# BRAND EQUITY AND LOYALTY AMONG ACCOUNT HOLDERS IN UNAITAS SACCO, NAIROBI CITY COUNTY, KENYA

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# DECLARATION

This research project is my original work and has not been presented for a degree in any other university

Signature ……………………. Date …………………………

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

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## DEDICATION

I dedicate this research project to God almighty; that he accorded me the opportunity to pursue my dream is worth all the glory. It is also with genuine and warmest regard that I dedicate the work to my wife Joyce Waithira and daughters Christine Wanja and Abebi Njeri who were inconvenienced one way or the other by my quest for knowledge. I thank and wish them God blessings

# ACKNOWLEDGMENT

# LIST OF FIGURES

# LIST OF TABLES

# TABLE OF CONTENTS

## OPERATIONAL DEFINITION OF TERMS

**Brand equity**: It is the commercial value that derives from consumer perception of the brand name of a particular product or service, rather than from the product or service itself.

**Brand**: Is a name, term, design, or other feature that distinguishes one seller's product from those of others

**Brand loyalty**: The tendency of some consumers to continue buying the same brand of goods rather than competing brands

**Brand association:** The way in which people think of a particular brand of product when they think of a particular activity because they are closely connected with each other

**Brand awareness**: The extent to which consumers are familiar with the distinctive qualities or image of a particular brand of goods or services

**Brand loyalty:** Is when people choose to use a particular shop or buy one particular product, rather than use other shops or buy products made by other companies

**Brand identity:** It is how the business wants to be perceived by consumers

**Sacco:** It is a savings and credit cooperative organization owned, managed and run by its members who have a common bond

**Brand quality** Is the perception of quality that a brand achieves with its customers

## ABBREVIATIONS AND ACRONYMS

**ANOVA:**        Analysis of variance

**FSD:**         Financial Sector Deepening

**NSE:**         Nairobi Securities Exchange

**RDS:**         Respondent-driven sampling

**SACCO:**        Savings and Credit Cooperative Organization

**SPSS:**         Statistical Package for Social Sciences

# ABSTRACT

Unaitas Sacco is faced by brand competition from the dominant market players such as commercial banks and micro-finance institutions with facilities throughout the country hence affecting loyalty among account holders in Unaitas Sacco. This is due to the fact that there are so many products and as such, consumers are highly influenced by perceptions on brand equity and other product attributes. This study therefore is aimed at establishing the effect of  brand equity on brand loyalty among account holders in Unaitas Sacco, Nairobi City County Kenya; to establish the effect of brand association on brand loyalty among account holders in Unaitas Sacco, Nairobi City County Kenya, to determine the effect of brand quality on brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya, to assesses the effect of brand awareness on brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya, and to establish the effect of brand identity on brand loyalty in Unaitas Sacco, Nairobi City County, Kenya . The study was guided by the following theories; brand equity theory, consumer utility theory and theory of reasoned action. The study employed a descriptive research design. The study targeted all the 106,357 registered account holders of Unaitas Sacco, Nairobi City County, Kenya. The study used stratified sampling method to come up with a sample of 384 respondents. The collection of primary data was achieved by the use of questionnaire. This study incorporated a test-retest procedure during testing of reliability. Content validity was used by the study. The data collected was analyzed using descriptive statistics (measures of central tendency and measures of variations) to achieve the objectives of the study. The quantitative data generated was analyzed with the help of Statistical Package for Social Sciences (SPSS) version 20 and multiple regression. Inferential statistics was applied by the use of regression model of which findings were presented using tables, frequencies and percentages. The study concluded that brand association positively affects brand loyalty among account holders in Unaitas Sacco. The study further concluded that brand associations in Unaitas Sacco provide the decision maker with reason to buy or consume the brand and that brand associations are vital in creating value for Unaitas Sacco Nairobi City County, Kenya. On the effect of brand quality, the study concluded that brand quality is positively related to brand loyalty among account holders in Unaitas Sacco. Similarly, the study concluded that brand awareness positively influences the brand loyalty among account holders in Unaitas Sacco, Kenya. The study finally concluded that Unaitas Sacco logo is well designed and articulated, the tone of Unaitas Sacco products is widely spread in the country. The study recommends that Unaitas Sacco should increase the accessibility to services through opening further affiliated branches. The study recommends that marketers at Unaitas Sacco should engage in strong advertising and marketing campaigns so as to create more awareness and hence build brand loyalty. The study focused on brand equity and brand loyalty among account holders in Unaitas Sacco. There is a need for further studies to carry out similar tests for other Saccos and organizations in Kenya.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Brand loyalty is both an attitudinal and behavioral tendency to favor one brand over all others, whether due to satisfaction with the product or service, its convenience or performance, or simply familiarity and comfort with the brand. Brand loyalty encourages consumers to shop more consistently, spend a greater share of wallet, and feel positive about a shopping experience, helping attract consumers to familiar brands in the face of a competitive environment (Crosby,2012). According to Ekinci and Massey (2008), the major role of marketing managers is knowing how to influence brand loyalty. With competition increasing day after day, customer maintenance and growth has become the first goal of many companies and loyal customers can be considered as a key to success in many service businesses. However, in the current environment of one-to-one marketing, the need to understand the mechanisms that control consumers' purchasing behavior is continuously growing. This is caused by the marketers need to start identifying consumer loyalty behavior or provide signals of individuals about to defect to another brand (Jacob & Nicholas, 2009).

Consumers have been enlightened and are highly influenced by the perception of the brand than other product attributes. This is guided by the fact that there so many product varieties of category. It means, successful marketing of product means successful marketing of the brand of that product. After producing a product, identification of the product should be given. For the brand is used to identify the product. Branding

constitutes an important part of product. So, building brand requires a great deal of time, money, promotion and packaging. Thus, brand is not only a name given to a product but also a technique by which the quality or the product of various producers is differentiated (Berry, 2010). So, every manufacturer or marketer is trying its best to make the consumers develop a positive attitude toward the brand of their product and buy that brand repeatedly.

The success of organizations is driven by its strategy to maintain its brand image. According to Sari (2005), one strategy to use is by utilizing its operation, managing policies as well as human resources to support its long-term goals. In addition to this, Jacob and Nicholas (2009) also stated that competitive strategy includes cost or price, quality, delivery speed, delivery reliability, copying with changing demand, flexibility and new services introduction speed and other product supports. There are a lot of ways to make customer satisfied and become loyal (Goodson, 2011). Creating strong and positive brand can make customers feel and think that the product or service offered is better than its competitors.

Customers have become more knowledgeable and demanding and financial institutions can hardly survive the tight competition with the old way of product orientation. They have become market driven by forming strong brands, aimed at maintaining long-term relationships with their customers. A stable customer base is a core business asset. The essence and nature of strong relationships and their business value are encapsulated in the concept of brand loyalty. The importance of brand loyalty is manifold. Surveys show that recruiting new customers is up to six times expensive while compared to retaining the existing customers (Rosenberg & Cecile, 2014).

The rising competitive environment in the financial sector in Kenya requires Saccos to have powerful brand, however, the unstable loyal customer group and decreasing profit all point out that Saccos need to improve their brand abilities and enhance the relationship with customers. In what directions should Unaitas Sacco concentrate its efforts? What are the evaluations from customers about their brand equity? The current study considers and conceptualize the consumer-based brand equity as combination of brand associations, brand quality, brand awareness and brand identity. This study, therefore consider these dimensions of consumer-based brand equity to measure its effect on loyalty among account holders in Unitas Sacco.

### 1.1.1 Brand Loyalty

According to Bowen and Shoemaker (2008), loyalty is not random and it is expressed over period of time.  It is the thought through decision making process, with a preference on one or more alternative brands out of a set of similar brands and is a function of psychological processes. It is also important for marketers to be able to identify different kinds of loyalty. This kind of loyalty consists of both strong behavioral loyalty and low attitudinal loyalty. Such a loyalty cannot benefit a firm's profit since customers with spurious loyalty do not truly identify with the firm, and they often only care about discount sales in order to buy the product at low prices. (Rodgers & Schneider, 2010). Thus, it is important for managers to know the marketing tools that can have an impact on attitudinal and behavioral loyalties, otherwise it would be difficult for managers to develop effective strategies for generating brand loyalty.

Attitudinal dimension, on the other hand, refer to a customer's intention of  repurchasing and recommendations, which are good indicators of a loyal customer (Getty &

3

Thompson, 2010). Kumar and Shah (2004), described that attitudinal loyalty has been often defined in the context of brand as it captures the affective and cognitive equity of brand loyalty, such as brand preference and commitment. Moreover, a customer who has the intention to repurchase and recommend is very much likely to steadfast with the company. In the attitudinal sense, loyalty is operated as brand preference or emotional commitment, therefore, measured with repurchase intention and resistance against better alternatives, price tolerance, and intention to recommend the product or service.

## 1.1.2 Brand Equity

Brands are used in business, marketing, and advertising. In accounting, a brand defined as an intangible asset is often the most valuable asset on a corporation's balance sheet. Brand owners manage their brands carefully to create shareholder value, and brand valuation is an important management technique that ascribes a money value to a brand and allows marketing investment to be managed to maximize shareholder value. Although only acquired brands appear on a company's balance sheet, the notion of putting a value on a brand forces marketing leader to be focused on long term stewardship of the brand and managing for value (Yasin, 2007). Effective branding can result in higher sales of not only one product, but of other products associated with that brand. Brand development takes time to produce and often times handled by a design team. For example, if a customer loves Pillsbury biscuit and trusts the brand, he or she is more likely to try other products offered by the company - such as chocolate-chip cookies, for example. Brand is the personality that identifies a product, service or company and how it relates to key constituencies: customers, staff, partners, investors.

According to Aaker (1992), there are five dimensions of brand equity; brand loyalty, brand awareness, perceived quality, brand association, and other propriety brand assets. Keller (2004), defined customer-based brand equity "as the differential effect of brand knowledge on consumer response to the marketing of the brand" This brand knowledge includes brand awareness (brand recall and recognition) and brand image (types, favorability, strength, and uniqueness of brand associations). Keller (2004), determines that "consumer-based brand equity occurs when the customer is aware of the brand and holds some favorable, strong, and unique brand associations in memory". Moreover, branding and brand management are applicable to retail brands, e.g., retail and store image, perceived retail brand association, as well as to retail brand equity measurement (Ailawadi & Keller, 2004).

### 1.1.3 Unaitas Sacco

Unaitas draws its humble origins from Murang'a County where its activities began. It was set up by visionary tea farmers in 1993, as a SACCO, going by the name of Murang'a Tea Growers. Their main objective was to come together and pool resources for financial intermediation, so as to boost their trade. It later re-branded to Muramati SACCO in 2007. This was necessitated by the growth of its operations beyond Murang'a and the opening up of its membership to include salaried employees and entrepreneurs (Machiuka, 2010). In tandem with their growth and expansion aspirations, Muramati later rebranded themselves to Unaitas in 2012. During this metamorphosis journey, Unaitas adopted a bold and powerful brand that resonated with all members of the society. Today, Unaitas has an ambitious target of spreading wings across the nation by attracting all and sundry (Unaitas, 2012).

