

**A SURVEY OF THE POST PURCHASE BEHAVIOUR OF NATIONAL
HOUSING CORPORATIONS' MORTGAGED CUSTOMERS IN NAIROBI**

BY

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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL
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DECLARATION

This management research project is my original work and has not been presented for a degree in the University of Nairobi or any other university.

Signed... *L.N.K* Date... *07-11-2006*

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D61/7734/04

.....

This research project has been submitted for examination with my approval as the students' supervisor.

Signed... *M. Ombok* Date... *07-11-2006*

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DEDICATION

To my parents Mr. and Mrs. George Kimencu with love and Gods blessings, and to my dearest friend, and closest companion, Shadrack Mwenda, that God will bless us with every beautiful thing.

ACKNOWLEDGEMENTS

My greatest gratitude goes to my dear parents, whose immeasurable love, and support has seen me through this period of my MBA programme.

I sincerely would like to acknowledge the people whose assistance directly or indirectly facilitated the completion of this project. A special word of appreciation is extended to my supervisor, Mrs. Ombok, who patiently, guided me through this research.

In addition, many thanks go to the respondents who participated in the study. I sincerely thank them for their cooperation and the speed with which they responded.

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Lastly, to my God who has been so faithful to me all through my life, and from whom I get the assurance of a better tomorrow.

Thanks to you all, and God bless.

TABLE OF CONTENTS

DECLARATION	i
DEDICATION	ii
ACKNOWLEDGEMENTS	iii
LIST OF TABLES	vi
ABSTRACT	vii

CHAPTER ONE: INTRODUCTION

1.1 Background.....	1
1.1.1 Post purchase behavior.....	2
1.1.2 Role of Mortgages.....	3
1.1.3 National Housing Corporation.....	4
1.2 Statement of problem.....	5
1.3 Objectives of the study.....	7
1.4 Importance of study.....	7

CHAPTER TWO: LITERATURE REVIEW

2.1 Consumer behavior.....	8
2.2 Purchase decision process.....	8
2.3 Post purchase stage.....	12
2.3.1 Post purchase satisfaction.....	13
2.4. Determinants of post purchase satisfaction\dissatisfaction.....	18
2.5 Influence of perceptions on consumer post purchase satisfaction.....	19
2.6 Monitoring post purchase behavior.....	20
2.7 Summary.....	22
2.8 Summary of post purchase behavior.....	24

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research design.....	25
3.2 Populations of study.....	25
3.3 Sample and sampling design.....	25
3.4 Data collection.....	26
3.5 Operational dimensions of post purchase behavior.....	26
3.6 Data analysis.....	27

CHAPTER FOUR: ANALYSIS AND INTERPRETATION DATA

4.1. Introduction.....	28
4.2. Profile of the respondents.....	29
4.3. Post purchase actions exhibited by NHC customers.....	32
4.4 Respondents satisfaction on measures offered by NHC	36
4.5 Consumers perception on company's response to their dissatisfactions.....	37

CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction.....	40
5.2 Discussion.....	40
5.3 Conclusion.....	44
5.4 Recommendations.....	45

Limitations of the Study	45
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Suggestions for Further Research	46
---	----

References	47
-------------------------	----

Appendices	50
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Appendix 1: Letter of introduction

Appendix 2: Questionnaire

LIST OF TABLES

	Page
Table 1:	Summary of the post purchase behavior of customers 24
Table 2:	Estate stratification 25
Table 3:	Operational dimensions of post purchase behavior 26
Table 4:	Distribution of respondents by marital status 29
Table 5:	Distribution of respondents by educational level 29
Table 6:	Distribution of respondents by gender 30
Table 7	Distribution of respondents by age category 30
Table 8:	Duration spent in the house 31
Table 9:	Extent of respondents' satisfaction of the various Attributes offered by NHC 32
Table 10:	Actions undertaken by respondents on satisfaction 33
Table 11:	Actions undertaken by respondents dissatisfaction 34
Table 12:	Respondents satisfaction on the measurers offered by NHC company 35
Table 13:	Respondents who complained in the last six months 36
Table 14:	Respondents perception on if NHC welcome complain And comments 36
Table 15:	Respondents perception on if NHC handle complaints Consistently and professionally 37
Table 16:	Respondents satisfaction on how their complaints Are handled 37
Table 17:	Respondents' intention to buy another house from NHC 38

ABSTRACT

The mortgage industry is currently facing competition with most commercial banks and pension funds which previously were not offering residential mortgages entering in the lending arena. Since a home is a high involving product requiring consumers' time and energy in considering product satisfaction, mortgage companies such as NHC can retain their customer base by designing products that meet customer expectations and make post purchase follow-ups. The objectives of the study were therefore to determine the post purchase behavior of NHC mortgaged customers after they purchase a house on mortgage, their perception on the follow-up measurers offered by NHC to ensure they are satisfied, and their perception on how the company handles their dissatisfactions if any. The outcome of the study was intended to help the company understand their customers long after the purchase decision has been made as this would affect subsequent purchases by same customers and influence the post purchase communications by word of mouth to other people, which will have an impact to the company in the long run.

To achieve the objectives, a descriptive survey was used in the study. The population was derived from the NHC biennial report 2005 list. The researcher aimed at a sample of 250 housing units and achieved a 68% response rate. This is because most people living in the house units were not the real purchasers of the houses as they had rented them hence not being adequate subjects for the sake of this study. Houses sampled were selected randomly and proportionate samples taken from selected estates. Primary data was collected using structured questionnaires and data analyzed using percentages and mean scores while data presentations were made in tables.

The analysis indicated that most respondents were satisfied with NHC products to a large extent and therefore would defend and testify positively about it and its products. However, the results show that to no extent would respondents write a compliment letter to the press about the company. On the other hand dissatisfied customers requested for repairs and price adjustments to a large extent, while they did not consider grumbling to friends, selling the house to someone else, admitting a mistake was done or taking any legal action. Among the measurers offered by the company, maintenance

services were deemed to be most satisfying; respondents indicated indifference toward suggestion boxes and follow-up calls, which brings a challenge to NHC to be more sensitive to its customers by offering them reassuring follow-up calls and responding to the letters sent in the suggestion box. However, the results show that respondents were satisfied with the response letters sent to them by the company upon dissatisfaction, but were indifferent toward how their complaints were listened to by the company staff and the interim fix-it action offered.

The recommendations of the study are that there is need for mortgage providers in this case NHC to understand their customers' behavior long after they have made the purchase. A house being a large investment, customers need to be reassured that they have made the right purchase decision to encourage them make subsequent purchases and talk to others about their positive experience on conducting business with NHC. It is suggested that a study could be carried out on other mortgage firms to reveal if the findings will be different from the current one

CHAPTER ONE

INTRODUCTION

1.1 Background

At independence, Kenya mobilized its resources to attain a rapid rate of economic growth for the benefit of its people. The government had to reorganize and mobilize its resources to combat poverty, disease and illiteracy in order to achieve social justice, human dignity and economic welfare for all (Sessional paper no. 10, 1965). According to the Sessional paper, poverty is defined as the lack of the basic-necessities, which include shelter, food, clothing, and education among others. Shelter is a physiological human need more like food so that even those who cannot afford it still need it. Shelter and housing are basic needs and are recognized by the international community as a basic right which national governments should accord their citizens (Agenda, 1994).

During the first decade of independence, with relatively small civil service, it was largely possible to meet housing needs through the “pool housing” system in urban areas. Those not covered under this system could easily meet their requirements through rental of private sector or local authority housing. Overtime, the owner-occupier scheme developed later assisted a number of civil servants to meet their housing needs (Development plan, 1989-1993). The severe pressure on the supply of housing was the inevitable consequence of rapid growth in population and in urban areas, the even faster rate of immigration. Much of the housing built in the country was in the form of traditional dwellings constructed in rural areas out of local materials. Increasing resources were devoted to public housing, which was the overall responsibility of the ministry of housing. Its participation in house building is undertaken through National Housing Corporation, which makes funds and technical assistance available to local authorities and where necessary directly undertakes housing projects (Economic survey, 1973).

Mokua (2005) states that there is severe shortage of quality affordable housing especially for the middle-income households to the extent that Nairobi needs 75000 units annually. As a policy formulator, the government is alive to this appalling fact. The deficit of houses has led to the proliferations of informal settlements, construction of unauthorized extensions in existing estates, poor standards of construction and increased conflicts especially between tenants and landlords. Most Nairobi residents including those in the middle class consume poor quality housing, which

comes with inadequate public services. Residents have now developed a huge appetite for planned and serviced housing estates that guarantee civility in the manner of lifestyle. The government has tried to solve this predicament by finalizing the draft national policy, facilitating acquisition of land for housing the low-income group, promoting participation of communities and private developers in provision of shelter, infrastructure through a well designed institutional framework (Development plan, 1989-1993).

1.1.1 Post purchase behavior

According to Lazer and Culley (1983), buying behavior does not end at the instant customer's commits money in exchange for goods or services. Any purchase involves a process that begins when a consumer starts to recognize a need or desire for a product and it is not complete until the consumer processes the product and has evaluated its utility, which can be long after the act of exchange. Hence, the post purchase stage involves the actual consumption, servicing and maintenance of products. According to Kibera and Waruingi (1998), the post-purchase behavior stage is concerned primarily with the buyers' use of the product purchased.

After buying a product, the consumer compares it with his or her expectations and is either satisfied or dissatisfied. Marketers might decide whether the product was deficient or consumers expectations were too high, product deficiency may require a design change, if expectations are too high perhaps the company's' advertising or the sales person oversold the product features (Berkowitz, Kevin, Hartley, Rudelius, 1994). Churchill and peter (1995), adds that after buying a product consumers formally or informally evaluate the outcome of the purchase. In particular, they consider whether they are satisfied with the experience of making the purchase and with the good or service they bought. A consumer who repeatedly has favorable experiences with the same purchase decision may develop loyalty to the brand purchased, also in many cases; consumers tell their families, friends and acquaintances about their experiences with buying and using products.

Sensitivity to a consumer's consumption or use experience is extremely important in a consumer's value proposition, studies on automobiles purchasing also show that satisfaction or dissatisfaction affect consumers' communication. Satisfied buyers tell eight other people about their experience, dissatisfied buyers complain to twenty-two people. Firms like General electric, Johnson and Johnson and British airways focus attention on post purchase behavior to maximize

customer satisfaction a consumer's satisfaction or dissatisfaction is determined by the overall feelings or attitudes a person has about a product after it has been purchased (Berkowitz et al, 1994). Consumers are engaged in a constant process of evaluating the things they buy, as these products are integrated into their daily consumption activities. Research has shown that such efforts produce post purchase communications among consumers and contribute to relationship building between sellers and buyers (Solomon, 1996).

1.1.2 Role of Mortgages

Mortgages are the most common method of purchasing residential property. Historically, building societies were the main providers of mortgage loans. Since deregulation of the financial markets in 1980's banks and specialist mortgage finance companies have also offered mortgages and a range of related products (Brig house, 1999).

