

**MARKETING STRATEGIES AND CUSTOMER SERVICE QUALITY:
A CASE OF KENYA POWER AND LIGHTING COMPANY**

BY

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DECLARATION

This research project is my original work and has not been submitted for a degree course or any other award in any other University.

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DEDICATION

This Study is dedicated to my husband George Dulo Okal and our three lovely children Elsie Candy, Tamia Louissa, and Luis Enrique.

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ABSTRACT

Quality customer service is something that a person in customer service strives for. It is also what those dealing with customer service hope for. It is the kind of customer service that makes everyone happy, such as service with a smile. Due to changing customer needs and wants, dynamic political, economic, social and technological environment, both local and global companies have been necessitated to adopt competitive marketing strategies geared towards customer satisfaction in order to survive. Customer satisfaction has become the key drive of competitive companies around the globe. Marketing strategies are deeply customer-oriented concept focusing on the top management's long-term vision for competitive advantage through product innovation and service improvement in Kenya Power and Lighting Company (KPLC). While customers are at the core of all thinking, innovation orientation must stem from the company. The objective of the study was to establish the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. The research design was descriptive cross-sectional approach and the quantitative technique was used. The target populations were KPLC domestic customers located in three sub-regions of Nairobi namely; Nairobi West, Nairobi North and Nairobi South and the main instrument was the questionnaire. Descriptive tables for mean, standard deviation and frequencies were then drawn and linear regression used to determine the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. This study developed forecasting model for the relationship between marketing strategies and customer service quality at KPLC. The model indicates a positive relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company with $R = .801$ and the R squared value was $.642$ at a confidence level of 95 percent. Further the study found out that people strategies has the highest influence on customer service quality at Kenya Power and Lighting Company followed by promotion strategies, pricing strategies, process strategies, product strategies, distribution strategies and physical evidence strategies respectively. Other measures to be put in place in order to improve customer service quality at KPLC were; provide quick, efficient and friendly service, build a good relationship with customers and handle customer complaints quickly and courteously. In conclusion, customer service quality at Kenya Power and Lighting Company depends on people strategies, promotion strategies, pricing strategies, process strategies, product strategies, distribution strategies and physical evidence strategies. The study recommended that further study focusing on the entire country be carried out and the results be compared for so as to establish whether the models are consistent among the various groups. In order to reduce biasness and get more information the study recommended the use of focus groups sessions as a means of data collection.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Due to changing customer needs and wants, dynamic political, economic, social and technological environment, both local and global companies have been necessitated to adopt competitive marketing strategies geared towards customer satisfaction in order to survive. Customer satisfaction has become the key drive of competitive companies around the globe. (Kinman and Edwards, 2000). Marketing strategies are deeply customer-oriented concept focusing on the top management's long-term vision for competitive advantage through product innovation and service improvement in Kenya Power and Lighting Company (KPLC). While customers are at the core of all thinking, innovation orientation must stem from the company (Newman, 2001).

Understanding competition is central to form of marketing strategy. It can be evidenced that facing recent changes in business environment, such as globalization, increased importance of services, information technology and relationships across company functions and firms, have led to a situation where most industries have to be more and more market-oriented (Kinman and Edwards, 2000). Market orientation practices that stress the importance of using both customer and competitor information should clearly be involved when formulating strategy. Marketing strategy is appropriate for those companies that introduce ground breaking products or services as the key source of differentiation. The first theme is that businesses base their marketing strategies on different goals and definitions of success than traditional profit centered businesses (Kotler, 2003).

According to Peter and Donnelly (2007), the concept of marketing strategy is essential to organizations in that it helps in; defining the organization's business, mission and goals; Identifying and framing organizations growth opportunities; formulating marketing strategies; budgeting, marketing, financial and production resources; and developing reformulation and recovery strategies. Adoption of marketing strategy helps Organizations to; formulate effective marketing objectives, formulate effective strategies on products, pricing, promotion, distribution, process and people, enable organizations to understanding their competitors in the industry and respond proactively rather than reactively

(Kotler,2005).

Strategic marketing practices enable organizations to understand the environment thus appropriate strategies that link the organization with customers, enable organizations to understanding the changing consumer needs and satisfying the needs using customer-oriented approach, enable organizations to develop new products based on consumer research, and finally strategic marketing enable organizations to evaluate their marketing objectives and based on the strategies formulated in the marketing plan (Brownie and Spender, 1995).

Many service companies in the world engage in provision of more than one service to its customers. The companies identify gaps, which must be filled in order to meet customers' needs and thereafter endeavor to fill these gaps by offering a range of services to them. They identify weakness in the market segments that are emerging, neglected or poorly served by competitors after which they select a strategy using the marketing mix as a resource (Kotler, 2005).

1.1.1 Marketing Strategy

Contemporary business theory argues that companies must compete to keep or gain market share. Marketing strategies are considered to be the key to creating competitive advantage (Stalk, 2006). Any organization that wants to be successful in doing business needs to concentrate its resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. This is true of service companies. Marketing strategy therefore, is a long-term response to the changing environment and involves fundamental decisions about how to match resources to the changing environment (Keller, 2005).

The service environment has evolved as a result of changing patterns of government regulation, technological innovations, the service quality movement, pressures to improve productivity, relaxation of previous professional association restrictions on marketing internationalization and globalization process (Lovelock et al. 1996). This has caused a lot of dynamism in the service sector. Competition has intensified and consumers are exposed to more information.

To survive, service companies have to differentiate themselves mainly by being as close to the customer as possible. This has led to an over emphasis in the area of service marketing to enable marketers in developing service strategies to respond to the market (Newman, 2001). Service marketing concepts and strategies have developed in response to the tremendous growth of service industries resulting in their increased importance to world economies (Zeithaml and Bitner, 1996). The marketing strategy that an organization implements is an attempt to match the skills and resources of the organization to the opportunities found in the external environment. Jauch (1988) argued that decisions and actions taken will lead to the development of an effective strategy which will help to achieve organizational objectives.

1.1.2 Concept of Service Quality

Service quality has been defined as customers' overall impressions of an organization's services in terms of relative superiority or inferiority. Further, service quality is considered to not only meet but to exceed customer expectations, and should include a continuous improvement process. Customers evaluate organizational performance mainly on the process of their interpersonal contacts and interactions (Newman, 2001).

Service quality arises from a comparison of the difference between service expectations developed before an encounter with Kenya Power and the performance perceptions gained from the service delivery based on the service quality dimensions (Cross, 2000) and Zeithaml and Bitner (1996) indicated that service quality consisted of five dimensions which include; reliability, responsiveness, assurance, and empathy. The relationship between service quality and its impact on Kenya Power will be explored in terms of both qualitative and quantitative benefits. Regarding qualitative benefits, customer satisfaction and loyalty were major concerns as (Newman, 2001).

