

**FACTORS INFLUENCING BRAND LOYALTY AMONGST BUYERS
OF BATA SHOE COMPANY PRODUCTS IN NAIROBI, KENYA**

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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D61/71291/2008

This research project has been submitted for examination with my approval as University supervisor.

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DEDICATION

To my parents and siblings for their support, encouragement and patience. Their invaluable understanding and prayers have made me reach this far.

To my friends and colleagues, especially Jimmi Gatherer for his invaluable support.

Thank you and may God bless you all abundantly.

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ABSTRACT

Manufacturing companies can achieve greater competitive advantage by building and developing their own brand. A well known brand gives a company greater visibility in the market and potential customers are more willing to accept new products from a brand they are already familiar with. Understanding brand loyalty and the factors influencing brand loyalty is therefore a key element in the process of growth and profitability for any organization and especially manufacturing companies. Developing and maintaining brand loyalty becomes a must for the organization in the midst of a market where there are new entrants offering the same product. The purpose of the study was to determine the factors influencing brand loyalty amongst buyers of Bata shoe company products within the Nairobi central business district. The study adopted a descriptive research design in which questionnaires were used to collect data while descriptive statistics and content analysis was used in analyzing data. The findings show that majority of the customers of Bata shoe stores were satisfied with the wide variety of shoe products available. They indicated that there needed to be improvement in the quality of material used in manufacturing the shoes. Customers also agreed that Bata shoe products were available in different sizes that the customers required. It was established that product quality, quality of service and store layout were key considerations when deciding whether to be loyal to a brand or not. It was also established that although price of shoes was a key consideration in maintaining brand loyalty, it was not enough reason for the customers to switch to other brands when price of shoes increased.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Brands play a central role in marketing and have attracted the attention of practitioners and academia for many a year (Aaker, 1991). Brand loyalty is a key consideration when placing value on a brand that is to be bought or sold, Brand loyalty is a composite of a number of qualities; it is driven by customer satisfaction, yet it also involves a commitment on the part of the customer to make a sustained investment in an ongoing relationship with a brand.

As the current economic environment becomes more competitive and introducing new brands becomes costly, companies must find new strategies to increase their capacity and competitiveness (Lipponen et al, 2004). Brand loyalty has been proclaimed to be the ultimate goal of marketing (Reichheld and Sasser, 1990). A brand has been defined as “a name, term, design, symbol or any feature that identifies one seller’s good or service a distinct from those of other sellers”(Bennet,1995). According to this approach, the brand is viewed as part of a product, and the main function of the brand is to distinguish a firm’s product from competing products. Bata Shoe Company is one of such brands. Wearing of shoes is a basic need for the entire population in Kenya. Apart from protecting the feet, shoes are a fashion statement to many and also seen as an extension of ones personality. Bata Shoe Company has been a leading brand in the country for many years and is easily recognized by many as it is very visible. Even with the wearing of shoes being a necessity, this has not kept competition away from the industry. For Bata shoe products to remain competitive in the industry it must develop and maintain brand loyalty and how it does that is what is of interest to the researcher.

1.1.1 The Concept brand loyalty

To retain brand loyalty is a more efficient strategy than attracting new customers. Customers have become more confident and more demanding. They want products and services that satisfy them and have no time for those which do not. To reap the benefits of brand loyalty Bata Shoe Company must not only manage loyalty for its shoe products but must also enhance it. In marketing, brand loyalty consists of a consumer's commitment to repurchase or otherwise continue using the brand as can be demonstrated by repeated buying of a product or service. Brand loyalty is upheld because consumers perceive that the brand offers the right product features, images or level of quality at the right price. Sufficient knowledge on the determinants of brand loyalty for Bata Shoe company products is therefore necessary. This study seeks to determine the factors that have led to a sustained and growing brand loyalty for Bata shoe company products by its customers and the areas of improvement that need effective engagement in order to exceed current customer figures. This study also seeks to determine how these brand loyalty factors can be effectively managed in order to keep the brand distinguishable from the rest of local brands, in the foreseeable future.

1.1.2 Factors influencing brand loyalty

In this case, the factors influencing brand loyalty are service quality, product quality, price and the store environment. These factors are usually the independent variables while brand loyalty is the dependent variable as discussed below.

First is service quality,. Service quality involves direct interactions between sales people and potential buyers. Quality service is that service that corresponds to the customers' expectations and satisfies their needs and wants (Gronroos, 1990). Customer like to

purchase good and services at specific places because they like the services provided and are assured of specific privileges.

Second is product quality. Russell and Taylor (2006) define product quality as “fitness for use” or “conformance to requirement”, they hold that product quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. Consumers may make repeat purchases of single brands or switch to other brands due to the exhibited tangible quality of the product sold. Third is price. Price is a most important factor to a consumer as compared to quality, brand name or service quality when faced with a choice on where to purchase a particular brand or not. Evans, (1996); Keller, (2003) observe that customers place a high regard to the price and value of their favorite brand such that they would compare and evaluate prices with other brands. Consumers reactions to a price differential clearly depend on the magnitude of the differential as well as the brand names considered. If perceived values of the product are greater than most, it is observed that customers will purchase that product.

Fourthly, there is the store environment. Positive attributes of a store, such as location, store layout and in store stimuli, affect brand loyalty to some extent. According to Omar (1999) the store environment was the single most important factor in retail marketing success. The stimuli in the store as such store layout, noises, smells, salespeople, displays, sign, colors, temperature, characteristics of other shoppers and merchandise, affect consumers and serve as elements of apparel attributes (Abraham and Littrell, 1995). According to Evans (1996) highly accessible store make loyal customers afterwards. Having a good store environment contributes to establishing customer

loyalty which in turn yields favorable operating cost advantage for retailers over their competitors as indicated by Huddleston (2004).

