

**FACTORS INFLUENCING LEVEL OF CONSUMER SATISFACTION AS
A RESULT OF REBRANDING: A CASE STUDY OF KENYA POWER-
NAKURU**

BY

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DECLARATION

This research report is my original work and has not been forwarded to any university for any award.

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DEDICATION

This research project is special dedication to my husband Haneef, children Jamila, Fazal and Maleek & my parents Mr and Mrs. Kimani and friends for their love, care, humility, understanding and support during the entire study period.

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I am indeed grateful to the almighty God for the grace, strength, sound mind and good health throughout my time of study and as I was undertaking this research project.

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LIST OF ACRONYMS AN ABREVIATIONS

CVIS	Corporate visual identity system.
ECK	Electoral Commission of Kenya
IEBC	Independent Electoral and Boundaries Commission
KPLC	Kenya Power and Lighting Company
New KCC	New Kenya Cooperative Creameries
NSSF	National Social Security Fund
ODM-K	Orange Democratic Movement Kenya
RVR	Rift Valley Railways

ABSTRACT

Customer satisfaction is a very important measure of companies' performance and perceived quality of service. A strong brand enhances positive evaluations by customers, maintains a high level of product awareness, and provides a consistent image or brand personality. As time passes by, these brands remain unchanged and customers' perceptions towards the brands are changing. Thus, re-branding is a necessary strategy that can escalate a new business image to build confidence to the customers. Existing literature has shown that effective re-branding can positively impact customer satisfaction, loyalty and company's financial performance. The purpose of this study was to investigate factors perceived to be most affecting rebranding outcomes and identify the possible indicators of rebranding success. The study was based on the following objectives: i) to establish the relationship between customer innovativeness and customers' satisfaction after re-branding. ii) To establish if brand equity has an influence on the level of customer satisfaction. iii) To evaluate the relationship between brand loyalty before rebranding and customers' evaluation of rebranding strategy. A set of hypotheses were developed tested by conducting a qualitative survey on a randomly selected customer sample of 145 households in Nakuru Town. Data was be collected using a structured questionnaire and analyzed using Statistical Packages for social Scientist (SPSS) and the results inferred on the whole customer population. The findings demonstrate Innovative customers do not necessarily evaluate rebranding more positively than others. Brand equity and customer satisfaction after rebranding are positively related. Customers who were more loyal to the initial brand may pay more attention to brand. Kenya Power should do a major campaign to improve its brand equity and make effort to address the challenges faced by prepaid customers as compared to the postpaid ones. The government and other energy players should collude to improve the supply of power and make it steady. The key measurement of successful perception of re-branding is brand equity which is composite with brand awareness, brand association, perceived quality of service, brand loyalty, and other proprietary brand assets.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

In today's competitive market, brand building is crucial. Strong brand can create options of growth, command market share, barrier of entry for competitors and customer loyalty. Moreover, strong brand enhances positive evaluations of a product's quality, maintains a high level of product awareness, and provides a consistent image or brand personality. In order to keep up with fierce competition, companies may seek to transform their business due to changing business directions or branching out business units. This change is mandatory for anyone who wants to survive. Thus, rebranding is a necessary strategy that can escalate a new business image to build confidence to the customers. Rebranding is one of the key factors that marketers have to pay attention in order to revive a brand that is becoming obsolete.

Because of the continuously changing business environment companies adopting new names are frequently reported in the business press. For example, mergers and acquisitions and ownership changes are usual. However, changing a corporate brand name suggests the loss of all the values that the old name signifies in an extremely short course of time; it may nullify years of effort and can seriously damage or even destroy the equity of the brand (Muzellec & Lambkin, 2006). Kenya Power and Lighting Company, the leading power distributor in Kenya, recently underwent a re-branding exercise changing its name to Kenya Power in what many brand experts believe is a long overdue effort to reinvent itself as a modern corporate. Though the precise effect on customer satisfaction is still uncertain, a customer satisfaction survey conducted by Kenya Power, before and after the rebranding exercise showed a growth of about 5 percentage points in customer satisfaction from 70% satisfaction level to 75.9% satisfaction level.

This study seeks to establish a more precise relationship between rebranding and customer satisfaction at Kenya Power Company and uncover the underlying factors that caused an improvement in brand health. At the center of the study is Kenya Power Nakuru Branch where a survey was conducted among its customers. This study helped the author to appraise Kenya Power's approach to rebranding and thereby determine whether the costly rebranding

process was necessary and if so, how successful the exercise was. This study also enabled understanding whether the company's approach to rebranding was sufficient in aiding the improvement of the brand health of the leading power distributor.

Kenya Power being the only electric power service provider, enjoys a sort of monopoly amongst majority of the customers who have no practical alternative when it comes to power sources save for lighting where it has a few competitors.

In order to achieve such purpose, this study explored cases of Kenyan large enterprises, which have successfully gone through re-branding that aligns with their new strategic position, gaining more confidence and loyalty from customers and compare their perceived gain to that of Kenya Power. Airtel Kenya, NSSF and New KCC was looked at in brief as study of the three companies can reveal the different cases of re-branding between government and private sector.

1.2 Statement of the problem

Recently Kenya Power and Lighting Company re-branded to Kenya Power in what many brand experts believe is a long overdue effort to reinvent itself as a modern corporate. However, while some brands are successful in delivering new brand images to their customers, others fail to impress or be accepted by their loyal customers with such changes. A customer satisfaction survey sanctioned by the Kenya Power company was conducted late last year and it revealed that customer satisfaction index had improved by five points and subsequently attributed it to a recent rebranding exercise. Thus, it is worthwhile to investigate the specific factors that influence the level of customer satisfaction as a result of rebranding.

1.3 Purpose of the study

The broad aim of this study is to establish factors affecting rebranding outcomes and influence of rebranding on customer satisfaction.

1.4 Objectives

This study was guided with the following objectives:

1. To assess the relationship between customer innovativeness and customers' satisfaction after re-branding.
2. To assess if brand equity has an influence on the level of customer satisfaction.
3. To evaluate the relationship between brand loyalty before rebranding and customers' evaluation of rebranding strategy.

1.5 Research questions

This study seeks to answer the following questions:

1. How does customer innovativeness influence customers' satisfaction after re-branding?
2. How does brand equity influence the level of customers' satisfaction after rebranding?
3. How does brand loyalty influence customers satisfaction after rebranding?

1.6 Research hypotheses

From the above research questions we derive the following hypotheses:

- 1) H_0 : Customer innovativeness has a positive influence on customer satisfaction as a result of rebranding.
- 2) H_0 : Brand equity has no influence on customer satisfaction after rebranding.
- 3) H_0 : There is a positive relationship between brand loyalty and customer satisfaction after rebranding.

1.7 Significance of the study

This study helped identify the factors that make a rebranding exercise successful in improving customer satisfaction. The study is significant as it produced new data on underlying factors that influence a successful rebranding exercise, the data was important to managers and marketers of corporations as it provided much needed insight into the given factors and it will

assist in future rebranding exercises. This research will hopefully help in the restructuring of the practice of rebranding so as to make it more effective in its purpose.

Muzellec & Lambkin (2006) have also established an empirically grounded model of the corporate re-branding process concentrating especially on factors affecting re-branding. These studies are important preliminary work in the area, but despite these contributions a clearer link should be established between the factors affecting rebranding and customer satisfaction levels.

1.8 Delimitation of the study

This study investigated the factors that influence the level of customer satisfaction after rebranding only; therefore the results cannot be generalized for the other corporates that have not rebranded. The findings of this study are generalizable on all domestic customers of Kenya Power across the country.

1.9 Limitations of this study

Due to financial and time constraints limit this studies was only conducted in Nakuru area and the results of this study cannot be generalized on the whole population of Kenya Power customers in the country as different regions experience different quality of service and thus they may have different perception of the rebranding process.

The population of the region is non-homogenous and thus the sample taken may not reflect the true population characteristic of the population. In addition, this paper also did not investigate or study the impact of other extraneous factors such as the global economic situation (e.g. recovery from the global recession), changes to the Kenyan energy landscape (e.g. new sources of energy on offer like gas or solar) amongst others. These factors could have influenced customer satisfaction pre and post-rebranding, and impacted the interpretations of the results. Finally, being an employee of Kenya Power, I might be considered an insider and thus biased, but I tackled this by hiring enumerators so as to have non-compromised data.

1.10 Assumptions of the study

In conducting this study an assumption was made that the sample taken was representative of the whole population. Another important assumption is that the respondents were truthful in their responses.

1.11 Definition of significant terms

Brand equity: This is a phrase used in the marketing industry which describes the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more money from products with that brand name than from products with a less well-known name, as customers believe that a product with a well-known name is better than product that is not well known.

