Effects Of Branding On Customer Loyalty At Safaricom Company Limited In Mombasa

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Abstract: This study was an investigation of the effects of branding on customer loyalty with a case study of Safaricom Limited in Mombasa County, Kenya. It targeted to investigate how customer loyalty could contribute to the success of a firm in general. The study was guided by the following objectives; establish how brand satisfaction affects customer loyalty, investigate how company image affects customer loyalty; identify how branding tools affect customer loyalty and assess how brand promotional strategy influences customer loyalty at Safaricom Limited in Mombasa County. The study also looked at three theories; The resource base theory, theory of planned behavior, and finally brand relationship theory. The study target population was staff of Safaricom Limited in County. The study also involved customers within the selected branches. This is therefore a survey and stratified sampling was used to select a sample from the managers and other staff of Safaricom Limited, Mombasa and also selected customers. Prior to data processing and analysis, the completeness of the collected questionnaires was assessed. The collected data was edited and then coded. Data was analyzed using descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS) Version 22.0. Descriptive statistics included, frequencies, percentages, means and standard deviations. Correlation facilitated drawing of inferences on relationship between each of the independent variables and the dependent variable. Multiple regression enabled assessment of the effect of the independent variables on branding for customer loyalty as a whole. From the study on gender, the majority were male. On age the majority were below the age of 25 years. On education level, the majority of the respondents hold a bachelor’s degree. On work experience, majority of respondents have worked with Safaricom for less than 5 years. On functional area, majority of respondents work in the operations department. On brand satisfaction the study revealed that Safaricom has a strong brand and that they have strategies in place to protect their brand. On company image the study revealed that Safaricom has a strong company image that has taken long to build through trust with stakeholder. The study revealed that the various branding tools are available to Safaricom. On promotional strategy, the study revealed that price consistency of safaricom products and services influences brand loyalty. This indicates positive relationship between the independent variable namely brand satisfaction, company image, branding tools and promotional strategy and the dependent variable effects of branding on customer loyalty. The overall effect of the analyzed factors was very high as indicated by the coefficient of determination. The study recommended Constant review of the branding tools adopted by a company to promote customer loyalty. This is necessary to avoid persisting in obsolete tools leading to loss of customer loyalties. There is also need to conduct an in depth study to determine whether there are tools other than the ones highlighted by the findings of this study and their applicability to related companies. Furthermore, given the high influence of pricing on brand loyalty, it is important to always evaluate and determine the optimal pricing strategy to avoid creating the impression of customer exploitation in the market. Companies can conduct a study aimed at explaining the differences in the effect of the different mediums of advertisement. An in depth analysis of each medium can point out to ways that can be adopted to ensure that each medium is utilised at the optimal level. This is because of the different impacts and impressions that each medium create. Continuous market research is as advisable tool that companies can adopted due to the ever changing taste and preferences of the consumers. This way, companies will be in a position to always be at par the requirements and expectations of the consumers.

INTRODUCTION
1.1 Background of the study
In marketing, a brand is a collection of feelings towards an economic producer. Feelings are created by the accumulation of experiences with the brand, both directly relating to its use, and through the influence of advertising, design, and media commentary. A brand is a symbolic embodiment of all the information connected to a company, product or service. A brand serves to
create associations and expectations among products made by a producer. A brand often includes an explicit logo, fonts, and colour schemes, symbols, which are developed to represent implicit values, ideas, and even personality (Caurana, 2015).

Many companies all over the world with strong brands in the market always have competitive advantage over those with weak brand or no brands at all. Most consumers get associated with companies with strong brands and not necessarily the benefit the brand will give to them. Some marketers distinguish the psychological aspect of a brand from the experimental aspect. The experimental aspect consists of the sum of all points of contact with the brand and is known as the brand experience (De Chernatony, 2013).

The psychological aspect, sometimes referred to as the brand image, is a symbolic construct created within the minds of people and consists of all the information and expectations associated with a product or service. The nicest approach to brand building considers the conceptual structure of brands, businesses and people. According to Kotler, (2014), a brand is a name, term, sign, symbol or design or a combination of all these, that identifies the maker or seller of a product or service. Consumers view a brand as an important part of a product and branding can add value to a product. Consumers attach meanings to brands and develop relationships.

Brands are also more than just names and symbols; they are a key element in the company’s relationship with customers. For example Pepsi recently recreated the graphics on its soft drink cans as part of a broader effort to give the brand more meaning and social relevance to its youth audience. Also in its quest for refreshing and more relevant new look, Pepsi created no less than 35 new domestic and international can designs.

1.1.1 Brand Loyalty
According to Kotler, (2014) Brand Loyalty has been defined as the strength of the relationship between the individual’s relative attitude and repeat patronage towards a product. Customer loyalty is often related with a brand. Brand loyalty is the ultimate goal a company sets for a branded product. Brand loyalty is a consumer’s preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images, or level of quality at the right price. This perception becomes the foundation for a new buying habit. Basically, consumers initially will make a trial purchase of the brand and, after satisfaction, tend to form habits and continue purchasing the same brand because the product is safe and familiar.

