DETERMINANT OF CUSTOMER SATISFACTION IN
ORGANIZATIONS

(KENYA POWER, NYERI TOWN)

ROSE W. KAMAU

D53/NYI/PT/24283/2011

A RESEARCH PROJECT SUBMITTED TO KENYATTA
UNIVERSITY IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF A DEGREE IN MASTER
OF BUSINESS ADMINISTRATION

(MARKETING OPTION)

DECEMBER, 2013

KENYATTA UNIVERSITY LIBRARY

KERICHU CAMPUS
DECLARATION

This research is my original work and has not been presented in any other institution of learning for academic purposes or for examination

Signed: ___________________________ Date: __3/1/14__________________

Rose Wairimu Kamau

Admin No.D53/NYI/PT/24283/2011

This research project has been submitted for examination with my approval as the university candidate supervisor.

Signed: ___________________________ Date: __3/1/14__________________

Anne W. Muchemi

Lecturer: Department of Business Administration

School of Business

Kenyatta University

This research project has been submitted for examination with my approval as the Chairman of the Department.

Signed: ___________________________ Date: __3/1/14__________________

Dr. S. M. Muathe

School of Business

Kenyatta University
DEDICATION

I dedicate this Research to my beloved family who has persistently prayed for me and their unfailing and unconditional love towards me in all my years of career development. I also dedicate it to all who strive to acquire knowledge.
ACKNOWLEDGEMENTS

To God be the glory and honor. I am indeed indebted to the Almighty for the divine enablement. In my weakest point you proved your strength, when I was down your grace was sufficient. I sincerely thank my supervisor Anne Muchemi for her guidance and unwavering support in every aspect during my research writing. She sacrificed her time and availed herself for discussion and guidance. She was patient with me and gave positive criticism. I thank my lecturers who build confidence in me and shared their wealth of thought. My dear classmates, I cannot forget your moral support and teamwork. Keep the spirit burning!
ABSTRACT

Quality customer service is something that a person in customer service strives for. It is the kind of customer service that makes everyone happy, such as service with a smile. Customer satisfaction has become the key drive of competitive marketing strategies geared towards customer satisfaction in order to survive. Customer satisfaction has become the key drive of competitive companies around the globe. This study was undertaken to investigate determinants of customer satisfaction. The context of the study was Kenya Power, Nyeri town. The study employed a case study research design so as to carry out an in depth study of the organization in order to come up with the relevant data for analysis. This method was the best suited to systematically give an exhaustive analysis of the situation. The study’s purpose was to investigate the determinants of satisfaction on services rendered by Kenya Power. The study targeted Kenya Power customers who are categorized as domestic, commercial and institutional from Nyeri town. The study used both qualitative and quantitative data. The study used questionnaires as main data collection instrument. The data collected was analyzed using descriptive techniques and regression analysis. Graphs, Tables and pie charts were used to present frequencies and percentages. Tables were prepared using each variable or indicator. This study developed forecasting model for the relationship between determinant of customer’s satisfaction and customer satisfaction at KPLC. The model indicate positive relationship between the predictors and customer satisfaction in KPLC with $R = .993$ and $R^2 = .986$ with confidence level of 95%. In conclusion, customer satisfaction at Kenya Power depends on customer service, complaint handling, branding and perceived value. The study recommends Kenya Power to improve strategies on, rebranding, customer complaint handling and put more emphasizes on customer relations management.
# TABLE OF CONTENTS

Declaration........................................................................................................ ii  
Dedication ......................................................................................................... iii  
Acknowledgements........................................................................................ iv  
Abstract.......................................................................................................... v  
List of Tables................................................................................................... viii  
List of Figures................................................................................................. x  
Definition of terms........................................................................................ xiii  
Abbreviation.................................................................................................... xiv  

## CHAPTER ONE

1.0 INTRODUCTION......................................................................................... 1  
1.1 Background of the Study ....................................................................... 1  
1.2 Statement of the Problem ...................................................................... 5  
1.3 Research objectives................................................................................ 6  
1.3.1 General Objective............................................................................. 6  
1.4 Research Hypothesis............................................................................... 7  
1.5 Significance of the Study........................................................................ 7  
1.5.1 Customer......................................................................................... 7  
1.5.2 Employees....................................................................................... 7  
1.5.3 Management.................................................................................... 7  
1.5.4 Policy makers.................................................................................. 7  
1.5.5 General public................................................................................ 9  
1.5.6 The Research.................................................................................. 9  
1.5.7 Other Researchers.......................................................................... 9  
1.6 Limitations of the study......................................................................... 9  
1.6.1 Non Response................................................................................ 9  
1.7 Scope of the study.................................................................................. 10  
1.8 Assumptions of the study...................................................................... 10  

## CHAPTER TWO

2.0 LITERATURE REVIEW............................................................................. 12  
2.1 Introduction............................................................................................ 12  
2.2 Concept of customer Satisfaction.......................................................... 12  
2.3 Consequence of customer disatisfactions............................................. 12
2.3.1 Customer Loyalty ........................................... 12
2.3.2 Customer retention ........................................... 15
2.4 Various Theories of Customer Satisfaction ......................... 15
  2.4.1 Assimilation Theory ..................................... 17
  2.4.2 Contrast Theory .......................................... 17
  2.4.3 Assimilation-Contrast Theory ............................... 18
  2.4.4 Negativity Theory ......................................... 19
2.5 Determinants of customer satisfaction ................................ 19
2.6 Customers service ............................................... 21
  2.6.1 Reliability ................................................ 22
  2.6.2 Competence ............................................... 22
  2.6.3 Quality service ............................................ 23
  2.6.4 Complaint handling ....................................... 23
  2.6.5 Accessibility ............................................... 24
  2.6.6 Courtesy .................................................. 24
  2.6.7 Responsiveness ............................................ 25
  2.6.8 Satisfactory Resolution .................................... 25
  2.6.9 Branding .................................................. 26
  2.6.10 Brand reputation ......................................... 26
  2.6.11 Perception ............................................... 26
  2.6.12 Credibility ............................................... 27
  2.6.13 Expectations ............................................. 27
  2.6.14 Perceived value .......................................... 27
  2.6.15 High value ............................................... 28
  2.6.16 Expectation/experience .................................... 28
  2.6.17 Benefits .................................................. 29
  2.6.18 Performance expectancy ................................... 29
2.7 Empirical Literature ........................................... 29
2.8 Summary and Gaps to be filled by the Study ..................... 32
2.9 Conceptual Framework ......................................... 33

CHAPTER THREE .................................................. 35

3.0 RESEARCH METHODOLOGY ................................... 35
  3.1 Introduction ................................................. 35
  3.2 Research Design ............................................. 35
3.3 Target Population ........................................... 36
3.4 Sample and sampling procedure .............................. 37
3.5 Data Collection Instrument & Procedures ................. 38
3.6. Instrument validity ............................................ 39
3.6.1 Reliability ..................................................... 40
3.7 Data Analysis and presentation ................................ 40

CHAPTER FOUR .................................................... 42

4.0 DATA ANALYSIS, PRESENTATION AND INTERPRETATION ........ 42

4.1 Introduction ..................................................... 42
4.2 Response rate .................................................... 42
4.3. Bio data ......................................................... 42
4.3.1 Gender access to service .................................... 42
4.3.2 Categories of customers with Kenya Power ............. 44
4.3.3 Interaction of services ....................................... 45
4.3.4 Duration with Kenya Power ................................ 46
4.3.5 Promise keeping at Kenya Power ......................... 46
4.3.6 Timeliness in the delivery of service ...................... 47
4.3.7 Knowledge of product and services ....................... 48
4.3.8 Customer care relations .................................... 49
4.3.9 Communication systems .................................... 50
4.3.10 Application for electricity ................................. 51
4.3.11 Payment process .......................................... 53
4.3.12 Metering process .......................................... 54
4.3.13 Response to breakdowns of Electricity supply ........ 55
4.3.14 Response to letters and emails ............................ 56
4.3.15 Customer awareness to face book and twitter account .... 57
4.3.16 Complaint within three months .......................... 58
4.3.17 Response time .............................................. 59
4.3.18 Conclusive complaint resolve ............................ 60
4.3.19 Mission Statement ......................................... 60
4.3.20 Vision Statement .......................................... 61
4.3.21 Core values ................................................. 62
4.3.22 Umeme Pamoja Program ................................. 63
4.3.23 Stima Loan Program ...................................... 64
4.3.24 Anti Vandalism Awareness campaign .............................................................. 65
4.3.25 Pre-payment Metering ......................................................................................... 66
4.3.26 Easy pay Mpesa Services ...................................................................................... 66
4.3.27 Short message Service ........................................................................................ 67
4.3.28 Trust ...................................................................................................................... 68
4.3.29 Quality of Product and Services ........................................................................ 70
4.3.30 Transparency ...................................................................................................... 70
4.3.31 Value for money .................................................................................................. 71
4.3.32 Community responsibility .................................................................................... 72
4.3.33 Contact with Kenya Power ................................................................................... 73
4.3.34 Enquiry at Kenya Power ...................................................................................... 74
4.3.35 Service standard at Kenya Power ........................................................................ 75
4.3.36 Social Responsibility ........................................................................................... 76
4.3.37 World class Services .......................................................................................... 77
4.3.38 Customer Loyalty ............................................................................................... 78
4.3.39 Customer retention ............................................................................................. 79
4.3.40 Customer satisfaction ......................................................................................... 80
4.4 Data analysis and interpretation .............................................................................. 81
4.4.1 Hypothesis Testing .............................................................................................. 83
4.4.1.1 Customer service ............................................................................................ 83
4.4.1.2 Complaint handling ....................................................................................... 87
4.4.1.3 Branding .......................................................................................................... 91
4.4.1.4 Perceived Value .............................................................................................. 96
4.4.1.5 Regression all .................................................................................................. 100

CHAPTER FIVE ............................................................................................................. 107

5.0 SUMMARY OF FINDINGS, CONCLUSION & RECOMMENDATIONS .... 107
5.1 Introduction ............................................................................................................. 107
5.2 Summary of Findings ............................................................................................ 107
5.3 Conclusion .............................................................................................................. 109
5.4 Recommendations ................................................................................................. 109
5.5 Areas for further Study ......................................................................................... 112

REFERENCES ............................................................................................................. 112
APPENDIX 1: QUESTIONNAIRE ........................................................................ 119
APPENDIX 2: INTRODUCTORY LETTER TO RESPONDENTS ................. 128
APPENDIX 3: WORK PLAN ..................................................................................... 129
APPENDIX 4: BUDGET ........................................................................................... 130
LIST OF TABLES

Table 3.1 Target Population ................................................................. 36

Table 3.2 Sample and sampling ........................................................... 38

Table 3.3 Representative sample ......................................................... 38

Table 4.1 Respondents ....................................................................... 43

Table 4.2 categories of customers at Kenya Power ......................... 45

Table 4.3 Duration ............................................................................ 47

Table 4.4 Timeliness in service delivery ........................................... 49

Table 4.5 Communication systems ..................................................... 52

Table 4.6 Response to breakdowns of electricity supply ................. 56

Table 4.7 Response to letters and emails ........................................... 57

Table 4.8 Conclusive complaint resolve ........................................... 61

Table 4.9 Values ............................................................................. 64

Table 4.10 Umeme Pamoja program ................................................. 64

Table 4.11 Stima Loan ..................................................................... 65

Table 4.12 Pre-payment Metering ..................................................... 67
Table 4.13 Easy pay M-pesa Services ................................................................. 68

Table 4.14 Quality of Product and Services ..................................................... 71

Table 4.15 Community responsibility ............................................................. 74

Table 4.16 Customer service .......................................................................... 85

Table 4.17 Complaint handling ........................................................................ 90

Table 4.18 Branding ......................................................................................... 94

Table 4.19 Perceived Value ............................................................................. 99
LIST OF FIGURES

Figure 4.1 Gender access to services ................................................................. 44

Figure 4.2 Interaction ....................................................................................... 46

Figure 4.3 Promise keeping at Kenya Power ....................................................... 48

Figure 4.4 Knowledge of products & services ................................................... 50

Figure 4.5 Customer care relation ................................................................... 51

Figure 4.6 Application for electricity ................................................................. 53

Figure 4.7 Payment processes ........................................................................... 54

Figure 4.8 Meter Processing ............................................................................ 55

Figure 4.9 Customer awareness to face book and twitter account .................. 58

Figure 4.10 Complaint within three months ...................................................... 59

Figure 4.11 Response to complaints ................................................................. 60

Figure 4.12 Mission Statement ......................................................................... 62

Figure 4.13 Vision Statement ............................................................................ 63

Figure 4.14 Anti Vandalism Awareness ............................................................. 66

Figure 4.15 Short messages Service ................................................................. 69

Figure 4.16 Trust .............................................................................................. 70
DEFINITION OF TERMS

**Customer Satisfaction:** Customer satisfaction is the authentic expression of the status of satisfaction which differs from person to person and product/service to product/service and is an appraisal of how products and services of a company meet up or exceed customer anticipation.

**Satisfaction:** Is the consequence of a number of both psychological and physical factors which associate with satisfaction behaviors.

**Customer retention:** Customer retention is the activity that a selling organization undertakes in order to reduce customer defections.

**Customer loyalty:** Customer loyalty is consumers’ overall attachment or commitment to a service provider. It is tendency of a customer to choose a particular brand of business or product to fulfill their needs.

**Customer service:** Provisions of services given to customer

**Customer:** A person who needs or is given service(s).

**Quality of Service:** It is a standard of service.

**Efficiency:** Doing things right

xiii
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>K.P</td>
<td>Kenya Power</td>
</tr>
<tr>
<td>KPI's</td>
<td>Key Performance indicators</td>
</tr>
<tr>
<td>KPLC</td>
<td>Kenya Power and Lighting Company</td>
</tr>
<tr>
<td>PQ</td>
<td>Perceived Quality</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on investment</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Customer satisfaction is very important in today's business world. According to Deng et al., (2009) a service provider's ability to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers. Harkiranpal (2006) argues that to be successful, organizations must look into the needs and wants of their customers. That is the reason why many researchers and academicians have continuously emphasized on the importance of customer satisfaction, loyalty and retention. Zairi (2000) expresses that customers are the purpose of what we do rather than them depending on us, We very much depend on them. That is the main reason why organizations today are focusing on customer satisfaction, loyalty and retention.

According to Hansemark and Albinsson (2004), satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire. Anderson and Srinivasan (2003) defines customer satisfaction as the contentment of the customer with respect to his or her prior purchasing experience with a given service firm. It is a judgment that a
product or service feature, or the product or service itself, provide a pleasurable level of consumption-related fulfillment.

According to Gustafsson et al. (2005) customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Satisfaction of customer is determined by his evaluation of service provided by a brand. A customer-led company recognizes that its only true assets are satisfied customers. Without satisfied customers the balance sheet assets are mere scrap. The notion customers are asset, is not a philosophical point but a hard, economic one. The improved customer services are the focal point of the service providers for social as well as for economic reasons. From social point of view, services should be available to customers on reasonable terms as far as economic factor is concerned and services should satisfy the needs of the customers (Turerl and Serenko, 2006).