Currently, Unaitas has over 250,000 members in 20 branches distributed in 7 counties across the country. Their branch outlets are strategically located in densely populated areas, with a high concentration of the bottom to middle income groups. Only about 9% of the typical household's savings in the bottom income group are held in formal institutions. Instead, their money is mediated informally (FSD Kenya, 2014). The society, which targets the low and middle-income groups, will aptly address this market by offering affordable credit to its members. Under its 2014-2018 strategic plans, the society which is now headquartered in Nairobi's Cardinal Otunga Plaza seeks to become a fully-fledged commercial bank within four years, during which time it plans to be listed in the NSE. This model of growth is synonymous with that of Equity and Family Banks which started as small non-bank financial institutions and came to be major sector players, with fully fledged banking operations (Unaitas, 2014).

In Unaitas Sacco, brand associations provide acquaintance and differentiation that's not replicable. It is relating perceived qualities of a brand to known products and services. Brand association in Unaitas Sacco is deep seated in customer's mind about the brands and services (Unaitas, 2014). Brands are associated with positive items in the Sacco so that the customers relate to the brand positively (Muta, 2009). On the other hand, Brand quality in Unaitas Sacco is the perception of quality that a customer achieves with its products and services. The quality of Unaitas Sacco products and services meet the expectations of customers. Customers of Unaitas Sacco are aware of its products and services which includes various accounts like; Timiza Savings Account, Jipange Investment Account, Jolly Junior Savings Account, Fixed Deposit Account, Biashara Current Account, My Chumz and Chama Account (Unaitas, 2014). The Unaitas Sacco

brand identity represents how that business wants to be perceived by consumers (Machiuka, 2010). The components of the brand in Unaitas Sacco (name, logo, tone, tagline, and typeface) which are created by Unaitas to reflect the value the company is trying to bring to the market and to appeal to its customers (Unaitas, 2014).

## 1.2 Statement of the problem

Organizations across the world are facing competition issues following the introduction of other brands from other competitor companies (Simon, 2013). Berry (2010), noted that the fact that customers are loyal to brands can be an appropriate criterion to evaluate the long-term effects of marketing decisions. In addition, brand loyalty has a competitive edge in the brand market. So, making brands, with an emphasis on building loyalty can help companies to establish a strategy for the future and to compete effectively with the global giants that have captured global markets (Sayed, 2010). Therefore, it is necessary for companies to grow and expand their market and be aware about the role of brand in loyalty of customers and to examine what aspects of the brand can foster this loyalty to the brand.

Like any other Sacco, Unaitas Sacco is faced by competition from the dominant market players such as commercial banks and micro-finance institutions with facilities throughout the country. On the other hand, the smaller and more recent entrant in the sector is the larger deposit taking Saccos in Kenya (Muta, 2009). Unaitas rebranded from Muramati Sacco in 2012 when it was already operating in Nairobi City County where it had expanded back in 2009. Over time since then, it has however been noted that brand loyalty among its account holders has remained relatively lower in Nairobi as compared to Muranga county where it started. As such it is critical to appreciate the effect that the

brand building efforts is having on loyalty among its account holders. This will help to respond more successfully to competition which is stronger in Nairobi than in the other markets that the Sacco operates (Machiuka, 2010). All these dimensions of consumer-based brand equity will have significant impact and influence loyalty among consumers of Unaitas Sacco to particular services and are influenced by the level of satisfaction among consumers. For Unaitas Sacco to remain relevant in the financial market in Kenya, the management should adopt branding aspects such as brand association, brand quality, brand awareness and brand identity to enhance loyalty among its customers and attract more customers.

Studies on brand equity and loyalty have been conducted both internationally and locally. Francesca, Tan, Ruth and Made (2012), found that favorability of brand association appears to have no significant influence on customer satisfaction. As previously explained that customer perception of these elements has been very good, but they do not satisfy the customers. The strength of brand association has a significant positive influence on customer satisfaction. McDonald's product appearance has been able to satisfy its customers. On the other hand, Robert (2008), studied Brand equity, marketing strategy, and consumer income. The study found that as a result of the 2008 global economic recession, consumers have less income and have turned to less expensive brands and retail stores.

Locally, Njuguna (2014), found that, brand loyalty is a prominent factor which creates brand equity. Nyambura (2013), focused on branding in the banking service industry, thus the results were limited to one financial institution. Furthermore, the study was based on a financial shareholder's perspective of brand equity. On the other hand,

Nyangechi (2011), focused on limited to perception of consumers in elements of brand equity, which ultimately focused on the consumer's motivation for buying from a cognitive value rather than actual participation of consumption patterns and choice.

Wanjiru (2014), concluded that customers liked the physical appearance and the level of cleanliness of the banking halls in Barclays, which made them want to be associated and to stay with the bank and the branding material and the stationery used to do banking was clearly legible and easy to understand. However, little has been done on the between brand equity and loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya. Motivated by this knowledge gap therefore, the research study seeks to fill it by providing answers to the research question: What is the relationship between brand equity and loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya?

## 1.3 Objectives of the Study

### 1.3.1 General Objective

To establish the effect of brand equity on loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

### 1.3.2 Specific Objectives

  i.   To establish the effects of brand association and brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

  ii.  To determine the effects of brand quality and brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

  iii. To assesses the effects of brand awareness and brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

iv.   To establish the effects of brand identity and brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

## 1.4 Hypothesis of the Study

**Ho$_1$:** Brand association has no effects on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

**Ho$_2$:** Brand quality has no influence on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

**Ho$_3$:** Brand awareness has no effects on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

**Ho$_4$:** Brand identity has no effects on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

## 1.5 Significance of the Study

The study is beneficial to the management of Unaitas Sacco as it may enable them address the issues of concern and implement the positive results of the finding on the research to improving their brands which may increase the loyalty of customers and customer retention. The study would also enable Unaitas Sacco to identify appropriate brand and marketing strategies for enhanced financial performance of the Sacco.  The study would empower the employees of Unaitas Sacco, especially those in direct contact with the customers, the sales and marketing staff, in understanding of how to improve brand loyalty and customer retention, providing satisfactory services to the customers and establishing a long-term relationship.

The government through the ministry of industry, trade and co-operatives would use the study findings to formulate policies that would develop competitiveness of Kenyan Saccos.The findings from this study would therefore be of importance because they would have the capacity of being used to formulate positive policies which are relevant and sensitive to the forces influencing Sacco sector performance and penetration in Kenya. The study would enable policy makers obtain knowledge of Saccos dynamics and the appropriate marketing strategies to be applied to enhance performance and therefore obtain guidance from this study in designing appropriate policies that would regulate the industry.

To the academicians the study would contribute to the existing literature in the field of branding and brand loyalty. It should also act as a stimulus for further research to refine and extend the present study especially in Kenya. The study would supplement the prevailing body of knowledge in the field of marketing and can also be referenced in future research; both in Saccos and other related areas in marketing. Academic researchers can also use the study findings to stimulate further research on branding adopted by Saccos and other organizations.

**1.6 Scope of the Study**

The scope of the study was limited to Unaitas Sacco customers in Nairobi City County, Kenya the researcher administered questionnaires and conducted informal interviews with Unaitas Sacco customers in Nairobi City County, Kenya. The study focused on four independent variables which includes: brand association, brand quality, brand awareness and brand identity. The study focused on 106,357 registered customers of Unaitas Sacco in Nairobi City County, Kenya by 2017. The choice of Nairobi City County is informed

by the need to have the right choice of respondents whose research findings can be generalized to the rest of the country where the Sacco either operate branches or intend to open in future and the current loyalty levels among account holders in Nairobi city county.

## 1.7 Limitations of the Study

The study was confronted with the challenge of accessing adequate number of busy Unaitas Sacco customers. The study faced difficulties in accessing confidential information from Unaitas Sacco customers due to common perceptions about the sensitivity of information. The study assured the respondents that the information is for research only and cannot be used for any other purpose. Since not many studies had been done on brand equity and brand loyalty, the researcher was confronted with the challenge of accessing adequate studies done in the developing world with suitable information that suit the Kenyan scenario.

## 1.8 Organization of the Study

The study is divided into five chapters. Chapter one of the study contains introduction, background of the study while putting the effects of brand equity on brand loyalty in Unaitas Sacco, Nairobi City County, Kenya in perspective. It gives the statement of the problem and outlines the objectives, hypothesis, scope, limitations, and the significance of the study and organization of the study. Chapter two outlines the theories guiding the study which are; brand equity theory and consumer utility theory. It reviews the relevant literature on the variables; brand association, brand quality, brand awareness and brand identity. Chapter three consists of research methodology which is used in the study. It

covers the research design, target population, sample design, data collection, validity and reliability of data collection instruments, data analysis techniques, and ethical considerations. Chapter four consists of data analysis, interpretation and discussion while chapter five includes summary of findings conclusion and recommendations.

## CHAPTER TWO

## LITERATURE REVIEW

## 2.1 Introduction

This chapter presents a review of theoretical literature review, empirical literature review and conceptual framework.

## 2.2 Theoretical Review

This section presents the various theories that informed the study on the brand equity and loyalty. The theories are related to brand association, brand quality, brand awareness and brand identity. The study is guided by the following theories; brand equity theory which is the main theory in this study, consumer utility theory and theory of reasoned action

## 2.2.1 Brand Equity Theory

Brand equity theory was founded by Aaker (1991), in the work on the consumer-based brand equity approach. Aaker (1991), asserts that marketers need to build a brand in a series of four steps. Firstly, markets ought to comprehend how each and every consumer is able to identify the brand that satisfies their needs, which in most cases is operationalized as awareness. Consequently, after a brand has been identified, the consumer tends to develop a level of perception based on a product's performance and thereafter form judgement about quality. Thirdly, the cognitive and emotional attachment by consumers makes them feel a sense of belonging, making them committed and engaged which subsequently translates into loyalty. Although the three processes make sense when brand equity is traced longitudinally, in reality the first three components of

brand awareness, perceived quality and brand loyalty, often do not take place sequentially at any one time (Erdem, 2006).

On the other hand, Aaker's (1991), theory of brand equity is essential for successful brand management and informed this study by providing a thorough understanding of brand equity from the customer's point of view. Yoo and Donthu (2001), noted that brand equity is a multidimensional concept and a complex phenomenon. Keller (2002), divided it into two components: awareness and association. Aaker (1996), grouped it into five categories: perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships. Among these five brand equity dimensions, the first four represent customers' evaluations and reactions to the brand that can be readily understood by consumers (Yoo & Donthu, 2001). Many researchers have widely adapted to measure customer-based brand equity in previous studies.

The theory is relevant to the study since it explains that in brand identity it is not only how often and easily the consumer can recall or recognize the brand but also where and when customer thinks of the brand. The key is to create brand salience to acquiring correct brand identity. Brand identity is nothing but the belief fostered by the brand, its uniqueness and key values. A brand has an identity when it is driven by a goal different from competing brands and is resistant to changes. The theory is relevant to the study because strong brand equity in Saccos in Kenya means that customers have high brand-name awareness, maintain a favorable brand image, perceive that the brand is of high quality, and are loyal to the brand. A brand will help in product differentiation when

stakeholders have asymmetric information about its quality and performance as well as to provide product loyalty mechanism against new entrants in the market.

