

**DETERMINATION OF THE EXTENT TO WHICH MARKETING  
CONCEPT HAS BEEN APPLIED BY CERTIFICATION BODIES IN KENYA.**

**BY**

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## DECLARATION

This project is my original work and has not been submitted for Masters of Business Administration research for a degree in any other university.

Signed .....

Matheka, Charles Mulwa

Date 16<sup>th</sup> August, 2013

This project has been submitted for examination of Masters of Business Administration research with my approval as the supervisor.

Signed .....

Dr. Justus Munyoki.

16<sup>th</sup> August, 2013

## **DEDICATION**

This project is dedicated to my beloved wife Carolyne Muthio, for her enthusiasm and moral support during the project undertaking.

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## **ABSTRACT**

This study was conducted to investigate the extent to which the marketing concept has been applied by certification bodies in Kenya. The researcher was motivated to carry this research owing to competition within the industry that forced international certification bodies to establish local offices in the country. The objectives of the study were to determine the extent to which the marketing concept has been applied by certification bodies in Kenya. To achieve the objectives, the researcher adopted a population study of selected firms. Data was collected by using questionnaire which was filled by certification personnel from each company. This being a census study, one certification personnel was picked from each firm. The reason why this category of personnel was picked was due to the fact that the certification personnel had insight information on tactical and strategic approach adopted by their companies. All, the aspects of service mix and their effects to service quality were further verified using statement questions which gave a clear picture of industry service delivery attributes. The data was analyzed using frequencies, percentages and mean score. The study found that certification bodies used service mix elements to a large extent and that the usage of service mix elements improves service quality delivery and the service mix elements are competitive tools in creating service positioning. This shows clear adoption of marketing concept. The results are reflective of a substantive application of service mix element by certification bodies in Kenya. These results agree with the theoretical assertion that technical services are rarely advertised and promoted. However, it can be argued that the average mean score were very close indicating that they were all important to service quality delivery. Similar results were reported on the importance service attributes sought by customers.



# CHAPTER ONE: INTRODUCTION

## 1.1 Background Of The Study

With adoption of technology by all competing firms, efficient and service quality delivery remains the key driver of success in service industry. Companies overlook their most competitive advantage i.e. their own quality service delivery systems and processes. A company that offers quality service and whose customers are truly satisfied with its products and services have significant advantage over its competitors. It can command a higher price, its customers are loyal and it has more time to adapt to changes in the market conditions; price, place, product, promotions, technology and competition (Kotler, 1999).

The certification service sector environment has evolved due to following factors: technological innovation, government regulation, the service quality improvements, pressure to improve productivity, relaxation of professional association restrictions on marketing, internalization and globalization (Lovelock, 1996). This has led to lot of dynamism in the certification service sector due to increased competition and customer's exposure to more current information. To survive, certification companies must differentiate themselves mainly by offering quality service and being as close to the customers as possible. This has led to an emphasis in the area of service marketing to enable marketers in developing strategies to respond to the market needs and offer excellent service. (Kimonye, 1998).

Marketing mix is defined as the elements on organizational controls that can be used to satisfy or communicate with customers. The traditional marketing mix comprises of 4P's; Product (service), Price, Place and Promotions. Service firms must focus on important features to customer, what customers expect and what customer think the company can and should do when there is failure in service delivery. These facts have led to services marketers to adopt the use of

additional mix elements to communicate with and satisfy the customers, hence expanded marketing mix for service.

### **1.1.1 The marketing concept**

Marketing concept means that an organization aims all its efforts at satisfying its customers at a profit. Marketing concept specifies profit objective which is equally necessary for system survival. A non profit organization doesn't measure profit in the same way as a for profit firm. A non for profit firm needs support to survive and achieve its objectives. Its supporters don't think the benefits are worth and what it costs to provide them (Frances et al 1997).The marketing concept was first accepted by consumer groups such as General Electric and proctor and Gamble. Competition was intense in some of their markets and trying to satisfy customer needs more fully was a way to win competition. Widespread publicity about success of marketing concept at the companies helped spread the message to other firms.

Producers of industrial commodities like steel, coal, paper, glass and chemicals have accepted the marketing concept slowly if at all. Similarly many retailers have been slow to accept the marketing concept. Service firms like banks, airlines, lawyers, doctors, insurance companies where slow to adopt the marketing concept were slow to adopt the marketing concept which is the same case with certification bodies. But this has changed dramatically in the last decade, partially due to government regulation changes that enabled many of the business to be more competitive. (Gronos, 1990).Banks used to open for limited hours that were convenient for the banks not for the customers, many closed during lunch hour but now banks stay open longer, often during evening and Saturdays. They often offer more services to their customers, automatic banking machines that take credit cards or personal banker to give financial advice. Most banks now aggressively promote their special services so that customers can compare their services. (Frances et al 1997)

### **1.1.2 Certification bodies in Kenya**

In Kenya there are five certification bodies; one of them is local while the others are local offices of multinationals. The multi nationals have there head office in Europe and they are

privately owned .Below is a summarized detail of the certification bodies. Kenya Bureau of Standards Certification Body is one of the leading Certification bodies in Kenya. It's wholly owned by the Kenya Government through an act of parliament. Besides certification business the organization is involved in inspection, laboratory services and calibration activities. The oldest private certification body to set office in Kenya was SGS In 1994.

SGS (formerly Société Générale de Surveillance) is a multinational company headquartered in Geneva, Switzerland which provides inspection, verification, testing and certification services in Kenya . It has its local office in Nairobi. The core services offered by SGS include the inspection and verification of the quantity, weight and quality of traded goods, the testing of product quality and performance against various health, safety and regulatory standards, and to make sure that product, systems or services meet the requirements of standards set by governments, standardization bodies or by SGS customers.