Developing satisfaction among customers service providers need to be extra careful for the customer services they provide. Therefore a firm should concentrate on the improvement of service quality and charge appropriate fair price in order to satisfy their customers which should ultimately help the firm to retain its customers. Any business is likely to loose market share, customers and investors if it fails to satisfy customers as effectively and efficiently as its competitors is doing (Anderson et. al 2004).
Kenya Power & Lighting is a limited company and is listed at the Nairobi Stock Exchange (NSE). Since inception the company had the sole responsibility of generation, transmission and distribution of electricity throughout Kenya. The company is a national electric utility company, managing electric metering, licensing, billing, emergency electricity service and customer relations. KPLC headquarters are at Stima Plaza, Kolobot Road in Parklands, Nairobi; it operates many offices throughout Kenya. KPLC is a Public Company with the majority of its shareholder being the government of Kenya and the rest is owned by private shareholders. KPLC enjoys a monopoly. Usually a monopoly exists when a specific individual or an enterprise like KPLC has sufficient control over a particular product or service to determine significantly the terms on which other individuals shall have access to it. Monopolies are thus characterized by a lack of economic competition to produce the good or service and a lack of viable substitute goods.

The Kenya Power Company, has been under the management of KPLC since 1954, becomes a separate entity responsible for public-funded Power generation projects. 1998: The Kenya Power Company is re-launched as the Kenya Electricity Generating Company (KenGen). 2004: The Energy Sector Recovery Project (ESRP) is started to rehabilitate and reinforce the transmission and distribution network in order to improve the quality and reliability of supply, reduce system losses and increase access to electricity. 2007: Rural Electrification Authority (REA) is established to speed up the implementation pace of the rural electrification programme. 2008: Kenya
Electricity Transmission Company (KETRACO) is incorporated by the government to accelerate transmission infrastructure development. 2008: The government incorporates the Geothermal Development Company tasked with developing steam fields to reduce upstream Power development risks so as to promote rapid development of geothermal electric Power.

Kenya Power has the mandate to transmit quality electricity that is safe, adequate and reliable with cost effective tariffs that would allow return on investment (ROI) and which would add value to its shareholders. In tandem with the government’s mandate, KP endeavors to increase access to electricity throughout the country, connecting 300,000 customers annually. Kenya Power is ISO compliant vide certification ISO 9001:2008 aims at effective implementation and continual improvement in order to consistently meet its customers and other stakeholder’s requirements and expectations (Kenya Power Journal, QMS: 2008).

Kenya Power’s 2011/2012 strategic plan and its pursuit to achieve its medium term goals anchored to the vision need to improve delivery of customer service, and accelerate customer connectivity in order to be in tandem with its mission statement Powering people for better lives and vision providing world class Power that delights our customers (KP 2011/2012 strategic plan). KP’s quality policy is to provide high quality customer service by efficiently transmitting and distributing high quality electricity that is safe, adequate and reliable at cost effective tariffs. The company core values signify customer first, one team, passion, integrity and excellence. Where all
these are focused to moving the company from competence to excellence.

According to Stima Newsletter, Kenya Power, embarked on re-branded and launched the new logo on 22nd June, 2011. The rebranding process included a change of logo, brand name, culture change to signal the change process among others. The re-branding was with a view to transforming service delivery in line with the vision, creation of a new organization culture and corporate identity. KP has thus invested heavily both in capital and human resource with an objective of return on investment. Various trainings are still ongoing which are meant to inculcate culture change among its employees. Two years down the line, however, despite the fact that re-branding recently done, customers’ expectations are yet to be met.

1.2 Statement of the Problem

Anderson and Srinivasan (2003) defines customer satisfaction as the contentment of the customer with respect to his or her prior purchasing experience with a given service firm. It is a judgment that a product or service feature, or the product or service itself, provide a pleasurable level of consumption-related fulfillment. It is seen as a key performance indicator within business and is often part of a balanced scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

Therefore, determinants of customer satisfaction are key concern for any organizations,
because through customer satisfaction any business can establish longer profitable relationship with customer. The case of Kenya Power, was chosen for study since it is yet to achieve its major goal of transforming service delivery in line with the vision, despite the company implementing an organization culture change and corporate rebranding exercise aimed at entailing creation of a new organization culture and corporate identity. All this has lead to the company equally investing heavily both in capital and human resource with an objective of return on investment (ROI). Despite all these facts, and one among its key strategies being to proactively increase customer satisfaction, market share, energy sales, revenue and profitability, customers' expectations are yet to be met.

Of noTable concern was during the Company's Open Day Nyeri Chapter, County Edition held at Nyeri, Whispers Park on Friday, 20th November, 2012 where many complaints registered were on service delivery among others (KP Complaints/compliments Diary, 2012). It is therefore appropriate that more study be conducted to identify determinants of customer satisfaction for Kenya Power, Nyeri and environs. It is with background and the gap in performance, which forms the basis of the study that seek to investigate determinants of customer satisfaction in Kenya Power.

1.3 Research objectives

1.3.1 General Objective

The study's purpose was to investigate the determinants of satisfaction in Kenya Power, Nyeri Town.
1.3.2 Specific objectives

The following are the specific objectives of the study.

(i) To establish the effects of customer service quality on customer satisfaction at Kenya Power.

(ii) To find out whether complaint handling affects levels of customer satisfaction at Kenya Power.

(iii) To establish the effects of brand reputation as a determinant of customer satisfaction at Kenya Power.

(iv) To assess how perceived value affects customer satisfaction at Kenya Power.

1.4 Research Hypothesis

The research hypothesis that guided the study were:

H₁: The level of customer service affects customer satisfaction at Kenya Power.

H₂: Complain handling influences the level of customer satisfaction at Kenya Power.

H₃: Brand reputation affects customer satisfaction at Kenya Power.

H₄: Perceived value is a factor that contributes to customer satisfaction at Kenya Power.

1.5 Significance of the Study

The study would be of great help to the various parties. These include:
1.5.1 Customer

They would benefit from improved service delivery should the results of the study be adopted. Customers have the right of quality service and should question if the company falls short of expected service delivery standards.

1.5.2 Employees

The employees would be able to work more effectively and efficiently to meet the expectations of the customers. It may enhance and better their attitudes towards giving the best and delighting the customers.

1.5.3 Management

The study if adopted by the management of KP, strategies and structures would be put in place so as to be in line with expected service delivery standards.

1.5.4 Policy makers

The government of Kenya is responsible for the general welfare of its citizens. Like any other infrastructure, electricity is one utility which go a long way in eradicating poverty, enhancing development among its citizens and improving living standards. The government would enhance policies, strengthen institutions, regulatory and good governance, efficient expansion of distribution capacity and increase access to electricity.
1.5.5 General public

Kenya Power is a Parastatal, established and mandated by the government to distribute electricity supply to the citizens in order to uplift their living standards. The study would highlight and enlighten the public by showing the benefits of electricity as an infrastructure and the role of KP in mitigating development. It would also show how KP upholds its values, it places for its esteemed customers, the society at large and its efforts to achieving a world class status by giving the best service to its customers.

1.5.6 The researcher

The researcher would greatly benefit from this study since it would aid in equipping with practical skills and knowledge of tailoring solutions to problems whenever they rise in the researchers work environment.

1.5.7 Other researchers

Other researchers' dealing in similar studies would also benefit from this research since it would be used as a reference point for the studies. It would therefore play a pivotal role in the academic field since it would act a guide to other researcher conducting research in the same field. More so, the researchers would be able to establish the research gaps existing between this study and others.

1.6 Limitations of the Study

The study had the above following limitations;
1.6.1 **Non response**

Some targeted respondents may not be willing to fill in the questionnaires. To overcome this researcher sought an approval letter from the Kenyatta University. This gave confidence to the respondents.

1.7 **Scope of the study**

The study limited its scope to Kenya Power, Nyeri town. The researcher considered Kenya Power customers as the target population.

1.8 **Assumptions of the study**

The study was conducted based on the assumption that the respondents would be willing to fill and return the questionnaires given and would be honest to give reliable information.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents the various literature reviewed during the study. It is an indicative of the various books and journals that were used to enrich the knowledge base during the research. Literature review showed the gaps and the existing knowledge regarding the topic. This enabled the researcher to demonstrate and familiarize with the area of study. It also showed a continuity of the previous work that was covered in the researcher's area of study.

2.2 Concept of Customer Satisfaction

Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfied goals." Turerl and Serenko, (2006). Customer satisfaction is defined as a customer's overall evaluation of the performance of an offering. This overall satisfaction has a strong positive effect on customer loyalty intentions across a wide range of product and service categories (Gustafsson, 2005). Customer satisfaction is customer's reaction to the state of satisfaction, and customer's judgment of satisfaction level. Customer satisfaction is very important in today's business world.
Anderson and Srinivasan (2003) defines customer satisfaction as the contentment of the customer with respect to his or her prior purchasing experience with a given service firm. It is a judgment that a product or service feature, or the product or service itself, provide a pleasurable level of consumption-related fulfillment. It is seen as a key performance indicator within business and is often part of a balanced scorecard. According to Hansemann and Albinsson (2004) “Satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire”

According to Deng et al., (2009) the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers. According to Turerl and Serenko, (2006) customer service is a system of activities that comprises customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint. Within organizations, customer satisfaction ratings can have powerful effects.

In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Satisfaction of customer is determined by this evaluation of service provided by a brand (Gustafsson, et al 2005). Re-branding is an essential part of any business that wants to offer products or services that are focused and well-targeted. By making re-branding part and parcel of the business operation customer’s satisfaction
would be realized by meeting their expectations, hence would bring a myriad of benefits (Deng et al. 2009).

2.3 Consequences of Customer satisfaction and dissatisfaction
According to Hoyer & MacInnis (2001) customer satisfaction does have a positive effect on organizations profitability. Accordingly, satisfied customers form the foundation of successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth. Dissatisfied consumers can decide to discontinue the good or service or complain to the company to a third party and perhaps return the item or engage in a negative word of mouth communication.

In order to achieve customer satisfaction, organizations must be able to satisfy their customers' needs and wants. Customer satisfaction is important because it influences re-purchase intensions whereas dissatisfaction has been seen as a primary reason for customer defection or discontinuation of purchase.

2.3.1 Customer loyalty
According to Anderson and Jacobsen (2000), customer loyalty is a result of customer retention programs that always give encouragement to customers to remain active choosing their brand. Customer loyalty is actually the result of an organization creating a benefit for a customer so that they would maintain or increase their purchases from the organization. Customer A key to this mutually beneficial relationship is the awareness of customer's preference or the present and potential needs and wants of a customer about any product and services because of possible customer turnover which will lead to decrease profits.
2.3.2 Customer retention

Customer retention is the activity that a selling organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. A company's ability to attract and retain new customers, is not only related to its product or services, but strongly related to the way it services its existing customers and the reputation it creates within and across the marketplace. Customer retention is more than giving the customer what they expect, it's about exceeding their expectations so that they become loyal advocates for your brand. Engaged customers generate 1.7 times more revenue than normal customers, while having engaged employees and engaged customers returns a revenue gain of 3.4 times the norm (Hoyer & MacInnis 2001).

2.4 Various Theories of Customer Satisfaction

According to Anderson (1973), expectations are beliefs (likelihood or probability) that a product/service (containing certain attributes, features or characteristics) would produce certain outcomes (benefits-values) given certain anticipated levels of performance based on previous affective, cognitive, and behavioral experiences. Expectations are often seen as related to satisfaction and can be measured; Importance; Value of the product/service fulfilling the expectation.

A number of theoretical approaches have been utilized to explain the relationship between disconfirmation and satisfaction. Still again there are a number of theories
surrounding the satisfaction and service paradigm. Many theories have been used to understand the process through which customers form satisfaction judgments. The theories can be broadly classified under three groups: Expectancy disconfirmation, Equity and Attribution.

The expectancy disconfirmation theory suggests that consumers form satisfaction judgments by evaluating actual product/service. Four psychological theories were identified by Anderson that can be used to explain the impact of expectancy or satisfaction: assimilation, contrast, generalized negativity and assimilation-contrast. Consistency theories suggest that when the expectations and the actual product performance do not match the consumer would feel some degree of tension. In order to relieve this tension the consumer would make adjustments either in expectations or in the perceptions of the product's actual performance.

2.4.1 Assimilation Theory

Assimilation theory is based on dissonance theory. Dissonance theory posits that consumers make some kind of cognitive comparison between expectations about the product and the perceived product performance. This view of the consumer post-usage evaluation was introduced into the satisfaction literature in the form of assimilation theory (Festinger's (1957). Consumers seek to avoid dissonance by adjusting perceptions about a given product to bring it more in line with expectations. Consumers can also reduce the tension resulting from a discrepancy between expectations and product performance either by distorting expectations so that they coincide with
perceived product performance or by raising the level of satisfaction by minimizing the relative importance of the disconfirmation experienced (Anderson 1973). Overall affect-satisfaction expectations: Like/dislike of the product/service. Fulfillment of expectation: The expected level of performance vs as the desired expectations. This is "pedictive fulfillment" and is a respondent-specific index of the performance level necessary to satisfy. (LaBarbera P. A. & Mazursky D. (2002). Use: Satisfaction is often determined by the frequency of use. Expectations are a key factor behind satisfaction when customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less satisfying (Gustafsson, et al. 2005).

2.4.2 Contrast Theory

Contrast theory was first introduced by Hovland, Harvey and Sherif (1987). Dawes et al. (1972) define contrast theory as the tendency to magnify the discrepancy between one’s own attitudes and the attitudes represented by opinion statements. Contrast theory presents an alternative view of the consumer post-usage evaluation process than was presented in assimilation theory in that post-usage evaluations lead to results in opposite predictions for the effects of expectations on satisfaction. According to the contrast theory, any discrepancy of experience from expectations would be exaggerated in the direction of discrepancy. If the firm raises expectations in its advertising, and then a customer’s experience is only slightly less than that promised, the product/service would be rejected as totally un-satisfactory. Conversely, under-promiseing in advertising and over-delivering would cause positive disconfirmation also to be exaggerated.
According to Hoyer & MacInnis (2001), dissatisfied consumers can decide to discontinue the good or service or complain to the company to a third party and perhaps return the item or engage in a negative word of mouth communication.

2.4.3 Assimilation-Contrast Theory

Assimilation-contrast theory was introduced by Anderson (1973) in the context of post-exposure product performance based on Sherif and Hovland’s (1961) discussion of assimilation and contrast effect. Assimilation-contrast theory suggests that if performance is within a customer’s latitude (range) of acceptance, even though it may fall short of expectation, the discrepancy will be disregarded – assimilation would operate and the performance would be deemed as acceptable. If performance falls within the latitude of rejection, contrast would prevail and the difference would be exaggerated, the product/service deemed unacceptable.

The assimilation-contrast theory has been proposed as yet another way to explain the relationships among the variables in the disconfirmation model. According to Sachdev and Vermama (2004), there is a strong relationship between expectation and customer satisfaction. Customer satisfaction is likely to be influenced by the perceived performance as this would lead to expected performance, this brings in the aspect of performance. “This paradigm poses that satisfaction is a function of the magnitude of the discrepancy between expected and perceived performance. As with assimilation theory, the consumers would tend to assimilate or adjust differences in perceptions about product performance to bring it in line with prior expectations but only if the discrepancy is relatively small.
2.4.4 Negativity Theory

This theory developed by Carlsmith and Aronson (1963) suggests that any discrepancy of performance from expectations would disrupt the individual, producing 'negative energy'. Negative theory has its foundations in the disconfirmation process. Negative theory states that when expectations are strongly held, consumers would respond negatively to any disconfirmation. "Accordingly dissatisfaction would occur if perceived performance is less than expectations or if perceived performance exceeds expectations. When customers have high expectations and the reality falls short, they would be disappointed and would likely rate their experience as less than satisfying. Increasing service quality can satisfy and develop attitudinal loyalty which ultimately retains valued customers (Kotler 2005). Satisfaction of customer is determined by this evaluation of service provided by a brand. (Gustafsson, et al. 2005).

