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STRATEGIC BRAND AGILITY AND PERFORMANCE OF SELECTED LAUNDRY DETERGENT BRANDS IN KENYA

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Abstract

The objective of the study was to establish the influence of strategic brand agility and brand performance of selected laundry detergent brands in Kenya. A descriptive cross sectional research design was used. There are 16 laundry detergent manufactures in Kenya with a brand portfolio of 80 laundry detergents brands. Primary data were collected using a structured questionnaire from key informants in the manufacturing firms. Out of the 80 questionnaires submitted, 75 questionnaires were returned representing a 94% response rate. Data were analyzed using descriptive and inferential statistics. The ability to identify strategic issues revealed the highest mean score while brand strategy response capability had the lowest mean score. The findings of the study further indicated a strong relationship between the dimensions of strategic brand agility and brand performance. The study results revealed a linear and significant relationship between strategic brand agility and brand performance. Among the four dimensions of strategic brand agility, flexible brand strategy and market sensing process had a positive and statistically significant while ability to identify strategic issues was negative and not statistically significant. Brand strategy response capability was negative and statistically significant. The study concluded that the adoption of strategic brand agility would lead to improved brand performance of the selected laundry detergent brands in Kenya.

Keywords: strategic agility, brand performance, competition, manufacturing firms in Kenya

INTRODUCTION

The business environment today is characterized by intense competition, dynamic and uncertain. Firms that are not agile in their operations find themselves obsolete. Managers therefore have to adopt strategic brand management strategies for a guaranteed increase in success (Keller & Brexendorf, 2016). A firm interested in launching new products in the market out to carefully craft brand strategies to maximize probability of success. Firms facing competitive pressure have to ensure that the brand is as responsive to market changes as possible. Worley, Williams and Lawler (2014) note that the agility factor is related to organizational performance. They file a statistically giant relationship between agility and performance. Shereiy, Kaworski and Layer (2007) argue that the essence of emblem agility is to maintain competitive gain in a dynamic environment. consistent with Aaker (2016) for a company to increase a strategically agile emblem it will should carefully reveal changes inside the market.

The manufacturing industry in Kenya is one of the pillars of the Big Four Agenda, an operationalization of Vision 2030. One of the key players in this industry is the laundry detergents sub-sector. This sub-sector is made up of fabric softeners, bar soaps and powder soaps. Currently there are sixteen (16) licensed manufacturers of laundry detergents in Kenya. The sixteen manufacturers hold a combined portfolio of 80 brands (KAM, 2019). Detergents by their chemical composition and manufacturing process are nearly similar. This implies that distinguishing one brand from another is a challenge. Given the large number of laundry detergents in the country, manufacturers pursue various brand management strategies in order to ultimately influence the brand's performance in the market.

Strategic Brand Agility

Most brand agility definitions make a brand situation-based, changeable, dynamic and growth-oriented (Bottani, 2009). According to Vasquez et al. (2007), the emerging business paradigm is that of strategic agility. Grewl&Tansuhaj (2001) states that in the focus on the modern markets, firms face several disintegrations that take place simultaneously to develop a quick compatibility. According to Razeghia et al. (2017) strategic brand agility is a special case of market orientation. In this study, the implication is that firms that pursue strategic brand agility are in a sense implementing the dictates of market orientation. Firms implementing strategic brand agility as a brand management philosophy will have a keen understanding of developments in not only their customer domains but also competitive dynamics.

According to Aaker (2014) a strategically brand agile brand is one that can detect and respond quickly and strategically to significant changes in the marketplace. Such brands need to have four assets or capabilities: they must have a flexible brand strategy, the presence of market sensing processes, the ability to identify strategic issues and an accelerated brand strategy response capability. These four can be used as the indicators of strategic brand agility.

Brand Performance

Brand performance is concerned with the success or otherwise of a brand in the market. According to Ho and Merrillees (2008) brand performance is sometimes split into brand market performance, a qualitative measure and brand profitability measured using quantitativily. Aaker (1996) proposes indices associated with the assessment of marketplace behavior that can be used to determine logo overall performance. Keller and Lehman (2003) argue that price top class, rate elasticity, marketplace percentage, price structure and the success in category extension are the main indices of logo overall performance measurement.

