FACTORS THAT INFLUENCE CONSUMER CHOICE OF CEMENT BRAND IN NAIROBI

BY

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STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: Jepchirchir Rosebella Langat (ID 247843)  Date: 10/5/2005

This project has been presented for examination with my approval as the appointed supervisor.

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ABSTRACT

The cement industry in Kenya has been dominated by two brands for many years, namely bamburi and blue triangle cement. The onset of liberalization in the 1990s and the establishment of the trading blocks have seen the entry of new cement brands that have given consumers a wider choice. Since consumers are influenced by many factors when buying a product, it is necessary to establish the factors that influence them when buying cement.

The major objective of the study was to establish the factors that influence cement users choice of the brands of cement in the market. The specific objectives were to determine the effect of price and availability of cement on users choice of cement brand and to assess the extent to which promotional activities employed by the cement manufacturers and quality perceptions influences choice of cement brand bought by the consumers.

The research design used for this research was the survey design. A structured questionnaire was used to collect data, personal interviews and telephone interviews were used to administer the questionnaire. The information was collected from a sample of a category of Masons, Contractors, House owners (those who constructed their houses or are constructing), and Distributors. A total of 140 respondents were interviewed derived from the Nairobi cement market which was regionalized as Eastern, Western, Central and Northern. Ten members of each category were selected from each region with the exception of contractors where 20 of them were selected to represent the whole of Nairobi without necessarily basing them on each region. Probability sampling was used in selecting the sample; both simple random and stratified sampling techniques were used as appropriate. Descriptive statistical techniques used to analyze the data included frequencies and percentages. Pie charts and tables were used to present the findings on the specific objectives of the study. The researcher mainly used the computer package EXCEL and Microsoft word to analyze the data stated above and to do a presentation of the same.

The outcome of the study revealed that all the respondents were aware of the bamburi and blue triangle cement brands while a minority indicated that they were not aware of the rhino
brand. The study found that the contractors, homeowners and the distributors indicated that price is an important factor in influencing their choice of brand. Studies have shown that price is the greatest determinant of the choice of particular brands of products because its effect is felt quicker than the effect of any other factors of demand (Marshall, 1979). However, this was not the case for the masons. It was realized that the price was not the greatest determinant of their choice of cement brand as was word of mouth and quality perceptions. The study also found that the respondents switched to alternative brands when their brand of choice was not available. A total of 80% of the respondents considered regular availability to be an important factor in selecting the cement brand. It was evident from the study that all the three cement companies have participated in one way or another in promotional activities that influenced the respondents. However the impact of the activities varied with each group. The masons and distributors preferred free gifts upon purchase while contractors preferred product samples. The homeowners were influenced more by advertisement. The findings also revealed that masons and contractors were influenced by quality perceptions than does the homeowners and distributors. Word of mouth ranked high among the respondents as a source of information.

Based on these findings, the study concluded that the important factors that mainly determine the cement brand the cement users choose are price, availability of the brand at the distribution points and quality perceptions. On the other hand promotion and advertising play a limited role in influencing cement buyers choice of cement brand.

The main recommendations of the study were that the cement companies should ensure that a competitive profit margin for the distributors of cement is incorporated in the pricing structure because brands with higher profit margins are more widely stocked by distributors. The cement manufacturers should also invest in distribution to ensure regular availability of the cement brands. They should also concentrate more on trade promotions than advertising and focus on changing the quality perceptions.
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CHAPTER 1

1.0 INTRODUCTION

1.1 Background of the Problem

Marshal (1979) indicated that the theory of consumer choice is a function of distribution, price, income, quality, advertising and promotion, among other factors. These however, play different roles in influencing the demand for different products. Brennan (1995) showed that price is the greatest determinant of the choice of particular brands of products because its effect is felt quicker than the effect of the other factors. However, Sawyer and Dickson (1985) described that this does not necessarily mean that the lowest priced brand will be the most attractive. For some goods, the most expensive may be the most attractive e.g. consumer durables such as cars. Consumers do not always remember actual prices of products: instead they encode prices in ways that are meaningful to them.

Products need to be available in the correct quantity, in convenient locations at the time when customers want to purchase them. While it is obvious that distribution is an essential component of the marketing mix, particularly where physical goods and bulky goods like cement are being sold, it is perhaps less obvious that distribution can make the difference between marketing success and failure (Brennan, 1995).

Studies carried out by Food manufacturing companies merchandisers in different supermarkets in Kenya revealed that consumers will pick the available brand of certain commodities in the absence of their choice brands. In other cases, they will prefer to look elsewhere first before they settle for an alternative brand (Research International, Kenya Retail Audit, December 2002).

According to Hansen and Bush (1999) a product will be perceived to be of high quality only if it conforms to the requirement of the customer. The higher the perceived quality, the more likely the consumer will make a purchase. Advertisers make us believe that every company produces a high quality product. Companies in turn make the quality claim because they see it as a potential source of competitive advantage. The real level of quality of a product is as
defined by the consumer after his/her experience with the product. The quality of a product is an important cue that can also be provided by the price. A strong relationship is found between the two especially when price differences between alternatives are substantial. Investigations into the conditions under which price dominated as a cue for quality revealed that consumers will use price as an indication of quality when:

- They have strong beliefs that quality differences exist between product alternatives
- They have little experience or information concerning the product.

According to Evans (1996) advertising is intended to influence consumers’ images, beliefs and attitudes towards products as brands. Although a typical consumer is exposed to hundreds of advertisements daily, the majority of these receive low-level attention and comprehension. Sales promotions on the other hand are direct inducements to the consumers to make a purchase. This can be a temporary improvement of the price value ratio in order to increase sales. The key aspect is to move the product today, not tomorrow. Most sales promotions oriented at changing the consumers sought to run purchase behaviors

The theories by the writers above on the factors that influence consumer choice, also apply to the cement brands in Kenya. Cement was first used in East Africa in 1877 to construct the roof arches of the cathedral church in Zanzibar. Colonialism brought with it the need for cement as was realized during the construction of the Uganda Railways and the last century. Cement became even more of a necessity with the opening of Kenya’s vast hinterland. Administrative residential and commercial buildings had to be built and cement was the most effective material for the purpose (News letter of East African Portland Cement, April-June 1998).

Thus East African Portland Cement was registered in 1933 and was the first company in the region to manufacture cement. Another cement factory, Bamburi cement became operational in 1954 at the Coast, Mombasa. In 1957, East African Portland cement moved to Athi River where it is to date. The rehabilitation of the factory of East African Portland Cement which was completed in 1997 has increased it capacity from 300,000 tonnes in a year to 500,000 tonnes. A third cement factory, Athi River mining started operation in 1996 at Kaloleni.

An article by Mburu in The People Business/Finance (July 2000) indicated that the cement industry in Kenya has been dominated by two brands for many years, namely Bamburi cement and Blue Triangle Cement. The onset of liberalization in the 1990 has seen new brands such as Rhino Cement, Helwan cement imported from Egypt threaten the position of the older brands.

An article by Elwana in the Daily Nation (April 28th, 1999) states that there are now three companies manufacturing cement in the country namely, East African Portland Cement, Bamburi Cement and the newly started Athi River Mining. The Hima and Tororo Cement factories in Uganda are now operational, Bamburi being the major shareholder of Rhino cement and Hima Cement. East African Portland Cement Company had doubled the production capacity with completion of the Rehabilitation project in October 1997. Bamburi Cement has constructed 1 million tonne clinker grinding plat at Athi River next to East African Portland Cement Company. One interesting possibility is that Bamburi may take to importing relatively low cost clinker from Saudi Arabia or India for Grind, stiff competition in the marketing and distribution of cement in the country is therefore stiff due to the increased production capacities.

An article by Lusha in The Financial Standard (September 3rd, 2002) indicated that in the past, cement has been self-selling because the demand for it has always outstripped the supply. The situation has changed because of the increased capacity mentioned above and the downturn in the economy. It is now necessary for each company to create a market for its brands and continuously expand it.

According to an article by Wahome in the Daily Nation Business Week (August 26th, 2003) the cement manufacturers in Kenya have expressed fear that the opening of the Comesa Market and the East African Community posses a serious threat to their strongholds on the
East African Market. They are particularly wary of Egypt imports, seeing the northern African State as a major threat because of lower production costs owing to cheaper fuel and electricity. Kenyan cement would find it difficult to compete with duty-free imports from the Comesa bloc, especially since power in Egypt and Sudan is up to 40 per cent cheaper and yet the cement manufacturers have to stave off competition in the East African Region, characterized by poor infrastructure and high energy costs. One of the most effective ways of remaining competitive is having the customer very close all the time.

A thorough understanding of the critical factors that influence consumer choice of cement brands may help the Kenya Cement manufactures come up and implement effective marketing strategies that will help them maintain their market shares and even increase. Thus the need to carry out the study on the factors that influence consumer choice of cement brand in Kenya. The study was however focused only on the Nairobi market segment. Nairobi consumes 60% of the total cement sold in Kenya. This hence provided a representative sample for the study. Budgetary considerations also limited the research to Nairobi only.

1.2 Problem Statement
Bamburi and Blue Triangle cement brands have dominated the cement industry in Kenya for the last seventy years. The onset of liberalization in 1992 saw the entry of new brands such as Rhino Cement and Helwan Cement imported from Egypt that threatened the older brands. According to the Bamburi cement Financial Report (January, 1992), it is clear that Prior to liberalization, Bamburi cement had a market share of 60% while blue triangle cement commanded 40%. Currently Bamburi’s market share has reduced to 58% and that of blue triangle cement has reduced to 37%, the new entrants have taken 5% of the market share (East African Portland Cement Financial Report, July, 2003). The new entrants have priced their brands lower due to the low cost advantage they enjoy in their countries of origin. Rhino cement specifically has strong support in the distribution network among contractors and distributors of Asian origin. The different brands of cement therefore give the cement consumer a wide range of choice.
The theory of consumer choice indicates that choice is a function of distribution, price, income, quality perceptions, advertising and promotion among other factors. These however play different roles in influencing the demand for different products. Marshall (1979) indicates that price is the greatest determinant of the choice of particular brands of products because its effect is felt quicker than the effect of other factors.

The many cement brands in the market means that cement consumers have many factors to consider before buying the cement. According to the Bamburi Cement Company Market Report (January, 2004) no studies have been done in Kenya on the factors that consumers consider when buying cement, this study therefore aimed at establishing the factors that influence consumer choice of cement brand in Nairobi.

1.3 Research Objectives
1.3.1 General Objective
The General objective of this study was to establish the factors that influence consumer choice of cement brands in Nairobi.

1:3:2 The Specific Objectives
- To determine the effect of price in the choice of cement brand

- To determine whether availability of a cement brand influences users choice of the cement brand

- To assess the extent to which promotional activities employed by the cement manufacturers influences brand choice.

- To assess the extent to which cement quality perceptions influences choice of the cement brand bought by consumers.
1.4 Justification of the Study

The findings of the study would enhance the manufacturers of cements understanding of consumer behaviors as regards the choice of the respective cement brands. Indeed an understanding of the issues in question is critical for the manufacturers of cement to develop competitive strategies for survival, retention and particularly expanding market share. The study findings also points to the marketers of cement: the specific elements of the marketing mix that are critical in maintaining and increasing market share. For the academicians, various proposals are suggested for further research.

While marketing professionals can use the findings to influence consumer decision-making, consumers too, can benefit by understanding their own behavior. If consumers are informed about some of the factors that influence their decisions, with such knowledge, they may be able to make better and more thoughtful decisions. Finally, for the academicians, some proposals have been suggested for further research.

1.5 Scope of the Study

The research was only confined to the Nairobi Cement Market and the factors that affect consumer cement brand choice therein. This was arrived at basing on the assumption that the research findings in Nairobi could easily be related to those of other areas of Kenya, Nairobi market consumes 60% of the cement sold in Kenya.

Nairobi was divided into four geographical regions; Eastern, Western, Northern and Central. The researcher interviewed a total of 140 respondents; 10 masons, 10 members of the public and 10 distributors selected from each of the above regions. A total of 20 contractors were selected to represent the whole of Nairobi without necessarily basing on any region.

The research was carried out and completed within a period of 9 months.

1.6. Definition of Terms
1.6.1 Cement

Kenya Bureau of Standards ([KEBS], 2000) defines Cement as a hydraulic binder i.e. a finely ground inorganic material which when mixed with water forms a paste which set and
hardens by means of hydration reactions and processes and which after hardening retains its strength and stability even under water.

