EFFECTS OF CONSUMER FRIENDLINESS ON BRAND PREFERENCE; A CASE OF

KEN KNIT LIMITED-ELDORET

BY

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DECLARATION AND RECOMMENDATION

Declaration by Student

This thesisis my original work and has not been presented for a degree in any other University

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DEDICATION

This project is dedicated to my friends; Anne and Purity for their tireless support throughout the entire course and my Parents; Mr David Ruto and MrsTeclaRuto who gave me the atmosphere I needed to do what is expected of me in University and ensured the success of this project .

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ABSTRACT

A deeper understanding of such preference dynamics can help marketing managers' better design marketing program and build a long term relationship with consumers. Despite the existence of some studies investigating how brand preference is built and changed, most of them focus on examining factors from consumer friendliness or advertising perspective. The purpose of this study was to investigate effect of consumer friendliness on brand preference at Ken Knit limited Eldoret, Uasin Gishu county, Kenya. The objectives of the study were: to establish the effect of product value experience on brand preference at Ken Knit Limited in Eldoret; to examine the effect of pricing offers on brand preference at Ken Knit Limited in Eldoret; to explore the effectof organizational loyalty programs on brand preference at Ken Knit Limited in Eldoret and to examine the effect of Customer Relations Management on brand preference at Ken Knit Limited in Eldoret. The study was conducted through a case study design. This study was carried out in Ken Knit Limited Eldoret. The study targeted 441 respondents including Marketing Managers, Employeesand Customers of Ken Knit Limited.The desired sample size was thus comprised of 205 outpatients. Questionnaires and interview schedule were used as the main tool for collecting data from the respondents. The study used Cronbach's Alpha to assess the reliability of the instrument. The validity of research instrument was based on experts' opinion unchecked on the content of validity, the extent to which the instrument measured what it was intended to measure.Data was organized and analyzed using descriptive statistics and inferential statistics (regression analysis). This study used tables, figures and percentages to present the information. The study findings revealed that there was a significant relationship between product value experience and brand preference (p=0.000); there was a significant relationship between pricing offers and brand preference (p=0.000); there was a significant relationship between organizational loyalty programs and brand preference (p=0.000) and that there was a significant relationship between customer relationship management and brand preference (p=0.000). The study concluded that companies provide excellent real-time customer service by developing a relationship with each valued customer. The study recommended that, since product quality offered by a brand can effect quality perceptions and brand choice there is need to improve on the quality of the products

INTRODUCTION

1.0 Overview

This chapter presents the background of the study, statement of the problem, objectives of the study, research questions, significance of the study, limitations of the study, scope of the study, assumptions of the study.

1.1 Background of the Study

Preference is defined as the power the will or ability to choose one thing over another with the expectation that the choice will cause a greater satisfaction and greater capability. Coupled with the dynamic fashion of current clothing industry it is of primal importance for the organization to adapt to the changes in accordance with the expectations of the consumer (Aaker and Jennifer, 2013). A brand is a name, term, sign, symbol or design or combination of them, intended to bring a distinction and categorize the products of one seller from another competitive seller (Blair et al, 2012). A powerful brand is which resides and remain in the mind of the consumer (Blair et al, 2012).Product brands vary in the level of power and the preference they offer in the sales arena.

Consumer friendliness is that act that enables organizations to give and provide real customer service and develop excellent relations with the customers. Consumer friendliness holdsthat a major driver of company's profitability is the overall benefit the companies get from the clients it serves(Kotler,2009). The impact of consumer friendliness is not how many clients are served or the size of competition is but how you manageyour current and potential customers effectively and efficiently. First and foremost is the treatment of individual consumers and each other (internalcustomers). Some of the companies perceive consumer friendliness as an important

practice that should be adopted but still have no means to implement the same (Oliver, 2009).There are some companies that have integrated the consumer friendliness in their public relations, reaping greatbenefits in the process.

Globally, the changes in the business conditions as they continue to happen, organizations are compelled to restructure and re-strategize in order to maintain their profitability and expansion (Assael, 2012). Faced with theincreased infiltration of organizations offering equal satisfaction levels to customers in the market, Companies arecompelled to come up with appropriate ways of promoting their products so that brand preference (Baker, 2011). There have however beencomplaints from the consumers of the poor service delivery by the companies.If customers trust a brand quality, a positive attachment to the brand is created hence making the customers more loyal to the product. The importance of loyalty and customer trust can't be overlooked since it reduces the chances and susceptibility of the company to attacks from competitors. Companies are known through their products brand and it forms the ingredient (Bhat& Reddy, 2012).

In Africa, organizations offering products in disregard to customers' needs or preferences are bound to achieve less in terms of brand preference. Today's systems have little to offer consumers, particularly the new breed of technology-savvy consumers who want to be more in control of their purchasing environment. Today's consumersneed a lot of information about the varieties of the products, the way these products perform and what is the future of the same products. Branding concepts have been used for long around in different forms. It originally was inspired by craftsmen who wanted to identify and recognize the fruits of their labors so that they can be easily identified by potential customers (Smith, 2009).

In Kenya, brands also have a symbolic value which helps the people to choose the best product according to their need and satisfaction. The reason that motivates people to buy certain brands is

not necessarily due to the products design or requirement. Some buy preferred products just to enhance their individual esteem in the society. This is because some brands have very strong position in the market due to their consumer friendliness and therefore making customers make purchases on trust and without any hesitation (Keller 2012). The intention to offer marketing package for consumer benefits by the promoter or the seller by coming up with a unique and decisive consumer value. The company's friendliness effects the buying decisions of the consumer. The most successful Company always provides the customers a greater value of satisfaction than its competitor by adapting to the needs of the customers. In this increasingly competitive market, company cannot make sales unless they understand the requirements of the customers (Keller, 2012). Organizations can make good relations with the customers by coming up with likable brands. Organizations that have performed well have successfully identified their clients' needs. In an arena of stiff competition in the market, it is the task of the organization to maintain a specific level of sales and satisfaction of customers. The firm need to make real identification and utilize the available resources to make appropriate communications to the customers intended (Yoo, 2012).

1.2 Statement of the Problem

Consumer friendliness has grown as an important factor in building brand preference on the part of the consumer. This has however been a problem to the organizations in that the rate of the problems of attaining the best level of preference of the product brands which is increasing. Regardless of whether it is the government or other organizationsthat are acting on the complaints caused by actions of nature or human related, they however proactively behave and keep track on the current actions. The most important part in this friendly behavior is to be played to the consumer (Kotler, & Armstrong, 2009)

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Since 2012 Ken Knit is the leading manufacturer wool products that is believed to be 100% and with the recent backward integration in sheep rearing farmers to produce quality wool for the production of 100% wool jerseys (Keller, 2012).This was followed by the acquisition of a Printing and Raising Machine 'exclusively for knitwear the first of its kind in East Africa as compared to its competitors there is a big gap that exist. It is against this backdrop that the study seeks to explain why brands at Ken Knit are with higher brand preferences.

In addition, while consumers are selecting a product, it is the perceived quality and brand preference that they really care about. This has enabled the consumers to be subjective in their judgments on the overall quality of the product that distinguishes and causes a salient differentiation by becoming a selective brand in the minds of the consumers. Besides, Companies have to build up brand loyalty. This study particularly focuses on the importance of customer friendliness and its determinants on brand preferences. To formulate a successful service marketing strategy, companies need an in depth understanding of how consumer friendliness on brand preference plays a significant role. Therefore, the determinants of brand preference need to be further validated in other product categories. Most of the researches in brand preference in fabric products have been conducted in developed countries and hence the needs to study the effect of consumer friendlinesson brand preference in Kenya.

1.3 General Objective of the Study

To establish the effectof consumer friendliness on brand preference at Ken Knit limited Eldoret

1.4 Specific Objectives

i.   To establish the effect of product value experience on brand preference at Ken Knit Limited in Eldoret

ii.   To examine the effect of pricing offers on brand preference at Ken Knit Limited in

Eldoret

iii. To explore the effectof organizational loyalty programs on brand preference at Ken Knit Limited in Eldoret

iv. To examine the effect of Customer Relations Management on brand preference at Ken Knit Limited in Eldoret

1.5 Research Hypotheses

Ho_1: There is no significant relationship betweenproduct value experience and brand preference at Ken Knit Limited in Eldoret

Ho_2: There is no significant relationship between pricing offers and brand preference at Ken Knit Limited in Eldoret

Ho_3: There is no significant relationship between organizational loyalty programs and brand preference at Ken Knit Limited in Eldoret

Ho_4: There is no significant relationship between Customer Relations Management and brand preference at Ken Knit Limited in Eldoret

1.6 Significance of the Study

The study was of great significance to Ken Knit Limited in that it potentially served as a reference for the company sustaining or in marketing their current brand efforts. The results obtained had an interesting implication on the management of brand in the company and product range and management of their relationships in the distribution channel. The study also gives evidence on the manner in which the knowledge of the consumer corresponds with brand taste and how it can change customer preference. This is an issue of great interest for distributors and manufacturers in maintaining the range of their products.

The results of this study also help policy makers in understanding the perception of the customers and their selection of specific brands and market segments. This was instrumental in

obtaining the knowledge of what is important to customers in their decision making processes, where they get the information about a brand or service and what they think about a brand and then make proper policies to the market.

The findings of this study add to the body of knowledge and form part of future learning materials. Future researchers with interests in marketing will find the findings useful since it will recommend further areas of study to enhance more knowledge in the fabrics industry like Ken Knit.

1.7 Scope and Limitation of the Study

The study focused on the effectof consumer friendliness on brand preference. It was conducted in Ken Knit with careful attention given to customers and staff of Ken Knit limited Eldoret. The time frame for conducting this study was between March 2016 and May 2016. The study got the respondents from top management, Heads of department, customers at Ken Knit, Staff from Ken Knit outlets and staffs from within the main company e.g. sales representative doing the sales & marketing for the company's products, customer relations officers werealso interviewed. Employees at Ken Knit are employed while others are working as casual workers who are paid wages for the day.

1.8 Operational Definition of Terms

Brand preference; refers to the act of consumers liking and going for the company's products. In this study it refers to the customers liking brand and will select a particular brand and will not choose a competitor's brand if the preferred brand is unavailable.

Brand Loyalty; refers to the extended brand preference and deliberate decision to repeat purchase of the brand. In this study it refers to the act of customers making repeat use or purchase of the brand of the organization.

Consumer friendliness;it refers to the act of the organization building good relations with its customers. It this study it refers to the process that enables companies to provide excellent customer service by developing good relations with each customer.

Product value experience; It refers to the design of the product that matches the value and experience of the customer. In this study it refers to the process of the organization trying to build on the customers' perceived value and experience of the product.

Pricing offers; refers to the promotional strategy targeting the use of pricing to win the customers. In this study it refers to the use of pricing strategies to win customer believe of organizations brand.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents review of literature that forms the basis of this study. The chapter discusses theories and aims to build on past studies that have been done, provide new knowledge of how the impact of consumer friendliness can be understood and present a conceptual research framework which forms the basis for the research objectives.

2.1 Review of Theories

2.1.1 Theory of Reasoned Action

This theory was proposed by Martin Fishbein (1965) and was derived from previous research that began as the theory of attitude. This theory aims to explain the relationship between attitudes and behaviors within human action. The theory is related that it is used to predict how individuals behave based on their existing attitudesand intended actions. For an individual to decide to engage in a specific behavior, he must have assessed the results and outcomes of engaging in that behavior. Theory of Reasoned Action is a theory reasoned that describes the incorporation of the components of attitude as a whole into a structure that is intended to offer good explanation and forecasts of the brand preference (Assael, 2012)

In accordance with this extended model, to understand the purpose, the study also measured subjective norms that effect individual's intent to act. Subjective norms measured directly the thoughts and feelings of consumers as well as what others like family or friends thought about the actions being carried out, i.e. whether they look happy or unhappy about actions to be performed (Aaker, 2013). This is done by assessing normative beliefs that individuals connect with others and the motivation that pushes individuals to obey others. The theory of reasoned

action incorporates the cognitive component, affective component, and cognitive components, but these are arranged in different patterns with patterns of three-component model.

In relation to this study to, the theory re-conceptualize consumer friendliness and brand preference. This therefore means that the prediction and measurement of brand wasstable and accurate over time if the antecedents of purchase behaviour are integrated. This aims to incorporate three aspects of brand preference, and to investigate the interactions among several antecedents of behavioral brand preference of unit brand preference have different levels of brand loyalty shown by the consumers. When subjective norm and consumer friendliness are all consistent and favorable, the maximum level of unit brand preference wasrealized.

