Effects of Personalized Marketing on Brand Performance at Coca Cola Kenya

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Abstract: *The purpose of this study was to find out the effects of implementation of personalized marketing strategies on the performance of Coca-Cola Company Kenya. The paper reviewed past research and theories regarding personalized marketing and how it affects the performance of firms. The researcher employed both qualitative and quantitative approaches in carrying out the study. The objectives of this study were to: establish the effect of personalized branding, social media marketing and personalized emailing on the performance of Companies within Kenya. The study adopted a descriptive research design. Stratified random sampling method was used to represent the population and to pick a sample of respondents who were provided with questionnaires. It targeted the management staff and subordinate employees of the Coca-Cola depots and sampled 200 respondents using stratified random sampling. Primary data was collected through the use of questionnaires and secondary data too was used. Data from customers of the organization selected was collected using a questionnaire while Descriptive statistics technique with the aid of SPSS and Ms.Excel was used to analyze the quantitative data while deductive approach was utilized to analyze the qualitative data. The data obtained will be summarized in a report to provide a descriptive analysis characteristic unit. Based on study findings the study found that the variables considered that is; personalized branding, social media marketing and direct message marketing significantly influences performance at Coca cola Kenya with social media having the biggest influence followed by personalized branding and lastly personalized messaging. The study therefore recommends that Coca Cola Kenya should put more emphasis on these variables in the order of the most influential to further boost brand performance.*

Keywords: Brand performance, personalized branding, social media, direct messaging

1. Introduction

Creating awareness and market presence is no longer enough to lure the modern consumer into purchasing. Old school mediums of marketing modern brands may hardly foster the kinds of results an organization expects. Modern customers want engagement, with a feel that they are part and parcel of the products. Global competition in the business sector intensifies constantly, demanding more creative and innovative ways of marketing. Over the past one century, the business world has witnessed globalization in every aspect. Global competition in business has pushed businesses to differentiate their marketing strategies according to every region, if not every sub-region, (Gillespie, 2010).

Although the traditional media is still attractive; the rise of the Internet introduced several new attractive communication channels. A glimpse at the world players' websites demonstrates that marketers have upped their game in recent years. As marketing differentiation strategies would have it, websites are coded with an understanding in terms of consumer time-zones, language and in some cases race, (Labin, 2005). In certain cases of automated mailing, consumers from different time-zones are mailed at different times of the day preferably, when in the office. It's known all over the world that digital era is here to change how business operates, (Gillin, 2009). The media environment has changed drastically from what it was only a decade ago and the traditional advertising media such as TV and magazines are said to be losing grip on consumers combined with other factors that technology has profoundly changed; when, where, how and if consumers process communication, (Shimp& Andrew, 2013).consumers appear to have adjusted to the change, ''experiencing media across an ever increasing number of channels, platforms and locations at an unprecedented rate'', (steele et al.,2013).

In order to obtain sustainable competitive advantage, firms are forced to be highly innovative and to do their best to ensure proper customer contact point with the brand. Marketers and advertisers are no longer relying solely on the traditional high reach media such as T.V and print media as they are now using a mix of several touch points in a way of embracing the opportunities brought forth by technology, (Barnes &Scornavacca, 2011). Thus marketers are faced with the question of how to reinforce a message or brand more efficiently without escalating the cost of marketing.

Brands and branding are by no means a new phenomenon, neither for academics nor the business world. It is possible to trace back the use of brands all the way to the Stone Age, when hunters used weapons of specific "brands" to succeed in the hunt (Almquist and Roberts, 2000). It was during the 16th century, however, that brands similar to those we see today have started to take shape. Some of the earliest-known brands were established by the English ceramist Josiah Wedgwood and the French fashion designer Rose Bertin (Burke 2006; de Paola 2005). Since the 18th-century England and France, there has been a massive development of the knowledge, procedures, and theories within branding. Contemporary branding theories have their origin and evolutionary starting point in the mid-20th century, primarily due to the development of commercials in mass media, (Farquhar, 2001).

Continentally, Africa too has not been spared by the brunt of global competition in the business sector. Similarly, Multi-nationals in Africa have been forced to adopt different

marketing strategies in order to survive in the current business turbulence. Organizations competing on this regional platform have not been left out by the demands of targeted marketing. African consumers today, plugged into various channels are served with personalized content at every turn, (Gbadamosi, 2012). Some global marketing strategies have also been employed in reaching out to consumers in Africa, the main one being language differentiation. In East Africa, players in the business sector have also been under pressure to fully personalize their marketing content to suit individual target consumers, (Barnes &Scornavacca, 2011). Again, some strategies of marketing differentiation like different language are also adopted with targeted consumers in a country like Tanzania being served advertisements in Kiswahili whereas targeted Kenyan consumers are served in English. Gummesson (2002) found that campaigns that use multiple marketing strategies tend to be more effective and efficient than campaigns using a single marketing strategy. The same is concurred by Damian (2007) who states that a mix of marketing strategies can have a strong impact on the overall effectiveness and that one strategy can improve the effectiveness of another.

