EFFECT OF EXPERIENTIAL MARKETING ON BRAND PERCEPTION: A CASE STUDY OF COCA COLA KENYA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

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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: ___________________________ Date: ___________________________

Beatrice Mutua (ID No: 643140)

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

Signed: ___________________________ Date: ___________________________

Dr Joseph N. Kamau

Signed: ___________________________ Date: ___________________________

Dean, Chandaria School of Business
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ACKNOWLEDGEMENT

I would like to acknowledge my supervisor for the guidance and wise counsel during the development of this thesis. I would also like to acknowledge my friends and family for their support.
DEDICATION

I dedicate this project to my friends and family.
ABSTRACT

The general objective of the study was to explore the effect of experiential marketing on brand perception with a focus on Coca Cola Kenya. The study aimed at determining the influence of experiential marketing on brand awareness, establishing the influence of experiential marketing on brand association and examining the influence of experiential marketing on brand loyalty at Coca Cola Kenya.

The study adopted a cross-sectional descriptive research method in analyzing, interpretation, and presentation of data. The cross-sectional descriptive research design was the best design for this study as it appeals for generalization within a particular parameter. The research adopted the use of questionnaires to acquire applicable information from respondents. The study focused on 45 employees of coca cola Kenya marketing department at the headquarters in Nairobi. The sampling technique that was used was a census and the study collected information from all the 45 employees of coca cola marketing department. The research embraced a descriptive and inferential statistics in data analysis and presentation. Figure and tables were used in data presentation.

The study determined how experiential marketing influences brand awareness. It was found that in exposing new brands, the company uses unintentional participation procedures. Brand awareness is created by the positive brand experiences by customers. The study revealed that brand awareness changes the perception of consumers about a brand in a positive way. During brand awareness, customers give valuable feedback to make brands even better. The study found that customer engagement brings a sense of involvement by customers in making their favorite brands better. The study revealed that through experiential marketing events, Coca Cola Kenya strengthens her relationship with customers. This shows that brand exposure create favorable impression on customers’ minds. The study established that customers are more aware of brands through their participation in experiential marketing events.

The study established the influence of experiential marketing on brand association in Coca Cola Kenya. The study found that the customers’ feelings are the measurable standards of the intangible value of the brand. Customer’s quality perceptions
influence the pricing decisions of products in the company. It was determined that there is strong brand association as customers perceive brands to be of high quality. From the study, it was examined that Coca Cola Kenya conducts customer research to understand their brand and competitors. The study also found that Coca Cola Kenya has established competitive strategies to differentiate from competitors. Use of media is one of the strategies that have been used to increase the publicity of the company in experiential marketing. The study also found that the products endorsed by celebrities gain immediate credibility from consumers.

The study examined the influence of experiential marketing on brand loyalty of Coca Cola Kenya. The study found that brand loyalty give the company enough time to respond to competitive moves by competitors. The study confirms that interaction with consumers has shaped attitudes towards the Coca Cola’s brand. The study found that the company has loyal customers and spend less on marketing their products. Experiential marketing was found to be a guerrilla tactic to keep advertising costs low. Coca Cola Kenya has a competitive edge as a result of low cost of production. The company has also before and after sale advertisements to always remind customers of the value of their purchase. The study found that experiential marketing events allow the company to interact with consumers at a more personal level.

The study concludes that Coca Cola Kenya uses unintentional participation procedures in exposing new brands. According to the study, brand awareness changes the perception of consumers about a brand in a positive way. The study also concludes that there is strong brand association as customers perceive brands to be of high quality and that interaction with consumers has shaped attitudes towards the company’s brand. The study recommends the use of experiential marketing as it creates brand awareness that changes the perception of consumers about a brand in a positive way. The study also recommends organizations to conducts customer research to understand their brand and competitors. From the study, it was recommended that organizations should enhance brand loyalty as it gives companies enough time to respond to competitive moves by competitors.
TABLE OF CONTENTS

STUDENT’S DECLARATION ................................................................. iii
COPYRIGHT ..................................................................................... iii
ACKNOWLEDGEMENT ....................................................................... iv
DEDICATION ................................................................................. v
ABSTRACT ...................................................................................... vi
TABLE OF CONTENTS ..................................................................... viii
LIST OF TABLES ............................................................................. x
LIST OF FIGURES ........................................................................... xi

CHAPTER ONE ................................................................................ 1
1.0 INTRODUCTION ................................................................. 1
1.1 Background of the Study ......................................................... 1
1.2 Statement of the Problem ....................................................... 5
1.3 General Objective of the Study ............................................... 6
1.4 Specific Objectives of the Study .............................................. 6
1.5 Significance of the Study ......................................................... 6
1.6 Scope of the Study ................................................................. 7
1.7 Definition of key terms .......................................................... 7
1.8 Chapter Summary ................................................................. 8

CHAPTER TWO .............................................................................. 9
2.0 LITERATURE REVIEW ......................................................... 9
2.1 Introduction ............................................................................. 9
2.2 Influence of Experiential Marketing on Brand Awareness .......... 9
2.3 Influence of Experiential Marketing on Brand Association .......... 13
2.4 Influence of Experiential Marketing on Brand Loyalty .............. 17
2.5 Chapter Summary .................................................................. 21

CHAPTER THREE ......................................................................... 22
3.0 RESEARCH METHODOLOGY ............................................. 22
3.1 Introduction .......................................................................... 22
3.2 Research Design .................................................................... 22
LIST OF TABLES

Table 4.1: Empirical Rational Strategy...............................................................30
Table 4.2: Normality Test......................................................................................31
Table 4.3: Reliability Test....................................................................................31
Table 4.4: Validity Test........................................................................................32
Table 4.5: Experiential Marketing on Brand Awareness....................................33
Table 4.6: Model Summary of Brand Awareness..............................................34
Table 4.7: Anova of Brand Awareness and Experiential marketing ..............34
Table 4.8: Coefficients Variation of Brand Awareness and Experiential Marketing..35
Table 4.9: Experiential Marketing on Brand Association ..................................36
Table 4.10: Model Summary of Experiential marketing on Brand Association....36
Table 4.11: Anova of Experiential Marketing on Brand Association .............37
Table 4.12: Coefficients Variation of Experiential Marketing on Brand Association 37
Table 4.13: Experiential Marketing on Brand Loyalty.......................................38
Table 4.14: Model Summary of Experiential Marketing on Brand Loyalty .......39
Table 4.15: Anova Experiential Marketing on Brand Loyalty ............................39
Table 4.16: Coefficient of Variation of Experiential Marketing on Brand Loyalty ....40
LIST OF FIGURES

Figure 4.1: Response Rate ............................................................................................................. 26
Figure 4.2: Gender of Respondents ............................................................................................... 27
Figure 4.3: Age Group of Respondents ......................................................................................... 28
Figure 4.4: Work Experience of Respondents .............................................................................. 28
Figure 4.5: Level of Involvement in Experiential Marketing .......................................................... 29
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

In the local and global market today, companies have expanded their marketing strategies to include direct contact with existing and potential clients in an effort to increase the number of people who first experience their products before making a buying decision (Higgins, 2006). Increased promotional offers to target customers and the increased competitive environment have made it harder for firms to differentiate themselves solely by providing products or services that satisfy all customer needs. Firms have had to rely on innovation in their marketing strategies in order to be creative in a competitive advantage. Firms now spend a significant amount of time creating customer experiences that are aimed at creating an emotional connection with current and potential customers (Collins & Porter, 2010). According to Akanmu (2013), Core products and their proposition are increasingly becoming generic and lifestyle better propositions and benefits becoming the differentiation making experiential marketing very critical in the world.

The term experiential was coined by Schmitt (2010) to describe a strategic marketing framework that views consumers as rational and emotional human beings that are concerned with achieving pleasurable experiences. According to Pine and Gilmore, (2003), experiences occur when companies use services as the stage and goods as props to engage customers in a way that creates memorable events. This type of marketing tries to use sensory techniques to evoke strong emotional responses (Shukla, 2007).

Experiential marketing is said to be practiced when companies shift their focus from just meeting the customers’ basic needs to building consumer enthusiasm for particular brands which becomes part of the everyday life experiences of shoppers (Srivastava, 2008). According to Gautier (2003), experiential marketing seeks to identify behaviors or attitudes or value sets that are common among an audience whose demographic characteristics include the traditional basis of segmentation are quite diverse. Finding insights of people include their passions and connections that are created naturally and
uniquely between them and the equity in the brands is all that experiential marketing to gear to (Srivastava, 2008).

Recent trends show that across various industries companies have shifted their marketing activities to focus on creating experiences for their target consumers. This differs from traditional marketing strategies that were focused on informing the consumers on the features of the goods and services. The shift toward experiential marketing has occurred as a result of three simultaneous developments in the broader business environment. According to Schmitt (2010), the progress of information technology, development of brand supremacy, and the convergence of communication and entertainment in business are the key drivers of why firms are changing their marketing mix to include an increased focus on experiential marketing. Businesses worldwide have found out that consumer decisions are much more influenced by emotionally generated feelings rather than rationally derived thoughts (Shukla, 2007).

Experiential marketing has affinity to other types of marketing in academic research such as lifestyle marketing, relationship marketing, public relations and marketing communications (Wood & Masterman, 2009). However, Qader (2013) states that, the lack of a formal body of knowledge and conceptual framework on which to base scientific inquiry is a clear indicator of a divide between the academic and business world in the field of experiential marketing. Despite that, the research that exists indicates that over the last 2 decades, companies have started to react to the psychological needs of consumers to make buying decisions. Qader (2013) points out; customers weigh the functions and benefits of a product and compare different brands against each other in order to make the most educated decision. Unfortunately, during the decision-making process, most emphasis has always been on the “rational and logical elements of the decision, without paying enough or any attention on the emotional and irrational aspects involved in the purchase” until recently when experiential marketing has started evolving.

According to Sneath, Finney and Close (2005), there exists fundamental differences between traditional marketing and experiential marketing that highlight why the current shift of the marketing approach to experiential marketing. This includes the fact that experiential marketing events can generate short term impact but also build
longer term changes in attitude and belief. Chattopadhyay and Laborie (2005) indicate that, as with any aspect of strategy, it is necessary to measure and evaluate the effectiveness of this communications method. It would seem logical that the evaluation cycle begins with clearly stated objectives developed from an understanding of what can be achieved followed by unbiased and reliable methods for measuring against these objectives. The use of experiential marketing strategies is meant to help companies develop stronger relationships, increase loyalty, and generate a buzz from consumers (Wood & Masterman, 2009).

The International Experiential Marketing Association (IEMA) (2007) state that the vast majority of professionals think engagement is the strong suit of experiential marketing. There are powerful impacts that engagement has on building brands, as all the elements that companies strive to achieve with various marketing strategies are met with the use of experiential marketing. Some of the impacts targeted at being achieved include building loyalty, capturing attention, eliciting emotion, creating memories, stimulating word-of-mouth, changing opinions, building trust, and increasing product desire (IEMA, 2007).