2.1.2 Fishbein model

The model was founded by Martin Fishbein (1965). The model illustrates that marketers will therefore be required to understand the attitudes of the consumer towards a product in the market and then formulate strategies to effect consumer attitudes. Consumer research is an important activity carried out to determine consumer attitudes toward an object. Fishbein models, in particular, have been used to study the underlying attitudinal structure and their relations to consumer preference and behavior.

Assael(2012) investigated the theoretical links among beliefs, affect, behavioral intention and behavior about the product brands of a convenience better product. When applied separately in a multiple regression analysis, provided good predictors of the effect of like or dislike of a brand and the verbal expression of the intention to purchase a brand.

In addition, when evaluative beliefs were summed up, a considerably lower association resulted between attitude and behavior. This study therefore explains that the cognitive consumer attitudes, applied the relationship of Rosenberg's theory. Measurement of attitudes of the most popular used by consumer researchers (Cowles, 2013)

In relation to this study, the model is very suitable for measuring attitudes toward the products or products of particular kind. Simply, consumers can have to some extent sufficient properties and positive values towards a brand and can also have distasteful attitude towards those brands they do not have enough levels of desirable traits or those that have too many undesirable and negative properties (Oliver and Rust, 2013)

2.3 Empirical Review

2.3.1 Product Value Experience and Brand Preference

A product as defined by Kotler and Armstrong (2009) is anything that is offered to a marketfor attention, acquisition, use or consumption and that might satisfy a want or a need. Apartfrom the physical product itself, there are elements associated with the product that customersmay be attracted to, such as the way it is packaged. Other product attributes include productdesign, quality, features, options, services, warranties, and brand name. The product'sappearance, function, and support make up what the customer is actually buying.Successful managers pay close attention to the needs their product bundle address for theircustomers. The product bundle should meet the needs of a particular target market. Forexample, a luxury product should create just the right image for customers who haveeverything, while many basic products must be positioned for price conscious consumers.Other important aspects of product may include an appropriate product range, design,warranties, or a brand name.

Companies provide good service to the customers by developing good relations with each product value through use of personal information. Consumer friendliness holds that the biggest booster of the profitability of the organization the overall company's customer value base (Kotler, 2009). First and foremost is the treatment of individual consumers and internal customers. The concept of consumer friendliness has not yet been adopted in Kenya (Oliver, 2009). Some companies in Kenya, however, have already adopted the innovation. There are

some companies that have adopted the consumer friendliness in their public relations, reaping major results in the process (Corstjens and Lal, 2010).

To ensure purchase, the product or service and the trade name must beconsidered adequate and the buyer must experience a pleasant feeling of anticipatedsatisfaction while thinking of the product and/or service and the trade name. In some cases,an item viewed as adequate is also liked and vice versa, but in other cases it may be different.Kotler (2009) points out that the marketing plan should lay out acampaign with the main aim of fulfilling a firm's marketing strategy. In addition, the planshould aim to transform the product into a successful offering that meets the needs of thetarget consumer at the same time fulfilling the company's expectation for sales growth,increased market share and profit.

According to Levy (2010), when a firm has finally identified and evaluated thedifferent growth opportunities available in the market, the real action of planning andimplementing the marketing strategy begins. This will determine what to do, how to do it,and how many resources should be allocated to the process of implementation. The marketingmix offers an optimum combination of all marketing ingredients so that companies canrealize their goals and objectives for example profit, sales volume, market share, return oninvestment, etc. When used correctly as a set of controllable variables, the marketing mix canbe used to effect the buyers' responses.

If a brand is perceived as globally available, consumers will attribute superior quality to the brand since such a quality wasthought and considered as a prerequisite for international acceptance (Schultz, 2010). As indicated, larger choice sets create conflict and frustration and may thus diminish purchase likelihood. However, choice difficulty nonetheless, in the usual case in which we question the brand that wasselected, higher product variety enhances a brand's perceived quality and thus also its purchase likelihood. That is, offering more variety can enhance quality perceptions although a larger choice set will make actual choosing more difficult

and frustrating. This underscores the effect of product variety on perceived brand quality.

Quality inferences based on variety can occur in situations of single-brand evaluation. Product quality offered by a brand can effect quality perceptions and brand choice (Assael, 2012). In particular, our earlier analysis indicates that a variety can impact brand choice through influencing brand quality perceptions, which is due to the effect of variety on perceived category expertise. Participants received information about a few brands and were asked to evaluate each brand on a number of dimensions, including product quality and the brand's category expertise.

Researchers asserted that this broader definition of perceived customer value providesconceptual richness. Summarizing the previous definitions,perceived customer value can be defined as a consumer's perception of the net benefitsgained in exchange for the costs incurred in obtaining the desired benefits. However,the term perceived value is often used interchangeably with other value concepts inconsumer and marketing research, such as consumer value, and consumption value.

Despite the varying terms and definitions on perceived value, there are commonalitiesbetween them: perceived value is linked through the use to some product, service orobject; perceived value is something subjectively perceived by consumers rather thanobjectively determined, and perceived value typically involves a tradeoff between whatthe consumer receives and gives to acquire and use a product or service. A customerperceived value is the pivot in relationship marketing and customer loyalty; therefore,the role of value in consumer loyalty has still received significant attention.

Recent researchers argue that perceived value is more complex and difficult to measure.Apart from functional (utilitarian) value such as price and product quality, other typesof consumption value like shopping enjoyment should be considered by scholars andmanagers (Lee &Overby,

2014). Although a number of value types have beenidentified in the literature. For example, use value, intrinsic value, acquisition value, ortransaction value.

Utilitarian value and hedonic value appear to be two universal valuetypes most appropriate for describing consumer shopping behavior.Utilitarian value is defined as an overall measurement of functional benefits andsacrifices (Foxall, 2012). Utilitarian value involves more cognitive aspects ofattitude, such as value for the money and judgments of convenience and time savings.Furthermore, time saving is another important shopping value for time pressuredconsumers.Recent studies have found that time conservation is one of the primary motivations inspiring,besides; ample evidence supports the positive effect of merchandise qualityand the negative impact of the price on consumer's value perception of a product orbrand. In sum, utilitarian value can be perceived by various modes from price saving, aquality product or service, time savings, convenience, and an assortment of merchandiseselection.

Hedonic value is defined as an overall judgment of experiential benefits and sacrifices,such as entertainment and escapism (Schultz, 2010). Hedonic value reflectsworth or fun found in the shopping experience itself, while utilitarian value reflectstask-related worth. Hedonic value can be obtained from the entertainment, the visualappeal, and the interactivity involved. Similar to the role of atmospherics in offlineshopping environment inappropriate use of colors, music, and other sensory features ofthe website might be able to enrich consumers" shopping experience. Consumers' shopping motivations may be for the enjoyment of the experience rather than simply fortask completion.

2.3.2 Pricing Offers and Brand Preference

According to Kotler& Armstrong (2009) price is the amount of money charged for a product or service, or thesum of the values that customers exchange for the benefits of having or using the product or service. Price is defined as the amount of money or goods needed to acquire some

combination ofother goods and its companying services. But the marketing literature showed researchers' inclination towardsprice fairness in relation with customer satisfaction. Price fairness refers to consumers' assessments of whether aseller's price is reasonable, acceptable or justifiable. Price is a very important issue that leads toward satisfactionfostering loyalty (Kotler& Armstrong, 2009).

In regards to competitive pricing, companies always seek to have consumers prefer theirproducts over the competition so that they can achieve high revenues which are not alwaysequated to high profits. In it also important to note that consumers will not always prefer aproduct that has the lowest cost as there is a risk of the product being perceived as being ofpoor quality. This means that, having the lowest cost does not automatically lead to highmarket share.However, it is important to note that according to Reichheld (2014)issues like inflation, interest rates, level of income, level of wealth/savings and the taxationsystem are also some of the other elements that motivate a customer to buy products andservices in relation to price sensitivity.

Lowering the price of products to attract customers can have its downside according to Kotlerand Armstrong (2009) who point out that reducing price too quickly in order to sell ratherthan convincing the buyer that the products are worth the high price might compromise onthe consumer's perception of the product quality. Cheap might be attributed to poor qualitythus repelling the customer as opposed to attracting them.

Pricing is the most effective profit lever. Pricing can be approached at three levels namely theindustry, market, and transaction level. Pricing at the industry level focuses on the overalleconomics of the industry, including supplier price changes and customer demand changes.Pricing at the market level focuses on the competitive position of the price in comparison tothe value differential of the product to that of comparative competing products. Pricing at thetransaction level focuses on managing the implementation of discounts away from

thereference, or list price, which occur both on and off the invoice or receipt.The concepts of availability of product and brand identity are well connected as key assets to the brand performance. Availability of product is the foundation of a good brand-building program. Successful brand planning and organization encompasses availability of related offers of the product in the market (Smith, 2011). The overall impact of the entire effectiveness of the brand can be assured by brand and advertising evaluations. Companies may choose to likeable dimensions for quick cognitive reflexes of consumers Availability of product is one of the principal drivers of brand preferences.

Charging standardized fair price helps to develop customer satisfaction and loyalty, this is becausecustomer's decision to accept particular price has a direct bearing at satisfaction level. Customer satisfaction isdirectly affected by price perceptions while indirectly through the perception of price fairness.The pricing itself and the way it is fixed and offered have a great impact on satisfaction. According toBaker (2011) supermarkets services are like undifferentiated products therefore, wherecustomers are not price sensitive all the times and sometimes brand loyalty takes part in brand preferences. Thisis likely the reason why some consumers are retained with old monopolists. However price plays a critical role incustomer in determining the loyalty of a customerIt is observed that though contemporary scales of pricing offers dimensions of brand identity of which personality is one of the dimensions.

Pricing offers not only augments the values of global brands but also enhances the family business' ability to persuade consumers to decide on purchasing based on the perceived attributes of the seller through family-based brand system. Pricing offers effects competitive orientation (consumer versus product) and performance of firm in family businesses. Many global firms evolve their brand identity as a unique selling proposition in a specific category. The relationship between the image of the brand and trust, increasing competition and changing consumer

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attitudes are considered as significant factors in realigning and positioning corporate brands of the global firms (Bhat and Reddy, 2012).According to Bhat and Reddy(2012), price is probably the most important consideration for the averageconsumer. Consumers with high brand loyalty are willing to pay a premium price for their favoredbrand, so, their purchase intention is not easily affected by price. In addition, customers stronglybelieve in the value and price of their favorite brands so much so that they would compare andevaluate prices with alternative brands. Consumers' satisfaction canalso be built by comparing the perceived costs and values with price. If the costs are greater than theperceived values of the product the consumers will not purchase the product. It is important to notethat loyal customers are willing to pay more even if the price increases because they would prefer topay a higher price to avoid any perceived risks (Keller, 2012). However, loyaltydiscourages customers from making price comparison with products of the same category. Price is oneof the focal points in consumers' judgments. Pricesignificantly effects consumer choice and propensity to purchase.

Kotler and Armstrong (2009) define price as the amount of money charged for a product orservice, or sum of the values that consumers exchange for the benefits of having or using theproduct or service. In addition, Sriram*et al*., (2014) point out that price isthe only variable of the marketing mix that is considered purely for revenue generating.However, just like all the other variables in the marketing mix it cannot be considered purelyindependent and must relate to the rest of the mix.Price is one of the most flexible elements of themarketing mix, in that it can be changed quickly, unlike product features, promotion anddistribution channels. Thus, it can be used as a competitive tool. The marketer can be able tochange it very fast in the face of competitive onslaught.

As one of the four Ps of the marketing mix, pricing is the manual or automatic process ofapplying prices to purchase and sales orders, based on factors such as a fixed amount,quantity

break, promotion or sales campaign, specific vendor quote, price prevailing on entry,shipment or invoice date, the combination of multiple orders or lines, and many others.Automated systems require more setup and maintenance, but may prevent pricing errors.The price of a product or service is also described as the number of monetary units acustomer has to pay to receive one unit of that product or service. Price mustbe set to preserve order in the market. Various pricing exist, such as; market skimming;which involves charging the highest possible price for a given product, market penetrationstrategy; aims at keeping the prices relatively low in order to gain market share and priceadaptation; which relies on segmentation of the market.