1.1.3 The shoe industry in Kenya

The shoe industry in Kenya has experienced significant growth in the last several years as is evidenced by the increased number of shoe manufacturing companies that have been established in the country especially in Nairobi. These companies include acumen, Afrolite industries, C & P shoe industries, Easy shoes, Macquin shoes, Shoe wind industries, Tex palace, Tiger shoes and Umoja rubber (www.yellowpagesofafrica.com). The above mentioned companies manufacture these shoes and then distribute them to other retail sellers within the country who own shoe stores or sell shoes as part of their merchandise. There exists many individual shoe shops in Kenya in the form of stores and individualized shops bearing a proprietary name. An example is 'House of Leather' in Nairobi which sells leather products, mostly shoes which are usually a collection of different brands. Boutiques also sell shoes which are usually a collection of different brands including imported ones. Second hand shoes are also available in plenty all over the country and can be soled in open air markets or spaces where store space is not an essential consideration and therefore not a limitation. These second hand shoes can be bought at a cheaper price as compared to those soled in either the shoe stores or boutiques. Even with the above mentioned players in the shoe industry, Bata shoe company remains the only brand in Kenya that not only manufactures shoes but sells them under its own brand name which is Bata and further distributes their shoes under their own Bata stores which other manufacturers in country do not do.

1.1.4 Bata Shoe Company in Kenya

Bata Shoe Company is unique in that it is the only shoe company in Kenya which produces shoes for all categories of consumers under one brand. Today Bata shoe company products is the market leader in shoes production over seventy(70) countries but faces stiff competition locally from other manufacturers, second hand shoes and other imported brands. Bata Shoe Company was begun in 1894 by three siblings namely, Thomas, Anna and Antonin bata in Zlin, Czech Republic. Anna and Antonin eventually left and Thomas was left to manage the company alone. Bata Shoe Company is currently in five (5) continents and runs twenty seven production facilities (27) across twenty (20) countries. It operates over seventy countries and has over five thousand stores across the world. It has over twenty in house brands of shoes including the Safari boot which has remained a best seller world wide. Bata Kenya was begun in nineteen thirty nine (1939) by setting up a plant in Limuru which has a capacity to produce over sixty thousand (60000) pairs of shoes daily. Bata Kenya has a hundred and eleven stores in the country. The company has been offering very innovative designs which have been popular with the consumers which have seen an improvement in their sales. The company has also been offering a fifteen percent discount at its factory shop in Limuru. In addition, it has been offering its customer's gift vouchers which can be redeemed at any retail shop in the country. It also has an on-line shop that targets clients outside Kenya. Bata Kenya sells over thirty million pairs of shoes every year. In its world wide structure Bata Kenya is governed under a business unit termed as emerging markets. This is an indication that even with its world wide presence Bata Kenya is viewed as a growing market meaning that there is a room for expansion and growth. By understanding the factors influencing loyalty amongst buyers of their products, they will be able to know the areas needing improvement and strategy change.

1.2 Research problem

Brand loyalty is a key consideration when placing value on a brand that is to be bought and/or sold, because the highly loyal customer can be expected to generate a very profitable sales and profit stream.(Aaker,1996). Many shoe distributors in Nairobi, Kenya want to retain their competitive advantage by applying the right marketing techniques. The core element in the marketing mix is the company's product because it provides the functional requirements sought by customers. Marketing managers develop their products into brands which help to create a unique position in the minds of customers, brand superiority lead to high sales, the ability to charge premiums and the power to resist distributor's power. The shoe industry in Kenya is large, shoes being a significant part of the entire population in Kenya. The shoe industry has therefore become competitive with second hand shoes, locally manufacture shoe brands and other imported brands being available in plenty. This being the case, Bata shoe company has had to re-brand itself as a brand of choice in this competitive industry. This calls for innovation and employing the right marketing mix for it to develop brand loyalty and for the company to remain profitable.

Many scholars have carried out various studies in the area of brand loyalty. Kwena (2001) conducted a research on "Impact of branding on consumer choice;The case of new domestic sugar brands." He observed that branding of the sugar product did enhance the perceived quality of sugar. Wambugu (2002) in his study, "Factors that determine store loyalty - The case of large supermarkets in Nairobi", he concluded that, availability of all types of merchandize, location of supermarkets, convenient operating hours, prompt service, courtesy of employees, price of product among other factors were found to be the

five most important. Mwangi (2005) researched on “The factors determining the choice of milk store brands by consumers in Nairobi.” He observed that the most important factors were, quality, packaging, trust in retailer’s name, and low price offered. Mwangi (2007) carried out a research on “Factors that determine brand loyalty: the case of toothpaste users in Westlands, Nairobi.” He found out that the most important loyalty factor as that of preventing tooth cavities. Mwanika (2011) researched on “Factors affecting brand loyalty of toilet soaps in Kenya.” She observed that product quality was a most important factor before purchasing, whereas service quality affected commitment to purchasing of brand, and that the price and store environment did not hinder purchase intentions. In spite of the above studies and others on brand loyalty, there has not been one that touches on the shoe industry to understand what influences brand loyalty of customers to a particular brand or shoe store. This represents a knowledge gap which the research proposal seeks to fill. This study will seek to answer the following question; what are the factors that influence brand loyalty amongst buyers of Bata shoes in Kenya.

1.3 Research objective

To determine the factors that influence brand loyalty amongst buyers of Bata shoe products in Nairobi, Kenya.