By participating in the use of experiential marketing, companies can build stronger and better-known brands. Experiential events group people according to their values, enjoyment, personality type and social groups. The event becomes an end in itself through hedonic participation of the target audience in the marketing communications of the organization. This can create groups with quite diverse traditional segmentation characteristics (Wood & Masterman, 2009). According to McCole, (2004), a brand resonates with the value, the link between the individual and brand and becomes emotional rather than merely functional and the customer is far more likely to be loyal.

Experiential consumption can be primarily hedonic (pleasure seeking, consumption as an end in itself) or instrumental (rational, problem solving, need driven) or a combination of the two (Avello, Gavilán, Abril, & Manzano, 2011). Wood and Masterman (2009) indicate that although this relates to consumption of the product it also applies to consumption of the marketing communication where pleasure is gained from viewing the ad, surfing the website, or attending an event. In this way the marketing event becomes a product on its own right rather than merely a promotional
tool. For example, the consumption experience of visiting the Ideal Home Show or the Persil Brand promotion on the ‘dirt is good’ campaign to build an emotional link with children and their parents.

The soft drink industry in United States is controlled by three key players that make up over two thirds of the industry. The industry is over $45 billion and significance growth foreseen at a rate of 1.8% (National Policy and Legal Analysis Network to Prevent Childhood Obesity (NPLAN, 2011).

In Nigeria, there was cluttered advertising and media spots in advertising being very expensive and with low returns. The country was also characterized by creative limitation of advertising to communicate a brand proposition fully leading to experiential marketing to be very critical for brands to cut through the media clutter (Akanmu, 2013). As a result, Okere (2015) indicates that, experts of marketing communication emphasize the need for Nigeria advertising industry to embrace experiential marketing as a strategy for creating more mileage on brands. During the experiential marketing African summit held in Nigeria in 2015, the group chief marketing officer of Exp. Marketing Nigeria stated that in the West African Marketing communication industry, experiential marketing has become very important. He stated that the experiential marketing revolution is heating up Africa and around the world with emphasis that West Africa’s advertising industry is rapidly growing ready to compete with even more developed countries around the world (Okere, 2015).

In Kenya, within the beverage industry, innovative leaders in both the soft drink and alcoholic segments are turning more toward experiential marketing through events in lieu of more traditional marketing approaches when advertising to their target audience. According to Srivastava (2008), the entire strategy behind experiential marketing is the ability to create a brand experience that potential consumers can remember and associate with. By choosing an event that has relevance to the consumer, the premise is that since the event holds significance, the consumer becomes more inclined to remember such events. In Kenya, sporting events are a major example where beverage companies have leverage experiential marketing to interact directly with the consumers. Crowd drivers like football and rugby events all have one (or at times multiple) beverage companies as vendors. These events are
crowd pullers and companies have found differentiated ways to deliver an experience to the end user. For example Kenya Breweries used to sponsor the Kenya rugby sevens with their popular brand tusker for 15 years. The sponsorship was later taken up by Kenya airways but the Rugby Sevens tournament is still referred as the Tusker safari seven’s. This shows the extent of association that is brought up by experiential marketing.

Coca Cola is a brand that was established in 1886 and has grown to become the most popular and the largest selling soft drink company in the world. The company was patented in 1887 and in 1893 was registered as a trademark (Matthews, 2013). Coca cola is one of the oldest and most experienced companies in experiential marketing with different taglines of the years like “You Can’t Beat The Feeling”, “Life Tastes Good” and “Open Happiness” and the recent “Taste the Feeling (2016)” that has helped the company remain the most popular soft drink in the world providing a good case study for this research to identify the effects of experiential marketing in brand perception (Shashidhar , 2014).

1.2 Statement of the Problem

Despite the shift to increase experiential marketing to reach out to customers, there has been little research to evaluate the actual impact to businesses. This has created a knowledge gap on quantifying the impact to businesses (Annetta, 2015). Experiential marketing relies on creating an emotional connection with customers and is thus important to develop intuitive emotive measures that can be used to measure the impact of experiential marketing (Srivastava, 2008).

According to Aronne and Reis (2009), in the local markets there has also been little research to identify any correlation between increasing spend on experiential marketing and increase in brand perception Most companies rely on a common measure that is the utilization of return on investment on the cost used to implement experiential marketing activities (Smilansky, 2009). According to Srivastava (2008), the costs associated with creating an experience for the customers are significantly higher than those associated with traditional marketing. In Spite of the associated costs, the question on why a firm should continue to spend on this type of marketing is an important question that needs to be addressed fully to allow for development of
clear strategies to grow and retain customers. Aronne and Reis (2009) indicate that despite an increase in the number of experiential marketing activities, the research aims at proving the effect of experiential marketing on brand perception based on the fact that most beverage companies in Kenya rely on experiential marketing to win over a larger share market an area that has been covered scantily in research. This identifies the gap that this research is addressing.

1.3 General Objective of the Study

The general objective of this study is to explore the effect of experiential marketing on brand perception with a focus on Coca Cola Kenya.

1.4 Specific Objectives of the Study

1.4.1 To determine the Influence of Experiential Marketing on Brand Awareness
1.4.2 To Establish the Influence of Experiential Marketing on Brand Association
1.4.3 To Examine the Influence of Experiential Marketing on Brand Loyalty

1.5 Significance of the Study

1.5.1 Companies

This study will provide a basis of understanding of the role played by experiential marketing and what are the effective measures to strengthen the understanding of key performance indicators to companies in the beverage sector and other fast moving consumer goods companies (FMCG companies).

1.5.2 Advertising Agencies

Advertising agencies are constantly being challenged to provide innovative solutions that firms can adopt to reach the consumer. This research will provide a deeper understanding on what is the best approach that companies can adopt to drive incremental business on the part of companies.
1.5.3 Media Houses

Media houses face a challenge in offering an all-encompassing solution to companies including arranging relevant events where companies can interact with their target base. This study will act as an aide to be adopted in creating relevant solutions to the companies.

1.5.4 Scholars

With the lack of academic research on the subject matter locally, this is a critical first step in pioneering a new marketing field that will form the basis of study and lead to increased research on the different elements that constitute experiential marketing.

1.6 Scope of the Study

The study will be based in Kenya focused on Coca Cola Kenya with its headquarters in Nairobi. The study will be focused on respondents drawn from the marketing department at the headquarters in Nairobi. Questionnaires will be used as a data collection method and data will be collected in June 2016. Foreseen barriers that may occur include the lack of willingness from the respondents to provide feedback due to the company policy on divulgence of information, accuracy of the information provided and timely responses from the participating individuals.

1.7 Definition of key terms

1.7.1 Experiential Marketing

This is a marketing type that relies on a two way interaction in real time between a brand and its customers (Smilansky, 2009).

1.7.2 Traditional Marketing

This is a practice that views the customer as rational decision maker who care about product functions and features (Schmitt, 2010).
1.7.3 Direct Mail

Smilansky (2009) describe direct mail as the posting of marketing material directly to the homes of current and potential customers that exist in a company’s CRM database.

1.7.4 Sales Promotion

These are special offers defined and developed to generate increased sales (Smilansky, 2009).

1.7.5 Sponsorship

Sponsorship are activities and events that a brand associates itself with that are not core functions of its activities e.g. sports, music etc. (Smilansky, 2009).

1.7.6 Digital

This is a strategy where companies and customers connect over the World Wide Web (Smilansky, 2009).

1.8 Chapter Summary

This chapter presents an introduction of the experiential marketing in companies setting the background for this study that experiential marketing forms a major part of the marketing mix deployed by local and global beverage firms forming a basis to be used when measuring its impact on brand perception. The chapter also discusses the statement of the problem; general objective of the research; specific objectives; significance of the study; scope of the study and definition of terms. Chapter two discusses the scholarly review of this study based on the specific objectives of the study; chapter three discusses the research methodology; chapter four discusses the results and findings and chapter five presents the discussion, conclusion and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter discusses the literature review from various scholars based on the specific objectives of the study highlighted in chapter one. The specific objectives include; determining the Influence of Experiential Marketing on Brand Awareness; establishing the Influence of Experiential Marketing on Brand Association and examining the Influence of Experiential Marketing on Brand Loyalty. The chapter concludes with a chapter summary.

2.2 Influence of Experiential Marketing on Brand Awareness

According to Landau (2015), the marketing world shifting on a regular basis, companies need to strive hard to increase their brand awareness. This helps companies to set their businesses apart from a crowd of competitors and innovators. Companies must provide an opportunity to their clientele to experience their brand in a whole new way. Through experiential marketing a company is able to highlight their most positive attributes guiding and influencing preferences and establishing a deeper emotional connection with clientele. Fryrear (2016) states that, brand awareness done through experiential marketing events make customers to be more aware of a brand even when they don’t ultimately purchase it, they have a better association with it and likely to purchase it at some point.

Kotler and Keller (2009) state that the presence of brand in the consumers mind is brand awareness that is measured according to the various ways customers remember a brand ranging from recognition to recall. Experiential marketing create this platform for brands and it helps measure the level of brand awareness. According to Haven, Bernoff and Glass (2007), experiential marketing influence brand awareness in terms of enabling brands measure the customer experience, customer engagement, brand exposure by helping expose brands that could not be known. This research looks at the influence of experiential marketing in brand awareness through evaluating consumer experience, customer engagement and brand exposure.
2.2.1 Consumer Experience

The rise of competition in the global market has made companies create new strategies that are focused on customers inorder to develop a competitive advantage and survive in the industry. Companies have started realising that differentiating their business only with the traditional elements such as product, price and quality is no longer a competitive advantage. Customer experience including a set of interactions between consumers and products has been identified as the next competitive battleground for companies (Gentile, Spiller, & Noci, 2007)

Aronne and Reis (2009) states that, as a result of changes in the market, marketers have started to focus on customer experiences through experiential marketing as they create awareness for their brands. Addis (2005) states that, the experiential interpretation, the interaction between the consumer and a product, an event, a person, an idea) within a given context originates the consumption experience and companies benefit from this interactions getting to know how their brand has been received by customers and finding out the best ways of making it better. According to Smilansky (2009),life is an amalgamation of daily experiences and people talk about experiences every day. The experiences are real and true and consumers who get to engage in a positive brand experience they tend to discuss or mention it to most of the people that they interact with for the rest of the day or even week creating brand awareness for a product. Brands strengthen and build their relationships with customers through these experiences.

Companies must try to create unique and memorable experiences that appeal to consumers both physically and psychologically. According to Bollen and Emes (2008) customer experiences to enrich brand awareness can be enhanced through using various methods of marketing in experiential marketing. This include; Sponsorship, events Brand communities, brand scope and Product placement. These methods help change the mind and perception of consumers about a brand in a positive way, which may even lead to a positive word of mouth and motivate purchasing behaviors as a result of brand awareness.
Siu et al., (2013) indicates that customer’s experiences through experiential marketing methods create brand awareness to consumers and establish emotional bonds that serve as a purpose of enhancing consumer’s relationship with the brand. Consumers are exposed to the product by giving them opportunity to try new products, which make it easier for them to choose the product they want. Gentil et al., (2007) states that, experiential marketing gives consumers an opportunity to test or try a product help consumers to make decisions about a product immediately without going through all the stages of decision making process including; Need recognition, information search, evaluation of alternatives, purchase decision and purchase evaluation (Karaatli, Jun, & Suntornpithug, 2010).