Newman (2001) discovered that perceived service quality brought about satisfaction or vice versa. In addition, Grönroos (1990) suggested that the mutual exchange and promise fulfillment between customers and service providers was a core construct to obtaining customer satisfaction and loyalty during the process of service delivery. Newman (2001) emphasized that customer satisfaction had greatly affected business, its corporate image,

and obtaining new customer bases through direct recommendations.

Service quality, customer value and customer satisfaction model proposed by (Oh, 1999) indicate that service quality, customer value and customer satisfaction are the key components of service quality. Zeithaml and Bitner (1996) model incorporates key variables such as perceptions, service quality, consumer satisfaction, customer value and intentions to repurchase. Finally word of mouth communication intention is conceptualized as a direct, combined function of perceptions, value, and satisfaction and repurchases intentions. The model provides evidence that customer value has a significant role in customer's post-purchase decision-making process. It is an immediate antecedent to customer satisfaction and repurchases intentions. Results also indicate that perceived price has a negative influence on perceived customer value and no relationship with perceived service quality (Oh, 1999).

1.1.3 Kenya Power & Lighting Company

Kenya Power and Lighting Company (KPLC) is a limited liability company which transmits, distributes and retails electricity to customers throughout Kenya. KPLC is a public company listed in the Nairobi Stock Exchange (NSE). The company has been in existence since 1922 when it was first incorporated as the East Africa Power and Lighting. The company's headquarters is at Stima Plaza; Kolobot Road in Parklands, Nairobi, and it operates many offices and branches throughout Kenya. It also has a training school, based along Thika Road next to Utalii College which offers courses on electrical engineering, installation, overhead line construction among others. The company has a library in their training school which has many publications on electrical, electronic, and business courses and other two libraries for technical and executive purposes located at Electricity House Nairobi and Stima Plaza (www.kplc.co.ke).

KPLC is responsible for ensuring that there is adequate line capacity to maintain supply and quality of electricity across the country. Its purpose, responsibility and core functions as a commercial state corporation in Kenya are stated under the state corporation Act (cap 446). KPLC reinforces the power transmission and distribution network by constructing additional lines and substations (www.kplc.co.ke).

1.2 Research Problem

Anderson (2004) observes that marketing strategy is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future. On this point Woodward (2004) argues that marketing strategy is a process by which one can envision the future and develop the necessary procedures and operations to influence and achieve the future. Marketing the quality of service is central to the success and growth of business in the electric power generating and distribution companies in Kenya. A service firm may win by delivering consistently higher quality service than competitors and exceeding customer's expectations (Kotler, 1999). After receiving the service, customers compare the perceived service and expected service. Researchers have found that consumers consider five dimensions in their assessment of service quality as reliability, responsiveness, assurance, empathy and tangibles (Parasuraman et al. 1985).

Due to changing customer needs, quality customer service is one of the key challenges at Kenya Power and Lighting Company (Kinyanjui, 2009). The company has undergone various strategic change initiatives from 1995 to date namely Business Process Re-engineering (BPR): restructuring, retrenchment, decentralization, rebranding, and innovations of various products (Gitau, 2010). All these are geared towards improving the service quality by the company. According to the company's customer satisfaction survey report (2013) the satisfaction level is average at 71% which is below the set target of 85% to delight its customers. KPLC has embarked on organizational culture change and corporate rebranding project to transform its culture and staff attitude (www.kplc.co.ke).

A study carried out by Ofwu et al. (2010) on marketing strategies adopted by Nigeria Power and Lighting to gain competitive edge indicate that business environment in Nigeria is changing rapidly and effective marketing strategies should be adopted to overcome the challenges. In another study carried out by Kinyanjui (2009) the strategic marketing practices adopted by Insurance companies in Kenya indicate that, both product and service companies satisfy consumer needs and wants based on adoption of strategic marketing practices.

A study carried out by Mulinge (2007) on marketing practices of Kenya Power and Lighting Company indicate that companies should adopt effective marketing practices to gain competitive edge. According to the study carried out by Kenyatta (1998) the influence of marketing strategies on the performance of manufacturing companies in Kenya indicated that effective marketing strategies result in customer satisfaction. However, it is evident that the study did not focus on marketing strategies used by Kenya Power to manage customer service quality.

However, studies which have been carried out were more general and did not focus specifically on marketing strategies used by Kenya Power in managing customer service quality. Arising from the above studies, it is clear that there are many areas about marketing strategies used to manage customer service quality that have not yet been fully addressed. It was for this reason that the current study sought to establish marketing strategies used on management of customer service quality by Kenya power and lighting company. The study sought to answer the following research question:

- (i) What is the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company?

1.3 The Objectives of the Study

The main objective of this study was to establish the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. The study was also guided by the following specific objectives:

- i. Determine the relationship between product strategies and customer service quality in Kenya Power and Lighting Company.
- ii. Determine the relationship between pricing strategies and customer service quality in Kenya Power and Lighting Company.
- iii. Determine the relationship between promotion strategies and customer service quality in Kenya Power and Lighting Company.
- iv. Determine the relationship between place/distribution strategies and customer service quality in Kenya Power and Lighting Company.

- v. Determine the relationship between people strategies and customer service quality in Kenya Power and Lighting Company.
- vi. Determine the relationship between process strategies and customer service quality in Kenya Power and Lighting Company.
- vii. Determine the relationship between physical evidence strategies and customer service quality in Kenya Power and Lighting Company.

1.4 Value of the Study

The study would benefit many stakeholders including the Kenya Power, the government, customers and the academicians. The study would provide an in-depth understanding of the needs of different customers thus enabling the company to come up with innovative products that meet individual needs and improve on its service quality.

This study would be of great benefit to Kenya Power, in that it would inform the company more about the reaction of their target market towards their service activities and in turn bring a profitable return for management to continue improve on it as well as aiding customer loyalty and brand equity. The study would benefit the customers of the Kenya Power in terms of improved service delivery. They would be able to identify customer centered companies that are able to meet their specific needs. Awareness and satisfaction would be enhanced to all customers with an objective of maintaining long term relationship. The government would be able to understand how Kenya Power uses marketing strategies to gain competitive to counter intense competition from foreign enterprises and hence their sustainability.

It would be in a position to formulate policies that are aimed at increasing productivity and safeguarding the interests of the consumers as well as its own based on quality checks Kenya Bureau Standards (KBS). Other interests might include financing needs especially access to credit facilities. This would go a long way not only in improving their regulatory role but also in revenue collection through appropriate taxation policies.

The scholars and researchers who would like to debate or carry out more studies on marketing strategies used by Power generating and distribution companies to manage customer service quality would find the study useful as a basis of carrying out more studies.

The study would form a basis upon which further research on the same would be established. The findings would enable the researchers understand the necessary resources which may be required in future related studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This Chapter outlined the concept of marketing strategy, marketing mix strategy, quality measurement, and managing customer service quality. It also tries to analyze the concept of marketing strategy critically by looking into detail the components of the marketing mix strategy in relation to product strategy, pricing strategy, place strategy, promotion strategy, people strategy, process strategy and physical evidence strategy.