**2.2.2 Consumer Utility Theory**

Consumer utility theory was propagated by Kahneman, and Tversky in (1979). Consumer utility theory is concerned with how a rational consumer would make consumption decisions. Merwe (2007), assert that consumers supplement the anticipated utility of individual benefit into preferences through the structuring of decisions. The consumer utility theory indicates the selected act between various options of preferences in decision making which is paramount given that selecting various preferences involves risk. Some theories such as Bernoulli utility function and Von Neumann Morgenstern utility function associated expected utility theory through analysis of risk alternatives in the context of choice (Ailawadi & Keller, 2004). The theory is acknowledged as a theory of consumers' behavior. Utility occurs while consumers compare one product with others to increase their satisfaction and complete their enhancement of feeling by providing the material goods (Kotler, 2001).

Consumer utility theory has been criticized on several grounds. It does not explain the consistency of the individuals' decision behavior according to familiarity with the decision weight and the level of complexity (Hartinger, 1999) and has limitations in describing and predicting consumer behavior that involves several and or alternative choices. The theoretical and empirical research of non-expected utility theory, obtain the criticisms of the expected utility theory as weighted utility theory suggests an approach to determine variations of individual's weight and utility function. Random utility models

apply the mapping of attributes of the alternatives and decision makers in choice models (Baltas & Doyle, 2001).

Utility theory is relevant to the study because consumers will think about the choices in order to maximize the utility rationally. Consumer attains decisions account for perceived risks and consequences under conditions of uncertainty in purchase decision making (Baker, 2001). However, this economic vantage cannot fully explain purchasing behavior in terms of choice between two or more products (Brady, 2003). It broadly captures psychological concerns that people have but does not consider cost and benefit in terms of consumer attitudes. Utility theory in psychology states that consumer choice behavior is predicted whether it is rational or irrational. On the other hand, Kotler (2001), claim the concern in psychology pertains to the process of preference construction for decision choices.

### 2.2.3 Theory of Reasoned Action

The theory of reasoned action was propagated by Fishbein and Ajzen (1967) and was derived from previous research that began as the theory of attitude. The theory aims to explain the relationship between attitudes and behaviors within human action. The theory is used to predict how individuals will behave based on their pre-existing attitudes and behavioral intentions (Berry, 2010). An individual's decision to engage in a particular behavior is based on the outcomes the individual expects will come as a result of performing the behavior.

The theory of reasoned action serves to understand an individual's voluntary behavior. The ideas found within the theory of reasoned action have to do with an individual's basic

motivation to perform an action. According to the theory, intention to perform a certain behavior precedes the actual behavior. This intention is known as behavioral intention and comes as a result of a belief that performing the behavior will lead to a specific outcome (Hale, 2002). Behavioral intention is important to the theory because these intentions "are determined by attitudes to behaviors and subjective norms. The theory of reasoned action suggests that stronger intentions lead to increased effort to perform the behavior, which also increases the likelihood for the behavior to be performed.

The theory has been applied to redefine the brand loyalty. According to the theory of reasoned action, the antecedents of purchase behavior are attitudes towards the purchase and subjective norm. According to Ha (2005), marketing managers should not be discouraged by a temporary disloyalty and need to strive for grabbing brand loyalty when customers are showing loyalty to two of the three variables, but they need to diagnose their customers' brand loyalty when customers are showing loyalty to only one of them. The main focus should be pointed at either enhancing the consumer's attitude toward their brand or adjusting their brand to the social norms.

## 2.3 Empirical Literature Review

This section discusses the previous work done by various authors on the four variables namely; brand association, brand quality, brand awareness, brand identity and relationship to brand loyalty.

## 2.3.1 Brand Association and Brand loyalty

Farhat (2011), studied importance of brand association to brand loyalty in India. The study findings suggest conceptual model that combines the theories of brand personality with the necessary dispositional variables to explain the customer's loyalty processes. This model also rises to the marketing challenge of building long-term consumer relationships. Customer's loyalty, therefore, might be strengthened or retained by keeping in consideration various other factors through communicating good brand relationship by involving the concept of brand personality, thus, enhancing the customer relationship building with social and resource exchanges and thus positively affecting the satisfaction of the customer.

On the other hand, Tatiana (2007), studied at the effects of corporate brand association on attitudinal and Behavioural consumer loyalty of an automobile manufacturer in Australia. The research was based on a sample of 285 consumers of an automobile manufacturer in Australia. Cronbach alpha and Structural Equation Modelling were used to establish psychometric properties of the corporate brand constructs. The study found that corporate-level dimensions include corporate activities, corporate associations, organizational values, and corporate personality. Marketing-level dimensions comprise functional, emotional and symbolic brand benefits. The results reveal that corporate values, corporate brand personality and functional consumer benefits are the most critical and consistent predictors of both attitudinal and Behavioural loyalty.

Similarly, Kamau (2014), investigated retailer brand association and brand loyalty in Kenya, a case study of major supermarkets in Thika town. The results indicated that

brand associations, brand trust contribute to brand loyalty. The study found that changing customer preferences also do influence the loyalty of customers since the supermarket owners are uncertain of the customer's frequent change of preferences. Moreover, the study did establish that the image of the supermarket does influence the customer's loyalty

Similarly, Auka (2013), assessed perceived brand association and brand loyalty in retail banking in Kenya. Data was collected from a sample of 384 current customers of commercial banks on the five dimensions of service delivery: tangibility, reliability, responsiveness, assurance and empathy. The results indicate that all the dimensions of service quality have a positive and significant influence on brand loyalty in retail banking. This finding reinforces the need for bank managers to place an emphasis on the underlying dimensions of service quality in order to create and maintain brand loyalty

**2.3.2 Brand Quality and Brand loyalty**

Horaga (2012), assessed the factors of brand quality which influence brand loyalty of restaurant chain in Indonesia. The researcher used factor analysis and multiple regression to measure the validity and reliability of data. The strong brand image that restaurant created has made restaurant product well known and build brand loyalty. The study found a relationship among factors of brand image and brand loyalty. Brand image is a uniqueness of a product that makes the customers remember about the product, also to differentiate a product to the other products. A brand image also reflects the customers' trust of a brand. The customers will give their first impression of a product through the physical appearance of the product.

On the other hand, Stephen (2012) did a study on the impact of need for brand quality, loyalty proneness, and identification on the likelihood of brand extension purchases. The study examined the impact on potential brand extension purchase of three factors suggested to influence consumer purchase behavior (need for uniqueness, loyalty proneness and identification). Respondent-driven sampling (RDS) was used to collect 509 useable surveys though a paper-based instrument. The results of the study suggest that of the three constructs only identification had a significant impact on the likelihood of brand extension purchase. This finding was consistent for brand extensions that were considered to be both a high and low fit with the team introducing the extension.

Similarly, Kinuthia (2012), investigated factors influencing brand quality in sportswear among Kenyan university students, case of swimmers. The study design used was ex-post-facto and the data collected using a questionnaire. Factor analysis was conducted to reduce the variables into fewer components. Pearson correlation was used to test the hypothesis that the price and variety; uniqueness of brand; attractiveness; ads and product quality; size and brand reputation have no relationship with brand loyalty of swimwear among Kenyan university swimmers. The results indicate price and variety; attractiveness; and size and brand reputation as factors with a significant relationship with brand loyalty, while Speedo was the most preferred brand. There was need for dealers in swimwear to focus on prices, provide a variety of designs, be keen on attractiveness and size as well as invest more in ways to increase brand reputation.

Makori (2015), assessed the relationship between rebranding, uniqueness and brand loyalty: the case of Kenya power. The study used survey research design with a sample size of 234 customers of Kenya Power. The data for this study was obtained using

administered questionnaires which were structured in both open and closed ended questions. The analysis of data was conducted using SPSS program. From the findings of the study, the service quality of Kenya Power had improved since rebranding. The study further established that rebranding had moderately improved the company image. Findings of this study are considered significant in enhancing strategies towards effective implementation of rebranding exercise among corporate organizations.

### 2.3.3 Brand Awareness and Brand loyalty

Elif (2011), investigated the effect of brand awareness in creating brand loyalty in retail banking: the case of Yapi Kredi bank in Turkey. Two different data collection methods are used in this research: Six focus groups in Ankara and in Istanbul, Turkey and in-depth interviews with two retail banking managers. The results of the research indicate that brand image is very important in the bank sector, but the owners of the bank found out as a strong component that effects the brand image and brand loyalty in Turkey in bank sector.

Similarly, Maiju (2012), assessed the relationship of brand image, brand favorability and brand awareness case study: finnair in Indian market. Data collection was accomplished via carrying out a Web survey among Indian university students, and an e-mail interview with the Country Sales Manager of Finnair, Desmond Chacko. The results of data collection, both primary and secondary, are presented in the empirical study chapter. The study found that consumers have a good perception of generally known, big airline companies that possess high publicity, which depends mainly on their level of awareness of a certain airline company.

On the other hand, Ofunya (2015) investigated the factors affecting brand awareness and brand loyalty of supermarkets in Nyeri Town, Kenya. Data was collected by use of questionnaires distributed and collected by the researcher. Microsoft Excel was used for data analysis and generation of code for data simulation for effective analysis and for effective use of the descriptive statistics research design. The study revealed that their supermarkets have factors that affect the loyalty of their customers who shop at their stores. Price is one of the factors that the supermarkets in Nyeri face as different supermarkets had different pricing strategies. Secondly, the changing customer preferences also do influence the loyalty of customers since the supermarket owners are uncertain of the customer's frequent change of preferences.

## 2.3.4 Brand Identity and Brand loyalty

Adele (2008), investigated the impact of the brand identity strategy on product brand loyalty. The study found that the differences between the brand identity strategy and the consumer perceptions clearly revealed a significant impact of the brand identity strategy on consumer perceptions. Therefore, it can be concluded that the brand identity strategy impacts on consumer perceptions for the specific brand in the study with some brand identity elements having a stronger influence on forming perception than others. The study did not relate the brand identity and marketing strategies on the other hand, Guliyev (2014), studied the relationship between brand identity and brand loyalty strategies process of Mobile Telecommunications Network Ghana. The study found that consumers are very much enlightened about the various brands on the market and as such the image is very crucial when it comes to making a purchase decision especially at first time. The

study only specialized on the product diversification strategies of Mobile Telecommunications Network in Ghana

Similarly, Makki, (2012), investigated influence of branding identities on brand loyalty: case of Palais Hansen Kempinski Vienna. Findings from the survey showed    that the hotel   guests' (demand side) loyalty was a range between committed and non-committed guests.  Regarding how a brand provides value, Palais Hansen Kempinski Vienna ensures quality via the Kempinski: five values set by the hotel company to incorporate with service delivery throughout all guest touch    points. The study did not relate brand identity and marketing strategies

O'Reilly and Kerrigan (2013), looked at the relationship between branding identity and brand loyalty case company of Heineken. The study found that the development of the brand identities is rooted in a strategic analysis where threats and possibilities from customers, competitors and current brand image are assessed. The results indicate that Heineken should emphasize the refreshing element in the taste (brand as product) and develop the global image further by adding tangible attributes to the global image as being concerned about climate challenges, fair trade or human rights (brand as organization). Lastly, the development of the brand as organization can furthermore have an impact on brand as person to be an altruistic, humane person who cares about other people. The study only established the relationship between branding and product development.