Bureau Veritas is a multinational company providing conformity assessment, certification and consulting services to industry, government and individuals. Originally formed in Antwerp in 1828 as *Bureau de Renseignements pour les Assurances Maritimes* (Information Office for Maritime Insurance), the Bureau Veritas name was adopted in 1829. Bureau Veritas office in Kenya which was set up in the year 2001, provides consulting in compliance with quality, health and safety, environmental protection standards and regulations, particularly in the shipping and construction industries.

The fourth firm to enter the Kenyan market was Intertek Group plc which is a global inspection, product testing and certification company headquartered in London, United Kingdom. It has started certification business in the year 2010 and its local office is also in Nairobi. While latest entry in Kenya was the DQS –UL group, it has its headquarters in Frankfurt, Germany .It set its local office in Kenya in year 2009.Its involved in certification and inspection business.

## **1.2 Statement of the problem**

Service mix elements have been found to be critical in enabling service companies to identify or execute the market strategies geared towards customer satisfaction through meeting their

expectation by bridging the gaps between the services provides, organization and customers. The attraction, retention and building of strong customer relationships through quality service are at the heart of excellent marketing program. Just like in manufacturing, certification firms position themselves strongly in the target market. However, because services differ from tangible products, they require additional marketing approach in addition to traditional marketing mix. (Kotler, 2001). According to (Zeithaml and Bitner, 1996) services are intangible, perishable and difficult to describe and communicate and these characteristics are the heart of challenge involved in designing and positioning services. Certification firms in Kenya have been affected by various challenges in business environment. The technological changes have forced the certification bodies (firms) to redirect their energies towards service improvements. This resulted to main certification firms to establish offices in Kenya in a bid to reduce cost, increase market penetration through the physical evidence on their locations.

The researcher has not found any work done in application of marketing concept in relation to certification bodies in Kenya. A number of studies have been conducted targeting other service industries. For instance Odhiambo (1990) observed that adoption of marketing has been relatively slow in most areas of shipping services and found that the recent interest are largely a reaction to force of competition. Mohamed (1995) on the other hand only dwelt with the impact of liberalization on the 4p's of marketing with regard to reconditioned and used motor vehicles.

Chege (2001) limited his study to the extent of usage of service marketing mix elements in freight industry, while Maingi (2009) determined the extent at which service mix elements are applied by industrial service providers in Nairobi, Kenya. However none of this works has been done on certification bodies in Kenya. This study aims to show how the marketing concept has been applied by certification bodies in Kenya which is an area which has not been given significance by scholars.

### **1.3 Objective of the study**

The objective of this study was:

To establish the extent to which the marketing concept has been applied by certification bodies in Kenya.

#### **1.4 Value Of The Study**

The study is important to the certification firms in developing and evaluation of its marketing concepts in pursuit of market penetration through positioning. The study highlights positioning/penetration strategies to new entrants in the industry, the study opens them to better understanding of the entire industry and on the key success factors in the industry.

To the professional researchers, this study forms a basis for establishing other market peculiarities such as certification cycles, business process reengineering concepts that aids continuous improvement programs.

This study forms a background on Kenya's certification business environment. The study shall further be used to project the market leader in certification services available from various countries operating in the country that can be benchmarked for improved service.

The study will also help scholars to have a deeper understanding on how certification firms which is an industry which has applied the marketing concept in Kenya.

#### **1.5 Organization Of The Study**

This study is organized into five chapters. Chapter one deals with introduction on background information about service business environment and how service firms positions themselves in the market by use of service mix elements namely pricing, product-services, promotions, place, processes, people and physical evidence. The chapter discusses the statement of the problem, objectives of the study and the value.

Chapter two of the study deals with the literature review and addresses the theoretical framework behind the study. It discusses the definitions of service characteristics by various scholars and their marketing implication. It further provides the service quality gaps that need to be filled in order to deliver service quality. Chapter three addresses the research methodology adopted by the researcher. This involves the research setting and design, population of the study, methods of data collection and analysis.

Chapter four discusses the data analysis and the findings for the study. It involves use of tables, frequencies, percentages, determination of means and standard deviations and brief explanation of the findings. Chapter five entails summary and discussion of the study findings. Conclusion, recommendations for further study and limitations of the study are also captured in this chapter.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter aims to explain the theory behind marketing of certification services in Kenya. The chapter aim to look at what is involved in certification marketing, the theory behind service marketing, the marketing concept and marketing ethics and challenges in service marketing.

### **2.2 Certification Marketing**

Marketing of Certification services includes the same basic elements as marketing goods, Kotler (1999) defines services as any act or performance that one party can offer another that is essentially tangible and does not result in ownership of anything. On the other hand Zeithaml et al., (1996) defines service simply as deeds, process and performances while Etzel et al., (2007) defines services as identifiable, intangible activities that are the main objects of transaction designed to provide want satisfaction to customer. It is therefore not easy to isolate a service from a good because invariably services are marketed in conjunction with goods. Virtually all services require supporting goods, For example, you need a room to provide accommodation services, you need a car to provide car rental services and this goods require supporting services, (To sell a room you need at least a receptionist service).For our study the certification service provides pure services .

Whether there is good or services, every firm should first define and analyze its markets, identify segments and selects targets (Braisington et.al, 1997). Then the organization should turn its attention to designing a coordinated service marketing mix – the goods or the service offerings, the price structure, the distribution system and promotional activities – around a differential advantage that will create the position it desires. This literature review highlights the certification service and establishes basic information for the reader to understand the uniqueness of service marketing.