1.6.2 Marketing
Kotler (1986) defines marketing as a human activity directed at satisfying needs and wants through exchange process. It is the management process which identifies, anticipates and supplies customer requirements efficiently and profitably.

1.6.3 Strategy
Sun Tzu (1985) defines strategy as the art of planning in advance the movement of armies of forces in war, skilful planning generally or a particular plan for gaining success in a particular activity such as war, a game, or a competition.

1.6.4 Industry
Porter (1990) defines industry as a group of firms that are making products or supplying services that are close substitutes for each other.

1.6.5 Product
Baker (1992) defines a product as anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or a need. It includes physical objects, service persons, place organizations.

1.6.6 Brand
Wilkie (1994) defines a brand as a name term, sign, symbol or design or a combination of them intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors. A brand is essentially a sellers promise to deliver a specific set of features, benefits and service consistently to the buyer. It conveys up to six levels of meanings; attributes, benefits values, culture, personality and user.
1.6.7 Chapter Summary

Marketing is something that we all do. We all live by selling something (Lousis, 1986). Workers exchange their labour for income and use their income to buy wanted goods. Companies sell their goods and use the receipts to buy raw materials and equipment needed to produce more goods, making a profit along the way. Nations exchange their goods for the needed goods of other Nations.

One of the most important challenges for marketers of cement companies is to find creative ways to unlock the potential market that exists out there. Unlocking the market would begin by a clear understanding of the consumers of the product on offer. This research basically focused on the factors that influence the consumer's choice of cement brands. The chapter begins with a background of the cement industry in Kenya and the challenges faced in the market, which necessitates the study of the problem statement. The objectives of the study both the General and the specific, are clearly defined to guide the study. Justification of the study and the scope are clearly defined for purposes of clarity.
CHAPTER 2

2:0 LITERATURE REVIEW

2:1 Introduction
This chapter presents a review of the related literature on the subject under study with special emphasis on the specific objectives of the research, presented by various researchers, scholars, analysts and authors. The researcher has drawn materials from several sources, which are closely related to the theme and the objectives of the study.

2:2 The Effect of Price on Brand Choice
Many writers have written about pricing. Stigler (1992) states that pricing strategies usually change as a product passes through its life cycle. In pricing innovative new products, the company can follow a skimming policy by setting prices high initially to skim the maximum amount of revenue from various segment of the market. Or it can use penetration pricing by setting a low price to win a large market share. However, all these are as perceived by the producer, the customer does not see the price he sees cost or the perceived value.

Patterns of exploratory studies can be grouped into four consumer definitions of value:
Hoffman (1984), states that Value is low price-his studies reveal the salience of price in the value equations of consumers. Value is whatever a consumer wants in a product. This is the same as the economists' definition of utility. Schechter (1984) defines value as all factors qualitative and quantitative, subjective and objective that make up the complete shopping experience. Value is the quality the consumer gets for the price he/she pays. This definition is constant with many others that appear in literature e.g. (Doyle, 1984). Value is what the consumer gets from what he/she gives. Sawyer and Dickson (1984) conceptualized value as a ratio of attributes weighted by their evaluations, divided by price weighted by its evaluations. The cement brand that is perceived as having the highest value will likely be the brand of choice. The cement companies should therefore provide the consumers value for their money.
Price could be defined from two perspectives. Jacoby and Olson (1985) distinguish between objective price and perceived price. A growing body of research supports this distinction. Studies reveal that consumers do not always remember actual prices of products. Instead they encode prices in ways that are meaningful to them (Swayer and Dickson, 1985). Price is the perceived value that is exchanged for something else. We typically express such value in dollars and cents. The price we pay for something is based upon the satisfaction we expect to receive and not necessarily upon the actual satisfaction we receive. If one product is exchanged for another, it is called barter. The price charged by the seller is the cost to the buyer. Social price (or cost) is the non-monetary sacrifice that may be present in the exchange process. The four categories of social price are time, effort, life style, and psyche. Recent studies also indicate that price awareness differs among demographic groups, the greatest level of awareness being in consumers who are female, older and do not work outside the home (Zeithaml and Berry, 1988).

An article by Wahome in The East African standard (November 19 2003) indicates that as far as the cement industry is concerned, the impact of cement pricing wars is what is going to be critical. Irrational discounts and major price chops have created bad blood among the cement manufacturers due to customer cross migration.

Research carried out by Steadman research services (2003) on behalf of the cement companies with an objective to establish the correlation between sales volumes and price levels came up with the following conclusion. Blue triangle has a wider market preference in Nairobi due to price margins when compared to bamburi cement. Blue triangle performance is predominantly sensitive to prices. Brand pricing is crucial, a change in price may really affect the sales. For bamburi it is rather stable to price fluctuations. Though an increase of price would affect the sales negatively, it is to a smaller magnitude when compared to the effect blue triangle will have in the same scenario.

Kotler (2001) indicated that through most of history, prices were set by negotiation between buyers and sellers. Setting one price for all buyers is a relatively modern idea that arose with the development of large-scale retailing at the end of the nineteenth century. Now the
Internet is reversing the fixed pricing trend back to an era of negotiated pricing. The corporate networks, and wireless set ups are linking people, machines and companies around the globe – and connecting sellers and buyers as never before. Websites like compare.net and price scan .com allow buyers to compare products and prices quickly and easily. Online actions sites like e Bay .com and on sale .com make it easy for buyers and sellers to negotiate prices on thousands of items. At the same time new technologies allow sellers to collect detailed data about customers buying habits, preference and spending limits so they can tailor their products and prices.

Webster (1974) indicated that traditionally, price has operated as the major determinant of buyer choice. This is still the case in poorer nations, among poorer groups and with commodity - type products. Although non-price factors have become more important in buyer behavior in recent decades, price still remains one of the most important elements determining company market share and profitability. Consumers and purchasing agents have more access to price information and price discounts. Consumers shop carefully forcing retailers to lower their prices. Retailers put pressure on manufactures to lower their prices. The result is a marketplace characterized by heavily discounting and sales promotion. Price serves as an allocator of goods and services in our economic system. It is important to marketing executives because the price charged must earn the company a fair or target return on its investment. In order to do so, specific, attainable, realistic, and measurable pricing objectives must be established. Pricing goals can be divided into three categories: profit-oriented, sales-oriented, and status quo. The price established for a product depends primarily on demand for the good or services and the cost to the seller for that good or service. Demand refers to the quantity of a company's product that will be purchased during a specific period and at various prices.

Price is a marketing mix element that produces revenue the others produce costs. Price is also one of the most flexible elements it can change quickly unlike product features and channel commitments. At the same time price competition is the number one problem facing companies (Kotler, 2001).
Browning and Jacquelene (1983) on price elasticity of demand indicated that marketers need to know how responsive, or elastic demand would be to a change in price. Demand is likely to be less elastic under the following conditions.

- There are few or substitutes or competitors
- Buyers do not readily notice the higher price
- Buyers are slow to change their buying habits and search for lower prices
- Buyers think the higher prices are justified by quality difference and normal inflation

If demand is elastic, sellers will consider lowering the price. Price elasticity depends on the magnitude and direction of the contemplated price change. It may be negligible with a small price change and substantial with a large price change. Long-run elasticity may differ from short-run elasticity. Buyers may continue to buy from their current supplier after a price increase, because they do not notice the increase, or the increase is small, or they are distracted by other concerns, or they find choosing a new suppliers takes time. But they may eventually switch suppliers. Here demand is more elastic in the long run than in the short-run or the reverse may happen. Buyers drop suppliers after being notified of a price increase but return later. The distinction between short-run and long run elasticity means that sellers will not know the total effect of a price change until time passes.

Packard (1967) indicates that many consumers use price as an indicator of quality. Image pricing is especially effective with ego-sensitive products such as perfumes and expensive cars. Higher-prices cars are perceived to possess high-quality. Higher-quality cars are likewise perceived to be higher prices than actually are. When alternative information about true quality is available, price becomes a less significant indicator of quality. When this information is not available price acts as a signal of quality. When looking at a particular product, buyers carry in their minds a reference price formed by noticing current prices, past prices or the buying context. Reference – price thinking is also created by stating a high manufacturer’s suggested price, or by indicating that the product was priced much higher originally or by pointing to competitors high price.
A price change can provoke a response from customers, who often question the motivation behind price changes. A price cut can be interpreted in different ways. The item is about to be replaced by a new model, the item is faulty and is not selling well, the firm is in financial trouble, the price will come down even further: the quality has been reduced. Customers are most price sensitive to products that cost a lot or are bought frequently. They hardly notice higher prices on low-cost items that they buy infrequently. Some buyers are less concerned with price than with the total costs of obtaining, operating and servicing the product over its lifetime. A seller can change more than competitors and still get (Kotler, 2001)

Ross (1984) indicates that supply schedule is the relationship between prices and the amount of a product that producers are willing and able to supply at a certain point in time. The point where demand and supply interact is called equilibrium. A price above equilibrium creates a surplus and a price below equilibrium results in a shortage. Elasticity of demand is the responsiveness or the sensitivity of consumers to changes in price. It is important to understand elasticity in order to estimate demand accurately. The availability of substitute goods and services, the price of the product durability, and other uses of the product affect elasticity.

McDaniel and Darden (1987) pointed out that sometimes companies minimize or ignore the importance of demand and price their products largely or solely on the basis of cost. Markup pricing is a cost-plus average variable cost. Breakeven analysis provides a quick look at how many units the firm must sell before it starts earning a profit. The technique also reveals how much profit can be earned with higher sales volumes. A more advanced form of breakeven analysis considers estimated demand at various prices. Target return pricing is the most popular pricing strategy. It involves establishing a price that will earn the firm a predetermined level of profits (a predetermined ROI). Many large firms that use target return pricing come very close to their profit goals. By plugging alternative prices into the formula, the marketing manager can determine how many units must be sold to reach the target ROI. A comparison of the target ROI quantity and the sales forecast would tell the manager whether the return on investment objective can be met at a certain price.
The review of literature above clearly indicates the impact of pricing on sales. Cement industry being a commodity market is very sensitive to price adjustments. However most of the literature available currently is mainly derived from researches on consumers of fast moving consumer goods such as foods and lifestyle goods. Little has been done on the effects of price on industrial products such as cement. The literatures available however provide a basis for conclusion in price related cement researches.

2:3 The Influence of Availability of a Brand on Consumer Choice
Webster (1990) states that making the product available at all times so that the customer has a choice is one of the very important marketing strategies a manufacturer can use and can help achieve unique competitive advantage. Manufacturers held in the highest regard by the distributors are those with the most complete programmers for the distributors support and who give distributors the most complete responsibility for their products.

Brennan (1995) indicates that distribution is the place element of the marketing mix which products need to be availed in the correct quantities, in convenient locations and at times when customers want to purchase them. The key elements of distribution include the following:

- Channel selection: the most basic decision is whether to use channel intermediaries or supply directly to consumers. Market, supplier product and competitive factors will influence this decision.

- Distribution intensity: this requires the choice of intensive (use of all available outlets to gain saturation cover), selective (use of limited number of outlets in each geographical region) or exclusive (using only one channel intermediary per geographical region) distribution

- Channel integration: suppliers need to consider the degree of channel integration required to distribute their products. The available options include Independence between supplier and intermediary, Franchising and Channel ownership by supplier.

While this is obvious that distribution is essential component of the marketing mix, particularly where physical goods such as cement are being sold, it is perhaps less obvious
that distribution can make the difference between marketing success and failure. Distribution is essentially to do with the provision of place and time benefits to consumers.

Intermediaries normally achieve superior efficiency in making goods widely available and accessible to target markets. Through their contacts, experience, specialization and scale of operation, intermediaries usually offer the companies more than it can achieve on its own. According to Stern and El-ansary (1999) intermediaries smooth the flow of goods and services. This procedure is necessary in order to bridge the discrepancy between the assortment of goods and services generated by the producer and the assortment demanded by the consumer. The discrepancy results from the fact that manufacturers typically produce a large quantity of a limited variety of goods, whereas consumers usually desire only a limited quantity of a wide variety of goods.