2.5 Determinants of customer satisfaction

Information on which factors are determinants of customer satisfaction is important to firms since they are likely consequences of customer satisfaction and repeat purchase of the service. Therefore customer satisfaction is closely associated with the growth and survival of the company. Some researchers state that service quality and satisfaction measure the same underlying concept and therefore are the same. Other authors argue that satisfaction with a specific transaction precede the perception of the overall quality of the firm and therefore is the antecedent of perceived quality. Finally others suggest that the concepts of satisfaction and quality are different and it is in the perceived service quality that would affect customer satisfaction).
According to Fornell (1992), a general psychological phenomenon, satisfaction is primary function of customers’ quality experience with a product or service. Perceived brand reputation has significant impacts on customer satisfaction and a consumer's beliefs about brand are derived from personal use experience, word-of-mouth endorsements/criticisms, and/or the marketing efforts of companies. A brand perception is also one of the important aspects of in-service sector.

According Stauss and Schoeler (2004) there is a relationship between employee attitudes and customer satisfaction. How employees feel about their job has an impact on their work experience, but also on tangible business outcomes such as customer satisfaction, sales, and profit. Employees can strongly contribute to an organization’s success by having a customer-centric approach in their work and in their work-related interactions. However, they are more likely to do so if they are satisfied with their job.

Aaker (1995) argues that the strategic dimension for an organization includes becoming more competitive through customer satisfaction, brand loyalty, service quality, brand association and performance. According to Hoyer and Maclins (2001) satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth.
In conceptualizing the basic service quality model, Parasuraman et al. (1985) identified 10 key determinants of service quality as perceived by the service provider and the consumer, namely, reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer, and tangibility to formulate a service quality framework.

2.6 Customers service

Customer service is the provision of service to customers before, during and after a purchase. "Customer service is a series of activities designed to enhance the level of customer satisfaction that is, the feeling that a product or service has met the customer expectation (Ekinci, Y. 2003).
2.6.1 Reliability

To elaborate on the two major dimensions of service quality, Parasuraman et al. (1991b) summarized the nature of the core (outcome) and relational (process) constructs. While reliability is largely concerned with the service outcome, tangibles, responsiveness and assurance, empathy are more concerned with the service process. Whereas customers judge the accuracy and dependability (i.e. reliability) of the delivered service, they judge the other dimensions as the service is being delivered (p. 41). While the number of underlying dimensions has been shown to vary with the service setting, it appears reasonable to suggest that the service core and relational dimensions will emerge in nearly all cases as they form the basis for the service (Journal Of Bank Marketing, Vol 14/7/1996).

2.6.2 Competence

This calls for skills and knowledge about products or service. Alternatively, when strong and positive relationships between and among leaders and employees are continuously reinforced through a common focus on personal and occupational competence, employees feel embraced by the culture. This sets the stage for reciprocity through employees partnering with leaders and sharing ownership of and commitment to the company's vision, mission and goals. The most likely outcome is a company with competent, loyal and satisfied employees who deliver services far beyond the customer's expectations. (Lim et al.2006).
2.6.3 Quality service

Service quality has been viewed as a determinant of customer satisfaction. According to Gustafsson, et al (2005), emphasizes that a firm should concentrate on the improvement of quality of service and charge appropriate fair price in order to satisfy their customers which would ultimately help the firm to retain its customers. Ekinci (2003) indicates that the evaluation of service quality leads to customer satisfaction. Satisfaction of customer is determined by this evaluation of service provided by a brand. (Gustafsson, et al., 2005).

2.6.4 Complaint handling

According to Turerl and Serenko, (2006) customer service is a system of activities that comprises customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint. Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective.

Hannis G. (2005) urges that rather than sitting around and waiting for people to complain, one should go to them send out a questionnaire to all the customers and see how they feel about the organization service. One might notice a theme of
problem customers have experienced or areas they think can be improved or one can work on. One may also find that he can improve the services to cater to a wider audience. Actively seeking customer feedback shows how one cares. Therefore, it is essential for businesses to effectively manage customer satisfaction.

2.6.5 Accessibility

This is approachability and ease of contact, convenient office operation hours and locations. Keeping customer data secure, yet accessible. According to Hoyer & MacInnis (2001) complete, accurate customer information is important to customer responsiveness. When customer data is available on the network, easily accessible by service representatives, responsiveness soars.

2.6.6 Courtesy

Courtesy is the use of exceptional manners to treat other people with respect and care. It means treating people as you would wish to be treated were you in their situation. This is the consideration for the customer’s property, clean and neat contact personnel, manifesting as politeness, respect and friendliness. Nothing surprises your customer more than an employee going the extra mile to help them. Always look for ways to go above and beyond the expectations of your customer. In doing so, it helps them to know that you care and it would leave them with a "Feel Good Factor" that we are searching for (Stauss, B & Schoeler, A, 2004).
2.6.7 Responsiveness

This is the readiness and willingness of employees to help customers in providing prompt timely services. According to Stauss & Seidel that keeping your customers happy is key to ensuring that your current clients don’t become former clients. Failing to meet deadlines or ignoring customer inquiries can increase client dissatisfaction with your company and spur them to investigate your competitors’ services. When customer responsiveness is a priority, you’ll find that opportunities to serve your clients increase, while problems and service issues decrease.

2.6.8 Satisfactory resolution

A major reason why customers switch service providers is unsatisfactory problem resolution. When customers face a problem, they may respond by exiting (switching to a new supplier), voicing (attempting to remedy the problem by complaining) or loyalty (staying with the supplier anticipating that “things will get better”) In fact, anecdotal evidence suggests that when the service provider accepts responsibility and resolves the problem, the customer becomes “bonded” to the organization. When customers complain, they give the firm a chance to rectify the problem and interestingly, if the firm recovers successfully, to increase loyalty and profits (Fornell and Wernerfelt, 1987). Thus, customer complaint handling can have an influence on customer satisfaction and retention.
2.6.9 Branding

Daly and Moloney (2004) suggest rebranding can be viewed as a continuum which refers to three change categories with respective change formats – Minor Changes (Aesthetics), Intermediate Changes (Reposition) and Complete Change (Rebranding). Besides, Stuart and Muzellec (2004) state that rebranding can be achieved with the changes of brand identity, which can be categorized into three main types: name, logo and slogan changes. By making rebranding part and parcel of the business operation, customers satisfaction would be realized by meeting their expectation, hence would bring a myriad of benefits (Deng et al. 2009).

2.6.10 Brand reputation

According to Reynold (2007) perceived brand reputation has significant impacts on customer satisfaction and a consumer’s beliefs about brand are derived from personal use experience, word-of-mouth endorsements/criticisms and/or the marketing efforts of companies. A brand perception is also one of the important aspects of in service sector. According to Mellilees (2008) perceived brand reputation, measures experience of the customer how he/she feel with this brand and their services. A perceived overall brand performance is determined by some combination of beliefs about the brand’s various performance dimensions (Muzellec and Lambkin, 2006).

2.6.11 Perception

A perceived overall brand performance is determined by some combination of beliefs about the brand’s various performance dimensions (Woodruff et al., 1983; Che-
Perceived brand reputation, measures experience of the customer how he/she feel with this brand and their services. A perceived overall brand performance is determined by some combination of beliefs about the brand’s various performance dimensions (Che-Ha and Hashim, 2007). A brand perception is important factor to service provider because, satisfied customer with brand would recommends that service to others.

2.6.12 Credibility

Credibility involves having the customer’s best interests at prime position. It may be influenced by company name, reputation and the personal characteristics of the contact personnel. The key factors are trustworthiness, belief and honesty (Reynold 2007)

2.6.13 Expectations

When customers have high expectations and the reality falls short, they would be disappointed and would likely rate their experience as less than satisfying. Increasing service quality can satisfy and develop attitudinal loyalty which ultimately retains valued customers (Kotler 2005). Satisfaction of customer is determined by this evaluation of service provided by a brand. (Gustafsson, et al. 2005).

2.6.14 Perceived value

Perceived Value (PV): The term “value” used in this study refers to a judgment of preference by consumers (Ganet al., 2005). The equity concept refers to customer evaluation of what is fair, right, or deserved for the perceived cost of
the offering (Bolton & Lemon, 1999). Perceived costs include monetary payments and nonmonetary sacrifices such as time consumption, energy consumption, and stress experienced by consumers. In turn, customer-perceived value results from an evaluation of the relative rewards and sacrifices associated with the offering.

Customers are inclined to feel equitably treated if they perceive that the ratio of their outcome to inputs is comparable to the ratio of outcome to inputs experienced by the company and customers often measure a company’s ratio of outcome to inputs by making comparisons with its competitors’ offerings. Customer value is “the fundamental basis for all marketing activity” (Oliver & DeSarbo, 1988).

2.6.15 High value

According to Sirdeshmukh et al. (2002) high value is one primary motivation for customer patronage. In this regard, he argues that customer value is a superordinate goal and customer loyalty is a subordinate goal, as it is a behavioral intention. According to goal and action identity theories, a superordinate goal is likely to regulate subordinate goals. Thus, customer value regulates “behavioral intentions of loyalty toward the service provider as long as such relational exchanges provide superior value”.

2.6.16 Expectation/experience

Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they would be disappointed and would likely rate their experience as less than satisfying. For this reason, a luxury resort, for example, might receive a lower satisfaction rating than a budget motel—even though
its facilities and service would be deemed superior in 'absolute' terms (Muzellec and Lambkin, 2006).

2.6.17 Benefits

Perceived value consists of benefits and sacrifices. This study based on the thought that benefits and sacrifices are sometimes not equal. The difference could be positive or negative. The positive result would be customer perceived value, and the negative result would be customer perceived worthlessness. The benefits include the value desired by the customer while sacrifices include monetary and non-monetary considerations (Deng et al. 2009).

2.6.18 Performance expectancy

Performance expectancy denotes the degree to which customer believes that using the system would likely improve his or her job performance. Customers basically have high expectations whenever they undertake a particular service to satisfy their needs. They expect that the service would guarantee value for their money and that it would perform in accordance to their expectations (Hoyer and Maclins, 2001).

2.7 Empirical Literature

The following is empirical literature done by authors in the related area;

Power J. D. & Associates (2007) measured overall customer satisfaction of electric utilities through six factors; Power quality and reliability, customer service company...
image, billing and payment, price and communications. He also found that communication (information systems can be a determinant of customer satisfaction for customer of utility companies).

According to Adee A. (2004), perceived service quality and customer value are supported as drivers of customer satisfaction. Perceiving that the relationships may also be significant in service providers context. Moreover, users often select the providers they trust to transact with, which develops their satisfaction.

Providing a high level of service quality is very important for service providers to compete with other competitors (Bharati and Berg, 2005, Kemp, 2005 and Yoo and Park, 2007). Zeithaml et al. (1996) described service quality as “the extent of discrepancy between the customers’ expectations and perceptions”. Dabholkar, Shepherd, and Thorpe (2000).

According to Turerl and Serenko, (2006) complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint. Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers’ expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic.
In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Satisfaction of customer is determined by this evaluation of service provided by a brand (Gustafsson, et al 2005). Re-branding is an essential part of any business that wants to offer products or services that are focused and well-targeted. By making re-branding part and parcel of the business operation customer's satisfaction would be realized by meeting their expectations, hence would bring a myriad of benefits (Deng et al. 2009).

Brand loyalty is defined as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior’ thus customer loyalty is the ultimate objective of customer satisfaction measurement (Sivadass and Baker-Prewitt 2000)

Wafa et al (2009) mentioned that, the nature and amount of a customer’s experience with an evoked set of brands. Perceived brand reputation has significant impact on customer satisfaction and a customer’s beliefs about brand are derived from personal use experience, word-of-mouth endorsement/criticisms, and/or the marketing efforts of companies. A brand perception is also one of the important aspects of in service sector. According to Reynolds, (2007) Perceived brand reputation, measures experience of the customer how he/she feel with this brand and their services. A perceived overall brand performance dimension (Che-Ha and Hashin, 2007). A brand perception is important
factor to service provider because, satisfied customer with brand would recommends that service to others.

Customer value is considered a concept that includes many heterogeneous components. They argued that a customer's purchase choice was influenced by a multiple consumption value dimension, and they developed a framework of five dimensions of value: functional value, conditional value, social value, emotional value, and epistemic value (Geetika & Shefali Nandan, 2010). In service, trusting beliefs can be defined as "consumers’ perceptions of particular attributes of service providers, including the ability, integrity and benevolence of trusters", while trusting intentions exist when "the truster feels secure and is willing to depend, or intends to depend, on the trustee". When customers perceive the service provider is reliable and generally trustworthy, customers would be satisfied with their services, and would be more likely to have repeat usage behavior of mobile instant message services (Power J. D. & Associates 2007).

Customer satisfaction, which refers to “the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience” is often considered as an important determinant of repurchase and customer loyalty (Bowen J. T. & Chen S. L. 2001).

2.8 Summary and Gaps to be filled by the Study

Very few studies have been undertaken to investigate determinants of customer satisfaction in general and no study has been broadly enough been done to cover
factors that influence customer satisfaction despite customer complaints. The study would bridge that gap that exists in the present knowledge in this area.

2.9 Conceptual Framework

The conceptual frame work below shows the relationship between the independent variables and the dependent variable. The research would cover the main variables that influence customer satisfaction in Kenya Power. These variables are quality service, complain handling, branding, perceived value.
Fig 2.1 Conceptual Framework

Independent Variables

Customer service
- Reliability
- Competence
- Service quality

Complaint handling
- Courtesy
- Accessibility
- Responsiveness
- Speed in queries resolutions

Branding
- Brand reputation
- Perception
- Credibility
- Experience(expectations)

Perceived value
- High value
- Experience
- Benefits
- Performance expectancy

Dependent Variable
Customer satisfaction

Source: Author (2013)
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes and explains the methodology that the researcher used in carrying out the study on customer satisfaction at Kenya Power. It presents and explains of how the research was carried out. The research was aimed at meeting the objectives of the study. The research methodology did shed light on the type and source of data, research design, target population, sample size and sampling procedures, the data collection procedures, data instrumentation, validity and reliability, and data analysis.

3.2 Research Design

Orodho (2004) defines a research as a scheme, outline or plan that is used to generate answers to research problems. He further states that this approach should be used when the researcher intends to analyse an issue in detail. In carrying out the research, the researcher adopted a descriptive research design using a case study method to come up with the relevant data for analysis.

The descriptive research design sought to describe a unit in detail in content and holistically. This was because the design measures the characteristics of a particular population, either at a fixed point in time or comparatively over time (Gay, 2004). Kothari (2004) recommends that descriptive design be used as it allows the researcher the possibility of describing, recording, analyzing and finally reporting the conditions under investigation, that is in-depth information while according to Mugenda (2003) a
descriptive research determines and reports the way things are and attempts to describe such things as possible behavior, attitudes, values and characteristics. Mugenda & Mugenda (2003), assert that case study method is considered the most appropriate because it describes in quantitative terms the degree to which variables are related.