## 2.4 Summary of Empirical Literature

### Table 2.1: Summary of Empirical Literature

| Author and Year | Topic of study | Area of study | Findings | Focus of Current Study |
|---|---|---|---|---|
| Farhat (2011), | importance of brand association to brand loyalty in India | brand association and brand loyalty | brand association influences customer's loyalty significantly | The study did not incorporate the influence of other brand equity on brand loyalty. |
| Tatiana (2007), | Effects of corporate brand association on attitudinal and Behavioural consumer loyalty of an automobile manufacturer in Australia | corporate brand association and Behavioural consumer loyalty | Corporate-level dimensions include corporate activities, corporate associations, organizational values, and corporate personality. | The studies should have included influence of other brand equity on brand loyalty. |
| Kamau (2014), | Retailer brand association and brand loyalty in Kenya, a case study of major supermarkets in Thika town | Retailer brand association and brand loyalty | changing customer preferences also do influence the loyalty of customers | |
| Horaga (2012), | Factors of brand quality which influence brand loyalty of restaurant chain in Indonesia. | brand quality and brand loyalty | Strong brand image that creates product well known and build brand loyalty | The study did not incorporate the influence of other brand equity on brand loyalty. |
| Stephen (2012), | impact of need for brand quality, loyalty proneness, and identification on the likelihood of brand extension purchases | brand quality, loyalty proneness, and identification | Three constructs only identified significant impact on the likelihood of brand extension purchase. | The study did not have an independent variable. The study could have included brand loyalty. |
| Kinuthia (2012), | Factors influencing brand quality in sportswear among | brand quality | Price and variety; | |

| | | | |
|---|---|---|---|
| | Kenyan university students, case of swimmers. | | attractiveness; and size and brand reputation as factors with a significant relationship with brand loyalty | |
| Elif (2011), | The effect of brand awareness in creating brand loyalty in retail banking: the case of Yapi Kredi bank in Turkey | Brand awareness in creating brand loyalty | Brand awareness is very important in the bank sector | The study did not look at the influence of brand quality, brand identity on brand loyalty |
| Maiju (2012), | Relationship of brand image, brand favorability and brand awareness case study: finnair in Indian market | brand image, brand favorability and brand awareness | consumers have a good perception of generally known, big airline companies | |
| Ofunya (2015), | The factors affecting brand awareness and brand loyalty of supermarkets in Nyeri Town, Kenya. | Brand awareness and brand loyalty | There supermarkets have factors that affect the loyalty of their customers who shop at their stores. | The study did not look at the influence of brand quality, brand identity on brand loyalty |
| Adele (2008), | Impact of the brand identity strategy on product marketing strategies | Brand identity strategy and product marketing strategies | brand identity strategy impacts on marketing strategies for the specific brand | The study did not relate brand identity to choose of marketing strategies |
| Guliyev (2014), | Relationship between brand identity and choice of marketing strategies process of MTN Ghana | brand identity and choice of marketing strategies process | Consumers are very much enlightened about the various brands on the market and as such the image is very crucial when it comes to making a purchase | The study only specialized on the product diversification strategies |

| Makki, (2012), | Influence of branding on marketing strategies: case of Palais Hansen Kempinski Vienna. | Branding and marketing strategies | decision especially at first time.<br><br>The hotel guests' (demand side) loyalty was a range between committed and non-committed guests | The study did not relate brand identity to choose of marketing strategies |
|---|---|---|---|---|

*Source: (Survey Data, 2017)*

## 2.4 Conceptual Framework

The conceptual framework describes the relationship shared between the independent and dependent variables in the study. The independent variables are; brand association, brand quality, brand awareness and brand identity while the dependent variable is brand loyalty.

**Independent Variable**                                                      **Dependent Variable**

**Brand Equity**

**Brand Association**
- Brand relevance
- Brand image
- Brand symbols

$Ho_1$

**Brand Quality**
- Uncompetitive substitute
- Brand competitiveness
- Brand quality

$Ho_2$

**Brand Awareness**
- Brand recognition
- Brand recommendation
- Brand availability

$Ho_3$

**Brand Identity**
- Personality
- Self-image
- Culture

$Ho_4$

**Brand Loyalty**
- Repurchase
- Referrals
- Resistance against alternatives
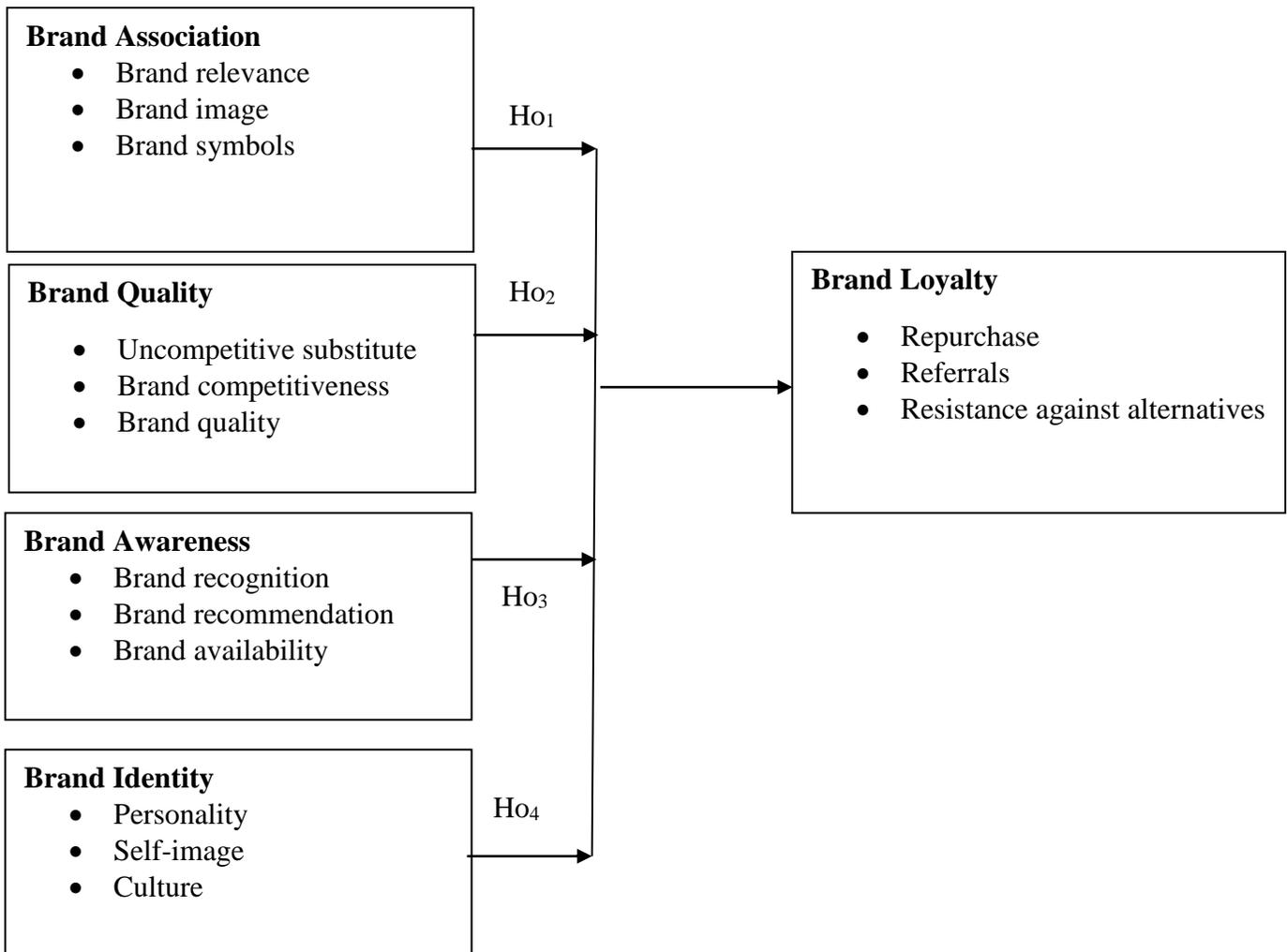
**Figure 2. 1: Conceptual Framework**

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 Introduction

This chapter presents a discussion of the research methodology to be used in the study. It focuses on the research design, population, sample and sampling techniques, instruments for data collection and procedures, pilot tests and data processing as well as data analysis methods used in this study.

## 3.2 Research Design

A research design is a general outline for the collection, measurement and analysis of data, with the central goal of solving the research problem. It includes the outline of what the research, from writing the hypothesis and its operational application to final analysis of data (Creswell & Clark, 2007). The study employed a descriptive research design. A descriptive deign enabled the researcher to describe the characteristics of the variables of interest. The independent variables are; brand association, brand quality and brand awareness and brand identity while the dependent variable is brand loyalty. It is therefore justified that descriptive design is most suited and justifiably adopted in this study (Mugenda & Mugenda, 2003). Further, explanatory design showed the effects of independent variables on dependent variables

## 3.3 Target Population

Ngechu (2004), referred to population as the entire collection of cases or units about which the researcher wishes to draw conclusions. One of the major steps in formulating a

research design is to define the population according to the objectives of the study. According to Unaitas Sacco database (2016), there are 106,357 customers of Unaitas Sacco in Nairobi City County, Kenya. The study targeted all the 106,357 registered customers of Unaitas Sacco in Nairobi City County, Kenya.

**Table 3.2: Sample Distribution**

| Account type | Target population (N) | Percentage |
|---|---|---|
| Timiza Savings Account | 8,231 | 7.73 |
| Jipange Investment Account | 6,970 | 6.55 |
| Jolly Junior Savings Account | 7,221 | 6.78 |
| Fixed Deposit Account | 34,050 | 32.01 |
| Biashara Current Account | 29,144 | 27.40 |
| My Chumz | 9,220 | 8.66 |
| Chama Account | 11,521 | 10.87 |
| **Total** | **106,357** | **100** |

**Source; (Unaitas Sacco database, 2016)**

**3.4 Sampling Frame and Sampling Procedure**

Sampling refers to the systematic selection of a limited number of elements out of a theoretically specified population of elements. The basis is to draw conclusions about the entire population using the sample drawn (Cooper & Schindler, 2006).

The study used stratified sampling method. Stratified sampling techniques choose randomly from a population of people known to possess certain characteristics (Cooper & Schindler, 2006). The population was divided into stratum according to the accounts owned by customers in the Unaitas Sacco. The various savings accounts include; Timiza

Savings Account, Jipange Investment Account, Jolly Junior Savings Account, Fixed Deposit Account, Biashara Current Account, My Chumz and Chama Account.

The sample size was determined by using Krejcie and Morgan's method of determination of a sample size for a given population size. If the target population is finite, the following formula (Krejcie& Morgan, 1970) was used to determine the sample size.

$$n = \frac{\chi^2 * N * P * (1 - P)}{d^2 * (N - 1) + +\chi^2 * P * (1 - P)}$$

Where:

n = required sample size.