1.4 Value of the study

Bata Shoe Company will know what factors affect the choice of shoe brands by consumers so that they can make improvements on their products and service and increase target market for their products. Other players in the shoe industry need to know whether consumers are aware of their brands and what they need to do to increase market share in this competitive industry. Bata Shoe Company and other players in the shoe

industry can use the findings to increase sales of their shoe brands or launch other shoe brands. Marketers will become aware of how to promote brand loyalty especially in a market slightly dominated by bata shoe company products. Scholars can use this research as a basis of further research in the area of brand loyalty of a manufactured products and their impact on consumer choice (it will be of interest and useful to them). The study will be of great significance to various manufacturers and shoe traders in developing and building brands through brand loyalty. Brand managers in Kenya interested in increasing sales through enhancement of brand loyalty may use the research findings as a basis of making effective and efficient decisions for improvement.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is a blue print of other related information on brand loyalty and the factors influencing it. It gives a summary of the information from the available literature in the same field of study. There are various factors that influence brand loyalty, and the conceptual framework indicates the relationship between the various factors influencing brand loyalty.

2.2 Theoretical foundation

There are various theories on brand loyalty that form a foundation of brand loyalty in any organization. Brand loyalty according to (Aaker, 1996) is part of brand equity. As a third asset, a brand's value to a firm is largely created by the customer loyalty it commands. As an asset, brand loyalty encourages and justifies loyalty building programs which then helps create and enhance brand equity. Brand loyalty is a key consideration when placing value on a brand that is to be bought or sold, because highly loyal customer base can be expected to generate a very predictable sales and profit stream (Aaker, 1996). Aaker points out that loyalty can be categorized into five levels although not all the five levels may be represented in a specific product class as each level represents a different marketing challenge. These categories are stated below. Committed customers who are proud of being users and/or discovering a brand. Likes the brand, these are buyers who consider the brand a friend which could be based on a set of use experiences or a high perceived quality. Satisfied buyer, who abide because of being satisfied with the product, they have switching costs in terms of time, money, or performance risk associated with switching. The habitual buyer, one who is satisfied and has no reason to switch. Non-

loyal buyer (switcher) where the buyer is completely indifferent to the brand and perceives each brand as inadequate.

Kotler on the other hand, points out that brands differ from other assets such as patents and copyrights which have expiration dates. He further holds that a brand is a complex symbol that can convey upto six levels of meaning namely: attributes, benefits, values, culture, personality and user (Kotler , 2003). Kotler points out that buyers can be divided into four groups according to brand loyalty status. Firstly, hard core loyals, who are the consumers who buy to one brand all the time. Secondly, split loyals who are consumers loyals to two or three brands, thirdly there are shifting loyals who shift from one brand to another, fourthly there are switches, who are buyers that show no loyalty to any brand.

According to Moorman et al (1992) brand loyalty is taken to include purchase loyalty and attitudinal loyalty, purchase loyalty being the willingness of the consumer to repurchase the brand while attitudinal loyalty is the level of commitment as an enduring desire to maintain value relationship.

2.3 Branding

Murphy (1990) sees a brand as a complex thing that is not only the actual product, but it also the unique property of a specific owner. A brand according to him, is a product or service of particular supplier that is differentiated by its name and presentation. He adds that the brand is developed over time so as to embrace a set of both tangible and intangible values and attributes which meaningfully and appropriately differentiate products which are otherwise very similar. He further states that a brand acts as a gestalt in that it is a concept which is more than the sum of its parts and which takes a long time to establish in the minds of consumers. According to him a gestalt needs to be credible,

coherent, attractive, supported and developed overtime and not subject to rapid fluctuations in message quality, positioning or overall mood.

Jones (1998) defines a brand as a product that provides functional benefits that some consumers value enough to buy. Keeler (1998) identifies the source of the word “brand” as having been derived from the old Norse word ‘brands’ which means ‘to burn’, as brands were and still are the means by which owners mark their livestock in order to identify them. He holds that branding has been around for centuries as a means to distinguish the goods of one producer from those of another. What distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumer’s perceptions and feelings about the product's attributes and how they perform, about the brand name and what it stands for, and about the company associated with it. There exists manufacturer’s brand, such as Bata shoes. Stanton (1991) refers to producers of such brands as packaged good manufacturers or name brand consumer companies. This is because some of these brands are produced regionally and cannot be limited to a national level.

Distributors and retailers can also exist as brands in themselves. Keller (1998) states that retailers can create their own brand images by attaching unique associations to the quality of service, pricing, product assortment, credit policy. The appeal and attraction of brands can permit higher price margins, improve sales and higher profits. These brand name products may come from external sources, other manufacturers or from the store itself. Retailers can introduce their own brands using their store names, creating new names or a combination of the two.

Aaker (1996) defines a brand as a distinguishing name and/or symbol (such as logo, trademark or package design) intended to identify the goods and services of either one seller or a group of sellers and to differentiate those goods and services from those of the competition. Kotler (1999) states that a brand is essentially a seller's promise to consistently deliver a specific set of features, benefits and services to the buyers. Brands do not have a physical presence or any objective existence but they do provide a mass of values and promises that act as powerful stimuli for consumer decisions leading them to buy or perhaps not to buy. He further states that a brand can either be an asset or liability depending on the attitude of the customer towards it. Brand equity is a set of assets (liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and /or that firm's customers. These assets include: brand loyalty, brand awareness, perceived quality, brand associations in addition to perceived quality and other proprietary brand assets, for example product attributes, a particular symbol and channel relationships. In this study, focus shall be on brand loyalty which is the basis of this research. The study will look at the factors that customers hold in high esteem in becoming loyal to Bata shoe products.