The detergent manufacturing sub-sector in Kenya is a vibrant one. Currently there are a total of 16 manufacturers of laundry detergents. In total, the sixteen manufacturers hold a combined portfolio of 80 brands (KAM, 2019). In Kenya, guidelines for the chemical composition of the detergents are developed and enforced by the Kenya Bureau of Standards (KEBS). To a large extent, this regulation in terms of the manufacturing processes implies that the laundry detergents are nearly uniform. Chemically, detergents are derivatives of other chemical processes. Due to the near similarity of the laundry detergents, the rate of substitutability is very high. This inevitably leads to intense competition among the laundry detergent brands.

Research Problem

Brand agility is critical for firms operating in an environment under uncertainty and dynamism (Uğurlu Çolakoğlu Çolakoğlu& Öztosun, 2018). The extent to which the management can adjust the brand in response to dynamics in the market explains that firms' strategic brand agility. Firms facing competitive pressure have to ensure that the brand is as responsive to market changes as possible. At the firm level, Worley, Williams and Lawler (2014) noted that agility factor is related to organizational performance. They report a statistically significant relationship between agility and performance.

The manufacturing industry in Kenya is considered one of the most vibrant in Africa (Masotsi, 2018). Laundry detergent manufacturing in Kenya is reportedly undertaken by large manufacturers (including multinationals), small scale enterprises and even cottage outfits. The brands produced ultimately have to compete for the attention of the customer. Currently there are a total of 16 manufacturers of laundry detergents. In total, the sixteen manufacturers hold a combined portfolio of 80brands (KAM, 2019). Owing to the challenges involved in differentiation of brands from those of competitors, firms have to ensure their brands are as responsive to shifts to the dictates of the market as much as possible.

Previous studies have been carried out in advance economies, diverse contexts and used different methodologies. Blake (2019) examined the burgeoning coffee café industry in India with the objective of getting a connection between performance outcomes of a firm in relation to order entry and its rivals' strategic agility. A case study research design was adopted and data were collected from secondary sources.

Bahramzadeh, Bahramzadeh and Bagher (2014) carried out a study on the connection between ICT and the brand agility of Bojnourd Social Security Hospital. Ojha (2008) examined on the effect of strategic brand agility at the monetary performance alludes that strategic emblem agility makes a speciality of the acquiring of know-how through interfirm whereas manufacturing agility is predicated on manipulating the velocity.

Ouma, Mwangi and Mollo (2013) studied strategic logo agility from the attitude of the corporate brand in supermarket chains in Kenya. Oyedijo (2012) investigated the effect on of strategic agility at the competitive overall performance within the Nigerian Telecommunication industry. This have a look at seeks to answer the question; what's the impact of strategic brand agility at the logo overall performance of laundry detergents in Kenya?

The objective of this study was to establish the effect of Strategic brand agility on the brand performance of laundry detergents in Kenya

LITERATURE REVIEW

The Dynamic capabilities Theory (Teece and Pissano (1994).) CT was a departure from the resource-based view (RBV) whose focus was on companies using internal resources to attain competitive advantage. The Dynamic capabilities theory demonstrate that in a competitive and dynamic environment successful companies are able to demonstrate timely and fast responsiveness to developments through product innovation. They are also capable of coordinating and redeploying both internal and external competencies. Processes refer to the way things are done within the firm and encompasses; learning, coordination and reconfiguration (Teece, 2014). Positions explain an organizations specific resources in terms of intellectual property, technology, complementary assets, customer base and its members of the family with providers and complementors. A company's brand can be viewed as a resource to the extent that elements of the brand are protected or if the company as patented the production process. The brand can be changed from time to time in response to market dynamics and to derive further shareholder value from its existence.

Keller's Brand Equity Model

Marketing firms strive to enhance the position of the brand in the customer's mind. The model identifies four steps in a ladder like format that are necessary in making a brand strong (Keller, 1993). They are aimed at reaching a pyramid pinnacle where a great relationship exists between the brand and the consumers. The implication is that the firm has to engage in strategic maneuvering. This calls for agility on the part of the brand strategy itself and the overall corporate strategy. business studies alludes that logo fee incorporates other components inclusive of the product, help offerings, distribution and the enterprise, each owning both tangible and intangible elements (Low & Blois, 2002).

