ISSN: 2278-3369
International Journal of Advances in Management and Economics
Available online at www.managementjournal.info

RESEARCH ARTICLE

Brand Awareness and Its Effect on Performance of Public Sugar Manufacturing Firms in Western Kenya

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Abstract

Many organizations in the global market have realized that branding is an important initiative that they can put in place to ensure survival in the market. The sugar industry especially in Kenya has increasingly become saturated, attracting new and retaining old customers has not only become difficult but also costly in terms of marketing. The purpose of the study was to establish the effect of branding strategies namely, brand awareness and personality on performance of public sugar manufacturing firms in Western Kenya. The target populations of the study were members of the four (Muhoroni, Nzoia, South Nyanza and Chemilil) public sugar manufacturing firms in Western Kenya. Purposive sampling technique was used to select the 12 managers while simple random sampling was used to select the 43 supervisors and 119 clerks. The data was analyzed by using descriptive and inferential statistics and the findings indicated that, Brand awareness and Personality had a positive and significant influence on the performance of public sugar firms, it was recommended that the management of SMFs should invest more and ensure effective use of these branding attributes by putting more emphasis on use of branding strategies in order to enhance performance.

Keywords: *Branding, Brand Awareness, Performance of Sugar Firms, Strategy Kenya.*

Introduction

Background

Branding has an ancient history which could be traced back to the times when the ancient Egypt brick makers used to stamp symbols on the bricks for identification and distinction purposes [1]. Aaker [2] observes that branding has a history that goes back to medieval Europe whereby, Craftsmen and artists used to put unique identity marks on their work. Customers could seek these marks as they associated them with quality. Branding in this era was associated with commerce. However, Aaker says that it was in the twentieth century that branding became central to competition. Kotler [3] recognizes that in the latter part of the 20th century, the growth of competition forced companies to shift from the production and selling concept to the marketing concept which necessitates that companies be better than competitors in creating, delivering and communicating value to its target markets in order to win buyer preference. This led to the increase of brands and branding activities as companies were aggressively looking for mechanisms to emerge and stay on top of the competition 'game'. Kotler [3] quotes the American Marketing Association definition of a brand as 'a name, term, sign, symbol or design or a combination of them intended to identify goods and services of one seller or group of sellers and to differentiate them from those of other sellers'. The use of signs, symbols and artifacts would allow explaining the process of unfolding services, reducing time spent by customers and creating the feeling of effectiveness for customers. This implies that branding is not about getting your target market to choose you over the competition, but it is about getting your prospects to see you as the only one that provides a solution to their problem.

Brands have become one of the most discussed phenomena of market research in recent years. An important part of brand is its image. It is the way a brand is perceived by the public, which is based on and closely linked with another important part of a brand and that is its identity. Brand identity reflects the company' attempts to develop a desired brand image. The process of developing a brand identity revolves around interacting with the target customers with the aim of achieving a lasting competitive advantage [4].

The cheap sugar imports under the COMESA protocol have significantly affected the sales performance of the local sugar. Thus, sales turnover have significantly remained below the production level in spite of the domestic sugar market being in permanent deficit. Local sugar manufacturing firms in Kenya for example, experienced closing sugar stocks estimated at 28,113.3 Metric tonnes per annum for the period 1996-2005, which according to Kenya Sugar Board, a national body mandated to manage sugar issues in the country, largely attributed to high pricing of domestic sugar against cheaper imports. The trend has persisted, thus the need to devise remedial measures that would sustain the domestic sugar industry in an imperfect market condition [5].

Objectives of Study

The general purpose of this study was to investigate the effect of brand awareness on performance of public sugar manufacturing firms in Western Kenya. The specific objective was to:

- Determine the effect of brand awareness on performance of public sugar manufacturing firms in Western Kenya.

Research Hypotheses

This paper focused on addressing the following research hypothesis: H_{01}: There is no significant effect of brand awareness on performance of public sugar manufacturing firms in Western Kenya.

