THE IMPACT OF BRAND IMAGE ON CUSTOMER SATISFACTION IN MAJOR SUPERMARKETS IN NAIROBI COUNTY

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NOVEMBER, 2015
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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D61/84421/2012

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

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DEDICATION

This piece of work is dedicated to my dear and loving wife, daughters Sherry and Abigail. It was your support and encouragement that made my study a success. You went without the services of a husband/father and never complained when I was pursuing my degree.
ACKNOWLEDGEMENT

The process of this master’s project writing has been a wonderful learning experience in my academic life. It was filled who with challenges and rewards. The completion of my present study leads to a new beginning and a step forward in my endeavors.

First and foremost I am grateful to God almighty the one above all, who has always being there in my endeavors in life including this study. My profound gratitude to my supervisor Catherine Ngahu and moderator Raymond Musyoki for their insightful guidance it’s through it that I was able to complete this great task. Am thankful for the corrections they made on my error friendly drafts, their continuous encouragement, support and guidance in writing this project. I am also indebted to my family, my boss at my place of work and friends whom I may not mention in person for their material and moral support which enabled me clear my MBA course successfully.
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<table>
<thead>
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<th>Abbreviation</th>
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<tr>
<td>IBM</td>
<td>International Business Machines</td>
</tr>
<tr>
<td>JKKUAT</td>
<td>Jomo Kenyatta University of Agriculture and Technology</td>
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ABSTRACT

In a competitive business environment, customer satisfaction and brand loyalty is emerging as an issue for which the business firms are very sensitive of. As a result, the process of building a reputed brand image and attracting new customers remains an important task for the marketing managers in any organization. Most of the business organizations consider a brand image as a powerful asset for their success. A trusted and recognized brand identity provides confidence for customers to use the products offered by that brand. Therefore, the successful organizations always work hard to build strong brand and represent it in a consistent and clear way. Indeed, organizational success is a direct consequence of brand image and which is measured as a significant feature of current marketing strategy. The objective of the study was to establish the impact of brand image on customer satisfaction in major supermarkets in Kenya. The research design was descriptive survey of the large supermarkets operating in Nairobi. The population of the study was 15 large supermarkets operating in Nairobi. The study adopted convenience sampling technique in which the respondents were picked from the exit corner of the store according to their availability and interest. The study used primary data that were collected through self-administered questionnaires. The data was analyzed by the use of descriptive statistics. The regression analysis was used to assess the effects of brand image and customer satisfaction. The study found out that the supermarkets brand image was dependable for use, enhances perceptions that customers have a desirable lifestyle, effective to customer needs than other brands, provides solution to customers expectations, increases customers frequency of visit, performs as it promises, makes a good impression of customers on other people, helps customers better fit into their social group and improves the way customers are perceived by others. The study established that customers were satisfied with the reasonable prices, location, availability of products, provision of timely and accurate information to customers, product availability, fresh products, loyalty programs, layout, product quality and shorter time to cash registers. The regression analysis between overall brand image and overall customer satisfaction was 0.880, which is also highly positive and significant at the 0.01 level. This indicates that brand image and customer satisfaction has significant positive relationships. The study concluded that customer satisfaction is important in maintaining customers, particularly those in service industry. For customer satisfaction, supermarkets should understand customer-specific needs, provide good quality products, and have the capacity to address customer complaints or problems in a friendly manner. It further recommended that it is important for supermarkets to measure customers' satisfaction in order to analyze their product or service image performance and whether their satisfied customers are willing to recommend their branded product to others as well as having the intention to purchase their product/services in the future.
CHAPTER ONE
INTRODUCTION

1.1 Background

In a competitive business environment, customer satisfaction and brand loyalty is emerging as an issue for which the business firms are very sensitive of. As a result, the process of building a reputed brand image and attracting new customers remains an important task for the marketing managers in any organization. Schult, (2005) further point out those companies should also direct their attention on customer retention with profitable long-term relationships. However, the basis of customer retention is higher level of their satisfaction towards the products and services which they received as well as higher value by customers. This is because, happy customers are more likely to show more loyalty towards the company like willingness to provide positive words of mouth, repurchase the products as well as willingness to pay more for the products because of trust. A reputable brand with higher customer loyalty possesses a higher market share and capacity to imply higher cost for their products or services (Mohammadian & Ronaghi, 2010).

Supermarkets in Kenya have generally been enjoying tremendous growth in recent years. In the same vein, the environment has continually changed bringing more and more challenges to the players. Various changes have been witnessed in the legal environment, competitive field, consumer needs and also in the area of technology. To improve competitiveness, major supermarkets are growing rapidly, adopting aggressive strategies to attract customers due to emergence of new supermarket formats and competition between supermarkets. A firm’s brand image has a significant impact on customer satisfaction especially across major supermarket
industries as a result store infrastructure, convenience, store service and sales activities acts as the four components of store image, and they all impact customer satisfaction directly. Indeed in a competitive Kenyan market, increased customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy of the major supermarkets thus the need for a good brand image which significantly improves service quality.

The study will be based on brand relationships theory in which customers generate individual relationships based on their individual perception of brand value, brand meaning and their experiences. That is, customers seem to personally create the brand through their communications across multiple contexts (Lindberg-Repo, Kirsti, 2009). According to Da Silva (2010) the idea behind brand image is that the consumer is not purchasing just the product or service but also the image associated with that product or service. Brand images should be positive, unique and instant and not created but formed. When the consumers purchase the product, they are also purchasing its image. Brand image is the objective and mental feedback of the consumers when they purchase a product.

### 1.1.1 Brand Image

The definition of a product or service brand has received different views as much as there are authorities in the field. According to the American Marketing Association (2013), a brand is a term, design, name, symbol or any other features that distinguish one company’s product to the others. On his part, Keller (2003), pointed out that a brand image is the set of beliefs, ideas and impression that a person holds regarding to an object. Further, Koo (2003) added that brand image is useful to drive loyalty, brand equity, brand performance and purchasing habits of customers.
Mohammadian & Ronaghi (2010) opine that in the present day business environment where there are many products of one category that are not significantly different from each other, brands are what cause important distinctions and the preference for one product over the other. These differences are so important that nowadays many market leaders view their brand as a means to create competitive advantages. Brands can play a key role in the company’s success by developing competitive advantages with brand performance and through non-brand related means. Perceived differences among products via branding deliver a number of benefits to the business companies which include building consistent quantity and income for a long time, resisting attack, getting higher fair share, plus more importantly much better cash flow and earnings (Yovovich, 2008).

Brand performance refers to the relative measurement of a brand’s success in the marketplace. For instance, it has been argued that, market share is actually a measure of brand overall performance, as brand achievement is created with significant market share (Keller and Lehmann, 2003). Certainly, successful brands like Coca-Cola, IBM, Samsung and Sony are witnessed as brand leaders that attain substantial market share within their segments. Therefore, market share has been commonly used in the marketing research as a reliable sign of brand success (Weerawardena et al., 2006). Similarly, sales volume is also a measure of brand performance as it displays the level of direct earnings from prospects.

