wanted to find out if the customer's choice of banks was affected by earlier experiences. The respondents seemed to agree that earlier experience is something that affected the customer decision of which bank to use for their businesses. The mean was found to be 3.57 which were on an acceptable level, yet not strong enough to say that there existed a distinct connection. The answers were also spread over the different levels, an indication that experience played different roles in the minds of the customers.

The researcher also wanted to establish if banks offered the services that the respondents needed. There was a strong agreement that the banks offered services and products that the customer demanded and needed. The banking industry being to a large extent homogenous was proven by this statement. Most respondents agreed that the banks offered necessary products for their business. There was a very strong mean of 4.59 and a very low standard deviation of 0.472, which further strengthens the statement. The offerings from the banks were an influencing factor in the choice. Most respondents agreed that the products of the banks did not matter. The offerings were accepted but they were not seen as unique. The mean was on a level that it can be said the statement was affecting the brand association, but at the same time it was on such a low level that it cannot be said that it affected the brand association strongly, like one would argue with statement number eight. An important thing for the respondents was the perceived attributes when deciding upon the current banks. The perceived attributes of the bank by respondents was a strong factor for their decisions. A bank that seemed to offer good services, and performed well on the market presented a brighter picture in the mind of the customers. The majority of the answers fell between 3 and 5, which gave an indication that the statement had an impact as shown by mean of 4.08.

4.5 Brand Attitude

Table 4.8: Level of agreement on brand attitude by commercial banks

Brand attitude	Mean	Std deviation
Customers always have positive feeling about the current bank	3.75	1.216
The service from the bank employees is an influencing factor of our customers decision	4.13	1.013
The perceived performance of the bank is an important factor in the customer decision	3.94	0.933
Through customer motivation they find their best alternative to their situation	4.38	0.830
The personal relationship with the bank influences the perception positively	4.10	0.981

The respondents agreed that customer always had a positive feeling about their banks although some seemed to have a very negative picture. The mean of 3.75 indicated a strong agreement but, at the same time, the standard deviation of 1.216 was neither high nor low, which could be affected by the high number of low answers on the statement. The service from the employees of the banks was an influencing factor in the decision. The employees of the bank seemed to be very important for the perception of the bank. The mean score of 4.13 was above 4.0, and the Standard deviation of 1.013 was low. The services provided by the employees, who are the banks' first point of contact with the customers, seemed to be very important.

The perceived performance of the banks was an important factor in the decision. The banks' performance, how well they lived up to their reputation and dealt with the customers, seemed to be very important, scoring close to 4.0 on mean 3.94, the respondents were also united and the standard deviation of 0.933 was low. The respondents' motivations were to find the best alternative to their situation. The respondents strongly agreed that they had the motivation to find the best bank alternative to their individual and unique situation. The mean was high 4.38 and standard deviation of 0.83 was low. The banks employees and their abilities affected the respondents' choice of bank. The abilities of the employees of the banks have a high importance. The respondents agreed upon this statement, the mean was 4.10 and the standard deviation of 0.981 among the answers was low. The personal relationship with the banks influenced the perception positively. A personal relationship with the bank was very important for the bank customers, the mean was 4.10, a personal contact was crucial for the perception of the banks.

4.6 Brand Loyalty

Table 4.9: Respondent rating brand loyalty

Brand loyalty	Mean	Std deviation
Our customers are willing to pay a higher price for services of our bank	2.36	1.013
Customers constantly compare my bank's offerings with other banks	2.51	0.933
The current bank constantly out-competing other banks when it comes to customers' needs	3.26	1.547
Our customers feel satisfied with the financial services received from our bank	3.14	1.495

The researcher sought to find out if services of the banks were performed so well that customer was willing to pay higher price. This statement was something that the respondents did not agree upon. Some would not pay more for the services, whilst others would accept a higher price. The mean was very low 2.36, and most respondents would not accept a higher price. The researcher sought to find out if customer constantly compares their bank offerings with other banks'. The mean score was very low 2.51, and the answers were divided quite equally except for a major proportion of the answers in the lowest alternative. Most customers did not compare different options on a regular basis to see which offer suited their business the best. The customer's current banks were constantly out-competing other banks when it came to their needs. This statement was something that the respondents were neutral to, yet again the homogenous market for banks tended to appear. The bank offerings on the market might be perceived as the same. Maybe the customer did not see their bank as unique hence perceived the performance of other banks as being quite the same. Leading characters' private choice of banks influenced the choice of bank by the businesses. Customers seem to have different ways of choosing their banks. Some were affected by leading characters' own choice of bank. Some customers did not decide upon their banks at all in relation to leading characters. The high standard deviation 1.547 further proved this reasoning. The study contained businesses from different sectors and of different sizes, which might explain why the mean was low and standard deviation was high.