Conceptual Framework

According to Kombo and Tromp [6], a concept is an abstract or general idea inferred or derived from specific instances. Unlike a theory, a concept does not need discussion to be understood. A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation [6]. A conceptual framework for the this study showed how Branding strategies affect level of performance of sugar firms in Western Kenya which was shown in Figure 1 below which conceptualizes that Brand awareness affect performance of sugar manufacturing firms ascertained through the market share profits, sales, and efficiency)

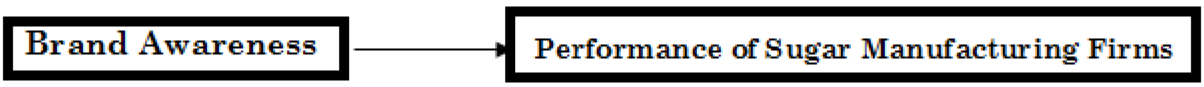

Figure 1: Conceptual Framework

Literature Review

According to Keller [7], brand awareness can be referred to as ability of a customer to distinguish a brand under various conditions. He also noted that brand awareness is build and increased by familiarity with the brand as a result of repeat vulnerability which eventually leads to consumers experience with the brand. Frankel [8] , says that branding is about getting your prospects to perceive you as the only solution to their problems. Once you are perceived as the only, there is no place else to shop. This means your customers gladly pay a premium for your brand. He also argues that your brand is your genuine personality of your company. It's what your customers think of you and say about you when they have left your company.

Brand awareness refers to the ability for a buyer to recognize or recall a brand as a member of certain product category [2]. Most brand awareness is represented as either brand recognition or brands recall.

Consumers brand awareness is likely to be high when they perceive the quality of the brand to be high. Brand awareness therefore has a positive impact on a firm's performance. Customers cannot purchase a product if they are not aware of it. An important goal must be to generate awareness of the product.

It is likely that brand awareness also plays a special role in driving brand equity in business markets [9]. In particular, many B2B firms focus their branding activities merely on the dissemination of the brand name and the logo without developing a more comprehensive brand identity [10]. Thus, for many B2B firms, the creation of brand awareness-i.e. the ability to recognize or recall a brand-is a key element of branding strategy [11]. For instance, the head of marketing of a large chemical firm remarked to us in a qualitative pre-study, "To us, branding is basically to put our name and logo on all products we ship to our customers. We want our customers to think of this name, whenever they consider buying products in our category. However, little is known about whether investments in brand awareness actually pay off for B2B firms. This is our point of departure.

It is important to note that some earlier studies have already addressed the brand awareness–market performance link in single B2B industries such as logistics, market research, personal computers [12], and semiconductors [13]. However, organizational buying behavior strongly depends on diverse situational characteristics [14], and this approach neglects that the effect of brand awareness on performance could be contingent on the characteristics of the specific market. For instance, previous studies of brand awareness in business markets have largely focused on industries that are technologically turbulent. In such industries, brands are likely to play a more important role because buyer information search processes are shorter [14]. Brand awareness in business markets and When is it related to firm performance. Their study showed that under specific conditions, brand awareness is strongly related to performance in business markets. They found this effect while controlling for technical product quality, service quality, and several other constructs. Consequently, their study contributed to the growing body of literature on B2B branding by showing that the creation of brand awareness is indeed associated with performance in B2B environments. Importantly, in contrast to the findings presented in a number of earlier studies on the subject, their findings were based on a sample that is not restricted to a single industry. Therefore, they believed that their study is among the first to allow generalizable statements about B2B branding.

Research Methodology

The study adopted descriptive survey design. The descriptive survey design was appropriate in this study since the data to be collected was both qualitative and quantitative. The target population for this research was drawn from the eight sugar firms in Western Kenya out of which four (4) public sugar manufacturing firms were used in the research namely: Nzoia, Muhoroni, South Nyanza and Chemilil sugar companies. The researcher intended to reach out to the 41 managers, four hundred and twenty seven (427) supervisors and 1194 clerical officers. The sample size was determined by use of Kombo and Tromp [6] recommendation that a sample size of 10% to 30% is representative enough for the study population. Therefore, the sample size of employees was determined on the basis of 10% for supervisors and clerks and 30% for the managers which gave 43 supervisors and 119 clerical officers obtained through simple random sampling technique and 12 managers who were drawn from 41 managers through proportionate sampling. Questionnaires were used to collect data from respondents. A five point likert scale with opinions ranging from 5-Strongly Agree, 4-Agree, 3-Not Sure, 2-Disagree, 1-Strongly Disagree was used. Data was analyzed using both descriptive and inferential statistics and explained using the mean and standard deviation. Regression analysis was used to determine and establish the relationship between independent and dependent variables.