## 2.3 Service Marketing Mix

One of the most basic concepts in marketing is the marketing mix, defined as the elements an organization controls that can be used to satisfy or communicate with customers. The traditional marketing mix is composed of the four P's: product, price, place (distribution), and promotion. These elements appear as core decision variables in any marketing text or marketing plan. The notion of a mix implies that all of the variables are interrelated and depend on each other to some extent. Further, the marketing mix philosophy implies that there is an optimal mix of the four factors for a given market segment at a given point in time.

Product, place, Promotion and price will clearly also be essential to the successful marketing of services. However, the strategies for the four P's require some modifications when applied to services. For example, traditionally promotion is thought of as involving decisions related to sales, advertising, sales promotions, and publicity. In services, these factors are also important, but because services - are produced and consumed simultaneously, service delivery people (such as clerks, ticket-takers, nurses, phone personnel) are involved in "real-time" promotion of the service "even if their jobs are typically defined in terms of the operational function they perform. Pricing also becomes very complex in services where "unit costs" needed to calculate prices may be difficult to determine, and where the customer frequently uses price as a cue to quality.

Typical product marketing mix includes some product, offered at a price, with some promotion to tell potential customers about the product, and way to reach the customers place.

Note that marketing strategy specifies some particular target customer. This approach is known as target marketing to distinguish it from mass marketing. Target marketing says that a marketing mix is tailored to fit some specific target customers. Mass marketing assumes customers is the same and considers everybody as a potential customer. (Frances, 2008)

There many possible ways to satisfy needs of target customers. Product can have many different features and quality levels, service levels can be adjusted. Package can be of various sizes, colors. A company own sales staff or specialists can be used. Different prices can be charged, price discounts can be given. (Gupta, 2008). Customer is not part of the marketing mix elements, customers should be the target of all marketing efforts. So unlike product mix which consists of the traditional 4 ps i.e. product, place, price and promotion, certification bodies uses the service



mix which uses the expanded 8 Ps. This expanded include product elements, place and time, price and other user outlay, promotion and education, physical environment, process, people and productivity and quality. (Frances, 2008)

Product elements are very key, planning the marketing mix begins with creating a service concept that will offer value to target customers and satisfy their needs better than competing alternatives.

Place and time affects decision on where and when the firms are delivered to the latter, as well as methods and channels employed. Delivery may involve physical or electronic channels (or both) depending on the nature of service.(Lovelock ,2007) Place refers to location which must be convenient to services users and seekers. Distribution of services can be a very competitive tool (Odhiambo, 1990).For certification service providers they have offices, at regional levels for easy access to customers. All transactions are done in head offices mainly in Nairobi and auditors are sending from regional offices to serve the client.

Price and other outlays like product value, the value inherent in payment is central to marketing role in facilitating a value between a firm and its customers. For suppliers pricing strategy is financial mechanism through which income is generated to offset the cost of providing service and create a surplus for profits.(Frances,2008)Process: Customer is actively involved in these processes especially when acting as co producers. Refers to the systems used to assist the organization in delivering the service. Imagine you walk into Burger King and you order a Whopper Meal and you get it delivered within 2 minutes.

Physical environment is also important, the appearance of building, landscaping, vehicles, and interior design provide tangible evidence of firms' service quality. Where is the service being delivered? Physical Evidence is the element of the service mix which allows the consumer again to make judgments on the organization. If you walk into a restaurant your expectations are of a clean, friendly environment. Physical evidence is an essential ingredient of the service mix; consumers will make perceptions based on their sight of the service provision which will have an impact on the organizations perceptual plan of the service. . Firms need to manage physical evidence carefully because they have profound impact on customer impression. ( www.learn marketing.net) People: Successful service firms devote significant effort to recruiting, training

and motivating employees. An essential ingredient to any service provision is the use of appropriate staff and people. Recruiting the right staff and training them appropriately in the delivery of their service is essential if the organization wants to obtain a form of competitive advantage.

#### **2.4 The Marketing Concept And Marketing Ethics**

The marketing concept is so logical that it is hard to argue with it. Yet when a firm focuses its efforts on satisfying some consumers to achieve its objectives there may be negative effects on society. This means that marketing managers should be concerned with social responsibility.

A firm's obligation to improve its positive effects on society and improve its negative effects sometimes requires some difficult trade off. Being social conscious often seems to lead to positive customer response. For example, Gerber had great success when it improved the nutritional quality of its baby food and many consumers have been eager to buy products that are environmentally friendly (Marcathy et al, 1998). Marketing concept guides marketing ethics in that organizations that have adopted the marketing concept are concerned about marketing ethics as well as broad issues of social responsibility.

#### **2.5 Challenges In Service Marketing**

Managing, growing, and profiting with both product and service businesses are challenging tasks. But the challenges are different from one to the other. Below are some of the most common and difficult challenges of growing and managing consulting, professional, or technology service businesses that don't necessarily apply to product businesses. (Marcathy et al, 1998). Clients can't see or touch services before they purchase them. This makes services difficult to conceptualize and evaluate from the client perspective, creating increased uncertainty and perception of risk. From the firm's perspective, service intangibility can make services difficult to promote, control quality, and set price. Services are often produced and consumed simultaneously.

This creates special challenges in service quality management that product companies do not even consider. Products are tested before they go out the door. If a product has quality problems

while in production, the company can fix them and customers are none the wiser. Service production happens with the customer present, creating a very different and challenging dynamic. (Lovelock, 2007) .Some level of trust in the service organization and its people must be established before clients will engage services. This is as important, sometimes more important, than the service offerings and their value proposition.