1.1.2 Customer Satisfaction

Satisfaction is the consumers’ fulfilment response. It is a judgement that a product or service features, or the product or service itself, provided (or is providing) a
pleasurable level of consumption-related satisfaction including levels of under-or over-fulfillment (Mohammadian & Ronaghi, 2010). Similarly, Szymanski and Henard (2009) stated that earlier studies on customer satisfaction emphasized basically on the effects of expectations, performances, disconfirmation of expectations, affects as well as equity on satisfaction. As mentioned by Dietz et al. (2004), expectations of customers are pre-trial beliefs regarding the product which works as reference point or comparison standard against which product presentation is judged.

The paradigm of expectancy disconfirmation recommends that customers are satisfied if the products or services perform better than their expectation, dissatisfied if expectations of customers exceeded real performance from the products or services (Oliver, 2007). Some other researchers have identified some potential predictors of satisfaction like service/products quality, service hospitality experiences design, perceived value, retail store image and customer relationship benefits (Reynold and Beauty, 2009). They further note that, customers can obtain satisfaction from overall service or product; particular performance of the product; representatives of the company or department; various transactions like presentation of sales, delivery of products, repair service, after sale service, complaints handling; and post-purchase and pre-purchase relationships generated by a company with their customers.

**1.1.3 Retail Sector in Kenya**

The Retail Sector is comprised of establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. Retailing is the final step in the distribution of goods to consumers. In addition to retailing merchandise, some types of retailers engage in the provision of after-sales services, such as repair and installation. New machines and equipment
dealers, supermarkets, electronic and appliance stores and musical instrument stores are included among this group providing products and service. With over 40 million inhabitants, Kenya has a potentially big market in East Africa and is likely to experience faster growth in the modern retail sector as the economy continues its upward trend. In fact, Kenya's modern grocery retail sales are forecast to more than double by the end of the 2015 trading period thanks to the government's continued effort to improve the country's business environment. Even though the retail sector is dominated by traditional retail channels and independent supermarkets in the countryside, the development of modern grocery chains has taken root in urban areas.

From ancient times when barter was the only form of trade in existence as there was no exchange of money to make profit, trade has gone through a number of changes, both monetarily and technologically. If we include barter as a traditional form of trade and compare it with modern forms of trade such as buying and selling products on the internet, we find a host of differences between the two. Not getting to see the face of the shop owner, choosing product on one’s own and getting it billed electronically is another important difference between traditional and modern trades.

The retail sector in Kenya is dominated many small scale retailers. Traditionally, supermarkets are viewed as markets for rich consumers. For a long time, they were only found in large cities of the developed world and middle-income countries. However, urbanization and increasing incomes in the developing world, including the sub-Saharan Africa, have inevitably invited supermarkets into the region. Supermarkets have been spreading rapidly in the East African region since the early 2000s (Munyoki, 2010). The development of these supermarkets has taken place in three stages.
Nakumatt, Uchumi, Ukwala and Tuskys – the country’s biggest supermarkets in terms of branch network and shopping traffic – have in the past few years expanded generously in a tight race for shoppers that has wound up in areas initially dominated by traditional channels like shops, kiosks and small supermarkets in small towns. In Nairobi, the wars for market share have taken mainstream supermarkets from the usual commercial areas to residential places, where they are squaring off with newer and smaller entrants like Chandarana, Stagematt, Eastmatt and Naivas among others. With Kenya being the more affluent market in East Africa, its retail sector is more developed, but nearly hitting the slow lane, and the big players are looking beyond borders – exporting their wars to neighboring countries. Performance in the retail sector has relatively muted in the later part of the decade.

1.1.4 Major Supermarkets in Nairobi

The legal definition of ‘large’ supermarkets varies with by the country and the industry. In addition to the number of employees, other methods used to classify large companies include annual sales (turnover), value of assets and net profit (balance sheet), alone or in a mixed definition. Large businesses are usually dominant in their field of operation. In Nairobi, for example, the five major supermarkets in control up to 70% of the market share they include Nakumatt, Uchumi, Tuskys, Naivas and Ukwala.

The City Council of Nairobi 2014/15 License granting has categorized the various applicants based on the nature of the businesses they operate and the area they occupy, location of the business. The large and small supermarkets have been separated as the annual fee charged is different. The supermarkets have been
categorized as either small or large based on the area in which they occupy. The large
supermarkets occupy an area greater than five thousand square feet.

These large supermarkets in Nairobi operate in a competitive environment in which
the level of competition has been intensified from the small and upcoming
supermarkets as well as foreign supermarket chains. For example, along the Thika
Super Highway between Allsops and Kenyatta University a distance of about 3km
there are 3 branches of Nakumatt supermarkets,1 Naivas ,1 Uchumi not to mention
other smaller Supermarkets like Quick mart and Kass Kass located in Githurai. The
supermarkets try to locate themselves in areas with high population that has enabled
purchasing power to maximize on returns. They operate in very competitive
environment as seen above and usually lower prices on particular commodities from
time to time to attract as many customers as possible to enhance loyalty and market
share. In addition loyalty cards have been introduced where by each purchase is
rewarded by points which can be redeemed to cash at a later date.

1.2 Research Problem

Over the past two decades, the operating landscape has witnessed noticeable changes
due to macro- and micro-environmental forces. These changes range from
technological advancement and a saturated domestic market, increasingly demanding
and sophisticated consumers, as well as escalating competition. With these changes,
there is need for many of these firms to revamp their existing marketing strategies
(Watchravesringkan et al., 2010). One of these strategies is development and
safeguarding of one’s brand. The brand image of a company is very important like
products or services offered. Most of the business organisations consider a brand
image as a powerful asset for their success. A trusted and recognized brand identity
provides confidence for customers to use the products offered by that brand. Therefore, the successful organizations always work hard to build strong brand and represent it in a consistent and clear way (Egan, 2014). Indeed according to Kotler (2001), organisational success is a direct consequence of brand image and which is measured as a significant feature of current marketing strategy.

Competition among the key retailers such as Nakumatt, Tuskys, Naivas, Uchumi, Ukwala and other smaller supermarket chains is highly increasing to attract customers. Consequently, the supermarkets are adopting different strategies to capture high market share, enhance customer satisfaction level, customer loyalty as well as brand image in the competitive market. For the Kenyan supermarkets, the strength and marketing power of an institution’s brand is rapidly becoming one of the critical levers for differentiation and success. The supermarkets need to provide a consistent brand experience to prevent customers from switching to rival supermarkets. Hence, the field of supermarket service is now emphasizing the importance of customer-oriented marketing by establishing strategies which promote brand image among customers for enhancing the satisfaction and loyalty of customers as well as further promoting performance. Although supermarket brand image is becoming an increasingly important issue in the competitive retail chain industry few studies are available in this field. In this context, this topic of the Effects of Brand on Customer Satisfaction among the major supermarket in Kenya is to be undertaken.