2.2 Theoretical Foundation

Relationship marketing theory forms the theoretical basis of this study. Relationship marketing theory is a form of marketing developed from direct response marketing campaigns which emphasizes customer retention and satisfaction, rather than a dominant focus on sales transactions. As a practice, relationship marketing differs from other forms of marketing in that it recognizes the long term value of customer relationships and extends communication beyond intrusive advertising and sales promotional messages (Peter and Donnelly, 2007).

With the growth of the internet and mobile platforms, relationship marketing has continued to evolve and move forward as technology opens more collaborative and social communication channels. Relationship marketing involves a short-term arrangement where both the buyer and seller have an interest in providing a more satisfying exchange. This theory tries to clearly transcend the simple post purchase-exchange process with a customer to make more truthful and richer contact by providing a more holistic, personalized purchase, and uses the experience to create stronger ties (Armstrong, 2006). Relationship marketing relies upon the communication and acquisition of consumer requirements solely from existing customers in a mutually beneficial exchange usually involving permission for contact by the customer through an "opt-in" system. With particular relevance to customer satisfaction the relative price and quality of goods and services produced or sold through a company alongside customer service generally determine the amount of sales relative to that of competing companies (Peter and Donnelly, 2007).

A key principle of relationship marketing is the retention of customers through varying means and practices to ensure repeated trade from preexisting customers by satisfying requirements above those of competing companies through a mutually beneficial relationship. Extensive classic marketing theories center on means of attracting customers and creating transactions rather than maintaining them, the majority usage of direct marketing used in the past is now gradually being used more alongside relationship marketing as its importance becomes more recognizable. Increased profitability associated with customer retention efforts occurs because of several factors that occur once a relationship has been established with a customer.

Relationship marketing theory involves strategic situation analysis, designing marketing strategy, marketing program development, and implementing and managing marketing strategy. Armstrong (2006) uphold that critical to the survival and success of smaller, entrepreneurial companies, is their ability to think and plan strategically, and the last purpose of all strategic marketing efforts is the development of a sustainable competitive advantage for the business (Peter and Donnelly, 2007).

Relationship marketing practices help organization to cope with increasing environmental turbulence and complexity, more intense competitive pressures, and the pace of technological change. It encompasses more than the four marketing mix elements namely: Product, Price, Place and Promotion but involves using a market oriented strategy. Kotler (2003) argues that segmentation, targeting and positioning which all can be effectively performed in companies of high market orientation is the essence of strategic marketing.

2.3 Marketing Mix Strategies

Marketing mix strategies embraces the product, price, promotion and place (Kotler and Armstrong, 2006). These are often designed to influence consumer decision-making and lead to profitable exchanges. Each element of the marketing mix affects consumers in many ways (Peter and Donnelly, 2007). The marketing mix is the set of marketing tools a firm utilizes to pursue its marketing objectives in the target market (Borden, 1984). When an outlet markets its products, it needs to create a successful mix of the right product, sold at the right price, in the right place and using the most suitable promotion.

Armstrong (2006) defines a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. They further define a consumer product as the product bought by the final consumer for personal consumption. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. According to Ferrell (2005), the product is the core of the marketing mix strategy in which retailers can offer consumers symbolic and experiential attributes to differentiate products from competitors. However, it is also concerned with what the product means to the consumer. Product is about quality, design, features, brand name and sizes (Borden, 1984).

Many attributes of a company's products, including brand name, quality, newness, and complexity, can affect consumer behavior. The physical appearance of the product, packaging, and labeling information can also influence whether consumers notice a product in-store, examine it, and purchase it. One of the key tasks of marketers is to differentiate their products from those of their competitors and create consumer perceptions that the product is worth purchasing (Peter and Donnelly, 2007).

Brand equity reflects consumers' beliefs that the brand is looking out for them, will do whatever it takes to make them satisfied, and is responsive to their needs (Hess, 2005). The ability of a product to perform its functions includes the product's overall durability, reliability, precision, ease of operation and repair, and other valued attributes (Kotler and Armstrong, 2006). Brand trust is affect-based, referring to a feeling that is the outcome of a communal relationship with a brand.

According to Duncan (2005) brand trust is created through brand messages that provide the benefits promised. According to Kim and Jon (2007) the affective response overrides the cognitive under all experimental conditions in forming product-trial attitude. Croft (2003) found that control practices and information systems influence consumer motives. Miquel (2002) proposes that individuals show as much interest in the product type as the brand and actively seek out information in their decision-making. Shugan and Ramarao (2001) reveal that rapid changes in technology have a significant effect on consumer purchases. Thus, past researchers have clearly suggested that product influences have a significant impact on

consumer motives.

The price of products and services often influences whether consumers will purchase them at all and, if so, which competitive offering is selected. Outlets which are perceived to charge the lowest prices attract many consumers based on this fact alone. For some offerings, higher prices may not deter purchase because consumers believe that the products or services are of higher quality or are more prestigious. However, many of today's value-conscious consumers may buy products more on the basis of price than other attributes (Peter and Donnelly, 2007). Among retail outlets, the pricing strategy has become the pivotal point as they need to compete in terms of pricing to lure more customers.

Berman (1996) reports that among the pricing policies which are of major concern to retail store outlets are the 'High-Low Pricing' and Every Day Low Pricing strategies. The concept outlines that buyers tend to associate a higher price with a premium quality and thus there are certain circumstances where they might purchase a higher priced product as an indicator and assurance of higher quality. According to Skouras (2005) this association has been investigated extensively through a number of empirical studies that tend to provide mixed results. Wulf et al (2005) found that private label products can offer even better quality than national brands but at a lower price.

The domestic competitor reacts to the intensifying price competition by engaging in selective price changes (Uusitalo, and Maija, 2007). Cataluna and Francisco (2004) show that there is no difference in the price and promotional selling variations for non-durable goods. A review of the relevant literature shows that significant attention has been given to consumer perceptions about the price and quality of private labels since these factors have been identified as two of the important reasons for purchasing private label products (Jin, 2005). The dimensions of price are list price, discounts, allowances, payment term and credit terms (Borden, 1984).

The dimensions of place are channels, coverage, assortment, location, inventory, and transport (Borden, 1984). Place strategy calls for effective distribution of products among the marketing channels such as the wholesalers or retailers (Berman, 1996). Place strategy in retail outlets includes more than the question of how consumers access the stores, it also

includes the availability of products in such outlets (Kotler, 2003). An outlet can position or reposition a product by carefully placing that product within the outlet to capture customer interest.

Products with high traffic volume are placed near the payment counters and low-traffic volume products at distant locations. Warnaby and Dominic (2004) highlight the advantages of shopping in town centers. The above studies imply that place or distribution considerations play a major role in influencing consumer motives. A marketer's strategy for distributing products can influence consumers in several ways. First, products that are convenient to buy in a variety of outlets increase the chances of consumers finding and buying them. When consumers are seeking low-involvement products, they are unlikely to engage in an extensive search (Keller, 2006).