Customer innovativeness: Or “consumption of newness” is the tendency to buy new products more often and more quickly than other people (Midgley & Dowling, 1978). Innovative people may enjoy purchasing and trying new products; in contrast, conservative people may exhibit more resistance to brand novelty.

Brand loyalty: This is the extent of the faithfulness of customers to a particular brand expressed through their repeat purchases, irrespective of marketing pressure generated by competing brands.

Rebranding: this a marketing strategy in which a new name, term, symbol, design, or combination thereof is created for an established brand with the intention of developing a new, differentiated identity in the minds of customers, investors, and competitors Muzellec et al. (2006)

Customer satisfaction: According to the modern dictionary, this is a measure of how products and services supplied by a company meet or surpass customer expectation. This is the number of customers or percentage of total customers, whose reported experience with a firm, its products, or its services exceed specified satisfaction goals.

1.12 Organization of the study

This study is divided into five chapters: Chapter 1 of this study has introduced the problem statement and describes the problem specifically addressed in the study together with the design components; Chapter 2 is a review of existing literature and relevant research associated with the problem that is addressed in this particular study; Chapter 3 presents the methodology and procedures used in the collection of data and analysis of the same; chapter 4 presents the results and interpretation; Chapter 5 summarizes the results of the findings and interprets the results of the variables and makes necessary recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Customer satisfaction, the importance of rebranding, customer-based brand equity, their inter-relationships and effects on a companies' performance has been researched on and documented within the literature. The focus of this part of the paper is to explore these researches to provide a broad understanding of rebranding, and the specific factors that make rebranding affect customer satisfaction.

2.2 Customer satisfaction

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals Farris et al. (2010). In the public sector, the definition of customer satisfaction is often linked to both the personal interaction with the service provider and the outcomes experienced by service users.

Research identifies many characteristics that are associated with service quality. Business researchers Schneider & Bowen (1995) assert that "service organizations must meet three key customer needs to deliver service excellence:" security, esteem, and justice. Research identifies an array of service quality factors that are important for customers, including: Timeliness and convenience, personal attention, reliability and dependability, employee competence and professionalism, empathy, responsiveness, assurance, availability and tangibles such as physical facilities, equipment and the appearance of the personnel. Timely service is an especially strong determinant of quality across different types of public services.

2.3 Corporate rebranding

As a result of the continuously changing business environment companies adopting new names are frequently reported in the business press. For example, mergers and acquisitions and ownership changes are usual. However, changing a corporate brand name suggests the loss of all

the values that the old name signifies in an extremely short course of time; it may nullify years of effort and can seriously damage or even destroy the equity of the brand (Muzellec & Lambkin, 2006). Despite the growing interest by practitioners, the phenomenon has as yet received little academic attention. So far, only a handful of academic studies seem to have concentrated on it by referring to it as corporate re-branding Ahonen (2008).

Definition of Rebranding: There are extensive discussions on rebranding in different forms and natures in the literature. Keller (1999) describes rebranding strategies as parts of repositioning without destroying existing brand loyalty. Daly and Moloney (2004) suggest rebranding can be viewed as a continuum which refers to three change categories with respective change formats – Minor Changes (Aesthetics), Intermediate Changes (Reposition) and Complete Change (Rebranding). Besides, Stuart and Muzellec (2004) state that rebranding can be achieved with the changes of brand identity, which can be categorized into three main types: Name, logo and slogan changes. In contrast, Muzellec and Lambkin (2006) believe that both changes of marketing aesthetics and repositioning can be rebranding approaches. They suggest that minor and intermediate changes on logos and slogans can be classified as evolutionary rebranding; whereas complete changes symbolized by creating new names can be described as revolutionary rebranding. Andrews and Kim (2007) maintain that rebranding always involves some changes in the existing perceptions among customers and also firm position in the market. For instance, when marketers implement rebranding for an established brand, new name, term, symbol, design or other visual identity devices may create a novel position and image to both internal organization and external market (Muzellec and Lambkin, 2006; de Chernatony and Riley, 1998).

Corporate re-branding is defined as “the practice of building anew a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors” Muzellec et al. (2003, p. 32). However, by taking a wider perspective on corporate re-branding it can be seen as a two-fold area. First, it is related to corporate visual identity change, including e.g. corporate name and logo change (for the corporate visual identity system, CVIS, see, Melewar et al. 2006). Second, it is also related to the corporate internal processes,

including e.g. corporate values change (Lomax and Mador, 2006), employee participation and internal marketing in the company.

Therefore, taking a wider perspective of the phenomena, corporate re-branding may be defined as follows: Corporate re-branding is a systematically planned and implemented process of planning, creating and maintaining a new favorable image and consequently a favorable reputation for the company as a whole by sending signals to all stakeholders and by managing behavior, communication, and symbolism in order to pro-act or react to change.

The main drivers for corporate re-branding are decisions, events or processes causing a change in a company's structure, strategy or performance of sufficient magnitude to suggest the need for a fundamental redefinition of its identity. Reasons for corporate re-branding include change in ownership structure (mergers & acquisitions, spin-offs, private to public ownership, sponsorship), corporate strategy (diversification and divestment, internationalization and localization), competitive position (erosion of market position, outdated image, reputation problems) and in external environment (legal obligation, major crises or catastrophes) (Muzellec & Lambkin, 2006) These drivers and reasons refer especially to corporate name change but most of them can be considered as drivers and reasons for logo, slogan or value change.

Re-branding goals can be divided into two groups: reflecting the new identity of a company (e.g. if a company has gone through major changes and even the new identity of a company is formed) or creating a new image. In both cases the re-branding process includes both internalization and externalization, i.e. affecting internally employees and the culture, as well as externally all the stakeholders and the images they have of the company (Muzellec & Lambkin, 2006).

2.3.1 Level of change in corporate brand

The level of change in corporate brand may vary from minor, evolutionary changes to a complete revolutionary change (Muzellec & Lambkin 2006). Evolutionary re-branding refers to a fairly minor development in the company's positioning and aesthetics that is so gradual that it is hardly perceptible to outside observers (Muzellec & Lambkin 2006). It varies from a simple face-lift to restyling or revitalizing a brand which may need a change (Daly and Moloney 2004) and usually considers minor changes in slogan or logo only (Stuart and Muzellec 2004). Revolutionary re-branding, on the other hand, describes a major, identifiable change in positioning and aesthetics that fundamentally redefines the company. Revolutionary change is usually symbolized by a change of name (Muzellec & Lambkin 2006) or changing name, logo and slogan simultaneously (Stuart and Muzellec 2004). Also corporate values may be changed (Lomax and Mador 2006). In revolutionary change the name is new to stakeholders and they do not know what the brand stands for. The values and image of the new brand are communicated to all stakeholders (Daly and Moloney 2004).

As seen, the current literature has concentrated almost only on the visual aspect and values of the corporate brand lacking, for example management and personnel behavior. As a matter of fact, rebranding can be a very risky and challenging strategy that may cause serious damage to brand loyalty and brand equity (Hatch & Schultz, 2003). Customers may not appreciate such changes of the brands and react negatively if they perceive that core brand values have disappeared after rebranding (Haig, 2003).

Customer innovativeness: Rebranding into new images can probably be a shortcut to recapture market's attention to the brands. Customer innovativeness, which has been discussed extensively in literature on branding strategies, may affect how customers evaluate rebranding strategies. Midgley & Dowling (1978) define customer innovativeness as a personality trait that represents an individual's proneness to try new things. Innovative people may enjoy purchasing and trying new products; in contrast, conservative people may exhibit more resistance to brand novelty. Hem, de Chernatony & Iversen (2003) discover that customers who regard themselves as innovative persons tend to react more favorably towards brand extensions which bring novelty to the brands. Inferentially, innovative customers may have more favorable attitudes towards

rebranding as they seem to be more receptive to new ideas and changes associated to the brand (Salinas & Perez, 2009).

Brand loyalty is defined as a kind of behavioral response (e.g. purchase) with biased brand selection (i.e. repurchase the particular brands) which is expressed over time (Jacoby & Chestnut, 1978). Some studies reveal that brand loyalty can be damaged due to some alterations made in the brand, of which core values and benefits cannot be preserved and maintained during such changes. However, some researchers discover that loyal customers seem to be more tolerant towards the changes if there are high similarities before and after the changes of brands. For instance, Pimentel and Heckler (2003) demonstrate that, with the familiarity effects, customers tend to accept slight changes of visual identities of brands. A study by Walsh, Page & Mittal (2007) also discover that customers who are strongly committed to a brand have more negative attitudes when the difference of logo redesign increases.

Customer-based brand equity is a power of the brands that is created in customers' minds and is rooted in what they have experienced and learnt about the brand over time (Keller, 1993). In fact, brand equity can be operationalized by customers' perceptions on brand associations and behavioral intentions Cobb-Walgren et al. (1995). In this study, the impact of rebranding strategies on the customer-based brand equity, in terms of behavioral intentions and brand associations, is investigated.