2.4 Brand loyalty

Brand loyalty is often considered the core of a brand's equity. If customers are indifferent to the brand name and purchase only on the basis of product features, price and convenience, little equity is guaranteed. On the other hand, if consumers continue to purchase the brand even in the face of competitors boasting superior features, price and convenience, it can be comfortably construed that the brand has substantial value (Dorothy, 2006). Brand loyalty therefore is a deeply held commitment to re-buy or re-

patronize a preferred product /service consistently in the future, thereby causing repeat purchasing of the same brand, despite situational influences having the potential to cause one to switch (Oliver, 1999). According to Day (1969) to be truly loyal, the consumer must hold a favorable attitude towards the brand in addition to purchasing it repeatedly. Brand loyalty is taken to include purchase loyalty and attitudinal loyalty, purchase loyalty is the willingness of the average consumer to repurchase the brand while attitudinal loyalty is the level of commitment as an enduring desire to maintain valued relationship (Moorman et al, 1992).

2.4.1 Value of brand loyalty

Aaker (1996) holds that brand loyalty is a strategic asset which has and generates value. Several ways through which this happens has been outlined below. First, are reduced marketing costs: retaining current customers is much less costly than obtaining new ones. Existing customers are relatively easy to hold if they are not dissatisfied. Gains from a satisfied and loyal customer base are less susceptible to competitive activity. In addition, customer loyalty represents a significant entry barrier to competition. Second is, trade leverage: a brand that enjoys strong brand loyalty will ensure preferred shelf space in stores since the retailers understand that the brand will always be in demand (Aaker, 1991). Third is, attracting new customers: A popular or well known brand has a higher chance of being selected by new customers. A satisfied customer base provides an image of the brand as accepted and successful, this acts as an assurance to prospective customers (Aaker, 1991). Fourth is, time to respond to competitive threats: it is unlikely that a satisfied customer will intentionally seek new products. The brand therefore enjoys the benefit of having time to improve and develop strategies to counter a competing

brand being developed. (Aaker, 1991). Another is, it enables the company to diversify. Brand loyalty means that the brand has strong customer relationships. Loyal customers are more likely to pay a premium for a product and it is also easier to introduce a new product to a loyal customer than acquiring new ones. Reichfield(1996) observes that customer switching behavior especially in the service industry is more often attributable to inadequate and indifferent customer service than better products for prices. This suggests that experiential rather than physical attribute are more important for facilitating customer retention and loyalty.

2.4.2 Developing brand loyalty

A brand should develop deep relationships with the customer base it serves, where the brand becomes a meaningful part of the customers' life and/or self concept. To achieve loyalty a product must go beyond visibility and differentiation (Kotler, 2003). A pattern of re-purchasing must have been established in order to convert a customer into a client. A loyal customer becomes one who has a commitment to do business with a company on an ongoing basis (Christopher, 1995). According to Webster (1994) customers remain loyal to the company that serves their needs and preferences with a total set of related products and services, while on the other hand, customers demonstrate and maintain their loyalty to the customers by becoming knowledgeable about them and responding to them with enhanced product offerings. Some basic roles which if followed according to Aaker(1996) would develop and maintain a loyal customer base are outlined below. Firstly, company must treat the customer right. Customers who are treated well in terms of respect, being listened to and being polite to them, will have no reason to switch. Customers should be treated with respect and positive interaction maintained all the time

in addition to the product or service functioning as expected (Aaker, 1991). Another is, staying close to the customer. Another way of making customers know that they are valued is to have the company and its people including its top executives keeping contact with the customer house their products (Aaker, 1991). Third, is to create switching costs. This can be achieved through several ways, one of which is to create a solution for a customer problem that may involve redefining the business. Another way is to reward loyalty directly. A good example is that of Safaricom's Bonga points promotion which gives an opportunity to customers to redeem bonga points and get either free airtime or a phone. Fourth is, managing customer satisfaction, regular surveys are recommended to understand customers' levels of satisfaction/dissatisfaction in order to know how they feel about your product or service. These surveys should be timely and comprehensive to enable the company to measure satisfaction and make necessary changes where necessary (Aaker, 1991).

To develop new customers, innovation is key. Changes in the market place and customer taste make it necessary for companies to make products and services that not only meet but also exceed customer needs and wants. Nowlis and Simonsen (1996) observe that successful new brands are typically more distinctive, novel and superior in comparison to established brands. Rand must ensure that additions or new products are not so different from the mature brand for customers to make a proper connection and accept the new product.

2.5 Measuring brand loyalty

According to Aaker (1991) there are several approaches to measuring loyalty. Preference, according to him should be given to behavior measures, which include, repurchase rates, percent of purchases as well as the number of brands purchased. In addition, other factors exist including switching costs. High switching costs is an indication of high degree of loyalty. This means that the manufacturer of a brand should ensure that it becomes very expensive for a consumer to switch to another brand so that loyalty remains high. Price premium is another indicator of loyalty. It refers to the amount a customer is willing to pay for the brand in comparison to another brand which may offer higher, similar or fewer benefits. Loyal customers should be willing to pay the premium and if not then loyalty is low. Comparison in this case must be made with respect to a competitor or a group of competitors (Aaker, 1996). Customer satisfaction or dissatisfaction is another current representative of brand loyalty. Measuring levels of satisfaction is essential in determining why a customer would want to switch brands. It also means that the more a customer is satisfied with a brand the less likely he/she to leave. Another measure, is liking of the brand. Liking of a brand is important to a customer and leads to a higher degree of loyalty if liking develops to feelings of respect and trust. It is therefore important to know whether the customer likes the brand, whether it is just a general feeling of liking or liking that leads to loyalty. A positive effect can result in resistance to competitive entries. Commitment is another measure. Aaker (1991) defines commitment as the extent to which the brand is important to a person in terms of his or her activities and personality as indicated through interaction and communication with the brand. Frequent use of the product and recommending it to others are some indicators of commitment (Reichfield, 1996).

2.6 Review of studies previously carried out

This is a summary of the studies previously carried out in relation to brand loyalty.