2.2.2 Customer Engagement

Haven et al.,(2007) States that experiential marketing gives abilities to contributors to make brand mindfulness where for instance an individual client who may not buy the brand a considerable measure but rather rates and makes remarks and surveys of a brand can impact other potential and existing purchasers to purchase a brand. Customer engagement is referred as the essence of any cultured marketing organization strategy defined as the relation between customers and brands (Offerpop, 2016). According to Haven et al.(2007), Customer engagement is another point of view in brand mindfulness which can be described by online networking or one on one encounters known as engagement.

Customer engagement can be characterized with a brand as a blend of passionate and scholarly collaborations described by client's logical and brand-related perspective (Hollebeek, 2011). This engagement contains components that individuals are involved with brands after some time through experiential marketing promoting occasions including association, connection closeness, and impact (Haven et al., 2007). Through experiential marketing, customer engagement is made possible. While traditional marketing is known for linking brands with some themes or images, experiential marketing shapes brand associations through customer engagement in more natural ways by providing value for the business from increasing sales and conversions to average order value and the value of customers. Through customer
engagement in experiential marketing, customers are able to make purchases making statements that brands resonate with their lifestyles and identities (Offerpop, 2016).

Moorthi (2002) states that, customer engagement with brands allows for feedback in terms of the administration quality and clients fulfillment. Experiential marketing provide a live experience to customers bringing out brands’ personality and attributes and customers giving feedback about the brand helping companies know on areas customers feel need to be improved (Aronne & Reis, 2009). These interactive sessions with customers bring a sense of involvement for customers in the ultimate brands produced by companies (Bhattacharya & Sen, 2003). According to Chan (2014), in this interactive sessions companies must ensure that their brands are humanized in the sense that customers’ feel that their views and preferences are understood and taken note of and that they can relate to a brand. Chan suggests that one way companies can make this possible is by using a personality in the company that is passionate about the company’s brands and is a natural communicator who can grow to be a though leader. This personality can engage customers in experiential marketing events give a brand human voice that customers can relate with (Chan, 2014).

2.2.3 Brand Exposure

Gole (2009) states that once companies have identified their target audience brands should be exposed using various strategies such as experiential marketing. This helps client’s concentrate on the choice of brands that are of interest. As indicated by Zajonc (1968), Mere Exposure Theory portrays brand presentation association with brand mindfulness expressing that people build up a need for individuals or things that are better known to them. The hypothesis is utilized to portray the correspondence sways in sort of low data condition (Grimes, 2008; Matthes, Schemer & Wirth, 2007).

Through presentation of items in experiential promoting instances, a mental and scholarly strategy that makes a good impression is produced on individuals’ psyches because of the nature with the item. This shapes non-consumer behavior through cognitive mechanisms shaping non-conscious behavior (Fitzsimons, Charttrand, & Fitzsimons, 2008). Unintentional participation procedures occur in most of experiential marketing events to reveal a brand, exposing brands to enhance brand awareness the
purchasing intention of customers and their attitudes towards brands (Cianfrone, Zhang, Trail, & Lutz, 2008).

According to Fryrear (2016) social media is one way companies can promote their brands through various marketing campaigns enabling brands to get exposed and go viral. Gibson (2015) states that through social media, Red Bull Statos had 8 million watch it live, Heineken’s “Departure Roulette” and KLM Airline’s puppy powered video went viral creating a unique experience for customers connecting people on an emotional level. Through this case studies Gibson (2015) concluded that, experiential marketing can also draw people into the experience digitally making social media a very important platform for brand exposure.

2.3 Influence of Experiential Marketing on Brand Association

Brand associations are the attributes of brand which come into consumers mind when the brand is talked about. It may involve images and symbols associated with a brand or a brand benefit. It does not provide a reason to buy but acquaintance and differentiation that is not replicable and relates perceived qualities of a brand to a known entity. It is related with the implicit and explicit meanings which a consumer relates or associates with a specific brand name (Management Study Guide, 2016). Brand association is not only an individual brand theory, but it also has the measurable feature to test the effectiveness of brand equity in the marketplace. This is because customer’s feelings become the measurable standard of an intangible value towards a brand (Wang, 2015).

Brand Association is anything that is deep-seated in a consumer’s mind about a brand (Chand, 2013). Experiential marketing engages senses including smell, sound, taste, touch and sight creating stronger brand associates unlike traditional marketing. It is thus possible for brand association to be created at the actual activation itself and also through the integration experience of an overall marketing strategy (Pinneaple Agency, 2015). Chand (2013) states that, customers form associations on the basis of various factors such as quality perceptions; competitors offerings, association with celebrities and the publicity in various media factors that are all covered in experiential marketing and important for this study to show how experiential marketing influence brand association.
2.3.1 Quality perception

Chand (2013) indicates that, superior perceived quality is used to position a brand and is one of the main reasons for consumer preference for a brand in any product category which builds on brand association. The overall quality of a brand is based on the perception of the customers taking into consideration the performance of the brand on parameters that are important to them to make relative judgment about quality. These perceptions also influence pricing decisions of companies where better quality products can be charged a price premium. According to Tuominen (1999), perceived quality is a vital drive to choose and purchase a brand.

The durability, quality of a product, marketability and desirability of a product develop strong and positive brand association and the perceptions of customers about product quality. This therefore indicates that perceived quality and brand association provide the incentive to each other and strong brand association is observed when the customer perceives and connects high quality of product and vice versa (Rehman, 2013). Perceived quality carries subjectivity in itself, and it is the level of value perceived and reported by the consumer that utilizes it and gets utility benefits from a process or its outcome. This perceived quality lies in the mind of the believer, and experiential marketing focuses on establishing connections in such a way that the customer responds to a product offering based on both emotional and rational response levels (Nicole, 2012).

2.3.2 Competition

Building brand Associations requires companies to understand its brand as well as competitors through conducting customer research. This research studies former customers, existing and prospective customers, Intermediaries and industry experts (Ghodeswar, 2008). A sense of perceptions and associations consumers hold is tapped through the vast data set made up of millions of consumer searches about brands and their competitors (Chung, 2014). According to Ansett (2010), all brands hold associated meanings in the minds of the market place and well considered brands establish a competitive brand proposition/strategies with layers of meaning to both differentiate themselves from their competitors and to connect with their audience.
Chung (2014) indicate that brand marketers have strong beliefs about what their brands stands for and they spend money, time and significant effort to define a key value proposition they hope will lead to marketplace success. Experiential marketing is one key strategy that companies use in establishing brand associations with customers. Ansett (2010) indicate that through experiential marketing events, brands reinforce their meaning through all of their actions or brand touch points and their brand design to be better than their competitors. They define their meaning and create unique brand design for all their communications in order to create a consistent association with these layers of meaning in the hearts and minds of their customers.

### 2.3.3 Celebrity Association

Experiential marketing includes events and sponsorships, but it also understands an experience can be more personal with its importance lying on the ability to create a relevant bond with the consumer. The events include entertainment and also add celebrities into this aspect. The events are geared to add more individual experiences, such as a demonstration of a product’s performance, grassroots/affinity events and extra care/personal connection (Brand Activation Association, 2016). Davidge (2015) indicates that, celebrities make good salespeople and when they endorse a product, they gain immediate credibility and consumers start associating themselves with the product as a result of affection of the celebrity. For long standing businesses or products, a celebrity’s involvement reinforces the relevance of the products.

The key to using celebrity association is to stimulate emotional connections and reinforce a brand’s association. The celebrity must be relevant and familiar to the brand’s target audience as it leads to huge profits leading to immediate change in public perceptions (Davidge, 2015). Muchekesi (2016) indicates that using celebrities and presenting familiar faces is one of the fastest and easiest ways for companies to create brand associations in the minds of consumers. If a widely loved actor or a heroic sports figure endorses a product, that product gains immediate credibility.

### 2.3.4 Publicity in Various Media

Different forms of experiential marketing like prankvertising, viral videos, installations, and live events create experiences for customers through the media.
These campaigns are conversation starters, and allows target group to be a part of that dialogue (Maddever, 2013). Many brands are investing into this type of interaction with customers in order to provide many opportunities to imaginatively include different digital aspects into the campaigns including television, radio and social media (Gibson, 2015).

Despite the preceding challenges that it is easier to analyze and record the number of people who stopped by your booth or picked up a sample than the number of people who viewed a television or print ad, television now through interactive ad units and social network sites get viewers engaged and provide them with experience on personal level (Plugged in Productions, 2011). Social network sites (SNSs), allow television viewers to enjoy the communal experience of group viewing without being physically together. Viewers are sharing their viewing experiences real-time through computer mediated communication, which creates a pseudo-communal viewing experience even though they are not collocated (Wohn & Kyung Na, 2011).

While growth in online video may suggest that online entertainment is displacing television consumption, the data says quite the opposite. In fact, video study showed that nearly 82 percent of survey participants answered "no" when asked if their video usage cut into the time they normally spend watching television (Advertising.com, 2007). On the other hand, Chris (2015) states that Radio is an integrated part of daily life for avid listeners, whether they put it on to start the day, while driving in the car or keep it on in the background during their work day. Traditional radio commercials are aired countless times throughout the day be it to promote an event a station is presenting or paid advertising from local businesses. It is not the most effective way to build the station’s brand and audience, and traditional marketing also does little to engage with listeners. Experiential marketing therefore, elevates a company’s reach and impact by engaging with its audience on numerous levels keeping the five senses in mind. If listeners feel involved in the station or in a campaign, they remember the experience is more likely to return to events or keep listening in the future. Social media is also a great way for listeners to engage with radio stations. Their tweets and Facebook posts can be read online during regular programming, but these platforms can also be used in experiential marketing campaigns. The experience could start via
social media but should lead to a real-life climax in order to break down that proverbial wall and engage with listeners on a more personal level (Chris, 2015).

According to (Gibson, 2015), the media landscape today is jumbled with constant messages and tactics claiming to be the next big thing in marketing. Some end up being passing fads and others prove to be useful ways to connect with existing and potential fans. Experiential marketing is one approach that allows for endless creativity and connects brands with fans in exciting and immersive ways. Some great campaigns have gone beyond the traditional media into experiential marketing watched by millions of people live and some even became viral videos. These campaigns create unique experience for consumers, and connect with people on an emotional level.