Second, products sold in exclusive outlets may be perceived by consumers as being of higher quality. One of the ways marketers create brand equity (that is favorable consumer perceptions of brands) is by selling them in prestigious outlets. Third, offering products by non-outlet methods, such as on the internet and or in catalogues, can create the consumer perception that the products are innovative, exclusive, or tailored for specific target markets (Kotler, 2003).

Promotion mix encompasses sales promotion, advertising, personal selling, public relations and direct marketing (Borden, 1984). According to Duncan (2005), promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. Every firm or outlet must cast itself into the role of communicator and promoter. Hakansson (2005) reports that, promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer.

Promotion can influence what consumers think about products, what emotions they experience in purchasing and using them, and what behaviors they perform, including shopping in particular outlets and purchasing specific brands. Since consumers receive a lot of information from marketers and screen out some, it is important for marketers to devise communications that offer consistent messages about their products and are placed in media

that consumers in the target market are likely to use. Marketing communications play a critical role in informing consumers about products and services, including where they can be purchased and in creating favorable images and perceptions (Hakansson, 2005).

Promotions pertaining to price offers are important tactics used to influence consumer behavior in retailing both with regard to retailer and manufacturers' brands. According to Grunert (2006), several empirical studies have shown that price information is important for the consumer decision making process, and these consumers are very price conscious. Ferle and Steven (2006) contended that the effectiveness of product advertisement in television is still doubtful. Ailawadi, *et al* (2006), concluded that the net impact of promotions is still negative. In another research, Gendek and Scott (1999) report that in-store price promotions are associated with negative purchase event feedback compared to non-promotion purchases. However, promotions such as price discounts and buy one get one free are effective promotional tools for encouraging consumers to buy more (Gerald, 2005).

Hung (2005) recommends that plans for promotions should be top-down strategy built plans with tactical bottom-up purchase analysis and that they should be monitored frequently. Steinberg (2001) points out that a successful promotion often comes from a good imagination. There are therefore mixed findings from past research that promotion considerations either have an impact or no impact on customer motives in retail outlet purchases. It all depends on whether the promotions support private-labeled or national brand products.

Physical evidence involves elements within the store, the store front, the uniforms employees wear, and signboards that assure customers about quality services provided by the organization. The physical layout and appearance of employees of an organization serve as evidence to potential prospects of goods and services in a market (Woodward, 2004). The customer confidence concerning the product/service on offer is based on tangible aspects of the organization. Documents issued after payment, marketing materials and customers product user guide materials promote customer loyalty to the brand hence repeat purchase behaviors (Kotler, 2007). Companies need to encourage customers to purchase products/services by the support of materials that provide adequate information concerning

the product to customers at the right time and in the right form (Steven, 2006).

People strategy involves employees of the organization with whom customers come into contact with. Courteous employees with a mix of skills to handle customer complaints and give long term solutions are a key resource to any competitive organization (Woodward, 2004). Employees with professional appearance and knowledge promote the image of the company in the market positively. Creative employees to identify customer needs and wants in the market are main assets of the competitive companies operating in the global market. Managers who can anticipate future changes in customer needs and wants and formulate effective proactive marketing strategies are key assets of any successful company in the global market (Steven, 2006).

Process Strategy encompasses processes and systems within the organization that have a positive impact on the performance of the company. Marketing channels of products and services play a major role of good performing companies. The method of producing and distribution products and services of a company promote value added opportunities to a firm. Integration of modern technology in production, and distribution contribute to efficiency and effectiveness of organization in the competitive business environment. Competitive companies in the global market, embrace information technology in their processes in order to gain competitive edge (Kotler, 2001). E-commerce practices by competitive companies enable customers and organization to buy and sell goods and services through the internet. In addition, internet connectivity to modern organization has resulted to efficiency and effectiveness in the overall operation activities of many companies (Hung, 2005).

2.4 The Service Quality

The appearance of physical facilities, equipment, personnel and communication materials is the core of service quality. Service quality entails five dimensions which include; Reliability which involves ability to perform the promised service dependably and accurately; Responsiveness that involves the willingness to help customers and provide prompt service; Assurance refers to knowledge, competence, and courtesy of service employees and their ability to convey trust and confidence; Empathy which also refers to caring, individualized attention provided to customers (Zeithaml et al. 1990) and tangibles are appearance of

physical facilities, equipment, personnel and written materials . Marketing the quality of service is central to the success and growth of business. Parasuraman *et al* (1985) in developing the service quality model defined service as the gap between expected service and perceived performance.

A service firm may win by delivering consistently higher quality service than competitors and exceeding customers' expectations (Kotler, 1999). After receiving the service, customers compare the perceived service and expected service. Researchers have found that consumers consider five dimensions in their assessment of service quality as reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman et al. 1985). Reliability is the ability to perform the promised service dependably and accurately while responsiveness is the willingness to help customers and provide prompt service.

Assurance, on the other hand, is the employees knowledge and courtesy and their ability to inspire trust and confidence. Empathy is caring, individualized attention given to the customers and tangibles are appearance of physical facilities, equipment, personnel and written materials. The five dimensions represent how consumers organize information about service quality in their minds and were found relevant for banking among other industries (Parasuraman et al, 1985). There are numerous strategies a service marketer can use to overcome challenges. Understanding customer expectation provides the basis for the development of new service concepts to meet targeted consumer needs (Lovelock et al, 1996). Finding out what customers expect is essential to providing service quality and marketing research the key to understanding customer expectations and perceptions of service (Kotler 1999).

A market segment consists of a large identifiable group within a market with similar wants, purchasing power, among other attributes (Kotler, 1999). A service organization cannot serve an entire market for a particular service as customer needs and wants are diverse. It must identify segments of a market that it can serve most effectively. Once a company has identified a specific market segment to serve, the next phase is to position the service in the market place. How the service is designed (service blueprinting and physical evidence) will impact the image of the service in the consumers mind (Zeithaml et al, 1996). A service

offering's position is the way it is perceived by consumers, particularly in relation to competing offerings.

To develop effective positioning strategies, managers need insights into how the various attributes of a service are valued by the current and prospective customers within that segment. An organization's service offering is successfully positioned if it has established and maintains a distinctive place for itself in the consumer's mind relative to competing organization's offerings. If a service is successfully positioned, the mention of the service will conjure up in the customer's mind an image that is distinct from images of similar service offerings (Zeithaml et al, 1996). A philosophy of doing business that focuses on keeping and improving current customers rather than on acquiring new ones. Service companies must see customers as their long term partners and need to make a commitment in maintaining the relationship through quality, service and innovation (Lovelock et al, 1996).

Once managers of service business accurately understand what customers expect; the second critical challenge is to set service quality standards and goals for the organizations. Excellent service businesses realize the crucial role that the setting and review of service standards can play in driving quality performance. They understand the benefits brought about by the business, its customers and the individuals involved in service delivery, the pay-off in terms of customer loyalty as well as reduction in the cost of correcting errors and handling complaints. The setting of quality service standards is the beginning of a cycle of continuous improvements (Lovelock et al, 1996).