Competition for product companies is other product companies. Competition for service companies are often the clients themselves. Sure, sometimes you find yourself in a competitive shootout (some firms more than others), but often the client is asking 'should we engage this service at all' and 'if so, should we just do it in-house. Brand in service businesses is about whom you are as much as what you say about yourself. And internal brand management and communications can be equally as vital to marketing success as are external communications.

Many service companies have tried, and failed, at using lead generation tactics that work wonders for product companies. Implemented correctly, traditional product techniques, such as direct marketing and selling, can work for services, but the special dynamics of how clients' buy services must be carefully woven into your strategy. (Frances, 2008)

Product companies have dedicated sales forces. For services, the selling is often split between sales, marketing, professional, and management staff. Relationship and Value. Products tend to fill a customer's need or want, so companies can use this to sell a product. A service is more about selling a relationship and the value of the relationship between the buyer and seller of the service. For example, a car is something a buyer can touch and see as well as use. A service, such as lifestyle coaching, for example, is not tangible. A lifestyle coach may be able to assist clients in creating a life plan and implementing steps to transform his life into one that the client wants to live, but it is not something tangible that the client can place in his home and look at every day. Therefore, the client needs to perceive the value of the service, which can be harder to get across. (Gupta, 2008)

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This section sets out the research methodology that was adopted to meet the objectives of this study.

### **3.2 Research Design**

This study adopted a descriptive study. This was considered because the researcher intended to investigate the interactions of various variables. Malhotra (1996) asserted that descriptive design requires clear specification of who, where, what, when, where and way (Six W's of research).

### **3.3 Population of Study**

This was census study of Certification bodies in Kenya .This is due to the small number of certification bodies present in Kenya. The study involved the five certification bodies. Selected respondents were obtained from telephone directory (Nairobi 2012, edition 18). A list of the organizations in the survey is attached in appendix 1.

### **3.4 Data Collection**

The researcher used one certification personnel in each of the firms. The certification personnel were chosen because of the technical nature of certification process. This are the key people involved in actual service delivery and their performance affects the quality of the service. The total number of respondents was to be five.

The main data collection instrument was a questionnaire. (See appendix 3). Section A of questionnaire consisted of introductory and demographic questions. Section B was designed to capture in depth application of marketing concept adopted by the certification bodies.

The questionnaire consisted of both closed and open ended questions which are in two sections and comprised of structured and semi structured questions. The researcher physically presented and helped the respondents in understanding the questionnaires.

### **3.5 Data Analysis**

Data collected was analyzed using descriptive statistics such as percentage, proportions frequencies, mean and standard deviation. The method of descriptive statistics and content analysis was suitable for achieving the objectives of this study.

## CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

### 4.1 Introduction

This chapter discusses the data analysis and the research finding for the study. After the questionnaires were filled in, they were edited and coded. Data was summarized by use of tables and frequencies, percentages, mean and standard deviations calculated.

#### 4.1.1 Response Rate

Out of the 5 certification personnel only 4 responded giving a response rate of 80%.The researcher deemed this as adequate and sufficient response rate for data analysis purpose. This compared well with other previous researchers such as Nyaoga (2003), Warutere (2003) who got a response rate of 72% and 92.6% respectively.This is illustrated in table 4.1.

**Table 4.1 Response rate of the researchers.**

Researcher	Response %
Nyaoga (2003)	72
Warutere(2003)	92.6
Matheka(2012)	80

### 4.2 Demographic Characteristics of Respondents

The response rate and other demographic characteristics were analyzed from the data filled by the respondents.

#### 4.2.1 Educational Level

The researcher was interested in finding the desired level of education for certification personnel management staff within the industry and thus respondents were asked to indicate their levels of education. The result were analyzed and tabulated in Table 4.2

**Table 4.2 Education level of Management Staff**

<b>Level of education</b>	<b>Frequency</b>	<b>Percentage</b>
University/College	3	75
Diploma	1	25
Secondary	0	0
Non formal	0	0
<b>Total</b>	<b>4</b>	<b>100</b>

From Table 4.2, 75% of the respondents had a university degree while 25% have college diploma. This information indicates that the industry employs staff with high level qualification of education for efficient and effective service delivery. This is very essential given that their customers highly qualified people. Since 100% have required education they are capable of executing proper service mix within the industry.

*4.2.2 Length with employer.*

*The length of time was also important to the researcher and respondents were asked to indicate ,the time they have spend with their employer.*

**Table 4.3 Length of Service with Employer**

<b>Length of service</b>	<b>Frequency</b>	<b>Percentage</b>
Less than 3 years	1	25
4-8 years	2	50
9-15 years	1	25
More than 15	0	0
<b>Total</b>	<b>4</b>	<b>100</b>

From Table 4.3, it's evident that 25% of the respondents have been with their companies for more than 9 years while 50 % have been with their company for 4 to 8 years. This shows a high level of employee's retention and also succession planning and training by the experienced managers.

### 4.3 Service Mix Attributes

This section addresses the nature of services mix in regard to pricing methods and strategies, price description on various conditions of service, importance of place to operations, importance of product service attributes sought by customers, promotional elements of services, communication channels and contribution of attributes to industrial service delivery, and factors that influence companies success within the industrial service providers.

