STRATEGIC ROLE OF BRANDING IN BUILDING COMPETITIVE ADVANTAGE AT KENYA WINE AGENCIES LIMITED

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ABSTRACT

The primary purpose of the study was to study the strategic role of branding in building competitive advantage at Kenya Wine Agencies Limited. The interviewees were the human resources manager, public relation manager, the finance manager, brands manager, sales and distribution manager, production manager and managing director. The primary data was collected using an interview guide. Qualitative data was analyzed using content analysis. Content data analysis sought to make general statements on how categories or themes of data are related. In assessing the holistic view of strategic role of branding in building competitive advantage, emphasis is made to the brand itself, rather than simply the product. Thus the brand is considered to be the sum of all elements of the marketing mix: product is just one element, alongside price, promotion and distribution. This holistic view is more relevant to the current environment of international brand management. In other words, it is comprised of traditional and international marketing strategy that includes product, global communications, and channel management. This views a brand as a total value that contains intangible composite mixed elements. In other words, this brand value goes beyond the total impact of the combination of the marketing mix. It represents the synergistic effect of all marketing efforts that instill and perpetuate an image in customers' minds, and will finally contribute to the success of a firm in an international market. The study recommends further research on the role of ensuring that the front and managerial staff produce a good product, provide a positive customer experience, and pay more attention on operating procedures of wine agencies. The policies, processes, and standards could be employed to smooth operations, create value, and offer a positive customer experience. From the study, there is need to focus on things like customer incentive programs in relation to the strategic role of branding in building competitive advantage at wine agencies in Kenya.

Key Words: *strategic role, branding, competitive advantage, Kenya Wine Agencies Limited*

INTRODUCTION

Branded products or services, that have been the subject of great marketing research interest, are a fairly recent significant historical phenomenon that can be dated back approximately 120 years (Kapferer, 2012). Nevertheless, the initial concept of branding goes back all the way to ancient Egypt, where brick makers placed brand symbols on products to distinguish them from competitors. Until the nineteenth century, branding became far more concerned about the implication of value differences, which deals with psychological aspects in brands rather than purely functional aspects (Farquhar, 1989).

According to Ganesh, & Oakenfull, (2014), Branding activities are different significantly based on the age and size of the organization. A key role of branding is to create and reinforce an identity that promises relevant points of difference to consumers. Smaller organizations have an advantage in this area for a number of reasons like Leadership, Size, Business scope, Brand structure, Organization structure, Corporate Culture, Market Place, Decision Making, Financial resources, Brand identity, Brand awareness, Brand differentiation and Marketing method. Branding attract and keep customers by promoting the value, prestige and a lifestyle.

Competitive advantage is an advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and services that justifies a higher price (Porter, 1985). Porter (1985) defines competitive advantage along the three dimensions of cost, differentiation and focus with competitors trying to set themselves apart from those perceived as “stuck in the middle” without competitive advantage. He suggests that being able to produce an event at a lower cost compared to the competitors is one way to competitive advantage. Competitive advantage is the strategic advantage one business has over its rivals within its competitive industry. It strengthens and positions a business better within the business environment (Nyabok, 2005). According to Porter (1985), it is the creating of a position in the market industry that can be sustainable in the long run and there are two basic types of competitive advantage; cost advantage, and differentiation advantage.

Kenya Wine Agency Limited

Kenya Wine Agency Limited was established in May 1969 under the Company’s Act (Cap 486) as a joint venture between the Government of Kenya through the Industrial & Commercial Development Corporation (ICDC) and other private investors. The objective was to enable indigenous Kenyans to participate in the Wines & Spirits Industry (importation & distribution), which was hitherto dominated by foreign owned companies.

The Company through the Government protection policies of infant industries enjoyed a monopoly status in the Wines & Spirits sector, up until the early 90’s (2012/93) when the economy was liberalized through the then Structural Adjustment Programs (SAP’s) driven by the Breton Woods Institutions.