Dimensions of Strategic Brand Agility

According to Razeghia et al. (2017) strategic brand agility is a special case of market orientation. Arguably then, the implication is that firms that pursue strategic brand agility are in a sense implementing the dictates of market orientation. Firms pursuing strategic brand agility as a brand management philosophy will exhibit a keen understanding of developments in not only their customer domains but also competitor activities. Strategic brand agility can essentially be viewed as a response to environmental developments. Aaker (2014) explains that a strategically agile brand is one that can detect and respond quickly and strategically to significant changes in the marketplace. Such brands need to have four assets or capabilities: they must have a flexible brand strategy, the presence of market sensing processes, the ability to identify strategic issues and an accelerated brand strategy response capability.

Empirical Review

Literature on strategic emblem agility and overall performance provides mixed findings. Ojha (2008) investigated the effect of strategic agility on the financial overall performance notes that strategic agility relies on gaining know-how to count on marketplace changes thru interfirm collaboration on the same time as production agility relies on manipulating the speed, as an example, the style of merchandise or nature of merchandise together with product combo supplied as soon as a alternate is detected inside the marketplace. The findings indicate that market, acuity that is a clear understanding of market developments is essential in developing strategic agility. Further, the findings show that strategic agility has no direct influence on financial performance. This influence is mediated by the speed with which the firm can respond to developments in the market.

Ouma, Mwangi and Mollo (2013) studied strategic brand agility from the perspective of the corporate brand in supermarket chains in Kenya. The objective of their study was model a framework used by Nakumatt advertently or inadvertently to maintain the supermarket chain's stable growth rate. The findings indicate that for each of the branches opened by the supermarket chain, autonomy in terms of brand assortment, negotiation with suppliers and pricing depending on the location was critical.

Oyedijo (2012) investigated the influence of strategic agility on the competitive performance of 9 Nigerian Telecommunication firms. The findings demonstrated a significant relationship between strategic agility and competitive performance of firms in Nigerian Telecommunications Industry. The implication of the findings is that application of strategic agility by firms is a significant predictor of competitive advantage.

Bahramzadeh, Bahramzadeh and Bagher (2014) carried out an analysis of the relationship between information technology and the brand agility of Bojnourd Social Security Hospital. This study was similar to Ouma, Mwangi and Mollo (2013) in that in both the corporate brand was used. The difference is that in Bahramzadeh et al. (2014) agility is used as the dependent variable. The findings indicate that there is a significant relationship between IT application and agility. Blake (2019) in India investigated the link between an association's performance results comparative with order entry and its rivals' strategic agility. The findings recommend that incumbent Agility is vital so as to conquer the propensity for organizational inertia, in particular for the duration of times in which a de facto class chief emerges onto the scene.

RESEARCH METHODS

This study was a descriptive cross sectional survey. The population for this study comprised 16 laundry detergent manufacturers in Kenya (KAM, 2019). In total, the sixteen manufacturers hold a combined portfolio of 80 brands. Data were collected using a self designed structured questionnaire from key informants. Comments from the respondents and faculty members were incorporated to improved content validity. The respondents were either marketing managers, brand managers or category managers within the company. Data collected was analyzed using descriptive and inferential analysis was used to analyze data.

ANALYSIS AND RESULTS

The results of the survey indicate that out of the 80 questionnaires that were distributed. After data cleaning, 75 questionnaires were found to be complete and, were therefore considered usable for further analysis. Thus, the response rate of 94% recorded was within the recommended value. The results of analysis of education level indicated that respondents, with a diploma accounted for 14.67%, those with a bachelor's degree accounted for 52% while those that had post graduate accounted for 33.33%. This infers that majority of the respondents were knowledgeable of the phenomena under study. The study revealed that less than 3 brands managed accounted for 52%, while those with 3 to 6 brands managed accounted for 33.33% and those that stated more than 6 brands managed accounted for 14.6%. Thus, the findings show that majority of the organizations were managing less than 3 brands.

Descriptive Analysis

Strategic brand agility antecedents were measured using flexible brand strategy, market sensing process, strategic issues and brand strategy response capability while brand performance was measured using non financial performance measures. A five point Likert type ranging from 1 =totally disagree, 2 = disagree, 3 = neither, 4 = agree and 5 = totally agree was adopted. The pertinent results are presented in Tables 1.