Pandey (1999) defines a mortgage as a long-term commitment that ties a prospective homeowner down to mortgage repayment for at least 20 years and normally commits the lender for a minimum of three years or so, while Fabozzi and Modigliani (1995) states that a mortgage is a pledge of property to secure payment of a debt. Typically, property refers to real estate, which is often in the form of a house, the debt is the loan given to the buyer of the house by a lender. Thus, a mortgage might be a pledge of a house to secure payment of a loan. The types of real estate property that can be mortgaged are divided into two broad categories; residential and non-residential properties. Residential properties include houses, condominiums, cooperatives and apartments. Residential real estates can be subdivided into single-family (one to four family residence) and multifamily residents (apartment buildings in which more than four families reside). Non-residential property include commercial and farm properties.

According to Relly and Brown (1997), real estate investment trust is an investment designed to invest in various real estate properties, except that the mortgage finance companies invest their money in properties and buildings. Direct real estate investment focuses mainly on the purchase of homes. It is the most common type of direct real estate investment and is the largest investment most people ever make. The purchase of a home is considered an investment because the buyer pays a sum of money either all at once or through a mortgage over a number of years.

According to Ndirangu (2004), the greatest challenge facing the mortgage industry, is the high rate of defaulters. The high rate of defaulters is attributed to, by factors such as economic decline, when economy is in depression, most business and individuals are unable to pay the loans secondly, the level of interest rate that keeps fluctuating, the borrowers are unable to honor their loans because of rising interest levels. Thirdly, in the event of the borrowers death and if the cause of death is not covered by insurance, the lending company may suffer losses

1.1.3 National Housing Corporation

The housing market in Kenya has evolved considerably since independence in 1963. The 1968 /76 National Housing Policy promoted a strong role for the government in providing affordable housing for the citizens of the country through its parastatal or quasi-government institution, the National Housing Corporation (NHC), through municipal councils, and through civil service housing. For more than two decades, the NHC was the market leader in the housing industry, responsible for the development of government run and managed public housing. The Nairobi City Council and local authorities throughout the country augmented the public housing of NHC by developing and managing a considerable stock of housing units, largely in urban centers. Concurrently, the government provided housing to civil servants working at national, provincial, parastatal and municipal levels of administration at a time when one in two wage earners were public sector employees. In the late 1970s and onwards, however, the urban housing situation in the country deteriorated (Nabutola, 2005).

According to The National Housing Corporations' biennial report 1981-1982, NHC is a state owned enterprise established in 1953, as the central housing board. The board became NHC in 1967 following the revision of the housing act cap 117 of the laws of Kenya. The principal roles of NHC are the development of decent and affordable housing, facilitating rural development, forging partnership with local authorities, cooperatives, private sector and other stakeholders in housing development. Since its inception, the corporate has created a housing stock of over 43,000 units at a total cost of Ksh. 3 Billion. The company involves itself in the building of low cost houses to cater for the middle and low-income earners; its products are designed in four broad categories, that is, purely mortgaged houses, in these, the company builds houses to and sells to other mortgage companies such as the housing finance, which then seeks market for those houses. The second category is the purchase-tenant houses, these are houses built and mortgaged to customers directly by the firm. The customer pays 10% deposit, and then pays the

rest, within a period of 20 years at 13% interest rate. The customers also pay maintenance costs, to cater for insurance and cleaning costs. The third category includes the rental houses; the company builds the houses and rents the apartment to the customers on monthly basis. While the fourth category is the site and service upgrading schemes, this refers to the slum upgrading schemes, which are in line with the government policy of providing decent shelter to the majority of low income families.

Although, National Housing Corporation is an organization that portrays desire for growth and development, it is inhibited to reach its full potential because of the following challenges; The Company needs to incorporate marketing functions of the corporation's products in their portfolio. Hence, it should develop marketing strategies to attain new customers and retain old customers. Secondly, NHC suffers from the high risk of defaulters, who due to various personal problems may be unable to honor their mortgage pledges. The company is also facing stiff competition from other mortgage providers who have penetrated the market, this includes banks, and other building societies, and these have provided long-term mortgage lending covering 10 to 25 years and charging interest rates between 13% and 19% per annum. This has resulted to a great deal of competition among the key players in the industry (Development plan, 1989-1993). Hence, it is due to these challenges National Housing Corporation must take into account the needs of its customers, before it is phased out of the market, this may be done through conducting follow-up research on post purchase behavior of their customers.

1.2 Statement Of The Problem

In the African setting, a home is very important. Homes are associated with culture, beliefs and values of a particular society. Hence, various potential homeowners would want to acquire this either by building it on their own, renting an apartment, while others would want to borrow funds to purchase a home. Since many people cannot afford to buy a piece of land and build a house of their liking within a given time, mortgage loans have allowed them to live in an ideal house while paying for it in installments in the knowledge it will be theirs when the deal is concluded (Syagga, 1994). A home being a high involving product; is closely tied to the consumers' ego and self-image as it involves some financial, social or personal risks. Hence is worth the consumers' time and energies in considering product satisfaction (Assael, 1998).

Against a background of greatly increased customer expectations and increasing difficulty in sustaining product advantages, a manufacturer can distinguish itself from the competition in the longer term by building and maintaining customer loyalty through delivering quality post-purchase services. Research shows that a customer satisfied with post purchase services is three times more likely to repurchase than a dissatisfied customer is (Ian, 1993). The mortgage market is alive to this appalling fact of competition, in the 1990's there were few lenders in the mortgage market hence they created an oligopolistic status. Presently most commercial banks and pension funds, which previously were not offering residential mortgages, have entered into the lending arena (Ndung'u, 2001). Currently, banks that are already in the mortgage business include; Barclays bank of Kenya, Standard and Chartered bank and National Industrial Credit bank (NIC) (Oloo, 2004). With the banks issuing home loans, the demand for residential houses is expected to grow further and competition among mortgage providers to stiffen, threatening the very existence of traditional lenders like National Housing Corporation, Housing Finance of Kenya among the pioneers (Omondi, 2004). On the broader level, NHC is also facing competition from private developers and individual owners building their own houses.

Since customers have a choice, they will remain loyal to a firm when they receive greater value in relation to what they expect from competing firms. The call then is for NHC, whose core business is to provide houses on mortgage to retain their customer base through being sensitive to demand and designing products that meet customer expectations and making a consumer post purchase follow-up (Mokua, 2005). Since, its future depends on reputation, which is created by both satisfied and dissatisfied customers talking to their friends and colleagues, it is important that they retain satisfied customers, who will return and buy more, tell other people about their positive experiences and may pay a premium for the privilege of doing business with a supplier they trust (Mathenge, 2002).

Studies by Ndirangu (2004), Omondi (2004) and Murugu (1998), focused on the effects of types of mortgage, perceived quality of service in the mortgage sector and responses of mortgage companies towards threat of new entrants respectively. Other studies by Odhiambo (2003), and Mathenge (2003), focused on satisfaction among mobile phone users and British Airways customers respectively. None of the studies has focused on the post purchase behavior of mortgaged customers. Through this study, the firm will learn the post purchase behavior of its customers as this will give it an edge against competition, as post purchase behavior influences

return rates and the communications between customers and others. This study therefore responded to the following questions

- i. What is the post purchase behavior of NHC mortgaged customers?
- ii. What is the customers' perception to the measurers offered by the company if any?
- iii. How do customers perceive the company's response to their dissatisfaction if any?

1.3 Objectives of study

The objectives of this study were to

- i. Determine the post purchase behavior of NHC mortgaged customers.
- i. Determine the customers' perception to measurers offered by NHC Company.
- ii. Determine the NHC customers' perception on the company's response to their dissatisfactions if any.

1.4 Importance of the Study

- i. The findings may be beneficial to NHC Mortgage Company to know the post purchase behavior of its customers and thus, establish proper systems to retain satisfied customers.
- ii. The study may stimulate similar research to be conducted in other similar mortgage firms.
- iii. Scholars and future researchers who may wish to use the research as a source of reference.

CHAPTER TWO

LITERATURE REVIEW

2.1 Consumer Behavior

Consumer behavior consists of the activities people engage in when selecting, purchasing and using products to satisfy needs and desires. Such activities involve mental and emotional processes in addition to physical action (Zikmund and D'Amico 1995; Bearden, Ingram, and Laforge, 1995). According to Zikmund and D'Amico (1995), consumer behavior starts with basic building block. Human behavior of any kind is a function of the interaction between the person and the environment. Whether behaviors are simple or complex they flow from the person's interactions with the environment variable. The basic formula of behavior can be expanded into a more elaborate model of consumer decision-making. The model presents a decision-making process influenced by numerous interdependent forces rather than any single factor.

Zikmund and D'Amico (1995) explain that consumer orientation is the first aspect of the marketing concept. The consumer or customer should be seen as "the fulcrum", the pivot point about which the business moves in operating for the balanced interest of all concerned. According to most marketing thinkers, consumer orientations- are the satisfaction of customer wants, since it is the justification of an organizations' existence. The marketing concept emphasizes customer satisfaction yet it is only in the last few years that a serious effort has been made to understand how a state of satisfaction is reached. The philosophy known as the marketing concept is central to all effective marketing thinking, planning and action. The marketing concept relates marketing to the organizations overall purpose- to survive and prosper by satisfying a clientele (Stanton, Etzel, and Walker1991).

2.2 Purchase Decision Process

According to Zikmund and D'Amico (1995), marketers who study consumer behavior are ultimately interested in how consumer choices are made. One important determinant is the situation in which a decision is made. According to Assael (1998), deciding to buy a car is a different process from deciding to buy toothpaste. The typology of consumer purchasing decision is based on two dimensions; the extent of decision-making and the degree of

involvement of the purchase. The first dimension represents a continuum from decision making to habit. Consumers can base their decisions on cognitive (thought) process to information search and evaluation of brand alternatives on the other hand, little or no decision-making may take place when the consumer is satisfied with a particular brand and purchases it consistently. The second dimension depicts a continuum from high to low involvement purchases. High involvements purchases are those that are important to the consumer. Purchases closely tied to the consumers' ego and self-image and involving some, financial, social or personal risks are worth the consumers' time and energies in considering product alternatives. Assael (1998) adds that the higher the level of involvement, the greater the search for information, even when decision making does take place, involved consumers are likely to vary greatly in the extent of information process. Some may evaluate just a few brands on one or two alternatives; others might evaluate a larger number of brands on many attributes

Bearden (1995) explains that consumer decisions are often described as involving one of three types of problem solving efforts; routinised response behavior, limited problem solving or extensive problem solving. The type of decision is important to marketers because it influences the nature of the communication, they should use to market their products. Routinised response behavior is the least complex type of decision making because the consumer has a considerable past experience in dealing with the situation at hand and thus needs no additional information to make a choice (Zikmund and D'Amico, 1995; Bearden, et al, 1995). Limited problem solving reflects an intermediate level of decision making which the consumer has some previous purchasing experience but is unfamiliar with stores, brands or price options (Zikmund and D'Amico, 1995; Bearden et al, 1995). Extensive problem solving involves a considerable mental effort and substantial search for information. Many high-involvement decisions results in extensive problem solving. The first purchase occasion for many complex and expensive products typically involves extensive problem solving. Even the criteria on which the choice will be made must be learned (Bearden et al, 1995).