Kotler (2009) explains that the pricing technique used by most retailers is cost-plus pricing.This involves adding a markup amount (or percentage) to the retailers cost. Another commontechnique is suggested retail pricing, which simply involves charging the amount suggestedby the manufacturer and is usually printed on the product by the manufacturer.When considering how a price should be set, the fundamental question to address should be:What is the organization trying to achieve? Pricing strategy and computation can be complex,but the basic rules are straight forward. Prices must cover costs; reflect the dynamics of cost,demand and competition. They must assure sales and take into consideration product utility,longevity, maintenance and end use.

Prices are adapted to meet the needs of certain and specific customer groups such as students,off peak travellers among others. Manufacturers usually, but do not necessarily use cost-pluspricing strategy as a base to ensure that all costs, both variable and fixed are covered and thedesired profit percentage is achieved with whichever pricing strategy they want to apply.However, the main focus is usually on brand building and customer attraction (Smith, 2012).Price is also effected by the type of distribution channel used, the type of promotions used,and the quality of the product. Price will usually need to be relatively high if manufacturing isexpensive,

distribution is exclusive, and the product is supported by extensive advertising andpromotional campaigns. A low price can be a viable substitute for product quality, effectivepromotions, or an energetic selling effort by retailers.

According to Baker (2011) penetration pricing is when the firm decides to set the pricebelow the service value to the customer, thereby ensuring a larger customer base. Thishappens when a company trades-off higher revenue against higher margins so as to sell morevolumes. This pricing strategy is quite effective, especially with new entrants in the market.Baker (2011) however, points out that, penetration prices are not necessarily cheap, but theyare low relative to perceived value. Retailers should not benchmark with competitors whendeciding on their penetration strategy. They should instead benchmark with the perceivedvalue of the product by the consumers.

If a product is perceived as a high quality product,they should then leverage on this to lower their price so that the consumers can thenappreciate the fact that they are getting value for their money as opposed to a cheap product.The retail consumer is quite conscious of how much they pay for their goods and services.How much to charge for a product or service is usually a typical starting point question fordiscussions about pricing, however, a better question for a vendor to ask is - How much thecustomers value the products, services, and other intangibles that the vendor provides. A well-chosen price should do three things, namely achieve the financial goals of the company (e.g.profitability); fit the realities of the marketplace (will customers buy at that price?); andsupport a product's positioning and be consistent with the other variables in the marketingmix (Keller, 2012).

Federal and state laws affect prices, so does technology and consumer behaviour. Having thelowest price image in the market does not necessarily guarantee increased product sales.Having a value image is more important so as to reach an optimal combination of

quality,service, information and price. Creative pricing ideas can help differentiate the products andservices. No matter the price of the products, always go back to check it against the bottom-line. Ultimately, the product prices should reflect the business image, target market and make a profit.

Cowles (2013) puts in the introduction to his thesis Pricing is an issue that has receivedconsiderable attention in marketing. Price is a critical factor in the consumer's buyingprocess, as it is one of the most important attributes a consumer uses when making a purchasedecision. A consumer perceives an actual price of a product and makes a judgment about it.

This perception leads to a perception of the value of the transaction that translates directly tothe decision of purchasing the product or not.Many companies, especially start-ups, usually sacrifice short term profitability for long termmarket share. However, long term market share does not necessarily lead to higher profits asconsumers might not be drawn to the products. Such companies end up never achievingmarket dominance or satisfying profits.

Levy (2013) stresses that even though many company presidents continually drive theircompanies to decrease costs and increase market share, there is more to earning a superiorfinancial return. For every high-profit/high-market share success story like Microsoft, there isa contrary low-profit/high-market share examples such as General Motors.

In normal terms, consumers use price as a reference for perceived quality. If they are chargeda higher price, their expectations become higher. A survey research was done and it wasfound that an increase in the perceived price of a commodity leads to an increased tasteexpectation. Therefore, the study concluded that higher customer satisfaction is based not onits real quality, but the price as customers view it as the symbol of the quality of the product.Thus, when it comes to consumer preference, where they are charged a premium, then therewill be a need to

deliver premium services to ensure satisfaction. Anything below that willresult in poor customer satisfaction. Furthermore, if the price is in the medium range, andthere is an offer of a premium level of service (above customer expectations for the pricepaid), then high customer satisfaction will be expected.

Price fairness refers to consumers' assessments of whether aseller's price is reasonable, acceptable or justifiable. In a separate study, the authors foundthat charging a fair price helps to develop customer satisfaction and loyalty (Yoo*et al*., 2012). Customersatisfaction is directly affected by price perceptions, albeit indirectly, via the perception ofprice fairness. The price fairness itself and the way it is fixed and offered have a great impacton satisfaction.To improve overall customer satisfaction, the pricing of the products should be high enoughto get the resources in order to offer amazing customer experiences. By increasing the prices,one can allocate more resources to deliver better customer service.

Psychological pricing attempts to effect customer's perception of price to make aproduct's price more attractive. One psychological pricing strategythat companies usually apply is when they price a product at a moderate level, then it isdisplayed next to one that is more expensive that it is so as to effect the customer to usethe higher priced product as a reference point or as a comparison factor to affect them tofavour the moderately priced product. This is called reference pricing.Reference pricing is based on theisolation effect, meaning an alternative is less attractive when viewed by itself than whencompared with other alternatives. In contrast, some companies also raise the price of theirproducts, to position them as high quality products and to boost their image (Kleine*et al*., 2012).

It is important to choose a pricing objective and a related strategy that considers the businessfinancial goals, the state of the market; including its past and future, competitors' prices, andpossibly their business goals. It is also important to select objectives and strategies

thatposition the products and the business for success. Choosing objectives and strategies thatare appropriate for the business at the current time does not prevent changing objectives oremploying different strategies in the future as the business grows or changes.When product attributes are highlighted in ways perceived to be positive, customerpreferences can change. Incorporating free into an offer usually helpssellers. Offering free units tends to generate a greater response than providing an equivalent price discount (Yoo*et al*., 2012)

Free promotions do not produce the quality concerns that price discounts may stimulate. An expensive product with a free gift tends to generate moresales than a price discount. However, adding a free gift with a high claimedvalue may create doubts about the primary item's quality. Visually emphasizing a free gift can also lower anitem's perceived value. Promotions tend to be less effectivewhen an item has a limited shelf life or is less consumed (Foxall, 2012).

Price congruency refers to strategically adjusting the information communicated by a pricewith the messages from other sources so that the combination boosts the paymentwillingness. Customers usually believe their purchases are good values and may reactnegatively if it comes to their realization that others paid different prices especially relativelylower than theirs. A research on direct mail consumers found that when customers learnedprices were lowered after they had made their purchases, they tended to buy less in the future(Strauss and Frost, 2010). Even among customers who receive discounts, seeing otherspay higher prices led them to buy less (Bhat& Reddy, 2012).

The typeface and sound of a price can affect customers. If messages communicated by thetypeface are not consistent with messages from the text or the illustrations in anadvertisement, there will be a tendency of the message memorability decreasing (Levy, 2013). Changing font sizes and using terms that are congruent or incongruent with theprice magnitude can affect value perceptions and purchase likelihoods. For the sound of a price, when people gave prices extra

thought, those products withsale prices containing front vowels and fricatives were perceived to have deeper discounts(Thorpe *et al*., 2010).

2.3.3 Organizational loyalty programs on Brand Preference

Oliver (2013) organizational loyalty involves deeply held commitment to make repeat purchases of a liked product continuously in the future, thereby causing repetitive same brand and behaviors. Two approaches for retaining these customers have been organizational loyalty programs and cross selling. The objective of aorganizational loyalty program is to provide the customer with an incentive to repurchase the product, service or brand. A successful organizational loyalty program will decrease its members' purchase of non-organizational loyalty program usage frequency, propensity toward exclusivity and switching to organizational loyalty program brands (Oliver & Rust, 2013).

Prior studies have found that the development of organizational loyalty organizational loyalty programs on customer relationship management mostly leads to purchase repetition and increased revenue (Reichheld, 2014), decreases to price sensitivity (Reichheld, 2014) and raises barriers of entry for new entrants to court customers away from existing businesses.

Organizational loyalty can be defined as non-random behavioural response (revisit), expressed over time, by some decision-making unit with respect to one store out of a set of stores, which is a function of psychological (decision making and evaluative) processes which results in brand commitment. Sriram*et al*., (2014) argue that store loyalty is a propensity to use the store. Propensity can be expressed as customer's attitude towards store or customer's intention to visit store, when circumstances permit.

Further, Cowles (2013) define store loyalty as a customer's inclination to patronize specific store or store chain over time. Store loyalty includes consumer attitudes, purchase intentions and actual purchasing behaviour (Reyes, 2009). Store loyalty has also been defined as a

multidimensional concept which includes behavioural and attitudinal factors (Kotler, 2009). Attitudinal loyalty is customer's psychological attitude towards brand or store. Behavioural loyalty on the other hand reflects to customer behaviour: past patronage in the same store and possibility of future repeat patronage. For the elaboration of customer long term relationships both are important, attitudinal and behavioural loyalty (Baker, 2011).

Store loyalty can also be divided into two types: long – term and short – run loyalty. Short – term loyal customers are more likely to switch to another supplier than long – run. Short- run loyalty can be measured in terms of word of mouth behaviour and complaints. Whereas long – term loyalty is divided into four different phases: cognitive, affective, conative and active loyalty (Oliver, 2009). This model describes intensity of customer loyalty. Therefore, customer loyalty should be viewed not in categorical terms like whether customer purchases or not, but in terms of intensity level and continuity instead.

Developing and maintaining customer loyalty towards a firm's product or services is an important factor in the marketing activities of a company.Customer loyalty is one of the most important factor or the issue being faced by businesses today. Unless companies can retain the loyalty of their customers, they will lose their customers for repeat purchase and the long term future of that business will be uncertain (Yoo*et al*., 2012).Therefore this study is based on ensuring that organizations in the current markets are able to utilize and benefit from the importance of developing a strong customer loyalty in this era of relationship marketing.

According to Foxall (2012) customer loyalty has been defined as the strength of the relationship between the individual's relative attitude and repeat patronage. Therefore, considering the brand loyalty reflects the likely habitual behaviour of consumers when brand make changes in price, product features, its communication and distribution programmes. It is an important part of marketing side for the expansion of customer loyalty which focuses on the marketing strategy

due to the benefits related with retaining the existing customers. Discovering an exact measurement of loyalty is very important due to its profitability (Reichheld, 2011).

However, the concept of customer loyalty is still not yet utilized (Holt, 2013).Consumer intend to repurchase the same brand after using it because they have recognized that this particular brand of product or service provision meet their exact features, advertising, image of the brand or in terms of quantity at the right price. Thus customer loyalty is a combination that may require psychological and behavioural measurement towards the consumers. As the market becomes more competitive and most organizations are trying to maintain the existing customers, some organizations have introduced variety of activities to improve customer loyalty such as loyalty programme, customer performance reward schemes. But this is not sufficient as it is known increasing the long term relationship with the customers is more beneficial so that the reward for this group of consumers will be long term and increasing (Smith, 2010). In order to achieve a successful customer loyalty program system, a companyshould pay a great attention to strategic customer relationship management.Strategic customer relationship management is concentrated on the development of a customer-based business culture. The aim of this culture is to createand deliver value better than competitors, in order to win and keep customers.

Leadership behaviors, the design of formal systems of the company, and thelegends and stories that are created within the company indicate the businessculture. In a customer-centric culture, resources should be allocated where theybest improve customer value, reward systems should promote employee behavior that enhance customer satisfaction and retention, and customer information should be gathered, shared and used across the business. Those employees, who bring precious customer value or service, should be noticed.Many companies say they are customer-centric, or their mission is to satisfycustomer's requirements in a profitable way. In a fact, usually companies areproduct-oriented, production-oriented, sales-oriented and customer-

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or market-oriented (Foxall, 2012).

In the case where the company works from customers and sales perspective,and it has a good market awareness and knowledge about market trends, it willhelp the company to effect on technology and human resources, and to understand the customer behavior better. Choosing a relationship type, which issuitable for different customers from company and customer perspective, is acrucial decision for a company when considering a customer relationship (CRM)strategy. Carefully determined customer segments with existing and future profitpotential evaluation should be included. After this, it is easy to make a decisionabout technological solution where chosen relationships can be developed (Markus et al., 2010).