$\chi^2$= the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum Sample size).

d = the degree of accuracy (the margin of error) expressed as a proportion (.05).

The target population was 106,357 customers, therefore by use of Krejcie and Morgan's method of determination of a sample size the eventual sample size obtained was composed of 384 respondents. According to the Central limit theorem, if the sample size is large enough (N > 30), the data follows a normal distribution curve, (Gilbert & Churchill, 2001).

**Table 3.3: Sample Distribution**

| Account type | Target population (N) | N/106,357*n |
|---|---|---|
| Timiza Savings Account | 8,231 | 29 |

| | | |
|---|---|---|
| Jipange Investment Account | 6,970 | 23 |
| Jolly Junior Savings Account | 7,221 | 26 |
| Fixed Deposit Account | 34,050 | 125 |
| Biashara Current Account | 29,144 | 107 |
| My Chumz | 9,220 | 33 |
| Chama Account | 11,521 | 41 |
| **Total** | **106,357** | **384** |

**Source; (Research 2017)**

## 3.5 Data Collection Procedure

The collection of primary data was achieved by the use of semi-structured questionnaire. It enabled the achievement of uniformity in the manner in which questions were answered. A study by Cooper and Schindler (2006), shows that when structured questions are used on the questionnaire, it is possible to achieve a uniformity in responses while when unstructured questions are provided to respondents have the freedom to respond according to their understanding of the questions but were provided with support by the researcher.

The structured questions were in form of a five-point Likert scale, whereby respondents were required to indicate their views on a scale of 1 to 5. They were self-administered via drop and pick later method to the respective customers of Unaitas Sacco, Nairobi City County. The researcher exercised care and control to ensure all questionnaires issued to the respondents were received by maintaining a register of questionnaires, which was used. The structured questions were used in an effort to conserve time and money as well as to facilitate in easier analysis as they are in immediate usable form while the

unstructured questions were used so as to encourage the respondent to give an in-depth and felt response without feeling held back in revealing of any information.

## 3.6 Pilot Testing

During this study, a pilot test was conducted in order to determine the validity of the questionnaires and was performed by the researcher and his assistants. The main objective of the pilot study was to identify the possible beneficiaries, omissions, errors in the questionnaire and eliminate them before they were used to collect the actual data (Brotherton, 2008). A pilot study was conducted where 38 customers were picked from each account group for the pilot study. Test re-test method was used to test for reliability of the instrument. The instruments were administered to the respondents and re-administered to the same respondents after one week.

## 3.7 Reliability and Validity

The reliability and validity of the research instruments was computed after pilot study was conducted.

### 3.7.1 Reliability

Reliability refers to the level to which a research instrument results into consistent outcomes when repeated trials have been performed (Cooper & Schindler 2006). Reliability is the level of consistency of a research finding and the level to which they can be replicated. Higher levels of reliability in this study were achieved by personal collection of data by the researcher in some cases as well as incorporating the services of competent assistants. This study incorporated a test-retest procedure during testing of reliability of the administered questions in an interval of one week to enable the

33

distinction in time between the first and the second study. Another analytical procedure that was conducted is the internal consistency by the use of Cronbach's Alpha ($\alpha$) measurement procedure, which is used to determine the level to which a number of measurement items can be described as providing a measurement of a particular variable. Reliability measurement enables understanding of the internal consistency and the uniformity of the items in the scale.

## 3.7.2 Validity

Validity refers to the extent to which the research measures what it is expected to measure (Brotherton, 2008). Content validity was used by the researcher during the examination of the effectiveness of the research instruments in answering the research questions. Changes and additions were made to the research instruments in consultation with the supervisor to determine the content validity. According to Mugenda and Mugenda (2003), content validity refers to the level to which data collected using a particular instrument is a representation of a particular domain of indicators of a subject of study. Content validity of a study can be improved by performing expert judgment. It is the extent to which an instrument provides an effective coverage of a topic of study.

## 3.8 Data Analysis and Presentation

According to a study by Mugenda and Mugenda (2003), data analysis refers to the process of conducting a number of operations in a closely manner in order to summarize the resulting data and organizing them in a manner that the research question is answered. The main activities that take place during data analysis include: editing the responses, coding, classifying different themes, and tabulating the research outcomes. Other

activities that are performed include: manipulating the data, summary development, and provision of answers to the research questions.

The research yielded both qualitative and quantitative data. The data collected was analysed using descriptive statistics (measures of central tendency and measures of variations) to achieve the objectives of the study. The quantitative data generated was analyzed with the help of Statistical Package for Social Sciences (SPSS) version 20 and multiple regression. The findings were presented using tables, frequencies and percentages.

Regression was used in determining the relationship between brand equity and loyalty in Unaitas Sacco, Nairobi City County, Kenya.

The study applied the following regression model

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

Where Y = Brand loyalty

$X_I$ = Brand association

$X_2$ = Brand quality

$X_3$ = Brand awareness

$X_4$ = Brand identity

$B_1 - \beta_3$ are the regression co-efficient or change introduced in Y by each independent variable

$\varepsilon$ is the random error term accounting for all other variables that influence brand loyalty but not captured in the model.

ANOVA test was conducted to determine the level of significance of the variance; the one-Way ANOVA determined the existence of significant variations between the variables. In addition, the study conducted a multiple regression analysis.

**Table 3.4: Operationalization of Variables**

| Objectives | Variables | Indicators | Measures | Scale | Type of Analysis |
|---|---|---|---|---|---|
| Brand loyalty | brand loyalty | Repurchase | Number of repurchases | Nominal | Descriptive statistics |
| To establish the effects of brand association on brand loyalty in Unaitas Sacco, Nairobi City County | brand association | Brand relevance | Rate of perception | ratio | Descriptive statistics |
| To determine the influence of brand quality on brand loyalty in Unaitas Sacco, Nairobi City County | Brand quality | Competitiveness | Rate of preference | Ratio | Descriptive statistics |
| To assesses the effects of brand awareness on brand loyalty in Unaitas Sacco, Nairobi City County | brand awareness | recognition | Number of people recognizing the brand | Nominal | Descriptive statistics |
| To establish the effects of brand identity on brand loyalty in Unaitas Sacco, Nairobi City County | brand identity | Personality | Number of people identifying the brand | Nominal | Descriptive statistics |

## 3.9 Ethical Consideration

There was need for the researcher to exercise utmost caution during data collection process by ensuring the rights and privacy needs of respondents were addressed. Before conducting the actual administration of the research instruments, the researcher provided an instruction message to the respondents regarding the purpose of the research in a language that they could understand easily

The study was conducted after seeking the consent of the respondents who provided with the answers to the questions regarding the topic of research. Confidentiality was ensured by not including the names of respondents in the responses. In addition, the respondents were asked to participate in the research on voluntary basis and none of them was forced to provide answers to the research questions. The results of the study were represented without any manipulation in order to present the actual findings of the research as recommended in research ethics.

# CHAPTER FOUR

## DATA ANALYSIS, INTERPRETATION AND DISCUSSION

### 4.1 Introduction

This chapter presents data analysis of the findings obtained from the field. It presents the background information of the respondents and findings of the analysis based on the objectives of the study. Descriptive statistics were used to discuss the findings of the study. The findings are based on the research questions regarding the brand equity and brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya.

### 4.1.1 Response Rate

The study targeted a sample size of 384 respondents from which 297 filled in and returned the questionnaires making a response rate of 77.34%. This response rate was satisfactory to make conclusions for the study as it acted as a representative. According to Mugenda and Mugenda (2003), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was excellent

**Table 4.5: Response Rate**

|  | Questionnaires Administered | Questionnaires filled & Returned | Percentage |
|---|---|---|---|
| Respondents | 384 | 297 | 77.34 |

***Source:** (Survey Data, 2018)*

### 4.2.2 Reliability Results

The reliability test for the four independent variables: brand association, brand quality, brand awareness and brand identity and the dependent variable: loyalty was done and the results presented in Tables 4.6 below

**Table 4.6: Reliability Results**

|  | Cronbach's Alpha | No. of Items |
|---|---|---|
| Brand Association | .834 | 5 |
| Brand quality | .869 | 5 |
| Brand awareness | .910 | 5 |
| Brand identity | .892 | 5 |
| Loyalty | .966 | 5 |

According to the Table above, 5 items were considered. The Cronbach's Alpha was found to be 0.834 for brand association, 0.869 for brand quality, 0.910 for brand awareness, 0.892 for brand identity and 0.966 for loyalty. This coefficient is above the 0.7 threshold and therefore no editing was required for the instrument as far as the variables are concerned.

### 4.2 Demographic Information

The study sought to establish the demographic data of the respondents: which included; gender, level of education and the number of year's customers have been in Unaitas Sacco, Nairobi City County, Kenya.

**4.2.1 Gender Distribution**

The study sought to establish the gender distribution of the respondents in Unaitas Sacco, Nairobi City County, Kenya.

**Table 4.7: Gender Distribution**

| Gender | Frequency | Percentage |
|--------|-----------|------------|
| Male | 181 | 60.94 |
| Female | 116 | 39.06 |
| **Total** | **297** | **100** |

*Source: (Survey Data, 2018)*

From the Table 4.6 research findings revealed that majority of the respondents as shown by 60.94% were male, whereas 39.06% of the respondents were female. This implies that respondents were fairly distributed in terms of their gender in Unaitas Sacco, Nairobi City County, Kenya.

**4.2.2 Education Level**

The study sought to establish the education level of the respondents in Unaitas Sacco, Nairobi City County, Kenya.

**Table 4. 8 : Education Level**

| Education Level | Frequency | Percentage |
|---|---|---|
| Secondary/College diploma | 129 | 43.43 |
| Undergraduate degree | 106 | 35.69 |
| Master degree | 62 | 20.88 |
| **Total** | **297** | **100** |

*Source: (Survey Data, 2018)*

Results from Table 4.7, indicated that 20.88% had attained master's degree, 35.69% of the respondents had attained university undergraduate degree whereas 43.43% of the respondents had attained secondary or college diplomas. This implies that respondents were well educated and therefore they were in a position to respond to the research questions with the required information.

### 4.2.3 Customer Duration with Unaitas Sacco

The study sought to establish customer duration with Unaitas Sacco, Nairobi City County, Kenya.

**Table 4. 9 : Duration with Unaitas Sacco**

| Period of Service | Frequency | Percentage |
|---|---|---|
| Below 2 years | 22 | 7.41 |
| 3-5 years | 72 | 24.24 |
| 6-8 years | 104 | 35.02 |
| Above 9 years | 99 | 33.33 |
| **Total** | **297** | **100** |

*Source: (Survey Data, 2018)*

Results from Table 4.8 revealed that 33.33% had been customers for more than 9 years, 35.02% of them have been customers for a period of 6-8 years, 24.24% have been customers for a period of 3-5 years whereas 7.41% have been customers for a period of less than 2 year. This implies that majority of the respondents have been customers for a considerable period of time and thus were in a position to give credible information relating to this research.