Several studies have been carried out in respect to organizations branding strategy as well as its effect on customer satisfaction. Gronholdt (2003) researched on the relationship between customer satisfaction and loyalty cross-industry differences and found that brand image has a significant impact on customer satisfaction especially
across the E-banking, landline, mobile phone, bank and supermarket industries. Chang et al. (2005) researched on Store Image, Customer Satisfaction and Customer Loyalty Relationship in Taiwanese Hypermarket Industry and identified that store infrastructure, convenience, store service and sales activities as the four components of store image, and they all impact customer satisfaction directly. Chitty et al. (2007) researched on the application of the ECSI Model as a Predictor of Satisfaction and Loyalty for Backpacker Hostels and empirically proved the dominant role of brand image in predicting customer satisfaction in the hospitality industry. Moreover, the congruence between the brand image and customers’ self-image would enhance customer satisfaction and customers’ preference for the brand.

Locally, Kimani (2013) researched on factors influencing level of consumer satisfaction as a result of rebranding in the case of Kenya power – Nakuru. The findings demonstrate that innovative customers do not necessarily evaluate rebranding more positively than others. Brand equity and customer satisfaction after rebranding are positively related. Kagai (2014) undertook a research on the impact of business alliances as a competitive advantage on a company’s brand image and customer satisfaction: a case study of JKUAT. The research findings were that Kenya higher education industry doesn’t have organized systematic and scientific plans to recognize and meet customers’ needs and stop losing customers and to make lifetime patrons due to in effective brand management decision. Hence he suggested that impediments for marketing activities and finding proper and scientific based solutions seems to be essential for developing marketing in organizations especially for the higher education. Shibachi (2012) researched on corporate branding strategy and performance of Safaricom limited. The research findings were that corporate branding
strategy help in improving organization performance through creating the company and product awareness.

From the above studies, it is evident that though studies have strived to answer the question of branding and customer satisfaction, the same as not been looked from the point of local supermarkets and this research will seek to bridge the gap and answer the following research question: What is the effect of brand image on customer satisfaction in major supermarkets in Kenya?

**1.3 Research Objective**

The objective of the study was to determine the effect of brand image on customer satisfaction in major supermarkets in Kenya.

**1.4 Value of the Study**

The study will aid various stakeholders: the supermarket owners will obtain details on challenges facing the industry and the details of strategies to the challenges. In addition the study will provide the justification to the strategies adopted depending on the success obtained.

The policy makers will also obtain knowledge of the service industry dynamics and the appropriate strategies, they therefore will obtain guidance from this study in designing appropriate policies that will regulate the industry.

For academicians, this study will form the foundation upon which other related and replicated studies can be based on. Investors will gain an insight on the business and its strategic position within the environment, which can assist them in determining their viability of their investments.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

The objective of this study was to determine the effect of brand on customer satisfaction and loyalty of major supermarkets in Kenya. Therefore this chapter reviewed theoretical as well as empirical literature on corporate branding strategy and organization performance.

2.2 Theoretical foundation of the Study

The study shall base its theoretical foundation on the brand relationships theory and information integration theory.

2.2.1 Brand relationships Theory

This theory was advanced by Gummesson (2002) and pointed that that there exist relationships among human beings. Consequently, consumers define the brand relationship from their own individual perspectives and the brand relationship and relational value are very much personalized in the minds of consumers. Customers generate individual relationships based on their individual perception of brand value, brand meaning and their experiences. That is, customers seem to personally create the brand through their communications across multiple contexts (Lindberg-Repo, Kirsti, 2009).

Prior research has also explored the personal component of the relationship between a brand and its customers. Fournier (1998) examined the nature of relationships that customers have as well as want to have—with companies. Fournier views brand-relationship quality as multifaceted and consisting of six dimensions beyond loyalty.
or commitment along which consumer brand relationships vary: self-concept connection, commitment or nostalgic attachment, behavioral interdependence, love/passion, intimacy, and brand-partner quality.

She suggests the following typology of metaphors to represent common customer-brand relationships: arranged marriages, casual friends/buddies, marriages of convenience, committed partnerships, best friendships, compartmentalized friendships, kinships, rebounds/avoidance-driven relationships, childhood friendships, courtships, dependencies, flings, enmities, secret affairs, and enslavements. While this typology contains most positive relationships, it may overlook a range of possible negative (e.g., adversary) and neutral (e.g., trading partner) ones. Aaker et al. (2004) conducted a two-month longitudinal investigation of the development and evolution of relationships between consumers and brands. They found that two factors experiencing a transgression and the personality of the brand had a significant influence on developmental form and dynamics.

2.2.2 Information Integration Theory

Information integration theory describes the process by which stimuli are combined to form beliefs or attitudes (Anderson 1981). According to information integration theory, attitudes or beliefs are formed and modified as people receive, interpret, evaluate, and then integrate stimulus information with existing beliefs or attitudes. Moreover, the more salient or accessible a brand attitude, the more likely it is that the individual will access that attitude upon observing cues associated with the brand (Fazio, 1989) and will bias information processing in a direction implied by the valence of those attitudes (Fazio and Williams 1986; Houston and Fazio 1989).
Similarly, consumer researchers have long known that judgments of a product or service are influenced by the perceptual or evaluative characteristics of material in close proximity, which are generally referred to as context effects (Lynch, Chakravarti, and Mitra 2009), so that judgments about the brand alliance are likely to be affected by prior attitudes toward each brand, and subsequent judgments about each brand re likely to be affected by the context of the other brand. The brand alliance stimulus information, presented through advertising or by experiencing it directly, accesses related affect and beliefs about those brands and products that are stored in memory.

2.3 Branding Strategy

Several definitions have been advanced to explain the concept of branding strategy. According to Hsieh, Pan, and Setiono (2006), a successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand. Thus, a company or its product/services which constantly holds a favorable image by the public, would definitely gain a better position in the market, sustainable competitive advantage, and increase market share or performance. In addition, Koo, (2003) point that a favorable brand image will lead to loyalty, brand equity, purchase behavior and brand performance. On his part, Reynolds (2005) noted that an image is the mental construct developed by the consumer on the basis of a few selected impressions among the flood of the total impressions; it comes into being through a creative process in which these selected impressions are elaborated, embellished, and ordered.
In an organization, image can generate value in terms of helping a customer to process information, differentiate the brand, generating reasons to buy, give positive feelings, and providing a basis for extensions. Investing in branding is considered to offer such a company major competitive advantage. Brand names or brand equity are often considered to be important resources which the firm possesses. Therefore, creating and maintaining image of the brand is an important part of a firm's marketing program and branding strategy (Keller, 2003). Consequently, it is important to understand the development of image formation and its consequences such as satisfaction and loyalty.