#### 4.3.1 Pricing Methods and Strategies

The results of respondents agreement to pricing methods and strategies statements were analyzed and tabulated in Table 4.4

**Table 4. 4 Pricing Methods and Strategies**

Factor	Frequency						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Prices of competitors	0	1	0	2	1	4	0	25	0	50	25	100	2.25	0.72
Price leadership	2	2	0	0	0	4	50	50	0	0	0	100	4.5	0.41
Price depend on service	2	2	0	0	0	4	50	50	0	0	0	100	4.5	0.41
Price determined by customers	0	0	0	1	3	4	0	0	0	75	25	100	1.25	0.43
Buy quality services	3	1	0	0	0	4	75	25	0	0	0	100	4.75	0.46

**Key:** 5.Strongly agree 4.Agree 3.Somewhat 2.Disagree 1.Strongly disagree

From Table 4.4, the firms within the industry basing their prices to those of competitors, 50% of respondents disagreed with this statement while 25% strongly disagreed and 25% are the only ones who agreed. The mean score was 2.8 implying that the price of competitors was not widely regarded. 50% of the respondents strongly agreed suggested that their firms were price leader with a further 50 % agreeing to being price leaders with a mean score 4.18 implies that the industrial service providers are focused on price leadership as a tool of competition. The service to be carried out determines the price as 50% of respondents strongly agreed to this with other 50% just agreeing. This also attained a mean score of 4.18 implying that the nature and size of service receiver was strongly used when determining the prices. This could be explained by the fact that the larger the certification bodies the more services provided.

On customers determining price terms 25% of the respondents strongly disagreed to this while other 75% just disagreed implying that the firms sets their pricing terms and customers just



comply to their terms. This attribute scored a mean of 2.0 implying that the respondents disagreed with this idea. For customer looking for quality service and as a result 75% strongly agreed with customers looking for quality services while other 25% of the respondents just agreed implying that the customer was quality minded. The mean score on quality services was 4.75 meaning it is highly valued by the customers.

### 4.3.2 Price Discrimination On Various Conditions

Price discrimination was thought to be practiced by the industrial players and as such the researcher selected various condition of physical evidence that influenced price discrimination and asked the respondent to indicate the extent to which there was a price variation. The results were analyzed and tabulated in Table 4.5

**Table 4.5 Application of Price Discrimination**

Factor	Frequency						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Advance payments	0	0	0	3	1	4	0	0	0	75	25	100	1.75	0.46
Cash payments	0	0	0	3	1	4	0	0	0	75	25	100	1.75	0.46
Locations of receiver	0	1	0	3	0	4	0	25	0	75	0	100	2.5	0.91
Size / nature of client	2	0	0	2	0	4	50	0	0	50	0	100	3.5	1.22
No. of service visits	0	0	1	3	0	4	0	0	25	75	0	100	2.25	0.46

**Key** 5.To a very large extent 4.Large extent 3.moderate extent 2.Limited extent 1.No extent T .Total , S.d –Standard deviation.

The results in Table 4.5 indicate that 25% of responded supported price discrimination on advance payment to a very large extent while 75% did not support it to a limited extent. The results indicated that price discrimination was applied in moderate to large extent on advance payments. On aspect of cash payments the respondent indicated that price discrimination ranged from limited extent to no extent. The respondent suggested that location of service receiver had price discrimination of 25% to a large extent and 75% to limited extent implying that location of service receiver did not very much determined the price to be charged.

There was also price discrimination on basis of the nature and size of service receiver where 50% of respondents supported this to a very large extent and 50% to a limited extent. Another contributor to price discrimination was the number of service visits to customers which saw 25%

of the respondent support price discrimination to a moderate extent. The order in which price discrimination was applied from high's score was size/nature of client, and location of service receiver, number of service visits, advance payment and cash payments tied in the last position. This result implies that the customers are charged more for any of these factors so as to compensate for expenses brought by the factor.

The condition that received the highest mean score and to a large extent on price discrimination was the size /nature of client with a score of 3.25 followed by the location of receiver at 2.5 and number of service visit at 2.25, tying in at the last position was advance payment and cash payment at 1.75. It can be said that price discrimination is a common phenomenon in services and it is practiced from no extend to a large extent on various conditions of service.

### 4.3.3 Promotional elements

Promotional mix elements are vital in marketing of service as they provide the interactions between the service provider and receiver. The researcher tested the most applicable forms of promotions by asking the respondents to indicate the extent to which their firms use the selected promotional elements. The results were analyzed and tabulated in Table 4.6

**Table 4.6 Extent of Usage of Promotional Elements**

Factor	Frequency						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Personal selling	2	2	0	0	0	4	50	50	0	0	0	100	4.5	0.29
Sales promotions	0	1	3	0	0	4	0	25	75	0	0	100	3.25	0.46
Advertisement	0	2	0	2	0	4	0	50	0	50	0	100	3	0.82
Public relations	1	1	2	0	0	4	25	25	50	0	0	100	3.75	0.84
Direct marketing	0	2	2	0	0	4	0	50	50	0	0	100	3.5	0.41

*Key 5: To a very large extent 4.Large extent 3.moderate extent 2.Limited extent 1. No extent T .Total, S.d - standard deviation*

From Table 4.6, It was clear leading was Personal selling with a mean score of 4.5 at usage of 50% to a very large extend and 50 % to a large extend followed by public relations with a mean of 3.75 with a 25% to a very large extend,25% large extend usage and 50% moderate usage. Direct marketing came third with a mean of 3.5 with a 50% large extend usage and 50%

moderate usage, sales promotion came fourth with a mean of 3.25 with a percentage 25 for large extend usage and 75% moderate usage.

These results tell us that in certification services provision advertisements and sales promotions are rarely used while direct marketing, public relation and personal selling are the main form of promotions.