2.4 Influence of Experiential Marketing on Brand Loyalty

Brands, as a result of brand loyalty, are emerging as the company’s most valuable assets rendering organizations economic and strategic value (Moisescu, 2006). According to Durianto, Sugiarto and Joko (2004), brand loyalty is defined as the relation of the consumer with a brand describing the impossibility of a consumer to move into another brand product even if the product has changed attributes such as price. It is also defined as the scale of the consumer loyalty to the brand (Rangkuti, 2004). Brand loyalty also involves the customer’s tendency to have a consistently positive attitude toward a particular brand and purchasing it repeatedly over time. Kotler (2002) defines brand loyalty as a behavioral response that is long-standing and denotes a commitment to the purchase of a brand after deciding among one or more brands. Brand loyalty arises when consumers develop strong desire to have a specific type of product or service and are willing to engage in a long-term business relationship with an enterprise that provides this product or service (Engel, Blackwell, & Miniard, 2006).

Experiences, whether good or bad shape consumers’ attitude towards a brand and can buy their loyalty or permanently destroy it. Interacting with a brand can be an exciting experience, taking home a freebie, getting pictures clicked during a campaign all amount to happy experiences that in turn translates into brand loyalty (Kalra, 2016). From the perspective of the organization, brand loyalty can be discussed from the point of view of reduced marketing costs, trade leverage and affording time to
respond to competitive threats (Aaker, 2016) and experiential campaigns ensure the brand plays "an active part" in customers' conversations therefore building this same brand loyalty (Pathak, 2016). For experiential marketing to positively impact brand loyalty it requires the best ideas and execution as a result of employees knowing their industry and market well (Cioti, 2016). Experiential marketing impact on brand loyalty in the following ways;

2.4.1 Reduced Marketing Cost

Compared to mass media campaigns, experiential events tend to communicate on a much more personal level, generate a deeper level of emotional engagement therefore resulting in better conversion rates and all at relatively low cost (Morton, 2016). Grimsley (2016) states that, firms with brand-loyal customers can spend less money to market their products since they have an established relationship with their customers.

Organizations face challenges when attempting to develop in very turbulent situations. A study done by The Iowa State University (2016) indicated that an average United States Company loses half of its customers every five years, translating to 13 percent annual loss of customers. The study further states that attaining a mere 1 percent annual growth requires increasing sales to customers, both existing and new, by at least 14 percent, which is a herculean task in terms of required resources. It is in this way desirable over brand certainty as an approach to minimize client misfortune. In any case this essentially enhances business development and leads to predictable and much more noteworthy deals subsequent to the brand purchase.

Favourable brand attitudes are the determinants of brand loyalty. Consumers must like the product in order to develop loyalty to it. To convert occasional purchasers into brand loyalists, habits must be reinforced. Consumers must be reminded of the value of their purchase and encouraged to continue purchasing the product in the future (Morton, 2016). To inspire repeat purchases, advertisement before and after the sale is crucial. Further to creating awareness and promoting initial purchases, advertising moulds and reinforces consumer attitudes. These same attitudes mature into beliefs, which need to be reinforced until they develop into loyalty. A practical example would be in the travel industry whereby, most avid readers of a travel advertisement will be
those who just returned from the destination. This type of experiential marketing strategy has a long-term effect on customers (Aaker, 2016).

Morton (2016) revealed that the majority of marketers believed "experiential marketing builds customer relationships for the long term". They also agreed that it generates sales and additional leads in the short term while increasing awareness of the product. For organizations that employ it, experiential marketing is a guerrilla tactic that keeps advertising costs low but promises an interactive experience that gets customers to talk about the organization’s product and also pulls in non-participants as well. This may give it a broad reach (Cioti, 2016).

2.4.2 Trade Leverage

Brand loyalty reduces the cost of production because due to many loyal customers sales figures are higher and unit cost of production reduces with time. And since these firms have a lower cost of production, saved cash outflows may be invested elsewhere therefore giving a firm a competitive edge (Grimsley, 2016). Firms selling brands that have a high rate of loyal consumers are deemed to have a competitive advantage over other firms. Consumers loyal to a brand reduce themarketing costs of the firm as the costs of attracting a new customer have been found to be approximately six times higher than the costs of retaining an existing one (Rosenberg & Czepiel, 1984).

Organizations may be able to exploit brand loyalty by imposing premium pricing ability. As indicated by Iowa State University (2016), brand dependability builds, customers are less sensitive to value changes. Purchasers are for the most part ready to pay more for their favored image since they see some extraordinary quality in the brand that other choices don't provide. Furthermore, brand loyalists buy less frequently during campaigns; these promotions only subsidize already planned purchase. Being able to charge a premium (due to premium loyalty) on the offering without losing market share is a trade advantage over competition. According to Denoue and Saykiewicz, (2009) premium loyalty refers to buyers having strong emotional ties to the brand, as a result of effective experiential marketing campaigns; buyers who regularly buy the brand under social pressure situations, and even in the case of limited access to the brand, are still ready to search for it. This type of brand loyalty is the most desired by organizations as it creates the highest brand equity.
Ansett (2010) found that to refer the brand, loyal customers expect the brand to be always available generating incentives for distribution channels. Research has revealed that loyal customers are less-price sensitive and the expense of pursuing new customers is reduced. The study shows that organizational profitability is positively affected by the degree of brand loyalty. Brand loyalty easily enhances marginal cash flow and profitability, as loyal customers time and again accept to pay a price premium for their preferred brands, are easily motivated to new usage situations and tend to enhance intensively and extensively their expenditure on the brand. The marketing communication expenditure is also reduced as loyal customers are already self-assured in the purchase decision and process information quickly, instruments like advertising or sales promotions being less intensive needed in this case in comparison to brands with low loyalty degree.

2.4.3 Time to Respond to Competitive Threats

Brand loyalty arises when a customer always chooses to buy a product made by the same company instead of an alternative product produced by a competitor. An example, being, some people will always buy Coke soft drink, while other people will always purchase Pepsi (Grimsley, 2016). Brand loyalty provides an organization with valuable time to respond to competitive moves (Aaker, 1991) because the loyal behavior of the buyer of a branded product (buyer loyalty) fosters resistance to competitive promotion (Rudawska, 2008). Experiential marketing can be used to establish brand loyalty as an intensely imbeded commitment to repurchase a preferred product or service consistently in the future, thereby “causing repetitive same-brand or same-brand-set purchasing, despite situational influences and marketing efforts from competitors having the potential to cause switching behavior’ (Oliver, 1999). When this happens, an organization may have time to investigate the new product offering from competitors and re-engineer its own product before losing any customer to the competition.

In line with Pathak’s (2016) view on experiential marketing and brand loyalty, Denoue and Saykiewicz, (2009) also state that active engagement with the brand may embody the “strongest affirmation of brand loyalty i.e. when customers are willing to invest time, energy, money, or other resources in the brand beyond those expended during
purchase or consumption of the brand”. Customers with a strong attachment to the brand may, with a lot of pride, organize themselves into fan clubs of the brand and communicate the brand to outsiders. Harley Davidson or Mustang clubs within and outside the United States are good examples of this type of behavior. This is the highest level of brand loyalty that brings unusual value to brand equity (Keller, Apéria, & Georgson., 2008). When this happens, it becomes extremely difficult for competition to dislodge the incumbent from their preferred market position.

When experiential marketing brings about this type of competitive advantage related to customers’ loyalty and based on brand attractiveness, the firm may dominate the market in a given product category and achieve above average profitability (Denoue & Saykiewicz, 2009). In some cases the well-known, valuable brand name can be used as a synonym of a product e.g. in some markets toothpaste like the “Colgate” brand are synonymous or interchangeable. When this is the case, any other new entrant in the toothpaste market has an uphill task to dislodge the incumbent. Meanwhile, the incumbent or market leader has time to adjust their product offering.

2.5 Chapter Summary

This chapter reviews literature on the influence of experiential marketing on brand awareness; the influence of experiential marketing on brand association and the influence of experiential marketing on brand loyalty. The following section examines the research methodology that was utilized as a part of this study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a description of the research methodology highlighting the research design; population and sampling design; data collection methods; research procedures; data analysis methods. The summary of this study was given at the end of this chapter.

3.2 Research Design

The study employed descriptive study design embracing a cross sectional study plan. According to Oroodho and Kombo (2009) a cross sectional survey is a type of descriptive research design involving the collection of information from any given sample of the population element once (Ngechu, 2004). Mugenda (2008) noticed that this study gathers information from individuals from a populace and depicts curiosity by getting some information about their perceptions, attitudes, behaviour or values.

Cross-sectional research design has been chosen because it appeals for generalization within a particular parameter. The information acquired was institutionalized to permit simple correlation investigating the current status of two or more variables at a given point in time. This design enhanced a systematic description that is accurate, valid and reliable as possible on the effect of experiential marketing on brand perception.

3.3 Population and Sampling Design

3.3.1 Population

Vaihekoski and Mika (2011) describes a population as a well-defined or set of people, services, elements, events, group of things or households that are being investigated. The target population comprised of employees of Coca Cola Kenya marketing department at their headquarters in Nairobi comprising of 45 employees.
3.3.2 Sampling Design

Sampling is concerned with the collection of a subsection of personalities from within a statistical populace to gauge characteristics of the whole population (Saunder, Lewis & Thornhill, 2009). Sampling ensures that some elements of a population are selected as representative of the population. Sampling design is a working plan specifying the population frame, sample size, sample selection, and estimation method in detail. The objective of the sampling design is to know the characteristic of the population (Borg & Gall, 2010).

3.3.2.1 Sampling Frame

As per Saunders and Thornhill (2007) a sampling frame is a list of components from which the example is really attracted and firmly identified with the populace. In this study, the sampling frame was drawn from the marketing department of Coca Cola Kenya Head office. The list of the individuals in this division was gotten from the human resource office to guarantee that the sampling frame was present, complete and pertinent for the accomplishment of the study objective.

3.3.2.2 Sampling Technique

The accessible sample for this study was comprised all categories of the population in the population of the Study. This study employed a sampling technique conducting a census on the target population. Kothari (2004) indicates a census as a process where all the members of a population being studied through a research process are involved in the data collection process. The census was conducted on all 45 employees of the marketing department at Coca Cola Kenya Head Office.

3.3.2.3 Sample Size

Sample size is the number of individual samples measured or observations used in a survey or experiment. In statistics, sample size is generally represented by the variable ‘n’ (Sandelowski, 2000). In this study, a total of 45 employees at Coca Cola Kenya head office marketing department were all involved in this research through carrying out a census.
3.4 Data Collection Methods

This study gathered primary data using questionnaires. A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. The study preferred questionnaires for they have advantages over other types of research instruments in that they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data (Lumpkin & Dess, 2001). The researcher used both open and close ended questions in line with the objectives of the study using a five point Likert scale for closed ended questions. The questionnaires contained two sections. The first section sought to establish the respondents’ demographic data while the successive sections sought to find the respondents’ opinions on the three objectives of the study.