Research indicates that customers brand loyalty brings with it benefits such as greater sales, increased profitability, a customer base that is less sensitive to the marketing efforts of competitors, and substantial barriers to entry. Loyalty is often understood as consisting of both a behavioral and an attitudinal dimension (Dick and Basu, 2014), and thus refers to a deeply held dispositional commitment, which induces users to resist situational influences and marketing efforts that might have the potential to cause brands witching behaviors. Brand image is a composite of perceived quality and esteem dimensions that a customer holds and therefore reflecting a customer’s overall impression.

A positive brand image can be considered as a crucial ability of a corporation to hold its market position (Wetzels et al., 2009). A brand image of a supermarket, for example, is not absolute; it is relative to brand images of competing supermarkets. The customers often form a brand image of a supermarket from their own banking experience. Furthermore, supermarket brand image possesses a strategic function. Through strategic marketing activities, the brand image of a supermarket can be used
to help it improve its competitive position. Thus, a favourable supermarket brand image helps strengthen the intentions customers have for selecting the supermarket chain.

Supermarkets brand differentiates in particular from other competitors and stimulates stores segmentation and positioning (Ray, 2009). Shopping is not only functional need fulfillment; it also makes customer to feel good (Ray, 2009). Over time customer creates favorable attitude towards particular supermarket based on stores unique affective surroundings, if person has a positive emotional experience. Thus supermarket store loyalty is a store image function (Wan and Schell, 2013). If the customer likes the supermarkets image, he/ she is likely to develop loyalty to it. Customers tend to visit those supermarkets whose image is similar to customers own image. Supermarkets image reflects on its personality image as stereotypes in customer's mind, such as high status of low status supermarket, traditional or modern supermarket, friendly or formal. There are also functional supermarkets images, which refers to tangible characteristics exhibited by the respective supermarkets, such as clean or dirty supermarket, quiet or noisy one (Wan and Schell, 2013).

Hsieh, Pan, and Setiono (2006) noted that brand image benefits include Functional brand image, which is usually designed to meet the external needs of consumers. In other words products and services offered by the supermarkets to satisfy the functional needs of customers and resolve related consumer problems refer to perceptions of tangible images such as building facilities and environmental resources; symbolic brand image, which is usually designed to connect individuals with specific population, roles or self-image. In other words, supermarkets brand image that can satisfy the internal needs of consumers to increase their self-worth,
social role and status, integration with a social group and self-identity comprises perceptions of social reputation and staff characteristics; and experiential brand image, which is usually designed to satisfy consumer need for stimulus and diversity.

2.4 Customer Satisfaction

Customer satisfaction is a general psychological state which is about the expectation for emotions and experience from shopping behaviour (Oliver, 2003). Similarly, Andreassen and Lindestad (2004) pointed that customer satisfaction is the accumulated experience of a customer’s purchase and consumption experiences. In a supermarket context therefore, a client satisfaction is measured through overall satisfaction toward the services. Yi (2000) mentioned that customer’s satisfaction is influenced experiences and expectations with service performance. Thus, satisfaction is similar to an attitude, as it can be assessed as the sum of the satisfactions with the various attributes of the product or service. This therefore means that customer satisfaction is expectation before purchase and perception about performance after purchase. In the service environment, customer satisfaction has been seen as a special form of customer attitude. It is a phenomenon of post-purchase reflection on how much the customer likes or dislikes the service after experiencing it, and it can be treated as a fulfillment of consumptive goals as experienced and described by customers (Oliver, 2003).

Different companies adopt different mechanism to measure customer satisfaction. According to Cacioppo (2010), assessment of customer satisfaction is one of the key mechanisms for successful organizations in the current economy in the world. Measurement of customer satisfaction can help to hold existing customer and may provide directions about how to attract new customers from the competitive business
environment. As mentioned by Dick and Basu (2014), measurement of customer satisfaction and understanding the extent may help organizations to improve their customer services. It is argued that a satisfied customer certainly recommend the product or service to their relatives and friends. It is therefore, the marketing strategies should be focused on increasing customer satisfaction level. According to Ray (2009), satisfaction of customer is their evaluation after purchasing the products or services as it meets or exceeds their expectations. Nevertheless, customer satisfaction cannot be bounded into after purchase evaluation but it could be their overall experiences of purchasing and consuming experiences.

Cacioppo (2010) noted that retail customer satisfaction is determined by customer service, brand variety, store environment, convenient location and shopping convenience. Retail customer satisfaction depends on location, product quality, reliability, and process and personnel services. Wan and Schell (2013) pointed out that customer satisfaction resulted from the measurement of products and service according to the customer's previous experiences as well as the overall evaluation on the consuming experience. They indicated that an enterprise providing a good service quality could really satisfy the diverse needs of customers, and customer satisfaction was the overall evaluation of the product and the service based on the customer's past experiences. Ray (2009) mentioned that customer satisfaction was the result of the customer purchase and the use of service. When the customer showed better satisfaction with the service quality, it indicated that the customer felt satisfied, and vice versa. Kapferer (2011) noted that there were many dimensions in measuring customer satisfaction, including price of goods, service efficiency, attendant attitude, overall performance of the company, and the closeness to the ideal company.
2.5 Effect of brand image on customer satisfaction

In the branding literature, there is a general view that a favourable brand image has a positive impact on customer satisfaction. Davies et al. (2003) suggested that brand image correlates with customer satisfaction. Brand image has been recognized as an important antecedent of customer satisfaction. Hence, a positive supermarket brand image will tend to generate high customer satisfaction in the outlet. Kandampully, and Suhartanto (2010) posit that corporate image is positively associated to customer loyalty. In addition, they added that customer satisfaction and corporate image with the organizational performance significantly illustrate the variance of customer loyalty. Da Silva and Alwi (2006) noted that if the customers are satisfied with the services or products offered by a brand then they have more willingness to recommend the services or products to others; have less probability to switch other brands, and more likely to repurchase from the same brand.

Brand image has a significant impact on customer satisfaction especially across the E-banking, landline, mobile phone, bank and supermarket industries. Kapferer (2011) identified store infrastructure, convenience, store service and sales activities as the four components of store image, and they all impact customer satisfaction directly. Palacio, Meneses, & Perez, (2012) also empirically proved the dominant role of brand image in predicting customer satisfaction in the hospitality industry. Moreover, the congruence between the brand image and customers’ self-image would enhance customer satisfaction and customers’ preference for the brand. Furthermore, the strategic importance of customer satisfaction for organizations is even more highlighted. In a competitive marketplace where businesses compete for customers like in the service industry; customer satisfaction is seen as a key differentiator and
increasingly has become a key element of business strategy. It is essential for companies to effectively manage customer satisfaction.