Rachman (1975) indicates that customers desire five output levels from the distributors as follows:

- **Lot size:** the number of units the channel permits a typical customer to purchase on one occasion.
- **Waiting time:** the average time customers of that channel wait for receipt of the goods. Customers normally prefer fast delivery channels.
- **Spatial convenience:** the degree to which the marketing channel makes it easy for customers to purchase the product.
- **Product variety:** the assortment breadth provided by the marketing channel. Normally customers prefer a great assortment because more choices increase the chance of finding what they need.
- **Service backup:** the add-on service (credit, delivery, installation, repairs) provided by the channel.

Greater service outputs mean increased channel costs and higher prices for customers. The success of discount stores indicates that many customers are willing to accept lower-service outputs if they can save money.
Armstrong (1985) indicated that physical distribution is an integral part of the marketing mix. Managers don’t sell products they can’t deliver, and salespeople don’t (or shouldn’t) promise deliveries they can’t make. Of course, there are exceptions, but such promises usually mean the loss of customers. The physical product is inseparable from accurate order filling, billing, timely delivery, and arrival in good condition. It is also part of the price of the product. Over the past decade, managers have found that by increasing the efficiency of physical distribution, they can effect tremendous cost saving. Lowering expenses can result in several things. Management can drop prices and, if faced with an elastic demand curve, substantially increase total revenue. Second, a manager can lower prices in response to competitor’s actions and preserve market share and profits. Third, in some industries, such as cement industry, transportation costs alone account for twenty percent or more products’ retail price. When transportation (or total distribution costs) is a significant part of the final price, geographic trade areas are limited.

Sharman (1984) indicated that a channel of distribution is a system of relationships among institutions involved in the process of facilitating exchange and consumption transactions. Since channel institutions such as manufacturers, wholesalers, and retailers tend to form buying and selling relationship among themselves, they may be viewed as a system. Middlemen are used to facilitate the flow of goods and services, reduce the number of transactions, and eliminate discrepancies of quantity and assortment. They also help locate buyers and engage in storage. Some institutions, such as truck lines and banks, facilitate channel flows, yet are not channel members because they do not perform negotiatory functions. These are referred to as facilitating agencies. There are a number of flows within a channel system. These include the physical flow goods, plus promotion, title, communications, financing and payment, and negotiation flows.

Schneider (1985) indicated that are many different kinds of channel systems. Services, unlike goods, cannot be stockpiled, transported, or kept in inventories. They must be created and distributed simultaneously. Longer services channels can evolve when intermediaries other than the producer are utilized—for example, retailers who accept Visa Product life cycles of products such as home music systems and car radios have declined from years to months.
Managers find themselves with obsolete stocks if they don’t have good inventory control systems to tell them very quickly which items are selling and which are not. Inventory control is an important part of physical distribution. In this generation, product-line variety is continuing to grow to meet the unique demands and desires of consumers. Managers competing in industries where product lines are proliferating must keep a sharp eye on their physical distribution systems, particularly parts inventories, to control costs and provide quality services.

McDaniel and Darden (1987) pointed out that for products such as color television set, dealers are now the dominant factor in influencing customer purchase decisions. Because the retailers can switch customers from one brand to another, they have channel power. This has enabled them to cut retail inventories, place small orders and demand speedy delivery at short notice. Manufacturers must have efficient physical distribution systems to meet this challenge. New computer software, data transmission facilities, and coded product identification systems now enable manager to update sales and invent quickly and flexibly to volatile market conditions. Firms without a modern physical distribution system are at a major cost and service disadvantage. Physical distribution encompasses a large number of activities within the firm, but it is only in recent years that these activities have been brought together as a single organizational unit. As distribution departments have evolved, their emphasis has changed from obtaining the lowest transportation rates to minimizing total distribution costs, both explicit (i.e. actual costs associated with distribution) and implicit (i.e. Lost opportunities, such as sales lost due to slow delivery systems), relative to a level of service predetermined by management.

According to Sharman (1984) a firm must be careful not to embark on random cost cutting in physical distribution. Cost minimization alone, therefore, can have disastrous results. Marketing managers must consider the impact of any cost saving on the quality of the distribution system. The objective of physical distribution is to provide good service at low cost. Good service increases the probability of repeat sales, a high customer retention rate, and the addition of new customers Perhaps the best measure of distribution service is order cycle time, or the elapsed time between the initial effort to place an order and the customer’s
receipt of the order in good condition. A buyer may feel that the availability timely and reliable order-status information is an important part of the total product. General speaking distribution managers set service policies and objectives in the following areas:

<table>
<thead>
<tr>
<th>Minimum order size</th>
<th>Counter Pickups</th>
<th>Delivery schedules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordering methods</td>
<td>Credit</td>
<td>Returned goods</td>
</tr>
<tr>
<td>Lead time requirements</td>
<td>Releases</td>
<td>Claims</td>
</tr>
<tr>
<td>Service Charges</td>
<td>Expediting</td>
<td>Complaints</td>
</tr>
</tbody>
</table>

How important is physical distribution service? Although measures are lacking in the consumer market, a survey of 400 purchasing agents for large manufacturers revealed the distribution service is second only to product quality. In fact, it is more important than price! The same study indicated that 25 percent of the purchasing agents surveyed cancelled back-order more than 35 percent of the time. Inability to make on-time deliveries often translates into lost revenue for the seller. The required level of service depends upon what customers demand and may vary from industry to industry. One may quickly jump to the conclusion that a company should never be out of stock. But this is not the case. Each unit of increased customer service requires greater incremental expenditure. For example, a firm that strives to support a service standard of overnight delivery at 95 percent consistency may confront costs that are nearly double the total cost of implementing a program of second-morning delivery with 90 percent consistency. Thus, the shortest possible order cycle time is not always the most profitable policy (Koten and Johnson, 1985).

The literature available on the above topic is quite relevant to the research at hand. Given that cement is a bulky product, the brand that is readily available to the consumer is likely to be a brand of choice. The cement companies by making the product available through efficient and effective system of distribution will put themselves in competitive edge over its competitors. Thus the available literature is quite helpful in making concrete conclusions on the research.
2:4 The Influence of Promotional Activities on Brand Choice

Govoni, Robert and Morton. (1986) define Promotional Strategy as the process of developing and maintaining a communications mix that utilizes company resources to their full potential in a way that is competitively attractive to target markets while contributing to the company’s short-run and long-run marketing and organizational goals. Promotion, often called marketing communication, is also those means by which marketers communicate to the target market. In general terms, the purpose of marketing communication is to inform, to persuade, or to remind. Without an effective promotional effort, the best conceived products, at the most attractive prices will often gather dust on retailer’s shelves.

Robert and Stephen (1982) indicate that many benefits can flow from an effective promotional effort when promotion communicates product advantages to potential consumer, helps to increase sales of existing products, establishes awareness and favorable attitudes toward new products, helps to create brand preference among consumers and to secure distribution in outlets, helps to obtain greater corporation and support from middlemen, generates greater effort from the sales force, and helps to build a favorable corporate image.

Brand awareness is consumer association with a product category. This may be new knowledge or a reminder. If consumers actively remember a brand, it is called active brand awareness. If consumers only recognize a new brand in a choice situation, it is called passive awareness. Active brand awareness is needed if consumers have to remember the brand themselves (Mitchell and Olson, 1981).

Baker (1992) indicates that brand knowledge on the other hand refers to knowledge of brand characteristics, benefits and meanings, in late stages of product life cycle, brands will often be differentiated and this differentiation has to be communicated to target groups. For generic products such as cement each manufacturer has to establish and communicate any unique benefit of their brand in order to differentiate the products.
Word of mouth or “said communication” can be a powerful influence on consumer behavior. This helps spread awareness beyond those consumers who come into marketers can increase the probability that the information will be communicated to other consumers, friends, relatives, etc this is clearly stated by Evans (1996). The challenge to marketers of cement in this case is to ensure that whatever spreads by word of mouth are the positive experiences with the brand. For it is only this that can increase sales the opposite will reduce sales.

Nuturn Bates, an advertising agency hired to do promotion for one of the cement companies indicated in the East African Portland cement company report (2004) that the key communication objectives are to:

- Build awareness
- Build a positive and strong cooperate image
- Enhance goodwill among various allies
- Educate the public on the cooperate and brand attributes

All the above therefore indicate that the [promotion efforts are likely to influence customer choice of the brand in the market.]
The following models will help to illustrate how promotion works (Ace, 1998)

**Attention**

A

The nature of the message means!
It gains the attention of the target
Audience – you notice/perceive it.

**Interest**

I

The message is framed in a way
that makes it relevant to the
target audience – it’s of interest.

**Desire**

D

The audience want it – it solves a
Problem, offers a solution, fit into
A gap in their resources.

**ACTION**

A

The audience knows what to do
Next to get it – by contacting the
Advertiser/go ing to a shop, etc.

Fig. 2:1 The AIDA principle
Fig. 2:2 The Psychological Theory Underlying how Advertising Works

- The Cognitive Stage refers to the knowledge state i.e. awareness, comprehension, attention to the message. If you don’t even know about something how can you formulate an opinion, or attitude?

- The Affective Stage refers to the liking stage i.e. you are convinced it will do what the message says, you desire it because it is relevant and interesting, and you prefer it because it is most relevant.

- The Conative Stage is that stage where the knowledge and the positive feelings now are likely to affect behavior, so action will be taken, a purchase made and adoption of the product or service will result.
Fig. 2:3 How Behaviour is Affected by Advertising

So why shouldn’t it be possible for a person suddenly to fancy trying out a new brand of cement? Indeed, an understanding of why we do what we do is at the bottom of what the marketer wants to understand about all consumers.

Porter (1990) indicates that following from the idea that we all have needs wants and desires, Maslow put forward the proposition that we have, in fact, a multi-layered approach to our requirements.

- Psychological needs: must be put first: Unless we are alive all else is pointless.
- Safety needs: are next once we are alive we want to be sure we will stay that way.
- Next, we want to belong: We are social animals and want to belong to some reference group.
- Once we belong, we want esteem within our chosen group - We all need to know our place, even if it isn’t on top of the pile we like to know who to look up to and who to look down on.
- Finally, and sometimes not achievable by all, we desire to be what we truly believe we can be: We seek to achieve self actualization a state where we are expressing as true a representation of the real ‘us’ as we can.
Many products are marketed using these concepts as a basis for not only their advertising Messages, but also their entire positioning strategy. Steadman Research Services report (2003) indicates that the cement industry in Kenya has done very little promotion in form of advertising and therefore no research has been done towards this end. The available literature concerns other industries such as foods both here in Kenya and other countries. This therefore means that the literature available will only be used as a reference in the research and the conclusion will be derived from the actual field research.
The Influence of Product Quality Perceptions in The Choice of a Brand

A product will be perceived to be of high quality only if it conforms to the requirement of the customer. In making purchasing decisions, the higher the perceived quality, the more likely the consumer will make a purchase. Advertisers would have us believe that every company produces a high quality product. Companies in turn make the quality claim because they see it as a potential source of competitive advantage. Studies have been carried out to come up with ways of measuring customer perceived quality. The nature of this quality has also been investigated and techniques developed to measure it.

Hansen and Bush (1999) indicate that perceived quality is therefore:

- Different from objective actual quality;
- A higher level abstraction rather than a specific product attribute;
- A global assessment that in some cases resembles attitude: and
- A judgment usually made within the consumer’s evoked set.

Kotler (2000) defines a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organization and ideas. Each product item offered to customers can be looked on three levels.

- The core product i.e. the essential service the buyer is buying
- The tangible product i.e. features, styling quality, brand name, and packaging of the product offered for sale
- The augmented product is the tangible product plus the various services accompanying it, such as warranty, installation, service, maintenance and free delivery.

Patterns of exploratory studies can be grouped into four consumer definitions of value:

- Value is low price – Industry studies reveal that there is a relationship in the value equations of consumers (Hoffman, 1984).
- Value is whatever a consumer wants in a product – This is the same as the economists’ definition of utility. Schechter (1984) defines as all factors both qualitative and quantitative, subjective and objective that makes up the complete shopping experience.
- Value is the quality the consumer gets for the price he/she pays – This
definition is constant with many others that appear in literature e.g. (Doyle, 1984).

Value is what the consumer gets for what he/she gives – This definition is consistent with Sawyer and Dickson (1984) conceptualization of value as a ratio of attributes weighted by their evaluations, divided by price weighted by its evaluations.