3.5 Research Procedures

For this research, the research procedure involved seeking permits for piloting and actual collection of data. An introductory letter from USIU-Africa research office was presented to the human resource manager at Coca Cola Kenya head office to seek permission to carry out the research at their company. Upon approval, the study collected quantitative data using questionnaires. The researcher with the help of the assistant to the human resource at the company distributed the questionnaires to the respondents and left them to collect after two days. This was necessary to give the respondents ample time to complete the questionnaires at their most convenient time. The questionnaires were collected after two days.

3.6 Data Analysis Methods

Before handling the responses, information scheduling was done on the completed questionnaires by altering, coding, entering and cleaning the information. The collected data was then interpreted using the statistical package for social analysis (SPSS). Descriptive statistics such as mean, standard deviation and coefficient of variation was used to analyze data as well as use of inferential statistics including correlation, regression and cross tabulation. In addition, a normality test was conducted using SPSS to determine if the data set is well-modeled by a normal
distribution. Validity and reliability of the instruments was also conducted. Content validity was employed by this study as a measure of the degree to which data collected represented a specific domain or content of a particular concept. The data was then obtainable in tables and figures.

3.7 Chapter Summary

This chapter recognizes the study methodology that was used in this research. It gives a detailed analysis of the research design, population and the sampling process that was used in collecting the research data. A census was carried out on all the employees of Coca Cola Kenya marketing department at their head office in Nairobi. Statistical Package for Social Sciences was used to analyze data and the results and findings were presented in the next section.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the analyzed results and findings of the research on the research questions regarding the data poised from the respondents. The first part of this chapter covers the response rate. The second part is about the background information, which presents demographic presentation of the respondents. The third part determines the influence of experiential marketing on brand awareness. The fourth part establishes the influence of experiential marketing on brand association. The fifth part examines the influence of experiential marketing on brand loyalty and the final section is the summary of the whole chapter.

4.2 Response Rate

A response rate is the total number of respondents or individuals participated in a study and it is presented in the form of percentage. This study had a sample size of 45 individuals working with Coca Cola Kenya marketing department at their headquarters in Nairobi.

Figure 4.1: Response Rate

The study in Figure 4.1 represents the response rate of the study. From the study, it is clear that 89% of the respondents took part in the study while 11% did not participate in the study. The study, therefore, implies that the response rate was good to be used.
4.3 Background Information
4.3.1 Gender of Respondents

Figure 4.2 displays the gender illustration of the study. From the table, it is well shown that 50% of the population at Coca Cola Kenya is male while 50% is female. The study implies that there is a balance of gender representation.

Figure 4.2: Gender of Respondents

4.3.2 Level of Education of Respondents

The study used Figure 4.3 to show the level of education of the population at Coca Cola Kenya. From the figure, it is indicated that 10% of respondents holds secondary level of education, 23% of respondents holds tertiary level of education, 55% of respondents holds degree level of and 13% of respondents holds masters level of education.

The implication of the study is that majority of the population working at Coca Cola Kenya holds degree level of education. The assumption from the study is that Coca Cola Kenya needs more of people who hold university degrees than other categories.
4.3.3 Work Experience of Respondents

Figure 4.4 shows the work experience of respondents working at Coca Cola Kenya.

From figure 4.4, the study shows that, 42.5% of respondents have worked with Coca Cola Kenya for less than three years, 40% have worked for 4 to 6 years, 12.5% have
worked for 7 to 10 years and 5% have worked for with Coca Cola Kenya for more than 10 years.

The study implies that the majority of respondents have worked for Coca Cola Kenya for less than 3 years.

4.3.4 Involvement in Experiential Marketing

Figure 4.4 shows the level of involvement of respondents in experiential marketing. From the study, it is revealed that 12.5% of respondents have rarely involved in experiential marketing, 22.5% of respondents have sometimes been involved in experiential marketing, 55% have very often been involved in experiential marketing and 10% of the respondents have always been involved in experiential marketing.

The study implies that majority of respondents (55%) have very often been involved in experiential marketing.

![Figure 4.5: Level of Involvement in Experiential Marketing](image)

4.3.5 Experience in Experiential Marketing

Table 4.1 depicts the relationship between level of involvement in experiential marketing and involvement experience. According to the table, 25% of respondents who have always been involved in experiential marketing believed that the experience was excellent and 75% believed that the experience was above average. On the other hand, 9.1% of respondents who have very often been involved in experiential marketing believed that the experience was excellent, 68% found experience to be
above average, 18.2% found experience to be average and 4.5% found experience to be very poor.

The study also shows that 11.1% of respondents who sometimes have been involved in the experiential marketing found the experience excellent, 22.2% found experience above average, 55.6% found the experience average and 11.1% found experience below average. For those respondents who rarely participated in experiential marketing, 20% found the experience above average, 60% found experience average and 20% found experience below average.

Table 4.1: Empirical Rational Strategy

<table>
<thead>
<tr>
<th>Have you been involved in any experiential marketing events while at Coca cola Kenya?</th>
<th>How has/was the experience?</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>Excellent</td>
<td>Above average</td>
<td>Average</td>
<td>Below average</td>
<td>Very poor</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>25.0%</td>
<td>75.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Very Often</td>
<td>9.1%</td>
<td>68.2%</td>
<td>18.2%</td>
<td>0.0%</td>
<td>4.5%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Sometimes</td>
<td>11.1%</td>
<td>22.2%</td>
<td>55.6%</td>
<td>11.1%</td>
<td>0.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Rarely</td>
<td>0.0%</td>
<td>20.0%</td>
<td>60.0%</td>
<td>20.0%</td>
<td>0.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>21</td>
<td>12</td>
<td>2</td>
<td>1</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>10.0%</td>
<td>52.5%</td>
<td>30.0%</td>
<td>5.0%</td>
<td>2.5%</td>
<td>100.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Relationship between involvement in experiential marketing and experience

4.4 Principal Component Analysis and Reliability

4.4.1 Normality Test

The Table 4.2 presents the results from two well-known tests of normality, namely the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test.
<table>
<thead>
<tr>
<th>Table 4.2: Normality Test</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tests of Normality</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Kolmogorov-Smirnov</strong>a</td>
</tr>
<tr>
<td><strong>Statistic</strong></td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Number of years in the marketing department</td>
</tr>
<tr>
<td>What is your highest level of school completed?</td>
</tr>
<tr>
<td>Have you been involved in any experiential marketing events while at Coca cola Kenya?</td>
</tr>
<tr>
<td>How has/was the experience?</td>
</tr>
<tr>
<td>Brand Awareness</td>
</tr>
<tr>
<td>Brand Association</td>
</tr>
<tr>
<td>Brand Loyalty</td>
</tr>
</tbody>
</table>

a. Lilliefors Significance Correction

The Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples), but can also handle sample sizes as large as 2000. For this reason, the study used the Shapiro-Wilk test as its numerical means of assessing normality. It can be clearly seen from the table that the items were normally distributed.

4.4.2 Reliability Test

The first important table is the Reliability Statistics table that provides the actual value for Cronbach’s alpha, as shown in Table 4.3. From the table, it can be observed that Cronbach's alpha is **0.775**, which indicates a high level of internal consistency for the scale with this specific sample.

<table>
<thead>
<tr>
<th>Table 4.3: Reliability Test</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reliability Statistics</strong></td>
</tr>
<tr>
<td>Cronbach's Alpha</td>
</tr>
<tr>
<td>.775</td>
</tr>
</tbody>
</table>

Note: Cronbach's alpha, **0.775** = high level of internal consistency
4.4.3 Validity Test

Based on the output in Table 4.4, some values like Pearson correlation or correlation value between the items with a total score also known as Sig. (2-tailed) was a significance level at 0.05, while N is the total of survey respondents which were 38 people.

Table 4.4: Validity Test

<table>
<thead>
<tr>
<th></th>
<th>Correlations</th>
<th>Brand Awareness</th>
<th>Brand Association</th>
<th>Brand Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.067</td>
<td>.392*</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.680</td>
<td>.012</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Brand Association</td>
<td>Pearson Correlation</td>
<td>.067</td>
<td>1</td>
<td>-.303</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.680</td>
<td></td>
<td>.057</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>Pearson Correlation</td>
<td>.392*</td>
<td>-.303</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.012</td>
<td>.057</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>40</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

Note: correlation between brand awareness, brand association and brand loyalty *
*. Correlation is significant at the 0.05 level (2-tailed).

To identify whether an item questionnaire was valid or not can be done by looking at the values of the significance. Based on the significant value obtained by the Sig. (2-tailed) of 0.00 < 0.05, so it can be concluded that brand awareness and brand loyalty were valid.

4.5 Analysis of Study Variables

4.5.1 Influence of Experiential Marketing on Brand Awareness

Table 4.5 indicates that the item mean scores ranged from 3.65 to 4.35.
Table 4.5: Experiential Marketing on Brand Awareness

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Corrected Item-Total Correlation</th>
<th>Cronbach’s Alpha if Item Deleted</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers are more aware of brands through their participation in experiential marketing events</td>
<td>3.65</td>
<td>1.075</td>
<td>.401</td>
<td>- .103a</td>
<td>.860</td>
</tr>
<tr>
<td>Customers give valuable feedback to make brands even better</td>
<td>4.00</td>
<td>.679</td>
<td>.322</td>
<td>.076</td>
<td>.923</td>
</tr>
<tr>
<td>Brand awareness is created by the positive brand experiences by customers</td>
<td>4.35</td>
<td>.483</td>
<td>.078</td>
<td>.212</td>
<td>.639</td>
</tr>
<tr>
<td>The company strengthens its relationship with customers through experiential marketing events</td>
<td>3.93</td>
<td>1.071</td>
<td>.474</td>
<td>- .184a</td>
<td>.916</td>
</tr>
<tr>
<td>Brand awareness changes the perception of consumers about a brand in a positive way.</td>
<td>4.35</td>
<td>.662</td>
<td>.220</td>
<td>.136</td>
<td>.960</td>
</tr>
<tr>
<td>Customer engagement bring a sense of involvement by customers in making their favorite brands better</td>
<td>4.08</td>
<td>.917</td>
<td>-.113</td>
<td>.335</td>
<td>.869</td>
</tr>
<tr>
<td>Brand Exposure create favorable impression on customers minds</td>
<td>3.65</td>
<td>1.075</td>
<td>-.198</td>
<td>.420</td>
<td>.532</td>
</tr>
<tr>
<td>In exposing new brands, the company uses unintentional participation procedures</td>
<td>4.23</td>
<td>.423</td>
<td>-.513</td>
<td>.379</td>
<td>.873</td>
</tr>
</tbody>
</table>

Overall Cronbach’s Alpha = 0.226

The item “Customers are more aware of brands through their participation in experiential marketing events” was the lowest rating with a mean of 3.65 (SD=1.075) and the highest score was for the item “Brand awareness is created by the positive brand experiences by customers” with a mean of 4.35 (SD=0.483). The item to total correlations ranged from -0.513 to 0.474 which was acceptable. The Cronbach’s alpha for experiential marketing on brand awareness scale was 0.226 which is fair reliability.