Pimentel and Heckler (2013) found that brand image has an indirect influence on loyalty via customer satisfaction. Moreover, brand image could have both direct and indirect effects on loyalty. Nevertheless, brand image can be certainly viewed as a predictor of customer loyalty. Thus, in the service industry context, a positive brand image appears to stimulate customer loyalty. It is accepted that positive brand image contributes to enhance customer loyalty and also, customer loyalty has great roles in building strong brand image of a company. Brand image therefore is essential for companies to gain lifetime customer loyalty which leads to gear up organizational efficiency. Blamer (2011) considers that the reputation of a company is associated with organizational values, purpose and visions which can be expected as wider influences. The reputations connected with the name of company may act as the umbrella brand for the range of services or products categories, whereas the brand image is specific to the certain category of products. Therefore, the reputation could lead customer loyalty because of trust that a customer can get through public relation.
2.6 Summary of Literature Review

As evidenced in the literature reviewed most researchers have strived to answer the question of branding and customer satisfaction, but the same as not been looked from the perspective of local supermarkets in Nairobi County.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used to carry out the study. The chapter describes the proposed research design, the target population, sampling, data collection instruments and data analysis.

3.2 Research Design

The research design was a descriptive survey of the large supermarkets operating in Nairobi. The research design allowed for contact with otherwise inaccessible participants. It has been observed that a survey is feasible when the population is small and variable. When all items of the population are covered, no element of chance is left and highest accuracy is obtained. Cooper and Emory (1985) contend that surveys are more efficient and economical than observations.

3.3 Population of the Study

The population of the study was customers visiting the large supermarkets operating in Nairobi (Appendix I). According to the City Council of Nairobi licensing data for 2014, large supermarket is one defined to occupy between 1,000 to 5,000 square feet. Based on the same information, there are 15 large supermarkets as at 31.12.2014. Since all the supermarkets will be covered by the study, a census was carried out.
3.4 Sampling

Sampling is the act, process, or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population (Salant and Dillman, 2010). The study followed convenience sampling technique which is a non-probability sampling method because of nature of current study and other constraints of the researcher such as limited time frame and limited resources. The participants were selected on the basis of their availability and their interest. In every store, the respondents were picked from the exit corner of the store according to their availability and interest. A sample of 150 customers was chosen randomly from the fifteen large supermarkets in Nairobi.

3.5 Data Collection

The study used primary data that was collected through self-administered questionnaires. Structured questionnaire consisting of both open ended and closed ended questions designed to elicit specific responses for qualitative and quantitative analysis respectively will be used. This tool was used because it is a strong method to gather the attitudes and opinions of the respondents in an economic way.

The questionnaire was divided into three sections. Section one was designed to obtain general information on person and organization profile, section two consisted of questions regarding the factors influencing brand loyalty in the supermarket customers, while section three consisted of questions on the role of brand performance in the customer satisfaction and loyalty. The questionnaire was administered through “drop and pick later” method. The respondents of the study
were expected to give an insight into how brand loyalty affects the level of customer satisfaction.

3.6 Data Analysis

The data was analyzed by the use of descriptive statistics to summarize and relate variables that were collected from the administered questionnaires. The data was classified, tabulated and summarized using descriptive measures, mean, percentages and frequency distribution tables while tables and graphs were used for presentation of findings. However, before final analysis was performed, data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated. The regression analysis was used to assess the effects of brand image and customer satisfaction as well as effects of brand image on customer loyalty.

3.7 Summary

The research design adopted was a descriptive survey of the large supermarkets operating in Nairobi. This research method enabled contact with otherwise inaccessible participants of the population. It has been observed that a survey is feasible when the population is small and variable. The data was subsequently analyzed for completeness and accuracy and tested for validity.
CHAPTER FOUR
DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to establish the impact of brand image on customer satisfaction in major supermarkets in Kenya. This chapter presents the analysis, findings and discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations. A total of 150 questionnaires were issued out and only 123 were returned. This represented a response rate of 82%.

4.2 Demographic Profile

The demographic information considered in the study was respondents’ gender, age bracket, level of education and the duration of shopping in the supermarket.

4.2.1 Respondents’ Gender

The respondents were asked to indicate their gender in order to ensure that the results obtained captures the views of both gender. The results were presented in figure 4.1.

Figure 4.1: Respondents’ Gender
The results indicate that 57.7% of the respondents were female while 42.3% of the respondents were male. The findings indicate that the male and female difference was not significant and therefore this implies that the study was not influenced by gender imbalance.

4.2.2 Respondents age bracket

The respondents were asked to indicate their age bracket. This was important for the study in order to determine the proportion of clients that that shop in the supermarket. The results are presented in table 4.1.

**Table 4.1: Respondents age bracket**

<table>
<thead>
<tr>
<th>Years</th>
<th>Percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>35.0</td>
<td>35.0</td>
</tr>
<tr>
<td>31-40</td>
<td>31.7</td>
<td>66.7</td>
</tr>
<tr>
<td>41-50</td>
<td>25.2</td>
<td>91.9</td>
</tr>
<tr>
<td>Over 50</td>
<td>8.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The findings indicate that 35% of the respondents were less than 30 years, 31.7% of the respondents indicated that their age bracket was 31 to 40 years, 25.2% of the respondents said that their age was between 41 and 50 years while 8.1% of the respondents age bracket was over 50 years. Majority of the respondents were below 40 years and therefore image of the supermarket has an influence on their shopping.
4.2.3 Respondents’ level of education

The respondents were requested to indicate the highest level of education attained. The level of education was important as it enabled the respondents to answer the questions appropriately on the influence of the supermarket brand in their shopping. The results were presented in table 4.2.

Table 4.2: Respondents’ level of education

<table>
<thead>
<tr>
<th>Years</th>
<th>Percent</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postgraduate</td>
<td>18.7</td>
<td>18.7</td>
</tr>
<tr>
<td>University</td>
<td>54.5</td>
<td>73.2</td>
</tr>
<tr>
<td>Tertiary</td>
<td>19.5</td>
<td>92.7</td>
</tr>
<tr>
<td>Secondary</td>
<td>7.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results on the level of education indicates that 54.5% of the respondents have attained university level, 19.5% of the respondents said that tertiary level was their highest level of education, 18.7% of the respondents indicated that they have postgraduate level of education while 7.3% of the respondents said that they have attained secondary level. The results indicate that majority of the respondents have attained university level of education and therefore they have knowledge on the role that organization image plays in the competitive service business environment.
4.2.4 Length of Continuous Shopping

The respondents were requested to indicate the duration they have been shopping in the supermarket. This was important for the study in order to determine customers’ loyalty to the supermarket. The results were presented in figure 4.2.

![Figure 4.2: Length of Continuous Shopping](image)

Figure 4.2: Length of Continuous Shopping

The results in figure 4.2 shows that 53.7% of the respondents have been shopping in the supermarket for a period of less than 5 years, 25.2% of the respondents indicated that they have been shopping in the supermarket for over 10 years while 21.1% of the respondents said that they have been shopping in the supermarket between 5 and 10 years. The results show that the respondents have been shopping in the supermarkets for a different period of time and this can be attributed to the change in living standards, patronizing and satisfaction with the services offered by the supermarket.