Narrowing down to the marketing field in Kenya, the playground is no different. Consumers' expectations of personalized marketing are very much at play. A number of big players in the country have implemented personalized marketing strategies in a bid to lure more consumers and stay on top of the competition, (Kutty&Prabhakaran, 2006). Vividly, marketers are identifying more and more creative ways of reaching out to individual consumers. Currently, Kenyan marketers have employed tools like utilization of customized website advertisements, personalized emails and individualized seasonal marketing, (Odunga&Maingi, 2004).

Over the past few decades, consumers have become more aware of their power in controlling business. According to Damian (2007), this has been further propelled by availability of easily accessible information and communication technology.To reach consumers through digital media has been said to be the most promising field of development within marketing, (Nan, 2014).

The movement toward personalized marketing is being driven by a number of factors including the evolution from mass to micromarketing; the fragmentation of consumer markets and media audiences; the increased use of sales promotions and public relations; the proliferation of new media and alternatives for reaching consumers such as the internet and other digital and wireless devices; and the rapid growth and development of database marketing, (Labin, 2005). Marketers within organizations devote a lot of time and effort to market, unfortunately a good number rely on post-dated marketing strategies in reaching target consumers, (Gummesson, 2002). In other cases, marketers themselves seem unaware of the constantly updated marketing field.

Being a new trend in marketing, personalized marketing is yet to be fully adopted by many organizations in Kenya. Despite major advancements in communication information technology, most organizations are yet to utilize the potential in reaching target consumers using personalized marketing strategies. In a research done by Gbadamosi (2012), despite the adoption and investment in personalized marketing strategies by organizations in Kenya, the economic benefit is to a huge extent unquantifiable. The amount of time and money invested in personalized marketing vis-à-vis the gains received thereof are not in balance. A number of early adopters of personalized marketing strategies are yet to fully reap the benefits of personalized marketing. Further, Odunga and Maingi, (2004) suggest that most modern customers are not responsive to some personal strategies employed by companies as a way of reaching them. Customers have remained unresponsive to some messaging strategies of personal marketing.

1.2 Specific Objectives

1) To assess how personalized branding has an effect on the brand performance
2) To establish the effect of personalized social media marketing on the brand performance
3) To determine the effect of personalized direct messaging has an influence on brand performance

2. Literature Review

2.1 Theoretical Framework

2.1.1 Theory of Brand Loyalty
As coiled by Blackwell and Kollat (1999), the theory of brand loyalty states that, the positive behavior of a customer towards a brand has three different aspects: Emotional attachment, Brand evaluation, and Behavioral aspect brand. Blanshard, (2002), further added that brand loyalty is a positively biased emotive, evaluative and/ or behavioral response tendency toward a branded, labeled or graded alternative or choice by an individual in his capacity as the user, the choice maker, and/or the Purchasing agent. The theory of brand loyalty explains the relationship of customers' psychology with the brand of a company. The first aspect relates to the emotional attachment of customer with the brand. That is, how much a customer likes or dislikes a product, (Blanshard, 2002). If this is positive, the customer will always be inclined to buy this product and will never go to even check other companies' products.

2.1.2 The Branding Theory
This branding theory provides guidance on some important typical components of brand management. The theory emphasizes on the making product attributes more appealing to the consumers, (Heding&Knudtzen, 2009). According to the theory, a specific name should be assigned to a product which can reflect the business standards. After a brand name has been assigned, the brand should be made aware to potential consumers. On doing that, the business should do its best at ensuring that it provides to the consumers what they want. Once consumer awareness has been created, the business should embark on building and growing relationships from the very first consumers onwards, (Engel &Kollat, 2008). The business should then be able to grow to the top through the brand development.

2.1.3 The Value-based Brand Theory

According to this theory, the value-based brands are intended to build long term customer value. The theory discusses how customers interact with the brands over a long period and develop lasting relationships. The success all depends upon the value which the brand delivers to the customers (Belk, 2007). The value-based brand theory argues that the customer is the supreme spirited contrivance to defeat the competitors. It says a brand's life blood is the customer, nothing else. Brand equity is a competitive advantage for firms (Aaker, 2011) and is therefore of course a priority for many firms (Hoeffler& Keller, 2013). Measuring the effects can help develop strategies that can create more meaningful connections with the target market by understanding how advertising in each media shifts brand perceptions or encourages higher purchase intent. Research within the area can also help avoid advertising waste (Heding&Knudtzen, 2009).