CRM is described to be a complex process instead of a technological tool. If thecompany determines, what kind of information about customers is needed, anddecides, what it plans to do with that information, the CRM strategy can be very effective. In order to research various customer requirements, buying behavior and motivations, companies should have a differentiated strategy. Companies should utilize strategies to encourage or assure customers to share their information in order to implement customer relationship management in a proper way (Schultz, 2010).

In order to increase and maintain the customer loyalty or brand share, companies launch customer loyalty programs. These programs are based on marketing activities of the company to create long-term, mutual relationship with the customers, and to strengthen the position of the company in the market. Loyalty programs can also improve levels of approachability and market conspicuousness for a brand. The aim of the loyalty program can also be to get the brand into the customer's set of acceptable brands, or feeling a pressure of others who already have loyalty programs in use (Sriram et al., 2014).

Customer loyalty programs are very popular and those have become diverse. But to keep the

customers loyal to the company, receiving bonuses or discounts, is not always enough. In order to receive the maximum benefit from the customer loyalty programs, the companies often need to think about the traditional marketing method: customer segmentation (Mittal & Kama, 2010). The customer segmentation can be done in two different ways: Firstly, customer segmentation based on the type of loyalty; which is inherent to the customer, e.g. the loyalty to the company or its place, loyalty to the brand, mark, service, and loyalty to the personnel. Secondly, customer segmentation based on the loyalty steps towards the company, e.g. anti-loyal customers, no loyal customers, lost customers, potential customers and loyal customers. The goal of the customer loyalty programs is to get loyal customers.

Customer loyalty programs are important tools for minimizing switching decisions among customers, and are used in all fields of retailing and consumer services. Customer loyalty programs reward customers in many different of ways for coming back, and are usually directed towards large group of consumers (Corstjens&Lal, 2010). Have the customer loyalty programs become so common, that they have lost their impact on the individual consumer? It seems that consumer will enroll in competing programs to get discounts and not become loyal or committed customer.

Customer loyalty programs are one of the most important marketing tools for the company. Those allow repeat purchases, and increase the purchase sum, to build customer relationship, and to receive important marketing information about the customer behavior. Company can reach maximum results with minimal financial costs, if the customer loyalty program is built up in a reasonable way. Many customer loyalty programs aim to motivate customers to purchase more often by offering certain discounts, bonuses or other benefits. Customer loyalty programs intend to increase customer retention, which in general bring better financial results (Assael, 2012). Customer loyalty programs are coordinated, membership-based marketing activities designed to

enhance the building of continued marketing exchanges among pre-identified customers toward a sponsoring brand or firm. Loyalty programs are targeted communications, and customize the delivery of branded goods and services. Often based on cumulative brand purchases, loyalty programs enhance value proposition offerings to preserve active customer status. Loyalty programs are set apart from other forms of promotions by their long-term nature, and deliberate emphasis on preserving customer retention and intensifying purchase frequency (Reicheld, 2014).

The international experience about the customer loyalty programs shows, that low price does not play significant role between the customer and the product, brand or company. The only way to gain the continuing customer loyalty is to build customer relationship based on emotions and trust, to offer unique and high valued privileges in the frame of existing customer loyalty program (Foxall, 2012). Material benefits can be a part of the customer loyalty program, but act no certain role by per se. It has been discussed, whether the customer loyalty programs have lost their original meaning.

Customer loyalty programs are a tool for decreasing switching that is used in all fields of retailing and consumer services. Customer loyalty programs can be found in industry and service structures. They are common in cases of virtual parity, meaning when there is minor difference between prices or service content, in low-involvement decisions, when there is intense competition among few competitors, when there are high fixed and low variable costs and where idle capacity makes it possible to offer free services. Customer loyalty program can be considered to be helpful in situations like building adds to perceived value, or when lifetime customer value is high, or when customer retention costs are less that acquisition costs (Bhat& Reddy, 2012).

Companies having customer loyalty programs in use are removing resources away from

customers, who are not participating in the program in favor of customers, who participate in the loyalty programs. This may lead to complaints about discriminatory customer treatment. For customers, who participate in loyalty programs, there is potential for increased concern about the misuse of personal information and loss of control over, how information is being collected and disseminated (Terpstra&Sarathy, 2013). Loyalty programs continue to be used by companies as marketing tools, to support their customer relationship management (CRM) strategies. This can be seen as a critical gap in the literature, because fairness towards consumer is often forgotten, and it certainly relates to how companies use loyalty programs to collect proprietary information and differentiate value propositions among customer segments. Loyalty programs can be used to convey prestige to customer, and make them feel special, important, and appreciated. However, the effect on the company's nonparticipating customers can lead to dissatisfaction and alienation with the company. Moreover, customer who participates in the program, might become frustrated, and perhaps even disenfranchised, due to their inability to benefit from these programs (Kotler,2009)

2.3.4 Consumer Relationship Management and Brand Preference

Modern marketing calls for more than developing a good product, pricing it attractively and making it accessible. Companies must equally communicate creatively both with potential and present customers. Every company is inevitably cast into the role of communicator and promoter. For most companies, the question is not whether to communicate, but rather what to say, to whom and how often (Kotler, 2009). But the communication gets harder and harder as more companies clamor to grab the customers' increasingly divided attention.

To reach the target markets, build consumer awareness, inform or persuade customers as well as reach a larger number of potential customers, companies rely on advertising as a suitable tool of communication. Advertisements here need not only capture the target audience's attention, but

equally support and enhance the brands and their positioning (Kotler et al, 2009). The market place isn't what it used to be, it has changed radically due to technological advances, globalization and deregulation which have led to new behaviors and challenges. Customers increasingly expect higher quality of products and services and customization and brand manufacturers are facing stiff competition from foreign and local brands resulting in higher awareness costs and shrinking profits.

A consumer buying a brand is buying it for its function, performance, utility & nevertheless he/she is buying for its image & status (Terpstra&Sarathy, 2013). In fact, consumer brands have implications much greater than just their function or utility (Levy, 2013). Brands are now consumed for their material features and for their carried meanings which are conveyed by their brand images. Deducing that, the brands are not merely sets of attributes which yield any particular benefit (Holt, 2013).

Therefore, a customer relations management is much likely to affect brands since consumers express how he/she is either similar to/different from people of their group. It has been reported by Bhat& Reddy (2012) that, the brands have practical &theoretical essentials for the clients. This benefit that is associated with the brands is often conveyed through the choice of brands. Meaning that, there exists relation between brand image, which is in sync along the consumer's individual image& the emblematic importance of the brands.

Consumers do so mainly to express themselves; as being alike to the personalities. In other words, consumer prefers certain brands to either create or maintain his/her individual image to themselves or to their groups. Purchase and consumption have emerged as silent ways of individual-expression. Individual expression or perceived individual image do affect consumer's brand preference & their purchase intentions (Reichheld, 2014). Therefore, it could be inferred that individuals prefer brands that do have image compatible with their individual perceptions.

The higher individual image consistency will strengthen positive attitude towards brands &brands. To the brand's exact status and deducibility for weather the brand is strongly related tobrand knowledge involving and practically brand awareness is considered as a consumer's ability to recognize a specific brand within a group in order to make the purchase. This reason that, every advertisement aims at creating and maintaining brand awareness(Reichheld, 2014).

Globally, promoters make the consumers conscious and feel better of the brands through employing repeated impressions on the promoted brand. Assael (2012) deduced that consumers are passive receivers of the brand's information and they spend minimal cost (i.e., efforts, time) in choosing amongst brands. Therefore, brand awareness has become a significant stimulator in decision-making process of the customer as, increased brand awareness supports the probability of brands being to win the customers' expectations and enhance the opportunities of the product being to be bought(Baker, 2011) which means that a consumer tends to purchase the more products he or she is familiar or brands that have been performing well in the market. Moreover, studies indicated a significant positive correlation on brand awareness and increased level of sales.

Consumption appreciation is frequently effectedby forces outside their control comprising of the forces in the market and individual forces. While before the effect by the social factors, the research aimed on the first purchase decision where no investigation has focused on the effect of the post purchase after the client evaluates the post purchase effects the initial decision. During the post purchase evaluations, the significant differences in the attitudes on the brands could be foretold among individuals during the making of the purchase decisions and those who bought for the first time and made decision were greatly affected by relatives and friends in the making of those decisions (Blair*et al*., 2012). Customer Relationship Management is the new Mantra of marketing.

Companies like Oracle have come up with products and services that can track customers through the World Wide Web and be able to predict their future moves needs and wants. Kotler(2009) uses customer relationship management interchangeably with customer relationship marketing. He says that customer relationship management's aim is to produce high quality equity which he called customer equity. Bruner et al., (2010) further distinguishes the three drivers of customer equity, value equity, brand equity and relationship equity. Bruner et al., (2010) described Value Equity as the customers' objective assessment of utility of an offering based on perception of its benefits relative to its costs.The sub drivers of value equity are quality, price and convenience. Brand Equity is the customers' subjective and intangible assessment of the brand, above and beyond its objectively perceived value. The sub drivers of brand equity are customer brand awareness, customer attitude towards the brand, and customer perception of brand ethics. Relationship Equity is the customer tendency to stick with the brand, above and beyond objective and subjective assessments of its worth. Sub drivers of relationship equity include loyalty programs, special recognition and treatment programs, community building programs and knowledge building programs.

According to Holt (2013), customer relationship management (CRM) consists of the processes a company uses to track and organize its contacts with its current and prospective customers. CRM software is used to support these processes; information about customers and customer interactions can be entered, stored and accessed by employees in different company departments. The primary goal of CRM is to improve long-term growth and profitability through a better understanding of customer behavior (Foxall, 2012). CRM aims to provide more effective feedback and improved integration to better gauge the Return on Investment (ROI) in these areas. Oliver (2009) defines loyalty as a deeply held commitment to re buy or re- patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or

same-brand set purchasing, despite situational effects and marketing efforts having the potential to cause switching behaviors. Although frequent usage and satisfaction with a product or service are frequently associated with loyalty, they by themselves insufficiently serve as precursors to loyalty.

A major goal of CRM is to capitalize on future opportunities presented by a core group of long-term customers. Two approaches for retaining these customers have been loyalty programs and cross selling. Loyalty programs play an important role in retaining customers and linking the business to future opportunities. The objective of a loyalty program is to build a positive attitude toward a brand and provide the customer with an incentive to patronize the product, service or brand (Assael, 2012).

A successful program will decrease its members' purchase of non-program brands, and increase their allocation, repeat -purchase rates, usage frequency, propensity toward exclusivity and switching to program brands (Sharp and Sharp, 2012). Prior studies have found that the development of loyalty programs in CRM, frequently leads to increases in repeat-purchases and profitability decreases to price sensitivity (Reichheld, 2014), and raises barriers of entry to markets by making it difficult for new entrants to court customers away from existing businesses.

2.4 Knowledge Gap

The studies reviewed have focused on the impact of cultural, social, psychological and personal factors of consumers. Their studies indicated that changes in consumers' life style can cause changes in their brand preferences. The personality characteristics of the consumer and values have found to be important as predictors of preference of the product by the customers. Another gap to be addressed is the impact of brand-related factors such as the brand price and other marketing communications tools with particular concern on advertising and promotion.

Major findings of these studies are that brand attributes together with other factors such as perceived value have had a feature. Among the findings id the features of the brand and other brand factors such as perceived value have a substantial impact on brand preference. Subsequently, the interaction between the individual -image and brand-image has shown to be important in brand preference building (Yoo et al, 2012).

2.5 Conceptual Framework

The conceptual adopted below shows the interaction between the independent variable and the dependent variable.

Independent Variable   **Dependent Variable**

Consumer Friendliness   Brand Preference

```
┌─────────────────────────┐
│ Product Value experience│
│   ✓ Product quality     │
│   ✓ Product             │
│     improvement         │───────┐
│   ✓ Varieties           │       │
└─────────────────────────┘       │
                                  │
┌─────────────────────────┐       │
│ Pricing Offers          │       │
│   ✓ Discount            │       │        ┌──────────────────────┐
│   ✓ Promotional offers  │───────┤        │ Brand Preference     │
│   ✓ Quantity offers     │       │        │   ✓ Profitability    │
└─────────────────────────┘       ├───────▶│   ✓ Market share     │
                                  │        │   ✓ Sales volume     │
┌─────────────────────────┐       │        └──────────────────────┘
│ Organizational Loyalty  │       │
│ programs                │       │
│   ✓ Repeat purchases    │───────┤
│   ✓ Customers           │       │
│     received            │       │
│   ✓ Referrals made      │       │
└─────────────────────────┘       │
                                  │
┌─────────────────────────┐       │
│ Customer relations      │       │
│ management              │       │
│   ✓ Number of product   │───────┘
│     complaints          │
│   ✓ Time taken to       │
│     react to complains  │
└─────────────────────────┘
```

Fig 2.1 Conceptual Framework

Source: Researcher (2016)

The above conceptual framework shows that relationship between consumer friendliness and brand preference. The independent variable was studied under the constructs of product value experience, pricing offers, organizational loyalty programs and customer relations management.