With the advent of liberalization, the Company found itself faced with stiff competition from an influx of many importers of Wines & Spirits. These competitors had lower overhead and efficient operations enabling them take rapid considerable share of the market. The Company is a major supplier of Wines & Spirits with a considerably strong franchise in the domestic tourism and export markets.

RESEARCH PROBLEM

Branding is a key element of a firm’s marketing strategy. Strong brands help establish the firm's identity in the market place, and develop a solid customer franchise (Aaker, 2015; Kapferer, 1997; Keller, 2013). Strategic management is the process of specifying an organization's objectives, developing policies and plans to achieve these objectives, and allocating resources so as to implement the plans. It is the highest level of managerial activity, usually performed by the company's Chief Executive Officer (CEO) and executive team. It provides overall direction to the whole enterprise. Competition in today’s business environment is becoming increasingly intense. While a company may be a market leader today, the status quo might change overnight. Having competitive advantage alone at Kenya Wine Agency Limited is not sufficient. The key determinant for prolonged growth is sustainability the ability to maintain a competitive advantage. Time is also of the essence. To sustain this leadership position, the Board of Directors and the Management have continually reviewed the organisational structure and operational policies to pave way for concerted efforts meant to exploit the expanding market and advances in technology. This turnaround strategy has been largely successful. A number of studies have been conducted on the area of branding: flora (2011), determinants of branding strategy within the major commercial banks in Kenya, Ndungu (2009), the effectiveness of marketing strategies used in destination branding in the promotion of domestic tourism, Munyoki (2018), effectiveness of co-branding as a brand strategy in the credit card sector in Kenya, Muta (2006) branding strategy for the Kenya agricultural research institute and its products, Nyabok (2005) the influence of branding on employee attitude & perceptions in the banking industry in Kenya, among others. Many of these studies are devoted to identifying change factors from both the external and internal environments. While many organizations are merely finding their orientation to stay abreast with the latest innovations, the winning company is already moving up to the next level. Threats of competition arise from a multitude of sources, defying geography, sectors, and converging technologies among others. Organizations can seek consolation in the fact that most competitors are also struggling to survive in this turbulent business environment. No known study has been done on strategic role of branding in building competitive advantage at Kenya Wine Agency Limited. This study therefore seeks to fill in this gap by on strategic role of branding in building competitive advantage at Kenya Wine Agency Limited. The study seeks to answer the research question; What is the strategic role of branding in building competitive advantage at Kenya Wine Agency Limited?

THEORETICAL REVIEW

The study uses porter's five forces model and theory of strategic balancing in explaining strategic role of branding in building competitive advantage at Kenya Wine Agency Limited. The porter‘s five forces/industry analysis is done in order to understand the different aspects (internal and external) faced by the industry in competitive environment. These issues are faced in the business world by every company regardless of whether they are small or large. Competition in any industry does not stem only from competitors, but is also influenced by the underlying structures of the industry. Additionally, the porter industry analysis stresses on competitive advantage which is created and hence can be controlled by individual firms and not comparative advantage (access to factors of production, like cheap or natural resources) which is mainly inherited. This is a very challenging view of the world where companies are fighting constantly against the five forces to fend them off and still be able to deliver value in their products in order to survive. Porter five forces focus on company‘s competitive strategy which is to―find a position in the industry where the company can best defend itself against these competitive forces or can influence them in its favor. Porter‘s five forces model is the conceptual framework for understanding the realities and forces of the external environment as well (Porter, 2003). According to WenLee, Cheng and Shun Liao, (2009), Porter developed five forces framework which includes competitors, threat of new entrants, substitute products, bargaining power of suppliers and bargaining power of buyers. Strategy is about making choices to pursue things a firm wants and over look things it does not want (no firm can be all things to all people). It is a deliberate and conscious effort to be different from all other players in the industry. This means that a firm has to set limits on what it is trying to accomplish to become unique which is highly demanded by the business world in order to get the valuable position.