2.2 Conceptual Framework

The Conceptual framework of this study includes independent variables; personalized branding, social media marketing and direct message marketing. Independent variables are the factors that the researcher thinks that will explain the variables while the dependent variables are those that the researcher attempts to predict, (Orodho and Kombo, 2002).The conceptual framework identifies the independent variable that affect the dependent variable which is brand performance at Coca Cola Kenya.

3. Research Gaps

Most of the available literature has concentrated on several other contexts in developed countries but with little regard to third world and developing countries. Further, the literature explains the situation of many organizations at different times when the extent of technology and globalization was less advanced as in the current situation. The existing literature does not give a comprehensive review of the effects of personalized marketing strategies to organizations hence the current study's aim was to conduct an in-depth investigation on the effects of personalized marketing strategies on brand performance with reference to Coca Cola Kenya

3.1 Data Analysis

Data collected was quantitative and qualitative in nature. The descriptive statistical tools helped the researcher to describe the data and determine the extent used. Analysis was done quantitatively and qualitatively by use of descriptive statistics. This included frequency distribution, tables, percentages, mean, mode and median. In addition, advance statistical techniques (inferential statistics) were also considered. Regression model was used to test relationship between independent variables and dependent variable. The basic formula for multiple regression used was as below;

$$Y = \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \acute{e}$$

Where Y=Dependent variable, and $X_1 \, X_2 \, X_3 =$ independent variable,

Data analysis was done using SPSS (statistics package of social science) and Microsoft excel percentages, tabulations, means and other central tendencies. Tables were used to summarize responses for further analysis and facilitate comparison. This generated quantitative reports through tabulations, percentages, and measures of central tendency. Cooper and Schindler (2003) note that the use of percentages is important for two reasons; first they simplify data by reducing all the numbers to range between 0 and 100. Second, they translate the data into standard form with a base of 100 for relative comparisons. In addition, univariate and inferential statistics were used to provide generalization of the findings. For this study, the researcher investigated the effects of personalized marketing on the brand performance of Coca Cola Company in Kenya.

3.2 Data Presentation

Quantitative data findings have been presented using tables and pie charts. This was enhanced by an explanation and interpretation of the data. Inferential statistics such as, regression analysis were also used to establish the relationship that exists between the different personalized marketing strategies and brand performance. Quantitative reports were generated through tabulations, percentages, and measures of central tendency. Qualitative data has been presented through narrative format. The narratives are supported using findings from raw data and presented as direct quotes to support and illustrate the themes.

4. Results and Discussions

Response Rate

The targeted sample size was 294 participants. Those filled and returned questionnaires were 274 respondents making a response rate of 93.2%. According to Mugenda and Mugenda (2008), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This means that the response rate for this study was excellent and therefore sufficient for data analysis and interpretation.

5. Personalized Branding

The research sought to establish the level of agreement on statements relating to personalized branding in Coca-Cola Kenya. This was based on brand naming, personalities and positioning. From the findings on brand naming, the respondents agreed that Coca Cola Kenya has employed brand naming in advertising it products as shown by a mean of 4.243, and that brand naming had made customers to buy coca cola products repeatedly shown by a mean of 3.846. However, they disagreed that brand naming has increased consumers of Coca cola products as shown by the mean of 1.742. On statements relating to brand personalities the respondents agreed that use of brand personalities increased consumers of Coca cola products as shown by mean of 4.145, Brand personalities influenced customers into buying coca cola products repeatedly as shown by mean of 4.015 and that Coca Cola Kenya employed the use of brand personalities in advertising its products as shown by mean of 3.893. On statements relating to brand positioning the respondents agreed that Coca cola Kenya used brand

positioning as a way of marketing its products as shown by mean of 4.223, use of brand positioning increased consumers of Coca cola products as shown by mean of 3.769 and that brand positioning influenced customers into buying coca cola products repeatedly as shown by mean of 3.554.