There is no study which has been specifically carried out in regards to Bata shoe company product loyalty. However, some related issues have been studied as indicated below. Kwena (2001) conducted a research on “Impact of branding on consumer choice”, A case of new domestic sugar brands”. He observed that branding of the sugar product did enhance the perceived quality of sugar. Wambugu (2002) in his study, “factors that determine store loyalty - The case of large supermarkets in Nairobi”, concluded that, availability of all types of merchandize, location of supermarkets, convenient operating hours, prompt service, courtesy of employees, price of product among other factors were found to be the five most important. Mwangi (2005) researched on “The factors determining the choice of milk store brands by consumers in Nairobi” . He observed that the most important factors were, quality, packaging, trust in retailer’s name, and low price offered. Mwangi (2007) carried out a research on “Factors that determine brand loyalty: the case of toothpaste users in Westlands, Nairobi”. He found out that the most important loyalty factor as that of preventing tooth cavities. Mwanika (2011) researched on “Factors affecting and loyalty of toilet soaps in Kenya”. She observed that product quality was a most important factor before purchasing, whereas service quality affected commitment to purchasing of brand, and that the price and store environment did not hinder purchase intentions. From the above literature review, it is evident that there is no study done that specifically deals with shoe loyalty and thus there exists a knowledge gap which this study will seek to fill.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology and research design that was used in the study. It describes the source of data, population, sampling method and data collection method. The chapter also discusses the type of data that was gathered and how the data was collected alongside the methods of analysis and presentation techniques used in the study.

3.2 Research Design

This was a descriptive survey based on Bata Shoe company stores within the Nairobi business district. The research aimed at answering questions covering brand loyalty with the purpose of determining the factors influencing brand loyalty amongst buyers of Bata Shoe company. A descriptive research design approach was used as it involves gathering data that describes events and then organizes, tabulates, depicts and interprets the data. It uses description as a tool to organize data in patterns that emerge during analysis. The design was most appropriate in describing the factors influencing brand loyalty of Bata Shoe company products in Nairobi, Kenya.

3.3 Population of the study

The target population was all the customers that visit all the Bata stores within the central business district as at August 2013, who number about five thousand weekly. This is as per www.batakenya.com. The accessible population was numbered to be one thousand people. It was from the accessible population that the researcher got his sample. This study targeted the thirteen Bata stores within the Nairobi Central Business District.

3.4 Data Collection

The target population of this study was all the users that buy from all the thirteen Bata shoe company stores within the Nairobi Central Business district, weekly. The researcher used a representative sample of one hundred and twenty (120) respondents where eighty percent (80%) of the respondent filled the questionnaire. Stratified sampling was applied when issuing questionnaires so that equal number of questionnaires could be given at all the thirteen Bata shoe company stores within the Nairobi central business district.

The study collected data information from respondents on the factors influencing brand loyalty amongst buyers of Bata shoe company products in Nairobi, Kenya. Primary data was gathered directly from the customers and for this study the researcher used questionnaires which consisted of close and open ended questions. Data was collected using questionnaires since it enabled the researcher collect information more easily and within reasonable time.

3.5 Data analysis and Presentation

Both quantitative and qualitative data was collected. After collecting data, the questionnaires were edited for completeness and consistency before processing. Excel sheets were used to code the questionnaires and group information for analysis. Information was then grouped into meaningful subjects and analyzed using descriptive statistics and Statistical Package for Social Sciences(SPSS).Pie charts, bar charts, frequency tables, percentages, mean and deviation were used to display the results of data analysis for better presentation and analysis. Content analysis was used to analyze data collected from open ended questions that is of a qualitative nature. Content analysis used a set of categorization for making valid and replicable inferences from data to their context.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The purpose of this chapter is to describe the results of the study based on the research methodology steps followed in chapter three. The chapter is divided into two sections. The first section deals with demographic information about the respondents. The second section deals with the analysis and discussion of data from the questionnaire. Of the hundred and twenty (120) customers provided with the questionnaires, ninety six (96) of them, completed the document representing an 80% response rate.

4.2 Demographic Information

Table 4.1: Gender of respondents

	Frequency	Percentage
Male	64	66.67
Female	32	33.33
Total	98	1000

Table 4.1 illustrates the distribution of respondents in terms of gender. According to the findings, 66.6% of the respondents were male while 33.33% were female.

Table 4.2 Age of the Respondents

	Frequency	Percentage
Between 21 to 30 years	64	66.67
Between 31 to 40 years	19	20
Between 41 to 50 years	13	13.33
Over 51 years	0	0
	96	100

The respondents were requested to indicate their age. From the findings, 66.67% of the respondents were aged between 21 to 30 years. 30% of the respondents were aged between 31 to 40 years and 13.33% of the respondents were between 41-50 year. None of the respondents were over 50 years.

Table 4.3: Marital status of the Respondents

	Frequency	Percentage
Married	51	53
Single	45	47
Total	96	100

Table 4.3 illustrates the marital status of the respondents. According to the findings, 53% of the respondents were married while 47% of the respondents were single.

4.2.1 Bata Shoe Brand

Table 4.4: Extent to which the product was successful to meet the respondents needs.

	Frequency	Percentage
To the fullest extent	6	6.67
More than 80%	58	60
Less than 50%	32	33.33
Total	96	100

The study sought to find out the extent to which the product was successful to meet the respondents needs. From the findings, 60% of the respondents indicated that the product was successful to meet the respondents needs at more than 80% extent, 33.33% of the respondents indicated that the product was successful to meet the respondents needs at less than 50% extent and 6.67% of the respondents indicated that the product was successful to meet the respondents needs to the fullest extent.