EMPIRICAL REVIEW

Brand Management

A proper structure and organization-wide discipline to deliver the brand promise must be inculcated to ensure competitive advantage and sustainability of that advantage. Capodagli and Jackson (2013), advocate this very principle and quote the Walt Disney Company as an exemplary role model for all organizations to follow. They write,"Accomplishing such magic requires the contributions and assistance of a talented, dedicated, and loyal staff. Extensive training, constant reinforcement of the Disney culture and its values, and recognition of the valuable contributions that employees and partners make combine to keep people turning out one fantastic show after another." There is a wide recognition of branding strategy as a source of competitive advantage in domestic markets (Gatignon, & Anderson, 2014). When a brand is properly deployed, it can help a firm to achieve competitive advantage with consequence of attaining better performance.

Branding is consistent with the holistic view of what a brand is in the contemporary branding literature. As defined by Light, (1997)., brand equity is "the set of memories, habits and attitudes of consumers, the parent corporation, distribution channels, influence agents, and their associated technologies, that will enhance future profits and long-term cash flow." This definition features a number of issues, including the holistic view of the brand, the distinction from financial valuation, a situation of being more than just consumer driven, recognition of the importance of channel members, and consideration of the value of technologies in business transactions.

The holistic view of branding emphasizes the brand itself, rather than simply the product. Thus "the brand is considered to be the sum of all elements of the marketing mix: product is just one element, alongside price, promotion and distribution" (Ambler & Styles, 2015). This holistic view is more relevant to the current environment of international brand management. In other words, it is comprised of traditional and international marketing strategy that includes product, global communications, and channel management. This views a brand as a total value that contains intangible composite mixed elements. In other words, this brand value goes beyond the total impact of the combination of the marketing mix. It represents the synergistic effect of all marketing efforts that instill and perpetuate an image in customers' minds, and will finally contribute to the success of a firm in an international market.

Modern brand management and branding are often defined as integrating all functions of the company to develop a way to effectively communicate the brand to the target audience. As described by Malmelin and Hakala in Radikaali Brändi, brand management for modern companies is about integrating marketing and communications in a way that all aspects of the company are in line with the brand (Moore, Fernie, & Burt, 2000). Brands communicate with stakeholders and the target audience on many different levels. The communication may sometimes be intrinsic and non-verbal, which means that it may be formed by e.g. the imagery and visual elements associated with the brand.

Competitive Advantage

When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals (Porter, 1985). The goal of much of business strategy is to achieve a sustainable competitive advantage. An organization will gain competitive advantage over its competitors from an understanding of both markets and customers, and special competences that it possesses (Porter, 1985). A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus a competitive advantage enables a firm to create superior value for its customers and superior profits for itself.

Cost and differentiation advantages are known as positional advantages since they describe the firm's position in the industry as a leader in either cost or differentiation (Porter, 1985). A firm utilizes its resources and capabilities to create a competitive advantage that ultimately results in superior value creation. Mc Lauren (2004) argues that resources are the sources of a firm's capabilities, while capabilities are the source of a firm's competitive advantage.

Porter (1980) provides a framework that models an industry as being influenced by five forces. The strategic manager seeking to develop an edge over rival firms can use this model to better understand the industry context in which the firm operates. The framework uses concepts developed in micro-economics to derive five forces that determine the attractiveness of a market. They consist of those forces close to a firm that affect its ability to serve its customers and make a profit. A change in any of the forces requires a firm to reassess its marketplace. These forces include, bargaining power of suppliers, bargaining power of buyers, threat of substitute product and threat of new entrants. The above four forces combine with other variables to influence a fifth force, the level of competition in an industry. The intensity of rivalry among firms varies across industries. If rivalry among firms in an industry is low, the industry is considered to be disciplined. This discipline may result from the industry's history of competition, the role of leading firm, or informal compliance with a generally understood code of Conduct (Porter, 1980)