3.3 Target Population

The study consisted of a population of 410 customers of Kenya Power and Lighting Company, Nyeri Town sampled under various categorized as domestic, commercial and institutional and are summarized in the Table below: The characteristics of those customers are summarized in the Table 3.1 below:

Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Customer Description</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>300</td>
</tr>
<tr>
<td>Commercial</td>
<td>10</td>
</tr>
<tr>
<td>Institutional</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>410</strong></td>
</tr>
</tbody>
</table>

Source: (Kenya Power, Customer Service Department, 2013)
3.4 Sample and sampling procedure

The researcher used stratified random sampling which is divided in strata. According to Orodho (2004) stratified random sampling involves dividing population into homogenous sub- groups and then taking the simple random sample in each group. He further continues to say that the sample is selected in such a way that the sub groups in the population are represented in proportions to their number in population.

The end result that would be sampled or selected would help to estimate and come up with inferences which are a representative of the entire population. To ensure that the sample selected is a representative of the entire population and at the same time to avoid biasness, the researcher used a simple random sampling technique from each strata. Since the sample size of the study was large, the researcher feels it is justified to use a 10% with the backing of Mugenda (2003) who suggests that 10% of the accessible population is enough for descriptive studies.

Ngechu (2004) underscores the importance of selecting a representative sample through making a sampling frame. The researcher used mixed sampling where purposive or subjective sampling and stratified random sampling technique will be employed to obtain a reasonable sample size of the study. In this case all the population of commercial customers were used. The study adopted 10% of the total population for institutional and domestic as the representative as recommended by Mugenda 2003. Also the researcher considered to select the entire ten commercial customers.
Table 3.2 Sample and sampling procedure

<table>
<thead>
<tr>
<th>Population</th>
<th>Population</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>300</td>
<td>30</td>
</tr>
<tr>
<td>Institutional</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>400</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

Source (Researcher 2013)

Table 3.3 Representative sample

<table>
<thead>
<tr>
<th>Customer Description</th>
<th>Population</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>10</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source : (Researcher 2013)

3.5 Data Collection Instrument & Procedures

The study used both primary and secondary data to make various recommendations and conclusions. Kothari (2004) noted that by way of caution the research before using secondary data must see that they possess the following qualities, reliability, suitability, adequacy and authenticity. For this research secondary data was sourced from existing literature, company magazines published annual reports, and journals. These sources are in compliance with the quality management systems (QMS). Primary data was collected using questionnaires.
Primary Data is the original first hand information which was collected directly from the customers. The researcher used questionnaires which was served to the customers. Questionnaires had open and closed ended questions. Open ended questionnaire enabled the researcher to get detailed information and allow the respondent to give their personal views. Closed ended questionnaires were used to guide the respondent to answer the questions mainly capture the determinants of customer satisfaction in Kenya Power. The questionnaires for external customers were dropped to the respective premises of the customers and were picked after two weeks.

3.6. Instrument validity

Validity is the accuracy and meaningfulness of inferences which are based on the research results (Kothari 2004) in ensuring validity reliability for the study, the researcher conducted a pilot study where by some customers would be selected from the study population, research would be conducted and the findings would be compared against earlier research on the same topic so as to ascertain whether the results are consistent with the earlier findings.

According to Borg and Gall (1989) validity shows whether the items measure what they are designed to measure, for this study, pre-testing would be conducted to assist in determining the accuracy, clarity and suitability of the research instrument. The purpose of pre-test was to assist the researcher to identify the items which may be inadequate so as to make necessary corrections, examine responses the level of ambiguity of the
questions and determine the percentage of responses. Content validity was used to examine whether the instrument would answer the research hypothesis. (Borg and Gall, 1989)

3.6.1 Reliability

This refers to the consistency of the research and the extent to which studies can be replicated (Wrersma, 1986). This was assessed by pilot study to be carried out through administering the questionnaire to 5 percent of the respondents. Later the items would be modified and others discarded in order to improve consistency of the items. The pilot study enabled the researcher to assess the clarity of the questionnaire so that those which would found to be inadequate or vague was modified to improve the quality of the research instrument thus increasing validity and reliability.

3.7 Data Analysis and presentation

The data collected was both quantitative and qualitative. The qualitative data was analyzed using content analysis. Descriptive statistic and regression was used to analyze quantitative data. Research findings were represented with both statistical techniques (frequency distribution Tables) and graphical representation i.e Histograms, bar charts and pie charts. Responses from open ended questions were analyzed manually by coding and sorting into themes and put into mean and Tables. This was reported by use of descriptive narrative and the result of the study was compared with literature review. The regression model was generated to show the relationship between the independent variables and dependent variables.
The model assumes multiple linear relationships which in its simplified form is as shown below:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_i \]

Where:

- \( Y \) is the dependent variable for customer satisfaction.
- \( \beta_0 \) is constant amount signifying what customer satisfaction would be without the influence of the independent variables in the study.
- \( \beta_1 - \beta_4 \) are Regression Coefficient (unknown parameters)
- \( X_1 \) = Customer service
- \( X_2 \) = Complaint handling
- \( X_3 \) = Branding
- \( X_4 \) = Perceived value
- \( e_i \) = Error term
CHAPTER FOUR

4.0 DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents findings of data collected on determinants of customer satisfaction in Kenya Power, Nyeri town.

4.2 Response rate

This was to establish the proportion of the Kenya Power customers who responded to the questionnaires. The researcher issued fifty questionnaires to the customers. Forty questionnaires were filled by the respondents and collected by the researcher. The response rate was therefore 80% and this was attributed to the fact the target populations of the customers are concentrated within the towns and was conveniently manageable for the researcher to drop and pick the questionnaires in person at the respondent’s appropriate time.

Table 4.1: Respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Respondents</th>
<th>Non-respondents</th>
<th>Total</th>
<th>Response rate per section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>20</td>
<td>5</td>
<td>25</td>
<td>80%</td>
</tr>
<tr>
<td>Small Commercial</td>
<td>10</td>
<td>3</td>
<td>13</td>
<td>77%</td>
</tr>
<tr>
<td>Institutions</td>
<td>10</td>
<td>2</td>
<td>12</td>
<td>83%</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>10</td>
<td>50</td>
<td>80%</td>
</tr>
</tbody>
</table>

Source: (Researcher, 2013)
From the above Table 4.1 the response was got from three categories in Kenya Power, Nyeri town. In institutions customers, 83% of targeted population responded to questions. This was the highest response rate while small commercial customers had the lowest response rate of 77%. The domestic category had 80%. The overall response rate was 80%. The institution category had the highest rate of respondents while small commercial had the least rate of respondent.

4.3 Bio data

4.3.1 Gender access to services

The research sought to establish the gender for various categories of customers at Kenya Power. The findings are depicted in the Figure 4.1 below.

Figure 4.1 Gender access to services

Source: (Researcher 2013)
From the Table 4.1 above 42.5% were females and 57.5% were males, thus majority of the respondents were males.

4.3.2 Categories of customers with Kenya Power

The research sought to establish the various categories of customers at Kenya Power. The findings are depicted in the Table 4.2 below.

Table 4.2 categories of customers at Kenya Power

<table>
<thead>
<tr>
<th>Categories of customers</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>19</td>
<td>46</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Small Commercial</td>
<td>11</td>
<td>28</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Institutions</td>
<td>10</td>
<td>26</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

From Table 4.2 above, the category with the highest respondent is domestic customers' being 18 representing 46% followed by Small commercial with 11 represents 28%, Institutional customers being 10 representing 26%. This shows that the category with the
highest number of respondent is domestic. This reveals that most Kenya Power customers are domestic users of services and products.

4.3.3 Interaction of services

The research sought to establish interaction on the following services at Kenya Power. The findings are depicted in the Figure 4.2 below.

From the Figure 4.2 above, the highest interaction is on bills payment with 15 respondents representing 37.50% followed by 6.00 with 9 representing 22.5%, Pre-paid complaint is 20%, application for electricity is 5 representing 12.5%, application for meter separation 2 represents 5% and the least is general enquiries with 12.5%. This depicts that customers interacted more on payment of bills than other categories of interactions.
4.3.4 Duration with Kenya Power

The research sought to establish the period the customer has been with Kenya Power. The findings are depicted in the Table 4.3 below:

Table 4.3 Duration

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-20 yrs</td>
<td>27</td>
<td>67.5</td>
<td>67.5</td>
<td>67.5</td>
</tr>
<tr>
<td>21-30 yrs</td>
<td>7</td>
<td>17.5</td>
<td>17.5</td>
<td>85.0</td>
</tr>
<tr>
<td>31-40 yrs</td>
<td>1</td>
<td>2.5</td>
<td>2.5</td>
<td>87.5</td>
</tr>
<tr>
<td>41-50 yrs</td>
<td>1</td>
<td>2.5</td>
<td>2.5</td>
<td>90.0</td>
</tr>
<tr>
<td>Above 51 yrs</td>
<td>4</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

From the Table 4.3 above the highest number of customers have been served by Kenya Power from 0 to 20 years which are represented by 67.50%. Followed by 21-30 years represent 17.5%, above 51 years represents 10% and the least are both 31-40 years and 41-50 years with each represented by 2.5%.

4.3.5 Promise keeping

The research sought to establish if Kenya Power fulfills its promises on service delivery to its customers. The findings are depicted in the Figure 4.3 below;
The Figure 4.3 above shows that 48% of respondents with a frequency of 19 reported that Kenya Power is poor in keeping promise, while 33% with frequency of 13 revealed that Kenya Power is good in keeping promise. Those who rated very good were represented by 10.0% with frequency of 4, those who reported is excellent are 7% with frequency of 3 and the least of the respondent reported that Kenya Power is very poor in keeping promise represents 4% and have frequency of 1. This shows that the highest number of respondents reported that Kenya Power is poor in keeping promise to its customers.

4.3.6 Timeliness in the delivery of service

The research sought to establish if Kenya Power delivers its services to its customers on time. The findings are depicted in the Table 4.4 below;
Table 4.4 Timeliness in service delivery

<table>
<thead>
<tr>
<th>Timeliness</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid V.Poor</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Poor</td>
<td>13</td>
<td>32.5</td>
<td>40.0</td>
</tr>
<tr>
<td>Good</td>
<td>17</td>
<td>42.5</td>
<td>82.5</td>
</tr>
<tr>
<td>V.Good</td>
<td>4</td>
<td>10.0</td>
<td>92.5</td>
</tr>
<tr>
<td>Excellent</td>
<td>3</td>
<td>7.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

From the Table 4.4 above 42.5% of the respondents reported that Kenya Power is good in timeliness as regards delivery of service while those who rated Kenya Power as poor represent 32.5%, a rating of very good represents 10.0%, excellent was represented by 7.50% while a rating of very poor represents 7.50%. This shows that timeliness on delivery of services largely affects satisfaction, and as such has an influence as a determinant of customer satisfaction on service delivery by Kenya Power.

4.3.7 Knowledge of product and services

The research sought to establish if Kenya Power staff have knowledge on the services, processes, products and service. The findings are depicted in the Figure 4.4 below;
Figure 4.4 Knowledge of products & services

Source : (Researcher 2013)

From Figure 4.4 above reveals that 13 of the respondents are good on knowledge about products and services which represents 32.50%, 13 who are poor are also represented by 32.50%, 6 are very good represents 15.00%, 5 are excellent represents 12.50% while 3 are very poor represents 7.50%. Awareness on services and products offered by Kenya Power employees makes a great contribution to customer satisfaction.

4.3.8 Customer care relations

The research sought to establish how customers rates Kenya Power on customer’s care relation Power. The findings are depicted in the Figure 4.5 below;
From the Figure 4.5 above it evident that (16) 40% of the respondents ranked customer relations to be poor, 11 of the respondents ranked it good represents 27.5%, 8 ranked it very good represents 20%, 3 ranked it excellent represents 7.50% and 2 ranked it very poor represents 5%. Increasing the customer care relation would improve the customers satisfaction. This implies that good customer care relations have a positive effect on satisfaction and as such a determinant in customer satisfaction in an organization.

4.3.9 Communication systems

The research sought to establish how customers rates Kenya Power’s communication systems. The findings are shown in the Table 4.5 below;
Table 4.5 Communication systems

<table>
<thead>
<tr>
<th>Communication systems</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V. Poor</td>
<td>5</td>
<td>12.5</td>
<td>12.5</td>
<td>12.5</td>
</tr>
<tr>
<td>Poor</td>
<td>19</td>
<td>47.5</td>
<td>47.5</td>
<td>60.0</td>
</tr>
<tr>
<td>Good</td>
<td>6</td>
<td>15.0</td>
<td>15.0</td>
<td>75.0</td>
</tr>
<tr>
<td>V. Good</td>
<td>7</td>
<td>17.5</td>
<td>17.5</td>
<td>92.5</td>
</tr>
<tr>
<td>Excellent</td>
<td>3</td>
<td>7.5</td>
<td>7.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

From the above Table 4.5 the respondent reveals that communication systems are poor which represents 47.50%. Very good represents 17.50%, very good represents 15.00% as very good while very poor represents 12.50% and excellent represents 7.50%. This shows that communication is quite key and has influence on customer satisfaction.