4.5.1.1 Model Summary of Brand Awareness

When predicting the value of a variable based on the value of another variable, a model summary is used. The variable being predicted in this case is called the
dependent variable. The variable being used to predict the other variable's value is called the independent variable.

Table 4.6 depicts the model summary of the study. The model summary provides information about the regression line’s ability to account for the total variation in the dependent variable. From the table, the value of $R^2$ is 0.285, which means that 28.9 percent of the total variance in experiential marketing has been explained by variability in brand awareness.

**Table 4.6: Model Summary of Brand Awareness**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.534$^a$</td>
<td>.285</td>
<td>.266</td>
<td>.28323</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Experimental Marketing

**4.5.1.2 Anova of Brand Awareness and Experiential marketing**

Analysis of Variance (ANOVA) is a statistical method used to test differences between two or more means. The regression model, as indicated in Table 4.7 predicted the outcome variable significantly well. This is shown at the "Regression" row and at the Sig. column. This indicates the statistical significance of the regression model that is applied. For this case, $P$ is 0.000 which is less than 0.01 and indicates that; overall, the model applied is significantly good enough in predicting the outcome variable.

**Table 4.7: Anova of Brand Awareness and Experiential marketing**

<table>
<thead>
<tr>
<th>ANOVA$^a$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Model</td>
</tr>
<tr>
<td>1 Regression</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Brand Awareness
b. Predictors: (Constant), Experimental Marketing
4.5.1.3 Coefficients Variation of Brand Awareness and Experiential Marketing

Table 4.8 shows the coefficients that provided the information on the predictor variable. The coefficients provided the information necessary to predict brand awareness basing on experiential marketing.

From the table, standardized beta coefficient is 0.534 and is significant at 0.000. It means that a unit change in the experiential marketing causes a change of 0.534 of change in brand awareness. The study shows that experiential marketing has a positive impact on brand awareness.

Table 4.8: Coefficients Variation of Brand Awareness and Experiential Marketing

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.073</td>
<td>.504</td>
<td>4.114</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Experimental</td>
<td>.510</td>
<td>.131</td>
<td>.534</td>
<td>3.895</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Brand Awareness

4.5.2 Influence of Experiential Marketing on Brand Association

The item mean scores ranged from 3.15 to 4.28. The lowest rating for experiential marketing on brand association was the item “Products endorsed by celebrities gain immediate credibility from consumers” with a mean of 3.15 (SD=0.736) and the highest score was for the item “There is strong brand association as customers perceive brands to be of high quality” with a mean of 4.28 (SD=0.905) as indicted in the table below.
Table 4.9: Experiential Marketing on Brand Association

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Corrected Item-Total Correlation</th>
<th>Cronbach’s Alpha if Item Deleted</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Customers feelings are the measurable standards of the intangible value of the brand</td>
<td>3.80</td>
<td>.648</td>
<td>.568</td>
<td>.730</td>
<td>.993</td>
</tr>
<tr>
<td>Customers perceptions are evaluated when looking at improving the quality of brands</td>
<td>3.75</td>
<td>1.235</td>
<td>.198</td>
<td>.799</td>
<td>.973</td>
</tr>
<tr>
<td>Quality perceptions influence the pricing decisions of products in the company</td>
<td>3.60</td>
<td>1.277</td>
<td>.604</td>
<td>.709</td>
<td>.974</td>
</tr>
<tr>
<td>There is strong brand association as customers perceive brands to be of high quality</td>
<td>4.28</td>
<td>.905</td>
<td>.581</td>
<td>.718</td>
<td>.994</td>
</tr>
<tr>
<td>The company conducts customer research to understand their brand and competitors</td>
<td>3.60</td>
<td>.709</td>
<td>.652</td>
<td>.716</td>
<td>.949</td>
</tr>
<tr>
<td>The company has established competitive strategies to differentiate from competitors</td>
<td>3.50</td>
<td>1.177</td>
<td>.508</td>
<td>.731</td>
<td>.963</td>
</tr>
<tr>
<td>Products endorsed by celebrities gain immediate credibility from consumers</td>
<td>3.15</td>
<td>.736</td>
<td>.341</td>
<td>.757</td>
<td>.978</td>
</tr>
<tr>
<td>Use of Media has increased the publicity of the company in experiential marketing</td>
<td>3.48</td>
<td>.716</td>
<td>.511</td>
<td>.735</td>
<td>.920</td>
</tr>
<tr>
<td>Overall Cronbach’s Alpha =0.763</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The item to total correlations ranged from .198 to .604 which was acceptable. The Cronbach’s alpha for experiential marketing on brand association scale was 0.763 which is good reliability.

4.5.2.1 Model Summary of Experiential marketing on Brand Association

From Table 4.10, the value of $R^2$ is 0.773, which means that 77.3 percent of the total variance in experiential marketing has been explained by variability in brand association.

Table 4.10: Model Summary of Experiential marketing on Brand Association

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>.879$^a$</td>
<td>.773</td>
<td>.767</td>
<td>.28323</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Experimental Marketing
4.5.2.2 Annova of Experiential marketing on Brand Association

Table 4.11 indicates the statistical significance of the regression model that is applied. For this case, \( P \) is 0.000 which is less than 0.01 and indicates that; overall, the model applied is significantly good enough in predicting the outcome variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>10.406</td>
<td>1</td>
<td>10.406</td>
<td>129.722</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>3.048</td>
<td>38</td>
<td>.080</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13.455</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Brand Association  
b. Predictors: (Constant), Experimental Marketing

4.5.2.3 Coefficients Variation of Experiential Marketing on Brand Association

The Table 4.12 gives values that helped in writing the regression equation which indicate the coefficients part of the outputs. This equation took the following form: Predicted variable (dependent variable) = slope, times independent variable, plus intercept.

The dependent variable is brand association and independent variable is the experiential marketing. According to the result, the standardized beta coefficient is 0.879 and is significant at 0.000. This means that when experiential marketing changes by a unit, brand association changes by 0.879. There is high significant relationship between experiential marketing and brand association.

<table>
<thead>
<tr>
<th>Coefficientsa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Brand Association
4.5.3 Influence of Experiential Marketing on Brand Loyalty
The item mean scores ranged from 3.40 to 3.90. The lowest rating for experiential marketing on brand loyalty was the item “The company has a competitive edge as a result of low cost of production” with a mean of 3.40 (SD=1.057) and the highest score was for the item “Brand loyalty give the company enough time to respond to competitive moves by competitors” with a mean of 3.90 (SD=0.709).

Table 4.13: Experiential Marketing on Brand Loyalty

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Corrected Item-Total Correlation</th>
<th>Cronbach's Alpha if Item Deleted</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interaction with consumers has shaped attitudes towards the company’s brand</td>
<td>3.68</td>
<td>.859</td>
<td>-</td>
<td>.478</td>
<td>.70</td>
</tr>
<tr>
<td>Experiential marketing events allow the company to interact with consumers at a more personal level</td>
<td>3.50</td>
<td>1.15</td>
<td>-</td>
<td>.484</td>
<td>.89</td>
</tr>
<tr>
<td>The Company has loyal customers and spend less on marketing their products</td>
<td>3.50</td>
<td>1.01</td>
<td>.427</td>
<td>.021</td>
<td>.73</td>
</tr>
<tr>
<td>The company has before and after sale advertisements to always remind customers of the value of their purchase</td>
<td>3.73</td>
<td>1.08</td>
<td>.311</td>
<td>.093</td>
<td>.97</td>
</tr>
<tr>
<td>Experiential marketing is a guerilla tactic to keep advertising costs low</td>
<td>3.78</td>
<td>.768</td>
<td>.167</td>
<td>.212</td>
<td>.76</td>
</tr>
<tr>
<td>The company has a competitive edge as a result of low cost of production</td>
<td>3.40</td>
<td>1.05</td>
<td>.438</td>
<td>.001</td>
<td>.98</td>
</tr>
<tr>
<td>The company exploits brand loyalty by imposing premium pricing on their products</td>
<td>3.55</td>
<td>1.30</td>
<td>.424</td>
<td>-.053a</td>
<td>.94</td>
</tr>
<tr>
<td>Brand loyalty give the company enough time to respond to competitive moves by competitors</td>
<td>3.90</td>
<td>.709</td>
<td>-</td>
<td>.299</td>
<td>.80</td>
</tr>
</tbody>
</table>

Overall Cronbach’s Alpha = 0.763

The item to total correlations ranged from -0.441 to 0.438 which was acceptable. The Cronbach’s alpha for experiential marketing on brand loyalty scale was 0.265 which is fair reliability.
4.5.3.1 Model Summary of Experiential Marketing on Brand Loyalty

When predicting the value of a variable based on the value of another variable, a model summary is used. The variable being predicted in this case is called the dependent variable. The variable being used to predict the other variable's value is called the independent variable.

**Table 4.14: Model Summary of Experiential Marketing on Brand Loyalty**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.070(^a)</td>
<td>.005</td>
<td>-.021</td>
<td>.41206</td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), Experimental Marketing

Table 4.14 provides the R and R\(^2\) value. The R value is 0.070, which represented the simple correlation and, therefore, indicated a low degree of correlation. The R-square value indicated how much of the dependent variable (brand loyalty) can be explained by the independent variable, (experiential marketing). In this case, 0.5 percent could be explained, which is very low.

4.5.3.2 Anova of Experiential Marketing on Brand Loyalty

The regression model, as indicated in Table 4.15 does not predict the outcome variable significantly well. This is shown at the "Regression" row and at the Sig. column.

**Table 4.15: Anova Experiential Marketing on Brand Loyalty**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>.032</td>
<td>1</td>
<td>.032</td>
<td>.187</td>
<td>.668(^b)</td>
</tr>
<tr>
<td>Residual</td>
<td>6.452</td>
<td>38</td>
<td>.170</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6.484</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Dependent Variable: Brand Loyalty
\(^b\) Predictors: (Constant), Experimental Marketing

From the study, it is indicated that the statistical significance of the regression model that is applied. For this case, \(P\) is 0.668 which is greater than 0.05 and indicates that;
overall, the model applied is not significantly good enough in predicting the outcome variable.

4.5.3.3 Coefficient of Variation of Experiential Marketing on Brand Loyalty

Table 4.16 provides the information on each predictor variable. This provided with the information necessary to predict how experiential marketing can enhance brand loyalty.

Standardized beta coefficient is -0.070 and is significant at 0.668. It means that a unit changes in the experiential marketing causes a change of -0.070 of change in brand loyalty. The study shows that experiential marketing has a negative impact on brand loyalty even though it is not significant.

Table 4.16: Coefficient of Variation of Experiential Marketing on Brand Loyalty

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>3.944</td>
<td>.733</td>
</tr>
<tr>
<td>Experimental Marketing</td>
<td>-.082</td>
<td>.190</td>
</tr>
<tr>
<td>a. Dependent Variable: Brand Loyalty</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.6 Chapter Summary

This chapter has provided the results and findings with respect to the data given out by the respondents who were employees of Coca Cola Kenya. The chapter provided analysis on the response rate, background information, experiential marketing on brand awareness, experiential marketing on brand association and experiential marketing on brand loyalty. The next chapter provides the summary, discussions, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

Chapter five presents the discussion, conclusions and recommendations of the research. In section 5.2, the summary of the study is presented. The discussion and conclusion of the study is in section 5.3 and 5.4 respectively. Section 5.5 demonstrates the recommendations.