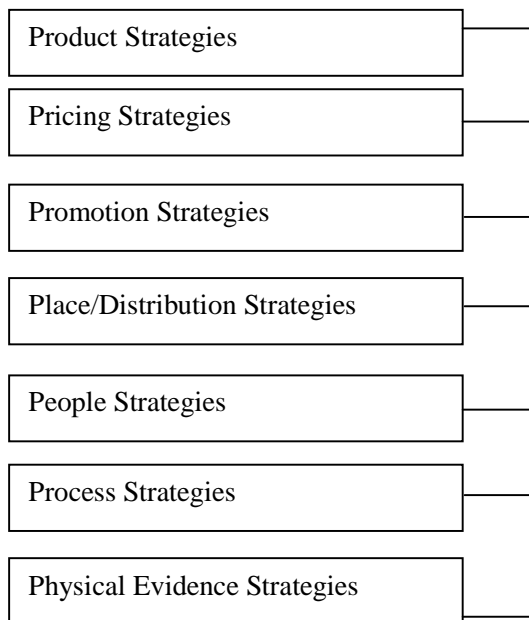
With people as part of the service, no service business can afford to divorce its customer contact employees from the firm's marketing strategy (Lovelock et al, 1996). The primary responsibility for an organization's success often rests with relatively junior staff in front line such cashiers, telephone operators and technicians. These individuals, who are often young and inexperienced, need both technical and interpersonal skills to succeed. Not only must they do their job quickly and accurately, but to do so while relating well to customers (Lovelock et al, 1996). Because contact employees represent the organization and can directly influence customer satisfaction, they perform the role of marketers (Zeithaml et al, 1996). Therefore careful recruitment, training and ongoing mentoring of employees can

contribute to improvements in both productivity and service quality.

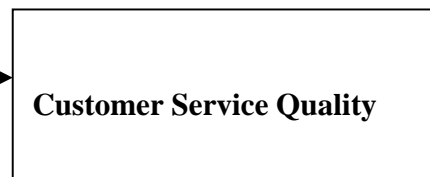
Developing a communication strategy for intangible services is quite different from advertising and promoting psychical goods. The company should recognize that service is a performance rather than an object; advertising should not only encourage customers to buy the service, but should also target employees as a second audience, motivating them to deliver high-quality service. Companies should also try to use their own employees rather than professional models in their print and broadcast advertisements.

Figure: 1. Conceptual Framework

Independent Variables



Dependent Variable



Source: (Author, 2013)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlined the methods, tools and sources of data, target groups and sample from which data was collected in order to attain the objective of the study. It gave an in depth analysis of on how data would be collected, analyzed and interpreted to solve the problem under investigation. It further discussed how data were presented after analysis.

3.2 Research Design

A descriptive cross-sectional approach was used in the study. The study was concerned with finding out who, what, when, where and how of a phenomenon (Mugenda, 2003). The study was concerned with finding out the what, where and how of a phenomenon and a cross-sectional survey design was chosen since in cross-sectional surveys, data was collected at one point in time from sample selected to represent a larger population(Mugenda, 2003).

3.3 Population of the Study

The target population in statistics is the specific population about which information is desired. A population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated. The target population for this study was KPLC domestic customers located in three sub-regions of Nairobi namely; Nairobi West, Nairobi North and Nairobi South. The company has a total number of 787,354 customers in Nairobi Region as at 17th August 2013 (the Company's Internal Report).

3.4 Sample Size and Sampling Procedure

The study used stratified sampling technique by selecting 40 respondents from each sub-region in coming up with a sample of 120 customers of Kenya Power and Lighting Company. The one hundred and twenty (120) respondents represented the entire population. Stratified sampling technique was chosen because it gives the advantages of focusing on important subpopulations and ignores irrelevant ones; it allows the use of different sampling techniques for different subpopulations and improves the accuracy of estimation. 40

respondents were chosen from each of the sub- regions in Nairobi which included; Nairobi West, Nairobi North and Nairobi South.

3.5 Data Collection

The study relied mostly on primary data sources. The data was collected using semi-structured questionnaire with both close-ended and open-ended questions. The questionnaires were administered by the researcher during working hours of the day at customers' homes. The customers were interviewed face to face by the researcher to get in-depth understanding of customer opinions with regard to quality aspects. A total of 120 Questionnaires were administered to the respondents during the normal working hours of the week and weekends. Respondents were selected from six residential estates in Nairobi which included; Karen, Kibera (Nairobi West), Kasarani, Parklands (Nairobi North), and Komarock Mukuru Kwa Njenga slums (Nairobi South).

3.6 Reliability and Validity Test

According to Trochim & William (2006) reliability has to do with the quality of measurement. Reliability refers to the consistency of measurement and is assessed using the internal consistency reliability test. This test is preferred due to the fact that it does not require either splitting of a scale or the subject retaking the test for a given construct. It requires a single administration and provides a unique quantitative estimate of the internal consistency of a scale. Since Cronbach's Alpha is the most commonly used measure of co-efficient of internal consistency, the study adopted the Cronbach's Alpha. A co-efficient of 0.70 or more implies that there is a high reliability of data (Saunders, Lewis & Thornhill, 2009). The study therefore used 0.70 as a bench mark to determine the reliability of the questionnaire to be used. The questionnaire in Appendix II was subjected to Cronbach's alpha test and the 43 item instrument resulted $\alpha = 0.854$, meaning the questionnaire was very reliable.

3.7 Data Analysis

The data collected in the research was edited, coded, classified on the basis of similarity and then tabulated. To permit quantitative analysis, data was converted into numerical codes representing attributes or measurement of variables. Descriptive statistics such as frequency

distributions, percentages and frequency tables were used to summarize and relate variables attained from the study. The study also adopted regression and correlation analysis. Regression analysis was used to come up with the model expressing the hypothesized relationship between the independent variables (product strategies, pricing strategies, promotion strategies, place/distribution strategies, people strategies, process strategies and physical evidence strategies) and the dependent variable (customer service quality). Specifically the regression model was of the form:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \varepsilon$$

Where Y= Customer Service Quality

X₁= Product Strategies

X₂= Pricing Strategies

X₃= Promotion Strategies

X₄= Place/Distribution Strategies

X₅= People Strategies

X₆= Process Strategies

X₇= Physical Evidence Strategies

ε= Error term

Correlation analysis was used to check on the overall strength of the established regression model (coefficient of determination-r²) and also the individual significance of the independent variables (P-Values or t-test).

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1: Introduction

This chapter presents the results of the reliability and validity tests, the profile of the companies studied and that of respondents. Both descriptive and inferential statistical analyses are presented herein and the findings are discussed, within the framework of the research questions and objectives.

4.2: Characteristics of respondents

4.2.1: Response rate

A total of 120 questionnaires were issued out. The completed questionnaires were edited for completeness and consistency. Of the 120 Questionnaires used in the sample, 107 were returned. The remaining 13 were not returned. The returned questionnaires' represented a response rate of 89%, which the study considered adequate for analysis.