Table 4.5: Duration in which the respondent had been using the brand

	Frequency	Percentage
Less than 1 year	13	13.33
2 to 5 years	19	20
6 to 9 years	13	13.33
10 years and above	51	53.34
Total	96	100

The study sought to find out the duration in which the respondents had been using the brand. From the illustration, 53.34% of the respondents had been using the brand for more than 10 years. 20% of the respondents had been using the brand for 2 to 5 years, 13.33% of the respondents had been using the brand for 6 to 9 years while 13.33% of the respondents had been using the brand for less than 1 year.

Table 4.6 How would you rate yourself in terms of loyalty to the bata shoe brand?

	Frequency	Percent
Very loyal	32	33.33
Moderately loyal	32	33.33
A little loyal	26	26.67
Not loyal at all	6	6.67
Total	96	100

Table 4.6 illustrates the distribution of study respondents according to their loyalty levels. 33.33% of the respondents indicated that they were very loyal to the Bata shoe brand. 33.33% of the respondents indicated that they were moderately loyal to the Bata shoe brand. 26.67% of the respondents indicated that they were a little loyal to the Bata shoe brand. 6.67% of the respondents indicated that they were not loyal at all to the Bata shoe brand.

4.3 Factors influencing Brand loyalty amongst buyers of Bata shoe products in Nairobi.

4.3.1 Product quality

The study sought to find out whether the respondents considered the quality of the shoes before buying. According to the findings, 100 percent of the respondents considered the quality of the shoes before buying.

Table 4.7: Respondents agreement level with statements on product quality

Factors of product quality	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std deviation
The shoes brand is available in a variety of colours	33.33	13.54	6.25	19.79	27.09	4.0	1.4
The materials used to make them is of high quality	19.79	19.79	19.79	27.09	13.54	3.9	0.6
The size of the shoes serves me well	33.34	19.79	7.29	19.79	19.79	4.1	1.8

The study sought to find out the respondent's agreement level with statements on product quality. From the findings, 33.55% of the respondents strongly agreed that the shoe brand is available in a variety of colours while 27.09% strongly disagreed. The respondents agreed that the materials used in making up the brand were of high quality and they liked them as shown by a mean of 3.9. The respondents strongly agreed that the size of shoes serves them well as indicated by a mean of 4.1

4.3.2 Service quality

The study sought to find out whether the respondents considered service quality in considering to purchase the shoe brand. According to the findings, 100 percent of the respondents considered service quality in making a commitment to purchase the shoe brand.

Table 4.8 Extent to which service quality affected attitude and commitment in purchasing the brand

	Frequency	Percent
Very great extent	45	46.67
Great extent	38	40
Moderate extent	13	13.33
Total	96	100

Table 4.8 illustrates the extent to which service quality affected attitude and commitment in purchasing the shoe brands. From the findings, 46.67% of the respondents indicated that service quality affected attitude and commitment in purchasing the show brand to a very great extent. 40% of respondents indicated that service quality affected attitude and commitment in purchasing the shoe brand to a great extent, while 13.33% of the respondents indicated that service quality affected attitude and commitment in purchasing the shoe brand to a moderate extent.

Table 4.9: Extent to which factors of service quality influenced the brand loyalty of bata shoe products.

Factors of service quality	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Std deviation
I am okey with my shoe brand	13.54	13.54	27.09	27.08	18.75	3.8	0.9
I can get the show I want anytime I need it	13.54	6.25	33.34	33.33	13.54	3.9	1.9
The staff at the shop are very polite and welcoming	6.25	6.25	13.54	40.63	33.33	4.0	2.0

Table 4.9 illustrates the extent to which factors of service quality influenced brand loyalty of bata shoe products. From the findings, to a great extent, customers were very comfortable with the shoe brand in terms of its ability to influence brand loyalty as indicated by a mean of 3.8. The respondents indicated they could get the shoe brand any time they wanted, as indicated by a mean of 3.9. The respondents indicated that the factor of quality service where the staff at the shops are very polite and welcoming, influenced brand loyalty to a very great extent as shown by a mean of 4.0.

4.3.3 Pricing

Table 4.10: Respondents a great level with starts on the effects of price on brand loyalty

The effect of price	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std deviation
Increase price may not hinder the purchase intentions	33.33	19.79	13.54	13.54	19.80	3.6	1.1
Obtain good value from the brand	0	19.79	40.63	26.04	13.54	3.8	2.0
I switch to other brands when price increases	26.04	19.79	33.33	7.30	13.55	2.5	1.4
Price is a major factor for me but I remain loyal to one brand	19.79	26.04	26.04	7.3	20.83	3.3	1.1

Table 4.10 illustrates the agreement level with statements on the effects of price on brand loyalty as indicated by the respondents. According to the findings, the respondents agreed that an increase in price may not hinder purchase intentions as shown by a mean of 3.6. The respondents indicated that they generally obtained good value for money from their brand as shown by a mean of 3.8. The respondents were neutral, that they always switch to other shoe brands from other stores whenever the price increases as shown by a mean of 3.5. The respondents generally disagreed that they consider price as a major factor in any of their purchases but their loyalty towards Bata shoe brand remains the same even in change of price as shown by a mean of 3.3.

Table 4.11: Extent to which price was a factor when buying shoes

	Frequency	Percentage
Very great extent	38	40
Great extent	32	33.33
Moderate extent	19	20
Little extent	7	6.67
Total	96	100

The study sought to find out the extent to which the respondent considers the price of the shoe brand before buying. According to the findings, 40% of the respondents indicated that they considered the price to a very great extent. 33.33% of the respondents indicated that they considered the price of the brand to a great extent. 20% of the respondents indicated that they considered the price of the shoe price to a moderate extent while 6.67% of the respondents indicated that they considered the price of the shoe brand to a little extent.

4.3.4 Correct store environment

Table 4.12 level of satisfaction of the respondents with the aspects of store environment to retail Bata stores.