## 4.3 Brand Equity and Brand loyalty

This section investigates the effect of brand equity and brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

### 4.3.1 Brand Association
The study sought to establish the extent to which respondents agreed with the following statements relating to brand association and brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

**Table 4.10: Brand Association**

| Brand Association | Mean | Std deviation |
|---|---|---|
| Brand associations help in judging the brand | 4.29 | 0.24 |
| Celebrity endorsers, symbols, and slogans in the right context elicit positive feelings towards the brand | 4.31 | 0.24 |
| Brand associations are vital in creating value for the company | 4.38 | 0.25 |
| Brand association can serve as an information source that can help the decision maker to cope with large amount of information | 4.35 | 0.25 |
| Brand associations provides the decision maker with reason to buy or consume the brand | 4.44 | 0.23 |
| Brand associations are interlinked and can stimulate positive attitudes that are transferred to the brand. | 4.26 | 0.21 |
| **Aggregate mean score** | **4.33** | |

*Source: (Survey Data, 2018)*

Results from table 4.9 indicate that majority of the respondents agreed to a great extent that brand associations provide the decision maker with reason to buy or consume the brand as shown by a mean score of 4.44, brand associations are vital in creating value for the company as shown by a mean score of 4.38,brand association can serve as an information source that can help the decision maker to cope with large amount of information as shown by a mean score of 4.35, celebrity endorsers, symbols, and slogans in the right context elicit positive feelings towards the brand as shown by a mean score of 4.31. The findings concur with Kamau (2014), who noted that changing customer preferences also do influence the loyalty of customers since the supermarket owners are uncertain of the customer's frequent change of preferences.

The respondents further agreed that brand associations help in judging it as shown by a mean score of 4.29 and that brand associations are interlinked and can stimulate positive attitudes that are transferred to the brand as shown by a mean score of 4.26. The findings are in line with Farhat (2011), who noted that customer's loyalty, can be strengthened or retained by keeping in consideration various other factors through communicating good brand relationship by involving the concept of brand personality, thus, enhancing the customer relationship building with social and resource exchanges and thus positively affecting the satisfaction of the customer.

### 4.3.2 Brand Quality

On brand quality, the study sought to establish the extent to which respondents agreed with the following statements and its effect on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

**Table 4.11: Brand Quality**

| Brand Quality | Mean | Std deviation |
|---|---|---|
| Unaitas Sacco products and services are competitive | 4.23 | 0.22 |
| I don't find suitable substitutes to Unaitas Sacco products | 4.31 | 0.18 |
| Unaitas Sacco products and services are of good quality | 4.29 | 0.25 |
| Unaitas Sacco values its customer service | 4.17 | 0.24 |
| Unaitas Sacco products and services meet consumer expectations | 4.26 | 0.19 |
| **Aggregate mean score** | **4.25** | |

*Source: (Survey Data, 2018)*

Results from table 4.10 show that majority of the respondents agreed to a great extent that they don't find suitable substitute to Unaitas Sacco products and services as shown by a mean of 4.31, Unaitas Sacco products and services are competitive as shown by a mean

of 4.23. Further the respondents indicated that Unaitas Sacco products and services are of good quality as shown by a mean of 4.29, Unaitas Sacco products and services meet consumer expectations as shown by a mean of 4.26 and that Unaitas Sacco values its customer service as shown by a mean of 4.17. The findings concur with Stephen (2012), who noted that price and variety; attractiveness; and size and brand reputation as factors with a significant relationship with brand loyalty, while other products were the most preferred brand. Similarly, the study findings confirm the work of Mustafa (2013), who noted that customer trust and quality of brand has a significant influence on brand loyalty, while brand image and quality of service is not a significant influence on brand loyalty. Customer trust has a significant influence on brand loyalty.

### 4.3.3 Brand Awareness

On brand awareness, the study sought to establish the extent to which respondents agreed with the following statements and its effect on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

**Table 4.12: Brand Awareness**

| Brand Awareness | Mean | Std deviation |
|---|---|---|
| I repurchase Unaitas Sacco products and services regularly | 4.36 | 0.25 |
| I recommend Unaitas Sacco products and services to other people | 4.12 | 0.27 |
| The charges on Unaitas Sacco products and services are friendly | 4.22 | 0.30 |
| I only use Unaitas Sacco for all my financial services | 3.98 | 0.29 |
| I have a positive perception towards Unaitas Sacco products and services | 4.02 | 0.32 |
| **Aggregate mean score** | **4.14** | |

*Source: (Survey Data, 2018)*

46

Results from table 4.11 indicate that majority of the respondents agreed to a great extent that the charges on Unaitas Sacco Unaitas Sacco, Nairobi City County, Kenya products and services are friendly as shown by a mean of 4.22, the respondents also indicated that repurchase Unaitas Sacco products and services regularly as shown by a mean of 4.36, further, respondents recommend Unaitas Sacco products and services to other people as shown by a mean of 4.12, respondents also indicated that only use Unaitas Sacco for all my financial services as shown by a mean of 3.98 and that respondents have a positive perception towards Unaitas Sacco products and services as shown by a mean of 4.02. The findings are in line with Elif (2011), who investigated the effect of brand awareness in creating brand loyalty in retail banking in Turkey whereby the owners of the bank found out brand image affects brand loyalty in banking sector in Turkey. The results of this research indicate that brand image is very important in financial services sector

### 4.3.4 Brand Identity

The study sought to establish the extent to which respondents agreed with the following statements relating to effect of brand identity and brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

**Table 4.13: Brand Identity**

| Brand Identity | Mean | Std deviation |
|---|---|---|
| Unaitas Sacco has a unique name differentiated from other brands | 4.06 | 0.23 |
| Unaitas Sacco logo is well designed and articulated | 4.12 | 0.22 |
| The tone of Unaitas Sacco products is widely spread in the country | 4.01 | 0.29 |
| The tagline of Unaitas Sacco products appeals to its customers | 4.09 | 0.19 |
| The outlook of Unaitas Sacco products is attractive | 3.97 | 0.20 |
| **Aggregate mean score** | **4.05** | |

*Source: (Survey Data, 2018)*

47

Results from table 4.12 indicate that majority of the respondents agreed to a great extent that Unaitas Sacco has a unique name differentiated from other brands as shown by a mean of 4.06, Unaitas Sacco logo is well designed and articulated as shown by a mean of 4.12, the tone of Unaitas Sacco products is widely spread in the country as shown by a mean of 4.01, the tagline of Unaitas Sacco products appeals to its customers as shown by a mean of 4.09 and that the outlook of Unaitas Sacco products is attractive as shown by a mean of 3.97. The findings confirm the work of Adele (2008), who noted that brand identity strategy impacts on consumer perceptions for the specific brand in the study with some brand identity elements having a stronger influence on forming perception than others.

## 4.4 Brand loyalty

The study sought to establish the extent to which respondents agreed with the following statements relating to brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya

**Table 4.14: Brand loyalty**

| Brand loyalty | Mean | Std deviation |
|---|---|---|
| I have been referred by members to Unaitas Sacco products and services | 4.12 | 0.23 |
| I have always resisted against alternative products and services | 4.05 | 0.22 |
| I have a good attitude toward Unaitas Sacco products and services | 4.19 | 0.26 |
| I am satisfied with Unaitas Sacco products and services | 4.30 | 0.28 |
| I refer other people to Unaitas Sacco products and services | 4.27 | 0.24 |

*Source: (Survey Data, 2018)*

Results from table 4.13 indicate that majority of the respondents agreed to a great extent that they have been referred by members to Unaitas Sacco products and services as shown by a mean of 4.12, I have always resisted against alternative products and services as shown by a mean of 4.05,customers have a good attitude toward Unaitas Sacco products and services as shown by a mean of 4.19, customers are satisfied with Unaitas Sacco products and services as shown by a mean of 4.30 and that customers refer other people to Unaitas Sacco products and services as shown by a mean of 4.27. The findings are in line with Rodgers and Schneider (2010), that brand loyalty is usually rated as the most important indicator of brand equity because loyalty develops post purchase and indicates a consistent patronage by a customer over a long period of time whereas all other elements of brand equity may or may not translate into purchases.

## 4.5 Inferential Statistics

### 4.5.1 Hypotheses Testing

The study was based on the premise that brand equity affects brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya and this relationship is established in the hypotheses tested below. In order to establish the statistical significance of the hypothesized relationships, simple and stepwise multiple linear regressions were conducted at 95 percent confidence level (a=0.05). This section presents results of the hypotheses tests.

### 4.5.1.1 Brand Association on Brand loyalty
The study tested the following null hypothesis to determine the influence of brand association on brand loyalty:

**Hypothesis 1: Brand association has no effect on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya.**

The hypothesis was tested through regression of brand association measure (independent variable) on brand loyalty (dependent variable). The relevant results are presented in Table 4.14

**Table 4.15: Goodness-Of-Fit for Brand Association on Brand loyalty**

| Sample size | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 297 | 0.412 | 0.169 | 0.296 | .58576 |

**Predictors (Constant), brand association**

**Source (Survey Data, 2018)**

The results shown in Table 4.14 indicates an adjusted $R^2$ of 0.296. This implies that brand association had low explanatory power on brand loyalty since only 2.96% of brand association was explained by the variable.

**Table 4.16: ANOVA for the Regression of Brand Association on Brand loyalty**

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 5.5131 | 1 | 5.5131 | 6.9 | .005[b] |
| Residual | 235.705 | 295 | 0.799 | | |
| Total | 241.218 | 296 | | | |

**Predictors (Constant), brand association**

**Source (Survey Data, 2018)**

The results in Table 4.15 on the analysis of variance summary reveal an F statistic value = 6.9, p=0.005 where p < 0.05. This implies that there was significant influence of brand

association on brand loyalty and that the independent variable of brand association contributes significantly to changes in the dependent variable.

**Table 4.17:  Brand Association on Brand loyalty**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t-value | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| constant | 1.266 | 3.944 | | 1.266 | 0.005 |
| Brand Association | .736 | .128 | .725 | 5.750 | 0.005 |

**Dependent Variable: Brand loyalty**

**Source (Survey Data, 2018)**

The coefficient results of brand association and brand loyalty in Table 4.16 at (P=0.725, p = 0.005, < 0.05) are statistically significant.

Hence the study rejects $HO_1$ at a=0.05 and conclude that brand association influences brand loyalty.

Based on the analysis in tables 4.16, the following model was formulated.

Brand loyalty = 1.266 +0. 725 * brand association +e

Where

1.266 = y-intercept; constant

51

0. 725 = An estimate of the expected increase in brand loyalty corresponding

to an increase in brand association.

The regression coefficient of 1.266 under constant indicates the value of Brand loyalty change when brand association is zero. The regression coefficient of 0.725 obtained in this case implies that a unit increase of the brand association variable would lead to 0.725 increase in brand loyalty. The findings are in line with Farhat (2011), who noted that customer's loyalty, can be strengthened or retained by keeping in consideration various other factors through communicating good brand relationship by involving the concept of brand personality, thus, enhancing the customer relationship building with social and resource exchanges and thus positively affecting the satisfaction of the customer.