6. Social Media Marketing

The research sought to establish the level of agreement on statements relating to social media marketing (Facebook, Twitter and Instagram) in cocacola Kenya. From the findings on the level of agreement on statements relating to Facebook, the respondents agreed that Coca Cola Kenya used Facebook in advertising it products as shown by a mean of 4.128, advertising on Facebook has increased consumers of Coca cola products as shown by mean of 3.940 and that advertising on Facebook has made customers to buy coca cola products repeatedly shown by a mean of 3.833. On statements relating to twitter the respondents agreed that Coca Cola Kenya uses Twitter in advertising it products as shown by mean of 3.622. However, the respondents disagreed that Advertising on Twitter increased consumers of Coca cola products as shown by mean of 2.032 and that advertising on Twitter made customers to buy coca cola products repeatedly as shown by mean of 3.893. On statements relating to Instagram the respondents agreed that advertising on Instagram increased consumers of Coca cola products as shown by mean of 4.085, advertising on Instagram made customers to buy coca cola products repeatedly as shown by mean of 3.974 and that Coca Cola Kenya uses Instagram in advertising it products as shown by mean of 3.554.

7. Direct Message Marketing

The research sought to establish the level of agreement on statements relating to direct message marketing (E-mailing, Text Messages and phone calls) in coca cola Kenya. From the findings on the level of agreement on statements relating to personalized e-mailing, the respondents disagreed that Coca Cola Kenya used personalized emailing in advertising it products as shown by a mean of 1.579, advertising using personalized emails has increased consumers of Coca cola products as shown by mean of 1.726 and that advertising using personalized emails has made customers to buy coca cola products repeatedly as shown by a mean of 1.825.

On statements relating to personalized text messages, the respondents disagreed that advertising using personalized text messages has increased consumers of Coca cola products as shown by mean of 4.205 and that Coca Cola Kenya uses personalized text messages in advertising it products as shown by mean of 3.795. However, the respondents disagreed that advertising using personalized text messages has made customers to buy coca cola products repeatedly as shown by mean of 2.411. On statements relating to personalized phone calls, the respondents disagreed that Coca Cola Kenya used personalized phone calls in advertising its products as shown by mean of 1.658, advertising using personalized phone calls made customers to buy coca cola products repeatedly as shown by mean of 1.767 and that advertising using personalized phone calls

has increased consumers of Coca cola products as shown by mean of 1.830.

8. Brand Performance

From the findings on the level of agreement on statements relating to brand performance in Coca cola Kenya, the study found that the respondents agreed that Coca-Cola brands are the most known brands in the market as shown by the mean of 3.973, Coca-Cola has a high level of customer brand loyalty as shown by mean of 3.891, and that purchase intent for Coca-Cola brands does not change with marketing as shown by the mean of 3.846. However, they disagreed that the Coca-Cola brands have a high referral level as shown by mean of 1.736.

9. Conclusions

Coca-Cola has employed different personalized branding strategies in Kenya. These include brand naming, brand personalities, and brand positioning. Despite brand naming being used to retain customers in Coca-Cola, it has not increased consumers of Coca cola product in Kenya. Brand personalities and positioning have enhanced brand performance in Coca-Cola Kenya through repeated buying. Coca-Cola has used different social media platforms to enhance brand performance in Kenya. They include Facebook, twitter, and Instagram. Social media has increased the customer base and sales through advertising of the products. However, twitter has had little effect on brand performance of Coca-Cola in Kenya. Coca Cola Kenya use personalized emailing in advertising it products. This has been done through emails, text messages and phone calls. Direct messaging by phone calls increases the sales and customers of Coca-Cola. However, use of seasonal text messages has not increased the sales of Coca-Cola in Kenya. Despite the Coca-Cola brands having a high level of customer loyalty and exposure, the brands have a low level of referral. Personalized branding, personalized social media and personalized direct messaging are positively related to brand performance of Coca Cola Company in Kenya.

10. Recommendations

Based on the objectives the study recommends that Coca cola should increase the use of brand personalities in order to increase brand performance. This can be done by use of personalities who associate well with the target market. Brand naming does not contribute to the brand performance to a great extent and so the firm should adopt other branding options in order to enhance brand performance. On social media, facebook and Instagram should be used more by Coca-Cola compared to twitter which seems to contribute towards brand performance to a little extent. The use of Facebook and Instagram would increase customer base and increase the sales in Kenya. The use of online messaging improves brand performance more compared to text messaging. Therefore, Coca-Cola Kenya should allocate more funds on online marketing in comparison to other Media channels. This is especially in customers in urban centers who can access their emails and company websites

with ease. Emails should also be given priorities where orders and payments are required.

11. Areas for Further Studies

One of the areas that would be interesting to look into is the effect of personalized marketing on brand performance in the insurance industry in Kenya. This can give an insight on what personalized marketing strategies are implemented by the insurance companies and the ones that work best. Further, it would be insightful to study the effect of personalized marketing strategies to other beverage organizations like Del-Monte, Softa and even Kenya breweries. It would be interesting to find out the advantages and disadvantages of the various forms of personalized marketing strategies, together with a SWOT analysis of the same.

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