Marshall (1979) indicates that Product quality is perhaps the most important cue provided by price. When consumers do not have sufficient information about the quality of a product, they frequently use price as a good proxy for quality. A strong relationship is found between price and quality especially when price differences between alternatives are substantial. Researchers investigated under what conditions price dominated as cue for quality and found that consumers will use price as a surrogate for quality when: they have strong beliefs that quality differences exist between product alternatives, and when they have little experience or information concerning the product (Wells, 1975).

Kotler (2001) indicates that one of the major values customers expect from vendors is high product and service quality. Today’s executives view the task of improving product and service quality as their priority. Most customers will no longer accept or tolerate average quality if companies want to stay in the race, let alone be profitable; they have no choice but to adopt total quality management. There is an intimate connection among product and service quality, customer satisfaction and company profitability. Higher level of quality results in higher levels of customer satisfaction while supporting higher prices and often lowers costs (Schechter 1984). But what exactly is quality? Various experts have defined it as “fitness of use”, “conformance to requirements”, “freedom from venation” etc. The American Society for quality control defines quality as the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs.

Hensen and Bush (1999) indicate that we can say that the seller has delivered quality whenever the seller’s product or service meets or exceeds the customers’ expectations. It is
important to distinguish between conformance quality and performance quality. A Mercedes provides higher performance quality than a Hyundai. The Mercedes rides smoother, goes faster, and lasts longer, yet both Mercedes and a Hyundai can be said to deliver the same conformance quality if all the units deliver their respective promised quality.

According to Koten and Johnson (1985) a product is any want-satisfying good or service, including its perceived tangible and intangible attributes. Packaging, style, color, warranties, options, and size are among the features a product may have. Just as important are intangibles such as service related to the product, the retailer’s image, the manufacturer’s reputation, and the way consumers believe others will view the product. A product is not just a physical object, but what consumers perceive it to be. Many products are symbolic in that they help us play our roles in society. A man’s tie help identify him as a white-collar worker. A pinstriped suit is often associated with conservatism. People consume goods and services not only for what they do, but also for what those goods and services mean to other members of society. The core of a product is the physical unit or basic services. A label or brand name adds a new dimension beyond the core. Two physically identical coats, with different label are not the same product if consumers perceive them differently. They have different levels of prestige and status, not to mention price.

McDaniel and Darden (1987) pointed out that every product might be viewed as having three major elements: attributes, benefits, and a support system identical to the concept of the core of the product. Product benefits are the satisfactions we expect to receive from consuming the item. The product support system represents all of the elements that the marketing organization utilizes to bolster the physical product. These would include services after the sale advertising, personal selling, delivery, are met through the benefits we receive from the product. The benefits we expect are derived from the attributes of the product and the product support system. Thus, a marketing manager is working with all three elements (attributes, benefits, and a support system) when creating the component of the marketing mix. The product must posses the right attributes for the target market. The marketer therefore should know the product benefits that target consumers are seeking. The marketer can use promotion to inform potential buyers that the firm’s product offerings will meet their needs. The right support system enhances the physical product and helps create the benefits
consumers are seeking. The expectations may or may not be met, thus resulting in satisfaction or dissatisfaction with the product.

According to Andreasen (1984) most products are actually a combination of physical goods and services. The services associated with a product are usually based upon the support System. A car, for example, must be tuned up (a service) every so often or it becomes worthless as a means of transportation. It’s the total benefits that count. We buy something because of the total benefits we anticipate to receive. Usually that package of benefits is provided as part physical good and part service, such as the support system. Generally speaking, the more tangible an object is, the more likely we are to call it a good e.g. Cement. Conversely, the more intangible something is, the more likely we are to refer to it as a service e.g. investment management. Intangible services usually cannot be physically possessed but can only be experienced or felt.

Both goods and services satisfy customer needs. The right blend of goods, services, or both is required to meet the needs of the marketplace. The nature of goods and services can be better understood by examining a classification system. The category into which a product falls determines the general type of marketing mix that will be appropriate. The broadest distinction between types of products is between consumer products or industrial products. Consumer products are purchased and used by the ultimate consumer (the person who acquires and uses the product). Industrial products such as cement are for use in production of other products and services, in the operation of a business, or for resale to other consumers. The same marketing strategies are not appropriate for consumer and industrial products because consumer products and industrial products are distributed, sold, and purchased differently. Different classes of consumer products and different classes of industrial products also require unique strategies. When a marketing manager understands how a majority of the target audience views a product, he or she can plan which marketing strategies are feasible. All of these products offer unique benefits for the potential buyer. It is how the buyer perceives and uses the product that determines its ultimate classification (Assael, 1985).
Availability of supply and consistency of quality are two critical considerations in purchasing industrial products such as cement. Lack of cement can shut down a construction project. Lack of uniform quality can result in product failures, which cause bad will and costly warranty repairs. Tires and batteries for cars and trucks, paper for a computer printer, oil rig drill bits, and batteries for electric watches are examples of parts replacement market.

According to Buell (1989) a brand is a term used to describe product identification by word, name, symbol, or design, or a combination of these. Manufacturers and channel intermediaries use brands to identify their goods and to distinguish them from others. A brand name is the part of the brand that can be vocalized. Branding is important to marketing managers because it differentiates their products from all others and encourages repeat purchases. Repeat buying enable the company to develop a positive relationship with the target market that will hopefully lead to a greater market share and higher profits. Also, if consumers begin demanding a specific brand, the manufacturer is given more leverage and control over distribution and retail price. Branding also aids in positioning. Most wholesalers are too small to develop their own brand and rely instead on manufacturer’s brands. The advantages of retailers or wholesalers staying with manufacturers’ brands are that Heavy advertising by the manufacturer to the consumer helps pre-sell the product and develop strong consumer loyalties. Well-known manufacturers brands can bring in new consumers and enhance the dealers’ prestige. Most manufacturers offer rapid delivery that enable the dealer to carry fewer inventories. If a dealer happens to sell a manufacturer’s brand of poor quality the consumer may simply switch brands but remain loyal to the dealer.

In contrast to branded products, some products use the lack of a brand name as a selling point: these are called generic products and have no brand name. A generic product and a brand name that becomes generic are no the same thing. A common misconception is that generics are primary purchased by low-income consumers. Buyers for generics tend to be concentrated in middle income. Large household that are price conscious and predisposed to select lower-priced alternatives. These consumers tend to possess a relatively low level of brand loyalty and tend to concentrate their shopping in only a few stores they are store loyal.
One study found that low-income shoppers believe they cannot afford to take a chance on the quality they might find generics. They simply can't afford to make a mistake, so they are likely to stay loyal to well-known brands (Kotler, 2000).

McDaniel and Darden (1987) indicated that the product and its package are often inseparable from the consumers' perspective. A subtle change in packaging can dramatically alter the consumer's perception of the product and thus the product's acceptance. Packaging creates an instant image of a brand. The package should communicate an image to the consumer that will obtain positioning objectives. A package design communicates product attributes such as gender identification, natural or artificial, modern or old fashioned as well as the social-symbolic of prestige and quality. A good package increases consumer satisfaction and may mean that consumers will be willing to pay more for the product. Packaging size can also be a factor in reaching desired retail price levels. The use of low-quality packaging materials in both consumer and industrial goods such as cement can increase damage and breakage. Thus, there is a trade-off between the quality of packaging materials and the claims for unusable damaged products.

The literature available has clearly brought out the importance of perceived quality on brand choice. Athi River Mining Marketing Report (2003) indicates that the main attribute of cement is its ability to bind constructions and to make them durable for a long period of time. The cement brand that is perceived by the consumer as the best for the purpose is likely to be the most preferred brand in the market. The researcher therefore thinks that the literature on the above topic is sufficient to support the research findings to make conclusions on the influence perceived product quality has on brand choice.

2.6 Chapter Summary

The chapter reviews the literature relating to the factors that influence brand choice with specific emphasis on the 4Ps of marketing and the research findings that have been done on the same. It describes the marketing mix variables i.e. the 4Ps, and how they influence consumer brand choice.
To satisfy a clearly defined set of consumers there is need to design a product that satisfies them, price it at a cost they will pay, and communicate about the product and deliver it on time to them. The marketer also needs to have a better understanding of the group dynamics of the target market i.e. the factors that influence their behaviors and therefore brand choice in terms of the physical, geographical, social and economic attributes of the consumer that are innate components of their day to day lives. Brand Awareness, Advertising, Sales promotion, word of mouth communication, perceived value, perceived quality and perceived price are some of the factors that influence choice as described in the literature review.

Although satisfying customer needs is the name of the game in marketing, identifying those needs in easier said than done. Study after study shows that self-reported preference does not match buying behaviors. Instead, seemingly irrational factors can influence consumer decision making Simpsonson, Associated Professor of marketing at Stanford Business School, through his researches has concluded that consumers do not have well-established preferences, so marketers need to find out not only what consumers want, but what factors influence their decisions making process. In the case of the cement industry, no formal research has been done on customer behavior and the factors that influence their brand choice. This research not only provides insights in cement customer behavior but also adds scholarly knowledge to the available literature on the same topic.
CHAPTER 3

3:0 RESEARCH METHODOLOGY

3:1 Introduction
This chapter describes the Methodology that was used as an aid to carrying out the research study. It constitutes the blue print for the collection, measurement and analysis of data. The chapter is closed with a brief summary of what was covered in the chapter.

3.2: Research Design
The research design used for this research was the survey design. Schnindler and Cooper (2001) defined the survey design as a communication approach that involves questioning people and recording their responses. Since the researcher questioned the respondents and collected their responses by personal and impersonal means, the survey design was thus appropriate.

The justification for the choice of this design for the research is because of its versatility. It does not require that there be a visual or other objective perception of the information sought by the researcher. Abstract information of all types can be gathered by questioning others. We seldom learn much about opinions and attitudes except by questioning. This is true for intentions and expectations. Since the research was on consumer behavior and the factors that influence choice the survey method was the most appropriate for data collection since it enabled the researcher to collect primary data on opinions and attitudes towards each brand of cement. Questioning is more efficient and economical than observation. A few well-chosen questions can yield information that would take more time and effort to gather by observation. A Survey that uses the telephone, mail, or Internet as a medium of communication can expand geographic coverage at a fraction of the cost and time required by observation. Due to the fact that it was not possible to follow masons for a long period of time due to their mobility in search of construction work, the researcher collected data at one point in time.
3.3 Population and Sampling Design

3.3.1 Population
The researcher defined the target groups as follows:-

- Decision makers within households who make purchase decisions on construction of family buildings and are the majority of the general public
- Masons in construction businesses who make decisions and advice on purchase of domestic building materials.
- Contractors who are in the business of construction for commercial premises and infrastructure
- Distributors who buy and sell construction materials.

The above groups were selected because they all in one way or another make decisions on the purchase of cement since cement is a basic necessity in the construction of permanent houses. Nairobi cement market has a total of 400 major distributors, 200 contractors and uncountable number of masons and individuals doing their own constructions. It should also be noted that the researcher interviewed the marketing managers of the three cement companies in Kenya.

The researcher interviewed a total of 140 respondents in Nairobi. Nairobi was divided into four geographical regions Eastern, Western, Northern and Central Nairobi. Ten masons, 10 members of the public and 10 distributors were selected from each region. 20 contractors were selected to represent the whole of Nairobi without necessarily basing them on each region.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame
The researcher accessed the household decision makers by accessing the general public at a random at the selected cement distributors point of sale. A list of the masons was accessed from the contractors’ records and at the selected cement distributors point of sale. A list of contractors was obtained from the strategic listings directory and from the cement companies and ministry of public works. The researcher obtained a list of distributors in Nairobi from the cement companies’ records.
3.3.2.2 Sampling Technique

The researcher used probability sampling in selecting the sample; both simple random and stratified sampling techniques were used as appropriate and as described below when sampling contractors, masons, distributors and household owners.

The researcher targeted a total of 140 respondents in Nairobi. There were four categories of these respondents and the numbers were obtained as follows:

Stratified sampling was used to subdivide Nairobi into four regions namely, eastern, western, northern and central. The total number of distributors was established for each region, 10% of the total population of distributors was sampled using simple random technique from each region. In the case of masons and house owners, the researcher selected at random one of each at the sampled distributors point of sale.

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Number of Distributors</th>
<th>10% from each Region</th>
<th>Masons Sampled</th>
<th>Home Owners Sampled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern</td>
<td>100</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Western</td>
<td>100</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Central</td>
<td>100</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Northern</td>
<td>100</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>400</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
</tbody>
</table>

This therefore called for different sampling techniques for each group of respondents.