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Product value experience was measured based on the statements touching on product quality, product improvement and product varieties. Pricing offers was analyzed based on the statements on discounts offered, promotional offers and quantity offers. Organizational loyalty programs was based on statements touching on repeat purchases, number of customers received and referrals made while customer relations management was measured under the constructs of number of product complaints and time taken to react to the customer complaints raised(Blair et al, 2012)..

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The study was conducted through a case study design. The researcher preferred case study design as supported byMugenda and Mugenda (2012) who noted that case study involves in-depth and contextual analysis of a similar situation in organizations where the nature and definition of the problem happen to be the same as experience in the current situation.

3.2 Study Area

The study was conducted in Ken Knit Limited was chosen because the researcher is very familiar with the area and made it easy to access the company. Besides, no similar study has been carried out in the company. The company is the leading manufacturer of 100% wool products coupled with recent backward integration in its productions (Keller, 2012).

3.3 Target population

Target population refers to the larger population to which the researcher ultimately would like to generalize the results of the study (Mugenda&Mugenda, 2012). It is thus the entire group of individuals, events or objects having common observable characteristics. The study targeted 441 respondents including Marketing Managers, Employeesand Customers (see Appendix VII) of Ken Knit Limited. The target population was as depicted in the table below;

Table 3.1 Target Population

Target Group	Population
Marketing managers	3
Employees	29
Customers	409
Total	**441**

Source: (Ken Knit Limited, Eldoret, 2016)

3.4 Sample Size and Sampling Procedures

Mugenda&Mugenda (2012) defines a sample as part of the target population that has been procedurally selected to represent it. Sampling is the process of systematically selecting representative elements of a population. The sample size of the study was calculated using the formula below as recommended by Fisher *et al* (2011):

$$nf = \frac{n}{1 + \frac{n}{N}}$$

Where;

      nf = sample size (For population less than 10,000).

      n = sample size (when the population is more than 10,000); 384.

      N = estimate of the population size; 441

Sample size for the respondents

$$nf = \frac{384}{1 + \frac{384}{441}}$$

The desired sample size thus comprised of 205 respondents

Table 3.2 Sample Size

Target Group	Population	Sample Size	Sample Size
Marketing managers	3	3/441*205	2
Employees	29	29/441*205	13
Customers	409	409/441*205	190
Total	**441**		**205**

Source: (Author, 2016)

Stratified sampling was used to select managers and employees Ken Knit Limited. Purposive sampling was used to select the managers while simple random sampling was used to select the indicated number of customers who will participate in the study.

3.5 Data Collection Instruments

3.4.1 Questionnaires

A questionnaire was used to determine a variety of aspects from respondents including beliefs, thoughts, knowledge, and motives. The researcher used questionnaires as the main tool for collecting data from the respondents. To achieve the objectives of the study, primary data was collected in written form by use of questionnaires, which was physically distributed using systematic random to customers. Structured questionnaires were used to collect the required information from the study population. The questionnaire was divided into two sections; the first section cover the background information of the respondents while the second section covered the objectives of the study.

The questionnaire presents general questions to both groups of respondents. This method was chosen because it enabled the researcher to obtain a lot of information in a small space of time. The instrument also will ensure anonymity of respondents as their identities will not be requested for. They were able to read and understand the questions on the questionnaire.The questionnaires had questions divided into variables of interest, with the Likert scale used with respondents

answering the questions in each variables based on a strength of 1 to 5 where 1 is Strongly Disagree, 2 is Disagree, 3 is Neutral, 4 is Agree, and 5 is Strongly Agree. Questionnaires were issued to employees and customers.

3.4.2 Interview Schedule

An interview schedule is a set of questions with structured answers to the guide interviewer. The study also employed an interview schedule to collect data on the extent of consumer friendliness on brand preference. The interview schedule was administered to the marketing managers of Ken Knit Limited. The questions on the interview schedule were guided by the research questions of the study.

3.5 Description of Data collection procedure

The researcher personally administered the research tools after a prior visit that assisted in refining timings of distribution of questionnaires. It also provides a rough picture of the respondents' expectations. The researcher agreed with the respondents when the research instruments are to be administered and specifically dates of collecting the questionnaires. Adequate time was given to the respondents to respond to the questionnaire. The researcher further scheduled for interviews with the managers to adequately gather their opinion. This exercise was undertaken between March and May, 2016.

3.6 Reliability and validity of research instruments

3.6.1 Reliability

Reliability means consistency of the research instrument over time. To achieve the reliability of research instrument the researcher usedCronbach's Alpha to assess the reliability of the instrument. In this approach the same data collection instrument is used more than once with the same group of people and results compared statistically a pilot study of the area under study was carried out to establish the reliability.

3.6.2 Validity

Validity is the determination of whether research instrument measure what is purported to measure (Mugenda&Mugenda, 2012). Face validity was ensured by: pretesting of the data collection tool and scrutiny of the instruments by the research supervisor. Content validity was ensured by doing a thorough literature review study on which the content of the questionnaire was based.

External validity of a study is said to exist when the results obtained in a study can be generalized to other people and other settings. Generalization is made considering the degree of confidence with which the sample findings can be conferred on the population and whether similar findings would be obtained at other times and places. External validity may be affected in cases where subjects behave in an unnatural way due to the fact that they are aware that they are being observed by the researcher. Validity was done based on the opinion of the experts.

3.7 Data Analysis Procedures

Data collected from questionnaires with the help of data analysis software - Statistical Package for Social Sciences (SPSS) packagewas analyzed using descriptive statics. The analysis used descriptive statistics both qualitative and quantitative in order to achieve the objectives of the study. The data was analyzed and presented in form of tables, frequencies and percentages. The study adopted both the qualitative and quantitative analysis in order to achieve the objective of the study.This study used tables, figures and percentages to present the information.

This research employed multiple regressions as a method of data analysis. In statistics regression is a device used to model the relationship between a scalar dependent variable and an explanatory variable. The data collected from the field was modeled using regression predictor functions.

Multiple regression analysis techniquewas used to determine the effect of independent variables

on the dependent variable. In its simplest form multiple regression analysis involves finding the best straight-line relationship. Once the relationship is estimated, it is possible to use the equation:

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

Where:

X = the independent variables

$b0$ = Constant

X_1 = Product value Experience

X_2 = Pricing Offers

X_3 = Organizational Loyalty programs

X_4 = Customer Relations Management

Y = the dependent variable (Brand Preference)

b1, b2, b3 and b4 = Independent Variable Coefficients

e = Error margin

3.8 Ethical Considerations

The researcher sought permission to carry out the study from the Kisii University and from the management of Ken Knit Ltd. The nature and rationale for the study was explained to the respondents by the researcher. The researcher will also respect individual rights and safeguard their personal integrity. The participants will not be expected to write their names on the questionnaire but each questionnaire had a code number for reference. Hence the anonymity of the respondents was maintained and they hence assured that the information given would be treated confidentially and for the purpose intended only. At the end of completion of the study, data in soft copy was stored in computer's hard disk with password only accessible to research team, to protect the document from access from being manipulated or used by other

noresearchers. Company's policy was observed and followed. The respondents were treated fairly in terms of benefits and risks.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATIONAND DISCUSSION

4.1 Response Rate

This chapter presents data analysis, presentation and discussion. The study aims to establish effect of consumer friendliness on brand preference; a case of Ken Knit Limited-Eldoret. The analysis was done on a response rate of 100% attained from the received and fully filled questionnaires thus were significant to carry out the study.

4.2 General Information of Employees

The study aimed to establish the general information of the employees.The findings were analyzed below;

4.2.1: Genderof the Employees

The study sought to establish the gender of the respondents. The study findings were shown below;
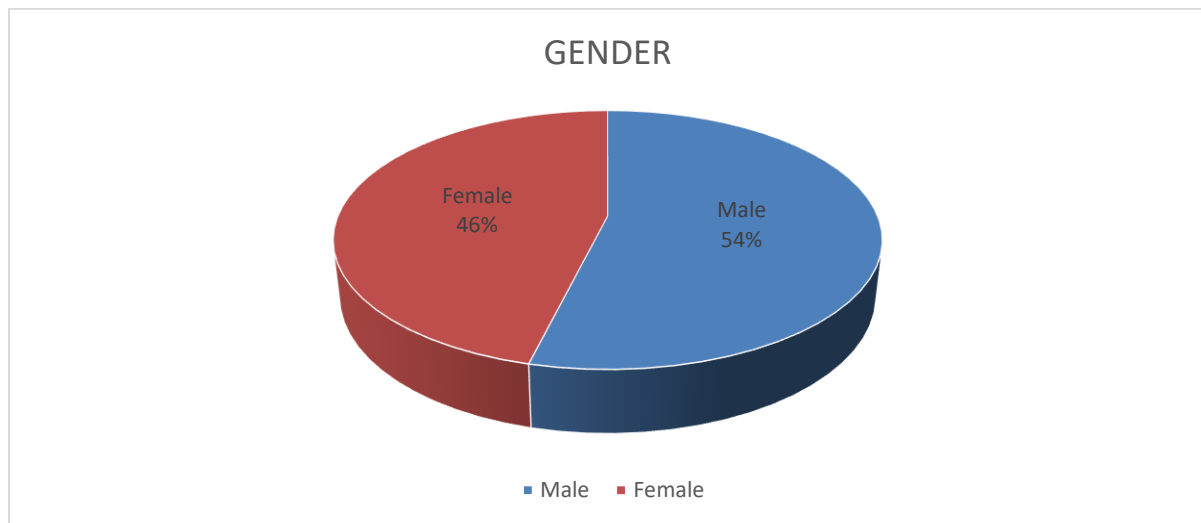
Figure 4.1: Gender of the Employees

The study findings indicate that 54%of the respondents were male while 46% were female. This indicates data was gathered from both genders.

4.2.2 Age of the Employees

The study sought to establish the age of the employees. The study findings were shown below;

Table 4.1:Age of the Employees

Age	Frequency	%
Below 30 Years	2	15.4
31-40 years	6	46.2
41-50 Years	4	30.8
Over 50 Years	1	7.7

The study findings indicated that 15.4 % of the respondents were of below the age of 30 years, 46.2 % of the respondents are of between 31-40 years, 30.8 % of the respondents are between the ages of 41-50 years while 7.7 % of the respondents were over 50 years. This implies that data was gathered across the age brackets represented in the study.

4.2.3Level of Educationof the Employees

The study sought to establish the level of education of the employees. The findings were as follows:
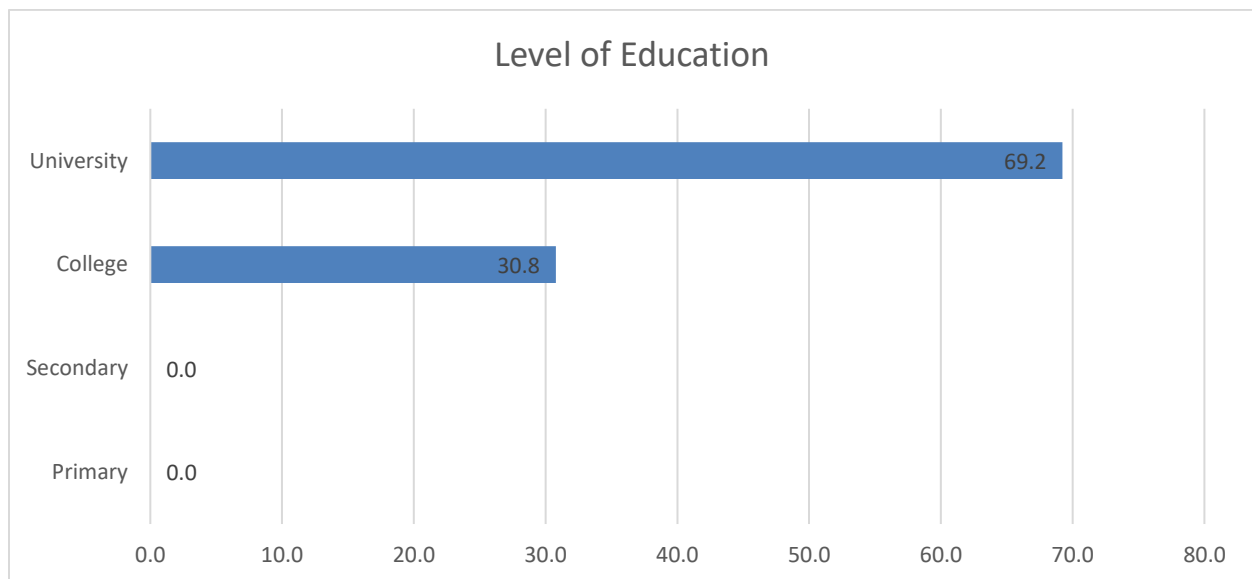
Figure 4.3Level of Education of the Employees

The study findings indicated that 69.2% of the respondents had university level education, 30.8% of the respondents had collage level education while there were none who had primary and secondary level education among that employees. This indicated that the respondents were well educated.