In another study, Keller (1999) clearly indicates that favorable attitude towards the rebranding strategy can improve the strength, favorability and uniqueness of brand associations which make up brand image and also increase customer-based brand equity. In fact, Andrews & Kim (2007) use brand associations consisting of brand image and brand attitude as the indicators of rebranding effectiveness. Their study shows that there are improvements on these indicators when customers have favorable perceptions towards the rebranding strategy. In today's competitive market, brand building is crucial. Strong brand can create options of growth, command market share, barrier of entry for competitors and customer loyalty. Moreover, strong brand enhances positive evaluations of a product's quality, maintains a high level of product awareness, and provides a consistent image or brand personality. In order to keep up with fierce

competition, companies may seek to transform their business due to changing business directions or branching out business units. This change is mandatory for anyone who wants to survive.

2.4 Rebranding in Kenya

Various organizations and even political parties in Kenya have been undergoing a process of reforming their public image. The Independent Electoral and Boundaries Commission, Airtel, Rift Valley Railways, National Social Security Fund, Kenya Power, British-American Investments and Wiper Democratic Movement.

Identifying the need to rebrand is the main thing you should grasp since revitalization will only happen if the move is done at the right time. To identify when to rebrand, one should first understand the reasons why companies rebrand in the first place. Here are some of the potential reasons for rebranding:

2.4.1 Change of ownership or management

Companies normally get into a situation where they change hands from one manager or owner to another. Such significant change has to be communicated to the stakeholders, and there's no better way to do this than by rebranding at the time of the takeover. Sometimes, it becomes a legal question that compels a new owner to come up with their own brand name and logo, especially when it splits from a conglomerate. As it were, no matter the reason for rebranding, there's usually a large amount of money that goes with the campaign for the purposes of marketing the new brand (<http://www.kenya47.com/2011/07/kenya-power-rebranding-is-it-really.html>).

A good example is India's Bharti Airtel, which entered Kenya in April 2010 after it bought out Kuwait's Zain. Airtel went on to undertake a massive publicity campaign to pass on the information that the company was undergoing transformation. After rebranding, a company should engage in a media campaign to advertise the new brand while at the same time conducting a periodic evaluation to measure the impact of the campaign. (<http://www.bizcommunity.co.ke/Article/121/82/81793.html>)

Another good example is offered by the new Rift Valley Railways. Established in 1926 as the East Africa Harbor Administration, the company has undergone three previous changes culminating in the latest brand, which it believes marks the start of a new beginning for the firm. The change comes as the state parastatal seeks to position itself to attract investors for partnerships in modernizing the country's dilapidated railway network. The re-branding marks the turnaround Kenya Railways has made since the year 2006 from an unprofitable organization to one that is self-sustaining and able to face the future with confidence. KRC has set out an ambitious growth strategy that seeks to put the company back in profitable ways. Through its concession agreement with Rift Valley Railways (RVR), KRC expects to invest Sh40 million in the current railway expansion programme. Retrieved from (<http://www.kenya47.com/2011/07/...html>).

In terms of management of the concession, the government partners with the concessioner to ensure they meet desired exceptions in operating the current railway system. In the next three years starting 2010 it is expected RVR to show capacity of investing Sh54 million on the Kenya rail system. KRC is also working on a master plan to develop three new corridors to Juba, Ethiopia and Bujumbura (Public private infrastructure facility (PPIF), 2009). Top on the cards for KRC was to be to complete the Nairobi commuter transport system by the end of 2012. The project was estimated to cost the company an estimated Sh1.6 billion as it looks to improve the transport in and around the city. (<http://www.kenya47.com/2011/07/.....html>).

2.4.2 Shedding a bad Reputation

American Billionaire, Warren Buffett is famous the world over for his quote "Lose money and I will forgive you, but lose even a shred of reputation and I was ruthless." He says this of the managers of his vast properties. For one reason or another, an organization can find itself in a position contemplated by Mr. Buffett, where its hard earned reputation is eroded. A lost reputation is bad for the company's image since it means the customers will no longer have confidence in it. (<http://www.kenya47.com/2011/07/kenya-power-rebranding-is-it-really.html>). When rebranding for the purposes of redefining the organization, it is important that the external branding changes correspondingly with the entire DNA of the organization. This is because you

do not want the customers to get the idea that you are only changing the outward appearance of the organization in order to fool them.

The Electoral Commission of Kenya (ECK) was rendered defunct after the bungled elections of December 2007 through a reform process that saw the name changed to The Independent Electoral and Boundaries Commission (IEBC). During the rebranding, the new commission chairman Isaack Hassan attributed the rebranding to giving a new start to the electoral process in Kenya and assuring all Kenyans that the March 4th elections would be free and fair. <http://www.kenya47.com/2011/07/kenya-power-rebranding-is-it-really.html>

Taking the case of the embattled National Social Security Fund (NSSF), they embarked on a rebranding with deliberate targets of uplifting itself to a world-class firm and to save its public image. The exercise which kicked off in September 2012 involved a series of internal communication activities to prepare the more than 1,600 NSSF staff to adopt a new customer centered service delivery attitude with an aim of improving customer satisfaction. (<http://www.bizcommunity.co.ke/Article/111/82/81793.html>)

According to the management of NSSF, the efforts to transform the company involved both their staff and customers. NSSF is planning to invest heavily in the rollout of the new Corporate Identity System to familiarize its clients and staff. The new corporate identity system is anchored on a new logo and slogan “Growing you. For good”. Retrieved from (www.nssf.or.ke). The move was also geared in ensuring that the organization provides a wide range of services to all its customers, which included using their deposits as collateral for commercial loans. The new NSSF brand highlights the fund’s commitment to maintain world-class corporate governance standards, adopt cost effective information communication technology solutions and enhance customer service delivery. Based on findings of a recent survey done by a research firm sanctioned by NSSF, customer satisfaction has improved greatly and the brand image has really improved aided by a robust media campaign. Retrieved from (<http://www.bizcommunity.co.ke/Article/121/82/81793.html>)

2.4.3 Adapting to changing times

When an organization starts losing relevancy among the customers it serves, it becomes imperative that a proactive initiative should be made towards rebranding. Customers undergo change with every passing day owing to such dynamic factors as the economy, technology and climate change. Changing times require that the organization keeps up in order to stay relevant (de Chernatony and Riley, 1998; Daly and Moloney, 2004).

British American Investments Company (Kenya) which is the parent company of British American Insurance and British American Asset Managers both in Kenya as well as Britam Insurance Company in Uganda has unveiled the BRITAM brand identity and logo to be adopted for the entire group across the board. The company unveiled a new corporate identity, which will in effect put the organization in a more strategic position to address, meet and even surpass the demands of a fast changing operating environment and customer sophistication. (<http://www.kenya47.com/2011/07/kenya-power-rebranding-is-it-really.html>).

The launch of Britam was intended to harmonize the organizations businesses into one company, one brand with a common vision meant to help the company communicate in one language without losing our company values. The brand change to Britam will not affect the legal names of the British American Group of companies meaning that publicly listed British American Investments Company and subsidiaries will continue to trade and release financial statements under their current names. Rebranding was to poise the company for its East African regional expansion which is currently underway with operations having commenced in South Sudan earlier in 2012. (<http://www.kenya47.com/2011/07/....-really.html>). The Group has its sights on further expansion to Rwanda in the medium term with the ultimate goal of expanding to the entire East African region in the long term. The group is also diversifying its investment portfolio, and is in the process of setting up a 10 billion shilling real estate fund. In the six months to June 2012, British American Investments posted a 1.8 billion shilling profit that moved it from a million shilling loss making streak the year the year before on the back of an adverse economy and undersubscribed IPO in June 2011. British American has been operational in Kenya for more than fifty years.

2.4.4 Differentiating from the competition

The most trusted brands in Kenya are very distinct in terms of their public image. Leading Kenyan brands like Safaricom, East African Breweries, Kenya Commercial Bank, Equity bank and Barclays pride themselves in the strong customer loyalty they enjoy by delivering quality- both real and perceived. This goes for other international brands such as Mercedes Benz and Apple.

In Kenya's politics, the rebranding of ODM-Kenya was meant to differentiate the party from ODM leading up to the March 4th Presidential elections. ODM-Kenya was rebranded to become Wiper Democratic Movement late last year. The party logo and symbol were changed from one and a half orange to an umbrella; with the words "Wiper" sporting new sky blue, earth red and white colors. According to the people behind the rebranding, the move was made to avoid confusion at the ballot since the party's logo and name resembled their competitor, ODM. (<http://www.kenyaforum.net/?p=1173>)

According to an internal circular by the Kenya Power Managing Director and CEO, Eng. Joseph Njoroge dated 22nd June, 2011. KPLC embarked on a corporate change and rebranding exercise in 2009 with the aim of transforming the distribution network in order to render more reliable and responsive services to customers and to sustain its good financial performance. Retrieved from (<http://mobile.businessdailyafrica.com/Rebranding-is-not-just-about-change-of-name-and-logo/-/1143880/1189996/-/format/xhtml/-/n6eajd/-/index.html>) The project entailed creation of a new organizational culture, a new logo, and a corporate brand which supports the company's long term objectives and meets the increasing expectations of its customers.