Results and Discussions

Brand awareness on Performance

The findings were interpreted by regarding responses with mean as close: 1 = strongly agree, 2 = agree, 3 = neutral (not sure), 4 = disagree and 5 = strongly disagree. The study findings are shown in Table 4.1below. Majority of the respondents were in agreement that there is high consumer awareness at a mean of 1.93, that brand awareness strengthens market acceptability (1.92) enhances brand recognition and strengthens brand equity at a mean of 1.83 and 2.07 respectively. From the results its evident that majority of the respondents agree that brand awareness has an effect on the performance of Smfs.

Multiple Regression Statistics

A regression analysis was carried out with performance of sugar manufacturing firms as the dependent variable and predictor variable being brand awareness. The findings from table 4.2 shows that the adjusted R squared value is 0.205 implying that 20.5% variation in sugar firms performance is explained by brand awareness.

This proposition was tested using multiple regression analysis where it was found that brand awareness had a positive coefficient which was significant in the model (β_2=0.173) in relation to performance of public SMFs. This indicates that brand awareness has a significant unique contribution to the performance of sugar manufacturing firms under study. These findings are in consistent with the findings of which said that brand awareness drives market performance through two mechanisms: It reduces buyer information costs and buyer-perceived risk .The first mechanism refers to the reduction of information costs for the buying firm. In particular, to reduce the resource requirements associated with collecting the information necessary for a purchase decision, buyers may resort to extrinsic cues. This is especially true for multi-person decision-making for example, in purchase decisions made by buying centers.

Table 1: Descriptive statistical analysis of brand Awareness on performance of public SMFs

BRAND AWARENESS	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Standard deviation
	%	%	%	%	%		
There is high consumer awareness	19.7	38.6	18.2	15.2	8.3	1.93	0.884
It strengthens market acceptability	15.2	47.7	25.8	7.6	3.8	1.92	0.807
Enhances brand recognition	28.8	52.3	9.1	6.1	3.0	1.83	0.805
Strengthens brand equity	27.3	50.8	17.4	3.8	0.8	2.07	0.951

Source: Research data(2015)

Table 2: Model Summary involving all the variables model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.453[a]	.205	.193	2.47433

a. Predictors: (Constant), BA, b. Dependent Variable: Performance of SMFs,R Squared was positive (0.205) in this study.
Source: Research data(2015)

Table 3: Coefficients of Regression Equation Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.304	0.862		2.673	0.009
	BA	0.190	0.111	0.173	1.715	0.089

a. Dependent Variable: BPE
Source: Research data(2015)

In this context, brand awareness may function as an important cue regarding a number of product and supplier characteristics. More specifically, brand awareness acts as a strong signal of product quality and supplier commitment because high levels of supplier investment (in exhibitions, advertising, or packaging) are usually necessary to build high brand awareness. Therefore, the null hypothesis ($H_0$1) that "There is no significant effect on the relationship between brand awareness and performance of public sugar manufacturing firms" was rejected.

Hypotheses Testing

H_{01}: There is no significant effect on the relationship between brand awareness and performance of public sugar manufacturing firms in Western Kenya.Since the significance level of the brand name using t-test p = 0.000, it shows therefore it has a positive and significant association on performance of SMFs at $p<0.005$. Therefore, the null hypothesis ($H_0$1) that "There is no significant effect on the relationship between brand awareness and performance of public sugar manufacturing firms" was rejected on the basis of the sample data15-17] [.

Conclusions

Many organizations in the global market have realized that branding is an important initiative that they can put in place to ensure survival in the market. The sugar industry especially in Kenya has increasingly become saturated, attracting new and retaining old customers has not only become difficult but also costly in terms of marketing. This study had one objective to achieve: to assess the effect of brand awareness on performance of public sugar manufacturing firms in western Kenya. The study found out that the independent variable Brand awareness had positive and significant influence on the performance of public sugar firms at 95% interval confidence level. The strength and significance of the correlation displayed showed that the variable was lowly related as shown by Brand Awareness ($\beta_1=0.173$, $p<0.05$) It was therefore concluded that branding attributes were not effectively used. The study recommended that the management of SMFs should be sensitized on the role that branding plays in the global economy and the management of Sugar Manufacturing Firms should invest more and ensure effective use of these branding attributes by putting more emphasis on use of branding strategies in order to enhance performance.

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