Buying behavior does not begin or end at the instant a customer commits money in exchange for goods or services. Any purchase involves a process that begins when a consumer starts to recognize a need or desire for a product and it is not complete until the consumer possesses the product and has evaluated its utility which can be long after the act of exchange (Lazer and Culley, 1983). To deal with the marketing environment and make purchases, consumers engage

in a decision process (Stanton et al, 1991). Though the model is a useful point for examining purchase decisions, the process is not always as straightforward as it may appear. As Zikmund and D' Amico (1995) states different consumers may pass through these steps at different rates of speed, the potential buyer can withdraw at any stage prior to the actual purchase, either because of money shortages or he may determine that no available alternative is satisfactory; hence some stages may be skipped. Stanton further asserts that, all the six stages are likely to be used only in certain buying situations for instant, when buying high priced infrequently purchased items.

According to Lazer and Culley (1983), purchasing often is described as the sequential process of becoming aware of the need, searching for information about products to satisfy the need, evaluating the alternatives, reaching a purchase decision and realizing post purchase feelings. Consumer buying process involves 3-stages, pre-purchase stage, purchase stage, and post purchase stage. During the pre-purchase stage, the consumer becomes aware of the product, grows interest in it and forms a favorable or unfavorable attitude towards it. If the consumer is sufficiently interested in a particular product and there are no financial or other barriers to making the exchange, then the purchase stage occurs, that is a decision is made to buy the product (action), and a particular product types, brand and distributional outlet is selected. Potential buyers often try to sample the item (trial) before making a final commitment to purchase it. If they do make a purchase, their evaluation of the product will occur during post purchase stage.

The process begins at the need recognition stage when an unsatisfied need creates tension or discomfort. This condition may arise internally, or the need may be dominant until it is aroused by an external stimulus such as an advert or the sight of a product. Another possible source of tension is dissatisfaction with a product currently being used (Stanton et al, 1991). Once a need has been recognized and the consumer has decided how much effort to exert, both product and brand alternatives must be identified. This may involve a simple memory scan or an extensive research. Studies have shown that consumers do not engage in an extensive information search unless they consider the value of any additional information collected worth the cost of obtaining it (Assael, 1998). Churchill and peter (1995) add that the consumer will look for information depending on how much experience he has in meeting a particular type of need. According to Zikmund and D' Amico (1995), marketers provide numerous sources of information to satisfy the

consumers need to reduce risk, they may offer, guarantees, a liberal return policy, stores displays or advertisement that show a product actually delivers what is promised and a pledge that “ we service, what we sell” to reduce the consumers uncertainty about perceived risk.

Based on the information gathered, the consumer identifies and evaluates ways to meet his or her need. In general, this step involves deciding what features of the product are important and identifying which of those features each alternative offers (Churchill and Peter, 1995). According to Zikmund and D'Amico (1995), in analyzing possible purchases, the prospective buyer considers the appropriate choice criteria, which are the critical attributes the consumer uses to evaluate the alternative. The criteria the consumers use in the evaluation, results from past experiences and feelings toward various brands consumers also consider the opinions of family members and friends in their deliberations (Stanton et al, 1991).

There are several possible outcomes of the buying decision process. After searching and evaluating, the consumer must decide whether to buy or not to buy. Thus, the first outcome is the decision to purchase or not to purchase (Stanton et al, 1991). Assael (1998) asserts that the outcome of brand evaluation is an intention to buy (or not to buy). The final sequence in complex decision-making involves purchasing the intended brand, evaluating the brand during consumption and storing information for future use. Stanton (1991) explains that if the decision is to buy, a series of related decisions must be made regarding features, where and when to make the actual transaction, how to take delivery or possession, the method of payment and other issues.

Purchasing in complex decision-making is not likely to be immediate. Once consumers evaluate brands, they tend to purchase the one achieving the highest level of expected satisfaction (Zikmund and D'Amico, 1995). According to Assael (1998), the consumer will evaluate a products' performance in the process of consumption. Hence purchasing and consumption must be distinguished for three reasons, firstly, the purchase depends on the consumers' expectations of the degree to which brands are likely to satisfy needs, secondly, the product maybe purchased by one person and consumed by another, hence the consumer not the purchaser determines product satisfaction. Thirdly and most important, the consumers' post purchase evaluation determines whether the brand is likely to be repurchased. The consumers' dissatisfaction will

lead to no further purchases, negative word of mouth communication about the brand and eventually loss of sales

Therefore, marketers must recognize that the person at the end of the process is not the same person who began it. Having gathered information, evaluated alternatives and arrived at a decision, the consumer has acquired additional knowledge about the product and the various brands. New opinions and beliefs have been formed and old ones have been changed. Consumer behavior is a continuing process, involving repeat purchases, so discovering what consumers know and how they feel after the purchase decision is made, will help the marketer improve the marketing mix (Stanton et al, 1991).

2.3 Post Purchase behavior

The final step of the buying process deals with post purchase behavior. Most products wear out, are used up, and have to be replaced (Dalyrymple and Parson, 1990). According to Lazer and Culley (1983), Post purchase stage involves the actual consumption, servicing and maintenance of products. Marketing people carefully watch the post purchase activities of customers so that interest in the product is maintained (Dalyrymple and Parson, 1990). If buyers are satisfied with the product, they are more likely to make repeat purchases. The creation of satisfied user is thus an important asset to companies for it is easier to market a product to satisfied users than it is to create new customers. Hence, it is important to keep customers satisfied after the purchase so they will buy the item again (Lazer and Culley, 1983). The way customers are treated on returns; repairs and warranty services will influence the decision process for subsequent purchases. If the firm handles post purchase doubt and anxiety adequately, then it is more likely to build a loyal cadre of repeat purchases. Kibera and Waruingi (1998) add that the post-purchase behavior stage is concerned primarily with the buyers use of the product purchased. As consumer behavior, researchers have come to view purchase as a process over time rather than as an instantaneous event, more attention has been focused upon the post purchase stage. The consumer engages in post purchase actions, which have implications to the marketer.

Consumer post purchase provides several inputs to our model of buyer behavior. A major concern is that purchase allows customers to learn more about products or services. Customer expectations are compared with actual product experiences, the degree of satisfaction or dissatisfaction assessed and possible further customer behavior projected (Dalyrymple and

Parson, 1990). According to Peter and Donnelly (1992), although many studies in the area of buyer behavior centers around the buyers' attitudes, motives and behavior before and during decision, emphasize has also been given to the study of behavior after the purchase. Specifically, studies have been undertaken to investigate post purchase dissonances as well as post purchase satisfaction.

2.3.1 Post Purchase Satisfaction/ Dissatisfaction

It seems evident that companies should try to satisfy their customers. Satisfied customers usually return and buy more, they tell other people about their experiences and they may well pay a premium for the privilege of doing business with a supplier they trust. Statistics are bandied around that suggest that the cost of keeping a customer is only one tenth of winning a new one (Mathenge, 2003). Kurtz and Boone (1992) add that the importance of keeping customers satisfied is evidenced by the growth spurt in marketing research firms that specialize in measuring customer satisfaction. Recognizing that it is far less expensive to keep an existing customer than to gain one. Therefore, when we win a customer, we should hang on to them.

Churchill and supprenant, as quoted by Vavra (1997) defines satisfaction as an outcome of the purchase and the use resulting from the buyers' comparison of the rewards and the costs of the purchase in relation to the anticipated consequences. Alternatively, satisfaction has been considered as a process emphasizing the perpetual, evaluative and psychological process that contribute to satisfaction. According to Hunt quoted by Vavra (1997), it is an evaluation rendered that the experience was at least as good as it was supposed to be, while Engel and Blackwell (1997) defined it as an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative. Solomon (1996) adds that a consumer's satisfaction or dissatisfaction is determined by the overall feelings or attitudes a person has about a product after it has been purchased. Consumers are engaged in a constant process of evaluating the things they buy as these products are integrated into their daily consumption activities. Satisfaction or dissatisfaction is more than a reaction to the actual performance, quality of a product or service it is also influenced by prior expectation regarding the level of quality.

Kardes (1990) explains that satisfaction involves comparing a chosen product with a rejected product. If the chosen products seems superior to the rejected product, the consumer will be satisfied, however if the chosen product seems inferior to the rejected alternative, the consumer

will experience dissatisfaction. Customer satisfaction, dissatisfaction and complaint behavior are important outcomes of consumer purchase decision- process. Satisfaction and dissatisfaction describe the positive, neutral or negative feeling that may occur after the purchase. Consumer complaints are overt expressions of dissatisfaction, complaints should not be avoided since there are bound to be customers dissatisfied with some aspects of your services and you need to know about them (Walker, 1990). Satisfaction is important because it influences repeat purchases while dissatisfaction is also important because it influences complaining behavior, which may influence many other consumers and decrease the likelihood of repeat purchases. Since satisfaction involves a comparison process, you should not be surprised to learn that the direction of comparison influences satisfaction judgment as well as preference judgment. According to Dalrymple and parson (1990), highly satisfied customers will alter their beliefs about a product in a favorable direction.

According to Kurtz and Boone (1992), the purchase act results in either satisfaction to the buyer and removal of the discrepancies between the existing and desired states or dissatisfaction with the purchase. Consumers are generally satisfied if their expectations are met, while they experience some post purchase anxiety also known as cognitive dissonance when an imbalance exists in their cognitions (knowledge, beliefs and attitudes). Alternatively, they are dissatisfied if products do not live up to their expectations for durability or performance. Hence, while satisfied customers are apt to be “converted” to repeat buyers and may become advocates of the product in their conversation with others, dissatisfied customers’ common reaction to a product problem is to return to the dealer and ask for an exchange, refund or repairs. If the dealer handles the problem carefully, the buyers’ positive beliefs in the product will be restored and the customer will probably buy again. When customer complaints are rebuffed, a negative belief structure is formed and repeat purchase probabilities decline. Consequently, when customers’ complaints are not handled adequately, they may result in appeals to outside agencies ensuring publicity, which could lead to lawsuits, product recalls, loss of goodwill and reduced market share (Dalrymple and parson, 1990).

Solomon (1996) explains that acting on dissatisfaction, a consumer who is unhappy with the product may take any of the following causes of action; **Voice response**- he can appeal directly to the retailer for a redress or refund; **Private response**- he can express dissatisfaction about the store or product to a friend and or can boycott the store. **Third party response**- the consumer

can take legal action against the merchant, register a complaint with the bureau or perhaps write a letter to a newspaper. A dissatisfied consumer can therefore respond to his experience in essentially two ways; firstly, he may show a non-behavioral response by doing nothing about it, or he may choose to resolve his dissatisfaction by taking private action such as deciding to boycott the offending product or by badmouthing his family, friends or acquaintances against the product. He can also make an effort to obtain redress directly by contacting the seller and asking for appropriate corrective action such as, adjustment of the purchase price, exchange of the product or repair of the product, the consumer can take a public action such as writing a letter to the press or taking legal action (Kibera and Waruingi, 1989).