Table 1: Strategic Brand Agility

Dimension of Strategic Brand Agility	N	Mean	Std. Deviation
Flexible Brand Strategy			
We change the brand strategy depending on customer needs	75	2.36	.880
We adapt our brand strategy to face our competitors head-on	75	3.97	.986
We ensure our brand strategy is in tangent with those of competitors	75	4.25	.737
Our broad brand strategy can be modified anytime	75	4.16	.931
Average Score		**3.69**	**0.884**
Market Sensing Processes			
We carry out market surveys frequently	75	2.33	.859
Our company relies on informal market information sources	75	4.33	.723
The company benchmarks against competitor brand practices	75	4.29	.693
There is a team responsible for tracking developments in the market	75	3.95	.971
Average Score		**3.73**	**0.812**
Ability to Identify Strategic Issues			
We consider trends in the industry in the design of brand strategy	75	4.29	.712
We consider learning critical in the company	75	2.36	.880
We consider broad environmental developments in design of brand strategy	75	4.25	.931
We align brand strategy with overall corporate Objectives	75	4.32	.720
Average Score		**3.81**	**.811**

Brand Strategy Response Capability			
We have a brand rapid response (BRR) Team	75	2.32	.872
Brand managers do not have to seek higher authority when making brand adjustment strategies	75	2.27	.827
We have policy templates that guide brand adjustment	75	3.99	.951
We have reward systems for those excelling in brand responsiveness	75	4.29	.712
Average Score		**3.22**	**.841**
Overall Average Score		**3.61**	**0.838**

The results in Table 1 suggest that the firms ensure our brand strategy is in tangent with those of competitors represented with the highest mean score of 4.25 and standard deviation of 0.737, while the statement “We change the brand strategy depending on customer needs” revealed the lowest mean score of 2.36 and a standard deviation of 0.88. The average mean score was 3.69 and standard deviation of 0.884. This indicates that majority of the respondents were in agreement with the dimensions of flexible brand strategy, while the standard deviation indicate very little variation of opinion among the respondents.

On the dimension of Market Sensing Processes, the statement “The company benchmarks against competitor brand practices” revealed the highest mean score of 4.29 and a standard deviation of .712 , while the statement “We carry out market surveys frequently” returned the lowest mean score of 2.33 and the highest standard deviation of 0.859. The average mean score of 3.73 suggests that most of respondents agreement in regarding market sensing processes on the organization, while the average standard deviation =0.812 suggests that the degree of opinion variation regarding market sensing processes was very low.

The results further show the findings of the analysis of statements predicting Ability to Identify Strategic Issues, whereby the statement “We align brand strategy with overall corporate Objectives”, returned the highest mean score of 4.32 and a standard deviation of .720, while the statement “We consider learning critical in the company” returned the lowest mean score of 2.36 and a standard deviation of .880. The average mean score (3.81)suggests that most respondents reflect an agreement with the statements on the ability to identify strategic issues in the organization while the average standard deviation =0.811 suggests low dispersion from the dominant opinion.

The findings of the analysis of statements predicting Brand Strategy Response Capability, whereby the statement “We have reward systems for those excelling in brand responsiveness”, returned the highest mean score of 4.29, and the lowest standard deviation of

0.712 while the statement “Brand managers do not have to seek higher authority when making brand adjustment strategies” returned the lowest mean score of 2.27 and a standard deviation of .827. The overall average mean score was 3.22 suggests that most respondents reflects neutrality with the statements on ability to identify strategic issues in the firms, while the average standard deviation of 0.841 suggests very low variation from the dominant opinion among the respondents.

The study further sought to measure respondent’s views on brand performance. The subjective measures of performance were used on a five point Likert type scale. The results are presented in Table 2.

Table 2: Brand Performance

	N	Mean	Std. Deviation
Returns on Investment from the brand have increased	75	4.29	.712
The brand’s market share has increased	75	3.97	.944
Customer loyalty for the brand is higher	75	3.99	.951
Customer recognition of the brand has increased	75	4.24	.732
Average Scores	**75**	**4.12**	**0.831**

The study results in Table 2 show the findings of the analysis of statements predicting brand performance, where the statement “Returns on Investment from the brand have increased” returned the highest mean score of 4.29 and the lowest standard deviation of 0.712. The statement “The brand’s market share has increased” returned the lowest mean score of 3.97 and standard deviation of .944. Overall, the average mean score 4.12 suggests that most respondents reflects agreement with the statements on brand performance.