4.3.10 Application for electricity

The research sought to establish how customers rate the process of application for electricity with Kenya Power’s. The findings are depicted in the Figure 4.6 below;
From the Figure 4.6 above, 20 of the respondents were neutral represent 50% on process of application for electricity supply while those who were dissatisfied with the process were 12 represent 30%, 5 were satisfied represented by 12.50%, 2 were very satisfied represents 5% and 1 of the respondents was very dissatisfied represents 2.50%. This shows that most of the respondents were dissatisfied with the process of application of electricity. Thus service process has a direct influence with satisfaction.
4.3.11 Payment process

The research sought to establish how customers rates performance on payment process with Kenya Power’s. The findings are shown in the Figure 4.7 below;

**Figure 4.7 Payment process**

<table>
<thead>
<tr>
<th>Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very dissatisfied</td>
<td>2.50%</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>30%</td>
</tr>
<tr>
<td>Neutral</td>
<td>35%</td>
</tr>
<tr>
<td>Satisfied</td>
<td>25%</td>
</tr>
<tr>
<td>Very Satisfied</td>
<td>7.50%</td>
</tr>
</tbody>
</table>

**Source:** (Researcher 2013)

The Figure 4.7 above shows, 14 of the respondents represent 35% were neutral in terms of payment process. 12 of the respondents represent 30%, were dissatisfied concerning payment process. 10 of the respondents were satisfied which represents 25%. 3 of the respondents were very satisfied who are represented by 7.50% while the least of the respondents are very dissatisfied and are represented by 2.50%. This depicts that the effectiveness and the efficiency and ease of the payment process have an effect on customer preference and satisfaction.
4.3.12 Metering process

The research sought to establish how customers rates Kenya Power's metering process. The findings are depicted in the Figure 4.8 below;

Figure 4.8 Meter Processing

From the above Figure 4.8 the study shows that 17 of the respondents' represents 42.5% were neutral as far as meter processing was concerned. 11 of the respondents represents 27.50% were satisfied, 10 of the respondents' represents 25% were dissatisfied and 2 of the respondents were very satisfied and this is represented by 5.00%. This shows that more than half of the respondents are satisfied with meter processing. It reveals that customers appreciate the quality of service offered as concerns meter procurement process, thus quality of service in processes has an influence on customer satisfaction.
4.3.13 Response to breakdowns of Electricity supply

The research sought to establish the speed of responses on breakdown of electricity supply by Kenya Power. The findings are as shown in the Table 4.6 below;

Table 4.6 Response to breakdowns of electricity supply

<table>
<thead>
<tr>
<th>Response To Break Down on Electricity Supply</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Very dissatisfied</td>
<td>4</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>18</td>
<td>45.0</td>
<td>45.0</td>
<td>55.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>6</td>
<td>15.0</td>
<td>15.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Satisfied</td>
<td>9</td>
<td>22.5</td>
<td>22.5</td>
<td>92.5</td>
</tr>
<tr>
<td>Very Satisfied</td>
<td>3</td>
<td>7.5</td>
<td>7.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

On the above Table 4.6, 45% of the respondents ranked as dissatisfied with response to breakdowns/Power blackouts while 22.50% were satisfied, 15% were neutral while 10% were very dissatisfied while 7.50% were very satisfied in response to breakdowns. From the research findings a high percentage of the respondents revealed that they were dissatisfied with Kenya Powers response to Power breakdown. This implies that efficiency and responsiveness to service as need demands is a determinant on customer satisfaction.
4.3.14 Response to letters and emails

The research sought to establish how Kenya Power responds to customers’ letters and emails. The findings are as shown in the Table 4.7 below;

Table 4.7 Response to letters and emails

<table>
<thead>
<tr>
<th>Response to letters and emails</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Very dissatisfied</td>
<td>6</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>16</td>
<td>40.0</td>
<td>40.0</td>
<td>55.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>20.0</td>
<td>20.0</td>
<td>75.0</td>
</tr>
<tr>
<td>Satisfied</td>
<td>8</td>
<td>20.0</td>
<td>20.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Very Satisfied</td>
<td>2</td>
<td>5.0</td>
<td>5.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

On the above Table 4.7, 40% of the respondents were dissatisfied with Kenya Power’s response to letters and emails. 20% were neutral, 20% were satisfied, 15% were very dissatisfied while 5% were very satisfied. From these research findings it shows that most of Kenya Power respondents are not satisfied with the way Kenya Power responses to customers letters. Clear indication that response to e-mails and letters from customers concern would have a positive effect on customer satisfaction.
4.3.15 Customer awareness to face book and twitter account

The research sought to establish customers' awareness on platform for lodging complaint or compliment through face book and twitter account with Kenya Power. The findings are as shown in the Figure 4.9 below.

**Figure 4.9 Customer awareness to face book and twitter account**

From the Figure 4.9 above it is revealed that 27 of the respondents represents 67% were not aware of Kenya Power twitter and face book account. While 12 of the respondents represents 33% were aware of the Kenya Power face book and twitter account. This shows that most of the customers were not aware of the Kenya Power facebook and twitter. This implies that social platform is a mechanism of complaint handling which in turn has an influence as a determinant of customer satisfaction.

**Source:** (Researcher 2013)
4.3.16 Complaint within three months

The research sought to establish if the customer had complaint concerning services with Kenya Power for the last three months. The findings are as shown in the Figure 4.10 below;

**Figure 4.10 Complaint within three months**

![Bar chart showing that 85% of respondents had complaints within three months while 15% had no complaints.](chart)

Source: (Researcher 2013)

From Figure 4.10 above, 34 of the respondents representing 85% reported that they had complaint within three months while 5 of the respondents represents 15% revealed that they had no complaints with the company within a period of three months. This research study shows that customer complaints are still high. This implies that customer satisfaction levels are determined by the number of complaints.
4.3.17 Response time

The research sought to establish resolution time on customer complaints at Kenya Power.

The findings are as shown in the Figure 4.11 below;

Figure 4.11 Response to complaints

On the above Figure 4.11, 22 of the respondents represent 55% of the respondents had their complaints responded to within 24 hours while 11 represent 27% had their complaints responded to within a few days. 5 represented by 12.50% had their complaints responded within a week. The complaint responded to within a day is more than half. This depicts that most of the complaints are resolved within a day hence complaints resolution time has effect on customer’s satisfaction.

Source: (Researcher 2013)
4.3.18 Conclusive complaint resolve

The research sought to establish if customer complaint at Kenya Power are conclusively resolved. The findings are as shown in the Table 4.8 below;

Table 4.8 Conclusive complaint resolve

<table>
<thead>
<tr>
<th>Complaint Resolve</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Yes</td>
<td>29</td>
<td>72.5</td>
<td>72.5</td>
<td>72.5</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>27.5</td>
<td>27.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source : (Researcher 2013)

The Table 4.8 above, shows that 29 of the respondents representing 72.5% had their complaints resolved while 11 of the respondents representing 27.5% shows that the customer’s complaints were not solved at all. When the customers complain, they give the firm a chance to rectify the problem and interestingly, if the firm recovers successfully, to increase loyalty and profit. Thus, conclusive customer complaint handling has an influence on customer satisfaction.

4.3.19 Mission Statement

The research sought to establish from the respondents if they were aware of the recent rebranding on the new mission statement at Kenya Power. The findings are as shown in the Figure 4.12 below;
The Figure 4.12 above shows that 23 of the respondents representing 58% heard about the mission but could not remember it, while 16 of the respondents representing 40% never heard about the mission and only 1 respondent representing 2.5% were aware of the mission. This shows that more respondents heard about the Kenya Power rebranded mission but could not remember it. This implies the rebranding process has not been fully captured or embraced by Kenya Power customers and are yet to associate with it. Thus rebranding has an effect in the customer mind which influences customer satisfaction.

**4.3.20 Vision Statement**

The research sought to know from the respondents if they were aware of the current vision of Kenya Power. The findings are as shown in the Figure 4.13 below;
The Figure 4.13 above shows that 20 of the respondents representing 50% heard about the vision and cannot remember, while 19 of the respondents representing 47.50% never heard about and only 1 of the respondents representing 2.5% were aware of the vision. This shows that the greatest percentage of the respondent had no information about rebranding of the Kenya Power vision. Thus rebranding has an effect on the customers’ perception, which in turn influences customer satisfaction.

### 4.3.21 Core values

The research sought to establish from the respondents if they were aware of the new core values of Kenya Power. The findings are as shown in the Table 4.9 below:

<table>
<thead>
<tr>
<th>Core Values</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value 1</td>
<td>30%</td>
</tr>
<tr>
<td>Value 2</td>
<td>40%</td>
</tr>
<tr>
<td>Value 3</td>
<td>25%</td>
</tr>
<tr>
<td>Value 4</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)
Table 4.9 Values

<table>
<thead>
<tr>
<th>Values</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never heard it</td>
<td>23</td>
<td>57.5</td>
<td>57.5</td>
<td>57.5</td>
</tr>
<tr>
<td>Heard About it cannot remember</td>
<td>16</td>
<td>40.0</td>
<td>40.0</td>
<td>97.5</td>
</tr>
<tr>
<td>Heard of it and can remember</td>
<td>1</td>
<td>2.5</td>
<td>2.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

The Table 4.9 above shows that 57% of the respondent never heard about the Value, while 40% heard about and can remember and only 2.5% were aware of the value and can remember the Kenya Power value. This shows that Kenya Power rebranding process is yet to be fully embraced by the customers. Thus rebranding has an effect on the mind of the customer which influences customer satisfaction.

4.3.22 Umeme Pamoja Program

The research sought to establish from the respondents the effects Umeme Pamoja marketing program by Kenya Power. The findings are as shown in the Table 4.10 below;

Table 4.10 Umeme Pamoja program

<table>
<thead>
<tr>
<th>Umeme Pamoja</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appeal Most</td>
<td>10</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Do not appeal at all</td>
<td>30</td>
<td>75.0</td>
<td>75.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

63
From the Table 4.10 above, it shows that 75% of the respondents were not appealed by Umeme Pamoja while 25% were appealed. This shows that Umeme Pamoja does not meet the expectation of most of the customers. This implies that the extent of appeal for a program has an effect on customer satisfaction.

### 4.3.23 Stima Loan Program

The research sought to establish from the respondents the effects Stima Loan marketing program by Kenya Power. The findings are as shown in the Table 4.11 below;

<table>
<thead>
<tr>
<th>Stima Loan</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Appeal Most</td>
<td>15</td>
<td>37.5</td>
<td>37.5</td>
<td>37.5</td>
</tr>
<tr>
<td>Do not appeal at all</td>
<td>25</td>
<td>62.5</td>
<td>62.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The Table 4.11 above shows that 37.50% of the respondents were appealed by Stima Loan while 62.5% were not appealed. This shows that more than half of the respondents are not appealed by the program. This shows that Stima Loan program does not meet the expectation of most of the customers. This implies that past experience has an influence on customer satisfaction.
4.3.24 Anti Vandalism Awareness campaign

The research sought to establish from the respondents how they feel about anti vandalism campaign by Kenya Power. The findings are as shown in the Figure 4.14 below;

**Figure 4.14 Anti Vandalism Awareness**

![Pie chart showing anti vandalism awareness](image)

Source : (Researcher 2013)

The Figure 4.14 above shows that 26 representing 65% of the respondents were appealed by anti vandalism while 14 of the respondents representing 35% were not appealed. This shows that more than half of the customers served by Kenya Power are impressed by anti vandalism campaign. Thus rebranding has an effect on the perception in the mind of the customer which leads to customer satisfaction.
4.3.25 Pre-payment Metering

The research sought to establish from the respondents how they feel about pre-payment metering program by Kenya Power. The findings are as shown in the Table 4.12 below;

Table 4.12 Pre-payment Metering

<table>
<thead>
<tr>
<th>Pre-payment metering</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Appeal Most</td>
<td>11</td>
<td>27.5</td>
<td>27.5</td>
<td>27.5</td>
</tr>
<tr>
<td>Do not appeal at all</td>
<td>29</td>
<td>72.5</td>
<td>72.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source : (Researcher 2013)

The Table 4.12 above shows that 72.50% of the respondents were most appealed by pre-payment metering while 27.55% were not appealed. This implies that pre-payment metering has had a positive effect to customers. Thus rebranding has an effect in the mind of the customer which influences customer satisfaction.

4.3.26 Easy pay Mpesa Services

The research sought to establish from the respondents how they feel about Easy pay Mpesa Services at Kenya Power. The findings are as shown in the Table 4.13 below;
### Table 4.13 Easy pay M-pesa Services

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appeal Most</td>
<td>30</td>
<td>75.0</td>
<td>75.0</td>
<td>75.0</td>
</tr>
<tr>
<td>Do not appeal at all</td>
<td>10</td>
<td>25.0</td>
<td>25.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

The Table 4.13 above shows that 75% of the respondents were appealed by easy pay Mpesa services while 25% were not appealed. From the research findings it reveals that most customer are appealed by Easy pay Mpesa services. This implies that easy pay Mpesa services has been embraced by the customers. Thus rebranding and marketing programs on Easy pay Mpesa has had a positive effect in the mind of the customer which leads to customer satisfaction.

### 4.3.27 Short message Service

The research sought to establish from the respondents how they feel about short message service by Kenya Power. The findings are as shown in the Figure 4.15 below;
The Figure 4.15 above shows that 10 of the respondent represent 25% were appealed by short message service while 29 of the respondents represents 72.5% were not appealed. From the research findings it is clear that few customers are appealed by short message service. Thus rebranding on short message service has an effect in the mind of the customer which in turn influences customer satisfaction.

4.3.28 Trust

The research sought to establish from the respondents how Kenya Power rated in terms of trusts. The findings are as shown in the Figure 4.16 below;
The Figure 4.16 above shows that 19 of the respondent representing 47.50% were neutral as far as trust with Kenya Power is concerned while 16 of the respondent represents 40% are satisfied, 3 of the respondent represents 7.50% are dissatisfied, 1 of the respondent represents 2.50% were very dissatisfied while 1 of the respondent represents 2.50% were very satisfied. From the research findings it shows that trust with Kenya Power fall below average and this would affect its credibility and trustworthiness as a service provider. Trust is a key factor behind satisfaction.
4.3.29 Quality of Product and Services

The research sought to establish the quality of product and services offered by Kenya Power. The findings are as shown in the Table 4.14 below;

**Table 4.14 Quality of Product and Services**

<table>
<thead>
<tr>
<th>Quality of Product and Service</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Very dissatisfied</td>
<td>1</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>4</td>
<td>10.0</td>
<td>10.0</td>
<td>12.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>26</td>
<td>65.0</td>
<td>65.0</td>
<td>77.5</td>
</tr>
<tr>
<td>Satisfied</td>
<td>7</td>
<td>17.5</td>
<td>17.5</td>
<td>95.0</td>
</tr>
<tr>
<td>Very Satisfied</td>
<td>2</td>
<td>5.0</td>
<td>5.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source : (Researcher 2013)

The Table 4.14 above shows that 65% respondent were neutral as far as quality of products and services were concerned with Kenya Power while 17.5% are satisfied, while 10% of the respondents are dissatisfied, 5% were very satisfied while 2.50% were very dissatisfied. This implied Kenya Power has improved the quality of products and services.

4.3.30 Transparency

The research sought to establish Kenya Power’s transparency as far as delivery of service delivery is concerned. The findings are as shown in the Figure 4.17 below;
Figure 4.17 Transparency

Source : (Researcher 2013)

The Figure 4.17 above shows that 17 of the respondent represents 42.4% were neutral as far as transparency with Kenya Power is concerned while 10 of the respondent represents 25% are dissatisfied while 7 of the respondent represents 17.5% are satisfied, 5 of the respondent represents 12.50% were very dissatisfied and 1 of the respondent represents 2.50% were very satisfied. This shows that most of the customers are dissatisfied with the Kenya Power as far as openness and accountability is concerned. This implies that transparency is a key factor in customer satisfaction.

4.3.3 Value for money

The research sought to establish from the respondents if services offered by Kenya Power is worth value for their money. The findings are as shown in the Figure 4.18 below;
The Figure 4.18 above shows that 15 of the respondent represents 37% were neutral as far as value for money is concerned. This was followed by 12 of the respondent represents 30% who were dissatisfied while 6 of the respondent represents 15% were satisfied, 2 of the respondents represented by 5% were very satisfied, while 5 of the respondent represents 12.50% of the respondents were very dissatisfied. This Shows that majority of the customers at 30% were disappointed by the services they get from Kenya Power and they do not get equal value for their money. This indicates that value for money has an influence on customer satisfaction.

4.3.32 Community responsibility

The research sought to establish from the respondents how they feel about Kenya Power’s participation in community responsibilities. The findings are as shown in the Table 4.15 below;
Table 4.15 Community responsibility

<table>
<thead>
<tr>
<th>Community Responsibility</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>16</td>
<td>40.0</td>
<td>40</td>
<td>40.0</td>
</tr>
<tr>
<td>Very dissatisfied</td>
<td>10</td>
<td>25.0</td>
<td>25</td>
<td>65.0</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>9</td>
<td>22.5</td>
<td>22.5</td>
<td>87.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>4</td>
<td>10.0</td>
<td>10</td>
<td>97.5</td>
</tr>
<tr>
<td>Satisfied</td>
<td>1</td>
<td>2.5</td>
<td>2.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100.0</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Researcher 2013)

According to Table 4.15 above it's clear from the Table above that the respondents are very dissatisfied with Kenya Power's participation on community responsibilities which is represented by 40%, 25% of the respondents were dissatisfied, 22.50% of the respondents were neutral, 10% of the respondents were satisfied while 2.50% of the respondents were very satisfied. This shows that Kenya Power has not participated fully in the community affairs. This is a clear indication that credibility has an influence on customer satisfaction.