Branding and Competitive Advantage

Branding is a potent means to establish competitive advantage. The brand culture concept help sus see why this is so. Brand cultures are "sticky." Once they have accepted them as conventional wisdom, people are usually reluctant to abandon the conventions of the brand culture. Unless they have product experiences or encounter brand stories that profoundly contradict conventions, people are usually happy to maintain the taken-for-granted understandings of the brand. In addition to the stickiness of taken-for-granted understandings, there are two reasons for this durability.Competition with other brands can be reduced by building a strong differentiated brand identity (Pawle, 2014). Important for building a brand identity is the vision of brand managers. They should determine what they want their brand to represent and then use the appropriate identity elements to build the brand (Walton,2018).

Company‘s brand relates to the attitudes and associations that wide stakeholders have of a company as opposed to those of an individual product ((Pawle, 2014). It is the perceived unique benefits that brands offer consumers that give them their value adding potential and enable them to sustain a price premium over their commodity form (Ghosh, 2013). The added value that firms derive from building and owning brands is known as brand equity. Brand equity has been defined as a set of assets (and liabilities) linked to a brand‘s name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm‘s customers. There are four key brand assets from which brand equity is derived.

Psychological research demonstrates that brand cultures are durable because people are cognitive misers. Because people are so overloaded with information far more information than people can reasonably digest even if people wanted to rely upon a variety of heuristics to simplify the world. Seek ways to minimize the amount of thinking and searching that they must do to make good decisions (Gold, & Bentler, 2000).

RESEARCH METHODOLOGY

Research Design

This was a case study design. A case study is an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda, 2003). The primary purpose of a case study is to determine factors and relationships among the factors that have resulted in the behaviour under study. This design was most appropriate for a single unit of study because it offered a detailed in depth analysis that gave valuable insights to phenomena. Since this study sought to investigate on strategic role of branding in building competitive advantage at Kenya Wine Agencies Limited, a case study design was deemed the best design to fulfill the objectives of the study.

Data Collection

In this study, emphasis was given to primary data. The primary data was collected using an interview guide and questioner. An interview guide is a set of questions that the interviewer asks when interviewing (Mugenda and Mugenda, 2003). It makes it possible to obtain data required to meet specific objectives of the study. The interviewees were the human resources manager, public relation manger, the finance manager, brands manager, sales and distribution manager, production manager and managing director. The proposed instruments of data collection was through questionnaires with both open-ended and close-ended questions. Given that those who were interviewed were respondent and the researcher required getting in-depth information on strategic role of branding in building competitive advantage at Kenya Wine Agencies Limited, interview was regarded as the best method and the interview guide gave a clear guidance on what questions to ask.

Data Analysis

Qualitative data was analyzed using content analysis. Content data analysis seeks to make general statements on how categories or themes of data are related (Mugenda and Mugenda, 2003). Mugenda and Mugenda (2003) define content analysis as a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends. Analysis of data collected was compared with the theoretical approaches and documentations cited in the literature review.

RESEARCH RESULTS

KWAL’s Core Business

The respondents indicated that KWAL’s core business is to Procure, Produce and Package and market quality wines & spirits to satisfy their customers and stakeholders in the value chain. Their brands include; whiskey, brandy, vodka, sprits, wines, and ready to drink beverages.

Previously, KWAL’s core business was to consolidate importation and distribution of wines and spirits from foreign companies. This role was effectively discharged until the liberalisation of the economy when KWAL lost its monopoly. The company is now one among local and international players. KWAL established the first commercial winery in Kenya in 1982.

KWAL, which has over 4,000 employees has won international awards and have wide appeal throughout the region. It works with international wine companies to sell and distribute wines and spirits sought the world over.

KWAL's Key Performance Indicators since the Formation of the Company

The study sought to establish how KWAL's performance has faired in terms of its key performance indicators since the formation of the Company. Innovation has led to the development of the Company. According to the brand manager, systematic innovation capability, which assures them of a series of innovations that deliver business value. Innovation success starts with strategy and leadership, in which innovation is prioritized as important at KWAL. Guided by this strategic direction, the company's resource innovativeness in their operations, including in their workforces' creativity. They measure innovation and recognize it as important in their workforce, and they reward their staff for contributions to innovation.