4.3 Supermarkets Brand Image

Successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand.
The study sought to establish from the respondents the impact of brand image on customer satisfaction in major supermarkets in Kenya in a five point Likert scale. The range was ‘strongly disagree (1)’ to ‘strongly agree’ (5). The scores of respondents’ disagreement represent a variable which had a mean score of below 3.0 while the scores of above 3.0 represent respondents’ agreement with the influence of brand image. A standard deviation of >0.9 implies a significant difference on the impact of the variable among respondents.

4.3.1 Supermarket Brand Image

The respondents were requested to indicate the extent to which they were in agreement with the brand image of the supermarket. This was important for the study in order to determine the influence of brand image on customers visit to the supermarket.

Table 4.3: Supermarket Brand Image

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The supermarket makes me feel good</td>
<td>3.6285</td>
<td>.6443</td>
</tr>
<tr>
<td>The supermarket makes me feel delighted</td>
<td>3.3683</td>
<td>.5877</td>
</tr>
<tr>
<td>The supermarket increases my frequency of visit</td>
<td>3.7423</td>
<td>.7480</td>
</tr>
<tr>
<td>The visit to the supermarket gives me pleasure</td>
<td>3.2707</td>
<td>.8268</td>
</tr>
<tr>
<td>Visiting the supermarket prevents me from looking cheap</td>
<td>3.1488</td>
<td>1.1512</td>
</tr>
<tr>
<td>Supermarket brand enhances the perceptions that I have a desirable lifestyle</td>
<td>3.8642</td>
<td>.7583</td>
</tr>
<tr>
<td>Supermarket brand helps me to better fit into my social group</td>
<td>3.5472</td>
<td>.9598</td>
</tr>
<tr>
<td>Supermarket brand improves the way I am perceived by others</td>
<td>3.3927</td>
<td>1.0059</td>
</tr>
<tr>
<td>Supermarket brand performs as it promises</td>
<td>3.7179</td>
<td>.8732</td>
</tr>
<tr>
<td>Supermarket brand makes me beautiful</td>
<td>3.1358</td>
<td>1.2069</td>
</tr>
<tr>
<td>Supermarket brand can be dependable for use</td>
<td>4.1244</td>
<td>.8043</td>
</tr>
<tr>
<td>Supermarket brand provides solution to my expectations</td>
<td>3.7829</td>
<td>.8426</td>
</tr>
<tr>
<td>Supermarket brand makes a good impression of me on other people</td>
<td>3.5959</td>
<td>1.0112</td>
</tr>
<tr>
<td>Supermarket brand is effective to my needs than other brands</td>
<td>3.8748</td>
<td>.8247</td>
</tr>
<tr>
<td><strong>Mean score</strong></td>
<td><strong>3.5862</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>
The findings presented in Table 4.3 show that supermarket brand can be dependable for use (mean = 4.1244); effective to customer needs than other brands (mean = 3.8748); enhances perceptions that customers have a desirable lifestyle (mean = 3.8642); provides solution to customers’ expectations (mean = 3.7829); increases customers frequency of visit (mean = 3.7423) and that the brand performs as it promises (mean = 3.7179).

The respondents further noted that the supermarkets makes customers feel good (mean = 3.6285); makes a good impression of customers on other people (mean = 3.5959); helps customers better fit into their social group (mean = 3.5472); improves the way customers are perceived by others (mean = 3.3927); makes customers feel delighted (mean = 3.3683); gives customers pleasure as they visit the supermarket (mean = 3.2707); prevents customers from looking cheap (mean = 3.1488) and that supermarket brand makes customers beautiful (mean = 3.1358). From the results, it can be concluded that supermarket brand influences the shopping of the customers as it enhances their perception, impression on other people and fit into social group.

4.3.2 Customer Satisfaction

Customer satisfaction is derived from the overall satisfaction towards the services offered by the supermarket. The respondents were requested to indicate their satisfaction with the supermarket services.
### Table 4.4: Customer Satisfaction

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The supermarket has all products required by customers</td>
<td>3.9943</td>
<td>.8078</td>
</tr>
<tr>
<td>The supermarket has short wait time to cash registers</td>
<td>3.6041</td>
<td>.8334</td>
</tr>
<tr>
<td>In the supermarket, sales assistants are helpful in navigating store aisles and selecting complementary items</td>
<td>3.5715</td>
<td>.7050</td>
</tr>
<tr>
<td>The supermarket provides timely and accurate information to customers</td>
<td>3.7992</td>
<td>.6520</td>
</tr>
<tr>
<td>The supermarket solves customers’ problems quickly</td>
<td>3.4496</td>
<td>.8394</td>
</tr>
<tr>
<td>The supermarket accepts returns and exchanges</td>
<td>3.5309</td>
<td>.81060</td>
</tr>
<tr>
<td>The supermarket layout enables customer orientation and product identification thus reducing shopper’s search time</td>
<td>4.0512</td>
<td>.7558</td>
</tr>
<tr>
<td>The products in the supermarket are of good quality</td>
<td>3.9618</td>
<td>.8230</td>
</tr>
<tr>
<td>All products in the supermarket are fresh</td>
<td>3.5553</td>
<td>1.0500</td>
</tr>
<tr>
<td>The supermarket has loyalty programs</td>
<td>4.1407</td>
<td>.7724</td>
</tr>
<tr>
<td>The supermarket is located in convenient location</td>
<td>4.3114</td>
<td>.8123</td>
</tr>
<tr>
<td>The prices of products in the supermarket is reasonable, which makes me very satisfied</td>
<td>4.1976</td>
<td>.8239</td>
</tr>
<tr>
<td><strong>Mean</strong></td>
<td><strong>3.8473</strong></td>
<td></td>
</tr>
</tbody>
</table>

The results indicate that the customers were satisfied with the location of supermarkets (mean = 4.3114); prices of products being reasonable which makes customers satisfied (mean = 4.1976); loyalty programs (mean = 4.1407); supermarket layout which result in customer orientation and product identification thus reducing shopper’s search time (mean = 4.0512); availability of all products in the supermarket required by customers (mean = 3.9943); products being of quality (mean = 3.9618); provision of timely and accurate information to customers (mean = 3.7992); short waiting time to cash registers (mean = 3.6041);

The study further established that the sales assistants were helpful in navigating store aisles and selecting complementary items (mean = 3.5715); fresh products (3.5553); supermarket accepting returns and exchanges (mean = 3.5309) and that the
supermarket solve customers’ problems quickly (mean = 3.4496). From the results it can be concluded that the customers were satisfied with the prices, location, layout, product quality and shorter time to cash registers.