#### 4.3.4 Communication channel

The researcher wanted to establish the dominant channels of communication as they are used in managing of service promises. The researcher asked the respondents to indicate the extent of usage of selected communication channels and the results were analyzed and tabulated in Table 4.7

**Table 4.7 Extent of Channel Usage**

Factor	Frequency						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Telephones/mobiles	3	1	0	0	0	4	75	25	0	0	0	100	4.75	0.46
Emails & websites	1	3	0	0	0	4	25	75	0	0	0	100	4.25	0.46
Physical addresses	1	1	2	0	0	4	25	25	50	0	0	100	3.75	0.85
Site /personal visit	1	1	2	0	0	4	25	25	50	0	0	100	3.75	0.85

*Key: 5.strongly used 4.Used 3.Some what used 2.Fairly used 1.Never used T.Total*

From the research finding in Table 4.7, Telephones /mobiles were the mostly used channel with a mean score of 4.75 it scored 75% on strongly used and 25% on used. This is due to the fact that this industry has geographically dispersed customers and also due to the few staff employed by certification companies making telephone/mobile a must. Emails and websites had mean scores of 4.25 with 25% of the respondents indicating that they were strongly used and further 75% indicating that the channels were used. This indicates good adoption of technology in services delivery and proper employees training as they are able to use these channels. Physical addresses (through letters) recorded a mean of 3.75 and it was somewhat used thus not a common means of communication although it is popularly used by accounts and human resources in communicating to internal customers (employees) and general invoicing .Physical address(use of letters) reported some significant usage ranging from 25% of strongly used,25%

used, 50% somewhat used. The site visits/personal visits, telephony and emails and websites are strongly used tools of promotions and all firms within the industry embrace them.

#### 4.3.5 Attributes contribution to delivery of Quality Services

Various dimensions of service quality are essential in meeting customer's expectations and satisfying them. These dimensions ought to be practiced by firms within the sector if they want to attain service excellence. These attributes involves day to day management of people and processes of service delivery .Due intangibility of services the customer is expected to recognize and recall the service experience and this is brought by effective management of this attributes. The researcher investigated the application of various service attributes to delivery of quality service within the industry by asking the respondents to indicate the level of service attributes application for selected service attributes. The results were analyzed and tabulated in Table 4.8.

**Table 4.8 Attributes Contributions to Delivery of Quality Service**

Factor	Frequency						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Service right the first time	3	1	0	0	0	4	75	25	0	0	0	100	4.75	0.46
Informs customers on service performance	1	2	1	0	0	4	25	50	25	0	0	100	4	0.82
Employees courteous	1	3	0	0	0	4	25	75	0	0	0	100	4.25	0.85
Employee customer individual attention	1	1	2	0	0	4	25	25	50	0	0	100	3.75	0.85
All employees interact with customers	1	1	2	0	0	4	25	25	50	0	0	100	3.5	0.96
Customer –employees relationships	2	1	1	0	0	4	50	25	25	0	0	100	4.25	0.85
Customer service given highest priority	0	2	1	1	0	4	0	50	25	25	0	100	3.25	0.85
All employees access basic information	1	1	1	1	0	4	25	25	25	25	0	100	3.75	1.55
Service employees have dress codes	1	3	0	0	0	4	25	75	0	0	0	100	4.25	0.46
Materials associated with services provided	1	3	0	0	0	4	25	75	0	0	0	100	4.25	0.46

**Key 5:** .Very applicable 4.Applicable 3.Somewhat applicable 2.Fairly applicable 1.Not Applicable T.Total

From Table 4.8, it is evident that the firms are committed to doing service right the first time as 75% suggested that this was very applicable while the other 25% indicated that it was applicable.

The service providers also inform customers when the services are to be performed as 25% of respondents indicated that this was very applicable with further 50% indicating that this was applicable. The respondents indicated further that their employees are courteous with 25% indicating that courtesy was very applicable and other 75% said that it was applicable. For employees giving individual attention to customer where 25% of respondents indicated that this was very applicable, 25% suggesting that this was applicable and the remaining 50% indicating somewhat applicable. On the dimension of all employees interacting with customers the respondents indicated that this was very applicable with 25% and other 25% indicating that this was applicable, the rest 50% indicated somewhat applicable. This is due to the fact that firms have got both front line employees who interact with customer and back line employees who give support to the front line employees. Customer employee's relationship was voted to be rampant with 50% of the respondent indicating that this was applicable.

Customer services is given the highest priority as evidenced by 50% of respondent who indicated that it was very applicable while the other 25% indicated it was applicable while 25% indicated somewhat applicable. All employees do have access to basic information as 25% of the respondent indicated that this was very applicable, 25% suggesting it was applicable, 25% indicated somewhat applicable while the rest 25% indicated fairly applicable. Service employees had dress codes as evidenced by 25% of the respondents who indicated that this was very applicable and further 75% indicating that it was applicable. Provision of materials associated with service such as pamphlets, manuals was voted to be applicable by 25% of respondent while other 75% indicated that it was applicable. Dress codes and materials associated with services makes the service tangible and this indicates that the certification service provider apply services attributes to a large extent so as to remain competitive.

The strength to which the attributes contributes to delivery of service quality are as follows: Service right the first time - 4.75, service employees have dress codes- 4.25, employees are courteous -4.25, material associated with service are provided - 4.25, inform of customers on service performance - 4, Employee give customers individual attention - 3.75, Employee have basic information-3.75, Employee interact with customers - 3.5, customer service given the highest priority - 3.25. This service attributes can be said to be at the core of effective quality service delivery and thus any firm coming to industry should evaluate on how it should position itself on the strength of the said attributes.