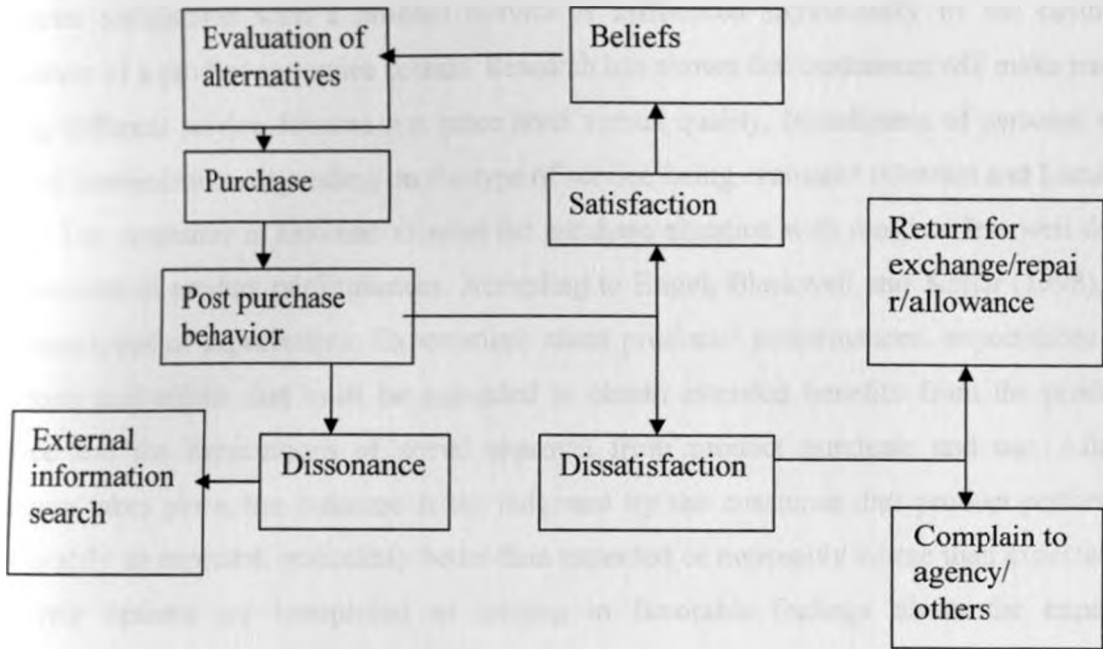
Assael (1998) however notes that, in many cases, a decision may involve two or more close alternatives and could go either way. Having made their decisions, consumers' may feel insecure, particularly if substantial financial or social risks are involved. Any negative information about the chosen product causes post purchase dissonance; that is conflict resulting from two contradictory beliefs. If the disparity between prior expectations and subsequent product performance is not great, the assimilation effect occurs, that is the consumer ignores the product defects and their evaluation of the product remains positive. On the other hand, if there is a great disparity between prior expectations and performance, a contrast effect is likely to take place where consumers recognize and magnify poor performance.

Dissonance occurs when two cognitions or beliefs do not fit together and the result is a state of psychological discomfort (Engel et al, 1978). Cardozo (1965), one of the first marketing academics to investigate customer satisfaction, borrowed heavily from social psychology to understand the impact of satisfaction of future buying behavior he suggested the novel joint application of both Helsons, "contrast effect" as well as Festinger's cognitive dissonance theory. Cardozo speculated that dissonance would prevail in purchases of high involvement and substantial expended efforts. Hence, if customers have invested in a product or service either through their involvement with the product or by expending considerable efforts to buy it or by paying a substantial price, they would actively work to reduce any difference between actual experience with a product or service and their prior expectation. This suggests a generally more favorable outcome for the manufacturer. Since the customer would conceivably increase her evaluation of experienced dissonance between high expectations and low experiences.

Lazer and Culley (1983) assert that the useful concept in explaining and predicting post purchase behavior is the theory of “cognitive dissonance”. This refers to the relationship between two things that occur together but do not fit or belong together. Dissonance is the uncomfortable feeling that “something is wrong”, when consumers feel dissonance, they try to reduce it; they even avoid situations or information that are likely to increase it. According to Peter and Donnelly (1992), the occurrence of post purchase dissonance is related to the concept of cognitive dissonance. This theory, states that there is often a lack of consistency or harmony among an individual's various cognitions or attitudes and beliefs, after a decision has been made—that is the individual has doubts and second thoughts about the choice made. Post purchase dissonance might be expected to be present among many purchasers of such products as automobiles, major appliances and homes. In these cases, the decision to purchase is usually an important one both financially and psychologically and there are usually a number of favorable alternatives available. Dissonance can affect post purchase attitudes, change behavior and cause additional information seeking (Bearden et al, 1995).

As stated by Kibera and Waruingi (1998), this theory holds that almost every purchase is likely to lead to some post purchase discomfort. Dissonance causes tension over whether the right decision was made in buying the product; it increases with the importance of the decision and the difficulty involved in choosing one product over the other. They add that, should dissonance occur, a buyer might get rid of a product by returning it or by selling it to someone else. Alternatively, they may seek an assurance from the sales man or friends that the product is a good one and that they made the correct purchase decision. According to Kardes (1990), apart from cognitive dissonance theory, another type of consistency consumers strive for is consonance, or consistency between target behavior and a target attitude. Dissonance or behavior-attitude inconsistency produces an unpleasant tension referred to as dissonance arousal. When it occurs, people are motivated to reduce dissonance arousal by changing their attitude to make it consistent with the behavior that was performed. A shift in attitude that increases behavior attitude consistency is known as dissonance effect. After attitude change occurs, people can convince themselves that the behavior that was performed was the correct behavior. Hence, the dissonance effect often involves effort justifications or attempts to rationalized the initial troublesome behavior

Post purchase satisfaction/dissatisfaction model



Source: Dalrymple and Parson (1990), Marketing Management, 5th edition, John Wiley and Sons, USA Pg 126

Solomon (1996) however asserts that, a number of factors influences which route is eventually taken that is: the consumers' personality, nature of the product if it is high involving and expressive or low involving and routine. Action will be taken of a high involving as opposed to a low involving product because of the financial and emotional costs involved. In addition, if the consumer does not believe that the store will respond well to a complaint, he is likely to switch brands rather than fight. Therefore, marketers should encourage customers to complain to them. people are more likely to spread the word about unresolved negative experiences to their friends than they are to boast about positive occurrences.

Satisfaction has been linked to a firm's profitability and repurchase-probability (Mathenge. 2003). Fornell (1992), explains that the probability of repeat purchases is a function of both satisfaction and switching barriers, which include, search costs, transaction cost, learning cost, habit, emotional cost, cognitive efforts and various forms of risk or uncertainty may act as barriers to switching from one brand to another. Even when dissatisfaction in the current choices exists or an alternative appears more attractive, there are many reasons why a consumer might continue to choose their customary brand.

2.4 Determinants of post purchase satisfaction/dissatisfaction

Customer satisfaction with a product /service is influenced significantly by the customers' evaluation of a product or service feature. Research has shown that customers will make trade off among different service features e.g. price level versus quality, friendliness of personal versus level of customization depending on the type of service being evaluated (Ostrom and Lacubucci, 1995). The consumer is assumed to enter the purchase situation with more or less well defined expectations of product performances. According to Engel, Blackwell and Kollar (1998), there are three types of expectations; Expectations about products' performances, expectations about the costs and efforts that must be expended to obtain intended benefits from the product or service and the expectations of social approval from product purchase and use. After the purchase takes place, the outcome is the judgment by the consumer that product performance was exactly as expected, noticeably better than expected or noticeably worse than expected. The first two options are interpreted as leading to favorable feelings about the experience (satisfaction) while the third option leads to unfavorable feelings or dissatisfaction. If the consumer is satisfied, then he/she will exhibit a higher probability of purchasing the product next time. The satisfied consumer will also tend to say good things about the product to others (Kibera and Waruingi 1989; Kardes, 1990; Bearden et al, 1995).

Kardes (1990) explains that expectancies and disconfirmation both influence satisfaction. Generally, as expectancies increase, satisfaction decreases, since most products cannot meet consumers' highest expectations. As disconfirmation increases, satisfaction increases if the disconfirmation was positive (the product performed better than expected) and dissatisfaction increases if disconfirmation was negative. However, he notes that, consumers will be dissatisfied with excellent products if consumers' expectations exceed actual product performances. Conversely, consumers will be satisfied with poor products if consumers' expectations fell below the actual level of performance. Hence, that which exists in the mind of the consumer (i.e. expectations) is as important as that which exists in reality (i.e. actual product performances). Consumers form expectations based on past experiences, information from social sources and sales presentations and advertising. When using the products, they compare these expectations with their experience to arrive at a perceived level of satisfaction. If the ideal outcome is for experience to equal or exceed expectations, the result is satisfaction. Alternatively, if experience falls short of expectations, dissatisfaction occurs. The marketer can influence expectations

through advertising claims and sales presentation and consumer experience through the quality of the product (Stanton et al, 1991; Solomon, 1996).

As explained by Kardes (1990), another factor that has an important impact on satisfaction judgment is consumers' attributions or causal inferences concerning why a product performed worse than expected. A product will perform worse than expected if the user may have used it inappropriately (internal attribution where the fault lies within the person), or if the product was designed poorly (external attributes because the faults lies outside the person). Although negative disconfirmation leads to dissatisfaction, even greater dissatisfaction will be experiences if the consumer forms an external (as opposed to internal) attribution. Folkes (1988) defines attributes as the perceived causes of events that influence perception of satisfaction as well. When consumers have been surprised by an outcome, either it is much better/ much worse than expected; they tend to look for the reasons and their assessment of the reasons that have influenced satisfaction. For many services, customers' at least take responsibility of the outcome.

According to Price, Arnold and Debler (1995), consumers' emotions can also affect their perceptions of satisfaction with products and services. These emotions can be stable, pre-existing emotions examples of this include mood state/life satisfaction. Specific emotions may also be induced by the consumption experience itself, influencing a customers' satisfaction with the service. Customer satisfaction level is also determined by perceptions of equity and fairness. Notion of fairness is central to consumers' perceptions of satisfaction with products and services. They would ask themselves, have I been treated fairly, compared to other customers? Did other customers get better treatment, lower prices, or quality services than (Bitner, 1990).