### 4.5.1.2 Brand quality on Brand loyalty

The study tested the following null hypothesis to determine the influence of brand quality on brand loyalty:

**Hypothesis 2: Brand quality has no effect on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya**

The hypothesis was tested through regression of brand quality measure (independent variable) on brand loyalty (dependent variable). The relevant results are presented in table 4.17

**Table 4.18: Goodness-Of-Fit for Quality Measure on Brand loyalty**

| Sample size | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 297 | 0.489 | 0.239 | 0.335 | .60739 |

**Predictors (Constant), brand quality**

The results shown in Table 4.17 indicates an adjusted $R^2$ of 0. 239. This implies that brand quality had low explanatory power on brand loyalty since only 2.39% of brand quality was explained by the variable.

**Table 4.19:** ANOVA for the Regression of **Brand Quality on Brand loyalty**

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 2.2944 | 1 | 2.2944 | 4.8 | .005[b] |
| Residual | 141.01 | 295 | 0.478 | | |
| Total | 143.304 | 296 | | | |

**Predictors (Constant), brand quality**

The results in Table 4.18 on the analysis of variance summary reveal an F statistic value = 4.8, p=0.005 where $p < 0.05$. This implies that there was significant influence of brand quality on brand loyalty and that the independent variable of brand quality contributes significantly to changes in the dependent variable

**Table 4.20:  Brand Quality on Brand loyalty**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t-value | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| constant | 1.266 | 3.944 | | 1.266 | 0.005 |
| Brand quality | .621 | .129 | .682 | 4.813 | 0.005 |

**Dependent Variable: Brand loyalty**

The coefficient results of brand quality and brand loyalty in Table 4.19 at (P=0.621, p = 0.005, < 0.05) are statistically significant.

Hence the study rejects $HO_2$ at a=0.05 and conclude that brand quality influences brand loyalty.

Based on the analysis in tables 4.19, the following model was formulated.

Brand loyalty = 1.266 +0. 621 * brand quality +e

Where

1.266 = y-intercept; constant

0. 621 = An estimate of the expected increase in brand loyalty corresponding

to an increase in brand quality.

The regression coefficient of 1.266 under constant indicates the value of Brand loyalty change when brand quality is zero. The regression coefficient of 0.621 obtained in this case implies that a unit increase of the brand quality variable would lead to 0. 621 increase in Brand loyalty. The findings are in line with Horaga (2012), who found a relationship among factors of brand image and brand loyalty. Brand image is a uniqueness of a product that makes the customers remember about the product, also to differentiate a product to the other products.

### 4.5.1.3 Brand Awareness on Brand loyalty

The study tested the following null hypothesis to determine the effect of brand awareness on brand loyalty:

**Hypothesis 3: Brand awareness has no effect on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya**

The hypothesis was tested through regression of brand awareness measure (independent variable) on brand loyalty (dependent variable). The relevant results are presented in Table 4.20

**Table 4.21: Goodness-Of-Fit for brand awareness on Brand loyalty**

| Sample size | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 297 | 0.582 | 0.239 | 0.339 | .7004 |

**Predictors (Constant),** brand awareness

**Source (Survey Data, 2018)**

The results shown in Table 4.20 indicates an adjusted $R^2$ of 0.339. This implies that brand awareness had low explanatory power on brand loyalty since only 3.39% of brand awareness was explained by the variable.

**Table 4.22:  ANOVA for the Regression of Brand Awareness on Brand loyalty**

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 2.115 | 1 | 2.1158 | 7.1 | .005[b] |
| Residual | 87.91 | 295 | 0.298 | | |
| Total | 90.0258 | 296 | | | |

**Predictors (Constant),** brand awareness

**Source (Survey Data, 2018)**

The results in Table 4.21 on the analysis of variance summary reveal an F statistic value = 7.1, p=0.005 where p < 0.05. This implies that there was significant influence of brand

awareness on brand loyalty and that the independent variable of brand awareness contributes significantly to changes in the dependent variable.

**Table 4.23:  Brand Awareness on Brand loyalty**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t-value | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| Constant | 1.266 | 3.944 | | 1.266 | 0.005 |
| Brand Awareness | .645 | .982 | .820 | 4.953 | 0.005 |

**Dependent Variable: Brand loyalty**

**Source (Survey Data, 2018)**

The coefficient results of brand awareness and brand loyalty in Table 4.22 at (P=0.645, p = 0.005, < 0.05) are statistically significant.

Hence the study rejects $HO_3$ at a=0.05 and conclude that brand awareness affects brand loyalty.

Based on the analysis in tables 4.16, the following model was formulated.

Brand loyalty = 1.266 +0. 645 * brand awareness +e

Where

1.266 = y-intercept; constant

0. 645 = An estimate of the expected increase in brand loyalty corresponding

to an increase in brand awareness.

The regression coefficient of 1.266 under constant indicates the value of brand loyalty change when brand awareness is zero. The regression coefficient of 0.645 obtained in this case implies that a unit increase of the brand awareness variable would lead to 0.645 increases in brand loyalty.

The findings concur with Ofunya (2015), who studied factors affecting brand awareness and brand loyalty of supermarkets in Nyeri Town, Kenya and found that brand awareness also does influence the loyalty of customers since the supermarket owners are uncertain of the customer's frequent change of preferences.

### 4.5.1.4 Brand Identity on Brand loyalty

The study tested the following null hypothesis to determine the influence of brand identity on brand loyalty:

**Hypothesis 4: Brand Identity has no influence on brand loyalty among account holders in Unaitas Sacco, nairobi city county, Kenya**

The hypothesis was tested through regression of brand identity measure (independent variable) on brand loyalty (dependent variable). The relevant results are presented in Table 4.23

**Table 4.24: Goodness-Of-Fit for brand identity on Brand loyalty**

| Sample size | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 297 | 0.409 | 0.167 | 0.358 | .5086 |

**Predictors (Constant),** brand identity

**Source (Survey Data, 2018)**

The results shown in Table 4.23 indicates an adjusted $R^2$ of 0.339. This implies that brand identity had low explanatory power on brand loyalty since only 3.39% of brand identity was explained by the variable.

**Table 4.25:  ANOVA for the Regression of Brand Identity on Brand loyalty**

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 2.0664 | 1 | 2.0664 | 6.3 | .005[b] |
| Residual | 96.76 | 295 | 0.328 | | |
| Total | 98.8264 | 296 | | | |

**Predictors (Constant),** brand identity

**Source (Survey Data, 2018)**

The results in Table 4.24 on the analysis of variance summary reveal an F statistic value = 6.3, p=0.005 where p < 0.05. This implies that there was significant effect of brand identity on brand loyalty and that the independent variable of brand identity contributes significantly to changes in the dependent variable.

**Table 4.26:  Brand Identity on Brand loyalty**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t-value | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| Constant | 1.266 | 3.944 | | 1.266 | 0.005 |
| Brand Identity | .456 | .286 | .423 | 1.594 | 0.005 |

**Dependent Variable: Brand loyalty**

**Source (Survey Data, 2018)**

The coefficient results of brand identity and brand loyalty in Table 4.25 at (P=0.456, p = 0.005, < 0.05) are statistically significant.

Hence the study rejects $HO_4$ at a=0.05 and conclude that brand identity affects brand loyalty.

Based on the analysis in tables 4.16, the following model was formulated.

Brand loyalty = 1.266 +0. 456 * brand identity +e

Where

1.266 = y-intercept; constant

0. 456 = An estimate of the expected increase in brand loyalty corresponding

to an increase in brand identity.

The regression coefficient of 1.266 under constant indicates the value of brand loyalty change when brand identity is zero. The regression coefficient of 0.456 obtained in this case implies that a unit increase of the brand identity variable would lead to 0. 456 increases in brand loyalty. The findings are in line with O'Reilly and Kerrigan (2013), who looked at the relationship between branding identity and brand loyalty case company of Heineken and found that branding identity can furthermore have an impact on brand as person to be an altruistic, humane person who cares about other people.

### 4.5.2 Brand Equity and Brand loyalty
The multiple regression for the findings is presented in table 4.26 below

**Table 4.27: Brand Equity and Brand loyalty**

| Goodness of fit | Test statistics | p-value | |
| --- | --- | --- | --- |
| Adjusted R-squared | 0.718 | | |
| F-statistics (5.526) | 72.2 | 0.005 | |
| Dependent variable = Brand loyalty | Linear regression results | | |
| | **Coefficients** | **t-statistics** | **p-value** |
| Brand Association | .736 | 5.750 | 0.018 |
| Brand Quality | .621 | 6.029 | 0.014 |
| Brand Awareness | .634 | 5.561 | 0.002 |
| Brand Identity | .456 | 4.851 | 0.011 |

| | | | |
|---|---|---|---|
| constant | 1.266 | 3.944 | 0.001 |

*Source:* (Survey Data, 2018)

The study used coefficient of determination to evaluate the hypothesis fit. The adjusted $R^2$, also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. The hypothesis had an average adjusted coefficient of determination ($R^2$) of 0.718 which implied that 71.8% of the variations in brand loyalty are explained by the independent variables under study (brand association, brand quality, brand awareness and brand identity), While 28.2% of the variations in brand loyalty are not explained by the independent variables under study.

From the hypothesis statistics, the study established that the hypothesis had a significance level of 0.1% which is an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 5%. The calculated value was greater than the critical value (5.526> 2.42) an indication that brand association, brand quality, brand awareness and brand identity all have a significant effect on brand loyalty. The significance value was less than 0.05 indicating that the model was significant.

As per the SPSS generated output as presented in table 4.13 above, the equation becomes:

$$Y=1.266+0.736X_1+0.621X_2 + 0.634X_3+0.456X_4+\varepsilon$$

The regression equation above established that holding all independent variables (brand association, brand quality, brand awareness and brand identity) constant, other factors influencing brand loyalty was (1.266, p-0.001). The findings also show that taking all

other independent variables at zero, a unit change in brand association would lead to an increase in brand loyalty by a factor of (.736, p-0.018), on the other hand, the findings also show that unit change in brand quality while holding the other factors constant would lead to an increase in brand loyalty by a factor of (0. 621, p-0.014), similarly, a unit change in brand awareness while holding the other factors constant would lead to an increase in brand loyalty by a factor of (0.634, p-0.002), finally, the findings also show that a unit change in brand identity while holding the other factors constant would lead to an increase in brand loyalty by a factor of (0. 674, p-0.011).

The study further established that brand associations are vital in creating value for the company, brand association can serve as an information source that can help the decision maker to cope with large amount of information, celebrity endorsers, symbols, and slogans in the right context elicit positive feelings towards the brand. The findings are in line with Farhat (2011), who found that customer's loyalty might be strengthened or retained by keeping in consideration various other factors through communicating good brand relationship by involving the concept of brand personality, thus, enhancing the customer relationship building with social and resource exchanges and thus positively affecting the satisfaction of the customer.

The study found that customers don't find suitable substitutes for Unaitas Sacco products and services, Unaitas Sacco products and services are competitive. Further the respondents indicated that Unaitas Sacco products and services are of good quality, Unaitas Sacco products and services meet consumer expectations and that Unaitas Sacco values its customer service. The findings are in line with Horaga (2012), who found that strong brand image makes product well known and build brand loyalty. The study found

a relationship among factors of brand image and brand loyalty. A brand image also reflects the customers' trust of a brand. The customers will give their first impression of a product through the physical appearance of the product.