To enable the researcher to target the members of public who are decision makers within the households as pertaining constructions of buildings, the researcher sampled from the distributors point of sale. In this case the researcher picked at random any purchaser of cement from the already selected distributors’ shops and enquired on what capacity they were buying cement; whether they were masons, house owner or contractor. The researcher then interviewed the house owner or relative of the same when identified.
For the masons, two sampling techniques were administered. The research first applied the stratified sampling technique by dividing Nairobi into four geographical regions and then applied a systematic technique of sampling within each region. In this case as the researcher administered the questionnaires at the selected distributors shops, he also looked out for the first mason to appear at the distributors shop to purchase the items, if not the researcher asked the distributor for guidance on how to trace the masons.

From the list of contractors provided a systematic sampling was administered. The sampling interval was calculated by taking the total number of contractors in the list and dividing by the desired sample size.

Sample Interval = total number in the list
20 (the desired sample for contractors)

The first element to begin from was selected at random from within the first batch of the sampling interval. The rest were picked from the list by using the established interval above i.e. picking the contractor whose name falls on the interval margins. The 20 contractors were selected to represent the whole of Nairobi without necessarily basing on each region. This was because of the fact that the same contractors have work all over Nairobi and are not confined to one region.

Distributors were sampled using two sampling techniques, the first being stratified sampling where Nairobi was divided into four geographical regions. From the list provided by the cement companies the research sorted the distributors belonging to each region. From each region, the researcher carried out a random sample where the distributors’ names for each region were listed in separate pieces of paper and each paper folded and put in a container belonging to each region. Ten pieces of paper were picked from each container and the distributors whose names appeared on the selected papers became the respondents.
3.3.2.3 Sample Size

The sample size in this study was one hundred and forty respondents, who were categorized as follows;

Table 3:2 Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Region</th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Eastern</td>
<td>Western</td>
<td>Central</td>
<td>Northern</td>
<td></td>
</tr>
<tr>
<td>Masons</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>Distributors</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>House owners</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>Contractors</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>30</strong></td>
<td><strong>30</strong></td>
<td><strong>30</strong></td>
<td><strong>140</strong></td>
</tr>
</tbody>
</table>

3.4. Data Collection Method

Data are factual items and can be divided into two categories; primary and secondary. Secondary data are groups of factual items that have been collected for another purpose as indicated by Zikmund (1998) while primary data are factual items that are collected to address the specific problem at hand.

The researcher started by searching through the secondary data to see whether any of these can be tailored to fit the research since it is based on studying customer behavior, the researcher mainly collected and developed primary data for the specific purpose stated in the research objective. The purpose of collecting this primary data was to answer the question posed by the defined problem area. Primary data are preferred for their proximity to the truth and control over error.

Survey method of data collection was used for collecting the primary data for this research. This involved questioning people and recording their responses for analysis. For the purpose of this research the research assistants delivered in person the questionnaires to the distributors. The contractors received their questionnaires by post and by Email where
available. The research assistants followed up the questionnaires to ensure that they were filled and returned. For the masons and the general public, the research assistants while delivering the questionnaires to the distributors, approached at random any mason and member of public purchasing cement at the hardware. For this group an interview guide was used to interview them. Since the research was about customer behaviour and the factors that influence choice the survey method was the most appropriate data collection method since it enabled the researcher to collect primary data on opinions and attitudes towards each brand of cement.

The instruments that were used for collecting data included personal interviews, Telephone interviews and Questionnaires. Since there were different categories of respondents for the study, the above instruments were administered appropriately. For the masons and the general public intercept interviews were done. In this case people selected to be apart of the sample were interviewed in person by the interviewer who used an interview guide. Structured questionnaires were mailed to the selected contractors by E-mail or post office and follow up was done to confirm delivery and to encourage return of the filled questionnaires. Questionnaires were delivered in person to the distributors. The same type of questionnaire was used for the distributors and contractors while the members of public and the masons were interviewed using the same interview guide. The researcher while delivering the questionnaire in person to distributors at the point of sale also used the same opportunity to pick the masons and the members of public purchasing cement at the hardware shop.

3.5 Research Procedures

The procedures that were followed in data collection were as follows:

The researcher with the help of the research supervisor designed the questions for the questionnaire guided by specific objectives of the research though some additional questions were included to act as filter questions, which helped in verifying the answers given to the research objectives questions. The researcher came up with two questionnaires, one for the distributors and another for the masons, contractors and homeowners. This was necessitated by the fact that distributors are intermediaries and not
end users as is the case with masons, contractors and homeowners. The questionnaire for the distributors consisted of 12 closed ended questions and 2 open ended questions, while the questionnaire for the masons, contractors and homeowners consisted of 13 closed ended questions and 2 open ended questions.

To evaluate its effectiveness as an instrument of data collection, the questionnaire was pilot tested by administering it to a limited number of 30 respondents to enable the researcher revise and review the questionnaire where necessary. The researcher picked the elements for pilot testing at random and ensured that they would not be part of the actual study. The questionnaires were then administered in order to correct the deviation. The shortcomings were then corrected.

The researcher recruited twelve research assistants two weeks prior to commencement of the survey. The two weeks were used for training them on how to administer the questionnaires and they were made to understand clearly the research problem and objective beforehand. The assistants were all graduates of business who have an understanding of research.

The research assistants were allocated the four regions curved out of the Nairobi market, three for each region and they were expected to complete the work within a minimum of two weeks. The research assistants delivered in person the questionnaires to the distributors and encourage them to fill them in their presents in case of any clarification to be done. Where not possible then they left the questionnaires with the respondent to be picked on an agreed date. The questionnaires were mailed to the selected contractors either by Post or E-mail for those who have the E-mail. The research assistants followed up their allocated contractors to ensure that the questionnaires are filled and returned.

For the masons and the general public, the research assistants while delivering the questionnaires to the distributors, approached at random any mason and member of public purchasing cement at the hardware. For this group an interview guide was used to interview them.
All the filled questionnaires and interview notes were brought to a central place as they were completed and were edited and coded as soon as a satisfactory number had been received. Full analysis of the raw data was done using computer package EXCEL and Microsoft word to make the presentation. The researcher oversaw the entire process of data collection and personally monitored the analysis of data.

3.6 Data Analysis Methods
The researcher generated information by analyzing data after collection. This involved reducing accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques. Scaled responses on questionnaires required analysis to derive various functions as well as to explore relationships among variables. Further, the researcher had to interpret these findings in the light of the research question and determine if the results were consistent with the objectives set in chapter one. Descriptive statistical techniques used included frequencies and percentages. Pie charts and tables were used to present the analyzed data. The researcher mainly used the computer package EXCEL and Microsoft word to analyze the data stated above and to do a presentation of the same.

3.7 Chapter summary
Chapter 3, which is the research methodology section, describes the methods and procedures used to carry out the study. This is an important section, which had direct influence on the findings of the study. The chapter covers the research design, population and sample, data collection methods, research procedure and data analysis methods.
CHAPTER FOUR

4:0: RESEARCH FINDINGS

4:1 Introduction
This chapter presents data on the findings of the study. The findings are presented according to research objectives. The data is presented in form of charts and tables accompanied by a brief description of the data. The chapter is closed with a brief summary of what was covered in the chapter.

4:2: Effect of Price in the Choice of Cement Brand
This section presents data on brand awareness, brand patronage and influence of price on brand choice.

4:2:1 Brand Awareness:
Data on cement brands awareness was analyzed and presented in table 4: 1.

Table 4:1: Brand Awareness

<table>
<thead>
<tr>
<th>Brand</th>
<th>Masons</th>
<th>Contractors</th>
<th>Home owners</th>
<th>Distributors</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Blue Triangle</td>
<td>40</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>37</td>
</tr>
<tr>
<td>Bamburi</td>
<td>40</td>
<td>100</td>
<td>20</td>
<td>100</td>
<td>27</td>
</tr>
<tr>
<td>Rhino</td>
<td>32</td>
<td>80</td>
<td>16</td>
<td>80</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

40
Table 4:1 shows that all respondents (100%) were aware of Blue triangle cement and Bamburi cement while 80% of the respondents were aware of rhino cement. Three percentage of the respondents mentioned other brands imported specifically Helwan cement from Egypt.

4:2:2: Patronage of Individual Brands by Users

Data on patronage of individual cement brands was analyzed and presented in Table 4:2.

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Brand</th>
<th>Patronage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bamburi</td>
<td>Blue triangle</td>
</tr>
<tr>
<td></td>
<td>F %</td>
<td>F %</td>
</tr>
<tr>
<td>Masons</td>
<td>26 65</td>
<td>32 80</td>
</tr>
<tr>
<td>Contractors</td>
<td>15 75</td>
<td>13 65</td>
</tr>
<tr>
<td>Homeowners</td>
<td>24 65</td>
<td>32 87</td>
</tr>
<tr>
<td>Distributors</td>
<td>26 54</td>
<td>33 85</td>
</tr>
</tbody>
</table>

Table 4:2 shows that 80% of masons use blue triangle cement compared to the other brands while 75% of contractors use Bamburi as compared to other brands. Homeowners and distributors 87% and 85% respectively use blue triangle more than the other brands.
4:2:3 Role of Price in Influencing Patronage

Data on the role of price in influencing patronage was analyzed and presented in Figure 4:1.

![Bar Chart](image)

**Figure 4:1 Role of Price in Influencing Patronage**

Figure 4:1 shows that 72% of the masons did not consider price while making the purchase decision while 80% of the contractors, 62% of the distributors and 92% of the homeowners were price sensitive.

4:3 The Effect of Distribution of Cement on Buyers Cement Brand Choice:

This section presents data on the effect of distribution on buyers cement brand choice. Importance of regular availability, rate of brand switching and the reasons for changing brands are covered in this section.

4:3:1 Importance of Regular Availability of the Cement Brand at the distribution points

Data on the importance of regular availability of the cement brands at the distribution points were analyzed and presented in figure 4: 2.
Figure 4:2 Importance of Regular Availability

Figure 4:2 shows that 50% of the masons considered availability as important in choosing the cement brand, while 90% of the contractors indicated that availability is an important consideration while choosing the cement brand. Seventy three percent of the homeowners and 90% of the distributors consider regular availability of cement at the distribution points an important factor in selecting the brand of cement.
4:3:2 Rate of Brand Switching
The data on the rate of brand switching among the cement users is analyzed and presented in table 4:3 bellow.

Table 4: 3: Rate of brand switching

<table>
<thead>
<tr>
<th>Buyers</th>
<th>Rate of Brand Switching</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Blue triangle to bamburi</td>
<td>Blue triangle to rhino</td>
<td>Bamburi to blue triangle</td>
<td>Bamburi to rhino</td>
<td>Rhino to blue triangle</td>
<td>Rhino to bamburi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>Masons</td>
<td>7</td>
<td>17.5</td>
<td>6</td>
<td>15</td>
<td>12</td>
<td>30</td>
<td>12</td>
<td>30</td>
<td>5</td>
</tr>
<tr>
<td>Contractors</td>
<td>7</td>
<td>35</td>
<td>6</td>
<td>30</td>
<td>12</td>
<td>60</td>
<td>12</td>
<td>60</td>
<td>7</td>
</tr>
<tr>
<td>Homeowners</td>
<td>22</td>
<td>60</td>
<td>19</td>
<td>51</td>
<td>21</td>
<td>57</td>
<td>21</td>
<td>57</td>
<td>17</td>
</tr>
<tr>
<td>Distributors</td>
<td>11</td>
<td>28</td>
<td>8</td>
<td>20.5</td>
<td>14</td>
<td>36</td>
<td>7</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>35</td>
<td>39</td>
<td>29</td>
<td>59</td>
<td>43</td>
<td>52</td>
<td>38</td>
<td>34</td>
</tr>
</tbody>
</table>

Table 4: 3 shows that the cement users switch from brand to brand with the highest percentage among masons being from bamburi to blue triangle (30%). Among contractors the highest percentage is from bamburi to blue triangle at 60%. For homeowners the highest shift is from blue triangle to bamburi at 60%. Among the distributors the highest shift was from bamburi to blue triangle at 36%.
4:3:3 Reasons for Changing Brands

The data on the reasons for changing brands is analyzed and presented in table 5 below.