The interviewees stated that KWAL's innovation generally matches up with customers looking for innovative solutions, and prepared to pay a premium for such innovations. The innovation of the company often works with their supply chain partners to extend the domain of their innovation efforts over a broader asset base. KWAL mostly practices various forms of open innovation, meaning that they work collaboratively with a range of partners, with which they achieve win-win innovation outcomes. Innovations at KWAL are in the form of new products, or cost-reducing process improvements, or innovative business models and methods. The benefits of innovation occur in all aspects of the profit/loss statement: In addition to the financial benefits at KWAL, innovation goes hand-in-hand with sustainable development initiatives, as both require progressive leadership and an appetite for change, combined with a tolerance of experimentation and some risk. The Brand Manager stated that the company's risks and the initiatives that did not work were more than made up for by the wonderful successes, in revenue, growth, price premiums and cost reduction.

The Brand Strategy That KWAL Uses in Customer's Choice Processes

The study established how the BOD is supportive to the policy development and implementation of brand management that Kenya Wine Agency Ltd. In the year 2004, Kenya Wine Agencies Limited started the implementation of its strategies using a Performance Contract, which was entered into between the Board of Directors of Kenya Wine Agencies Ltd. together with its assignees and successors of the one part, and the Managing Director of Kenya Wine Agencies Ltd. together with its assignees and successors. The BoD was meant to clearly define the working relationship between itself and the Managing Director; the parties recognized the need for adequate and reasonable managerial and operational autonomy to facilitate achievement by the Managing Director of Kenya Wine Agencies Ltd. The interviewees indicated that strategy implementation at Kenya Wine Agencies Limited was enhanced by the parties that were desirous of enhancing transparency in the management of the Company resources and accountability for result.

The study sought to find the brand strategy used by KWAL to facilitate customer's choice processes. KWAL's sales and distribution manager revealed that the company uses creative advertising agencies. Often, presentation of a brand involves, a few pictures designed by the agency and media and promotional items, which serve as evidence of a successful activation. Whether doing forecasts or reconciling growth in sales, the company rightly positions its brands for maximum sales. It is generally accepted that with a high market share, thanks to the marketer's work, and as long as KWAL's brands are priced right (and costs kept in tow), the company's profitability always increase.

The study reveals that the absence of marketers limits innovation and new product development. The sales and distribution manager and the marketing team of KWAL spends majority of their time at the marketplace observing and discovering gaps, defects and new needs, way ahead of the target customer. These raw data is what the marketing teams' presents to the company as recommendations. Implementation of these proposals offers KWAL a competitive edge, against its competitors.

Brand Equity Influence Competitive Advantage of KWAL

The study sought to establish how brand equity influenced competitive advantage of KWAL. The study indicated that for a company to penetrate into new markets it needs to arm itself with specific marketing strategies that will ensure growth in the target market. This becomes even more important if the target market is already filled up with competitors offering the same products or services. The wine industry in Kenya faces the challenges of stiff competition and regulation by the government. The interviewees stated that KWAL has come up with very competitive promotional and advertising activities in order to make their brands sustainable and also ensure that the consumers prefer their brands at the moment they make the decision to purchase.

According to the respondents, marketing activities that relate to the consumer have to be in line with the ADCA (2010). Promotional activities for the consumer should not encourage them to drink more or promote irresponsible drinking. All promotions should not encourage consumers to buy more than two alcoholic drinks at the same time in the hope of winning more drinks and it is wrong to entice consumers in having to drink more in order to increase the sales of the outlet. This has limited the promotions the company can do for their brands that ensured that more volumes were consumed in the outlets hence bar owners cannot realize high incremental sales as they used to before the Act.