4.2.4Years working at Ken Knit

The study also sought to establish how long the respondents had been in Ken Knit, the response was as follows:
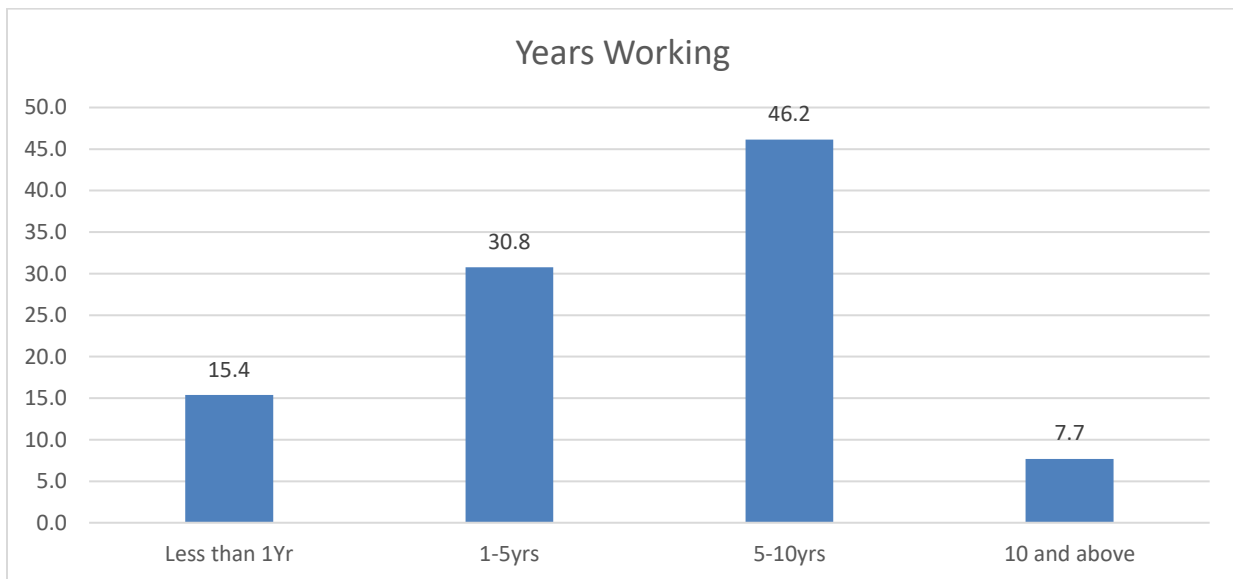
Figure 4.4: Years in working

The study findings indicated that 15.4 % of the respondents had worked in the organization for less than 1year, 30.8 % have worked in the organization for 1-5 years,46.2 % had worked for 6-10 years and 7.7 % of the respondents have worked in the organization for 10 years and above.This implies that majority of the respondents had therefore worked for a considerable period of time and were in a position to answer the questions.

4.2.5 Professional Qualification of the Employees

The study also sought to establish the professional qualification of the employees. The study

findings were;

Figure 4.5 Professional Qualification

The study findings indicated that 7.7% of the respondents were marketing officers, 15.4 % were supply officers, another 15.4% were human resource officers, 23.1 % were field officers and another 23.1% were records officers. This implies that the respondents had substantial qualification in their fields.

4.4 General Information of Customers

The study aimed to establish the general information of the customers.The findings were analyzed below;

Table 4.2: General Information of Customers

	Frequency	Percentage
Gender of the Customers		
Male	93	48.9
Female	96	50.6
Total	**190**	**100.0**
Age of the Customers		
Below 30 Years	42	22.1
31-40 Years	59	31.1
41-50 Years	52	27.4
Over 50 Years	37	19.5
Total	**190**	**100.0**
Years Of Purchase		
Less than 1year	56	29.5
1-5yrs	67	35.3
5-10yrs	30	15.8
10 and above	37	19.5
Total	**190**	**100.0**

The study findings on the gender of the customers indicate that 48.9% were male while 50.6 % were female. This implies data was gathered from both genders of the customers.

The study finding on the age bracket of the respondents indicate that 22.1% of the respondents were below the age of 30 years, 31.1% were of 31-40 years, 27.7% were of ages between 41-50 years and 19.5% of the respondents were of over 50 years.The study findings indicate that 29.5 % of customers have been purchasing the Ken Knit products for less than 1 year, 35.3% have been purchasing for 1-5 years, 15.8% have been purchasing for 5-10 years while 19.5% have been purchasing for over 10 years. This implies that data was collected from individuals who purchased the products for a considerable time.

4.3 Analysis of the specific Objectives

In this section, the study analyzes the specific objectives of the study relating to effect of consumer friendliness on brand preference; a case of ken knit limited-Eldoret.

4.3.1Product value Experience on Brand Preference

The study also sought to find out the effectof product value experience on brand preference at Ken Knit Ltd. The table below indicates the findings.

Table 4.3:Product value Experience

Statements		SD	D	U	A	SA	TOTAL	MEAN	%MEAN	SD
Companies provide excellent real-time customer service by developing a relationship with each valued customer	F	0	2	2	5	4	13	4.14	82.8	0.566
	%	0	15.3	15.3	38.6	30.8	100			
Consumer friendliness holds that a major driver of company's profitability	F	0	0	1	7	5	13	4.26	85.2	0.577
	%	0	0	7.7	53.8	38.6	100			
Quality perceptions have been due to dissonance reduction and preference for consistency	F	0	4	1	3	5	13	4.22	84.4	0.564
	%	0	30.8	7.7	23.0	38.6	100			
The company focuses on improving consumer friendliness through provision of quality products	F	0	0	0	6	7	13	4.21	84.2	0.578
	%	0	0	0	46.2	53.8	100			

The study results revealed that 82.8% (mean=4.14) noted thatcompanies provide excellent real-time customer service by developing a relationship with each valued customer, 85.2% (mean=4.26) were of the view that consumer friendliness holds that a major driver of company's profitability, 84.4% (mean=4.22) noted that quality perceptions have been due to dissonance reduction and preference for consistency and 84.2% (mean=4.21) were of the opinion that the company focuses on improving consumer friendliness through provision of quality products.

The study findings indicate that majority of the respondents were of the opinion that companies provide excellent real-time customer service by developing a relationship with each valued

customer. This implies that companies provide good service to the customers by developing good relations with each product value through use of personal information and holds that the biggest booster of the profitability of the organization the overall company's customer value base

Study findings byCorstjens*et al*., (2010) is in line with these study findingsthat, if a brand is perceived as globally available, consumers will attribute superior quality to the brand since such a quality wasthought and considered as a prerequisite for international acceptance. As indicated, larger choice sets create conflict and frustration and may thus diminish purchase likelihood. However, choice difficulty nonetheless, in the usual case in which we question the brand that wasselected, higher product variety enhances a brand's perceived quality and thus also its purchase likelihood. That is, offering more variety can enhance quality perceptions although a larger choice set will make actual choosing more difficult and frustrating. This underscores the effect of product variety on perceived brand quality and the effect on provision of excellent real-time customer service.

The study sought to establish the customer's opinion on product value Experience on brand preference. The study results were'

Table 4.4: Product value Experience

Statements		F	%
Does the company provide excellent real-time customer service by developing a relationship with each valued customer	YES	112	58.9
	NO	78	41.1
	TOTAL	190	100.0
The company is very Consumer friendly in its operations and product dealings	YES	127	66.8
	NO	63	33.2
	TOTAL	190	100.0
Do you think the company offers you the variety of products you need in your store	YES	109	57.4
	NO	81	42.6
	TOTAL	190	100.0

The study on the product value experience indicate that 58.9% of the respondents were of the opinion that company provide excellent real-time customer service by developing a relationship

with each valued customer while 41.1% of the respondents were of contrary opinion. The findings also indicate that 66.8% of the respondents were of the opinion that the company is very Consumer friendly in its operations and product dealings while 33.2% were of contrary opinion. Lastly the findings indicated that 57.4% of the respondents were of the opinion that the company offers a variety of products that one need in the store while 42.6 % were of contrary opinion.

4.3.2 Pricing Offers on brand preference

The study also sought to find out the imfluence of Pricing Offers on brand preference. The table below indicates the findings.

Table 4.5:Pricing Offers on brand preference

Statements		SD	D	U	A	SA	TOTAL	MEAN	%MEAN	SD
Product discounts offered effects product brand preference of the products of the company	F	0	0	0	5	8	13	4.63	92.6	0.484
	%	0	0	0	38.4	61.6	100			
The amount of discounts offered is the main determinant of brand preference of by all consumers	F	0	0	0	7	6	13	4.42	88.4	0.494
	%	0	0	0	53.8	46.2	100			
The persistency of the discounts offered have greatly effectd brand preference of the company's products	F	0	0		7	6	13	4.39	87.8	0.545
	%	0	0	0	53.8	46.2	100			
Availability of product discounts for the many major brands of the company	F	0	0	0	9	4	13	4.36	87.2	0.479
	%	0	0	0	69.2	30.8	100			

The study findings revealed that 92.6% (mean=0.484) of the responses were of the opinion that product discounts offered effects product brand preference of the products of the company, 88.4% (mean=0.494) of the responses were of the opinion that The amount of discounts offered is the main determinant of brand preference of by all consumers, 87.8% (mean=0.545) of the responses were of the view that The persistency of the discounts offered have greatly effectdbrand preference of the company's products while 87.2% (mean=0.479) of the responses were of the opinion that availability of product discounts for the many major brands of the

company.

The study findings indicate that majority of the respondents were of the opinion that product discounts offered effects product brand preference of the products of the company, this implies that discount offers not only augments on the values of goods but also enhances the ability to persuade consumers to decide on purchasing based on the perceived added advantage.

A study by Smith, (2011) is in line with these study findings that the availability of product is the foundation of a good brand-building program. Successful brand planning and organization encompasses availability of related offers such as discounts of the product in the market. The overall impact of the entire effectiveness of the brand can be assured by brand and advertising evaluations. Companies may choose to likeable dimensions for quick cognitive reflexes of consumers Availability of product discounts is one of the principal drivers of brand preferences.Many global firms evolve their brand identity as a unique selling proposition in a specific category. The relationship between the image of the brand and trust, increasing competition and changing consumer attitudes are considered as significant factors in realigning and positioning corporate brands of the global firms

The study sought to establish the customer's opinion on Pricing Offers on brand preference. The study results were'

Table 4.6: Pricing Offers

Statements		F	%
Does the company offer Product discounts on the good as you always purchase from them?	YES	96	50.5
	NO	94	49.5
	TOTAL	190	100.0
Do you think the company offers the right amount of promotional offers to the customers?	YES	107	56.3
	NO	83	43.7
	TOTAL	190	100.0
Do customers get quantity offers when they buy in bulk?	YES	105	55.3
	NO	85	44.7
	TOTAL	190	100.0

The study on the product value experience indicate that 50.5% of the respondents were of the opinion that the company offer Product discounts on the good as you always purchase from them while 49.5% of the respondents were of contrary opinion. The findings also indicate that 56.3% of the respondents were of the opinion that they think the company offers the right amount of promotional offers to the customers while 43.7% were of contrary opinion. Also the findings indicated that 55.3% of the respondents were of the opinion that customers get quantity offers when they buy in bulk while 44.7 % were of contrary opinion. This implies that majority of the respondents were of the view that the company offers the right amount of promotional offers to the customers.