2.5 Conceptual model

This a brief explanation of the relationships between the variables identified for the study in the statement of the in the research questions and objectives.

Independent variables

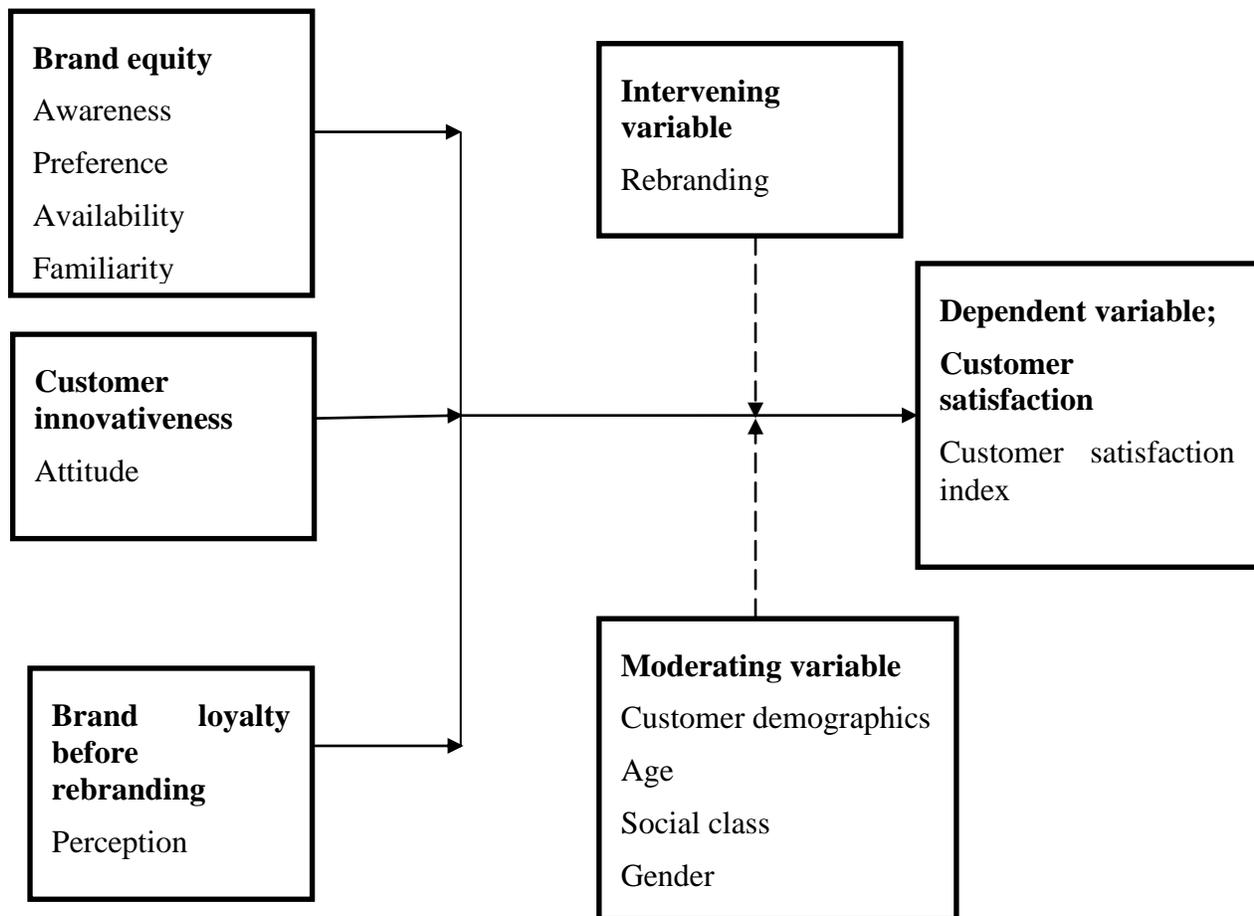


Figure 1.0 Conceptual model

Brand equity: Customer-based brand equity is a power of the brands that is created in customers' minds and is rooted in what they have experienced and learnt about the brand over time (Keller, 1993). In fact, brand equity can be operationalized by customers' perceptions on brand associations and behavioral intentions Cobb-Walgren et al. (1995). Keller (1999) believes that a successful rebranding strategy can help improve customer-based brand equity in form of increased quantity purchased and frequency of consumption. With strong customer-based brand equity, customers have stronger behavioral intentions and react more favorably to the marketing activities of the brand. In fact, behavioral intentions are always regarded as indicators to evaluate how customers perceive services (Berry & Parasuraman, 1996).

Customer innovativeness: Rebranding into new images can probably be a shortcut to recapture market's attention to the brands. Customer innovativeness, which has been discussed extensively in literature on branding strategies, may affect how customers evaluate rebranding strategies. Midgley & Dowling (1978) define customer innovativeness as a personality trait that represents an individual's proneness to try new things. Innovative people may enjoy purchasing and trying new products; in contrast, conservative people may exhibit more resistance to brand novelty. Hem, de Chernatony & Iversen (2003) discover that customers who regard themselves as innovative persons tend to react more favorably towards brand extensions which bring novelty to the brands. Inferentially, innovative customers may have more favorable attitudes towards rebranding as they seem to be more receptive to new ideas and changes associated to the brand (Salinas & Perez, 2009).

Brand loyalty: This is the extent of the faithfulness of customers to a particular brand expressed through their repeat purchases, irrespective of marketing pressure generated by competing brands. Brand loyalty is defined as a kind of behavioral response (e.g. purchase) with biased brand selection (i.e. repurchase the particular brands) which is expressed over time (Jacoby & Chestnut, 1978). Some studies reveal that brand loyalty can be damaged due to some alterations made in the brand, of which core values and benefits cannot be preserved and maintained during such changes. However, some researchers discover that loyal customers seem to be more tolerant towards the changes if there are high similarities before and after the changes of brands. For instance, Pimentel & Heckler (2003) demonstrate that, with the familiarity effects,

customers tend to accept slight changes of visual identities of brands. A study by Walsh, Page & Mittal (2007) also discover that customers who are strongly committed to a brand have more negative attitudes when the difference of logo redesign increases.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter looks at the research methodology that was employed so as to meet the objectives of the study. The section on research design used, sampling design and procedures, target population, data collection instrument and procedures, data analysis and presentations as well as validity of research instruments.

This chapter presents detailed idea about how the research was conducted. This includes the purpose of research, research approach, research strategy, sample selection methods, data collection methods and data analysis methods. At the end of the methodology part validity and reliability issues was discussed to follow the quality standards of the research.

3.2 Research design.

The study adopted a qualitative case study research design. According to Yin (2003) a case study design should be considered when: (a) the focus of the study is to answer “how” and “why” questions; (b) you cannot manipulate the behavior of those involved in the study; (c) you want to cover contextual conditions because you believe they are relevant to the phenomenon under study; or (d) the boundaries are not clear between the phenomenon and context. This approach has the potential to deal with simple through complex situations. It enables the researcher to answer “how” and “why” type questions, while taking into consideration how a phenomenon is influenced by the context within which it is situated. A case study is an excellent opportunity to gain tremendous insight into a case. It is argued that a case study provides a more realistic response than a purely statistical survey and it enables the researcher to gather data from a variety of sources and bring together the data to illuminate the case. This study will use primary data which was gotten by conducting a household survey.

The survey strategy is appropriate when the researcher wishes to use the findings to infer on the whole population. Survey allows the collection of large amount of data from sizeable population in a highly economical way. Questionnaire, structured observation and structured interviews will often fall into this strategy Thornhill et al. (2003).

3.3 Target population.

The target population for the study consisted of households with power connection from Kenya Power in Nakuru municipality. This study was to only target households that have a personal meter as opposed to shared ones and reside within Nakuru town. This is due to the simple fact that customer with shared meters tend to have little control over the amount of electricity consumed thus the customer experience may be affected either way.

The target population did comprise of the current customers that are 147241 in number. These are households that have a connection to Kenya Power using a personal meter due to the fact that the customer satisfaction survey sanctioned by Kenya Power used the same target population; this is done with the aim of reducing biases.