Leading characters private relationships to specific bank influenced the customer's decision upon bank. Leading characters' private relations to a specific bank tended to be important in some cases, yet not important at all in other cases. The standard deviation was very high 1,495, and the mean of 3.14, was just above the limit to accept the statement. The respondents felt satisfied with the financial services received from their banks. Most respondents agreed that they were satisfied with the banks they use. The mean was high 4.14 and the standard deviation was rather low, majority of the answers fell between four and five and as the mean was so high it could be said that the statement had a large influence on brand loyalty.

4.7 Brand Activity

Table 4.10: Rating various statements relating to brand activity

Brand activity	Mean	Std deviation
opinion from any third-party have a great impact on our customers decision of the bank	2.53	1.289
Customers continually seek out information about the current bank and her offerings	2.47	1.138
The services provided by our bank live up to the customer expectations	3.94	0.963
Our service are good in comparison to the price our customer pay for	3.5	1.210

The opinions from third-parties had a great impact on the decision of banks. There seemed to be split meanings about opinions from third-parties. Most respondents were neutral. The mean of 2.53, and the standard deviation of 1.289 was rather high, an indicator that there were different opinions among the respondents about this statement. The study sought to find out if the respondents continually sought out information about the current banks and their offerings. The customer did not seem to seek out information from the bank with most of them being neutral. The mean was low 2.47 and standard deviation of 1.138 was quite high. There seemed to be no agreement since the respondents dealt with the statement in different ways. The services given from current banks lived up to the respondents expectations. Most of the respondents accepted or were very positive about the services of their banks. Their banks lived up to expectations. The mean was high with a score of 3.94, and the statement was considered as an important part of brand activity. The standard deviation further proved that the respondents were united in their opinions about the statement with a score of 0.963, which was rather low.

From the research, the services were good in comparison to the prices the customer paid for them. The mean was just above 3.5, which was good and showed that most of the respondents agreed with the statement to a certain extent. Most respondents found the price acceptable in comparison to the level of the services provided by the banks. The Standard deviation of 1.21 was quite high, which could be explained by the fact that some of the respondents had ticked one of the two lowest numbers on this statement. This statement was attributed to brand activity.

CHAPTER FIVE: DISCUSSION , CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following summary, conclusion and recommendations were made. The responses were based on the objectives of the study. The researcher had intended to establish the determinants of branding strategy within the major commercial banks in Kenya.

5.2 Discussion

The researcher used arithmetical mean when evaluating and analyzing the answers from the study. For any arithmetical mean above 3.0, there was considered a connection between the answers, and if the mean was above 4.0, it is proposed that the connection was strong. A mean of above 4.5 was considered a very strong connection and agreement among the respondents. Brand awareness, in particular brand recall and brand recognition were of importance when making a customer conscious of the brand and its positive attributes. This is further researched by Aaker (1991) who argues that brand awareness refers to the strength of a brands presence in consumers' minds. Keller (1993) states three major reasons for the importance of brand awareness. It has to do with thinking of the brand when a need occurs. The brand should be in mind when the product/service category is highlighted, and when a customer thinks about the category, the brand should be top of attention.

The correlations between different item used gave the impression that the most important issue when talking about brand awareness was to be "top of mind", which goes along with the theory by Aaker (1991). This means that the most important thing for a bank is to be top of mind in the heads of their present customers, since dealing with customers in the banking industry is very much about keeping your customers and creating long term relationships (Fornell and Wernerfelt, 1987). The inter-item correlation within the brand awareness variable showed how strong the correlation was between the statements which, in the end, provided a picture of the relation to the subject. Within brand association it was found that three correlations were scoring higher than 0.5. These were statements one and two, three and four, as well as six and seven. Mutual values and positive feedback from others were strongly related. The perceived uniqueness and most suitable bank were correlated, and even positive thoughts and earlier experience from the banks were strongly connected. The researcher accepted that loyalty had some degree of influence on the decision upon bank. The correlations within this variable were very volatile and it was hard to draw some real conclusions since they differed so significantly from each other. Hence, there was a very strong correlation between statement four and five. This indicated that leading individuals within the company, and their private choice of banks and relations to a specific bank, were strongly related.