The study indicates that high license fees and reduced operating hours for bars, restaurants and hotels selling alcoholic drinks have reduced the number of these establishments because most of them cannot afford to pay these license costs and opt to close down. These have reduced the amount of sales KWAL makes from selling to these outlets and the company needs come up with strategies to increase sales through the existing or increase its product portfolio to innovated more brands that have a high net sales value so that to maintain its market share and continue to be relevant and sustainable in the industry through the company's brands.

According to this study, all of promotional activities are for brand equity and not so much as increasing high sales, such as sponsorships to sports activities through CSR. These events pull in a huge crowd and KWAL would sell their brands and yield millions of shilling in such events. But since the enactment of the ADCA, 2010 these kind of sponsorships where prohibited and would only be acceptable were there would be not sales of alcoholic drinks as such events would attract underage persons would were below the drinking age limit of 18 years who would drink irresponsibly and even cause harm to themselves through reckless driving and irresponsible behavior. These activities realize huge sales for KWAL, the retail outlets and wine distributors who were appointment to cater in these events.

The sales and distribution manager stated that, the market penetration of product and opening up of new markets has also been affected by the ADCA (2010).There are less retail outlets being given licenses to operate the alcohol beverages businesses due to the high cost of license fees as well as the strict vetting of retail outlets that has to be done before any license is issued. For instance, retail outlets should not be near learning institutions should have good hygienic conditions and have all the amenities such as water and clean sanitation facilities. The ADCA (2010) regulates the way in which beer companies market their products through various promotional activities.

The marketing team at KWAL has realized the need to establish new marketing strategies in order to maintain the current market share for the alcoholic brands and ensure that the consumers will make the decision to prefer their alcoholic drinks to the competitor brands. KWAL brands have to be sustainable and profitable for the company to remain in business as well as for all their international stakeholders to operate successful businesses and for their consumers to continue enjoying the brands.

Kenya is witnessing the ongoing expansion of off-trade retail chains as well as small-scale wine and spirits outlets in and around major residential areas in order to cater for consumers' growing appetite for alcohol, especially in light of the limited drinking hours imposed on on-trade channels by the alcoholic Drinks Control Act 2010, which has caused consumers to resort to more drinking at home. This increased accessibility to alcoholic drinks is partly responsible for the overall growth of the alcoholic drinks market within the country, particularly in the off-trade which has contributed to KWAL's competitive advantage position over competitors.

The purpose of this study is to examine the significance of managing knowledge both within the company (internal knowledge) and across the value chain (external knowledge) for KWAL. The brand Manager revealed that the quest to innovate through research and development has been essential for KWAL, which has helped the company to remain ahead of competitors. Indeed, KWAL views the acquisition of new knowledge as a way to gain and maintain competitive advantage. New knowledge is harnessed and managed through internal knowledge and management systems that create learning opportunities for other departments and product areas within the company. Internal knowledge management systems at KWAL provide platforms for further development of knowledge transfer to external partners.

Leadership of KWAL Influence on Strategic Advantage of KWAL

The interviewees stated that, talent management features prominently on the agenda of KWAL. Once only of concern to HR, it is now among KWAL's most pressing responsibilities. Strong talent management leads to greater workforce productivity and other benefits and KWAL realized that it could not be successful unless they have a good strategy for developing talent.

Group Managing Director & CEO, KWAL; on the role, he plays in identifying and growing talent in his team stated that the management employee is KWAL's greatest assets. In today's corporate world, the competitive battlefront is for the best people because they are the true creators of value. For KWAL, talent management is among the top priority that is passionately driven by the CEO. At KWAL, talent management is a strategic activity. From the employee proposition the company aspires to deliver when hiring to the critical matter of retention and the ultimate outcome of long-term capability building, it ensures that the business is awash with quality talent to match our audacious ambition. Identifying, developing, and growing talent is a major focus area and in service of that, there are times the company consciously recruits ahead of its needs, so that it can train or assign outside home markets strategically, without compromising the business as usual deliverables.