4.4 Impact of Brand Image on Customer Satisfaction

The effect of brand image benefits on customer satisfaction is assessed through regression analysis in which the overall brand image benefit is predictor variable and overall customer satisfaction is dependent variable. The following Table 4.5, Table 4.6 and Table 4.7 respectively show the model summary, ANOVA and coefficients of regression.

Table 4.5: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.880a</td>
<td>.775</td>
<td>.773</td>
<td>.25175</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Brand Image

The above model summary shows that coefficient of determination ‘R Square’ indicates 77.3% of validity in customer satisfaction due to brand image in the supermarkets.

Table 4.6: ANOVA Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>25.740</td>
<td>1</td>
<td>25.740</td>
<td>406.137</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>7.479</td>
<td>121</td>
<td>.063</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33.219</td>
<td>122</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer Satisfaction
b. Dependent Variable: Brand Image
From the above analysis of variance the results show a fit between the hypothesized model and the obtained data ($F=406.137$, $P=0.000$).

**Table 4.7: Regression Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.958</td>
<td>.159</td>
<td></td>
<td>-6.014</td>
</tr>
<tr>
<td>Brand Image</td>
<td>.774</td>
<td>.038</td>
<td>0.880</td>
<td>20.153</td>
</tr>
</tbody>
</table>

a. Dependent Variable: gender

Table 4.7 shows the coefficients of regression. Unstandardized coefficient B tells the intercept and coefficient for every predictor variable. The sig. (P-value) indicates the measure of likelihood that the different in outcome occurred by chance.

In the above regression model, we see that overall brand image has significant effects on customer satisfaction where $P = 0.000$ which less than 0.05. The effects of overall brand image show 0.774 point changes in the management of brand image for each point change in customer satisfaction. Thus, the regression analysis indicates that overall brand image has significant effects ($P = 0.000$ and $\beta = 0.880$) on customer satisfaction.

**4.5 Discussion**

In the current competitive business environment, the brand image of the supermarket is very important like products or services offered. The supermarkets have to consider brand image in order to differentiate themselves and be competitive. A trusted and recognized brand identity provides confidence for customers to use the products offered by that brand. Therefore, the successful supermarkets always work hard to build strong brand and represent it in a consistent and clear way. Hsieh, Pan, and
Setiono (2006) notes that a successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand. Thus, a company or its product/services which constantly holds a favorable image by the public, would definitely gain a better position in the market, sustainable competitive advantage, and increase market share or performance. This was found to be consistent with the findings of the study which established that the supermarkets brand image was dependable for use, enhances perceptions that customers have a desirable lifestyle, effective to customer needs than other brands, provides solution to customers expectations, increases customers frequency of visit, performs as it promises, makes a good impression of customers on other people, helps customers better fit into their social group and improves the way customers are perceived by others.

Building a reputed brand image and attracting new customers remains a complicated task for the marketing managers in any supermarket. Nevertheless, the supermarkets should also focus on customer retention with profitable long-term relationships. The foundation of customer retention is higher level of their satisfaction towards the products and services which they received as well as higher value by customers. Because of high competitions and other environmental issues, customer satisfaction has become a fundamental marketing strategy for the supermarkets. Cacioppo (2010) noted that retail customer satisfaction is determined by customer service, brand variety, store environment, convenient location and shopping convenience. Retail customer satisfaction depends on location, product quality, reliability, and process and personnel services.
According to Vavra (2002), customers can obtain satisfaction from overall service or product; particular performance of the product; representatives of the company or department; various transactions like presentation of sales, delivery of products, repair service, after sale service, complaints handling; and post-purchase and pre-purchase relationships generated by a company with their customers. This was found to be consistent with the findings of the study which established that customers were satisfied with the reasonable prices, location, availability of products, provision of timely and accurate information to customers, product availability, fresh products, loyalty programs, layout, product quality and shorter time to cash registers.

This study examined the effects of brand image on customer satisfaction of major supermarkets. The regression analysis between overall brand image and overall customer satisfaction is 0.880, which is also highly positive and significant at the 0.01 level. This indicates that brand image and customer satisfaction has significant positive relationships. This means that the enhancement of one variable has direct influence for the enhancement of other variable. This result is consistent with the results obtained by Hess and Story (2006), they asserted that the reputable brand image enables the customers to distinguish their needs that the brand fulfils and it differentiates the company from others and enhances the customer performance over the brand. Similarly, this outcome is also consistent with the results by Dick and Basu (2004), they found that the success of brand could generate customers’ awareness regarding dignity of the brand which helps to enhance their satisfaction from the purchase of particular brand and so optimize the profitability of the company due to their purchase of products and services from the company.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter gives the summary of the findings, conclusions, recommendations, limitations of the study and suggestions for further research.

5.2 Summary of Findings
The study found out that majority of the respondents were below 40 years and therefore image of the supermarket has an influence on their shopping and satisfaction. The study found out that the respondents have attained university level of education and therefore they have knowledge on the role that organization image plays in the competitive service business environment. The results show that the respondents have been shopping in the supermarkets for a different period of time and this can be attributed to the change in living standards, patronizing and satisfaction with the services offered by the supermarket.

In order to attract new customers and retain the existing customers, the brand image is very important for the supermarkets because of the fact that the customers always seek for branded products or services. The supermarkets brand image was being utilized as it enhances perceptions that customers have a desirable lifestyle, effective to customer needs than other brands, provides solution to customers expectations, increases customers frequency of visit, performs as it promises, makes a good impression of customers on other people, helps customers better fit into their social group and improves the way customers are perceived by others. The brand image
should be managed carefully because it is an important asset for the supermarkets in order to create values for the shareholders and other associated groups.

The pursuit of satisfying customers is considered as one of the most critical objectives undertaken by the companies. Moreover, customer satisfaction is an investment which is essential due to the fact that the process of customer satisfaction often don’t generate outcomes in very short-term. Customer satisfaction was achieved by the customers in the supermarkets through reasonable prices, location, availability of products, provision of timely and accurate information to customers, product availability, fresh products, loyalty programs, layout, product quality and shorter time to cash registers. The regression analysis between overall brand image and overall customer satisfaction is 0.880, which is also highly positive and significant at the 0.01 level. This indicates that brand image and customer satisfaction has significant positive relationships. This means that the enhancement of one variable has direct influence for the enhancement of other variable. It is therefore, overall brand image has significant positive effects on customer satisfaction.

5.3 Conclusions

In modern competition environment, as consequences of the efforts made to survive and to create an image on consumers’ minds, brand image is established successfully and is increased as a result of customer satisfaction. Now, the retail businesses understand the significance of how they are perceived by their target audiences. Like in any other sector, facilitating competitive edge, establishing corporate image, creating customer satisfaction and increasing brand loyalty is essential for long term profitability. Even though the works that are realized for increasing corporate image and customer satisfaction are initially deemed as expenditure, owing to the loyal
customers, there will be a decrease in the advertisement costs of the supermarket. Also, increase in loyal customers will enable more flexibility in the price adjustments of the supermarkets products. Even more, new customers will be attained by word of mouth and customers' suggestions. All these endeavors are strategies that are hard to imitate by the competition. This will enable corporation to acquire competitive advantages, compared to their competitors and to improve their successes.