4.3.33 Contact with Kenya Power

The research sought to establish from the respondents what customers experienced during their contact with Kenya Power. The findings are as shown in the Figure 4.19 below;
The Figure above 4.19 shows that 24 of the respondent represents 60% had good contact with Kenya Power while 14 of the respondent represents 35% had fair contact while 2 of the respondent represents 5% had fair contact. From the research findings it reveals that more than half of the respondents were satisfied with the experience they had with Kenya Power. This also shows that first impression matters and thus has a very strong influence on customer satisfaction.

4.3.34 Enquiry at Kenya Power

The research sought to establish from the respondents how easy it is to make an enquiry at Kenya Power participation to community responsibilities. The findings are as shown in the Figure 4.20 below;
The Figure 4.20 above indicates 3 of the respondent represents 7.50% making enquiry at Kenya Power was very good. 12 of the respondent represents 30% rated enquiry making as good while 25 of the respondent represents 62% rated fair. This shows that Kenya Power still have room for improvement on the area of enquiry. Very few of the respondents rated enquiry as very good and this depicts that most of the customers were dissatisfied. Thus easiness and access to services has a direct influence on customer satisfaction.

Source: (Researcher 2013)

4.3.35 Service standard at Kenya Power

The research sought to establish from the respondents Kenya Power participation to community responsibilities. The findings are as shown in the Figure 4.21 below,
Figure 4.22 Social Responsibility

Figure 4.22 above indicates 21 of the respondent represents 52.50% rated social responsibility as bad followed by 10 of the respondent represents 25% rated it as fair. 6 of the respondent represents 15% rated good, 2 of the respondent represents 5% rated it as very bad while 1 of the respondents rated it as very good are represented by 2.50%. From the Figure above it is clear that most of the respondents rate Kenya Power social responsibility as bad. This shows that Kenya Power need to engage more on social responsibilities which has a far reaching effect on the image. Therefore there is a relationship between image and customer satisfaction.

4.3.37 World class Services

The research sought to establish level at which Kenya Power is, in terms of offering world class services to its customers. The findings are as shown in the Figure 4.23 below;
Figure 4.23 World Class Status

Source: (Researcher 2013)

The Figure 4.23 above indicates 13 of the respondent represents 32.50% rated bad world class status of Kenya Powers services followed by 11 of the respondent represents 27.50% ranking the status as very bad. 9 of the respondent represents 22.50% ranked the status as fair, 6 of the respondent represents 15% of the respondents rated it as good, while the respondent that rated Kenya Power in terms of world class status were only 1 of the respondent represents 2.50%. This shows that Kenya Power is far below as far as world class status is concerned.

4.3.38 Customer Loyalty

The research sought to establish from the respondents Kenya Power customer’s loyalty. The findings are as shown in the Figure 4.24 below;
From the Figure 4.24 above it shows that 26 of the respondents were to some extent loyal represented by 65% while 7 of the respondent represents 17.50% were loyal at small extent, 4 of the respondent represents 10% were loyal at large extent, 2 of the respondent were loyal at very large extent represents 5.00% and those who were loyal at no extent represents 2.50%. From these research findings it shows that most customers served by Kenya Power were loyal at some extent. This shows that should another service provider come to the market chances of shifting are high, thus there is a direct relationship between customer loyalty and satisfaction.

4.3.39 Customer retention

The research sought to establish from the respondents Kenya Power customer retention. The findings are as shown in the Figure 4.25 below;
The Figure 4.25 above indicates that 19 of the respondents represent 47.50% are unlikely to remain loyal should another service provider in the market come in. 9 of the respondents represent 22.50% are likely to remain loyal. 7 of the respondents represent 17.50% rated neutral. Those who are very likely to remain loyal are 3 represented by 7.50% while 2 of the respondents are unlikely are represented by 5.00%. This shows that most customers are unlikely to remain loyal should another service provider gives a better deal. Therefore customer loyalty has a direct influence on satisfaction.

4.3.40 Customer satisfaction

The research sought to know customer satisfaction at Kenya Power from the respondents. The findings are as shown in the Figure 4.26 below;
Figure 4.26 Customer satisfaction

Source : (Researcher 2013)

Figure 4.26 above indicates 25 of respondent are satisfied with services offered by Kenya Power represent 62%. While 8 are good represents 25.00%, 3 are poor in satisfaction represents 12%. From the Figure above it reveals that when the customers' needs are met, they feel more satisfied. Kenya Power need to offer higher quality services in order to delight its customers.

4.4 Data analysis and interpretation

Gay (1992) argues that the most common method of reporting descriptive research is developing frequency distributions, calculating percentages and tabulating them in form of graphs, Tables and pie charts and notes. Hence, descriptive statistics was used to present the results. Responses of open ended questions were analyzed manually by coding and sorting out into themes and put into means and Tables and reported by use of descriptive narrative and the results of the study compared with literature review.
According to Babbie (2004), quantitative analysis is the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena that those observations reflect. Qualitative data was analyzed using content analysis. Frequency and percentages were used in the analysis of data to generate Tables and Figures. Quantitative research focused on examining a problem based on testing a theory and analyzing it using statistical techniques. The qualitative data generated from the questionnaire were categorized in themes in accordance with research objectives and reported in narrative form along with quantitative presentation. The various descriptive statistics include mean, percentage standard deviation, would be worked out using statistical package for Social Science (SPSS) and tabulations.

As shown in the literature review, regression analyses has been widely used in this type of study and therefore further clarify the relationship between quality service, complaint handling, branding, perceived values and customer satisfaction. The study adopted the model used by Kreiser et al (2002b) in looking at the relationship between independent and dependent variables.

The model assumes multiple linear relationships which in its simplified form is as below;

$$ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e $$

Where:

- $Y$ = is the dependent variable for customer satisfaction.
- $\beta_0$ = is constant amount signifying what customer satisfaction would be without the influence of the independent variables in the study
- $\beta_1$ to $\beta_4$ = Regression Coefficient (unknown parameters)

82
\[ X_1 = \text{Customer service} \]
\[ X_2 = \text{Complaint handling} \]
\[ X_3 = \text{Branding} \]
\[ X_4 = \text{Perceived value} \]
\[ e_i = \text{Error term} \]

1. As in other studies of this nature (Kreiser et al.2002)), significance tested was also conducted and the level of significance for this study was 0.05.

4.4.1 Hypothesis Testing

Hypothesis testing was also worked on to establish the relationship between the independent variables: customer service, complaint handling, rebranding and perceived value while the dependent variable is customer satisfaction.

4.4.1.1 Customer service

The first objective of the study sought to establish the effects of customer service quality on customer satisfaction at Kenya Power. This was achieved by testing the following hypothesis:

\[ H_1: \text{The level of customer service affects customer satisfaction at Kenya Power.} \]

Customer service attributes were measured in terms of promise keeping, timeliness in delivery of service, customer care relation and communication system in the organization.
Table 4.16: Customer service

(a) 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>.805a</td>
<td>0.647</td>
<td>0.526</td>
<td>0.52193</td>
</tr>
</tbody>
</table>

a) Predictors: (Constant), Response to Letters & E-mails, Timeliness in delivery of services, Application for electricity process, promise keeping, Metering process, Knowledge about products and services, Payment process, communication systems in the organization, Speed of Response to electricity breakdowns, Customer care relations.

(b) ANOVA

<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>10</td>
<td>1.45</td>
<td>5.323</td>
<td>.000a</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>29</td>
<td>0.272</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Response to Letters & E-mails, Timeliness in delivery of services, Application for electricity process, promise keeping, metering process, Knowledge ability about products and services, Payment process, communication systems in the organization, Speed of Response to electricity breakdowns, Customer care relations.

b. Dependent Variable: customer satisfaction
### (c) Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Std. Error</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>1.193</td>
<td></td>
<td>0.432</td>
<td></td>
<td>2.761</td>
<td>0.01</td>
</tr>
<tr>
<td>Promise keeping</td>
<td>0.272</td>
<td></td>
<td>0.163</td>
<td>0.355</td>
<td>1.668</td>
<td>0.106</td>
</tr>
<tr>
<td>Timeliness in delivery of services</td>
<td>-0.05</td>
<td></td>
<td>0.122</td>
<td>-0.073</td>
<td>-0.411</td>
<td>0.684</td>
</tr>
<tr>
<td>Knowledge ability about products and services</td>
<td>0.006</td>
<td></td>
<td>0.142</td>
<td>0.01</td>
<td>0.043</td>
<td>0.966</td>
</tr>
<tr>
<td>Customer care relations</td>
<td>-0.054</td>
<td></td>
<td>0.186</td>
<td>-0.075</td>
<td>-0.292</td>
<td>0.772</td>
</tr>
<tr>
<td>Communication systems in the organization</td>
<td>0.105</td>
<td></td>
<td>0.141</td>
<td>0.161</td>
<td>0.748</td>
<td>0.46</td>
</tr>
<tr>
<td>Application for electricity process</td>
<td>-0.08</td>
<td></td>
<td>0.174</td>
<td>-0.09</td>
<td>-0.457</td>
<td>0.651</td>
</tr>
<tr>
<td>Payment process</td>
<td>-0.195</td>
<td></td>
<td>0.168</td>
<td>-0.243</td>
<td>-1.163</td>
<td>0.254</td>
</tr>
<tr>
<td>Metering process</td>
<td>-0.003</td>
<td></td>
<td>0.184</td>
<td>-0.004</td>
<td>-0.019</td>
<td>0.985</td>
</tr>
<tr>
<td>Speed of Response to electricity breakdowns</td>
<td>0.345</td>
<td></td>
<td>0.165</td>
<td>0.513</td>
<td>2.096</td>
<td>0.045</td>
</tr>
<tr>
<td>Response to Letters &amp; Emails</td>
<td>0.186</td>
<td></td>
<td>0.164</td>
<td>0.277</td>
<td>1.138</td>
<td>0.264</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer satisfaction

From the regression on customer service result above, The R value was 0.805 indicating that there is a very strong positive relationship between the quality of customer service...
and customer satisfaction. The R squared ($R^2$) value of 0.647 shows that 64.7% of Kenya Power customer satisfaction is explained by the customer service attributes. The remaining 35.3% is explained by other strategies put in place by Kenya Power in order to enhance customer service delivery. The model was significant with the F ratio = 5.323 at $p < 0.05$. Customer service attributes have a positive effect on customer satisfaction. The beta values show the degree to which each predictor’s variable affects the outcome when all other predictors are held constant.

Speed of response to electricity breakdown had the highest positive and significant effect on customer satisfaction at $\beta = 0.513$ at $p < 0.05$. This means that as response to electricity breakdown increased, customer satisfaction improved. On the other hand, payment process had the highest negative and insignificant effect on Kenya Power customer satisfaction with $\beta = -0.243$ at $p > 0.05$. This thus meant that as quality of payment process has an effect on customer satisfaction, there was decrease in customer satisfaction.

Of the remaining predictors, four of them communication system in the organization $\beta = 0.161$, response to letters and emails $\beta = 0.277$, Knowledge ability about product and services $\beta = 0.01$, promise keeping $\beta = 0.35$) had positive effect on customer satisfaction at Kenya Power while the remaining four predictors (timeliness in delivery of service $\beta = -0.073$, customer care relation $\beta = -0.075$, application for electricity processing $\beta = 0.090$, metering process $\beta = -0.004$) had negative effect on Customer satisfaction. We
can therefore conclude that Customer service predictors have an effect on customer satisfaction at Kenya Power.

Overall, the results of the linear regression indicated a positive significant relationship between customer service attributes and customer satisfaction with $R = 0.805$ and the $R^2$ squared value was 0.674. These findings are in line with the findings of Gustafsson, et al (2005) who emphasizes that a firm should concentrate on the improvement of quality of service and charge appropriate fair price in order to satisfy their customers which would ultimately help the firm to retain its customers.

4.4.1.2 Complaint handling

The second objective of the study sought to find out whether complaint handling affects levels of customer satisfaction at Kenya Power. This was achieved by testing the following hypothesis

\[ \text{H}_2: \text{Complain handling influences the level of customer satisfaction at Kenya Power}. \]

Customer service attributes were measured in terms of knowledge on facebook and twitter account, helpful and courteous representative of Kenya Power, timeliness and responsiveness to complaints and conclusive resolution to complaints.
Table 4.17 Complaint handling

a) 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>.394(^a)</td>
<td>0.155</td>
<td>0.002</td>
<td>0.7572</td>
</tr>
</tbody>
</table>

a) Predictors: (Constant), complaint conclusively resolved, Awareness of Kenya Power facebook and twitter account, speed of response to complaint, representatives helpfulness on being and courtesy to customers while solving their issues, complaint concerning services in the last three months, lodged complaint and own experience.

b) ANOVA

<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>Regression</td>
<td>3.479</td>
<td>6</td>
<td>0.58</td>
<td>1.011</td>
<td>.435(^a)</td>
</tr>
<tr>
<td>Residual</td>
<td>18.921</td>
<td>33</td>
<td>0.573</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>22.4</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a) Predictors: (Constant), complaint conclusively resolved, Awareness of you aware of Kenya Power facebook and twitter account, speed of response to complaint, Kenya Power representatives on being helpful and courteous to customers in resolving their issues, complaint concerning services in the last three months, lodged a complaint and how was their experience.

b) Dependent Variable: customer satisfaction.
From the regression on complaint handling result above, The R value was 0.394 indicating that there is a positive relationship between the quality of customer service and customer satisfaction. The R squared ($R^2$) value of 0.155 shows that 15% of Kenya Power customer satisfaction is explained by the complain handling attributes. The remaining 85.3% is explained by other strategies put in place by Kenya Power in order to
enhance customer satisfaction. The model was not significant with the F ratio = 1.011 at
p > 0.05. Complain handling attributes have a positive effect on customer satisfaction,
though the effect is not significant. The beta values show the degree at which each
predictor variable affects the outcome when all other predictors are held constant.

Resolving of issues had the highest positive and significant effect on customer
satisfaction at $\beta = 0.303$ at $p < 0.05$. This means that resolving of issues bothering the
customer at Kenya Power increased, customer satisfaction improved. On the other hand,
response to complaint had the highest negative and significant effect on Kenya Power
customer satisfaction with $\beta = -0.258$ at $p < 0.05$. This thus meant that as response to
complaint decreased, there was decrease in customer satisfaction.

Of the remaining predictors, awareness of Kenya Power facebook and twitter account $\beta =
0.172$, had positive effect on customer satisfaction at Kenya Power while the remaining
three determinants (experience in lodging a complaint $\beta = -0.076$, customer complaint
resolved within three months $\beta = -0.021$ and complaint conclusively resolved $\beta = -0.028$)
had negative effect on customer satisfaction. We can therefore conclude that complaint
handling determinant have an effect on customer satisfaction at Kenya Power.

In addition, since the study findings shows that quick resolving issues has a positive
effect on customer satisfaction, then Kenya Power should be quick in resolving issues

benefit by resolving issues pertaining its customers. This would also help Kenya Power to
know the areas that it need to amend so as to optimize customer satisfaction.
Overall, the results of the linear regression indicated a weak positive insignificant relationship between complaint handling attributes and customer satisfaction with $R = 0.394$ and the $R$ squared value was 0.155. These findings are in line with the findings of Turerl and Serenko, (2006) stated that complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint within organizations, customer satisfaction ratings can have Powerful effects. They focus employees on the importance of fulfilling customers' expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic.