Table 4: 4: Reasons for Changing Brands

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Masons</td>
</tr>
<tr>
<td></td>
<td>F</td>
</tr>
<tr>
<td>Price Difference</td>
<td>6</td>
</tr>
<tr>
<td>Promotion and Advertising</td>
<td>10</td>
</tr>
<tr>
<td>Unavailability of Brand</td>
<td>13</td>
</tr>
<tr>
<td>Influence by Others</td>
<td>15</td>
</tr>
<tr>
<td>Attractive Packaging</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 4: 4 shows that 37.5% of the masons indicated that the main reason for changing brands is influence by others. Eighty five percent of the contractors changed brands because of price and 62 percent of the homeowners also changed brands because of price while 59% of the homeowners changed brands for unavailability of their preferred brand.

4:4 The Influence of Promotional Activities on Cement Brand Choice

This section provides data on the influence of promotional activities employed by the cement companies on buyers cement brand choice. Data is analyzed based on each category of buyers. Influence of word of mouth is also analyzed.

4:4:1 Influence of Word of Mouth on Brand Choice

The influence of word of mouth on brand choice is analyzed and presented in fig 4:3.
Figure 4:3: Influence of Word of Mouth on Brand Choice

Fig. 4:3 shows that 86% of the masons were influenced by word of mouth, 38% of the contractors were influenced by word of mouth, 98% of homeowners were influenced by word of mouth and 75% of the distributors were influenced by word of mouth.

4:4:2: Promotional Activities Employed by the Cement Producers

Data on the promotional activities employed by the cement producers and the impact on brand choice is analyzed below in table 4:5, 4:6, 4:7, and 4:8.
Table 4: 5 Promotional activities influencing Masons

<table>
<thead>
<tr>
<th>Promotional Activities</th>
<th>Brand</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Blue triangle</td>
<td>F</td>
<td>Influence</td>
<td>F</td>
<td>Yes</td>
<td>%</td>
<td>F</td>
<td>No</td>
<td>%</td>
<td>F</td>
<td>Yes</td>
<td>%</td>
<td>F</td>
<td>No</td>
<td>%</td>
<td>F</td>
<td>Yes</td>
<td>%</td>
</tr>
<tr>
<td>Free gift upon purchase</td>
<td></td>
<td>13</td>
<td>62 %</td>
<td>8</td>
<td>35 %</td>
<td>5</td>
<td>3</td>
<td>33 %</td>
<td>1</td>
<td>2</td>
<td>67 %</td>
<td>8</td>
<td>38 %</td>
<td>5</td>
<td>52 %</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitions to answer simple questions and win prizes</td>
<td>9</td>
<td>44 %</td>
<td>4</td>
<td>50 %</td>
<td>5</td>
<td>11</td>
<td>46 %</td>
<td>5</td>
<td>6</td>
<td>54 %</td>
<td>4</td>
<td>25 %</td>
<td>1</td>
<td>75 %</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free product sample</td>
<td>6</td>
<td>33 %</td>
<td>2</td>
<td>67 %</td>
<td>4</td>
<td>11</td>
<td>33 %</td>
<td>6</td>
<td>5</td>
<td>45 %</td>
<td>9</td>
<td>67 %</td>
<td>6</td>
<td>33 %</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement on the mass media</td>
<td>3</td>
<td>67 %</td>
<td>2</td>
<td>33 %</td>
<td>1</td>
<td>15</td>
<td>73 %</td>
<td>11</td>
<td>4</td>
<td>27 %</td>
<td>13</td>
<td>77 %</td>
<td>10</td>
<td>23 %</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
<td>89 %</td>
<td>8</td>
<td>11 %</td>
<td>1</td>
<td>2</td>
<td>50 %</td>
<td>1</td>
<td>1</td>
<td>50 %</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: 5 shows that free gifts upon purchase influenced 62% of the masons to purchase blue triangle cement. Competition to answer simple questions and win prizes influenced 46% to purchase bamburi cement. Free product samples Influenced 67% of the masons to purchase rhino cement while advertisement on the mass media influenced 77% to purchase Rhino cement.

Table 4: 6 Promotional activities influencing Contractors

| Promotional Activities | Brand          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
|------------------------|----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|                        | Blue triangle  | F        | Influence| F        | Yes      | %        | F        | No       | %        | F        | Yes      | %        | F        | No       | %        | F        | Yes      | %        | F        | No       |
| Free gift upon purchase|                | 13       | 39 %     | 5        | 61 %     | 8        | 4        | 25 %     | 1        | 75 %     | 2        | 10       | 30 %     | 2        | 70 %     | 7        |          |          |          |
| Competitions to answer simple questions and win prizes | 9 | 22 % | 2 | 78 % | 7 | 10 | 20 % | 2 | 80 % | 8 | 4 | 0 | 100 % | 4 |
| Free product sample    | 7              | 86 %     | 6        | 14 %     | 1        | 11       | 82 %     | 9        | 18 %     | 2        | 10       | 90 %     | 9        | 10 %     | 1        |          |          |          |
| Advertisement on the mass media | 2 | 50 % | 1 | 50 % | 1 | 16 | 63 % | 10 | 47 % | 6 | 14 | 57 % | 8 | 43 % | 6 |
| Others                 | 9              | 78 %     | 7        | 22 %     | 2        | 4        | 75 %     | 3        | 25 %     | 1        | 0        | 0        | 0        | 0        | 0        |          |          |          |

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Table 4: 6 shows that free gifts upon purchase influenced 39% of the contractors to purchase blue triangle cement. Competition to answer simple questions and win prizes influenced 22% of the contractors to purchase blue triangle. Free product samples influenced 90% of the contractors to purchase rhino cement. Advertisement on the mass media influenced 63% of the contractors to purchase bamburi cement.

Table 4: 7: Promotional Activities Influencing Homeowners

<table>
<thead>
<tr>
<th>Promotional Activities</th>
<th>Blue triangle</th>
<th>Bamburi</th>
<th>Rhino</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Freq</td>
<td>Influence</td>
<td>Freq</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>Yes</td>
<td>%</td>
</tr>
<tr>
<td>Free gift upon purchase</td>
<td>16</td>
<td>63%</td>
<td>10</td>
</tr>
<tr>
<td>Competitions to answer simple questions and win prices</td>
<td>4</td>
<td>75%</td>
<td>3</td>
</tr>
<tr>
<td>Free product sample</td>
<td>5</td>
<td>80%</td>
<td>4</td>
</tr>
<tr>
<td>Advertisement on the mass media</td>
<td>4</td>
<td>50%</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
<td>78%</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 4: 7 shows that of the homeowners that have come across free gifts upon purchase 100% indicated that they were influenced by the offer to purchase bamburi cement. Competitions to answer simple questions and win prizes influenced 75% of the homeowners that have come across the offer to purchase rhino cement. Free product samples influenced 80% of the homeowners that had received the sample to purchase blue triangle cement. Advertisement in the mass media influenced 68% of the homeowners to purchase rhino cement.
Table 4:8: Promotional Activities Influencing Distributors

<table>
<thead>
<tr>
<th>Promotional Activities</th>
<th>Brand</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>Free gift upon purchase</td>
<td>14</td>
<td>57%</td>
<td>8</td>
<td>43%</td>
<td>6</td>
<td>5</td>
<td>80%</td>
<td>4</td>
<td>20%</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>81%</td>
<td>9</td>
<td>29%</td>
<td>2</td>
<td>5</td>
<td>60%</td>
<td>3</td>
<td>40%</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competition to answer simple questions and win prizes</td>
<td>11</td>
<td>83%</td>
<td>8 ⅕</td>
<td>9</td>
<td>29%</td>
<td>2</td>
<td>5</td>
<td>60%</td>
<td>3</td>
<td>40%</td>
<td>2</td>
</tr>
<tr>
<td>Free product sample</td>
<td>3</td>
<td>33%</td>
<td>1</td>
<td>77%</td>
<td>2</td>
<td>8</td>
<td>50%</td>
<td>4</td>
<td>50%</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>50%</td>
<td>3</td>
<td>50%</td>
<td>3</td>
<td>27</td>
<td>52%</td>
<td>14</td>
<td>48%</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Advertisement on the mass media</td>
<td>6</td>
<td>50%</td>
<td>3 ⅕</td>
<td>50%</td>
<td>3</td>
<td>27</td>
<td>52%</td>
<td>14</td>
<td>48%</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>50%</td>
<td>1</td>
<td>50%</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>100%</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4:8 shows that free gifts upon purchase influenced 80% of the distributors to purchase Bamburi cement. Competition to answer simple questions and win prizes influenced 81% of the distributors to purchase Blue Triangle cement. Free product samples influenced 50% of the distributors to purchase Bamburi cement. Advertisement on the mass media influenced 58% of the distributors to purchase Rhino cement.

4:5 The Influence of Cement Quality Perceptions on the Choice of Cement Brand:
This section presents data on the influence of cement quality perceptions on the choice of cement brand. The different parts that are covered in this section include: Rating of brand quality by the respondents and influence of quality perceptions on buyers cement brand choice.
4:5:1 Rating of Cement Brand Quality by Respondents
Data on brand rating is analyzed and presented in table 4: 9

Table 4: 9:Brand Rating by Respondents

<table>
<thead>
<tr>
<th>Rating</th>
<th>Buyers</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Masons</td>
<td>Contractors</td>
<td>Homeowners</td>
<td>Distributors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>blue</td>
<td>bum</td>
<td>rhino</td>
<td>blue</td>
<td>bam</td>
<td>rhin</td>
<td>blue</td>
<td>bam</td>
<td>rhino</td>
</tr>
<tr>
<td>Fast moving</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Preferred but expensive</td>
<td>55%</td>
<td>3%</td>
<td>13%</td>
<td>60%</td>
<td>5%</td>
<td>0</td>
<td>59%</td>
<td>3%</td>
<td>0</td>
</tr>
<tr>
<td>Doubts on quality</td>
<td>13%</td>
<td>10%</td>
<td>20%</td>
<td>10%</td>
<td>5%</td>
<td>25%</td>
<td>8%</td>
<td>4%</td>
<td>32%</td>
</tr>
<tr>
<td>Good trading terms</td>
<td>18%</td>
<td>43%</td>
<td>23%</td>
<td>15%</td>
<td>35%</td>
<td>30%</td>
<td>8%</td>
<td>54%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Table 4: 9 shows that 72% of the distributors considered blue triangle fast moving. Seventy seven percent of the distributors preferred bamburi but indicated that it was expensive. Fifty nine percent of the distributors doubted the quality of rhino cement and 59% of the distributors rated rhino as offering good trading terms.

4:5:2 Influence of Quality Perceptions on Buyers Cement Brand Choice
Data on the influence of quality perception on the choice of cement brand among the respondents is analyzed in Figure 4: 4.
Figure 4.4 Influence of Quality Perceptions on Cement Brand Choice

Figure 4.4 shows that 70% of the masons are influenced by quality perception, 90% of the contractors, 65% of the homeowners and 30% of the distributors are influenced by quality perceptions while choosing a cement brand.
Data on the factors that influence choice of brand of cement and the ranking of the same is analyzed and presented in table 4:10, 4:11, 4:12 and 4:13.

Table 4:10: Ranking of Factors that Influence Cement Brand Choice among Masons

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very important</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Least important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence by others</td>
<td>F 65%</td>
<td>F 30%</td>
<td>F 22.5%</td>
<td>F 15%</td>
<td>F 7.5%</td>
</tr>
<tr>
<td>Promotion and advertising</td>
<td>26</td>
<td>12</td>
<td>9</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>availability</td>
<td>3 7.5%</td>
<td>26</td>
<td>65</td>
<td>2.5</td>
<td>0</td>
</tr>
<tr>
<td>price</td>
<td>15 37.5%</td>
<td>18</td>
<td>45</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1 2.5%</td>
<td>3 7.5%</td>
<td>22</td>
<td>10</td>
<td>3 7.5%</td>
</tr>
</tbody>
</table>

Table 4:10 shows that 65% of masons rank influence by others very important. Promotion and advertising is ranked by 65% of the masons as important. 45% of the masons as important and 55% ranked price as less important in the choice of cement brand ranks availability.