From the findings, the study concluded that customer satisfaction is important in maintaining customers, particularly those in service industry. For customer satisfaction, supermarkets should understand customer-specific needs, provide good quality products, and have the capacity to address customer complaints or problems in a friendly manner. Perceived good product performance is a key driver of brand image and also significantly influences customer satisfaction. Knowing how to create customer satisfaction will also provide benefit for consumers. Based on marketing conception, knowing the needs and requirements of the consumers and creating benefits to respond them is the basis for being customer oriented. Indeed, being customer oriented is also one of the most effective ways to create difference among competitors.

5.4 Limitations of the Study

The main limitation of this study is that the supermarkets are spread all over the country but only major supermarkets have been taken into consideration. For collecting data from all over the country, a large amount of financial resources and huge time are required. The findings of the current study may be applicable only to the retailers (major markets). Another limitation is that responses could be biased
because the research is conducted in open market place where respondents’ answers can be influenced by numerous variables such as mood, feelings and so on.

Another limitation is that the study was based on a small sample of supermarket customers who were in the supermarket shopping at the time of data collection. Researchers can obtain better results of this study by using other tools and statistical methods.

5.5 Recommendations

From the findings and conclusions this study recommends that customer satisfaction strategies should be implemented to attract, retain and improve customer loyalty. This would improve supermarket performance. Management need to have a thorough understanding of customer beliefs, behaviors, product or service attributes and competitors.

The study has shown the importance of brand image benefits on satisfaction. The identification of brand image benefits of the branded product will help practitioners to establish effective marketing strategies. It is very important to understand brand image dimension judgments from customers' point of view, and whether these image dimensions are parallel to their perceptions, expectations, needs and goals. Knowing this, may assist managers to develop a marketing strategy based on consumers' perceptions and meanings of the product.

The study established that the customers were satisfied with the supermarkets. It is recommended that it is important for supermarkets to measure customers' satisfaction in order to analyze their product or service image performance and whether their
satisfied customers are willing to recommend their branded product to others as well as having the intention to purchase their product/services in the future.

Finally, in order to create a successful brand, marketing managers should be more devoted on building brand image and customers' satisfaction as part of their branding strategy. By maintaining and strengthening the brand images and values, it will hopefully position the brand positively in the minds of consumers. Therefore, there is a need to understand the important roles of brand image and brand satisfaction in order to enhance their brand appeal.

5.6 Suggestion for Further Research

The study was on the impact of brand image on customer satisfaction in major supermarkets in Kenya. This study should be undertaken on other sectors such as the banking industry, telecommunication industry and the hospitality industry which has in the recent past witnessed high competition.
REFERENCES


Kimani, Purity M. Factors Influencing Level Of Consumer Satisfaction As A Result Of Rebranding: A Case Study Of Kenya Power-Nakuru, Unpublished MBA Project, University of Nairobi


APPENDICES

APPENDIX I: QUESTIONNAIRE

Please give answers in the spaces provided and tick (√) in the box that matches your response to the questions on the impact of brand on customer satisfaction and loyalty intention of major supermarkets in Kenya.

Section A: Demographic Characteristics of Respondents

1. Name of the supermarket (Optional)………………………………………………

2. What is your gender?

   Male ( )   Female ( )

3. What is your age bracket? (Tick as applicable)

   a) Under 30 years ( )
   b) 31 – 40 years ( )
   c) 41 – 50 years ( )
   d) Over 50 years ( )

4. What is your highest level of education qualification?

   a) Post graduate level ( )
   b) University ( )
   c) Tertiary College ( )
   d) Secondary ( )

5. Length of continuous shopping in the supermarket?

   a) Less than five years ( )
   b) 5-10 years ( )
   c) Over 10 years ( )
Section B:

6. To what extent do you agree with the following regarding brand image of the supermarket? Use 1- Strongly disagree, 2-Disagree, 3-Moderate extent, 4- Agree, 5- Strongly disagree.

<table>
<thead>
<tr>
<th>Brand Image</th>
<th>1</th>
<th>2</th>
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<th>5</th>
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</thead>
<tbody>
<tr>
<td>The supermarket makes me feel good</td>
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<tr>
<td>The supermarket makes me feel delighted</td>
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<td>The supermarket increases my frequency of visit</td>
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<td>The visit to the supermarket gives me pleasure</td>
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<td>Visiting the supermarket prevents me from looking cheap</td>
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<tr>
<td>Supermarket brand enhances the perceptions that I have a desirable lifestyle</td>
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<tr>
<td>Supermarket brand helps me to better fit into my social group</td>
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<td>Supermarket brand improves the way I am perceived by others</td>
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<td>Supermarket brand performs as it promises</td>
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<td>Supermarket brand makes me beautiful</td>
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<td>Supermarket brand can be dependable for use</td>
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<td>Supermarket brand provides solution to my expectations</td>
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<td>Supermarket brand makes a good impression of me on other people</td>
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<td>Supermarket brand is effective to my needs than other brands</td>
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</tbody>
</table>
To what extent are you satisfied with the following statements regarding the supermarket? Use 1- Strongly dissatisfied, 2-Dissatisfied, 3-Moderate extent, 4-Satisfied, 5- Strongly Satisfied.

<table>
<thead>
<tr>
<th>Customer satisfaction</th>
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</thead>
<tbody>
<tr>
<td>The supermarket has all products required by customers</td>
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<tr>
<td>The supermarket has short wait time to cash registers</td>
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<td>In the supermarket, sales assistants are helpful in navigating store aisles and selecting complementary items</td>
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<td>The supermarket provide timely and accurate information to customers</td>
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<td>The supermarket solve customers’ problems quickly</td>
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<td>The supermarket accepts returns and exchanges</td>
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<td>The supermarket layout enables customer orientation and product identification thus reducing shopper’s search time</td>
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<td>The products in the supermarket are of good quality</td>
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<td>All products in the supermarket are fresh</td>
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<td>The supermarket has loyalty programs</td>
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<td>The supermarket is located in convenient location</td>
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<td>The prices of products in the supermarket is reasonable, which makes me very satisfied</td>
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</table>
APPENDIX II: LIST OF LARGE SUPERMARKETS IN NAIROBI

1) Chandarana Supermarkets
2) Cleanshelf Supermarkets
3) Eastmatt Supermarkets
4) G-Mart Supermarkets
5) Jaharis Supermarkets
6) Kassmart Supermarkets
7) Naivas Limited
8) Nakumatt
9) Quickmart Supermarkets
10) Rikana Supermarkets
11) Tumaini Supermarkets
12) Tuskys
13) Uchumi Supermarkets
14) Ukwala Supermarkets
15) Karrymatt Supermarkets