On the other hand, the study further found that Unaitas Sacco products and services are friendly, the respondents also indicated that they repurchase Unaitas Sacco products and services regularly, further, respondents recommend Unaitas Sacco products and services to other people, respondents also indicated that they only use Unaitas Sacco for all financial services and that respondents have a positive perception towards Unaitas Sacco products and services. The findings confirm the work of Maiju (2012), who found that consumers have a good perception of generally known, big companies that possess high publicity, which depends mainly on their level of awareness of a certain company.

The study further established that Unaitas Sacco has a unique name differentiated from other brands, Unaitas Sacco logo is well designed and articulated, the tone of Unaitas Sacco products is widely spread in the country, the tagline of Unaitas Sacco products appeals to its customers and that the outlook of Unaitas Sacco products is attractive. The findings agree with Adele (2008), who noted that brand identity strategy impacts on consumer perceptions for the specific brand in the study with some brand identity elements having a stronger influence on forming perception than others.

On brand loyalty in Unaitas Sacco, the study established that respondents have been referred by members to Unaitas Sacco products and services, I have always resisted against alternative products and services, customers have a good attitude toward Unaitas Sacco products and services, customers are satisfied with Unaitas Sacco products and services and that customers refer other people to Unaitas Sacco products and services.

The findings concur with Berry (2010), higher loyalty levels lead to a decrease in marketing expenditure as such customers act as positive advocates for the brand. Besides, a company can introduce more products in its portfolio that are aimed at the same customers at less expenditure. It also acts as a potential barrier to entry for new players and gives time to the company to respond to competitive threats.

# CHAPTER FIVE

## SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS

### 5.1 Introduction

This chapter presents the summary of the data findings on the analysis of brand equity and brand loyalty among account holders in Unaitas Sacco, Nairobi city county, Kenya, conclusions and recommendations are drawn there to. The chapter is structured into summary of findings, conclusions, recommendations and areas of further research.

### 5.2 Summary of Findings

The major objective of the study was to determine the relationship between brand equity and loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. The study established a strong positive effect of brand association on brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. The study further established that brand associations in Unaitas Sacco provide the decision maker with reason to buy or consume the brand, brand associations are vital in creating value for Unaitas Sacco and that brand association can serve as an information source that can help the decision maker to cope with large amount of information.

On the other hand, the study established a strong positive influence of brand quality on brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. The study further established that Unaitas Sacco products and services meet consumer expectations and that Unaitas Sacco values its customer service whereby customers don't find suitable substitutes for Unaitas Sacco products and services. On the other hand, the

study established that Unaitas Sacco products and services are competitive. Further the respondents indicated that Unaitas Sacco products and services are of good quality. Similarly, the study established a strong positive influence of brand awareness on brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. The study further established that respondents have a positive perception towards Unaitas Sacco products and services respondents also indicated that they repurchase Unaitas Sacco products and services regularly, further, respondents recommend Unaitas Sacco products and services to other people and respondents also indicated that they use Unaitas Sacco for all their financial needs.

Regarding the brand identity, the study established a strong positive influence on brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. The study further established that Unaitas Sacco has unique name differentiated from other brands, Unaitas Sacco logo is well designed and articulated, the tone of Unaitas Sacco products is widely spread in the country, the tagline of Unaitas Sacco products appeals to its customers and that the outlook of Unaitas Sacco products is attractive.

## 5.3 Conclusion

This study has provided a comprehensive review of brand equity and loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. Based on the findings of this study, the research concluded that brand association positively influences brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. The study further concluded that brand associations in Unaitas Sacco provide the decision maker with reason to buy or consume the brand and that brand associations are vital in creating value for Unaitas Sacco.

On the influence of brand quality, the study concluded that brand quality is positively related to brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. The study further concluded that Unaitas Sacco products and services meet consumer expectations and that Unaitas Sacco values its customer service hence customers don't find competitive substitutes for Unaitas Sacco products and services.

Similarly, the study concluded that brand awareness positively influences brand loyalty among account holders in Unaitas Sacco, Nairobi City County, Kenya. The study further concluded that on Unaitas Sacco products and services, respondents also indicated that they repurchase Unaitas Sacco products and services regularly. Further, respondents recommend Unaitas Sacco products and services to other people and some respondents indicated that they only Unaitas Sacco for their financial needs

The study finally concluded that Unaitas Sacco logo is well designed and articulated, the tone of Unaitas Sacco products is widely spread in the county, the tagline of Unaitas Sacco products appeals to its customers and that the outlook of Unaitas Sacco products is attractive.

## 5.4 Recommendations

The study recommends that Unaitas Sacco should increase the accessibility to services through opening further affiliated branches and full explanations of their services that are typically varied and detailed. This will lead into customers' awareness and finally into an informed mindset and a positive service brand for the Sacco.

The study recommends that policy makers in the government should make policies that are favorable towards brand equity in Kenyan Saccos. Such policies should focus on

favoring Sacco products that match well to the changing environment so that there can be production thus enhancing overall growth and development in Kenya.

The study recommends that marketers at Unaitas Sacco should engage in strong advertising and marketing campaigns so as to create more brand awareness and hence build brand loyalty. Building loyalty by offering quality products can enhance competitiveness and improve Unaitas Sacco market share.

## 5.5 Suggestions for Further Studies

The study focused on brand equity and loyalty among account holders in Unaitas Sacco, nairobi City County, Kenya. There is need for further studies to carry out similar tests for other Saccos and other organizations in Kenya.

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**RESEARCH QUESTIONNAIRE**

**Section A: Demographic Information**

1. Gender

   Male   (       )           female          (       )

2. Please indicate the highest level of education attained? (Tick as applicable)

   Secondary/College Diploma          [  ]
   Undergraduate                              [  ]
   Master                                         [  ]
   Others (specify)
   …………………………………………………………………………...

3. For how long you have been a customer of Unaitas Sacco

   Below 2 years          (       )        3 to 5 years              (       )
   6   to 8 years          (       )        9 years and above     (       )

**SECTION B: Brand Equity**

Indicate your level of agreement with the following statements relating to brand equity in Unaitas Sacco, Nairobi City County, Kenya. Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| Brand Association | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Brand associations help in judging the brand loyalty | | | | | |
| Celebrity endorsers, symbols, and slogans in the right context elicit positive feelings towards the brand | | | | | |
| Brand associations are vital in creating value for the company | | | | | |
| Brand association can serve as an information source that can help the decision maker to cope with large amount of | | | | | |

| information | | | | | |
| --- | --- | --- | --- | --- | --- |
| Brand associations provides the decision maker with reason to buy or consume the brand | | | | | |
| Brand associations are interlinked and can stimulate positive attitudes that are transferred to the brand. | | | | | |

Indicate your level of agreement with the following statements relating to brand uniqueness in Unaitas Sacco, Nairobi City County, Kenya. Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| Brand Quality | 1 | 2 | 3 | 4 | 5 |
| --- | --- | --- | --- | --- | --- |
| Unaitas Sacco products and services are competitive | | | | | |
| I don't find competitive alternatives for Unaitas Sacco products and services | | | | | |
| Unaitas Sacco products and services are of good quality | | | | | |
| Unaitas Sacco values customer service | | | | | |
| Unaitas Sacco products and services meet consumer expectations | | | | | |

Indicate your level of agreement with the following statements relating to brand favorability in Unaitas Sacco, Nairobi City County, Kenya. Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| Brand Awareness | 1 | 2 | 3 | 4 | 5 |
| --- | --- | --- | --- | --- | --- |
| I repurchase Unaitas Sacco products and services regularly | | | | | |
| I recommend Unaitas Sacco products and services to other people | | | | | |
| The charges on Unaitas Sacco products and services are friendly | | | | | |
| I use Unaitas Sacco for all my financial needs | | | | | |
| I have a positive perception towards Unaitas Sacco products and services | | | | | |

Indicate your level of agreement with the following statements relating to brand identity in Unaitas Sacco, Nairobi City County, Kenya. Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| Brand Identity | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Unaitas Sacco has unique name differentiated from other brands | | | | | |
| Unaitas Sacco logo is well designed and articulated | | | | | |
| The tone of Unaitas Sacco products is widely spread in the county | | | | | |
| The tagline of Unaitas Sacco products appeals to customers | | | | | |
| The outlook of Unaitas Sacco products is attractive | | | | | |

**Section C: Brand loyalty**

Indicate your level of agreement with the following statements relating to brand loyalty in Unaitas Sacco, Nairobi City County, Kenya. Use a scale of 1-5, where (1= strongly disagree, 2= disagree, 3= moderately agree, 4= Agree and 5= strongly Agree)

| Loyalty | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| I have been referred by members to Unaitas Sacco products and services | | | | | |
| I have always resisted against alternative products and services | | | | | |
| I have a good attitude toward Unaitas Sacco products and services | | | | | |
| I am satisfied with Unaitas Sacco products and services | | | | | |
| I refer other people to Unaitas Sacco products and services | | | | | |

**THANK YOU**

# APPENDIX II: APPROVAL OF RESEARCH FROM KENYATTA UNIVERSITY GRADUATE SCHOOL

**KENYATTA UNIVERSITY**
**GRADUATE SCHOOL**

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 28th February, 2018

TO:  Stanley Gitari Kanyuiro
     C/o Business Administration Dept.

REF:  D53/OL/CTY/32340/2015

## SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your revised Research Proposal as per our recommendations raised by the Graduate School Board of 31st January, 2018 entitled "**Brand Aspects and Customer Loyalty in Unaitas Sacco, Nairobi City County, Kenya**".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

**ANNBELL MWANIKI**
**FOR: DEAN, GRADUATE SCHOOL**

C.c.  Chairman, Department of Business Administration

Supervisors:

      1. Dr. Elishiba M. Murigi
         C/o Department of Business Administration
         **Kenyatta University**

AM/lm

# APPENDIX III: NACOSTI RESEARCH AUTHORIZATION

**NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION**

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/18/43954/21918**

Date: **20ᵗʰ March, 2018**

Stanley Gitari Kanyuiro
Kenyatta University
P.O. Box 43844-00100
**NAIROBI.**

## RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *"Brand aspects and customer loyalty in Unaitas SACCO, Nairobi City County, Kenya,"* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **20ᵗʰ March, 2019.**

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

**DR. STEPHEN K. KIBIRU, PhD.**
**FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.

# APPENDIX IV: NACOSTI RESEARCH PERMIT

THIS IS TO CERTIFY THAT:
**MR. STANLEY GITARI KANYUIRO**
of KENYATTA UNIVERSITY, 38721-100
NAIROBI,has been permitted to conduct
research in *Nairobi County*

on the topic: *BRAND ASPECTS AND
CUSTOMER LOYALTY IN UNAITAS
SACCO,NAIROBI CITY COUNTY,KENYA*

for the period ending:
*20th March,2019*

Permit No : NACOSTI/P/18/43954/21918
Date Of Issue : 20th March,2018
Fee Recieved :Ksh 1000

..........................
**Applicant's
Signature**

..........................
**Director General
National Commission for Science,
Technology & Innovation**