Aspect of store environment	Not satisfied at all	A little satisfied	Moderately satisfied	Satisfied	Very satisfied	Mean	Std deviation
Sales people that serve you	13.55%	19.79	27.08	19.79	19.79	3.7	0.6
Store layout	6.25	6.25	33.33	40.63	13.55	4.1	1.9
Displays signs and others	6.25	6.25	40.63	33.33	13.54	4.0	1.8
General cleanliness of product and shop	19.8	19.8	6.25	33.33	19.8	3.8	1.3

Table 4.12 illustrates the level of satisfaction of the respondents with the aspects of store environment in retail Bata shoe stores within the Nairobi Central business district. According to the findings, the respondents were satisfied with the layout of the store as indicated by a mean of 4.1. The respondents indicated that they were satisfied with the displays signs within the store as indicated by a mean of 4.0. The respondents indicated that the general cleanliness of products and shop was satisfactory. The respondents also indicated that the service from the sales people that serve at the Bata stores within the Nairobi central business district was moderately satisfactory as indicated by a mean of 3.7

Table 4.13. To what extent does the store environment affect you loyalty towards a give shoe brand.

	Frequency	Percentage
Very great extent	7	6.67
Great extent	57	60
Moderate extent	19	20
Little extent	13	13.33
Total	96	100

Figure 4.13 illustrates the extent to which the store environment affected brand loyalty towards a given shoe brand. According to the findings, 60% of the respondents indicated that the store environment influenced their loyalty towards a shoe brand a great extent, 20% of the respondents indicated that the store environment affected their loyalty towards a shoe brand by a moderate extent, 13.33% of the respondents indicated that the store environment affected their loyalty towards a shoe brand to a little extent, while 6.67% of the respondents indicated that the store environment affected their loyalty towards a shoe brand to a very great extent.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary, conclusions and recommendations of the study based on the objectives of the study which was to determine the factors influencing brand loyalty amongst buyers of Bata shoe company products within the Nairobi Central business district.

5.2 Summary of findings

This study sought to determine factors influencing brand loyalty amongst buyers of Bata shoe company products in Nairobi. The researcher identified four major factors that contributed greatly to brand loyalty amongst buyers of Bata shoe company products. A summary of how each factor influenced brand loyalty amongst buyers of Bata shoe products within the Nairobi central business district is outlined below.

The study found that all the respondents considered the quality of shoes before purchasing them. The respondents strongly agreed that Bata shoe company products were available in a variety of colors from which one could choose their favorite, as shown by a means of 4.0. The respondents generally agreed that they believed that the material used to make the product was of good quality as indicated by a mean of 3.9. Majority of the respondents strongly agreed that Bata shoe products were available in well fitting sizes that served them well as indicated by a mean of 4.1.

From the study, it was found out that, all of the respondents indicated that service quality influenced attitude and commitment in purchasing the shoe brand of their choice. In addition, 46.67% of the respondents indicated that service quality influenced attitude and commitment in purchasing the shoe brand of their choice to a very great extent. Respondents indicated that they agreed with the statement that indicated they are okay with the brand as indicated by a mean of 3.8. The respondents seemed to agree with the statement that said they can get their products anytime they need it. In addition, the respondents seemed to generally agree that polite staff were among factors that contributed to their loyalty of a shoe brand as indicated by a mean of 4.0

From the findings, the respondents agreed that increased price would not hinder their purchase intention as indicated by a mean of 3.6. The respondents were neutral on the statement that said that they obtain good value for their money as indicated by a percentage of 40.63%. The respondents were also neutral with the statement saying that they always switch to other brands when price increases as shown by a percentage of 33.33. The respondents generally agreed that price was a major factor for them in remaining loyal to one brand but they still remained loyal as shown by a mean of 3.3.

The study found out that the respondents were satisfied with the way sales people at the Bata stores served them as indicated by a mean of 3.7. The respondents also indicated that they were satisfied with the store layout of the Bata stores and that the products were well displayed inside the stores. The respondents indicated that they were satisfied with the general cleanliness of the product and shop as shown by a mean of 3.8. From the respondents, the researcher found out that 60% of them indicated that the store environment influenced their loyalty towards a given shoe brand to a great extent.

5.3 Discussion

From the findings, majority of the customers of Bata shoe company products can be said to be loyal. This was indicated by their intention to continue buying Bata Shoes even with an increase in price. The customers displayed their loyalty by indicating that they would not switch to other shoes brands from other manufacturers whenever price increased even though they considered the price of shoes before buying, to a great extent. According to Kotler (2003) such display of loyalty is attributed to hardcore loyals and shift loyals who form a major part of Bata Shoe company customers.

Bata majority of Bata shoe company customers displayed a high level of commitment as indicated by their willingness to repurchase the brand as shown in the findings. According to Moorma et al (1992), such a commitment to repurchase is a good indication of brand loyalty.

Majority of the customers indicated high that they were satisfied with service given to them at the stores and that their products were available in a variety of colors and sizes which fitted. It was observed that they need to improve on the quality of the shoes. Such a level of satisfaction is a strong indicator of brand loyalty according to Aaker (1996).

5.4 Conclusions

From the findings, customers indicated that they considered the quality of the shoes before purchasing them. Majority indicated that Bata shoes were available in a variety of colors that one could choose from and the availability of shoes in all sizes contributed to serving them well. The respondents only made a general agreement on the statement on

product quality. From the findings, service quality was seen to influence attitude and commitment in purchasing the shoe brand to a very great extent. Majority of the respondents as indicated by individual percentages shown that they were okay with the brand, they could get the shoes anytime they needed them and that the staff at the Bata stores were very polite and welcoming.

From the findings, we set that the increased price would not hinder customers purchase intention for Bata shoe products. The respondents generally agreed that they would not switch to other shoe brands from other manufactures whenever price increased although they considered the price of the shoes before buying to a great extent.