5.2 Summary

The general objective of the study was to explore the effect of experiential marketing on brand perception with a focus on Coca Cola Kenya. The study aimed at determining the influence of experiential marketing on brand awareness, establishing the influence of experiential marketing on brand association and examining the influence of experiential marketing on brand loyalty at Coca Cola Kenya.

The study adopted a cross-sectional descriptive research method in analyzing, interpretation, and presentation of data. The cross-sectional descriptive research design was the best design for this study as it appeals for generalization within a particular parameter. The study utilized the utilization of questionnaires to acquire important data from respondents. The study focused on 45 employees of coca cola Kenya marketing department at the headquarters in Nairobi. The target population was all involved in this research. The sampling technique that was used was census and the study collected information from all the population. The study adopted a descriptive and inferential statistics in data analysis and presentation. Figure and tables were used in data presentation.

The study determined how experiential marketing influences brand awareness. It was found that in exposing new brands, the company uses unintentional participation procedures. Brand awareness is created by the positive brand experiences by customers. The study revealed that brand awareness changes the perception of consumers about a brand in a positive way. During brand awareness, customers give valuable feedback to make brands even better. The study found that customer
engagement brings a sense of involvement by customers in making their favorite brands better. The study revealed that through experiential marketing events, Coca Cola Kenya strengthens her relationship with customers. This shows that brand exposure create favorable impression on customers’ minds. The study established that customers are more aware of brands through their participation in experiential marketing events.

The study established the influence of experiential marketing on brand association in Coca Cola Kenya. The study found that the customers’ feelings are the measurable standards of the intangible value of the brand. Customer’s quality perceptions influence the pricing decisions of products in the company. It was determined that there is strong brand association as customers perceive brands to be of high quality. From the study, it was examined that Coca Cola Kenya conducts customer research to understand their brand and competitors. The study also found that Coca Cola Kenya has established competitive strategies to differentiate from competitors. Use of media is one of the strategies that have been used to increase the publicity of the company in experiential marketing. The study also found that the products endorsed by celebrities gain immediate credibility from consumers.

The study examined the influence of experiential marketing on brand loyalty of Coca Cola Kenya. The study found that brand loyalty give the company enough time to respond to competitive moves by competitors. The study confirms that interaction with consumers has shaped attitudes towards the Coca Cola’s brand. The study found that the company has loyal customers and spend less on marketing their products. Experiential marketing was found to be a guerrilla tactic to keep advertising costs low. Coca Cola Kenya has a competitive edge as a result of low cost of production. The company has also before and after sale advertisements to always remind customers of the value of their purchase. The study found that experiential marketing events allow the company to interact with consumers at a more personal level.

5.3 Discussion
5.3.1 Influence of Experiential Marketing on Brand Awareness

In this objective, the aim of the study was to determine the influence of experiential marketing on brand awareness. The study analyzed the variables arising from this
objective and found that in exposing new brands, the company uses unintentional participation procedures. The outcomes of the research supports the findings of Fitzsimons et al., (2008) that affirm that through presentation of items in experiential advertising occasions, an intellectual and scholarly technique that makes a good impression is created on individuals' intellects because of the recognition with the object shaping non consumer behavior through subjective instruments molding non-cognizant conduct. Gole (2009) declares that brand awareness helps clients concentrate on selected choice of brands for items or services that are on demand.

The study found that brand awareness is created by the positive brand experiences by customers. The study supports the findings of Aronne and Reis (2009) that states that, as a result of changes in the market, marketers have started to focus on customer experiences through experiential marketing as they create awareness for their brands. Smilansky (2009) found that life is a combination of daily experiences and people talk about experiences every day. Smilansky affirmed that the experiences are real and true and consumers who get to engage in a positive brand experience they tend to discuss or mention it to most of the people that they interact with for the rest of the day or even week creating brand awareness for a product. The study on the other hand confirms that customer experiences to enrich brand awareness can be enhanced through using various methods of marketing in experiential marketing hence companies must try to create unique and memorable experiences that appeal to consumers both physically and psychologically.

The study showed that brand awareness changes the perception of consumers about a brand in a positive way. Tuominen (1999) argues that the overall quality of a brand is based on the perception of the customers taking into consideration the performance of the brand on parameters that are important to them to make relative judgment about quality. The author established that the perceived quality provides a pivotal motive to buy, prompting which brands are included and excluded from the consideration set and which brand is to be selected. Siu et al., (2013) found that customer’s experiences through experiential marketing methods create brand awareness to consumers and establish emotional bonds that serve as a purpose of enhancing consumer’s relationship with the brand. Consumers are exposed to the product by giving them
opportunity to try new products, which make it easier for them to choose the product they want.

The study found that customers give valuable feedback to make brands even better. To strengthen the findings, Moorthi (2002) attests that client engagement with brands has positive effects the administration quality and clients fulfillment by getting clients' feedback. Aronne and Reis (2009) on the other side found that experiential marketing provide a live experience to customers bringing out brands’ personality and attributes and customers giving feedback about the brand helping companies know on areas customers feel need to be improved. Bhattacharya and Sen (2003) assert that these interactive sessions with customers bring a sense of involvement for customers in the ultimate brands produced by companies. The study revealed that customer engagement brings a sense of involvement by customers in making their favorite brands better.

The study found that Coca Cola Kenya strengthens its relationship with customers through experiential marketing events. Zajonc (1968) asserts that brand exposure relationship with brand awareness stating that individuals develop a priority for people or things that are more familiar to them. Engel et al., (2006) found that brand loyalty arises when consumers develop strong desire to have a specific type of product or service and are willing to engage in a long-term business relationship with an enterprise that provides this product or service. The study argued that brand exposure create favorable impression on customers minds. Cianfrone et al., (2008) found that unintentional participation procedures occur in most of experiential marketing events to reveal a brand, exposing brands to enhance brand awareness the purchasing intention of customers and their attitudes towards brands.

The study confirmed that customers are more aware of brands through their participation in experiential marketing events. Fryrear (2016) states that, brand awareness done through experiential marketing events make customers to be more aware of a brand even when they don’t ultimately purchase it, they have a better association with it and likely to purchase it at some point. Kotler and Keller (2009) on the other side believed that the presence of brand in the consumers mind is brand awareness that is measured according to the various ways customers remember a brand ranging from recognition to recall.
5.3.2 Influence of Experiential Marketing on Brand Association

The study revealed that the customers’ feelings are the measurable standards of the intangible value of the brand. This study supports the findings of Wang (2015) who indicates that, brand association has the measurable feature to test the effectiveness of brand equity in the marketplace. On the other hand, Management Study Guide (2016) found that brand associations are the attributes of brand which come into consumers mind when the brand is talked about. It may involve images and symbols associated with a brand or a brand benefit. Chand (2013) found that brand association is anything that is deep-seated in a consumer’s mind about a brand. To confirm this, Pineapple Agency (2015) confirmed that experiential marketing engages senses including smell, sound, taste, touch and sight creating stronger brand associates unlike traditional marketing. It is thus possible for brand association to be created at the actual activation itself and also through the integration experience of an overall marketing strategy.

From the study, it is found that quality perceptions influence the pricing decisions of products in the company. Rehman (2013) asserts that the durability, quality of a product, marketability and desirability of a product develop strong and positive brand association and the perceptions of customers about product quality. The study found that these perceptions influence pricing decisions of companies where better quality products can be charged a price premium. This therefore indicates that perceived quality and brand association provide the incentive to each other and strong brand association is observed when the customer perceives and connects high quality of product. To emphasize the findings, Nicole (2012) adds that the perceived quality lies in the mind of the believer, and experiential marketing focuses on establishing connections in such a way that that the customer responds to a product offering based on both emotional and rational response levels.

The study confirms that Coca Cola Kenya conducts customer research to understand their brand and competitors. Ghodeswar (2008) indicates that building brand associations requires companies to understand its brand as well as competitors through conducting customer research. This research studies former customers, existing and prospective customers, intermediaries and industry experts. According to Ansett (2010), all brands hold associated meanings in the minds of the market place and well
considered brands establish a competitive brand proposition with layers of meaning to both differentiate themselves from their competitors and to connect with their audience. Chung (2014) indicate that brand marketers have strong beliefs about what their brands stands for and they spend money, time and significant effort to define a key value proposition they hope will lead to marketplace success.

The study reveals that Coca Cola Kenya has established competitive strategies to differentiate from competitors. Collins and Porter (2010) found that firms rely on innovation in their marketing strategies in order to be creative in a competitive advantage. Firms now spend a significant amount of time creating customer experiences that are aimed at creating an emotional connection with current and potential customers. Gentile et al. (2007) assert that the rise of competition in the global market has made companies create new strategies that are focused on customers inorder to develop a competitive advantage and survive in the industry. Aronne and Reis (2009) affirm that Companies have started realising that differentiating their business only with the traditional elements such as product, price and quality is no longer a competitive advantage.

From the study, it is confirmed that use of media has increased the publicity of the company in experiential marketing. Chand (2013) states that, customers form associations on the basis of various factors such as quality perceptions; competitors’ offerings, association with celebrities and the publicity in various media factors that are all covered in experiential marketing. Maddever (2013) found that different forms of experiential marketing like prankvertising, viral videos, installations, and live events create experiences for customers through the media. These campaigns are conversation starters, and allows target group to be a part of that dialogue. On the other hand, Chris (2015) found that social media is also a great way for listeners to engage with radio stations. Their tweets and Facebook posts can be read online during regular programming, but these platforms can also be used in experiential marketing campaigns. The experience could start via social media but should lead to a real-life climax in order to break down that proverbial wall and engage with listeners on a more personal level (Chris, 2015).
The study emphasize that products endorsed by celebrities gain immediate credibility from consumers. Brand Activation Association (2016) found that experiential marketing includes events and sponsorships, but it also understands an experience can be more personal with its importance lying on the ability to create a relevant bond with the consumer. The events include entertainment and also add celebrities into this aspect. Davidge (2015) confirms that, celebrities make good salespeople and when they endorse a product, they gain immediate credibility and consumers start associating themselves with the product as a result of affection of the celebrity.

5.3.3 Influence of Experiential marketing on Brand Loyalty

The study confirms that brand loyalty gives the company enough time to respond to competitive moves by competitors. Aaker (2016) found that brand loyalty helps to achieve competitive edge by reducing marketing costs, trade leverage and affording time to respond to competitive threats. Cioti (2016) affirms that For experiential marketing to positively impact brand loyalty it requires the best ideas and execution as a result of employees knowing their industry and market well. According to Grimsley (2016), brand loyalty arises when a customer always chooses to buy a product made by the same company instead of an alternative product produced by a competitor. Oliver (1999) believes that experiential marketing can be used to establish brand loyalty as an intensely imbeded commitment to repurchase a preferred product or service consistently in the future, thereby causing repetitive same-brand or same-brand-set purchasing, despite situational influences and marketing efforts from competitors having the potential to cause switching behavior.