In this study, opinions expressed by third-parties did not influence the respondents' choice of bank to any significant degree. The variance was quite high (1.661) which might indicate that the answers were not consonant among the respondents, some might have been very affected while some not at all. Word-of-Mouth (WOM) communication was without doubt among the strongest factors forming expectations regularly in primary purchasing behavior (Mossberg, 1995). The connection was strong in theory, yet no direct connections to financial services according to this investigation. This might be because financial matters and banking were regarded as private and not topics which generally arose in social intercourse. The respondents did not actively search for information about their own contracted banks. Maybe they expected information from the banks to come to them including communicating offerings. The service provided by the bank fulfilled the respondents' expectations and the prices they paid were acceptable in relation to the service they got in return. Parasuraman *et al.* (1988) and their results indicated that when consumers' perception of service quality is high, consumers are willing to recommend the company to others; this means they develop positive WOM. However, the study's findings do not strengthen that theory. The respondents were satisfied with their banks and their services and price level, yet they did not seem to talk about, or share, their values with others. Perhaps they might were influenced in a more subconscious manner, something they will not reflect over.

5.3 Conclusions

The purpose of this research was to establish the determinants of branding strategy within the major commercial banks in Kenya. The most important factors for the customers brand choice of bank were related to the awareness, associations and attitude towards the brand of the bank. A personal relationship with the customers was the most important part according to the findings in this research. However, the bank sector of today is moving further away from a personal relationship with their customer. The number of electronic touch points has increased in Kenya over the last decade such that even deposits can be undertaken through automated teller machines.

Internet banking is also on the rise. This presents the risk that customers may feel less connection and loyalty to the bank, as the personal relationship disappears. The need for marketers to alter perceptions and create consumer preference for a particular bank calls for similar branding strategy employed in traditional packaged goods. Banks should make customers feel something about doing business with them (Alvarez, 2001).However since the banks are shifting towards a more anonymous customer orientation, the theory is not supported. The results from this study point out that the most important factors when it comes to brand association are the employees and the relation created between businesses and the employees at the bank.

The personal relation demanded and desired by the respondents could also be seen as a form of loyalty, since a strong personal relation to a specific bank decreases the will to change to another bank. As this study shows, customers do want optimal solutions to their specific situations. However, they are often constrained by busy schedules to seek those solutions.

When not providing personal relations, then price became more important for the customers and the loyalty disappeared more and more due to lack of integration. The findings in this study support that the customers do not want to pay a price premium. The scenario in the future will probably be more changes of banks services, moving from one bank to another. It is important to highlight that for many banks the term “customer value” is used solely to refer to the value that the customer generates for them, rather than the value that they can offer their users (Payne *et al*., 1999 cited in Roig *et al*., 2006). How customers are treated will in the future become even more important than it is today, and failing in this respect will harm the business. This study is partly about loyalty to the bank. However, in the future the loyalty from the bank will be more important than today.

5.4 Recommendations

The study found that the most important factors for customers brand choice of bank were related to the awareness, associations and attitude towards the brand of the bank. The study thus recommend that commercial banks should embrace personal relationship with the customers as it is an important part that will help in creating their brand awareness, improve association and increase the customer attitude towards their product.

The study found that internet banking is also on the rise, this presents the risk that customers may feel less connection and loyalty to the bank, as the personal relationship disappears. The study recommends that marketers in commercial banks in Kenya should alter the perceptions and create consumer preference for a particular bank, calls for similar branding strategy employed in traditional packaged goods.

The study further found that when commercial banks are not providing personal relations, the price becomes more important for the customer, and the loyalty will disappear more and more due to lack of integration. The study further recommends that commercial banks in Kenya should enhance their customer relation as customers do not want to pay a price premium.

5.5 Areas For Further Research

From the findings, conclusion and recommendations the study further recommends that an in-depth study could also be carried out to look at the factors that influence decision of bank for financial services among businesses in Kenya that are considered to be larger than customers .

5.6 Limitation of the Study

The method used is descriptive research design whereby the variables cannot be controlled by the researcher. The study used a questionnaire as the instrument for collecting data. This was because time for the data collection was limited to two weeks. The study was carried out in only one industry due to financial constraints of the researcher. The study was also limited five major commercial banks as it sought to determine establish the determinants of branding strategy amongst the major commercial banks in Kenya.

5.7 Implication on Policy , Theory And Practice

The study will be of great importance to policy makers in the banking industry in noting the most important factors for the customers brand choice of bank were related to the awareness, associations and attitude towards the brand of the bank. A personal relationship with the customers was the most important part according to the findings in this research. Internet banking is also on the rise. This presents the risk that customers may feel less connection and loyalty to the bank, as the personal relationship disappears.