2.5 Influence of Perception on consumer post-purchase satisfaction

Perception refers to the way people gather and record information. One reason that consumers respond differently to the same external forces is that they perceive those forces differently (Churchill and Peter, 1995). People constantly receive, organize and assign meaning to stimuli detected by the five senses. In this way, people interpret and give meaning to the world around them. A customers' perception depends on the object and his or her experiences (Stanton et al, 1991). Churchill and Peter (1995) asserts that, it is not enough to make an excellent product, rather for customers to be satisfied or delighted, they must perceive that the product is excellent. The forces that influence what a consumer perceive and how they perceive it include, selective

attention, selective interpretation and selective retention. While people pay attention to what seems most interesting and relevant, they also tend to hear and interpret things in a way that fits existing beliefs and values. In addition, people tend to remember only certain information that matches their beliefs and values. Hence, the challenge to marketers goes beyond getting consumers attention, they must also contend with customer interpretation and retention.

According to Lazer and Culley (1983), perception can be measured using opinion and attitude measurers. Opinion tests usually treat consumers reactions as being one dimensional, they simply indicate a liking or a dislike of some object, while attitude measurement devices are more sophisticated and attempts to measure not only the different dimensions of peoples' feelings but also the intensity of those feelings.

2.6 Monitoring Post Purchase Behavior

According to Walker (1990), most customers dissatisfied with your service do not complain they may put up with it and just grumble to their friends or may decide to go elsewhere. Complaints therefore provide an opportunity to identify weaknesses, put things right, rescue a customer, and encourage loyalty. An organization should welcome and even seek customer comments and complaints and handle them consistently and professionally. It should become a natural part of the organizations strategy of listening to customers on a regular basis- complaints form the unsolicited part of the listening process. If an organization does not feel defensive about complaints, but genuinely sees each one as a learning opportunity, it can actually rescue a customer and achieve long-term loyalty. Customer complaints can be used as an integral part of your staff involvement staff (Bearden et al, 1995).

Consumers post purchase feelings feedback on subsequent behavior and marketers must take steps to help buyers feel good about their choices through post purchase communication to them and by providing opportunities for them to obtain redress. Admitting that a mistake has been made could of course reduce dissonance. However, most individuals are reluctant to admit that a wrong decision has been made. Thus it is more likely that a person will seek out supportive information to reduce dissonance. These findings have much relevance for the marketer; in a buying situation when a purchaser becomes dissonant, it is reasonable to predict such a person would be highly receptive to advertising and sales promotions that support the decision. This is because a consumer, who is not especially confident in his or her choice, would be receptive to

advertisement and other literature provided by manufacturer (Engel, Blackwell and Kollar, 1978).

Strategies marketers can use to reduce post purchase cognitive dissonance includes regular programs of follow-up communications with buyers to discourage doubt and reinforce convictions about products strengths, solid services and maintenance plans to provide reassurance and increase post purchase satisfaction and warranty agreements arranged after purchase to protect buyers against problems that may occur (Bearden et al, 1995). Kurtz and Boone (1992) explain that Dissonance is likely to increase as the dollar value of the purchase increases, when the rejected alternatives have desirable features not presented in the chosen alternative and when the decision is a major one. The consumer may attempt to reduce dissonance by looking for advertisement or other information supporting the chosen alternative or by seeking reassurance from acquaintances that are satisfied purchasers of the product.

A needed warning is sounded for marketing managers; consumers' desire should match product capabilities. Effective marketers do not want dissatisfied customers. When marketers understand that any choice can create cognitive dissonance, they can seek to support their customer's choice, promising good service, telling the buyers to come right back if there is any trouble. Advertisements and selling messages then should be designed to create expectancies that will be fulfilled by the product. Similarly, product designers should be keenly aware of the way in which a product fits into the consumers' style of life. The product should be designed and promoted so that performances will be satisfactory under conditions actually experiences by the individual (Engel et al, 1978).

Bearden et al. (1995) asserts that Marketers can assist in reducing cognitive dissonance by providing informational support for the chosen alternative using advertisement that stress customer satisfaction. The final method of dealing with cognitive dissonance is to change options thereby restoring the cognitive balance. In this instance, the consumer may ultimately decide that one of the rejected alternatives would have been the best choice and vow to purchase it in the future. According to Engel, Blackwell and Kollar (1978), an evaluation of satisfaction or dissatisfaction becomes a part of long-term memory and hence, it can exert an effect on brand beliefs and attitudes. The probability of engaging in a similar buying act will be increased if there are positive consequences in the act of purchase and use or vice versa. It may be concluded

that, brand loyalty will develop and be strengthened as long as there is a positive reinforcement of beliefs, all other things being equal.

Stanton et al. (1991) confirms that clearly establishing and maintaining a balance between expectations and experience is a tricky task. According to Bearden et al. (1995), firms adopting a quality or value perspective must employ marketing communications that convey realistic expectations. Besides influencing subsequent expectations and purchase behavior, dissatisfaction can result in several forms of consumer complaints which includes, voice responses, that is seeking satisfaction from sellers, private responses which refers to bad mouthing to friends and also third party responses which includes taking legal action, filling complaints with consumers affairs agencies. The marketer should be very cautious with the post purchase behavior of its customers and encourage the voice response since word of mouth communications are very credible and influential especially against the company. Complaints are customer feedback about products, services and company performances that marketers should never take lightly. Dissatisfied customers talk to more people than satisfied customers. However, most dissatisfied customers never make a complaint to the company and since new customers are harder to find, maintaining satisfaction among existing customers should be paramount.

2.7 Summary

Buying behavior does not begin or end at the instant a customer commits money in exchange for goods or services. Any purchase involves a process that begins when a consumer starts to recognize a need or desire for a product and it is not complete until the consumer possesses the product and has evaluated its utility which can be long after the act of exchange (Lazer and Culley, 1983). After the consumer has purchased a product, he may experience, post purchase satisfaction or dissatisfaction, or he may not be sure if he has made the right decision, also known as cognitive dissonance. All these feelings will influence the consumers' belief or attitude towards the product and will have an impact on future purchase rate of the product by the consumer and his post purchase behavior. This may include telling it to his friends, asking for a redress or refund in case of dissatisfaction, or being more prone to advertisements and assuring information.

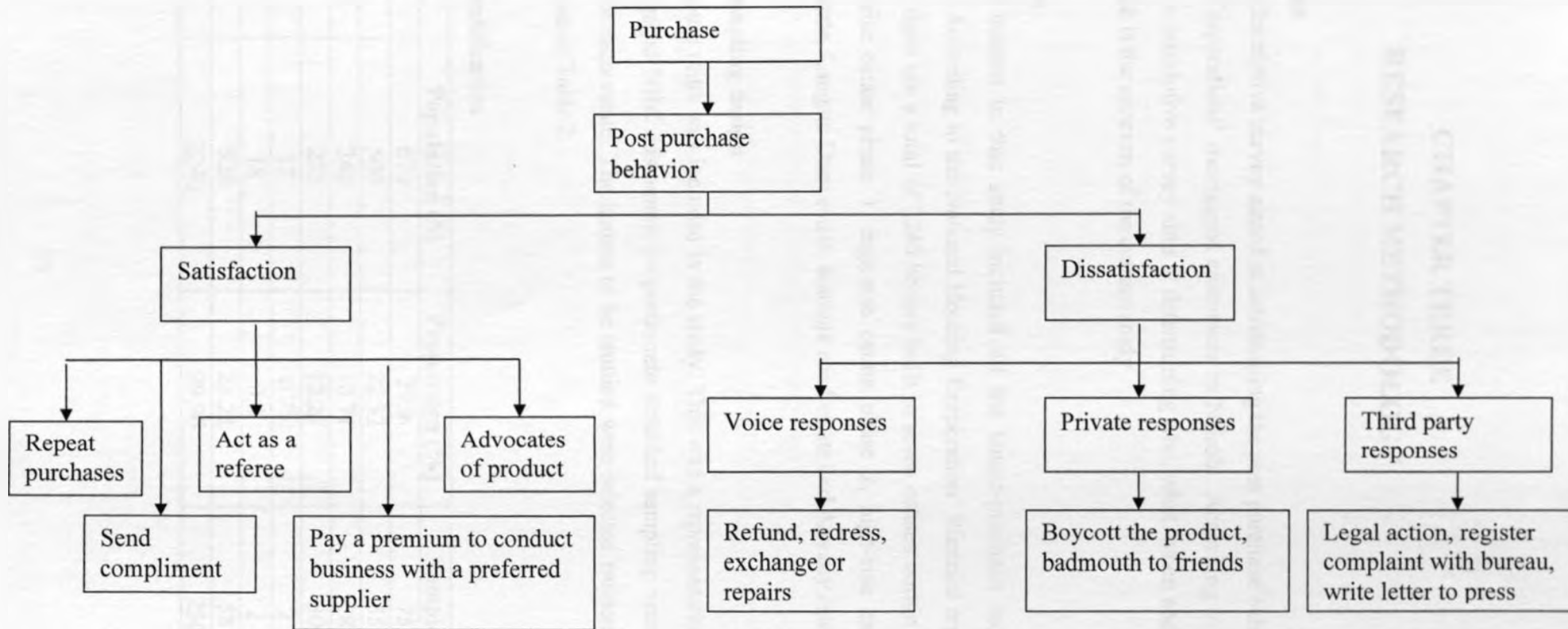
The role of the marketer is therefore to ensure that his customers are always satisfied, as this will result to higher sales through increase in purchases, free advertisement through word of mouth.

The marketer can therefore ensure this by conducting consumer follow-up's, to gauge their level of satisfaction. Allowing for the unsolicited part of listening by being receptive to consumers' comments and complaints and addressing them accordingly. The summary of the literature review is illustrated on table 1 below.

2.8 Summary of post purchase behavior of customers

After the consumer has purchased a product, he may experience, post purchase satisfaction or dissatisfaction. Because of this, he may exhibit various behaviors as summarized in the Table 1 below.

Table 1: Summary of post purchase behavior of customers



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The research was a descriptive survey aimed at determining the post purchase behavior of National Housing Corporations' mortgaged customers in Nairobi. According to Cooper and Emory (1995), a descriptive survey aims at determining who, what, when and how of a phenomenon which is the concern of the current study

3.2 The Population

The population of interest in this study included all the tenant-purchase mortgaged customers of NHC. According to the National Housing Corporation' Biennial report, the 2004-2005 edition, there are a total of 2240 houses built in seven estates within Nairobi city namely, high-rise estate phase 1, high-rise estate phase 2, high-rise extension, Jonathan Ng'enu estate, Langata Dam estate, Karanja road estate and Anyany estate.

3.3. Sample and sampling design

A sample of 250 house units was included in the study. This was a representative of the population of mortgaged NHC customers; proportionate stratified sampling was used to select the sample for each estate. The houses to be studied were selected randomly. The stratification is shown in Table 2.

Table 2: Estate stratification

Estates	Population (N)	Proportion (%)	Sample (n)
High rise phase 1	670	29.9	75
High rise phase 2	500	22.32	55
High rise extension	240	10.71	28
Jonathan Ng'enu	275	12.27	30
Langata dam	17	0.75	2
Karanja road	18	0.8	2
Anyany	520	23.21	58
Total	2240	99.96	250

3.4 Data Collection

Primary data was collected using structured questionnaires. The respondents were the persons' paying the mortgage. The questionnaires were dropped during weekends and filled on spot, this being the most appropriate time to minimize non-responses. The questionnaire was divided into two sections. Part A contained questions aimed at obtaining demographic data. Part B had questions aimed at determining the post purchase behavior of the mortgaged customers, while part C had questions on measurers offered by the company upon customer dissatisfaction.