From the findings, we see that majority of the customers considered the layout, display signs and general cleanliness of products and shop to a great extent. The customers indicated that they were satisfied with the way the sales people served them when they came to buy shoes at the Bata stores.

5.5 Recommendations

The study recommends that Bata shoe company improves on the quality of the materials used in making their products. From the findings, although a slight majority agreed that the product quality was good, the others seemed to think otherwise indicating that they needed to improve on the quality of their products in order to increase brand loyalty and to gain more loyal customers.

The study recommends that Bata shoe company cut down on production cost so as to reduce the prices of their shoes. From the findings, customers indicated that although they may not switch to other shoe brands even with increase in price, they still considered

price a major influence in being loyal to a brand. This will also go a long way in increasing sales and potential loyal customers who may be discouraged by the high prices of Bata shoes.

The study recommends that shoe manufacturers need to make a variety of shoes for the various consumers in the market, use high quality material in making the shoes and make shoes in a variety of sizes. The shoes should be made easily available at designated stores where the customers can easily access them. Sales persons at the stores should be well trained and knowledgeable on brand, be friendly, courteous and willing to help customers out. Stores should also be well laid out, with visible and good display signs. In addition there should be a high level of cleanliness of product and stores.

5.6 Recommendations for further research.

The study confined itself to Bata shoe company Limited and the findings may not be applicable in other firms operating in the industry. It is therefore recommended that the study is replicated in other shoe manufacturing firms in Kenya to determine factors that influence brand loyalty for their products.

5.7 Limitations of the study

The study touched on several factors influencing brand loyalty of buyers of Bata Shoe products. Some of the respondents, sitting time limitation refused to fill in the questionnaires (20%) twenty percent. If they had done so, the results might have been different.

The sample size was limited to those frequenting the thirteen Bata shoe stores within the Nairobi Central Business District due to financial constraints of the researcher. A broader study touching on the wider Nairobi area might have produced different results.

The study focused on one brand, Bata Shoe Company. A study of more brands would have led to more indicative results of the factors influencing brand loyalty amongst buyers of shoes that commonly affect the different brands in the country.

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APPENDIX I: LETTER OF INTRODUCTION



UNIVERSITY OF NAIROBI
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DATE: 19/09/2013

TO WHOM IT MAY CONCERN

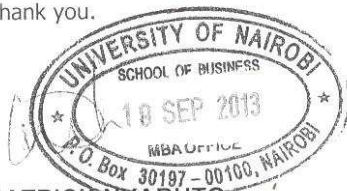
The bearer of this letter David Kibara Njenga
Registration No. Δ61/71291/2008

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix II: Questionnaire

Instruction

This questionnaire consists of two parts. Please answer all the questions by ticking on the spaces provided or use the spaces left for you.

Section A: General information

Indicate your gender. Tick () one.

1 Male [] Female []

2 Indicate your age group below. Tick () one

21 – 30 years [] 31 – 40 years []

41 – 50 years [] over 51 years []

3 What is our marital status?

Single [] married []

Any other specify

4 Please state your nationality.....

5 To what extent has the product been successful to meet your needs?

To the fullest extent []

More than 80% []

Less than 50% []

Can't say []

6 How long have you been buying the brand?

- Less than 1 year [] 2 to 5 years []
6 to 9 years [] 10 years and above []

7 How would you rate yourself in terms of loyalty to the Bata brand?

- Very loyal []
Moderately loyal []
A little loyal []
Not loyal at all []

Part B: Factors influencing brand loyalty of bata shoes

a) product quality

8. Do you consider the quality of shoe brands when buying?

- Yes [] No. []

9. What is your level of agreement with the following statements on product quality?

Rate where 1 is to strongly agree and 5 is to strongly disagree

- | Factors of product quality | 1 | 2 | 3 | 4 | 5 |
|---|----------|----------|----------|----------|----------|
| The shoe brand is available in a variety of colours | | | | | |
| The material used to make them is of high quality | | | | | |
| The size of the shoes serves me well | | | | | |
| Others specify | | | | | |

b) Service quality

10. Does the quality of service affect your commitment in repurchasing the shoe brand of your choice?

Yes [] No. []

11. If yes to what extent?

Very great extent []

Great extent []

Moderate extent []

Little extent []

Not at all []

12. To what extent do the following factors of service quality affect brand loyalty of shoes? Use a scale of 1-5 where 1 is To no extent and 5 is To a very great extent

Factors of quality of service	1	2	3	4	5
--------------------------------------	----------	----------	----------	----------	----------

I am very okay with my shoe brand

I cant get the shoe I want any time I need it

The staff at the shops are very polite and

welcoming

Others specify.....

c) Pricing

13. What is your level of agreement on the following statements of price on brand loyalty? Use a scale of 1-5 where 1 is strongly disagree, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree

Effects of price	1	2	3	4	5
The increased price may not hinder my purchase intentions					
I obtain good value for money from the brand					
I switch to other brands when price increases					
Price is a major factor for me but I remain loyal to one brand					
Other (specify)					

14. To what extent do you consider price as a factor when buying shoes

- Very great extent []
- Great extent []
- Moderate extent []
- Little extent []
- Not at all []

Correct store environment.

15. To what extent are you satisfied with the following aspects of store environment in the retail outlet? Where 1 is not satisfied at all and 5 is very satisfied.

	1	2	3	4	5
Aspects of storage environment					
Sales people that serve you					
Store layout					
Displays signs and others					
General cleanliness of product and shop					

16. To what extent does the store environment affect your loyalty towards a given shoe brand

Very great extent	[]
Great extent	[]
Moderate extent	[]
Little extent	[]
Not at all	[]