The need for marketers to alter perceptions and create consumer preference for a particular bank calls for similar branding strategy employed in traditional packaged goods. Banks should make customers feel something about doing business with them (Alvarez, 2001).However since the banks are shifting towards a more anonymous customer orientation, the theory is not supported. The results from this study point out that the most important factors when it comes to brand association are the employees and the relation created between businesses and the employees at the bank.

There is need for policy marker to come with strategies for personal relationship with the customers was the most important since the bank sector of today is moving further away from a personal relationship with their customer, the number of electronic touch points has increased in Kenya over the last decade such that even deposits can be undertaken through automated teller machines.

There is need for policy marker in the bank to come up with strategies to come with methods of internet banking is also on the rise, as this presents the risk that customers may feel less connection and loyalty to the bank, as the personal relationship disappears. The policy marker in the marketing department of banks to alter perceptions and create consumer preference for a particular bank calls for similar branding strategy employed in traditional packaged goods.

The policy makers in the banking industry to come up with strategies that will enhance personal relation as the personal relation demanded and desired by the customer could also be seen as a form of loyalty, since a strong personal relation to a specific bank decreases the will to change to another bank, as it was found that customers do want optimal solutions to their specific situations.

There is need to provide personal relations in the banking industry , as price became more important for the customers and the loyalty disappeared more and more due to lack of integration. The findings in this study support that the customers do not want to pay a price premium. The scenario in the future is probably be more changes of banks services, moving from one bank to another. It is important to highlight that for many banks the term “customer value” is used solely to refer to the value that the customer generates for them, rather than the value that they can offer their users. Customers should be treated in future to become even more important than it is today, and failing in this respect will harm the bank business.

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APPENDICES

Appendix I : Introductory letter

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
[illegible]

[illegible]

Date: 18/09/2011

TO WHOM IT MAY CONCERN

The bearer of this letter FLORA KUSINA KHAYEKI
Registration No: D61/73444/2009

[illegible]

[illegible]

[illegible]

Thank you

[illegible]
COORDINATOR, MBA PROGRAM

Appendix II : Questionnaire

Section A : Demographic Information

1. Name of the company ....

2. Which is the area of your specialization?

   IT manager [ ]

   Finance manager [ ]

   Operational manager [ ]

   Sales and Marketing manager [ ]

   Human resource manager [ ]

3. How long have you served in the company?

   Less than 1year [ ]

   2 to 5 years [ ]

   5 to 10 years [ ]

   More than 10 years [ ]

4. What is your gender?

   Male [ ]

   Female [ ]

5. What is your age bracket?

   Below 25 years [ ]

   25 to 35 years [ ]

   35 to 45 years [ ]

   45 to 55 years [ ]

   Above 55 years [ ]

6. What is your level of education? (Tick where appropriate)

   Post graduate [ ]

   Graduate [ ]

   Under graduate [ ]

Section B: Brand Awareness

To what extent do agree with the following statement relating to your bank brand awareness by your customers?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
the bank was known to our customers at the first time they were seeking their financial services					
Customers are aware of the bank compared to its competitors					
The bank the is first that came up in customers minds when they thinks of financial services					
Customers earlier experience with the bank affect bank their choice of the bank					
advertising from that bank influence customers					

Section C: Brand Associations

To what extent do agree with the following statement relating to brand association by commercial banks in Kenya?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Before the choice of that bank, customers had heard about positive thing about it					
Customers could connect to the bank's values					
Customers find our bank to be unique					
This is the most suitable bank for our customers					

Customers compares the bank with other banks before taking the decision					
Customers had positive things in mind when thinking of the bank					
The bank offered the services that customer needed					
The offerings from the bank was an influencing factor in the customer choice					

Section D: Brand Attitude

Show your level of agreement on the following statement relating to brand attitude by commercial banks in Kenya?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Customers always have positive feeling about the current bank					
The service from the bank employees is an influencing factor of our customers decision					
The perceived performance of the bank is an important factor in the customer decision					
Through customer motivation they find their best alternative to their situation					
The personal relationship with the bank influences the perception positively					

Section E: Brand Loyalty

To what extent do agree with the following statement relating to brand loyalty by commercial banks in Kenya?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Our customers are willing to pay a higher price for services of my current bank					
Customers constantly compare my bank's offerings with other banks					
The current bank constantly outcompeting other banks when it comes to my needs					
I feel satisfied with the financial services received					

Section F: Brand Activity

Show your level of agreement on the following statement relating to brand activity by commercial banks in Kenya?

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
opinion from any third-party have a great impact on our customers decision of the bank					
Customers continually seek out information about the current bank and her offerings?					
The services provided by our bank live up to their expectations					
Our service service are good in comparison to the price they pay for					