4.2.2: Distribution by gender

Table 4.2.1 below shows that 51.4 percent of the respondents were male. The percentage of female respondents was 48.6 percent. This results show that there are more men than women in the sample.

Table 4.2.1: Distribution of Respondents by Gender

Gender	Frequency	Percent
Female	52	48.6
Male	55	51.4
Total	107	100.0

4.2.3: Distribution by Academic Qualifications

Table 4.2.2 shows the distribution of respondents' level of education. Majority of the respondents at 58.9 percent had a first degree. Respondents who had attained postgraduate's level were 34.6 percent, while those with Diplomas were 6.5 percent. This indicates a very high educational level amongst the respondents.

Table 4.2.2: Distribution of Respondents by Level of Education

Level of Education	Frequency	Percent
Diploma	7	6.5
Degree	63	58.9
Postgraduates	37	34.6
Total	107	100.0

4.3: Marketing Strategies

This section covers the questions posed to the respondents to measure the extent to which marketing strategies used by KPLC satisfy your needs. The strategies were; Product Strategies, Pricing Strategies, Promotion Strategies, Distribution Strategies, People Strategies, Physical Evidence Strategies and Process Strategies. Mean and standard deviations were used to analyze the respondents rating and the results were presented in tables as follows.

Table 4.3.1: Rating of Product Strategies adopted by KPLC

Variables	Mean	Std. Dev
Managing brand image	4.1739	0.6767
Offering multiple services	3.0652	0.7118
New services development approach	3.1652	0.7717
Customized/personalized service	3.3652	0.6046
Changing consumer perception towards the service	4.0304	0.8329
Modifying existing services to fit consumer need	4.2609	0.8282

The respondents were asked to state the extent to which Product Strategies as a marketing strategies adopted by KPLC satisfy customers' needs. The results are shown in table 4.3.1. From the findings to a great extent; KPLC modify existing services to fit consumer need (mean of 4.2609), product strategy changes consumer perception towards the service (mean of 4.0304) and KPLC manages brand image. On a moderate extent; Customized/personalized service (mean of 3.3652), new services development approach (mean of 3.1652) and Offering multiple services (mean of 3.0652).

Table 4.3.2: Rating of Pricing Strategies adopted by KPLC

Variables	Mean	Std. Dev
Reduced prices	2.0121	0.9112
Increased prices	3.6724	0.9834
Time based pricing	2.3317	0.9657
Demand based pricing	3.5826	0.9244
Location focused pricing	2.2522	0.9141
Discount offering	2.4289	0.0301
Customary pricing	3.4321	0.9327

The respondents were asked to state the extent to which pricing strategies as a marketing strategies adopted by KPLC to satisfy customers' needs. The results are shown in table 4.3.2. From the findings to a moderate extent; Increased prices (mean of 3.6724), Demand based pricing (mean of 3.5826) and customary pricing (mean of 3.4321). On a low extent: Reduced prices (mean of 2.0121), Discount offering (mean of 2.4289), Location focused pricing (mean of 2.2522) and Time based pricing (mean of 2.3317).

Table 4.3.3: Rating of Promotion Strategies adopted by KPLC

Variables	Mean	Std. Dev
Demonstration	4.5534	0.0561
Telephone handling	1.9014	1.0235
Personal selling	3.5455	0.8654
Flyer and brochure	4.3176	1.0016
Office setting	3.3124	1.1017
Radio	4.2148	1.2093
Television	4.2314	1.1403
Newspapers	4.3542	0.6315
Billboards	3.1261	1.1406
Sponsorships	2.2514	1.2141
Others Social networks	4.1174	1.1022

The respondents were asked to state the extent to which pricing strategies as a marketing strategies adopted by KPLC to satisfy customers' needs. The results are shown in table 4.3.3 above. From the findings to a great extent; Demonstration (mean of 4.5534), Newspapers (mean of 4.3542), Flyer and brochure (mean of 4.3176), Television (mean of 4.2314), Radio (mean of 4.2148) and Others Social networks (mean of 4.1174) were used as means of promotion. On a moderate extent; Office setting (mean of 3.3124) and Billboards (mean of 3.1261) were used the company to satisfy customers' needs

Table 4.3.4: Rating of distribution adopted by KPLC

Variables	Mean	Std. Dev
Strategic location of customer care centers	4.2155	0.7457
Personal selling services	4.0194	0.3548
Retailing services	4.1527	0.9457
Mail order services	1.9456	0.8146
Telemarketing services	3.1304	0.5219
Others e.g. door to door services	2.0015	0.8282

The result in Table 4.13 above show that, strategic location of customer care centers (mean of 4.2155), retailing services (mean of 4.1527) and personal selling services (mean of 4.0194) were the main distributions strategies adopted by the company in order to satisfy customers need. On the other hand the company least use mail order services (mean of 1.9456) and door to door services (mean of 2.0015) as distributions strategies.

Table 4.3.5: Rating of People Strategies adopted by KPLC

Variables	Mean	Std. Dev
Knowledgeable and experienced staff	4.4236	0.2345
Good customer care relations	4.5467	0.8417
Presentable employees	4.3619	0.5465
Courteous employee	4.3252	1.2046

The respondents unanimously rated all the people strategies adopted by the company as having great influence on satisfying customers' needs. More so; Good customer care relations (mean of 4.5467), Knowledgeable and experienced staff (mean of 4.4236), Presentable employees (mean of 4.3619) and Courteous employee (mean of 4.3252).

Table 4.3.6: Rating of Process Strategies adopted by KPLC

Variables	Mean	Std. Dev
E-marketing of services	4.3478	0.7368
E-procurement services	4.2391	0.7050
E-form applications	4.0696	0.9799

The results in table 4.3.6 above show that the company has fully embraced e-business in its core activities, that is, to a great extent the respondents rated E-marketing of services with a mean of 4.3478), E-procurement services (mean of 4.2391) and E-form applications (mean of 4.0696). This further confirms that the company is going green in its activities.

Table 4.3.7: Rating of Physical Evidence Strategies adopted by KPLC

Variables	Mean	Std. Dev
Decent office layouts	4.2348	1.0160
Receipts issued on payment	4.1609	1.0787
Warehouses/store outlets	3.5870	1.0451
Marketing materials/brochure	4.3087	0.8794

The respondents were of the opinion that to a great extent; Marketing materials/brochure (mean of 4.3087), Decent office layouts (mean of 4.2348) and Receipts issued on payment (mean of 4.1609) have been adopted by the company as Physical Evidence Strategies towards satisfy customers needs.

4.4: Correlation and Regression Analysis

The objective of the study was to establish the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. The study used person correlation to assess the existence and the relationship. Further multiple linear regression model was used to express the relationship between marketing strategies and customer

service quality in Kenya Power and Lighting Company. The results are as follows.