4.4.1.3 Branding

The third objective of the study sought to establish the effects of brand reputation as a determinant of customer satisfaction at Kenya Power. This was achieved by testing the following hypothesis;

$H_3$: Brand reputations affect customer satisfaction at Kenya Power.

Rebranding attributes were measured in terms of knowledge of mission, vision and values, marketing programs/services, Umeme Pamoja, Stima Loan, Anti Vandalism campaigns, pre-payment metering, easy Pay Mpesa services and trust, quality of product and services, transparency, value for money and community responsibilities.
Table 4.18 Branding

a) 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>.817a</td>
<td>0.668</td>
<td>0.482</td>
<td>0.54568</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), response to community responsibilities, response to Stima Loan program, response to easy pay Mpesa services, how pre-payment metering program appeal, response to Kenya Power on trustworthness, awareness of Kenya Power's new mission statement, response to Umeme Pamoja program, response to anti vandalism awareness campaign program., response to short message services at Kenya Power, response to transparency, knowledge of Kenya Powers new values, response to rating the quality of products and service at Kenya Power, value for your money, knowledge of Kenya Power's new vision.

b) ANOVA

<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>14</td>
<td>1.068</td>
<td>3.588</td>
<td>.003a</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>25</td>
<td>0.298</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), participation to Community responsibilities, Response to Stima Loan program, Response to Easy Pay Mpesa Services., response to pre-
payment metering program appeal to you, Kenya Power on Trustworthiness, Awareness of Kenya Power's New Mission statement, Response to Umeme Pamoja program, Response to Anti vandalism awareness campaign program, Response to Short message services at Kenya Power, Response to transparency, Knowledge of Kenya Powers New Values, Quality of products and service at Kenya Power, value for money, Knowledge of Kenya Power's New Vision

b. Dependent Variable: Customer satisfaction

c) Coefficient

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>0.573</td>
</tr>
<tr>
<td></td>
<td>Awareness of Kenya Power's New Mission statement</td>
<td>-0.158</td>
</tr>
<tr>
<td></td>
<td>Knowledge of Kenya Power's New Vision</td>
<td>-0.033</td>
</tr>
<tr>
<td></td>
<td>Knowledge of Kenya Powers New Values</td>
<td>0.531</td>
</tr>
<tr>
<td></td>
<td>Response to Umeme Pamoja program</td>
<td>-0.331</td>
</tr>
<tr>
<td></td>
<td>Response to Stima Loan</td>
<td>-0.212</td>
</tr>
<tr>
<td></td>
<td>a</td>
<td>b</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Response to Anti-vandalism awareness</td>
<td>0.07</td>
<td>0.225</td>
</tr>
<tr>
<td>campaign program.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-payment metering program appeal to</td>
<td>0.061</td>
<td>0.254</td>
</tr>
<tr>
<td>you</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Response to Easy Pay Mpesa Services.</td>
<td>-0.233</td>
<td>0.22</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Response to Short message services at</td>
<td>0.213</td>
<td>0.238</td>
</tr>
<tr>
<td>Kenya Power</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trustworthness of Kenya Power</td>
<td>-0.032</td>
<td>0.133</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of products and service at</td>
<td>0.638</td>
<td>0.231</td>
</tr>
<tr>
<td>Kenya Power</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Response to transparency</td>
<td>0.179</td>
<td>0.153</td>
</tr>
<tr>
<td>value for your money</td>
<td>-0.215</td>
<td>0.18</td>
</tr>
<tr>
<td>Response to Community responsibilities</td>
<td>0.132</td>
<td>0.136</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Dependent Variable: Customer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>satisfaction</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

94
From the regression on branding result above, The R value was 0.817 indicating that there is a very strong positive relationship between branding and customer satisfaction. The R squared ($R^2$) value of 0.668 shows that 66.8% of Kenya Power customer satisfaction is explained by the branding attributes. The remaining 33.2% is explained by strategies put in place by Kenya Power in order to enhance quality product and services delivery. The model was significant with the F ratio $= 3.588$ at $p < 0.05$. Branding attributes have a positive effect on customer satisfaction and the effect is significant. The beta values show the degree to which each determinant variable affects the outcome when all other predictors are held constant.

Quality of products and service had the highest positive and significant effect on customer satisfaction at $\beta = 0.629$ at $p < 0.05$. This means that as quality of products and services is improved, customer satisfaction also increases. On the other hand, response of Kenya on trustworthiness had the highest negative and insignificant effect on Kenya Power customer satisfaction with $\beta = -0.041$ at $p > 0.05$. This thus meant that as customers lose trust with Kenya Power, there was decrease in customer satisfaction.

Of the remaining predictors, six of them (knowledge of Kenya Power new values $\beta = 0.385$, response to anti vandalism campaigns $\beta = 0.047$, pre payment metering program $\beta = 0.038$, response to short message at Kenya Power $\beta = 0.142$, response to transparency $\beta = 0.230$ and response to community responsibility $\beta = 0.209$) had positive effect on customer satisfaction at Kenya Power while the remaining five determinants (awareness of Kenya Power new mission $\beta = -0.112$, knowledge of Kenya Power new mission $\beta = -0.024$, response to Stima Loan program $\beta = -0.133$, response to easy pay mpesa service $\beta = -0.146$ and response to Umeme Pamoja program $\beta = -0.177$) had negative effect on
Customer satisfaction. We can therefore conclude that branding have an effect on customer satisfaction at Kenya Power.

Overall, the results of the linear regression indicated a very strong significant positive relationship between branding attributes and customer satisfaction with $R = 0.817$ and the $R^2$ value was 0.668. These findings are in line with the findings of re-branding is an essential part of any business that wants to offer products or services that are focused and well-targeted. By making re-branding part and parcel of the business operation customer’s satisfaction would be realized by meeting their expectations, hence would bring a myriad of benefits (Deng et al. 2009).

4.4.1.4 Perceived Value

The third objective of the study sought to assess how perceived value affect customer satisfaction at Kenya Power. This was achieved by testing the following hypothesis.

$H_4$: Perceived value is a factor that contribute to customer satisfaction at Kenya Power

Perceived Value attributes were measured in terms of experience at first contact with Kenya Power, enquiry, service standard, social responsibilities and world class status.
Table 4.19 Perceived Value

a) 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>.682a</td>
<td>0.465</td>
<td>0.386</td>
<td>0.5936</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), provision of world class status to its customers, first contact with Kenya Power, ease to make any enquiry at a Kenya Power depot, service standard requirement, social responsibility,

b) ANOVA

<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>Regression</td>
<td>10.418</td>
<td>5</td>
<td>2.084</td>
<td>5.913</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>11.982</td>
<td>34</td>
<td>.352</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>22.400</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), provision of world class status to customers, first contact with Kenya Power, ease to make any enquiry at a Kenya Power depot, service standard requirement, Kenya Power socially responsibility.

b. Dependent Variable: customer satisfaction
c) Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>Beta</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td></td>
<td>1.308</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>First contact with Kenya Power</td>
<td>-0.043</td>
<td>-0.261</td>
<td>0.796</td>
<td></td>
</tr>
<tr>
<td>Easiness to make any enquiry at a Kenya Power Depot</td>
<td>0.105</td>
<td>0.591</td>
<td>0.558</td>
<td></td>
</tr>
<tr>
<td>service standard requirement</td>
<td>0.336</td>
<td>1.776</td>
<td>0.085</td>
<td></td>
</tr>
<tr>
<td>socially responsibility</td>
<td>-0.057</td>
<td>-0.211</td>
<td>0.834</td>
<td></td>
</tr>
<tr>
<td>Provision of world class status</td>
<td>0.421</td>
<td>1.633</td>
<td>0.112</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer satisfaction

From the regression on perceived value result above, The R value was 0.682 indicating that there is a strong positive relationship between perceived value and customer satisfaction. The R squared ($R^2$) value of 0.465 shows that 46.8% of Kenya Power customer satisfaction is explained by the perceived value attributes. The remaining 53.2% is explained by strategies put in place by Kenya Power in order to enhance quality product and services delivery. The model was significant with the F ratio = 5.931 at p< 0.05. Perceived value attributes have a positive effect on customer satisfaction. The beta values show the degree to which each determinant variable affects the outcome when all other predictors are held constant.
Provision of world class service had the highest positive and insignificant effect on customer satisfaction at $\beta = 0.421$ at $p > 0.05$. This means that as quality of products and services is improved, customer satisfaction also increases. On the other hand, socially responsible status of Kenya Power had the highest negative and insignificant effect on customer satisfaction with $\beta = -0.057$ at $p > 0.05$. This thus meant that as Kenya Power show less interest on social issues that pertains the community, result to low customer satisfaction.

Of the remaining predictors, two of them (ease to make enquiry at Kenya Power $\beta = 0.105$ and meeting service standard requirements $\beta = 0.336$) had positive effect on customer satisfaction at Kenya Power while the remaining one determinants (first contact with Kenya Power $\beta = -0.043$) had negative effect on Customer satisfaction. We can therefore conclude that provision of world class service have an effect on customer satisfaction at Kenya Power.

Overall, the results of the linear regression indicated a positive significant relationship between customer service attributes and customer satisfaction with $R = 0.682$ and the $R$ squared value was 0.464. These findings are in line with the findings of Adee A. (2004) who Perceived service quality and customer value are supported as drivers of customer satisfaction. Perceiving that the relationships may also be significant in service providers context. Moreover, users often select the providers they trust to transact with, which develops their satisfaction.
4.4.1.5 Regression all

a) 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>.993$^a$</td>
<td>0.986</td>
<td>0.859</td>
<td>0.28477</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Provision of world class status to its customers, appeal on Pre-payment metering program appeal, fast response to complaint, Awareness of Kenya Power facebook and twitter account; complaint conclusively resolved, Response to Easy Pay Mpesa Services., First contact with Kenya Power, Response to Anti vandalism awareness campaign program. Kenya Power representatives on being helpful and courteous to customers in resolving their issues, Metering process, lodge a complaint and experience, Knowledge of Kenya Power’s new Values, Response to Umeme Pamoja program, Response to Kenya Power on Trustworthness, communication systems in the organization, Response to Stima Loan program, Knowledge about products and services, Response to Short message services at Kenya Power, complaint concerning services in the last three months, participation of Kenya Power in Community responsibilities, Payment process, Ease to make any enquiry at a Kenya Power Depot, Timeliness in delivery of services, Quality of products and service at Kenya Power, Response to Letters & E-mails, Application for electricity process, Awareness of Kenya Power's New Mission statement, Speed of Response to electricity breakdowns, Kenya Power’s transparency, promise keeping.
Social responsibility, Customer care relations, service standard requirement, Knowledge of Kenya Power's New Vision, value for customer money.

b) ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regression</td>
<td>35</td>
<td>0.631</td>
<td>7.778</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>4</td>
<td>0.081</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>39</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant), Provision of world class status to its customers, appeal on Pre-payment metering program appeal, fast response to complaint, Awareness of Kenya Power facebook and twitter account, Complaint conclusively resolved, Response to Easy Pay Mpesa Services, First contact with Kenya Power, Response to Anti vandalism awareness campaign program. Kenya Power representatives on being helpful and courteous to customers in resolving their issues., Metering process, lodge a complaint and experience, Knowledge of Kenya Power's new Values, Response to Umeme Pamoja program, Kenya Powers trustworthiness, communication systems in the organization, Response to Stima Loan program, Knowledge about products and services, Response to Short message services at Kenya Power, complaint concerning services in the last three months, participation of Kenya Power in Community responsibilities, Payment process, Ease to make any enquiry at a Kenya Power Depot, Timeliness in delivery of services, Quality of products and service at Kenya Power, Response to Letters & E-mails, Application for electricity process, Awareness of Kenya Power's New Mission statement, Speed of Response to electricity breakdowns, Kenya Power's transparency, promise
keeping, Social responsibility, Customer care relations, service standard requirement, Knowledge of Kenya Power's New Vision, value for customer's money.

a. Dependent Variable: customer satisfaction

### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>9.08</td>
</tr>
<tr>
<td></td>
<td>Promise keeping</td>
<td>-0.588</td>
</tr>
<tr>
<td></td>
<td>Timeliness in delivery of services</td>
<td>0.067</td>
</tr>
<tr>
<td></td>
<td>Knowledge about products and services</td>
<td>0.503</td>
</tr>
<tr>
<td></td>
<td>Customer care relations</td>
<td>0.622</td>
</tr>
<tr>
<td></td>
<td>communication systems in the organization</td>
<td>-0.135</td>
</tr>
<tr>
<td></td>
<td>Application for electricity process</td>
<td>-1.148</td>
</tr>
<tr>
<td></td>
<td>Payment process</td>
<td>-1.141</td>
</tr>
<tr>
<td></td>
<td>Metering process</td>
<td>-0.482</td>
</tr>
<tr>
<td>Speed of Response to electricity breakdowns</td>
<td>1.087</td>
<td>0.217</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Response to Letters &amp; E-mails</td>
<td>0.093</td>
<td>0.186</td>
</tr>
<tr>
<td>Awareness of Kenya Power facebook and twitter account?</td>
<td>-1.978</td>
<td>0.457</td>
</tr>
<tr>
<td>Use of facebook or twitter account to lodge a complaint and how was your experience?</td>
<td>2.045</td>
<td>0.638</td>
</tr>
<tr>
<td>Kenya Power representatives on being helpful and courteous to customers in resolving their issues</td>
<td>-0.611</td>
<td>0.135</td>
</tr>
<tr>
<td>complaint concerning services in the last three months</td>
<td>-0.242</td>
<td>0.36</td>
</tr>
<tr>
<td>Response speed to complaint</td>
<td>0.126</td>
<td>0.135</td>
</tr>
<tr>
<td>Conclusive complaint resolved</td>
<td>-2.35</td>
<td>0.482</td>
</tr>
<tr>
<td>Awareness of Kenya Power's New Mission statement</td>
<td>-0.227</td>
<td>0.675</td>
</tr>
<tr>
<td>Knowledge of Kenya Power's New Vision</td>
<td>-0.167</td>
<td>0.718</td>
</tr>
<tr>
<td>Knowledge of Kenya Power's New core Values</td>
<td>-0.643</td>
<td>0.52</td>
</tr>
<tr>
<td>appeal Umeme Pamoja program</td>
<td>-0.022</td>
<td>0.242</td>
</tr>
<tr>
<td>Appeal on Stima Loan program</td>
<td>-1.657</td>
<td>0.437</td>
</tr>
<tr>
<td></td>
<td>Appeal on Anti vandalism awareness campaign program.</td>
<td>1.661</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Appeal on Pre-payment metering program</td>
<td>-2.037</td>
<td>0.529</td>
</tr>
<tr>
<td>Easy Pay Mpesa Services.</td>
<td>-0.988</td>
<td>0.259</td>
</tr>
<tr>
<td>Response to Short message services at Kenya Power</td>
<td>2.075</td>
<td>0.562</td>
</tr>
<tr>
<td>Trustworthness of Kenya Power</td>
<td>-1.421</td>
<td>0.329</td>
</tr>
<tr>
<td>Quality of products and service at Kenya Power</td>
<td>1.874</td>
<td>0.348</td>
</tr>
<tr>
<td>Transparency with Kenya Power</td>
<td>1.36</td>
<td>0.337</td>
</tr>
<tr>
<td>Value for money</td>
<td>-1.934</td>
<td>0.455</td>
</tr>
<tr>
<td>Community responsibilities</td>
<td>0.248</td>
<td>0.205</td>
</tr>
<tr>
<td>First contact with Kenya Power</td>
<td>0.701</td>
<td>0.252</td>
</tr>
<tr>
<td>Easiness to make any enquiry at Kenya Power Depot</td>
<td>0.228</td>
<td>0.309</td>
</tr>
<tr>
<td>Service standard requirement</td>
<td>1.557</td>
<td>0.507</td>
</tr>
<tr>
<td>Social responsibility</td>
<td>-0.657</td>
<td>0.292</td>
</tr>
<tr>
<td>Provision of world class status</td>
<td>-0.085</td>
<td>0.239</td>
</tr>
</tbody>
</table>

a. Dependent Variable: customer satisfaction
Overall, the results of the linear regression indicated a positive insignificant relationship between predictors and customer satisfaction with $R = 0.993$ and the $R$ squared value was 0.859. These findings are in line with the findings of Fornell (1992). A general psychological phenomenon, satisfaction is primary function of customer’s quality experience with a product or service.