3.5 Operational Dimensions of Post Purchase Behavior

Post purchase behavior reactions were exhibited in two ways. Customers were either satisfied or dissatisfied with the product. Table three below, show the operational dimensions of post purchase behavior. The questionnaire used the five-point Likert-scale to measure the post purchase actions exhibited by the customers

Table 3: Operational Dimensions of Post Purchase Behaviour

Broad generic dimension of post purchase behavior	Expanded dimension	Relevant questions
Aspects of a house satisfaction	<ul style="list-style-type: none"> • Payment of deposits • Repayment rate • Interest rates • The installments periods • Durability of the house • The house finishing • Structure of the house • The location of the house 	9 (i-viii)
Satisfaction actions	<ul style="list-style-type: none"> • Repurchase • Become advocates of the product. • Pay a premium to the preferred supplier • Testify of positive experiences to others • Send complimentary letters • Act as referees • Defends the products 	10 (i-ix), 11

Dissatisfaction actions	<ul style="list-style-type: none"> • Voice responses; seek for a redress, refund, exchange or repairs. • Private responses; boycott the product, badmouth to friends and relatives, shift suppliers, ignore the dissatisfying features, • Third party responses; writing letters to the press, filling a complaint with consumer affair agencies, take a legal action 	12 (i-xii), 13
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Part C of the questionnaire, contained questions that determine the extent to which NHC, follows up its customers to ensure they are satisfied and how it responds to customers complaints and customers perception on those measurers. Five Point Likert-scales was used. In analyzing customer follow-up measurers, the instruments considered included use of telephones, suggestion boxes, comments cards and if the company solicits any comments from the customers. While response to customer complaints were analyzed by measuring whether the company sends apology letters to customers, offers interim fix-it action, compensation and if they advise customers at all stages of progress. This was covered in questions (14-22).

3.6 Data analysis

The data collected in part A was analyzed using frequencies and percentages. While data in part B, was analyzed using mean scores and standard deviation to determine various responses exhibited by customers after they have purchased a home. Data in part C was also analyzed using mean scores and standard deviation to determine the extent to which companies responded to customers' dissatisfaction if any. The findings were presented in form of tables.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF DATA

4.1. Introduction

In this chapter, data pertaining to the post purchase behavior of mortgaged customers, measurers offered by the company to ensure they were satisfied and customers' perception on the company's response to their dissatisfaction is analyzed and interpreted. Primary data was collected using questionnaires. Out of the 250 respondents in the study, 170 completed and returned the questionnaires; this represents a 68% return rate, which is deemed satisfactory for the analysis to draw valid conclusions. Frequencies and percentages were used to analyze the demographic profile of the respondents while mean scores and standard deviations was used to determine various post purchase responses exhibited by customers and company's response to customer dissatisfactions.

The perceptions of the respondents in section B and section C were captured on a five point scale and in some cases on a YES, NO scale. The following scheme was used to interpret the results.

Label	Range of means
Very satisfied	4.50-5.00
Satisfied	3.50-4.49
Neither satisfied nor dissatisfied	2.50-3.49
Dissatisfied	1.50-1.49
Very dissatisfied	1.00-1.49

A five-point scale (below) was used on the extent to which various actions were undertaken by respondents on satisfaction or dissatisfaction after buying a house from NHC.

Label	Range of means
To a very large extent	4.50-5.00
To a large extent	3.50-4.49
To a moderate extent	2.50-3.49

To a small extent	1.50-2.49
To no extent	1.00-1.49

4.2 Demographic Profile of the respondents

In this section the profile of respondents that is; their marital status, educational level, gender, age, and how long they have been in the mortgaged house were analyzed and findings presented.

4.2.1. Marital Status

Respondents were asked to indicate their marital status; findings are presented on Table 4 below.

Table 4: Distribution of respondents by marital status

Marital status	Frequency	Percent (%)
Single	38	22.4
Married	132	77.6
Total	170	100.0

Out of the 170 respondents, 132 (77.6%), indicated that they were married while only 38 (22.4%), indicated being single, hence this shows that the majority of the respondents interviewed were married

4.2.2 Educational level

Educational level of the respondents is presented in the findings below

Table 5: Distribution of respondents by educational level

Educational level	Frequency	Percent (%)
Primary	1	0.6
Secondary	22	12.9
College	61	35.9
University	86	50.6
Total	170	100

The respondents who had acquired university education level were 86 (50.6%), while 61 respondents (35.9%) had obtained the college education, 22 respondents (12.9%) had acquired only the secondary education, while only 1 respondent (0.6%), indicated having only the primary level of education.

4.2.3 Gender

Respondents were asked to indicate their gender as presented on the findings on table 6 below.

Table 6: Distribution of respondents by gender

Gender	Frequency	Percent (%)
Male	108	63.5
Female	62	36.5
Total	170	100

Results show that, 108 respondents (63.5%) were males representing the larger percentage while 62 respondents (36.5%), were female.

4.2.4. Age category

Respondents were asked to indicate the age category in which they belong. Table 7 below represents the results.

Table 7: Distribution of respondents by age category

Age	Frequency	Percent (%)
< 30 years	26	15.3
31-40 years	71	41.8
41-50 years	55	32.4
>51 years	18	10.6
Total	170	100

Of the 170 respondents interviewed, majority lie between the 31-40 age brackets that is 71 respondents (41.8%), while those between 41-50 age brackets were 55 respondents (32.4%), 26 respondents (15.3%), were below 30 years of age, and only 18 respondents (10.6%), were above fifty years.

4.2.5 Duration spent in the mortgaged house

From the analysis it was evident that all the respondents captured in the study had bought the house and were residing in it. Table 8 below presents the findings on the duration spent in the mortgaged house.

Table 8: Duration spent in the house

Time (years)	Frequency	Percent (%)
< 5 years	27	15.9
6-10 years	57	33.5
11-15 years	54	31.8
16-20 years	26	15.3
> 21 years	6	3.5
Total	170	100.0

the respondents who indicated having stayed in the mortgaged house for 6-10 years were 57 (33.5%), 54 respondents (31.8%), indicated having spent 11-15 years in the house, 27 respondents (15.9%), had spent less than 5 years in the house while only 6 respondents (3.5%) indicated they had stayed in the house for more than 21 years.

4.3 Post purchase actions exhibited by customers on satisfaction or dissatisfaction with NHC Company and its products

The respondents were asked to indicate the extent to which they were satisfied with the various variables used to package the NHC mortgaged houses. This included, product attributes such as durability, finishing and the structure of the house, the pricing strategy included the deposit paid to the company, the repayment amount, the interest charged and the installments periods to pay the mortgage. While the place attribute included the location of the house.

4.3.1 Respondent satisfaction on the NHC product package

Respondents were asked to indicate the extent to which they were satisfied with various attributes offered by the company.

Table 9: Extent of respondent satisfaction of the various variables offered by NHC

Attributes offered by NHC	Mean Score	Std. Deviation
Deposit	4.7824	.41387
Repayment amount	4.4824	.63641
Interest rate	4.7235	.51028
Installment periods	4.5588	.53245
Durability of the house	3.9824	.71727
Finishing of the house	3.6412	.85351
Structure of the house	3.6118	.93066
Location of the house	4.1765	.93171

The results show that, the respondents were very satisfied with the pricing structure offered by NHC. The respondents indicated being satisfied with the deposit rate paid to the company with a mean of 4.78, interest rate charged with a mean of 4.72, installments periods paid, 4.55, and repayment amount with a mean of 4.48, the above variables had a mean score of less than one, indicating there was no significance difference in perception among the respondents. Respondents indicated being satisfied with the place attribute which had a mean score of 4.17, while the product attributes which included the durability of the house, finishing of the house, and the structure of the house scored a mean of less than 4, and greater than 3.5.

4.3.2 Actions undertaken by respondents on satisfaction with NHC.

On satisfaction, the customer is expected to exhibit various actions that will show that he is satisfied with the purchase. The respondents were asked to indicate the extent to which they undertook or would undertake the following actions on satisfaction with NHC mortgaged houses. The findings are presented in Table 10 below.

Table 10: Actions undertaken by respondents on satisfaction

Actions on satisfaction	Mean	Std. Deviation
Positive testimony about the house	3.9706	.85261
Positive testimony about the company	4.0941	.86515
Repeat purchases	3.4059	1.22835
Sent compliment letters to NHC	1.7529	.55269
Acted as a referee	3.9471	.98065
Defended NHC firm and its products	4.1294	1.05234
Positive testimony about NHC's good services	3.7706	.89062
Paid extra fee for a house from NHC	1.5471	.60630
Wrote a compliment letter to press about NHC	1.2647	.44248

The findings show that respondents acted in various ways and on various degrees as indicated by the standard deviation on being satisfied with the purchase of a home from NHC. Most respondents indicated that they would defend NHC firm and its products to the large extent of a mean of 4.13, offer a positive testimony about the company with a mean score of 4.09; give a positive testimony about the house with a mean of 3.97; act as a referee with 3.95 and give a positive testimony about NHC's good services with 3.77; while, making repeat purchases scored 3.41 showing a moderate extent to which that action was or would be undertaken. Respondents indicated that, they undertook or would undertake some actions to a small extent or to no extent at all, this included sending compliment letters to NHC with a mean of 1.75, paying an extra fee for a house from NHC with a mean of 1.55; while writing a compliment letter to the press about NHC scored a no extent mean of 1.26. Making repeat purchases and defending NHC Company and its products had a standard deviation of greater than one, indicating that, there was a significance difference between respondents' actions on those variables.

4.3.3 Actions undertaken by respondents on dissatisfaction

The respondents were asked to indicate the extent to which they undertook or would undertake the following actions on being dissatisfied with NHC and its products. The findings are presented on Table 11 below.

Table 11: Actions undertaken by the respondents on dissatisfaction

Actions on dissatisfaction	Mean	Std. Deviation
Ignored dissatisfying features of the house	2.4176	1.08062
Grumbled to friends and relatives	1.5176	.61753
Shifted to another supplier	1.3647	.48277
Requested a price adjustment	3.0824	1.01715
Requested for an exchange	2.1647	.94019
Requested for repairs	3.7706	1.09882
Took a legal action	1.0471	.21239
Registered a complaint with the consumer bureau	1.0529	.22458
Wrote a complaint letter to the press	1.1176	.32314
Admitted a mistake was done	1.2706	.63224
Became receptive to advertisements	2.5824	.92738
sold house to someone else	1.9059	.72363

The findings show that requesting for repairs scored the highest mean score of 3.77 while becoming receptive to advertisement had a mean score of 2.58, ignored the dissatisfying features of the house 2.41; requested for an exchange 2.16, would sell the house to someone else at a mean of 1.91 and grumbled to friends at a mean of 1.52. The respondents also indicate that, to no extent would they do the following action: Take a legal action, with the least mean of 1.04; register a complaint with the consumer bureau

with a mean of 1.05; write a complaint letter to the press with a mean of 1.12; admit a mistake had been done with a mean of 1.23 and shift to another supplier with a mean of 1.36. Actions with the highest standard deviation, implying a significant difference between respondents' actions included, requesting for repairs with 1.09, ignoring dissatisfying features with 1.08 and requesting a price adjustment with 1.01.