4.4.1 Pearson Correlation coefficient

Correlation matrix was used to check on the problem of multicollinearity, that is if there is a strong correlation between two predictor variables. A factor of 0.5 was used to check multicollinearity. As indicated in the Pearson correlation coefficient table, there was no problem of multicollinearity, since the correlation coefficients between the predictor variables were all less than 0.5. Hence a seven predictor variables (strategies) model could be used to forecast customer service quality in Kenya Power and Lighting Company.

Table 4.4.1: Pearson Correlation coefficient

	Product Strategies	Pricing Strategies	Promotion Strategies	Distribution Strategies	People Strategies	Process Strategies	Physical Evidence Strategies
Product Strategies	1	.037	.181	-.237	.013	.018	.252
Pricing Strategies	.037	1	.232	-.314	.452	.074	.131
Promotion Strategies	.181	.232	1	-.293	.466	.047	.490
Distribution Strategies	-.237	-.314	-.293	1	-.434	-.110	-.192
People Strategies	.013	.452	.466	-.434	1	.090	.154
Process Strategies	.018	.074	.047	-.110	.090	1	.095
Physical Evidence Strategies	.252	.131	.490	-.192	.154	.095	1

4.4.2 Determining How Well the Model Fits

Table 4.4.2 is the Model Summary table. This table provides the R , R^2 , adjusted R^2 , and the standard error of the estimate, which can be used to determine how well a regression model fits the data.

Table 4.4.2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
dimension0 1	.801 ^a	.642	.617	.84160	.642	9.117	7	91	.000

a. Predictors: (Constant), Physical Evidence Strategies, Product Strategies, Distribution Strategies, Promotion Strategies, Pricing Strategies, Process Strategies, People Strategies

The R (Pearson correlation coefficient) of 0.801 indicates a strong positive correlation marketing strategies and customer service quality in Kenya Power and Lighting Company. The "**R Square**"(coefficient of determination) a value of 0.642, indicates a good level of prediction. It further indicates that independent variables (Physical Evidence Strategies, Product Strategies, Distribution Strategies, Promotion Strategies, Pricing Strategies, Process Strategies, People Strategies) explain 64.2% of the variability of the dependent variable (Customer Service Quality), leaving 35.8% unexplained (error term).

4.4.3 Statistical significance

The *F*-ratio in the **ANOVA** table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(7, 91) = 9.117, p = .000 < .05$ (i.e., the regression model is a good fit of the data).

Table 4.4.3: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.202	7	6.457	9.117	.000 ^a
	Residual	64.455	91	.708		
	Total	109.657	98			

a. Predictors: (Constant), Physical Evidence Strategies, Product Strategies, Distribution Strategies, Promotion Strategies, Pricing Strategies, Process Strategies, People Strategies

b. Dependent Variable: Customer Service Quality

4.4.4 Estimated model coefficients

The general form of the equation to predict Customer Service Quality at KPLC from Physical Evidence Strategies, Product Strategies, Distribution Strategies, Promotion Strategies, Pricing Strategies, Process Strategies, People Strategies, is:

$$\begin{aligned} \text{Predicted Customer Service Quality} = & 0.355 + (0.367 \times \text{People Strategies}) \\ & + (0.299 \times \text{Promotion Strategies}) + (-.285 \times \text{Pricing Strategies}) + (0.273 \times \\ & \text{Process Strategies}) + (0.246 \times \text{Product Strategies}) + (0.245 \times \text{Distribution} \\ & \text{Strategies}) + (0.223 \times \text{Physical Evidence Strategies}) \end{aligned}$$

This is obtained from the Coefficients table (Unstandardized coefficients), as shown below: Unstandardized coefficients indicate how much the dependent variable varies with an independent variable, when all other independent variables are held constant. Consider the effect of People Strategies in this case, the Unstandardized coefficient, b_1 , for People Strategies is equal to 0.367. This means that for each 1 unit increase in people strategies, there is an increase in customer service quality at Kenya Power and Lighting Company of 0.367 units other factors held constant. The coefficients further indicated that people strategies has the highest influence on customer service quality at Kenya Power and Lighting Company followed by promotion strategies, pricing strategies, process strategies, product strategies, distribution strategies and physical evidence strategies respectively.

Table 4.4.4 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.355	.651		.545	.587
	Product Strategies	.246	.100	-.127	2.460	.001
	Pricing Strategies	-.285	.125	-.185	-2.280	.003
	Promotion Strategies	.299	.116	.195	2.578	.004
	Distribution Strategies	.245	.113	.116	2.168	.002
	People Strategies	.367	.127	.250	2.903	.005
	Process Strategies	.273	.122	.247	2.236	.028
	Physical Evidence Strategies	.223	.097	.227	2.299	.001

a. Dependent Variable: Customer Service Quality

4.4.5 Statistical significance of the independent variables

This tests whether the Unstandardized (or standardized) coefficients are equal to 0 (zero) in the population. If $p < .05$, then one can conclude that the coefficients are statistically significantly different to 0 (zero). The corresponding p -value (located in the "Sig." columns), indicates that all independent variable coefficients individually are statistically significantly different from 0 (zero), that is, $P\text{-value} < 0.05$ hence a seven predictor model could be used to forecast customer service quality at KPLC.

4.5 Measures towards Improvement of Customer Service

The study also aimed at identifying measures towards improvement of customer service at KPLC. From the findings of the study, the measures to put in place were identified as; provide quick, efficient and friendly service, that is, customers want to feel appreciated so make them feel welcome and important by being attentive and eager to serve them once they enter your store or start using your service. Build a good relationship with customers, that is, start by being honest, helpful and making an extra effort to meet and exceed the expectation of your customers. Ongoing communication is also an important part of establishing good customer relations and Handle customer complaints quickly and courteously, that is, if a customer is unhappy with the service they receive or have an unresolved complaint, they are likely to tell their friends, family and work colleagues. Bad news spreads fast, so you should always aim to resolve customer complaints wherever possible. The finding confirms to Hung, (2005), that is, internet connectivity to modern organization has resulted to efficiency and effectiveness in the overall operation activities of many companies. Further the research identified five dimensions consumers consider in their assessment of service quality as reliability, responsiveness, assurance, empathy, and tangibles as proposed by Parasuraman et al. (1985).

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter serves to demonstrate the achievements of the objective set out at the initiation of the study and presents in brief the results of these efforts. Thereafter the conclusion, recommendation/suggestions for future research are presented.

5.2 Summary of Findings

The objective of the study was to determine the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. In order to ascertain the relationship between marketing strategies and customer service quality, the study evaluated the main aspects of each marketing strategy adopted by KPLC. The finding indicated that; Product Strategies was driven by modify existing services to fit consumer need, changing consumer perception towards the service and managing brand image. Pricing strategies had an inverse relationship on the quality of customer service which was based on increased prices, demand based pricing and customary pricing. Promotion strategy was mainly driven by demonstration, Newspapers, Flyer and brochure, Television, Radio and Others Social networks. Distributions strategies relied on strategic location of customer care centers, retailing services and personal selling services. People strategies adopted by the company had the greatest influence on satisfying customers' needs and was driven by good customer care relations, Knowledgeable and experienced staff, Presentable employees and Courteous employee. Process strategies used were E-marketing of services, E-procurement services and E-form applications and Physical Evidence Strategies towards satisfy customer's needs were based on marketing materials/brochure, decent office layouts and receipts issued on payment.