### 4.3.6 Factors Affecting Companies Success

The researcher selected several factors which were thought to be critical in ensuring companies success and asked the respondent to indicate the strength to which they felt influenced their company's success. The results were analyzed and tabulated in Table 4.9

**Table 4.9 Factors contributing to company's success**

Factor	Frequency						Percentage Score						Average score	
	5	4	3	2	1	T	5	4	3	2	1	T	mean	S.d
Image / Heritage	3	0	1	0	0	4	75	0	25	0	0	100	4.5	0.91
Staff Training	1	2	1	0	0	4	25	50	25	0	0	100	4	0.82
Offer credits	1	1	2	0	0	4	25	25	50	0	0	100	3.75	0.85
Staff retention	2	0	2	0	0	4	50	0	50	0	0	100	4	0.82

**Key: 5.**Very strongly 4.Strongly 3.Relatively strong 2.Fairly strong 1.None

From table 4.9, the strength in which the listed factors contributed to company's success was image/heritage which scored the highest mean score of 4.5 implying that it was the strongest contributors of the companies' success. The second positions went to staff training and staff retention at 4. In this industry staff are expected to be knowledgeable and experienced since they interact with educated customers and they are expected to offer solutions. Lastly scored was credit facilities offering, which scored - 3.75, this was attributed to the fact that the amount of money paid is a lot and also relationship building is very important in this industry.

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Summary and Discussions**

Certification bodies in Kenya uses traditional marketing mix and expanded services mix to a large extent and this affect the quality of service delivery significantly. The strength to which the service attributes contributes to delivery of service quality are as follows: Service right the first time ,service employees have dress codes, employees are courteous, material associated with service are provided ,inform of customers on service performance ,Employee give customers individual attention, Employee have basic information, Employee interact with customers customer service given the highest priority. The study found that This service attributes can be said to be at the core of effective quality service delivery and thus any firm coming to industry should evaluate on how it should position itself on the strength of the said attributes. Most of this service mix if used adequately becomes tools of competition and thus help in positioning of the firms.

The study also found that for the service mix elements studied, Pricing came out as a very significant mix that gives the firms a competitive advantage. The key attribute to this is the relationship of price and quality. Services and the products offered by the firms are believed to be excellent and thus highly priced –price leaders .The other reason were the firm’s ability to offer reliable service (services right the first time). On price discrimination the size/nature of client, followed by location of service receiver, number of service visits, lastly tying together was advance payment and cash payment. It can be said that price discrimination is a common phenomenon in services and it is practiced from moderate to a very large extent on various conditions of service.

Promotional mix elements were also investigated and it was found out that personal selling and public relations and direct marketing were the strongly used methods of promotions. Company’s image and heritage is an effective tool of promotion as it contributes to firm’s success. These were in accordance with the theoretical framework where in service marketing; personal selling and direct marketing embraces relationship and interactive marketing. Other elements of promotions that played insignificant role where the sales promotions and advertisement were used to a limited extent. The communication channel widely used by the certification bodies

were office telephony and emails and websites. Telephones, mobiles and emails provided the faster ways of communication while physical address and site visit were least used due to the nature of the industry.

People are key elements in successful service delivery. The people include internal customers and external customer. The study found that firms within Nairobi uses highly trained and experience staff who are key asset in service delivery .Company heritage, employee training and staff retention was ranked as on of highly valued service attribute. Credit offering scored lowest. It can be argued that this study reinforces the existing theories by various scholars of service marketing and thus the certification bodies in Kenya uses the services mix elements to a large extent and that the importance rating of service mix element was evident as they were all important.

## **5.2 Conclusion**

Certification bodies should apply service mix elements in large extent so as to gain competitive positioning. This ensures that the firms are capable of offering quality service due to the strong relationship between service mix elements and service quality delivery. The firms should integrate all their mix elements towards customer satisfaction so as to bridge the gap between customer expectations and perceived value. The service mix elements are strategic tools of competition and those firms using them can command service leadership. The firms within the industry should embrace the mix elements as per their importance rating as this offers a well balanced service experience resulting in excellent service.

## **5.3 Limitations Of The Study**

The following were the limitations for this study. Foremost, the study relied on convenience sampling in picking the respondents .A result of some bias might have been brought up by the sample itself. A sample from a mixture of staff might have given different findings. Secondly, the sample size of the firms studied might not have been exhaustive as there could be a probability of new firms which were yet to register their firms with telephone directory and were offering similar service. Since certification personnel were the main focus of the study, they might have viewed this as a performance appraisal and thus give some fairly unreliable results It



can however be said that the execution of the study was done with great care to minimize the these limitations

### **5.3.1 Recommendations**

After a careful analysis of the findings the researcher recommends that the firms within the certification industry should consider building strong brands for their firms which would boost the direct marketing and personal selling being embraced by the industry. The industrial players should improve on the importance rating of product and services as they are the core of their business.

### **5.3.2 Suggestions For Future Research**

This research was broad as it dealt with application of service mix elements on many different service attributes of service quality. The researcher suggests that future study could be done on a limited number of service mix elements with relevancy to service delivery. Studying specific mix elements in detail could provide more insights and explore new information regarding the mix elements.

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## **APPENDIX 1:**

### **List of Certification Bodies in Kenya.**

1. Kenya Bureau of Standards.
2. Societe Generale de Surveillance.
3. Bureau Veritas.
4. Intertek group plc.
  
5. DQS- UL. (Deutsche Gesellschaft zur Zertifizierung von Managementsystemen)

*Source: Kenya Telephone Directory Nairobi 2012, 18<sup>th</sup> edition.*

## **APPENDIX 2:**

### **Letter of Introduction**

University of Nairobi  
School of Business  
Faculty of Commerce  
P. O. BOX 30197  
Nairobi

Dear Respondent,

#### **REF: REQUEST FOR RESEARCH DATA**

I am a post graduate student at the University of Nairobi, faculty of commerce. In partial fulfillment of the requirements for a marketing research, I am conducting a study entitled “Determination of the extent to which marketing concept has been applied by certification bodies in Kenya. For the purpose of completing my research, I wish to collect data through the attached questionnaire. I shall be grateful if you would kindly assist me by completing the questionnaire.