3.4 Sampling procedures.

3.4.1 Sample size

According to Kenya Power, Nakuru municipality has an estimated 147241 households that have a connection to Kenya Power using a personal meter. Taking into account that households are not distributed in a heterogeneous manner both geographically and demographically. From a previous study that was sanctioned by Kenya Power, it was shown that the customer satisfaction level for the whole of Kenya was 75.9%. Using the customer satisfaction and 90% confidence Interval and Cochran (1963:75) formula used for large populations we get a sample size of:

$$n \geq \left(\frac{Z_{\alpha/2}}{d} \right)^2 PQ$$

$$Z_{\frac{\alpha}{2}} = 1.65$$

$$\alpha = 10\%, P = 0.759, Q = 0.241$$

$$d = 0.759 - 0.70 = 0.059, n \geq 144.$$

n = sample size; Z = z-score; α = Significance level of the study; $P(\text{capital})$ = the customer satisfaction index of the study sanctioned by Kenya power; $p(\text{small})$ = current satisfaction index; $Q = P - 1$; $p = q - 1$; $d = P - p$.

According to the formula the sample size should be greater than or equal to 144, therefore six more questionnaires were issued in anticipation of possible non-responses and inconsistent responses.

3.4.2 Sample Quotas

The target sample population was divided into quotas of age, level of education, income. This helps reduce variation in most cases and sometimes create convenience in execution of survey. In this case of this study, the former was a primary reason.

Age	Quota	Income	Quota	Highest Level of Education	
21-24	10	Below 15,000	50	Primary	50
25-29	30	Between 15,001-25,000	40	Secondary	50
30-34	30	Between 25,001-50,000	30	Tertiary/college	30
35-39	30	Between 50,001-75,000	10	University	20
40-49	30	Between 75,001-100,000	10		
45+	10	Above 100,000	10		

3.4.3 Selection of Households for the interviews

Every head of the household was to be interviewed. Where not present, the next most senior member of the household was to be interviewed as long as they belong to the target age

group (21years and above). Households were selected systematically with a random start and only households that satisfy the quota were selected.

3.4.4 Estimation of sampling error.

Estimates from the sample are subject to sampling and non-sampling errors. Sampling errors are usually controlled through the sample design while the latter are not easy to control. The difficulty in explaining their source poses control challenges. Some of the non-controlled errors may arise from failure by the researcher to locate a respondent for interview, mistakes in recording the response, and other causes which are unrelated to the design.

3.5 Methods of data collection.

There are two major approaches to gathering information about a situation, person, problem or phenomenon. Sometimes, information required is already available and only need to be extracted. However there are instances when the information gathering data are categorized as: Secondary data and Primary data. According to (Creswell, 2003) data collection procedure in qualitative research involves four basic types: Observations, Interviews, documents and audio-visual materials.

3.6 Research instruments

In this study a qualitative survey was used for data collection method. A structured questionnaire was used as the data collection instrument. The questionnaire was developed through the guidance of the objectives of the study as well as research questions. It contained closed ended questions which were accompanied by a list of possible alternatives from which the respondents were expected to choose answers that best describe their views.

The survey questionnaire used in this study was divided into 3 parts. In Part1, the respondents were asked general demographic questions such as gender, age, education attainment, economic status, occupation, and family status. Part 2 of the questionnaire contained items measuring various dimensions of customer-based brand equity, namely brand awareness, brand loyalty, perceived quality, and brand association which and used both qualitative and qualitative approach. Qualitative data was collected by use of a point Likert scale. Part 3 of the

questionnaire contains comparative brand association where Kenya Power was compared to a few other corporates that underwent a rebranding exercise in the recent past.

Though intended to be self-administered, four interviewers received training on the questionnaire before conducting the survey using the questionnaire. They administered the questionnaire and they were obliged to explain all questions thoroughly and ensure that the questionnaire is completely filled.

The questionnaires were administered to Kenya power customers living in Nakuru town. The town was divided into eight regions, of which four were randomly selected. One person per household was personally contacted in their homes, and asked to complete a questionnaire. Unanswered fields were noted for the data entry convenience purpose.

3.7 Validity and Reliability of research instruments

3.7.1 Validity of research instruments

Validity is concerned with whether the findings are really about what they appear to be about Saunders et al. (2003). Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure Saunders et al. (2003).

The following measures were taken to ensure validity:

- Survey questions were made based on literature review to ensure validity.
- Questionnaire was pre-tested on a pilot survey.
- Data was collected in the shortest period of time possible (4 days at most) to avoid major events happening in-between interviews.

3.7.2 Reliability of research instruments

Reliability refers to the degree to which data collection method or methods will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from raw data Saunders et al. (2003).

To ensure reliability, analysis by computing the Cronbach's Alpha was done and was in turn used as the coefficient of reliability in the test of reliability.

Table 1: Reliability of items

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.843	.845	6

As shown in the first column of table 4.11, the constructs used to measure customer satisfaction were of high reliability with a Cronbach's Alpha value of 0.843. In this study the constructs had a reliability ranging from 0.743 to 0.94 which is way above the recommended levels of 0.70 (Nunnally, 1978).

3.8 Methods of data analysis

The collected data were be coded and entered into MS excel, the resultant data was analyzed using Cronbach's to check for reliability. Customer satisfaction was analyzed using frequencies and the resulting figure was compared with the one given by Kenya power using comparison of means (Z-scores) and use of comparison of sample proportions.

Brand equity, customer satisfaction and brand loyalty was analyzed and the data presented using frequencies and tabulations. A correlation coefficient was calculated for each of the independent variables. The independent variables were summarized in comparison with each indicator in the moderating variables and the results were presented in form of tables.

The dependent variable

Customer satisfaction: Respondents' attitude towards the quality of service was measured using a score that was computed from six items that were measured using a ten point Likert scale that started from "very dissatisfied" through to 'very satisfied'.

Independent variables

- i. Brand equity: Perceived brand equity was captured using a Likert type item similar to the ones utilized by (Loken & John, 1993). Respondents assessed brand equity on a four-point Likert scale with the end- points “totally disagree” and “totally agree”.
- ii. Customer innovativeness: This was measured using a seven point Likert scale where respondents was required to rate their innovativeness with 1-Not innovative through to 7- Very Innovative and 3- Not sure.
- iii. Brand loyalty: Data for brand loyalty was collected using three Likert-like items with a ten point scale, with 1- completely disagree and 10- completely agree and a score out of thirty is kept as a measure of brand loyalty.

Moderating variables

Customer demographics: customer demographics were captured in various ways:

- Age: The age variable was grouped into progressive and non-overlapping groups of five years each starting from 21 years as the study is intended for adults who know about the payment of bills.
- Social class: The social class of the respondent was rated, The gross monthly income of the individual was the preferred indicator. The gross monthly income of the head of the household, this was categorized into 9 unequal ranges starting from 1-below 15,000 to 9- above 250,000.
- Gender: The gender of the respondent was recorded as 1-Male and 2-Female.
- Level of Education: The indicator for this variable was the highest level of formal education completed. This was categorized into No formal Education, Primary, Secondary and Tertiary.

3.9 Ethical issues.

The ethical issues of this research were tackled using the following four moral principles: Non-maleficence: this research was conducted without any malice and no harm on any individual is intended in any way, respondents identity was protected at all times and no responses was linked to any individual directly; this research was also observe the moral of beneficence because it was conducted with the aim of improving the welfare of the people;

autonomy as a moral was also observed as this study respected the rights and dignity of participant as, an introduction form was drawn so as to inform the respondent the aim of the study and the identity of the researcher; justice as a principle was observed and the benefits and risks of the research was be fairly distributed.

3.10 Operationalization of variables

Table 2: Operationalization of variables

VARIABLE	TYPE OF VARIABLE	INDICATORS	MEASURE	SCALE OF MEASUREMENT	TOOLS OF ANALYSIS
Customer satisfaction	Dependent	Satisfaction index	Percentage	Ratio	Z-scores
Brand equity	Independent	Perceived brand equity	Likert score	Ordinal	Descriptive
Customer innovativeness	Independent	Perceived Innovativeness	Likert score	Ordinal	Descriptive
Brand loyalty	Independent	Perceived affiliation	Likert score	Ordinal	Descriptive
Customer demographics	Moderating Variable	Age Social class Gender Education Level	Total score	Ordinal	Descriptive

3.11 Summary

From this chapter one is able to understand how the survey was conducted, how the study sample size was arrived at, the sample selection, and how the data was analyzed and thus providing a much needed insight into the kind of data, analysis and recommendation that was arrived at.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the results of the study into the factors influencing customer satisfaction as a result of rebranding by providing the results of descriptive and inferential statistics from the received responses of the survey tool.

4.2 Response rate

This study had a target population of 150 as derived from the formula in chapter three where the surveyed population was supposed to be greater than or equal to 144. Of the 150 questionnaires issued 148 were dully filled and deemed fit for analysis. This gives a response rate of 98.66% with a total of 148 questionnaires returned and was significant enough to assess the objectives of the study.