According to the study, interaction with consumers has shaped attitudes towards the company’s brand. Addis (2005) asserts that the experiential interpretation, the interaction between the consumer and a product, an event, a person, an idea within a given context originates the consumption experience and companies benefit from this interactions getting to know how their brand has been received by customers and finding out the best ways of making it better. Hollebeek (2011) found that client engagement can be characterized with a brand as a blend of enthusiastic and scholarly associations described by client's logical and brand-related perspective. This engagement, according to Haven et al., (2007), contains elements that an individual
can experience with brands over time through experiential marketing events including involvement, interaction intimacy, and influence.

The study found that Coca Cola Kenya has loyal customers and spend less on marketing their products. This supports the findings of Grimsley (2016) who found that, firms with brand-loyal customers can spend less money to market their products since they have an established relationship with their customers. On the other hand, Morton (2016) asserts that compared to mass media campaigns, experiential events tend to communicate on a much more personal level, generate a deeper level of emotional engagement therefore resulting in better conversion rates and all at relatively low cost. In addition, Morton (2016) found that favorable brand attitudes are the determinants of brand loyalty. Consumers must like the product in order to develop loyalty to it. To convert occasional purchasers into brand loyalists, habits must be reinforced. Consumers must be reminded of the value of their purchase and encouraged to continue purchasing the product in the future.

According to the study, experiential marketing is a guerrilla tactic to keep advertising costs low. Cioti, (2016) found that experiential marketing is a guerrilla tactic that keeps advertising costs low but promises an interactive experience that gets customers to talk about the organization’s product and also pulls in non-participants as well. Morton (2016) reveals that the majority of marketers believe that experiential marketing builds customer relationships for the long term and generates sales and additional leads in the short term while increasing awareness of the product. Aaker (2016) revealed that to inspire repeat purchases, advertisement before and after the sale is crucial. Further to creating awareness and promoting initial purchases, advertising moulds and reinforces consumer attitudes. These same attitudes mature into beliefs, which need to be reinforced until they develop into loyalty.

The study revealed that as a result of low cost of production, Coca Cola Kenya has build a competitive edge. Grimsley (2016) found in his study that brand loyalty reduces the cost of production because due to many loyal customers sales figures are higher and unit cost of production reduces with time. Since these kinds of firms have a lower cost of production, Grimsley found that their saved cash outflows may be invested elsewhere therefore giving the firm a competitive edge. In addition,
Rosenberg and Czepiel (1984) assert that firms selling brands that have a high rate of loyal consumers are deemed to have a competitive advantage over other firms. Consumers loyal to a brand reduce the marketing costs of the firm as the costs of attracting a new customer have been found to be approximately six times higher than the costs of retaining an existing one.

5.4 Conclusions

5.4.1 Influence of Experiential Marketing on Brand Awareness

The study concludes that Coca Cola Kenya uses unintentional participation procedures in exposing new brands. According to the study, brand awareness changes the perception of consumers about a brand in a positive way. This makes customers to give valuable feedback to make brands even better. The study concludes that customer engagement bring a sense of involvement by customers in making their favorite brands better. Through the engagement, Coca Cola Kenya strengthens its relationship with customers hence experiential marketing is an important marketing strategy to many companies. The study also concludes that brand exposure create favorable impression on customers minds hence customers are more aware of brands through their participation in experiential marketing events.

5.4.2 Influence of Experiential Marketing on Brand Association

From the study it was concluded that the customers’ feelings are the measurable standards of the intangible value of the brand. Quality perceptions influence the pricing decisions of products in the company. The study concludes that there is strong brand association as customers perceive brands to be of high quality. The study also concludes that Coca Cola Kenya conducts customer research to understand their brand and competitors. From the study, it is believed that Coca Cola Kenya has established competitive strategies to differentiate from competitors. In experiential marketing, the use of media has increased the publicity of the company. The study concludes that Coca Cola Kenya has established competitive strategies to differentiate from competitors.
5.4.3 Influence of Experiential Marketing on Brand Loyalty

The study concludes that brand loyalty gives Coca Cola Kenya enough time to respond to competitive moves by competitors. Interaction with consumers has shaped attitudes towards the company’s brand. The study also concludes that the company has loyal customers and spends less on marketing their products. From the study, it is clear that low cost of production has given the company a competitive edge. The study concludes that Coca Cola Kenya has before and after sale advertisements to always reminds customers of the value of their purchase. From the study, it is believed that experiential marketing events allow the company to interact with consumers at a more personal level.

5.5 Recommendation

5.5.1 Recommendation for Improvement

5.5.1.1 Influence of Experiential Marketing on Brand Awareness

The study recommends the use of experiential marketing as it creates brand awareness that changes the perception of consumers about a brand in a positive way. Brand awareness, according to the study, is created by the positive brand experiences by customers. The organizations should also enhance customer engagement as it brings a sense of involvement by customers in making their favorite brands better. This customer engagement gives valuable feedback to make brands even better. The study also recommends the enhancement of experiential marketing events as customers are more aware of brands their participation in those events. The study recommends experiential marketing as it exposes brand and create favorable impression on customers’ minds.

5.5.1.2 Influence of Experiential Marketing on Brand Association

The study recommends the use of experiential marketing as it helps to enhance brand association. The study believes that the customers’ feelings are the measurable standards of the intangible value of the brand. Quality perceptions influence the pricing decisions of products in the company hence there is strong brand association as customers perceive brands to be of high quality. The study recommends organizations
to conducts customer research to understand their brand and competitors. By doing this, they would establish competitive strategies to differentiate from competitors.

5.5.1.3 Influence of Experiential Marketing on Brand Loyalty

The study recommends organizations to enhance brand loyalty as it gives companies enough time to respond to competitive moves by competitors. Interaction with consumers shapes attitudes towards the companies’ brand. When a company has loyal customers, it spends less on marketing her products. Organizations should enhance before and after sale advertisements to always remind customers of the value of their purchase. From the study, it is clear that experiential marketing events allow the company to interact with consumers at a more personal level. Organizations exploit brand loyalty by imposing premium pricing on their products.

5.5.2 Recommendation for Further Research

The study aimed at exploring the effect of experiential marketing on brand perception with a focus on Coca Cola. The study was only carried on one company (Coca Cola Company). Further researches explore the effect of experiential marketing on other companies in different industries and compare the relationships. Future scholars are encouraged by this study to explore other marketing strategies that enhance and sustain brand sales.
REFERENCES


APPENDICES
Appendix I: Letter of Introduction
RE: Survey Questionnaire

Dear Respondent,

I am a post-graduate student studying for a regular MBA Marketing at the United States International University. **Effect of Experiential Marketing on Brand Perception Focusing On Coca Cola Kenya**

You are part of the selected sample of respondents whose views I seek on the above-mentioned matter. Your honest answers will be completely anonymous, but your views, in combination with those of others are extremely important in this research. All the information you provide will be treated with strict confidentiality and used for the purpose of completing this research only. Please answer the questions as accurately as possible.

Thank you for your cooperation

Beatrice Mutua.
Appendix II: Questionnaire

GENERAL INFORMATION

1. Gender
   Male (  )
   Female (...)

2. Number of years in the marketing department
   Less than 3 years [ ] 4-6 years [ ]
   7-10 years [ ] More than 10 years [ ]

3. What is your highest level of school completed?
   Secondary level [ ] Tertiary level (colleges, polytechnics) [ ]
   University [ ] Post Graduate [ ]

4. a) Have you been involved in any experiential marketing events while at Coca cola Kenya?
   Always [ ] Very Often [ ] Sometimes [ ] Rarely [ ] Never [ ]

b) How has/was the experience?
   Excellent [ ] Above Average [ ] Average [ ] Below Average [ ] Very Poor [ ]
SECTION B: INFLUENCE OF EXPERIENTIAL MARKETING ON BRAND AWARENESS

Kindly indicate the extent to which you agree with the following statements on experiential marketing and brand awareness. Circle (o) appropriately on a scale of 1-5. 1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td>1 Customer are more aware of brands through their participation in experiential marketing events</td>
<td>1</td>
<td>2</td>
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<td>2 Customers give valuable feedback to make brands even better</td>
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<td>3 Brand awareness is created by the positive brand experiences by customers</td>
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<td>4 The company strengthens its relationship with customers through experiential marketing events</td>
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<td>5 Brand awareness changes the perception of consumers about a brand in a positive way</td>
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<td>6 Customer engagement bring a sense of involvement by customers in making their favorite brands better</td>
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<td>7 Brand Exposure create favorable impression on customers minds</td>
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<td>8 In exposing new brands, the company uses unintentional participation procedures</td>
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<td>2</td>
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</table>
**SECTION C: INFLUENCE OF EXPERIENTIAL MARKETING ON BRAND ASSOCIATION**

Kindly indicate the extent to which you agree with the following statements on experiential marketing and brand association. Circle (O) appropriately on a scale of 1-5. 1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tr>
<td>1  The Customers feelings are the measurable standards of the intangible value of the brand</td>
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<td>2  Customers perceptions are evaluated when looking at improving the quality of brands</td>
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<td>3  Quality perceptions influence the pricing decisions of products in the company</td>
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<td>4  There is strong brand association as customers perceive brands to be of high quality</td>
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<td>5</td>
</tr>
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<td>5  The company conducts customer research to understand their brand and competitors</td>
<td>1</td>
<td>2</td>
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<td>5</td>
</tr>
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<td>6  The company has established competitive strategies to differentiate from competitors</td>
<td>1</td>
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<td>7  Products endorsed by celebrities gain immediate credibility from consumers</td>
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<td>8  Use of Media has increased the publicity of the company in experiential marketing</td>
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SECTION D: INFLUENCE OF EXPERIENTIAL MARKETING ON BRAND LOYALTY

Kindly indicate the extent to which you agree with the following statements on experiential marketing and brand loyalty. Circle (O) appropriately on a scale of 1-5. 1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
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<tbody>
<tr>
<td>Interaction with consumers has shaped attitudes towards the company’s brand</td>
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<td>Experiential marketing events allow the company to interact with consumers at a more personal level</td>
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<td>The Company has loyal customers and spend less on marketing their products</td>
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<td>The company has before and after sale advertisements to always remind customers of the value of their purchase</td>
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<tr>
<td>Experiential marketing is a guerilla tactic to keep advertising costs low</td>
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<td>The company has a competitive edge as a result of low cost of production</td>
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<tr>
<td>The company exploits brand loyalty by imposing premium pricing on their products</td>
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<td>2</td>
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</tr>
<tr>
<td>Brand loyalty give the company enough time to respond to competitive moves by competitors</td>
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THANK YOU FOR YOUR TIME