The study revealed that talent is the management whose contributions are vital to a company's ability to produce its products and deliver. Excellent talent refers to employees who produce an above-average amount of product and poor talent means those who do much less than average. Mentoring is important because it overarches immediate job challenges and helps mentees navigate the company. KWAL has systems and processes that enable them manage how talent grows within the organisation in order to fulfill their careers. KWAL's intent is always to ensure that people first know what career opportunities exist for them within the organisation so that they can then actively support them to fulfil their career ambitions."

The leadership at KWAL continuous to encourage employees to own their careers. A line manager obviously has a massive role to play in career management, but how one grows in their career involves consciously working at it and causing the company to support them to achieve those career ambitions. Line managers are encouraged to have one-on-one conversations with their staff regularly. The company has a management process that enables the classification of all employees in the buckets of their levels of readiness for their next jobs. This has worked very well as, increasingly, the leaders move out to take up senior positions.

The Influence of Brand Image on Competitive Advantage of KWAL

The study sought to reveal how has brand image influence Competitive Advantage of KWAL. The relevance of monitoring, understanding, and responding to competitors has long been recognized as a significant aspect of marketing activity at KWAL. The competitive environment seems often to be subordinated as greater emphasis is placed on understanding customers and consumers. Clearly important though customers are, they should not dominate marketing strategy and planning. The study established that the marketing management has lost its way by focusing too narrowly on customers to the exclusion of competitors. Competition in the industry continually work to drive down the rate of return on capital invested.

KWAL managing director Mr. Gerald Masila said that the company managed to surpass its profits target by Shs17 million, attributing it to the impressive progress made on the company's governance structure coupled by a professional team that was competitively selected. For its turn around, the company has embarked on revenue maximization and cost-reduction strategies, including through the control and reduction of overheads such as telephones and stationery as well as in the control and reduction of overtime expenditure. Through the implementation of effective management, the company achieved a reduction in the wage bill by 25% in the year 2011/12.

As the MD revealed, KWAL has continued holding on to existing export markets in the region including Uganda, Rwanda, Burundi, DRC, Tanzania and Sudan. In the recent years, the company achieved an export turnover of USD 3,955,416 for the year 2003 thus contributing to the country's foreign exchange earnings. Export earnings for the year 2011/12 were Kshs. 224,030,000. The Company further expanded its Rwanda operations via establishment of a subsidiary and recently, the establishment of a private bonded warehouse. KWAL is therefore serving the domestic Rwanda market and expanding to the great lakes region of Burundi and Eastern Congo from the Rwanda Bonded Warehouse. The Rwanda business recorded a turnover of Kshs. 406,257,775/= and a profit of Kshs. 92,024,270. Also, the recent set up of a private bonded warehouse in Uganda assists the brand image influence Competitive Advantage of KWAL.

INFERENTIAL STATISTICS

The Pearson (r) correlation coefficient showed a positive and significant relationship between strategic role of branding and competitive advantage at Kenya Wine Agencies Limited because it had a Pearson correlation coefficient (r) of 0.734 and a p- value of 0.000. This means that as strategic role of branding and competitive advantage at Kenya Wine Agencies Limited increases there is an increase in Competitive advantage.

Table 1: Correlations Analysis

		Competitive advantage	Strategic role of branding
Competitive advantage	Pearson Correlation	1	.734**
	Sig. (2-tailed)		.000
	N	202	202
Strategic role of branding	Pearson Correlation	.734**	1
	Sig. (2-tailed)	.000	
	N	202	202

**. Correlation is significant at the 0.01 level (2-tailed).

Table 2 shows the effectiveness of the model in measuring the relationship between Strategic role of branding and Competitive advantage in Kenya Wine Agencies Limited. The overall correlation coefficient (R) between Strategic role of branding and Competitive advantage is a strong positive correlation of 0.734. The coefficient of determination (R Square) indicates that the Strategic role of branding in the regression model can explain 53.9% of the variations in Competitive advantage of Kenya Wine Agencies Limited holding other factors constant.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.734[a]	.539	.537	.48688	1.589

a. Predictors: (Constant), Strategic role of branding
b. Dependent Variable: Competitive Advantage