4.3 Background characteristics

This section presents the results of an analysis of the general background characteristics of the persons who participated in the survey that was conducted for the study. These included gender, age, marital status, education level, occupation of head of household, household income, type of electricity account and length of relationship with Kenya power.

4.3.1 Gender distribution of the respondents

Table 3 shows that among the respondents that were interviewed, more than half were female. 148 people responded the questionnaires out of which only 72 or 48.6% were female. This is a fair representation and may be attributed to the fact that this study adopted a household survey and men are not usually found in their homes during the day.

Table 4.2: Gender of respondents

Gender of respondents	Frequency	Percent
Male	72	48.6
Female	76	51.4
Total	148	100

4.3.2 Age of the respondents

In terms of age, this study was well balanced. The findings of the study revealed that 22.3% (33) of the respondents were between the ages of 25 and 29, 20.9% between 35 and 39 years, 18.2% between 30 and 34 years, 21-24 and above 50 years had an equal representation of about 14.2% and 40-49 were the least represented with 10.1% constituting 15 respondents.

Table 4.2: Age of respondents

Age of respondents	Frequency	Percent
21-24	21	14.2
25-29	33	22.3
30-34	27	18.2
35-39	31	20.9
40-49	15	10.1
50+	21	14.2
Total	148	100.0

4.3.3 Occupation of the head of the household.

Table 4.3 shows that most of the respondents were self-employed at 42.6% (63), 41.2% (61) of the respondents were employed by other businesses. Students made up 4.7% of the respondents,

retired persons 4.1%, housewives 4.1% and unemployed persons were the least represented at 2.7%.

Table 4.3: Occupation of household head

Occupation of household head		
	Frequency	Percentage
Self employed	63	42.6
Student	7	4.7
Employed	61	41.2
Retired	6	4.1
Housewife/husband	6	4.1
Unemployed	4	2.7
Total	147	99.3

4.3.4 Marital status of the respondents

Respondents were asked about their marital status of their respondent and 145 of them responded with three of them not responding due to various reasons. 93 of respondents stated that they were married and 52 stated that they were not yet married as presented in table 4.4.

Table 4.4: Marital status

	Frequency	Percent
Male	93	64.1
Female	52	35.9
Total	145	100.0

4.3.5 Academic qualification of the respondents

The results of the study show that a good number of respondents (24.3%) declined to respond to this question with some of them citing that it was private. Most of the respondents who answered (41.1%) had completed college followed by 31.3% who had completed university, 22.3% had

completed secondary school and 6 (5.4%) of the respondents had completed primary school only.

Table 4.5: Highest education qualification

Highest education qualification		
	Frequency	Percent
Primary	6	5.4
Secondary	25	22.3
College	46	41.1
University	35	31.3
Total	112	100.0

4.3.6 Respondents' electricity account type

Table 4.6 shows that more than half of the respondents had a postpaid account. 106 (71.6%) of the respondents had a postpaid account while 42 (28.4%) of the respondents had prepaid accounts. This is because prepay accounts are relatively new.

Table 4.6: Respondents' electricity account type

Account type		
	Frequency	Percent
Postpaid	106	71.6
Prepaid	42	28.4
Total	148	100.0

4.3.7 Household income

Respondents were asked to give an estimate of their total household income over eight categories provided. Most (28.4%) of the respondents chose a range of between 25001 and 50000, 20.9% chose between 15001 and 25000. The third most chosen category was below 15000 at 19.6% and the least chosen categories were 150001-200000 and 200000-250000 at 1.4% each.

Table 4.7: Total household income

Total household income		
	Frequency	Percent
Below 15000	29	19.6
15001-25000	31	20.9
25001-50000	42	28.4
50001-75000	19	12.8
75001-100000	14	9.5
100001-150000	7	4.7
150001-200000	2	1.4
200001-250000	2	1.4
Total	148	100.0

4.3.8 Length of relationship with Kenya power**Table 4.8: Length of relationship with Kenya power**

Length of relationship		
	Frequency	Percent
Less than 1 year	9	6.2
2-5 years	58	39.7
6-10 years	32	21.9
1-15 years	20	13.7
6-20 years	8	5.5
20+	19	13.0
Total	146	100.0

Length of their relationship with Kenya Power as customers was asked in a bid to demystify customer loyalty, respondents were provided with six categories representing different lengths of time ranging from less than 1 year to 20+ years. As shown in table 10, most (39.2%) of the respondents chose 2-5 years, followed by 6-10 years at 21.9 years with 6-20 years having the least respondents at 5.5%.

4.4 Customer satisfaction

To assess customer satisfaction, six survey items were used; respondents were supposed to rate on a 10 point scale where 1 means very dissatisfied and 10 very satisfied, how satisfied they were with the following: Attribute, Safety measures observed by Kenya Power, Quality of service including steady supply, Billings and payment terms, Communication and Customer care. The average score for each item can be shown in table 4.9 below.

Safety measures and customer care had the highest satisfaction mean of 7.48 with attribute having the least satisfaction mean at 5.57.

Table 4.9: Summary of customer satisfaction items

	N	Minimum	Maximum	Mean	Std. Deviation
Safety Measures	148	1	10	7.48	2.481
Attribute	148	1	10	5.57	2.154
Billing and Payment terms	148	1	10	6.03	2.497
Communication	148	1	10	5.81	2.609
Customer care	148	1	10	6.32	2.600
Quality of service including steady supply	148	1	10	5.64	2.298

To measure the customer satisfaction, a new variable “satisfaction score” was designed: this was arrived at by summing up all the individual respondents’ scores for the items in the customer satisfaction construct and dividing by the number of items to come up with individual respondents’ mean score where respondents with scores greater or equal to 5.5 were deemed to be satisfied. A summary of the score is provided in the table 4.10 below.

70.9 Of the respondents constituting of 105 respondents were satisfied with the services of Kenya Power as shown in table 4.10 below, 29.1% (43 respondents) were not satisfied with the services of Kenya Power. This gives a customer satisfaction index of 70.9%.

Table 4.10: Satisfaction score

	Frequency	Percent	Valid Percent
No	43	29.1	29.1
Yes	105	70.9	70.9
Total	148	100.0	100.0

Postpaid account holders were generally more satisfied (75.5%) than the prepaid customers, this may be attributed to the fact that postpaid customers have a flexible payment term than that of the postpaid customers who at times are not able to find tokens and thus they go about without power.

Table 4.11: Customer satisfaction by account type (crosstab)

		Account type		Total	
		1 Postpaid	2 Prepaid		
Customer Satisfaction	0 No	Count	26	17	43
		% within Account type	24.5%	40.5%	29.1%
	1 Yes	Count	80	25	105
		% within Account type	75.5%	59.5%	70.9%
Total	Count	106	42	148	
	% within Account type	100.0%	100.0%	100.0%	

Respondents were asked if they have interacted with any employees of Kenya Power on official duty in the past three month, 63.5% of the respondents said they had interacted, 34.5% of the respondents had not interacted while three respondents did not answer the question. Table 4.12 shows the summary.

Table 4.12: Interaction with Kenya Power employees

	Frequency	Percent
Yes	94	64.8
No	51	35.2
Total	145	100.0

The respondents who had interacted with the Kenya power employee were asked to rate how satisfied from the interaction, they used a five point Likert scale where 1 represented very dissatisfied, 2 represented dissatisfied, 3 represented neutral, 4 represented satisfied and 5 represented very satisfied. An average was calculated to 3.62 which represented satisfied

Table 4.13: Summary satisfaction from interaction

	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction from interaction.	93	1	5	3.62	1.122

4.5 Brand Equity

To measure brand equity, respondents were asked to rate Kenya power as an investment on a 4 point scale where 1-very poor, 2- poor, 3-good and 4-very good. The respondents gave a rating of 3.21 which

Table 4.17: Summary brand equity

	N	Minimum	Maximum	Mean	Std. Deviation
How would you rate Kenya Power as an Investment?	145	1	4	3.21	.801

As shown in table 4.18, most of the respondents (40%) said that Kenya Power has remained the same followed by 36.6% who said that Kenya power has Improved slightly and 2.8% who said it has improved greatly. About 20.7% of the respondents expressed that Kenya Power has actually become worse in the last three months.

Table 4.18: Describe Kenya power in the last three months

	Frequency	Percent
Became worse	30	20.7
Remained the same	58	40.0
Improved slightly	53	36.6
Improve greatly	4	2.8
Total	145	100.0
System	3	
Total	148	

4.6 Brand loyalty

To assess brand loyalty, respondents were asked to rate various statements on a seven scale, the statements were: I am likely to say good things about Kenya Power; I take pride in being a customer of Kenya Power; I would enthusiastically recommend Kenya Power products/services to others; If another power distribution company was licensed today I would not switch from using Kenya power as my Power provider and lastly I am usually the first person to try new products. Mean scores were calculated for each item and the results are summarized in the table below.