4.4 Respondents satisfaction on measurers offered by NHC

The second objective of the study was to determine the measurers offered by NHC Company to ensure their customers were satisfied.

4.4.1 Measurers offered by NHC

There was a common agreement about the measurers offered by the company. All the 170 respondents agreed that the company offers follow up calls, suggestion boxes, advertisements and maintenance services and that it didn't or doesn't offer comment cards, warranty arrangements and after purchase rewards.

4.4.2 Satisfaction on measurers offered by NHC

The study, sought to find out the level of respondents satisfaction on the measurers indicated above. The findings are presented on Table 12 below.

Table 12: Respondents satisfaction on the measurers offered by NHC

Measurers offered by NHC	Mean	Std. Deviation
Follow-up calls	2.6647	1.11442
Supportive advertisement	3.7235	.98511
Suggestion boxes	3.1471	1.05842
Maintenance Services	4.2471	.59397

The findings show that the maintenance services offered by NHC scored the highest mean score of 4.25 supportive advertisement scored a mean of 3.72. Respondents indicated being indifferent with the follow-up calls offered by NHC represented by a mean of 2.66 and the suggestion boxes with a mean of 3.12; these also showed very high standard deviation of 1.14 and 1.06 respectively. Maintenance services scored the lowest standard deviation of 0.59, indicating that there was an insignificant difference among respondents on their perception toward that measure.

4.5. Customers' perception on the Company's response to their dissatisfactions

The third objective of the study was to determine the customers' perception on how their dissatisfactions were handled if any. The study determined this by finding out the number of respondents who had complained in the last six months, and their perception on whether the company welcomed their complaints and comments and if they handled them consistently and professionally.

Table 13: Respondents who complained in the last six months

Complained/not complained	Frequency	Percent (%)
Yes	105	61.8
No	65	38.2
Total	170	100.0

Out of the 170 respondents, 105 (61.8%), indicated having complained to the company in the last six months while only 65 (38.2%), indicated otherwise.

Table 14: Respondents perception on if NHC welcome complaints and comments

Welcomed / not welcomed	Frequency	Percent (%)
Yes	148	87.1
No	22	12.9
Total	170	100.0

Respondents who indicated perceiving the company to welcome their complaints and comments were 148 (87.1%), while the minority were those who perceived differently indicated by 22 (12.9%).

Table 15: Respondents perception on if NHC handle complaints consistently and professionally

Complaints handling	Frequency	Percentage (%)
Yes	93	54.7
No	77	45.3
Total	170	100.0

Out of the 170 respondents, 93 (54.7%) perceived NHC Company to deal with all their complaints professionally and consistently while 77 (45.3%) perceived otherwise.

4.5.1 Respondents satisfaction on how their complaints were handled

On analyzing the customers' perception on the companies welcoming and handling of their complaints if any, the study analyzed specific actions taken upon customer complaints and the respondents level of satisfaction on them

Table16: Respondents satisfaction on how their complaints were handled

Complaints handling	Mean	Std. Deviation
Interim fix- it action	2.7706	1.04359
Adequate compensation	2.4000	.92564
Clear time scale of problem solving	2.6176	.97346
Advised at all times of progress	2.5471	.96115
Complaints listened to	3.3353	1.08210
Sent response letters	4.3706	.59412

The findings indicate that the respondents were only satisfied with the response letters sent to them by NHC Company, which is represented by a mean score of 4.37. The respondents indicated being indifferent with other measurers given upon their complaints, which include, how their complaints were listened to, with a mean score of 3.33; interim fix-it action offered with a mean of 2.7; clear time scale of action with a mean score of 2.62, advised at all times of progress with a mean score of 2.55. Respondents indicated being dissatisfied with the compensation offered by the company upon complaint, which is represented by a mean of 2.4 and a standard deviation of 0.93. The measure with the least standard deviation was sent response letters with 0.59, indicating most respondents were satisfied with it, while interim fix-it action and complaints listening had the highest standard deviation of 1.08 and 1.04 respectively, this indicates a significant difference on how respondents perceived those measurers.

4.5.2. Intention to buy another house on mortgage from NHC

Respondents were asked to indicate their interest in purchasing a second home from NHC if given an opportunity to do so. The findings are presented in the Table 17 below.

Table 17: Respondents intention to buy another house from NHC

Intention to buy another house from NHC	Frequency	Percent (%)
Yes	161	94.7
No	9	5.3
Total	170	100.0

Despite the fact that most of the respondents were not satisfied with how their complaints were handled as illustrated in Table 16 above, 94.7% indicated that they would buy another house from NHC given the opportunity to do so, while only 5.3% indicated otherwise. The reasons given for this were that, the price offered by NHC was relatively cheap compared to other mortgage companies and NHC being a parastatal had greater reputation.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents discussions, conclusions and recommendations of the study. It provides an interpretation of the results by comparing them to the theoretical background presented in chapter two.

5.2 Discussion

The results of the study were summarized in relation to three objectives. The first objective was to determine the post purchase behavior of customers after they purchase a house on mortgage from NHC, the second objective was to measure the customers perceptions on the measurers offered by NHC to ensure they were satisfied with the purchase, while the third objective aimed at measuring the customers perceptions on how NHC handles their dissatisfactions if any. After buying a product consumers formally or informally evaluate the outcome of the purchase to consider whether they are satisfied with the experience of making the purchase and with the good or service they bought. From the results, it came out clearly, that among all the aspects offered by NHC, customers were most satisfied with the pricing aspect that is the deposit amount, the repayment rates, the interest rates and the installments periods through which they were to pay for the mortgage. This is supported by an arguments presented by Churchill and Peter (1995) who assert that, when price is consistent with the marketing mix, it supports organizations effort to position the product to serve a particular market segment.

On satisfaction, various actions were exhibited to varying degrees. Most respondents indicated that they would defend NHC firm and its products to the largest extent, most people prefer purchasing a house from an established firm like NHC since it is a parastatal and hence more reputable. This is in line with Schiffman and Kanuk (1991), argument that retail stores have images of their own that serve to influence the perceived quality of products they carry. Manufacturers who enjoy a favorable image generally find their products are accepted more readily than those manufacturers who have a less favorable or a neutral image. On addition to defending NHC firm and its products, the

findings were that to a large extent did the customers give a positive testimony about NHC Company and its houses. This is supported by Churchill and Peter (1995), argument that a consumer who repeatedly has favorable experiences with the same purchase decision may in many cases; tell their families, friends and acquaintances about their experiences with buying and using products. It was also found out that the other action exhibited to a large extent was acting as a referee, which came fourth with a mean of 3.9. However, the findings were that to a small extent would the respondents send a compliment letter to the firm for being satisfied with their products and services or pay an extra fee for a house in NHC, which would imply that the quality of NHC houses or its image is consistent with its price and any increase in price would be disastrous to the company. This is in line with Assael (1998), argument that companies must establish pricing strategies based on consumer perceptions. Consumers' price perceptions directly influence their perception of brand, quality and frequently determine their purchasing behavior. The results show that to no extent would the respondents send a compliment letter to the press about the company.

On dissatisfaction, the action exhibited to the largest extent was requesting for repairs with a mean of 3.77. This would imply that the respondents complain to the company for their dissatisfactions instead of complaining to other parties such as friends. This is to the advantage of the company as asserted by Solomon (1996), that marketers should actually encourage customers to complain to them. The findings were that, the respondents requested for price adjustments and became receptive to advertisement to a moderate extent while they ignored dissatisfying features of the house to a small extent. This would imply that they could assimilate the dissatisfying features if they are not great. This is in line with Assael (1998), argument that if the disparity between prior expectations and subsequent product performances is not great, an assimilation effect occurs, that is consumers would ignore the products defects and their evaluation of the product remain positive. Other actions such as requesting for an exchange, selling a house to someone else and grumbling to friends would be done to a small extent. According to Solomon (1996), consumers must often dispose of the things either because they have fulfilled their designated functions or possibly because they no longer fit with consumers views of

themselves. On further probe, it was found out that most respondents would dispose the house temporarily by loaning it to another person or renting it out. On contrast to Solomon (1996), argument that people are likely to spread the word about unresolved negative experiences to their friends than they were to boast about the positive occurrences, the results show that, respondents grumbled or would grumble to their friends on their dissatisfactions to a very small extent.

The results of the study were that to no extent did respondents act in the following ways upon dissatisfactions with a house from NHC. Shift to another supplier, admit a mistake had been done, write a complaint letter to the press about the company, register a complaint with a consumer bureau or take a legal action. This would mean that the company is free from external threats incase consumers were dissatisfied with its products. All this would have been done to no extent because most people make such high involving decisions with a belief that they are making the right decision. This is in line with Solomon (1996), argument that some products have an ego involvement which refers to the importance of a product to a consumers' self concept. This concept implies a high level of social risk; the prospect of a product not performing to its desired function may result in embarrassment or damage to the consumers self concept.

The second objective aimed at measuring the customers' perceptions on the measurers offered by NHC to ensure that they were satisfied. The results show out that only follow-up calls, suggestion boxes, supportive advertisements and maintenance services were offered by the company. Other measurers such as comment cards, after purchase rewards and warranty arrangements were not offered. Although most respondents added that the company offered title deeds upon the purchase of the house. This is supported by Solomon (1996), argument that consumers use a number of cues to infer quality including brand name, price, their estimate on the money put aside for advertisement, product warranties and follow-up letters from the company, to relieve perceived risk and convince themselves that they have made smart purchase decision. The results show that customers were very satisfied with the maintenance services offered by the firm, satisfied

with the supportive advertisement and were indifferent toward the follow-up calls and suggestion boxes.

The third objective aimed at establishing customers' perception on the company's response to their dissatisfactions if any. The study found out that 61.8% of the respondents complained in the last six months while 87.1% of the respondents perceived NHC to welcome their complaints and comments. However, only 54.7%, of the respondents perceived the company to handle their complaints professionally and consistently. According to Berkowitz et al (1989), consumers' complaints and request for satisfaction should not always be honored. Legitimate complaints should be dealt with fairly by the seller to satisfy customers but excessive demands by a complaining customer should not be honored because the costs of doing so are eventually passed to other customers in the form of higher prices. Hence that would be the reason as to why some people perceive their complaints to be handled professionally and consistently while others perceive differently.