Table 3 presents the analysis of variance of the Competitive advantage in Counties that are included to explain the Strategic role of branding. The overall significance of the model is 0.000 which is at level of significance of 0.05 and fail to accept the null hypothesis and conclude that Strategic role of branding have a positive influence on Competitive advantage in in Kenya Wine Agencies Limited. This shows that the Strategic role of branding included in the model have an overall high significance in explaining the Competitive advantage in Kenya Wine Agencies Limited in Kenya.

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.394	1	55.394	233.683	.000[b]
	Residual	47.410	18	.237		
	Total	102.804	20			

b. Predictors: (Constant), Strategic role of branding

The beta was equally significant (β =.734, t = 15.28, at $p < 0.05$). The beta value implies that for one unit increase in Strategic role of branding, Competitive advantage increase by 0.734 or 73.4%. From the regression results it is evident that the null hypothesis is not supported and therefore is rejected and the alternative hypothesis is accepted.

Table 4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.521	.138		11.052	.000
	Strategic role of branding	.623	.041	.734	15.287	.000

a. Dependent Variable: Competitive advantage

CONCLUSIONS

KWAL is a majority government owned Company established in 1969 with a mission to "Procure, Produce, Package, and Market quality Wines and Spirits that will satisfy the consumers and stakeholders in the value chain." The Company acquired its ISO Certification in 2005/2006 intended to enhance consumer confidence in the quality of its products while also improving customer service through efficient operations. According to the interviewees, KWAL's experience in the Eastern Africa market and unmatched professionalism provides the company with a clear understanding of the Eastern Africa consumer market. Exceptional personnel skills and financial capability ensure that all the company's projects are undertaken without cutting corners. Over the years, KWAL has built and maintained a strong and enviable customer base.

The study indicated that high license fees and reduced operating hours for bars, restaurants and hotels selling alcoholic drinks have reduced the number of these establishments because most of them cannot afford to pay these license costs and opt to close down. These have reduced the amount of sales KWAL makes from selling to these outlets and the company needs come up with strategies to increase sales through the existing or increase its product portfolio to innovated more brands that have a high net sales value so that to maintain its market share and continue to be relevant and sustainable in the industry through the company's brands.

According to this study, all of promotional activities are for brand equity and not so much as increasing high sales, such as sponsorships to sports activities through CSR. These events pull in a huge crowd and KWAL would sell their brands and yield millions of shilling in such events. But since the enactment of the ADCA, 2010 these kind of sponsorships where prohibited and would only be acceptable were there would be not sales of alcoholic drinks as such events would attract underage persons would were below the drinking age limit of 18 years who would drink irresponsibly and even cause harm to themselves through reckless driving and irresponsible behavior. These activities realize huge sales for KWAL, the retail outlets and wine distributors who were appointment to cater in these events.

RECOMMENDATIONS

The study recommends that the company have to be keen when it applies for the advent of brand differentiation and niche and direct marketing, reality has changed, and now there are niche markets in which both individual and wholesale buyers are looking for products with very specific characteristics or special services. These characteristics often use strategies that do not focus on costs and volumes exclusively; rather the product or service may be of premium quality, be differentiated from other products, and services available in the market.

The study also recommends highly providing customers with additional information about the company as a way for clients to connect to the physical operation. This connection can be strengthened through identifying with the employee and the customers.

The study recommends that potential sources of competitive advantage, quality are an underlying factor. Successful ventures offer consistent quality, so an important consideration for any company is how quality is going to be perceived and measured. In some cases, quality may be related to value-added strategies, such as obtaining third party certification for brands. In other cases, quality may be related to the fact that the product being offered is of a higher physical quality than the competitor's brand, or from providing excellent customer service.

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