Table 4:11: Ranking of Factors that Influence Choice of Cement Brand among Contractors

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very important</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Least important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>F 80%</td>
<td>F 25%</td>
<td>F 45%</td>
<td>F 5%</td>
<td>F 15%</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>5</td>
<td>9</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Promotion and advertising</td>
<td>3 15%</td>
<td>10</td>
<td>50%</td>
<td>1 5%</td>
<td>0</td>
</tr>
<tr>
<td>Availability</td>
<td>8 40%</td>
<td>8</td>
<td>40%</td>
<td>4 20%</td>
<td>0</td>
</tr>
<tr>
<td>Influence by others</td>
<td>2 10%</td>
<td>2</td>
<td>10%</td>
<td>1 55%</td>
<td>4 20%</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
<td>11</td>
<td>4 1</td>
<td>5%</td>
</tr>
</tbody>
</table>
Table 4:11 shows that 80% of the contractors ranked price as very important. Fifty percent ranked promotion and advertising as important, forty percent ranked availability very important and 55% ranked influence by others less important in the choice of cement brand.

Table 4: 12: Ranking of Factors that Influence Cement Brand Choice among Homeowners

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very important 1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Least important 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>%</td>
<td>F</td>
<td>%</td>
<td>F</td>
</tr>
<tr>
<td>Price</td>
<td>11</td>
<td>30%</td>
<td>6</td>
<td>16%</td>
<td>0</td>
</tr>
<tr>
<td>Promotion and</td>
<td>1</td>
<td>3%</td>
<td>10</td>
<td>27%</td>
<td>7</td>
</tr>
<tr>
<td>advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability</td>
<td>7</td>
<td>19%</td>
<td>9</td>
<td>24%</td>
<td>3</td>
</tr>
<tr>
<td>Influence by others</td>
<td>10</td>
<td>25%</td>
<td>3</td>
<td>8%</td>
<td>8</td>
</tr>
</tbody>
</table>

Table 4: 12 shows that 30% of the homeowners ranked price as very important in the choice of cement brand. Twenty seven percent ranked promotion and advertising as important and 24% ranked availability as important while 22% ranked influence by others less important in the choice of cement brand.
Table 4:13 Ranking of Factors that Influence Cement Brand Choice among Distributors

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very important 1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Least important 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F %</td>
<td>F %</td>
<td>F %</td>
<td>F %</td>
<td>F %</td>
</tr>
<tr>
<td>Price</td>
<td>22 56%</td>
<td>15 39%</td>
<td>1 3%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Promotion and advertising</td>
<td>0</td>
<td>11 28%</td>
<td>18 46%</td>
<td>9 23%</td>
<td>0</td>
</tr>
<tr>
<td>Availability</td>
<td>22 56%</td>
<td>13 33%</td>
<td>3 8%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Influence by others</td>
<td>1 3%</td>
<td>6 15%</td>
<td>15 39%</td>
<td>10 26%</td>
<td>5 13%</td>
</tr>
</tbody>
</table>

Table 4: 13 shows that 56% of the distributors ranked price as very important in the choice of the cement brand. Forty six percent ranked promotion and advertising as less important. Fifty six percent ranked availability very important and 39% ranked influence by others less important in the choice of cement brand.

4:7: Suggested Improvements for the Cement Companies by the Respondents
Data on the suggestions for improvement was analyzed and presented in table 14 below.

Table 4: 14: suggested improvements

<table>
<thead>
<tr>
<th>suggestions</th>
<th>Masons F %</th>
<th>Contractors F %</th>
<th>Home owners F %</th>
<th>Distributors F %</th>
<th>Total F %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price reduction</td>
<td>25 62.5</td>
<td>12 60</td>
<td>19 51</td>
<td>26 67</td>
<td>82 60</td>
</tr>
<tr>
<td>Improve distribution</td>
<td>33 82.5</td>
<td>16 80</td>
<td>30 81</td>
<td>33 85</td>
<td>112 82</td>
</tr>
<tr>
<td>Increase promotional activities</td>
<td>12 30</td>
<td>7 35</td>
<td>16 41</td>
<td>25 64</td>
<td>60 44</td>
</tr>
<tr>
<td>Improvement in quality</td>
<td>0 0</td>
<td>2 1</td>
<td>0 0</td>
<td>0 0</td>
<td>2 0.7</td>
</tr>
</tbody>
</table>
Table 4:14 shows that 67% of the distributors suggested price reduction. Eighty five percent of the distributors suggested improvement in the distribution of cement. Sixty four percent suggested an improvement in the promotional activities and 1% of the contractors suggested an improvement of quality.

4:8: Chapter Summary

The chapter basically presents an analysis of the data collected which was based on the questions posed to the respondents and were in turn based on the research objectives stated in chapter one. The data verified that 100% of the respondents are aware of bamburi and blue triangle brands while rhino cement had 80% awareness level among the respondents. The findings also revealed that price is the most important factor that is considered by distributors, contractors and homeowners during purchase of cement while the masons rated availability and quality perception as of utmost importance in cement brand choice. Due to the low level of promotion and advertising in the cement industry, the findings established that word of mouth is the main source of information to the respondents about the cement brands. There is therefore a high tendency of being influenced by others when making the cement brand choice.

Each factor has been ranked in order of importance to each group. Masons ranked influence by others and availability as very important, distributors and homeowners ranked price and availability as key factors while contractors ranked price and quality as very important in the brand choice. A number of suggestions were made by the respondents, which include price reduction, improvement of distribution and increased intensity of promotion and advertising.
CHAPTER FIVE

5:0: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5:1 Introduction
This chapter discusses the findings of the study, draws conclusions and makes recommendations on the findings of the study.

5:2 Summary
The general objective of the study was to establish the factors that influence cement users choice of the brands of cement. Specifically the study sought to;

- Determine the effect of price in the choice of cement brand
- Determine whether availability of cement brands influences user choice of the brand
- Determine whether the promotional activities employed by the cement manufacturers influences cement brand choice
- Establish whether cement quality perceptions influences choice of the cement brand bought by the consumers.

A Survey research design was adopted. The population under study was the cement buyers in Nairobi, which included the masons, contractors, homeowners and cement distributors. Probability sampling was used in selecting the sample: both simple random and stratified sampling techniques were used. The sample size was a total of 140 respondents, which comprised of 40 masons, 20 contractors, 40 homeowners and 40 distributors. Data for the study was obtained through questionnaires administered to the respondents who were randomly selected. These questionnaires were designed based on research objectives. Data was analyzed using descriptive techniques, which included frequencies and percentages This involved reducing the accumulated data to a manageable size, developing summaries and looking for patterns. EXCEL and Microsoft word software computer packages were used for ease of analysis. Tables and figures were used to present the analyzed data.
The study found that 72% of the masons were not influenced by price when buying cement while contractors, homeowners and distributors are highly influenced by price. 80%, 62% and 92% respectively indicating that price is an important factor in influencing consumer choice of brand.

The study also found out that 46% of the respondents switched to alternative brands when their brand of choice was not available. A total of 80% of the respondents considered regular availability to be an important factor in selecting the cement brand.

It was evident from the study that all three cement companies have participated in one way or another in promotional activities that were noticed by the respondents. However, the impact of the activities varies with each group.

The data also revealed that masons and contractors are influenced by quality perceptions than does the homeowners and distributors, 65% of masons rated quality as very important, 75% of the contractors considered quality very important whereas 25% of homeowners and 3% of the distributors considered quality very important.

5.3 Discussions

5.3.1 The Influence of Price in the Choice of Cement Brand

The study established that brand awareness ranged from 100% for Bamzuri cement, 100% for Blue Triangle Cement and 80% for Rhino cement. This could be attributed to the fact that Bamzuri and Blue Triangle brands are the oldest brands in East Africa having been around for over 50 years while Rhino cement was launched 5 years ago. On brand patronage, Blue Triangle is popular among masons while Bamzuri cement is popular among contractors homeowners and distributors go by what the masons and contractors demand and the brand that has the highest margins.

The study found that majority of the masons were not influenced by the price of cement when buying cement while contractors, homeowners and distributors were influenced by
price when buying cement. This may be explained by the fact that the distributors are keen on the margins they make out of each brand and the homeowners and the contractors want to make as much savings as possible. The masons are only keen on what he takes home at the end of the day.

According to Coz (1989) profit margin is the difference between the cost price of an item of merchandise and its selling price. He described profit margin according to the following equitation.

\[
\text{Profit margin} = \frac{\text{selling price} - \text{buying price}}{\text{Selling price}}
\]

Cox (1989) distinguishes profit margin from profit mark up he describes as follows;

\[
\text{Profit mark up} = \frac{\text{selling price} - \text{buying price}}{\text{Buying price}}
\]

Cox (1989) argues that retailers are concerned with profit margin on individual product lines that they sell as margins are key ingredients of managing shops profitability.

According to Rachman (1975) retailers are constantly striving for advantages over their competitors. He identifies one of the means of achieving these advantages as buying merchandise for less in the form of lower prices. This indicates that price is important to the retailer as paying a lower price will enable him/her sell at a higher profit margin per unit. According to Rachman (1975) this is particularly so when the retailing environment is dominated by small retail firms which makes it extremely competitive as entry is relatively easy and the competitors numerous. With respect to the cement brands the prospect of the distributors being motivated by profit margins is possibly enhanced by the fact that cement is a capital intensive product therefore the profit margin should be relative to the capital invested.
5:3:2 The Influence of Availability on Cement Users Choice of Brand

Availability of cement brands was found to be an important factor when selecting a cement brand. The study found that 80% of the respondents consider regular availability of the cement to be an important factor that influence cement brand choice. The study went further to establish the rate of brand switching and the role that availability plays in the brand switching. The result was that the respondents changed brands for unavailability of their choice brand.

These results show that regular availability is an important change factor after price. This implies that cement users are very particular about the distribution of the cement. It is very important for them to have the cement when they require since it can easily get damaged if it is stored for long and it is also prone to theft.

According to Stanton (1975) the distributor plays a key role in the traditional distribution channel where the manufacturer is trying to reach several product users or consumers. Stanton defines channels of distribution as the route taken by the goods as they move from the producer to the ultimate consumer. He identifies the parties that carry the goods as the manufacturer, the wholesaler, the retailer and the consumer. The wholesaler plays a key role in the traditional distribution channel for consumer goods where the manufacturer is trying to reach several small retailers.

Dale and Banfield (1985) describes the main functions of the wholesaler as follows,

- To help producers break bulk wholesalers buy in bulk from the manufacturers and split this quantity by selling in small lots to retailers.
- To help manufacturers reduce the cost of reaching thousands of retailers located all over the region of operation by acting as a one stop shop. Wholesalers can purchase goods from many manufacturers and help make a wide range of goods available to retailers more conveniently.

The manufacturers of cement brands therefore need to make their products available at the wholesale level in order to ensure their brands are accessible to retailers.
In his thesis on retailer wholesaler relationship in Nairobi, Mursal (2002) identifies specific factors including proximity and the availability of a wide range of goods and services as critical factors in determining the choice of wholesaler that the retailer will develop a long-term relationship with. Mursal identified availability of a wide collection of merchandise as the single most important factor that retailers look for in determining which wholesaler to buy their supplies from. Retailers considered that this was an important factor in selecting a wholesale supplier. Mursal also found that Nairobi retailers prefer a wholesaler who forecasts consumer’s demands and ensures reliable availability of stock. This can also apply to the cement brands, the possibility of a retailer stocking a particular brand of cement is likely to be enhanced if the brand is regularly available at the wholesale outlet that the retailer obtains the supplies. The findings indicates that distributors consider regular availability of cement at the distribution points an important factor in selecting the brand of cement.

5.3.3 The Influence of Promotional Activities on Cement Brand Choice

The study found that there are several sources of information of the cement brands by the respondents. the respondents got to know about the various brands through word of mouth, advertising, sales promotion and other means such as workshops and exhibitions.

Baker (1992) indicates the brand knowledge refers to knowledge of brand characteristics, benefits and meanings. Evans (1996) indicates that word of mouth or “said communication” can be a powerful influence on consumer behavior. This helps spread awareness beyond those consumers who come into contact with the product through this, marketers can increase the profitability that the information will be communicated to other consumers, friends, relatives etc. The challenge to the marketers of cement brands as per the findings of the study is to ensure that whatever spreads by word of mouth are the positive experiences with the brand. For it is only this that can increase sales the opposite will reduce sales.

It is evident from the research findings that all the three cement companies have participated in one way or another in promotional activities, which were noticed by the respondents. The
activities ranged from free gifts upon purchase, competition to answer simple questions and win prizes, free product samples, advertisement on the mass media and workshops and seminars.

Free gifts upon purchase influenced masons than any other activity. This could be explained by the fact that masons are normally sent by the house owners to purchase cement therefore any gift upon purchase will be of benefit to the mason.