On the basis of the fact that the findings reflect a positive effect on customer satisfaction, then service quality qualify as a determinant of customer satisfaction. This confirms the findings of Gustafsson, et al (2005), emphasizes that a firm should concentrate on the improvement of quality of service and charge appropriate fair price in order to satisfy their customers which would ultimately help the firm to retain its customers.

Further, the fact that the findings of the study showed that some predictors had negative effect on Customer satisfaction confirms the findings of Muzellec and Lambkin, 2006 argues that expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they would be disappointed and are likely rate their experiences as less than satisfying. For this reason, a luxury service, for example, might receive a lower satisfaction rating than an average quality service – even though its quality would be deemed superior in ‘absolute’ terms.
\[ Y = \beta_0 + 0.1792 X_1 + 0.143 X_2 + 0.18 X_3 + 0.1924 X_4 + e_i \]

Where: \( Y \) = is the dependent variable which is customer satisfaction.
\( \beta_0 \) = is constant amount signifying what customer satisfaction would be without the influence of the independent variables in the study
\( \beta_1 - \beta_4 \) = Regression Coefficient (unknown parameters)
\( X_1 \) = Customer service
\( X_2 \) = Complaint handling
\( X_3 \) = Branding
\( X_4 \) = Perceived value
\( e_i \) = Error term
CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION & RECOMMENDATIONS

5.1 Introduction

This chapter comprises major findings and conclusions made after analyzing data. This is followed by the researcher investigation into determinants of customer satisfaction in organization a case study of Kenya Power. The researcher further identifies the areas which further research need to be conducted.

5.2 Summary of Findings

The first objective of the study was to establish the effects of customer service quality on customer satisfaction at Kenya Power. In order to ascertain the relationship between customer service quality and customer satisfaction, the researcher tested the hypothesis on the relationship between the two variables. Overall, the result of the linear regression indicated a very strong positive and significant relationship customer service quality and customer satisfaction with $R = 0.805$ and $R^2$ value was 0.647 at confidence level of 95%. The p value was 0.000 which was less than 0.05. It is on the basis of these findings that $H_1$ was rejected. The findings of the study further indicated that speed of response to electricity breakdown, communication system in the organization, response to letter and email, knowledge ability about products and services and keeping of promise had positive effects on customer satisfaction whereas payment process, timeliness in delivery of service, customer care relation, application for electricity processing and metering processing had negative effects on customer’s satisfaction.

107
The second objective of the study sought to find out whether complaint handling affects levels of customer satisfaction at Kenya Power. The regression results indicate a positive relationship between the firm complaint handling and customers' satisfaction. With $R = 0.394$ and $R^2 = 0.155$ at confidence level 95%. Since the p value was 0.435 which was more than 0.05, then the null hypothesis was accepted.

The third objective of the study sought to establish the effects of brand reputation as a determinant of customer satisfaction at Kenya Power. This was addressed by testing the hypothesis $H_3$. The regression result indicates a very strong positive relationship between brand reputation and customer satisfaction. With $R = 0.817$ and $R^2 = 0.668$ at confidence level of 95%. Since the p value was 0.003 which was less than 0.05, then the null hypothesis was rejected. The findings of the study further indicate that awareness of Kenya Power new vision and mission had a negative effect whereas knowledge of Kenya Power new values had a positive effect on customer satisfaction.

The fourth objective of the study was to assess how perceived value affect customer satisfaction at Kenya Power. This was also addressed by testing the hypothesis $H_4$. The regression result reveals that a positive relationship between perceived value and customer satisfaction. With $R = 0.682$ and $R^2 = 0.388$ at confidence level of 95%. Since the p value was 0.000 which was less than 0.05, then the null hypothesis was rejected. The results also reveals that social responsibility of Kenya Power had negative
effect on customer satisfaction whereas meeting service standard requirements had a positive effect on customer satisfaction.

5.3 Conclusion

From the findings it is evident that complaint handling at Kenya Power was wanting. This shows that the Kenya Power’s management need to improve on the quality of service it renders to its customers in order to realize their vision reaching a world class status. It is also evident that responses to breakdown of electricity and other related issues calls for the organization to be responsive other than reactive. It is evident that majority of the customers are not aware of the social media i.e facebook, twitter account and emails. There is a strong relationship between quality of service offered by Kenya Power and customer satisfaction. Information technology at the Kenya Power is finding fast usage. However, despite the improvement of information technology infrastructure in Kenya Power customers are slow in embracing the new technology. Customers basically have high expectations whenever they undertake a particular service to satisfy their needs. They expect that the service would guarantee value for their money and it would perform in accordance to their expectations.

5.4 Recommendations

There is need for Kenya Power to be prompt when responding to customer complaints. The customer should not be seen as a nuisance. The staff ought to be more courteous and humane while handling the customers. There is need to improve on complaints management skills eg. recording, quick customer service. There is need to encourage multi-skilling in the staff to enable handle a wide variety of queries on electricity.
Kenya Power should equally maximize on social media and engage the public on this platform where the customers or the general public interact, exchange views, report incidences or occurrences like vandalism. Popularizing the existing twitter and facebook accounts would open avenues on complaint lodging and policing.

Kenya Power should put more emphasis on complaints managements programmes enhanced to ensure that complaints are resolved within the timelines and the customer given some feedback. Fine details of who is handling what and the time assigned should be emphasized to ensure staff takes full responsibility.

Customer Relationship Management is a comprehensive business and marketing strategy that integrates technology process and all business activities around the customer (Anton, 1996 and Hoeck, 2002). It is mostly defined in terms of the acquisition and retention of customers and resulting profitability (Menconi 2000, Nykamp 2001) effective form is assumed to lead to bottom line benefits for the organizations (Antony and Hoech, 2002). Customer relations management has direct and indirect impact on customer satisfaction, sales, profit and loyalty (Conneelly and Voger 2001 Cusack, 1998 Rust and Zahorik, 1993).

The company should engage more on informing the customers on planned shutdowns by distributing notices of power interruptions. The company should consider using media that reaches or segments clients. The majority being domestic users, local fm radio
stations can air such planned shutdowns or unplanned blackouts. The company should have a 24 hour service with standby teams to address any eventuality. The emergency teams should respond and deal with these issues expeditiously.

There were quite a number of complaints on billing. It is the high time the company gives electronic bills to the user’s phone or e-mails. This would go along way in saving the company a lot of money on postage of physical bills which end up going astray and never reach the customer. The fact that the company rebranded recently does not necessary mean that everything is flowing smoothly. The customers are now an informed lot and know their rights. The company having an obligation for service delivery to the public/customers, have now been on the spotlight and anything short of quality and efficient service would leave the customer with no alternative but to blow the trumpet of dissatisfaction.

The company needs to continually train the staff of the customers rights, expectations and the consequences hither to. If the company live its mission and reach its vision of providing a world class status, the staff will have to practice, own up to the values that are yet to be realized by the public and customers at large. On the same breadth the company should up their game to meet deadlines, timelines and be pro-active than reactive. There is dire need to improve on customer relations. The company should engage more customer relations who should enhance good relations with the customers, address their concerns, plight and then give feedback to the customer. It is evident that many customers do not know that the company has on twitter or facebook accounts.
These communication channels would reach the majority youth and working class who are busy with their work schedules. There is need to minimize the time between construction and metering. The customer relations officers should do more road shows and exhibitions to help popularize these channels.

It is evident that customers are not well versed with issues concerning electricity. The company should engage on customer/public education. Barazas, road shows, presentations and exhibitions which would give both the company and the customer a platform to exchange information on products and services. With the current upsurge of vandalism on Kenya Power’s infrastructure, the company ought not only play adverts on the medial but also engage the local community who are the custodians of the transformers and other sorts of infrastructure and users of electricity to do community policing. The areas to address on this area are safety education, usage, vandalism and its effect on the economy.

5.5 Areas for further Study

Many firms are interested in understanding what their customers thought about their purchase experience, because finding new customers is generally more costly and difficult than serving a repeat customer. On this light the researcher suggest that further research be done on retention of customers. With the view of the fact that the market is liberalized private and aggressive service providers are likely to enter the market, more research that aims at satisfying their customers should be done.
REFERENCES


Geetika, Shefali Nandan (2010) A Study of Railway Platforms in India
Determinants of customer Satisfaction on Service Quality: A Study of Railway Platforms in India New Delhi: India, Motilal Nehru National Institute of Technology.


Kenya Power Complaints/Compliments Diary, (2012)

Kenya Power Stima Newsletter, (July 2011)

Kenya Power Strategic Plan 2011/2012


116


APPENDIX 1: QUESTIONNAIRE

You are most humbly requested to answer all questions. The information that you provide would be treated as confidential and strictly be used for research purpose of this study.

Section A: Bio Data

Customer Name (Optional)

Account/Meter

No: __________________________________________

Location: ______________________________________

Contact (Address/Email address/Face book account/Twitter handle/Cell No):

__________________________________________

Gender

Male □

Female □
1. Kindly indicate the customer category under which you fall;

(i) Domestic customers
(ii) commercial customers
(iii) Institutions

2. What has been the nature of your interaction with Kenya Power?

☐ Application for electricity connection
☐ Application for meter separation
☐ Bill payments
☐ Enquiry
☐ Prepaid meter Complain
☐ Reporting Power failure

☐ Other (specify)

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
3. How long have you been a customer of Kenya Power?

- 0 – 20 years
- 20 – 30 years
- 31 – 40 years
- 41 – 50 years
- Above 51 years

4. **Customer Service**

High service quality is a comparison of expectation with performance. Improved service quality increases economic competitiveness.

(A) On a 5 point scale where 5 means “excellent” and 1 means “very Poor” how would you rate performance on the following aspects

<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does Kenya Power keep promise?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timeliness in delivery of services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge ability about products and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer care relations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How would you rate communication systems in the organization?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(B) On a scale of 1 – 5, how would you rate our performance in the following areas?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very Dissatisfied</th>
<th>Neutral</th>
<th>Very Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>a) Application for electricity process</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Payment process</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Metering process</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Speed of Response to b/downs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Response to Letters &amp; E-mails</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. **Complaint handling**

(I) Are you aware of Kenya Power facebook and twitter account

(a) Yes [ ]

(b) No [ ]

(II) If Yes have you ever used either to lodge a complaint and how was your experience. (Please describe)

.................................................................................................................................

.................................................................................................................................

122
(III) How do you rate Kenya Power representatives on being helpful and courteous to customers in resolving their issues.

(IV) Have you had a complaint concerning services in the last three months?

(a) Yes [ ]

(b) No [ ]

If Yes,

a. What was the nature of the Complaint?

________________________________________________________

________________________________________________________

________________________________________________________

(c) How fast did Kenya Power respond to your complaint?

- Within 24 hours
- Within a few days
- Within a week
- Within a month

123
(d) Was your complaint conclusively resolved

Yes [ ]

No [ ]

(e) Please provide suggestions or comments for ways Kenya Power can better serve your needs and/or improve service to you.

____________________________________________________________________

____________________________________________________________________

____________________________________________________________________

6. **Rebranding**

(a) Please Rate your knowledge of Kenya Power’s new Vision, Mission and values.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Never heard it</th>
<th>Heard of it but cannot remember</th>
<th>Heard of it and can remember</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Mission</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>b) Vision</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>c) Values</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
</tbody>
</table>
(b) Which of the following Kenya Power Marketing programmes/services DO NOT appeal to you at all.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Appeal Most</th>
<th>Do not appeal at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Umeme Pamoja</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stima Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti vandalism awareness campaign</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-payment metering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easy Pay Mpesa Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short message services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C. How would you rate Kenya Power in terms of the following: 1 = not satisfactory, 5 = very satisfactory

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very Good</th>
<th>Good</th>
<th>Fair</th>
<th>Bad</th>
<th>Very bad</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of products and service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Giving value for money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community responsibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7. **Perceived Value**

(A) How do you rate the following experiences with Kenya Power?

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very Good</th>
<th>Good</th>
<th>Fair</th>
<th>Bad</th>
<th>Very bad</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do you rate first contact with Kenya Power?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How easy is it to make any enquiry at a KP Depot?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did the response meet your service standard requirement?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenya Power is socially responsible company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kenya Power provides world class services to its customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8. **Customer Loyalty**

A) If there was an alternative electricity provider how well would you recommend Kenya Power to your friends and colleagues as the preferred supplier of electricity?
9. **Customer retention**

(B) In a future competitive scenario would you still prefer Kenya Power as your supplier of electricity?

<table>
<thead>
<tr>
<th>Very Unlikely</th>
<th>Unlikely</th>
<th>Neutral</th>
<th>Likely</th>
<th>Very Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

10. **Customer satisfaction**

(A) Based upon your most recent service experience how do you rate your overall satisfaction with Kenya Power services.

<table>
<thead>
<tr>
<th>Excellent</th>
<th>Good</th>
<th>Satisfactory</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Dear Sir/Madam,

TO WHOM IT MAY CONCERN

RE: REQUEST TO COLLECT DATA

I am a student at Kenyatta University currently pursuing a Master of Business Administration Marketing option. I am carrying out a research on determinants of customer satisfaction on organizations, a case study of Kenya Power, Nyeri County, Nyeri.

This is to request your cooperation in answering the questions on the attached questionnaire. Information or data obtained will assist the researcher sorely for making conclusions about the subject under study.

Please note that the responses you will provide on the questionnaire are confidential and for purpose of research and will be treated with confidentiality. Your assistance will be appreciated.

Yours faithfully,

ROSE KAMAU

D33/NYI/PT/24232/2011

Cell Contact 0722-481-232
<table>
<thead>
<tr>
<th>Activity</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal writing</td>
<td>May 2013</td>
</tr>
<tr>
<td>Defense of proposal and corrections’</td>
<td>September 2013</td>
</tr>
<tr>
<td>Data collection</td>
<td>October 2013</td>
</tr>
<tr>
<td>Data analysis and interpretation</td>
<td>October 2013</td>
</tr>
<tr>
<td>Submission of final draft to supervisor</td>
<td>December 2013</td>
</tr>
</tbody>
</table>