4.3.3 Organizational loyalty programs on brand preference

The study also sought to find out the Organizational loyalty programs on brand preference at Ken Knit Ltd. The table below indicates the findings.

Table 4.7:Organizational loyalty programs

Perceived cost		SD	D	U	A	SA	TOTAL	MEAN	%MEAN	SD
Organizational loyalty programs play an important role in retaining customers and linking the business to future opportunities	F	0	0	0	5	8	13	4.57	91.4	0.496
	%	0	0	0	38.5	61.5	100			
The objective of a loyalty program is to build a positive attitude toward a brand	F	0	0	0	6	7	13	4.54	90.8	0.499
	%	0	0	0	46.1	53.9	100			
Organizational loyalty programs provide the customer with an incentive to patronize the product brand	F	0	0	0	6	152	13	4.55	91	0.498
	%	0	0	0	46.1	53.9	100			
Organizational loyalty programs encourage usage frequency, propensity toward exclusivity and switching to program brands	F	0	0	0	5	8	13	4.58	91.6	0.495
	%	0	0	0	38.5	61.5	100			

The study findings revealed that 91.4% (mean=0.496) of the responses were of the opinion that organizational loyalty programs play an important role in retaining customers and linking the business to future opportunities, 90.8% (mean=0.499) of the responses were of the opinion that the objective of a loyalty program is to build a positive attitude toward a brand, 91.0% (mean=0.498) of the responses were of the opinion that organizational loyalty programs provide the customer with an incentive to patronize the product brand and 91.6% (mean=0.495) of the responses were of the opinion that organizational loyalty programs encourage usage frequency, propensity toward exclusivity and switching to program brands.

The study findings indicate that majority of the respondents were of the opinion that organizational loyalty programs encourage usage frequency, propensity toward exclusivity and switching to program brands. This implies that organizational loyalty involves deeply held commitment to make repeat purchases of a liked product continuously in the future, thereby causing repetitive same brand and behaviors.

A study by Oliver & Rust, (2013) is in line with these findings that the objective of aorganizational loyalty program is to provide the customer with an incentive to repurchase the

product, service or brand. A successful organizational loyalty program will decrease its members' purchase of non-organizational loyalty program usage frequency, propensity toward exclusivity and switching to organizational loyalty program brands. The study found that the development of organizational loyalty organizational loyalty programs on customer relationship management mostly leads to purchase repetition and increased revenue.

4.5.3 Organizational loyalty programs on brand preference

Figure 4.6 Organizational loyalty programs

The study findings indicated that majority of the respondents(65%) were of the opinion that to a very great extent, organizational loyalty programs play an important role in retaining customers and linking the business to future opportunities, 24% of the respondents were of the opinion that to a great extent, organizational loyalty programs play an important role in retaining customers and linking the business to future opportunities and 11% to a moderate extent, organizational loyalty programs play an important role in retaining customers and linking the business to future opportunities. This implies that majority of the respondents were of the view that that to a very great extent, organizational loyalty programs play an important role in retaining customers and linking the business to future opportunities.

4.3.4 Customer appreciationson brand preference

The study also sought to find out the effect of customer appreciationson brand preference at Ken Knit Ltd. The table below indicates the findings.

Table 4.8: Customer Appreciations

		SD	D	U	A	SA	TOTAL	MEAN	%MEAN	SD
Customer relations has enabled our brand to preferred in the market	F	0	0	0	8	5	13	4.38	87.6	0.507
	%	0	0	0	61.5	38.5	100			
The company appreciates all the customers who purchase our brand	F	0	0	0	7	6	13	4.44	88.8	0.504
	%	0	0	0	53.8	46.2	100			
The company has in place customer relations techniques to effect brand preference	F	0	0	0	6	7	13	4.51	90.2	0.508
	%	0	0	0	46.2	53.8	100			
The company has realized most of its brands preferred in the region due to customer relations	F	0	0	0	6	7	13	4.49	89.8	0.508
	%	0	0	0	46.2	53.8	100			

The study results revealed that 87.6% (mean=0.507) were of the view that customer relations has enabled our brand to preferred in the market, 88.8% (mean=0.504) were of the opinion that the company appreciates all the customers who purchase our brand, 90.2% (mean=0.508) were of the opinion that the company has in place customer relations techniques to effect brand preference, 89.8% (mean=0.508) were of the view that the company has realized most of its brands preferred in the region due to customer relations.

The study findings indicate that majority of the respondents were of the opinion that the company has in place customer relations techniques to effect brand preference. This implies that customer relation is much likely to affect brands since consumers express how they feel towards a brand

A study by Bhat& Reddy (2012) is in line with this findings in that, the brands have practical &theoretical essentials for the clients. This benefit that is associated with the brands is often conveyed through the choice of brands. Meaning that, there exists relation between brand image,

which is in sync along the consumer's individual image & the emblematic importance of the brands. Consumers do so mainly to express themselves; as being alike to the personalities. In other words, consumer prefers certain brands to either create or maintain his/her individual image to themselves or to their groups. Purchase and consumption have emerged as silent ways of individual -expression. Individual expression or perceived individual image do affect consumer's brand preference & their purchase intentions. Therefore, it could be inferred that customer relations techniquesis essential to individuals that have image compatible with their individual perceptions.

The study sought to establish the customer's opinion on customer relations on brand preference. The study results were;

Table 4.9: Customer relations

Statements		F	%
The company has reduced the number of complaints we air to them in last few years;	YES	120	63.2
	NO	70	36.8
	TOTAL	190	100.0
Do you agree that the company takes the shortest time to react to the complaints you air to them;	YES	117	61.6
	NO	73	38.4
	TOTAL	190	100.0

The study on the product value experience indicate that 63.2% of the respondents were of the opinion that the company has reduced the number of complaints we air to them in last few yearswhile 36.8% of the respondents were of contrary opinion. The findings also indicate that 61.6% of the respondents were of the opinion that they agree that the company takes the shortest time to react to the complaints you air to them while 38.4% were of contrary opinion.

Table 4.10: Indications of Brand Preference

Statements	SD	D	U	A	SA	TOTAL	MEAN	%MEAN	SD

Product brands vary in the level of power and the preference they offer in the market	F	0	0	3	8	3	13	3.91	78.2	0.64
	%	0	0	23.1	61.5	15.4	100			
Customers prefer products that offer greater satisfaction and greater capability	F	0	0	1	10	2	13	4.08	81.6	0.49
	%	0	0	30.8	61.5	7.7	100			
The company has adopted product changes that effect brand preference	F	0	0	5	7	1	13	3.69	73.8	0.63
	%	0	0	38.5	53.8	7.7	100			
The company has realized that offering the best product offers value and greater preference in the market	F	0	0	3	9	1	13	3.85	77.0	0.55
	%	0	0	23.1	29.2	7.7	100			

The study results revealed that 78.2% (mean=3.91) noted thatproduct brands vary in the level of power and the preference they offer in the market, 81.6% (mean=4.08) were of the view that Customers prefer products that offer greater satisfaction and greater capability, 73.8% (mean=3.69) noted that the company has adopted product changes that effect brand preference and 77.0% (mean=3.85) were of the opinion that the company has realized that offering the best product offers value and greater preference in the market.

The study findings indicate that majority of the respondents were of the opinion that the company has adopted product changes that effect brand preference. This implies that companies that provide good service to the customers by developing good relations with each product value through use of personal information and holds that the biggest booster of the profitability of the organization the overall company's customer value base.

4.4 Relationship between Study Variables

The study sough to establish the relationship between the study variables, the study therefore performed regression analysis to establish the relation between consumer friendliness and brand preference. The study results were as follows;

Table 4.11: Relationship between Study Variables

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	T	Sig.
1	.804[a]	0.647	0.64	0.19225	91.502	0.000[b]

Coefficientsa					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta		
1(Constant)	0.157	0.224		-0.704	0.482
Product value Experience	0.229	0.035	0.330	6.615	0.000
Pricing Offers	0.253	0.040	0.328	6.266	0.000
Organizational Loyalty programs	0.221	0.045	0.297	4.967	0.000
Customer Relations management	0.324	0.036	0.454	8.951	0.000
a. Dependent Variable: Brand Preference					

The study results indicated that the model was significant at p=0.000 which implies that it was correctly computed and that it was therefore fit for the study.

The regression equation was modeled as follows; $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$

The regression equation was as follows;

Y (Brand Preference) = 0.157 + 0.330 (Product Value Experience) + 0.328 (Pricing Offers) + 0.297 (Organizational Loyalty programs) + 0.454 (Customer Relations management) + 0.224 (Error)

The regression equation indicated that customer relations management was the most important variable in brand preference contributing 45.4 per cent followed by Product Value Experience contributing 33.0 per cent to brand preference, pricing offers contributed 32.8 per cent and lastly organizational loyalty programs contributed 29.7 percent to brand preference.

The study results indicated that there was a significant relationship between product value experience and brand preference (p=0.000); there was a significant relationship between pricing

offers and brand preference (p=0.000); there was a significant relationship between organizational loyalty programs and brand preference (p=0.000) and that there was a significant relationship between customer relationship management and brand preference (p=0.000).

These study findings can be interpreted to mean that brand preference is as a result of consumer friendliness factors including product value experience, pricing offers, organizational loyalty programs and customer relationship. Consumer friendliness holdsthat a major driver of company's profitability is the overall benefit the companies get from the clients it serves that is its brand being preferred over others. Consumer friendliness is how the organization manages its current and potential customers effectively and efficiently to win customers preference over its brands.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The purpose of this study was to investigate the effectof consumer friendliness on brand preference; a case of Ken Knit Limited-Eldoret. This chapter presents its summary of findings, conclusion, and recommendation of the study.

The study findings indicate that majority of the respondents were of the opinion that companies provide excellent real-time customer service by developing a relationship with each valued customer. This implies that companies provide good service to the customers by developing good relations with each product value through use of personal information and holds that the biggest booster of the profitability of the organization the overall company's customer value base

The study findings indicate that majority of the respondents were of the opinion that product discounts offered effects product brand preference of the products of the company, this implies that discount offers not only augments on the values of goods but also enhances the ability to persuade consumers to decide on purchasing based on the perceived added advantage.Successful brand planning and organization encompasses availability of related offers such as discounts of the product in the market. The overall impact of the entire effectiveness of the brand can be assured by brand and advertising evaluations. Companies may choose to likeable dimensions for quick cognitive reflexes of consumers.

The study findings indicate that majority of the respondents were of the opinion that organizational loyalty programs encourage usage frequency, propensity toward exclusivity and switching to program brands. This implies that organizational loyalty involves deeply held commitment to make repeat purchases of a liked product continuously in the future, thereby

causing repetitive same brand and behaviors.

The study on the product value experience indicate that majority of the respondents were of the opinion that the company has reduced the number of complaints we air to them in last few yearswhile a few of the respondents were of contrary opinion. The findings also indicate that most of the respondents were of the opinion that they agree that the company takes the shortest time to react to the complaints you air to them while the rest were of contrary opinion.

Consumers will attribute superior quality to the brand since such a quality was thought and considered as a prerequisite for international acceptance. As indicated, larger choice sets create conflict and frustration and may thus diminish purchase likelihood. However, choice difficulty nonetheless, in the usual case in which we question the brand that was selected, higher product variety enhances a brand's perceived quality and thus also its purchase likelihood.

The study findings indicate that majority of the respondents were of the opinion that the company has in place customer relations techniques to effect brand preference. This implies that customer relation is much likely to affect brands since consumers express how they feel towards a brand. Smith(2011) in support of these findings noted that availability of product is the foundation of a good brand-building program. Successful brand planning and organization encompasses availability of related offers such as discounts of the product in the market. The overall impact of the entire effectiveness of the brand can be assured by brand and advertising evaluations. Companies may choose to likeable dimensions for quick cognitive reflexes of consumers Availability of product discounts is one of the principal drivers of brand preferences.

The study findings indicate that majority of the respondents were of the opinion that customers prefer products that offer greater satisfaction and greater capability. This implies that companies that provide good service to the customers by developing good relations with each product value through use of personal information and holds that the biggest booster of the profitability of the

organization the overall company's customer value base. According to Oliver & Rust, (2013) successful organizational loyalty program will decrease its members' purchase of non-organizational loyalty program usage frequency, propensity toward exclusivity and switching to organizational loyalty program brands. The study found that the development of organizational loyalty organizational loyalty programs on customer relationship management mostly leads to purchase repetition and increased revenue.