5.3.4 The Influence of Cement Quality Perceptions on Cement Brand Choice

The study showed that contractors and masons choose a cement brand due to a high quality perception. Homeowners indicated that quality is a priority while choosing a cement brand. Minority of the distributors indicated that quality is important in choosing a cement brand.

It is evident from the information above that contractors, masons and homeowners are influenced more by quality perceptions than the distributors. The contractors and the masons are more keen on the quality of their work to enable them retain their clients whereas the distributors would chose a brand that will earn them more margins without necessarily considering quality. The homeowner is also keen on the quality and the savings that he would make and depends more on here say than facts.

Hansen and Bush (1999) indicates that perceived quality is different from objective actual quality. It is a high level of abstraction rather than a specific product attribute.

The main attribute of cement is its ability to bind constructions and to make them durable for a long period of time. The cement brand that is perceived by the consumer as the best for this purpose is likely to be the most preferred brand in the market. Therefore the cement companies should focus on establishing the customer quality perceptions of their cement brands in order to direct their marketing efforts on creating and maintaining the desired customer brand perceptions.
5:4 Conclusions

The general objective of the study was to establish the factors that influence cement users choice of the brands of cement in the market. The following are the conclusions drawn based on the findings and discussion.

5:4:1 The Influence of Price in the Choice of Cement Brand

Price of cement is a major factor in determining the choice of brand the cement buyers choose, masons, contractors, homeowners and distributors all make their brand choice based on price. This means that cement buyers are very keen on the savings they make or the margins. Since cement is more of a generic product, price considerations are bound to be quite important since the cement companies have done little or no branding.

5:4:2 The Influence of Availability on Cement Users Choice of Brand

Regular availability of the cement brands at the distribution points is also an important factor in determining the choice of brand that the cement buyers purchase. When asked why they switch brands, majority of the respondents indicated that they do so for unavailability of their preferred brand. This therefore clearly shows that regular availability is necessary for the various cement brands if they have to create loyalty among buyers. Given that cement is a bulky product, availability specifically close to where the need is quite necessary in order to reduce costs of transportation.

5:4:3 The Influence of Promotional Activities on Cement Brand Choice

Promotion and advertising do not play a major rote in influencing cement buyers choice of brand as yet. The findings established that word of mouth is still the main source of knowledge for the various cement brands with the respondents indicating that they learnt of the cement brands by word of mouth. However the research established that the cement companies have started campaigns to brand the cement. Bamburi cement has already pioneered thus by coming up with “Nguvu” and “Power plus” brands.
5:4:4 The Influence of Cement Quality Perceptions on the Cement Brand Choice
Quality perception plays a major role in the choice of brand by the masons and contractors. They indicated that quality perception influences their choice of brand. The research established that the distributors and the homeowners are not influenced much by quality perceptions as other factors like price. The research also established that the cement users have mindsets on the quality and use of each brand. Bamburi cement is believed to be better in the foundation while Blue Triangle cement for plastering because of its bright colour.

5:5:0 Recommendations
The following recommendations are made based on the findings and conclusions of the study. The cement manufactures seeking to increase sales and gain market share for their brands should adopt the following measures.

5:5:1 Recommendations for Improvement
5:5:1:1 The Influence of Price in the Choice of Cement Brand
The cement companies should ensure that a competitive profit margin for the distributors of cement is incorporated in the pricing structure because brands with higher profit margins are more widely stocked and availed by the distributors. The contractors should also be given their own pricing structure since their jobs are based on tenders with the lowest priced tender receiving the construction work.

5:5:1:2 The Influence of Availability on Cement Users Choice of Brand
The cement companies should invest in distribution to ensure that brands are regularly available at the distribution channels and in particular focus their distribution on areas where there is high density of construction. Warehousing in strategic towns all over east Africa can help avail the product to the customer just in time. Cement is a bulky product the logistics of getting it to various customers requires time and organization therefore cost effective stockholding will help alleviate any problem of shortage.
5:5:1:3 The Influence of Promotional Activities on Cement Brand Choice
The cement companies should concentrate more on trade promotions rather than advertising. Free gifts upon purchase and answering simple questions to win prices are likely to increase brand sales rather than mass advertising. Advertising may be applicable where the cement manufacturer wants to create impact and brand name. It became apparent from the research that the mason and the contractors play a major role in the cement brand choice decisions therefore the promotional activities should first be targeted to this group and they would include mason seminars and sponsorships of contractors events.

5:5:1:4 The Influence of Cement Quality Perceptions on Cement Brand Choice
The cement companies should focus on changing the quality perception based on hearsay by training the users of cement through workshops and seminars, awareness campaigns, and demonstrations. The cement companies could also guarantee quality by developing awareness campaigns in partnerships with quality assurers such as Kenya bureau of standards.

5:5:2 Recommendations for Further Research
The study focused on the key factors that determine the choice of cement brand in Nairobi. As all the cement brands of cement are sold all over East Africa, It is recommended that further research be carried out to test whether the findings are applicable in other parts of East Africa.
REFERENCES


67

The People. (2000, July). *Cement Firms Focus on Export*.


<table>
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<tr>
<th>Activity</th>
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</tr>
<tr>
<td>Handing in of the Proposal</td>
<td>19-April 2004</td>
</tr>
<tr>
<td>Correcting the Proposal</td>
<td>May 2004, June 2004</td>
</tr>
<tr>
<td>Actual Field Research</td>
<td>26-June, 31-August 2004</td>
</tr>
<tr>
<td>Data Analysis and Presentation</td>
<td>1-September, 30-October 2004</td>
</tr>
<tr>
<td>Presentation of the Final Report</td>
<td>November 2004</td>
</tr>
</tbody>
</table>
# APPENDIX (II) IMPLEMENTATION BUDGET

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. PRE-RESEARCH ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Research Proposal Writing</td>
<td></td>
</tr>
<tr>
<td>Research Methodology Course</td>
<td>KSH. 15,000</td>
</tr>
<tr>
<td>Transport</td>
<td>KSH. 20,000</td>
</tr>
<tr>
<td>Computer Time</td>
<td>KSH. 5,000</td>
</tr>
<tr>
<td>Stationery</td>
<td>KSH. 2,000</td>
</tr>
<tr>
<td><strong>SUB TOTAL</strong></td>
<td>KSH. 42,000</td>
</tr>
<tr>
<td><strong>2. ACTUAL RESEARCH</strong></td>
<td></td>
</tr>
<tr>
<td>Research Assistants Salaries (12*1000)</td>
<td>KSH. 120,000</td>
</tr>
<tr>
<td>Transport</td>
<td>KSH. 50,000</td>
</tr>
<tr>
<td>Respondents Incentives</td>
<td>KSH. 50,000</td>
</tr>
<tr>
<td>Mailing</td>
<td>KSH. 5,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>KSH. 20,000</td>
</tr>
<tr>
<td>Data Analysis and Presentation</td>
<td></td>
</tr>
<tr>
<td>Computer Time</td>
<td>KSH. 20,000</td>
</tr>
<tr>
<td>Stationery</td>
<td>KSH. 10,000</td>
</tr>
<tr>
<td>Binding and Making Copies</td>
<td>KSH. 3,000</td>
</tr>
<tr>
<td><strong>SUB TOTAL</strong></td>
<td>KSH. 278,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>KSH. 320,000 PLUS V.A.T</td>
</tr>
</tbody>
</table>
Appendix (III) QUESTIONNARE (For Distributors)

FACTORS THAT INFLUENCE CONSUMER CHOICE OF CEMENT BRAND:

Section 1: Background information
1. Which brands of Cement are you aware of?
   a) Blue triangle  b) Bamburi  c) Rhino  d) Others: Specify

2. Which brand(s) do you sell?
   a) Bamburi  b) Blue Triangle  c) Rhino  d) Others: specify

Section 2: Effect of price on cement brand choice
3. At what price do you purchase the cement ksh.............per bag.
4. Does price influence the choice of the brand you sell?
   a) Yes  b) No

Section 3: Influence of availability on cement brand choice
5. Why do you sell the particular brand(s)

<table>
<thead>
<tr>
<th></th>
<th>Bamburi</th>
<th>Blue Triangle</th>
<th>Rhino</th>
<th>Other: specify</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only available cement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influence by others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other; specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. How did you come to know about the brands(s) you sell?

<table>
<thead>
<tr>
<th></th>
<th>Blue Triangle</th>
<th>Bamburi</th>
<th>Rhino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Promotion offers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others: Specify</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 4: influence of quality perception on cement brand choice

7. How do you rate the various brands of cement?

<table>
<thead>
<tr>
<th></th>
<th>Blue Triangle</th>
<th>Bamburi</th>
<th>Rhino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast moving</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preferred but expensive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doubts on quality by users</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good trading terms</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Have you ever changed from one cement brand to another?
   
a) = Yes      b) = No

9. If yes, from which brand to which one?.................

10. For what reason did you do so?
    
a) = Price difference      b) = promotion/advertising    c) = Unavailability of brand
d) = Influence by others   e) = Attractive packaging
Section 5: Influence of promotional activities on cement brand choice

11. What promotion activities of cement have you come across?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Blue Triangle</th>
<th>Bamburi</th>
<th>Rhino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free gifts upon purchase</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitions to answer simple questions and win prizes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free product samples</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement on mass media</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others: Please specify</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. Did this influence you to purchase the brand being promoted?
   a) = Yes    b) = No

Section 6: Ranking of the factors in order of importance

13. Please rank the following factors on a 1-5 scale in order of importance to your choice of a particular cement brand. (1=most important and 5=least important)

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion/Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influence by users</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. What aspects of the brand do you recommend to be considered?
   a) = Reduction in prices
   b) = Improve distribution-availability
   c) = Increase promotional activities
   d) = Others: specify

Thank you for your time.

NAME OF INTERVIEWER: __________________________

DATE: __________________________
Appendix (IV) QUESTIONNAIRE (for Masons Contractors and homeowners)

FACTORS THAT INFLUENCE CONSUMER CHOICE OF CEMENT BRAND

Section 1: Background information:

1. Which brands of Cement are you aware of?
   a) = Blue triangle    b) = Bamburi    c) = Rhino    d) = Others: Specify

2. Which brand(s) do you use?
   a) = Bamburi    b) = Blue Triangle    c) = Rhino    d) = Others: specify

Section 2: Effect of price on cement brand choice

3. At what price do you purchase the brand you use?

4. Does price influence the choice of cement brand you purchase?

Section 3: Influence of distribution on cement brand choice

5. Why do you use the particular brand(s)

<table>
<thead>
<tr>
<th></th>
<th>Bamburi</th>
<th>Blue Triangle</th>
<th>Rhino</th>
<th>Other: specify</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only available cement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influence by others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>price</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. How did you come to know about the brands(s) you use?

<table>
<thead>
<tr>
<th></th>
<th>Blue Triangle</th>
<th>Bamburi</th>
<th>Rhino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth</td>
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<td>Advertising</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Promotion offers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others: Specify</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 4: Influence of quality perceptions on cement brand choice

7. How do you rate the various brands of cement?

<table>
<thead>
<tr>
<th></th>
<th>Blue Triangle</th>
<th>Bamburi</th>
<th>Rhino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bright colour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gentle on hands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strong</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. Have you ever changed from one cement brand to another?

a) = Yes        b) = No

9. If yes, from which brand to which one? .................

10. For what reason did you do so?

a) = Price difference  
   b) = promotion/advertising  
   c) = Unavailability of brand  
   d) = influence by others  
   e) = Attractive packaging
Section 5: Influence of promotion activities on cement brand choice

11. What promotion activities of cement have you come across?

<table>
<thead>
<tr>
<th></th>
<th>Blue Triangle</th>
<th>Bamburi</th>
<th>Rhino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free gifts upon purchase</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitions to answer simple questions and win prizes</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Free product samples</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisement on mass media</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others: Please specify</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. Did this influence you to purchase the brand being promoted?
   a) = Yes  b) = No

Section 6: Ranking of the factors that influence the choice of cement brand in order of importance

13. Please rank the following factors on a 1-5 scale in order of importance to your choice of a particular cement brand. (1 = most important and 5 = least important)

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion/Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer/Family influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
14. What aspects of the brand do you recommend to be considered?

a) = Reduction in prices  
b) = Improve distribution-availability  
c) = Increase promotional activities  
d) = Others: specify 

Thank you for your time

NAME OF INTERVIEWER________________________

DATE________________________

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