This information is purely for the purpose of my market research and we pledge that the information provided shall be treated in or with strict confidentiality. A copy of the final research report will be availed to you upon request.

Thank you for your cooperation.

Charles M. Matheka

Dr. Munyoki

**Supervisor**

**APPENDIX 3:**

**QUESTIONNAIRE FOR RESPONDENT**

Please help answer the following questions.

**PART A: GENERAL INFORMATION**

- 1. Name of the firm \_\_\_\_\_
- 2. Job position \_\_\_\_\_
- 3. What 's your highest level of education
  - University/college [ ]
  - Diploma holder [ ]
  - Secondary level [ ]
- 4. How long have you been with the current employer?
  - Less than 3 years [ ]
  - 4-8 years [ ]
  - 9-15 years [ ]
  - More than 15 years [ ]

**PART B: APPLICATION OF MARKETING CONCEPT.**

Please respond to the following questions

- 1. To what extent do you agree with the following statements?

Key	5.Strongly agree	4.Agree	3.Somewhat	2.Disagree	1.Strongly disagree
	5	4	3	2	1
a).The company uses competitor prices	[ ]	[ ]	[ ]	[ ]	[ ]
b). The company is a price leader	[ ]	[ ]	[ ]	[ ]	[ ]
c). Price depends on the services	[ ]	[ ]	[ ]	[ ]	[ ]
d). Price terms are determined by the customers	[ ]	[ ]	[ ]	[ ]	[ ]

e). Customers buy your services because of quality. [ ]  
 [ ] [ ] [ ] [ ]

2. On Likert scale, Please indicate the extent to which the company practices price discrimination on conditions stated.

Key 5. To a very large extent 4. Large extent 3. Moderate extent 2. Limited extent 1. No extent

	5	4	3	2	1
a). Advance payments	[ ]	[ ]	[ ]	[ ]	[ ]
b). Cash payments	[ ]	[ ]	[ ]	[ ]	[ ]
c). Location of service receiver	[ ]	[ ]	[ ]	[ ]	[ ]
d). Size and nature of client	[ ]	[ ]	[ ]	[ ]	[ ]
e). Number of service visits	[ ]	[ ]	[ ]	[ ]	[ ]

3. To what extent does your company use the following promotional elements?

Key 5. Very large extent 4. Large extent 3. medium extent 2. limited extent 1. No extent

	5	4	3	2	1
a). Personal selling	[ ]	[ ]	[ ]	[ ]	[ ]
b). Sales promotion (Calendars, T-shirts, Dairies)		[ ]	[ ]	[ ]	[ ]
c). Advertisements	[ ]	[ ]	[ ]	[ ]	[ ]
d). Public relations	[ ]	[ ]	[ ]	[ ]	[ ]
e). Direct marketing	[ ]	[ ]	[ ]	[ ]	[ ]

4. Rank the extent of usage for the following communication channels by your company.

Key 5. Strongly used 4. Used 3. Somewhat used 2. Fairly used 1. Never used

	5	4	3	2	1
a). Office telephone /Mobiles	[ ]	[ ]	[ ]	[ ]	[ ]
b). Emails/Websites	[ ]	[ ]	[ ]	[ ]	[ ]

- c). Physical address [ ] [ ] [ ] [ ] [ ]  
 d). Interpersonal visits(site visits) [ ] [ ] [ ] [ ] [ ]

5. How are the following statements applicable to your firms

Key 5.Very applicable 4.Applicable 3.Somewhat 2.Fairly applicable 1.Not applicable

- |   | 5   | 4   | 3   | 2   | 1   |
|---|-----|-----|-----|-----|-----|
| a). Performs the service right the first time | [ ] | [ ] | [ ] | [ ] | [ ] |
| b). Keeps the customer informed on            |     |     |     |     |     |
| When the service will be performed            | [ ] | [ ] | [ ] | [ ] | [ ] |
| c). Employees are courteous                   | [ ] | [ ] | [ ] | [ ] | [ ] |
| d). Certification employees give customers    |     |     |     |     |     |
| Individual attention                          | [ ] | [ ] | [ ] | [ ] | [ ] |
| c). All employees interact with customers     | [ ] | [ ] | [ ] | [ ] | [ ] |
| e). Customers establishes relationships       |     |     |     |     |     |
| With particular employees.                    | [ ] | [ ] | [ ] | [ ] | [ ] |
| f). Customer service is given the highest     |     |     |     |     |     |
| Priority.                                     | [ ] | [ ] | [ ] | [ ] | [ ] |
| g).All employees have access to basic         |     |     |     |     |     |
| Information.                                  | [ ] | [ ] | [ ] | [ ] | [ ] |
| h). Service employees have dress codes        | [ ] | [ ] | [ ] | [ ] | [ ] |
| i). Materials associated with services        |     |     |     |     |     |
| (such as pamphlets, manuals) are provided     | [ ] | [ ] | [ ] | [ ] | [ ] |

6. How has the following influenced your company's success

Key 5.Very strongly 4.Strongly 3.Relatively strong 2.Fairly strong 1.None

- |                                    | 5   | 4   | 3   | 2   | 1   |
|------------------------------------|-----|-----|-----|-----|-----|
| i) Company image(Heritage)         | [ ] | [ ] | [ ] | [ ] | [ ] |
| ii) Training and staff development | [ ] | [ ] | [ ] | [ ] | [ ] |
| iii) Able to offer credits         | [ ] | [ ] | [ ] | [ ] | [ ] |
| iv) Staff retention                | [ ] | [ ] | [ ] | [ ] | [ ] |
| v) Customer retention              | [ ] | [ ] | [ ] | [ ] | [ ] |

**THANK YOU FOR YOUR ASSISTANCE**