On the same ground, Bhat& Reddy (2012)stated that the benefit that is associated with the brands is often conveyed through the choice of brands. There exists relation between brand image, which is in sync along the consumer's individual image and the emblematic importance of the brands. Consumers do so mainly to express themselves; as being alike to the personalities. In other words, consumer prefers certain brands to either create or maintain his/her individual image to themselves or to their groups.

The study results revealed that product brands vary in the level of power and the preference they offer in the market, others were of the view that Customers prefer products that offer greater satisfaction and greater capability, a fewnoted that the company has adopted product changes that effect brand preference and some were of the opinion that the company has realized that offering the best product offers value and greater preference in the market.

The study results indicated that there was a significant relationship between product value experience and brand preference (p=0.000); there was a significant relationship between pricing offers and brand preference (p=0.000); there was a significant relationship between organizational loyalty programs and brand preference (p=0.000) and that there was a significant relationship between customer relationship management and brand preference (p=0.000).

5.2 Conclusion based on Findings

The study concluded that companies provide excellent real-time customer service by developing a relationship with each valued customer. This implies that companies provide good service to the customers by developing good relations with each product value through use of personal information and holds that the biggest booster of the profitability of the organization the overall company's customer value base. According to Kotler (2012) companies provide good service to the customers by developing good relations with each product value through use of personal information. Consumer friendliness holds that the biggest booster of the profitability of the organization the overall company's customer value base.

The study concluded that product discounts offered effects product brand preference of the products of the company, this implies that discount offers not only augments on the values of goods but also enhances the ability to persuade consumers to decide on purchasing based on the perceived added advantage. According to Bhat (2012) pricing offers effects competitive orientation (consumer versus product) and performance of firm in family businesses. Many global firms evolve their brand identity as a unique selling proposition in a specific category. The relationship between the image of the brand and trust, increasing competition and changing consumer attitudes are considered as significant factors in realigning and positioning corporate brands of the global firms.

The study concluded that organizational loyalty programs encourage usage frequency, propensity toward exclusivity and switching to program brands. This implies that organizational loyalty involves deeply held commitment to make repeat purchases of a liked product continuously in the future, thereby causing repetitive same brand and behaviors. Oliver & Rust (2013) notes that a successful organizational loyalty program will decrease its members' purchase of non-organizational loyalty program usage frequency, propensity toward exclusivity and switching to

organizational loyalty program brands.

The study concluded that the company has in place customer relations techniques to effect brand preference. This implies that customer relation is much likely to affect brands since consumers express how they feel towards a brand. Chang and Chieng(2014) stated that a customer relations management is much likely to affect brands since consumers express how he/she is either similar to/different from people of their group. The brands have practical &theoretical essentials for the clients. This benefit that is associated with the brands is often conveyed through the choice of brands. Meaning that, there exists relation between brand image, which is in sync along the consumer's individual image & the emblematic importance of the brands.

The company has adopted product changes that effect brand preference. The company provide good service to the customers by developing good relations with each product value through use of personal information and holds that the biggest booster of the profitability of the organization the overall company's customer value base.

5.3 Recommendations

5.3.1 Policy Recommendations

The policy makers should fostertheunderstanding of the perception of the customers and their selection of specific brands and market segments. This will be instrumental in obtaining the knowledge of what is important to customers in their decision making processes, where they get the information about a brand or service and what they think about a brand and then make proper policies to the market.

5.3.2 Practice

Since product quality offered by a brand can effect quality perceptions and brand choice there is need to improve on the quality of the products through product design and rebranding. This will enhance the likeability of the product by the customers.

Also since the overall impact of the entire effectiveness of the brand can be assured by brand and advertising evaluations there is need to establish a substantial advertisement crew for the same There is also the need to increased brand awareness in order to supports the probability of brands to win over the customers. This can be achieved by use of promotional strategies such sales promotion, adverting and personal communication.

There is need for an understanding the perception of the customers and their selection of specific brands and market segments. This is instrumental in obtaining the knowledge of what is important to customers in their decision making processes, where they get the information about a brand or service and what they think about a brand and then make proper policies to the market.

The firm must intensify the use of sales promotion through both print and electronic media as respondents have shown great interest and are highly affect by sales promotion activities. Appearance of sales person should be greatly enhanced. Therefore it may be used in conjunction with other promotional tools such as coupons and free talk time. Greater emphasis may be placed on attachment services to gain maximum advantage. Sales promotion has short term effect, as a result services providers need to do a continuous follow up to establish long term relationship with new customers acquired during sales promotion period.

Firms should engage in research to correctly approximate consumer expectations and plan to meet them to reduce consumer complaints. Ken Knit should enhance the situational factors such as display of items, appearance of sales persons, location of showrooms as well as payment processes. These factors and other situational factors will enhance the effectiveness of their sales promotions to affect their consumers.

Ken Knit should evaluate all its sales promotion programs yearly so as to remain a trend changing consumer expectations. In this contemporary world no strategy is static and to maintain

the dynamism, the existing sales programs needs to evaluated over time.

5.4Suggestions for further Studies

Further studies can be conducted in the following areas;the effect of organizational programs on customer relationship in other related firms and the effect of product value experience on the brand preference of products of Rivatex Limited Eldoret. This is because the current study did not capture fully these aspects since they were treated as variables. Organizational programs in this study also contributed minimal to the concept of brand preference.

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APPENDIX I: INTRODUCTORY LETTER

Dear Respondent,

I am a student in Kisii University undertaking Masters in Business Administration (Marketing Option). This questionnaire is designed to assist you describe the effects of consumer friendliness on brand preference managing effects of delegation on employee's performance.The results obtained can assist in making recommendations on how brand preferences can be managed in organization. The information given was treated with a lot of confidence.However, it is advisable not to write your name on the questionnaire sheet. Please complete the questionnaire to facilitate my completion of this study.

NANCY CHEMUTAI RUTTOH

RESEARCHER

APPENDIX II: INFORMED CONSENT FORM

My name is NANCY CHEMUTAI RUTTOH I am a student at Kisii University. I am currently pursuing my Masters in Business Administration (Marketing Option) at Kisii University. As part of curriculum, I am completing a professional project which involves a survey requesting input from Ken Knit staff.

This research is concerned with consumer friendliness and brand Preference. You wasasked to fill in the questionnaires on your thoughts feelings on consumer friendliness on brand preferences.

The entire experiment will take between five and ten minutes. All the information you provide in this experiment waskept confidential and your name will not be attached to the data that you provide. There are no obvious risks involved in study participation.

You are free to withdraw from the experiment at any time without penalty. I hereby indicate that I am informed of the nature of this research and consent to the use of the results by the researchers.

Name: _____   Signed: _____

Date: _____

APPENDIX III: QUESTIONAIRE FOR EMPLOYEES

INTRODUCTION:-

i. Answer each question in the shortest form and as thoughtful as possible

ii. It's important that you answer the questions on the spaces provided by ticking the box of your choice.

iii. In some questions you are given options to choose from.

iv. Be as specific and accurate as possible.

INSTRUCTIONS:

Tick (√) where appropriate

1. Indicate your gender?   Male ☐   Female ☐

2. From the list indicate your corresponding age bracket?

Below 24 years ☐

25-30 years ☐

31-35 years ☐

36-41 years ☐
Over 41 years ☐

3. Indicate your highest level of education?

　　Primary ☐　　Secondary ☐

　　College ☐　　University ☐

4. For how long have you worked with Ken Knit?

　　　　Less than 1Yr ☐　　1-5yrs　5-10yrs ☐　　　　10 and above ☐

5. Indicate by ticking in the box the work position?

a) Marketing officer ☐   b) Supply Officer ☐   c) Human Resource ☐

d) Accountant ☐   d) Field officer ☐   e) Records officer ☐

f) Others speci ☐

Specific Objectives

Use the key to answer the question appropriately.

Key: Strongly disagreed (1) Disagreed (2) Neutral (3) Agreed (4) Strongly agreed (5)

SA: **SD** –Strongly Disagree. **D**-Agree, **N**-neutral,**A**-disagree, **SA-**Strongly agree

6. To what extent do you agree with the following statements regarding Product value

Experience on brand preference at Ken Knit Ltd?

Product value Experience	SD	D	N	A	SA
Companies provide excellent real-time customer service by developing a relationship with each valued customer					
Consumer friendliness holds that a major driver of company's profitability					
Quality perceptions have been due to dissonance reduction and preference for consistency					
The company focuses on improving consumer friendliness through provision of quality products					

7. To what extent do you agree with the following statements regarding Pricing Offers on brand

preferenceat Ken Knit Ltd?

Pricing Offers	SD	D	N	A	SA
Product discounts offered effects product brand preference of the					

products of the company					
The amount of discounts offered is the main determinant of brand preference of by all consumers					
The persistency of the discounts offered have greatly affect brand preference of the company's products					
Availability of product discounts for the many major brands of the company					

8. To what extent do you agree with the following statements regardingOrganizational loyalty programs on brand preference at Ken Knit Ltd?

Key: Strongly disagreed (1) Disagreed (2) Neutral (3) Agreed (4) Strongly agreed (5)

Loyalty Programs	SD	D	N	A	SA
Organizational loyalty programs play an important role in retaining customers and linking the business to future opportunities					
The objective of a loyalty program is to build a positive attitude toward a brand					
Organizational loyalty programs provide the customer with an incentive to patronize the product brand					
Organizational loyalty programs encourage usage frequency, propensity toward exclusivity and switching to program brands					

9.To what extent do you agree with the following statements regarding Customer relationson brand preference at Ken Knit Ltd?

Key: Strongly disagreed (1) Disagreed (2) Neutral (3) Agreed (4) Strongly agreed (5)

Consumer Relations	SD	D	N	A	SA
Customer relationshas enabled our brand to preferred in the market					
The company appreciates all the customers who purchase our brand					
The company has in place customer relationstechniques to effect brand preference					
The company has realized most of its brands preferred in the region due to customer relations					

9. To what extent do you agree with the following statements regarding brand preference at Ken Knit Ltd?

Key: Strongly disagreed (1) Disagreed (2) Neutral (3) Agreed (4) Strongly agreed (5)

Consumer Appreciation	SD	D	N	A	SA
Product brands vary in the level of power and the preference they offer in the market					
Customers prefer products that offer greater satisfaction and greater capability					
The company has adopted product changes that effect brand preference					
The company has realized that offering the best product offersvalue and greater preference in the market					

APPENDIX IV: QUESTIONAIRE FOR CUSTOMERS

INTRODUCTION:-

   i.   Answer each question in the shortest form and as thoughtful as possible

   ii.   It's important that you answer the questions on the spaces provided by ticking the box of your choice.

   iii. In some questions you are given options to choose from.

   iv.   Be as specific and accurate as possible.

INSTRUCTIONS:

Tick (√) where appropriate

1. What is your Gender?   Male ☐   Female ☐

2. What is your age?   ☐

4. How many years have you purchased in Ken Knit?

   Less than 1Yr ☐   1-5yrs   5-10yrs ☐   10 and above ☐

Specific Objectives

Product value Experience on brand preference

1. Does the company provide excellent real-time customer service by developing a relationship with each valued customer? YES [ ] NO [ ]

2. The company is very Consumer friendly in its operations and product dealings? YES [ ] NO [ ]

3. Do you think the company offers you the variety of products you need in your store?

YES [ ] NO [ ]

4. If Yes, explain

………………………………………………………………………………………………

Pricing Offers on brand preference

Does the companyoffer Product discounts on the goodas you always purchase from them?

YES [ ] NO [ ]

Do you think the company offers the right amount of promotional offers to the customers?

YES [ ] NO [ ]

If Yes, explain

……
………………………………………………………………………………………………

Do customers get quantity offers when they buy in bulk?

YES [ ] NO [ ]

If Yes, explain

……
………………………………………………………………………………………………

Organizational loyalty programs on brand preference

To what extend do you agree with the following statement thatOrganizational loyalty programs

play an important role in retaining customers and linking the business to future opportunities?

Very great extent [ ]

Great Extent   [ ]

Moderate Extent [ ]

We have consistently bought products from Ken Knit Ltd for over along period of time now?

YES [ ] NO [ ]

Customer relationson brand preference

The company has reduced the number of complaints we air to them in last few years? YES [ ]

NO [ ]

Do you agree that the company takes the shortest time to react to the complaints you air to them?

YES [ ] NO [ ]

If Yes, explain

……………………………………………………………………………………………………

…………………………………………………………………………………………