A multiple Regression analysis was carried out to establish the influence of strategic brand agility and performance. The pertinent results are presented in Table 3.

Table 3: Regression analysis

Model Summary

					Change Statistics				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.881[a]	.776	.763	1.39653	.776	60.533	4	70	.000

a. Predictors: (Constant), Flexible Brand Strategy, Market Sensing Processes, Ability to Identify Strategic Issues and Brand Strategy Response Capability

b. Dependent Variable: Performance

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	472.226	4	118.057	60.533	.000[b]
	Residual	136.520	70	1.950		
	Total	608.747	74			

a. Dependent Variable: Performance

b. Predictors: (Constant), Flexible Brand Strategy, Market Sensing Processes, Ability to Identify Strategic Issues and Brand Strategy Response Capability

Coefficients

	Unstandardized Coefficients			
Model	B	Std. Error	t	Sig.
(Constant)	.727	1.241	.586	.560
Flexible Brand Strategy	.289	.106	2.728	.008
Market Sensing Processes	1.391	.167	8.338	.000
Ability to Identify Strategic Issues	-.203	.136	-1.490	.141
Brand Strategy Response Capability	-.477	.140	-3.405	.001

The results in Table 3 present a correlation coefficient (R) of .881 and determination coefficients (R^2) of .776. The results depict a strong relationship between the dimensions of strategic brand agility and brand performance. The results further reveal that strategic brand agility account for 77.6% of the variation in brand performance. The other 22.4% of the total variation in brand performance is unexplained.

ANOVA analysis shows that the F statistics is 60.533 with an observed statistically significant level of .000, which indicates linear relationship between brand performance (dependent variable) and the predictor variable (strategic brand agility).

The beta coefficient, the students t reading scores and statistical significance are: flexible brand strategy Beta = 0.289, t = 2.728, $p < 0.05$; market sensing processes Beta = 1.391, t = 8.728, $p < 0.05$, ability to identify strategic issues Beta = -0.203, t = -1.490, $p > 0.05$ and brand strategy response capability Beta = -0.477, t = -3.405, $p < 0.05$. The beta coefficients show that flexible brand strategy and market sensing processes returned a positive and statistically significant value, while ability to identify strategic issues was not statistically significant and returned a negative value. Brand strategy response capability returned a negative, but statistically significant values. Thus, the regression between the dependent variables and the independent variables shows that the Y value equals 0.727 when the values of the independent variables is zero. The linearity is represented by the equation:

$$\mathbf{Y = 0.772 + 0.289X_1 + 1.391X_2 - 0.203\,X_3 - 0.477X_4} + e$$

Whereby: Y= Performance; X_1 = Flexible Brand Strategy; X_2 = Market Sensing Processes; X_3 = Ability to Identify Strategic Issues; X_4 = Strategy Response Capability; β=Co-efficient of X

CONCLUSION & IMPLICATIONS

The study concludes that strategic brand agility affects the brand performance of selected laundry detergents in Kenya. The findings that strategic brand agility contribute 88.1% of the variation in brand performance is testament enough for any decision-maker, not only in the investigated organizations, but also organizations from other sectors of the economy that disregarding strategic brand agility in the planning of brand marketing portfolio is suicidal to a firm in terms of competitiveness in the highly volatile business environment.

The findings of the study show that strategic brand agility greatly influences brand performance, as such, it is important that organizational leadership appreciate the significance of strategic brand agility to their bottom-line, but also go a step further by developing appropriate policies for having strategic brand agility permeate planning programs not only in the marketing domain, but along the product value addition chain. Scholars will, from the findings of the study, have an opportunity to theoretically build on the findings.

SUGGESTIONS FOR FURTHER RESEARCH

This study recommends further research to focus on broader conceptualization of strategic brand agility and brand performance. Further research can include intervening and moderating effects of the strategic brand agility and brand performance relationship. Finally, further research can be carried out in different industries and sectors.

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