The study tested the hypothesis on the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. Overall, the results of the linear regression indicate a positive relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company with $R = .801$ and the R squared

value was .642 at a confidence level of 95 percent. It is on the basis of these findings that the study confirms the existence of the relationship between marketing strategies and customer service quality at Kenya Power and Lighting Company. All the independent variables were also linearly related with the dependent variable (p value <0.05) thus a model of seven predictor variables could be used to approximate customer service quality at Kenya Power and Lighting Company.

The study also found out that people strategies has the highest influence on customer service quality at Kenya Power and Lighting Company followed by promotion strategies, pricing strategies, process strategies, product strategies, distribution strategies and physical evidence strategies respectively. In terms of measures to be put in place towards improvement of customer service quality at Kenya Power and Lighting Company, the study proposed that the company should provide quick, efficient and friendly service, build a good relationship with customers and handle customer complaints quickly and courteously

5.2: Conclusion

The study concluded that customer service quality at Kenya Power and Lighting Company depends on people strategies, promotion strategies, pricing strategies, process strategies, product strategies, distribution strategies and physical evidence strategies. This conclusion is supported by the values of R and R^2 . The study also concluded that there is still room for improvement of customer quality service since quality is a continuous process and customer's needs and expectations keeps on changing every now and again, KPLC must put in place measures to continuously improve their service delivery if they are to remain competitive.

5.3: Recommendations

The study only focused on the KPLC domestic customers located in three sub-regions of Nairobi namely; Nairobi West, Nairobi North and Nairobi South, it is therefore recommended that further study focusing on the entire country be carried out and the results be compared for so as to establish whether the models are consistent among the various groups.

Finally, the use of other data collection methods such as interviews would help the researchers get responses that are relatively free from bias. This is because interviews afford the researcher the opportunity to allay fears, anxieties and concerns that the respondents may have. The researcher may also offer clarification when needed and help respondents to think through difficult issues. Use of focus groups sessions aimed at obtaining respondents stress experience would also help get genuine ideas and feelings about the topic under discussion. Generally, focus groups are relatively inexpensive and can provide fairly dependable data within a short time frame.

5.4 Limitations of the Study

The researcher experienced problems when obtaining data from the respondents in the slum areas. It was challenging to distribute the questionnaires to the respondents in the slum areas, since most of them were casual workers and respondents were at industrial area or their places of work during the day.

Self-reporting documents such as questionnaires may lead to bias. This may have led to biased results on promotion strategies, process strategies and physical evidence strategies because they are subject to reporting inaccuracies. Despite these limitations, the quality of the findings, their interpretation, and reporting were not affected.

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Appendices

Appendix I: Introductory Letter

Lucy Mboga
C/o University of Nairobi,
P.O. BOX 30197-00100
Nairobi.
Kenya.

Dear Respondent,

RE: COLLECTION OF RESERCHDATA

I am a student pursuing a post graduate degree in Master of Business Administration (MBA) at the University of Nairobi. In partial fulfillment of the requirements for the award of the MBA degree, I am required to carry out a research and submit a management proposal project. The topic of my research is; **“Marketing Strategies and Customer Service Quality: A Case of Kenya Power and Lighting Company”**

I intend to collect data through a questionnaire which is hereby attached.

You have been chosen as one of the respondents in the above study and I am requesting you to kindly participate in this research by completing the questionnaire in the most objective way possible. Your response will be very useful and will be treated with absolute confidence and at no time will your name appear in my report.

Your co-operation and prompt response will be highly appreciated

Yours faithfully,

Lucy Mboga

Appendix II: Questionnaire (For Kenya Power Customers Only)

SECTION: ADEMOGRAPHIC BACKGROUND

Please supply the required data by filling in the blanks where space is provided or by ticking [√] against the most appropriate answer.

I respondents name..... [Optional]

1. Gender.
 - a) Male
 - b) Female
2. Academic level.
 - a) Diploma
 - b) Degree
 - c) Postgraduate
 - d) Other (Please specify)

SECTION B: MARKETING STRATEGIES

3. To what extent does KPLC use following marketing strategies to satisfy your needs?

Marketing Strategies	To Very Large Extent [5]	To a Large Extent [4]	To a moderate Extent [3]	To a small Extent [2]	Not At all [1]
Product Strategies					
Managing brand image	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offering multiple services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New services development approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customized/personalized service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Changing consumer perception towards the service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Modifying existing services to fit consumer need	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Pricing Strategies					
Reduced prices	[]	[]	[]	[]	[]
Increased prices	[]	[]	[]	[]	[]
Time based pricing	[]	[]	[]	[]	[]
Demand based pricing	[]	[]	[]	[]	[]
Location focused pricing	[]	[]	[]	[]	[]
Discount offering	[]	[]	[]	[]	[]
Customary pricing	[]	[]	[]	[]	[]
Promotion Strategies through:					
Demonstration	[]	[]	[]	[]	[]
Telephone handling	[]	[]	[]	[]	[]
Personal selling	[]	[]	[]	[]	[]
Flyer and brochure	[]	[]	[]	[]	[]
Office setting	[]	[]	[]	[]	[]
Radio	[]	[]	[]	[]	[]
Television	[]	[]	[]	[]	[]
Newspapers	[]	[]	[]	[]	[]
Billboards	[]	[]	[]	[]	[]
Sponsorships	[]	[]	[]	[]	[]
Others Social networks					
Distribution Strategies through:					
Strategic location of customer care centers	[]	[]	[]	[]	[]
Personal selling services	[]	[]	[]	[]	[]

Retailing services	[]	[]	[]	[]	[]
Mail order services	[]	[]	[]	[]	[]
Telemarketing services	[]	[]	[]	[]	[]
Others e.g. door to door services	[]	[]	[]	[]	[]
People Strategies					
Knowledgeable and experienced staff	[]	[]	[]	[]	[]
Good customer care relations	[]	[]	[]	[]	[]
Presentable employees	[]	[]	[]	[]	[]
Courteous employee	[]	[]	[]	[]	[]
Process Strategies					
E-marketing of services	[]	[]	[]	[]	[]
E-procurement services					
E-form applications	[]	[]	[]	[]	[]
Physical Evidence Strategies					
Decent office layouts	[]	[]	[]	[]	[]
Receipts issued on payment	[]	[]	[]	[]	[]
Warehouses/store outlets	[]	[]	[]	[]	[]
Marketing materials/brochure	[]	[]	[]	[]	[]

4. Are you happy with the way KPLC employees answer your call when you call their Contact Centre?

.....

5. Are you delighted with the technical work done by KPLC at your premise and the environment?

.....

6. What measures can you advise KPLC to take towards improvement of its customer service?

.....

Thank you for your Cooperation