Upon complaint handling, the results show that most respondents were satisfied with the response letters sent to them upon complaining about their dissatisfactions to the company. This is in line with Berkowitz et al (1989) argument that in a study conducted by Resnik and Harman showed that branch managers preferred personal contact to a letter in addressing consumer complaints whereas most consumers would be satisfied with just a letter rather than personal contact. The findings were that respondents were indifferent with the way their complaints were listened to by the company staff, the interim fix-it action offered, the time scales offered on how their complaints would be addressed and the advice received on how their dissatisfactions would be handled. The findings also show that, the respondents were dissatisfied with the compensation offered upon dissatisfaction which brings in a challenge to the company, that they should improve their complaint handling measurers. Despite all the above, with the respondents being unsatisfied with how their complaints were being handled, the most surprising finding was that 94.7% of the respondent indicated their intention of buying another

house from NHC given a chance to do so. This was explained by the fact that, NHC is a parastatal hence a more reputable company, which gave it an edge over the others.

5.3 Conclusion

Against a background of increased competition in the mortgage industry in Kenya, a company can distinguish himself from the competition in the long-run by building and maintaining customer loyalty through delivering quality post purchase services, as satisfied customers are more likely to act as referees to other prospective customers hence generating positive word of mouth offering the unpaid form of advertisement. From the analysis of the data collected about post purchase behavior of customers, it comes out clearly that on satisfaction most customers would testify positively about the product to others, they would defend the company and its products hence being the greatest advertisement investment a company can make because most people are likely to believe their fellow friends in making purchase decisions than they are to believe the company's advertisements.

The objectives of the study were to determine the post purchase behavior of customers after purchasing a home from NHC, analyze the customers' perceptions on measures offered by NHC to ensure they were satisfied, and the customers' perception on how the company handled their dissatisfactions if any. From the findings of the study, it is evident that the study objectives were achieved. The findings are of great importance to NHC and other mortgage providers alike as they could use them in developing marketing strategies that will focus more on the customers to ensure that they maintain a positive feeling during and after the purchase of a product. This will generate communication by word of mouth to other prospective customers of which if the customers are satisfied it will result to a positive impact to the company as the customers speak to others about their positive experiences to others and if they are dissatisfied, they may result to voice responses, private responses or third party responses which could be disastrous to the profitability and sustainability of the company.

5.4 Recommendations

This study has revealed that customers exhibit various behaviors for being satisfied or dissatisfied upon the purchase of a house. These actions are important as they determine the sustainability of a company and would further be used to measure whether customers are satisfied with the attributes offered by the company. Hence, a company can draw up strategies to ensure its customers are satisfied long after the act of purchase by offering follow-up measures to reassure its customers of their decision. Although most of the respondents have exhibited positive actions on the purchase of a home from NHC, such as giving positive testimony about it, the company should not relax; it should keep offering attributes that will make its customers very satisfied. For instance, most respondents admitted to be satisfied with the durability, finishing, location of a house and its structure. The company can improve this to a very satisfied state, by requesting the customers to specify where and how they would like the houses to be built before they can build and sell it to them.

A house being a large investment, customers need to be reassured that they have made the right purchase decision to encourage them make subsequent purchases and talk to others about their positive experiences on conducting business with NHC Company. The company should therefore improve their follow-up measures to ensure their customers are satisfied by giving them frequent follow-up calls, being keen on the letters sent in the suggestion boxes and responding to them. NHC should also be sensitive to the customers dissatisfaction by offering adequate interim-fix –it action, advising their customers on how their problems will be solved, giving clear time scale of action and above all listening to their customers complaints carefully and advising them appropriately.

Limitations of the Study

During data collection, the researcher discovered that most people living in the house units were not the real purchasers of the houses, they had rented them from real owners. This consumed a lot of time as the researcher had to make several visits to the households in order to interview the right person this resulted to a lesser response rate than the researcher had anticipated.

Suggestions for Further Study

This study was carried on NHC Company, being a parastatal; its customers may behave differently from customers from other mortgage companies and private developers. Hence, further research is suggested in other mortgage companies, this may reveal different findings from the current one and hence offer the mortgage companies a competitive edge in understanding their customers and being sensitive to them. The study was also conducted on the mortgaged NHC customers in Nairobi estates only; further research is suggested on other NHC mortgaged customers outside Nairobi. Since customers in Nairobi would differ from those in other parts of the country.

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APPENDIX 1
LETTER OF INTRODUCTION TO RESPONDENTS

Kimencu Linda Nkirote,
University of Nairobi
School of business
P.O. Box 30197,
Nairobi.

Dear respondent,

COLLECTION OF SURVEY DATA

I am a postgraduate student at the University of Nairobi, School of business. As a partial requirement to complete my degree programme, I am undertaking a management research on **“The post purchase behavior of mortgaged customers: Case of National Housing Corporation”**

You have been selected to form part of this study. This therefore, is to kindly request you to assist me to collect the data by filling out the accompanying questionnaire. The information provided will be exclusively for academic purposes, and it will be treated with strict confidence, at no time will your name appear in my report.

Your cooperation is highly appreciated.

Yours faithfully,

Kimencu L.N
(Student)

M.Ombok
(Lecturer/ supervisor)

APPENDIX 11 QUESTIONNAIRE

The questionnaire below has two parts. Part A is aimed at giving a profile of the respondent. Part B, is to assess your post-purchase behavior after purchasing a house on mortgage from NHC, while part C tries to gauge, the extent to which you are satisfied with how the company deals with your complaints, and offers follow-up measures.

Please respond to the following questions and where applicable, mark the relevant box with a tick (✓)

Part A

1. Please, indicate the estate where you reside

.....

2. Please, indicate your marital status

Single [] married []

3. What is your education level?

Primary []

Secondary []

College []

University []

4. What is your gender?

Male [] female []

5. Please, tick the age bracket in which you belong

<30 [] 31-40 []

41-50 [] >51 []

6. Did you buy a house on mortgage from NHC?

Yes [] No []

7. Do you reside in the house?

Yes [] No []

8. How long have you been in your house?

<5 years [] 6-10years []

11-15 years [] 16-20 years []

21+ years []

Part B

9. There are various aspects one looks at in the purchase of a house, that determine whether he is satisfied with the house or not. On a scale of 1-5, where 5= very satisfied, 4= satisfied, 3= neither satisfied nor dissatisfied, 2= dissatisfied, 1= very dissatisfied. Indicate, the extent to which you are satisfied with the following aspects offered by NHC on purchase of a house

No.	Aspects	(5) Very satisfied	(4) Satisfied	(3) Neither satisfied nor dissatisfied	(2) Dissatisfied	(1) Very dissatisfied
i	The deposit paid to the company					
ii	The repayment rate/ amount					
iii	The interest rate of the mortgage					
Iv	The installments periods to pay the mortgage					
v	The durability of the house					
vi	The finishing of the house					
vii	The structure of the house					

Viii	The location of the house					
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10. After buying a house on mortgage, one may take certain actions that may indicate that he is happy or unhappy with the purchase. On a scale of 1-5, where, 5= very large extent, 4=large extent, 3=moderate extent, 2=small extent, 1=no extent. Indicate, the extent to which you undertook the following, after purchasing a house on NHC scheme

One can take the following actions for being satisfied with a product, please indicate to what extent you undertook the following actions.

No.	Action	(5) Very large extent	(4) Large extent	(3) Moderate extent	(2) Small extent	(1) No extent
i	I testified positively to friends and relatives about the house					
ii	I testified positively to friends and relatives about NHC company					
iii	I made / Would make a repeat purchase by buying another house from NHC					
iv	I sent compliment letters to NHC such as thank you letters					
v	I acted as a referee to other customers who needed to buy a house, by convincing them to buy a house from NHC					
vi	I defended / Would defend NHC firm and its products (houses) because of their quality					
vii	I testified or would testify to others about NHC's					

	good customer care services.					
vi	I paid / Would pay an extra fee to buy a house from NHC					
vii	I wrote a letter to the press complimenting NHC company and its products					

11. Please indicate in what other ways you responded for being satisfied with NHC firm and its products

.....

.....

.....

12. Alternatively, one may take the following actions for being dissatisfied with a product please indicate appropriately, to what extent you responded in the following ways

No.	Action	(5) Very large extent	(4) Large extent	(3) Moderate extent	(2) Small extent	(1) No extent
vii	I ignored the dissatisfying features of the house					
viii	I grumbled to friends and relatives					
ix	I shifted / Would shift to another supplier					
x	I requested an adjustment of price/ refund					
xi	I requested for an exchange					
xii	I requested for repairs and modifications					

xiii	I took a legal action, e.g. taking the issue to court					
xiv	I registered the complaint with a consumer bureau					
xv	I wrote a letter to the press against the company and its products					
xv	I admitted that a mistake had been done					
xvii	I became receptive to advertisement					
xviii	I sold / would sell the house to someone else					

13. Please indicate in what other ways you responded for being dissatisfied with NHC firm and its products

.....

.....

.....

.....

Part C

14. After customers have made their purchase, companies put up measures to follow-up and ensure that their customers are satisfied.

Please indicate either yes, or no, if the following are offered by NHC upon purchasing a home from them

No.	Measures	Yes	No
i	Follow-up calls		
ii	Suggestion boxes		
iii	Comment cards		
iv	Advertisements		
v	Warranty arrangements		
vi	After purchase rewards		
vii	Maintenance services such as cleaning apartments		

15. On a scale of 1-5, where, 5=very satisfied, 4=satisfied, 3=neither satisfied nor dissatisfied, 2=dissatisfied, 1=very dissatisfied. Indicate the extent to which you are satisfied with the following follow-up measures offered by NHC

No.	Measures	(5) Very satisfied	(4) Satisfied	(3) Neither satisfied nor dissatisfied	(2) Dissatisfied	(1) Very dissatisfied
i	Their follow up calls					
ii	Their supportive advertisements					
iii	Their suggestion boxes					
iv	The comment Cards offered to us					
v	The rewards offered after the purchase					
vi	The maintenance plans offered such as cleaning the apartments					
vii	The way they solicit for comments from us through talking to us.					

16. In what other ways does NHC Company follow you up to ensure that you are satisfied after purchasing a house on mortgage?

.....

.....

.....

.....

.....

17. Does NHC welcome complaints and comments?

Yes [] No []

18. If yes, do they handle them consistently and professionally?

Yes [] No []

19. Have you complained to NHC in the last six months?

Yes [] No []

20. Complaints are dissatisfied customers' feedback about products, services and company performances. On a scale of 1-5, where, 5= very satisfied, 4=satisfied, 3=neither satisfied nor dissatisfied, 2=dissatisfied, 1=very dissatisfied. Indicate the extent to which you were satisfied with the way your complaints were handled.

No.	Actions offered	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfied
i	I was offered an interim fix-It action					
ii	I was offered adequate Compensation					
iii	I was offered a clear time scale of actions on how the problems would be solved					
iv	I was advised at all times of progress as the problems are solved.					

v	My complaints are listened to carefully					
vi	I was sent to response letters such as apology letters whenever I complained					

21. Having purchased a house on mortgage from NHC, do you intend to buy another house on mortgage in future from NHC?

Yes [] no []

22. If no, what are the reasons?

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Thank you very much for your cooperation.