The respondents generally agreed with four of the five the statements though weakly with recommendation of Kenya power having the highest approval of 4.74 out 7 and not switching from Kenya power getting the least approval amongst the agreed statements with a rating of 4.48/7. Respondents generally disagreed with the statement that they are usually the first ones to try new products with a rating of 3.87 out of 7 (see table 4.19)

Table 4.19: Brand loyalty

	N	Minimum	Maximum	Mean	Std. Deviation
Good	148	1	7	4.51	1.668
Pride	146	1	7	4.51	1.786
Recommend	146	1	7	4.74	1.827
Switch	147	1	7	4.48	1.953
New product	146	1	7	3.87	1.865

Respondents were asked to describe the overall reputation of six leading companies in Kenya using a seven point scale ranging from 1- one of the worst companies through 4-same as others, to 7 representing one of the best companies. Safaricom had the highest rating at 5.5 while RVR had the lowest rating at 2.50.

Table 4.20: Companies

	N	Minimum	Maximum	Mean	Std. Deviation
SAFARICOM	147	1	7	5.50	1.585
RVR	145	1	7	2.50	1.444
EABL	144	1	7	5.21	1.843
KENGEN	144	1	7	5.09	1.363
BRITAM	145	1	7	4.67	1.385
NSSF	146	1	7	4.92	1.638

To assess technological knowhow, respondents were asked to rate their technological knowhow using a seven point scale. Most of the respondents rated themselves at 4.

Table 4.21: Technological knowhow

	Frequency	Percent
1	7	4.8
2	9	6.2
3	2	1.4
4	46	31.5
5	27	18.5
6	24	16.4
7	31	21.2
Total	148	

Respondents were asked to rate their innovativeness on a seven point scale, the results gave a mean of 4.9 out of 7 as shown in the table 4.22above.

Table4.22: Summary innovativeness

	N	Minimum	Maximum	Mean	Std. Deviation
innovativeness	145	1	7	4.91	1.563

Most of the respondents (25.5%) expressed that they had innovativeness index of 4 followed by those who said 7 at 22.1% and the least score was 2.1% who said that they innovativeness index of 1.

Table 4.23: Innovativeness

	Frequency	Percent
1	3	2.1
2	5	3.4
3	18	12.4
4	37	25.5
5	27	18.6
6	23	15.9
7	32	22.1
Total	148	

Table 4.24 above illustrates the respondents' awareness to Kenya Power launch of a new logo from the previous one as Kenya Power and Lighting Company (KPLC). As shown in column four of the table, more than of 63.7% of respondents were aware of the change while 36.3% were not aware that Kenya Power had launched a new logo.

Table 4.24: new logo

	Frequency	Percent
Yes	93	63.7
No	53	36.3
Total	146	100.0
Total	148	

Respondents were asked to comment on the new logo and the results as shown in table 24 only 78 respondents commented on the new logo. Majority of those who commented 51.7% (40 respondents) had negative comments ranging to it has become worse to others saying it looks like the head of a Billy goat. 42.3% of the respondents were neutral and only 6.4% gave positive comments on the logo.

Table 25: Comments on logo

	Frequency	Percent
negative	40	51.3
neutral	33	42.3
positive	5	6.4
Total	78	100.0
System	70	
Total	148	

4.7 Hypotheses Testing

4.7.1 Hypothesis 1:

H_0 : Customer innovativeness has a positive influence on customer satisfaction as a result of rebranding.

To test if customer innovativeness has a positive influence on customer satisfaction as a result of rebranding, bivariate correlation between customer satisfaction and customer innovativeness was produced and the results tabulated above. From the third column it can be seen that there is a positive but weak correlation between customer satisfaction and customer innovativeness. This is nonetheless insignificant as the 2-tailed significant value is higher than 0.05 thus the correlation is statistically insignificant hence reject H_0 : Customer innovativeness has a positive influence on customer satisfaction after rebranding and accept H_A : Customer innovativeness has no influence on customer satisfaction after rebranding.

Table 25: Correlation 1

		Customer Satisfaction	Innovativeness
Spearman's rho	Customer Satisfaction		
	Correlation Coefficient	1.000	.018
	Sig. (2-tailed)	.	.840
	N	131	130
	Innovativeness		
	Correlation Coefficient	.018	1.000
Sig. (2-tailed)	.840	.	
N	130	147	

4.7.2 Hypothesis 2:

H₀: Brand equity has no influence on customer satisfaction after rebranding.

The table above shows that there is a statistically significant correlation between brand equity and Customer satisfaction since the two tailed significant level is less than 0.05, therefore reject H₀:Brand Equity has no influence on customer satisfaction after rebranding and accept H_A: Brand equity has influence on customer satisfaction after rebranding.

Table 26: Correlations 2

		Brand Equity	Customer Satisfaction
Spearman's rho	Correlation Coefficient	1.000	.370**
	Brand Equity		
	Sig. (2-tailed)	.	.000
	N	145	129
Customer Satisfaction	Correlation Coefficient	.370**	1.000
	Sig. (2-tailed)	.000	.
	N	129	131

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

4.7.3 Hypothesis 3

H₀: There is a positive relationship between brand loyalty and customer satisfaction after rebranding.

The spearman's rho coefficient calculated for the correlation between brand loyalty before rebranding and customer's evaluation of rebranding strategies intimated that there is a positive and statistically significant between the two variables as the 2-tailed significant value is less than 0.05 therefore accepting H₀: There is a positive relationship between brand loyalty before rebranding and customer's evaluation of rebranding strategy.

Table 27: correlations 3

		Customer Satisfaction	Brand Loyalty
Spearman's rho	Customer Satisfaction	Correlation Coefficient	1.000
		Sig. (2-tailed)	.414**
		N	.000
	Brand Loyalty	Correlation Coefficient	131
		Sig. (2-tailed)	129
		N	.414**
		.000	1.000
		.000	.
		129	144

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

CHAPTER FIVE: SUMMARY OF FINDINGS, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the results of the findings, compares the objectives and the findings, analyzing the results of each variable and making recommendations. The study sought to establish factors influencing rebranding outcomes and influence of rebranding on customer satisfaction.

5.2 Summary of findings

The results of the study showed majority of the respondents were female due to the fact that the survey was carried out as a household survey and it was conducted on a working day, this meant most men were not around to thus more women were interviewed. Most of the respondents who participated in the survey were between the ages of 25 and 29; this was expected as the study was conducted in an urban setting where the population is dominated by children and youth. As expected, most of the heads of households are self-employed as manifested by the results of the study. Among those who responded, 64.1% were married. Most of the respondents were college educated with university graduates coming second at 31.3%, 24% of the respondents refused to answer the question on education level for personal reasons. A majority of the respondents (71.6%) had the postpaid meter while 28.4% had the prepaid meter. Customers with postpaid accounts expressed more satisfaction at 75.5% than prepaid account holders at 59.5% this may be due to the flexibility of payment for the postpaid account holders as opposed to the prepaid holders who pay before they actually consume. 68.9% of the respondents earned less than 50000, with the highest percentage earning between 25001 and 50000. Most of the respondents (45.9%) have been customers of Kenya Power for between 2 to 5 years, respondents with a relationship of between 16 to 20 years were the least with a percentage of 5.5% or 8 individuals.

The study results showed that that customer satisfaction was at 70.9% which was significantly lower than that given earlier in the year by market research companies sanctioned by Kenya Power which was at 75.9%. Respondents were most satisfied by the safety measures undertaken

by Kenya power with a mean score of 7.48 out of 10. About 65% of the respondents had interacted with employees of Kenya Power who when asked to rate the satisfaction from the interaction on a five point scale gave it a 3.62/5 which represented satisfied.

When asked to rate Kenya Power as an investment on a four point scale, respondents gave it a mean score of 3.21 which means it is a good investment. Most of the respondents (40%) thought that Kenya Power had remained the same in the last three months with 36.6% thinking it has improved slightly and 20.7% thinking that it has become worse.

Respondents gave a mean score of 4.48 out of 7 the statement that they would not switch from Kenya Power even if a new power distribution company was licensed today. They also gave a mean score of 4.74 the statement that they would recommend Kenya Power to other people and a mean score of 4.51 to the statement that they took pride in being customers of Kenya Power.

Majority of the respondents (63.7%) said they were that Kenya Power had launched a new logo, though about 36.3% of the respondents were not aware that Kenya power had launched a new logo despite the fact that rebranding was followed by a huge media campaign and the new logo can be seen on Kenya power cars and building. A possible explanation is that the respondents were ignorant when answering the question or they had seen the new logo and they had forgotten all about it. Majority of the respondents (51.3%) who knew about the new logo gave a negative comment,

The study sought to fulfill the following three objectives: To establish if brand equity has an influence on the level of customer satisfaction after rebranding: results of the hypothesis testing using bivariate showed that brand equity and customer satisfaction after rebranding had a significant positive correlation.

The study evaluated the relationship between brand loyalty before rebranding and customers' evaluation of rebranding strategy, it was found using a bivariate correlation test that there is a statistically significant positive relationship between brand loyalty before rebranding and customer satisfaction.

To establish the relationship between customer innovativeness and customers' satisfaction after re-branding a bivariate test was conducted and it was found that the relationship between customer innovativeness and customer satisfaction was not statistically significant.

5.3 Discussion of findings of the study

Customer satisfaction has dropped from 75.9% to 70.9%. This may be due to the bad publicity the company is getting due to a recent push to hike electricity costs. From the study it was established that most of the respondents perceived the recent rebranding exercise by Kenya power as a facelift. This is consistent with the definition of revolutionary rebranding as defined by Muzellec & Lambkin (2006) which describes a major, identifiable change in positioning and aesthetics that fundamentally redefines the company. Revolutionary change is usually symbolized by a change of name (Muzellec & Lambkin 2006) or changing name, logo and slogan simultaneously (Stuart and Muzellec 2004).

The respondents who had interacted with the Kenya power employee were asked to rate how satisfied from the interaction, an average was calculated to 3.62 which represented satisfied. This is an indication that the process is affecting internally, employees and the culture, as well as externally all the stakeholders and the images they have of the company (Muzellec & Lambkin, 2006).

Most of the respondents (40%) said that Kenya Power has remained the same followed by 36.6% who said that Kenya power has improved slightly and 2.8% who said it has improved greatly. About 20.7% of the respondents expressed that Kenya Power has actually become worse in the last three months.

Majority of those who commented on the new logo (51.7%) which constituted 40 respondents had negative comments ranging to it has become worse to others saying it looks like the head of a Billy goat. 42.3% of the respondents were neutral and only 6.4% gave positive comments on the logo. This is consistent with what Walsh, Page & Mittal (2007) also discovered which is that customers who are strongly committed to a brand have more negative attitudes when the difference of logo redesign increases. Customers may not appreciate such changes

of the brands and react negatively if they perceive that core brand values have disappeared after rebranding (Haig, 2003).

5.4 Conclusion of the study

The study objectives were thoroughly addressed according to the methodology set out in chapter three and the study came to the following conclusions:

- i). Innovative customers do not necessarily evaluate rebranding more positively than others.
- ii). Brand equity and customer satisfaction after rebranding are positively related.
- iii). Customers who were more loyal to the initial brand may pay more attention to brand

5.5 Recommendations

The following recommendations are made from the study:

- i). Kenya Power should do a major campaign to improve its brand equity.
- ii). Kenya Power should make effort to address the challenges faced by prepaid customers as compared to the postpaid ones.
- iii). The government and other energy players should collude to improve the supply of power and make it steady.

5.6 Suggestions for further research

The study suggests further research:

This study focused on a single company that is Kenya Power thus the results are not generalizable. Further study on diverse industries and companies needs to be done to come up with a more generalizable conclusion.

Thorough study is needed on the influence of innovativeness and customer satisfaction.

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APPENDIX I: LETTER OF AUTHORITY

REPUBLIC OF KENYA



NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

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Website: www.ncst.go.ke

Our Ref: **NCST/RCD/14/013/854**

Date: **28th May 2013**

Purity Muthoni Kimani
University of Nairobi
P.O Box 30197-00100
Nairobi.

RE: RESEARCH AUTHORIZATION

Following your application dated **21st May, 2013** for authority to carry out research on "*Factors influencing the level of customer satisfaction as a result of rebranding: A case study of Kenya Power-Nakuru.*" I am pleased to inform you that you have been authorized to undertake research in **Nakuru District** for a period ending **31st July, 2013.**

You are advised to report to **the Managing Director, Kenya Power** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

A handwritten signature in blue ink, appearing to read 'M. K. Rugutt'.

DR. M. K. RUGUTT, PhD, HSC.
DEPUTY COUNCIL SECRETARY

Copy to:
The Managing Director
Kenya Power

"The National Council for Science and Technology is Committed to the Promotion of Science and Technology for National Development".

APPENDIX II: LETTER OF TRASMITTAL

Purity Muthoni Kimani

NAKURU

CELL: 0722742869

TO WHOM IT MAY CONCERN

Dear Sir/Madam

**RE; FACTORS INFLUENCING LEVEL OF CONSUMER SATISFACTION AS A
RESULT OF REBRANDING:**

I am a postgraduate student in the University of Nairobi, pursuing a Masters degree in Project Planning and Management. In pursuit of the degree, I am conducting a household survey on factors influencing level of consumer satisfaction as a result of rebranding: a case study of Kenya power-Nakuru as part of the course requirement for a post graduate Course at the University of Nairobi. Any information given is confidential and will only be used for the purposes of this academic research.

The information provided will be of great importance to Kenya Power, scholars and the stakeholders in the services industry. Please allow me to ask you a few questions.

Thank you in advance.

Yours sincerely,

Purity M. Kimani

APPENDIX III: QUESTIONNAIRE

Introduction: Good morning/afternoon. My name is..... We are conducting a survey on corporate reputation as part of the course requirement for a post graduate Course at the University of Nairobi. Any information given is confidential and will only be used for the purposes of research. May I ask you a few questions?

Respondents Name				
Area of Residence				
Cell no:		Marital Status	Married	
Gender			Single	
Male	01		Unemployed	
Female	02			
Education Level completed				
Occupation of Head of Household	Employed-by self		Student	
	Employed by other business		Retired	
	Housewife/Househusband		Unemployed	
Age of the respondent	21-24		35-39	
	25-29		40-49	
	30-34		45+	

Postpaid		Prepaid	
Income: In which of the following brackets does your income fall in?			
Below 15,000			
Between 15,001-25,000			
Between 25,001-50,000			
Between 50,001-75,000			
Between 75,001-100,000			
Between 100,001-150,000			
Between 150,001-200,000			
Between 200,001-250,000			
Above 250,000			
Length of relationship in years:			
Less than 1 year		11-15 years	
2-5 years		16-20 years	
6-10 years		20+	

2) a) Have you interacted with any KENYA POWER employee in the last three months?

YES	Continue
NO	Skip to question 3

b) Thinking about the KENYA POWER staff you interacted with, what is your level of satisfaction with the way the staff related to you?

Very dissatisfied	1	2	3	4	5	Very Satisfied
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3) Please tell me which of the following statements best describes Kenya Power in the last three months? Would you say it has

Became worse in the last three months	Remained the same in the last three months	Improved lightly in the last three months	Improved greatly

4) On a 10-point scale where 10 means very satisfied and 1 means dissatisfied, how satisfied are you with KENYA POWER on the following

		Dissatisfied					Satisfied				
a	Attribute	1	2	3	4	5	6	7	8	9	10
b	Quality of service including steady supply.	1	2	3	4	5	6	7	8	9	10
c	Billing and Payment Terms	1	2	3	4	5	6	7	8	9	10
d	Communication	1	2	3	4	5	6	7	8	9	10
e	Safety Measures	1	2	3	4	5	6	7	8	9	10
f	Customer care	1	2	3	4	5	6	7	8	9	10

5) On a scale of 1-7 please rate the extent to which you agree or disagree with the following statements on Kenya Power. 1- Totally disagree, 7-Totally agree.

A	I am likely to say good things about Kenya Power	1	2	3	4	5	6	7
B	I take pride in being a customer of Kenya Power	1	2	3	4	5	6	7
C	I would enthusiastically recommend Kenya Power products/services to others	1	2	3	4	5	6	7
D	If another power distribution company was licensed in Kenya today, I would not switch from using Kenya Power	1	2	3	4	5	6	7

	as my power provider.							
E	I am usually the first person to try new products	1	2	3	4	5	6	7

6) How would you describe the overall reputation of <company> on a scale of 1-7. 1-one of the worst companies 4- about the same as most and 7-representing one of the best companies

Safaricom	1	2	3	4	5	6	7
RVR(Rift Valley Railways)	1	2	3	4	5	6	7
EABL	1	2	3	4	5	6	7
KENGEN	1	2	3	4	5	6	7
BRITAM	1	2	3	4	5	6	7
NSSF	1	2	3	4	5	6	7

7) On a 5-point scale, how do you rate yourself on the following?:

Technological know-how	1	2	3	4	5	6	7
Innovativeness	1	2	3	4	5	6	7

8) a) Are you aware that Kenya Power launched a new logo?

Yes	Continue
No	End.

b) What does the new logo mean to you?