1.1.2 Terms used by loyalists
“I am committed to this brand.”
“I am willing to pay a higher price for this brand over other brands.”
“I will recommend this brand to others.”

1.1.3 Customer Loyalty
When a consumer finds that a particular brand is delivering the best products and services for him and that brands solves his problems with their products, he begins to identify that brand with a certain quality and develops a loyalty for it. In fact, if you have a customer who is committed to your brand, chances are that he will choose your product or service over the others that are available in the market. Customer loyalty plays a major role in making your business successful. If you are capable of retaining as much as 5% of your old customer base, then your business can grow up to 75%. Another great thing about your old customers who rely on you is that they will tell their friends, family and acquaintances about your products and services. In this manner, your business will get the best kind of advertising possible. Similarly, a customer who does not like your products might do some negative marketing for you, so you need to be on your toes and ensure that all your customers are satisfied with you. This will help you convert your prospective customers to your clients. Majority of the marketers agreed that loyalty is the most important factor affecting the the performance of the company (Dowling & Uncles, 2014).

Customers are less price sensitive and spend more in the product while they are loyal to the specific brand or the company. Moreover there is a primary belief among the marketers that it is cheaper to market to existing loyal consumers rather than the new ones. According Oliver, (2015) consumer loyalty which means an intensive commitment of consumers to buy the product or commitment with the product and services in the future. Therefore it is uncertain whether a repeat purchase behaviour can be fully regarded as a customer loyalty or devotion should be considered as such. For example is a routine purchase of buying bread at the corner shop an act of loyalty to a brand or an issue of convenience with the shop?

1.1.4 Global Perspective
Globally many companies have enjoyed a huge customer base that is also very loyal to their brands. There are so many brands with global influence such as Coca cola, Pepsi, Nike, Yamaha, Google, You Tube, Apple, Toyota and Nokia amongst others which enjoy consumer loyalty in the market due to the strong brands. Let us consider Nokia as an example. According to Kotler, (2014) Nokia is a global brand with users all over the
world. If you are living in the United States, chances are that the mobile phones mostly used are Nokia and the same case applies to the rest of the world. Nokia therefore dominates the global cell phone market with close to 40% share. This shows that the brand has loyal customers not only in the United States but also the entire world. Few companies dominate their industries the way Nokia does in fact half of the world population holds active cell phones, one in three of those phones is Nokia.

1.1.4 Profile of Safaricom Company
Safaricom which started as a department of Kenya Posts & Telecommunications Corporation, the former monopoly operator, launched operations in 1993 based on an analogue ETACS network and was upgraded to GSM in 1996 (license awarded in 1999). Safaricom Limited was incorporated on 3rd April 1997 under the Companies Act as a private limited liability company. It was converted into a public company with limited liability on 16 May 2002. By virtue of the 60% shareholding held by the Government of Kenya (GoK), Safaricom was a state corporation within the meaning of the State Corporations Act (Chapter 446) Laws of Kenya, which defines a state corporation to include a company incorporated under the Companies Act which is owned or controlled by the Government or a state corporation.

Until 20 December 2007, the GoK shares were held by Telkom Kenya Limited (“TKL”), which was a state corporation under the Act. Following the offer and sale of 25% of the issued shares in Safaricom held by the GoK to the public in March 2008, the GoK ceased to have a controlling interest in Safaricom under the State Corporations Act and therefore the provisions of the State Corporations Act no longer apply to it. Safaricom is one of the leading integrated communications companies in Africa with over 17 million subscribers. Safaricom provides a comprehensive range of services under one roof: mobile and fixed voice as well as data services on a variety of platforms.

Safaricom limited having started as a department of the former state-owned telecommunications operate, Kenya Post and Telecommunication Corporation in 1993 had to be innovative in its products offering. After being incorporated as a private limited liability company in 1997, the stage was set for competition in a green market where mobile telephony was just taking shape. Over the years, Safaricom Ltd has introduced a number of services to its customers. Its now the leading player in the mobile market and contributes significantly to national economy. The most successful products and services include; voice and data services, contacts back-up, skiza, mms, M-shwari, audio conferencing, video conferencing, internet nyumbani, M-pesa, internet, internet calls and roaming, business solutions, postpay, prepay, bonga loyalty programmes.

1.2 Statement of the Problem
Branding as concept affects the perception of the consumers, it shapes their views and mindsets as far as products are concerned. Branding has potential of arousing emotions of its key stakeholders who are the consumers. This will determine the tastes and preferences of the consumers and ultimately their purchasing patterns and whether they will be loyal to the brand or not (Aaker, 2016).

As a consequence of the impact of branding the purchasing populace will tend to be driven by the emotional attachment towards brand rather than the intrinsic value the brand will offer. Trademarks and brand names arose and became critical factors in determining the consumers purchasing patterns and loyalty. Subsequently it is the brand or the name of a commodity that will be purchased rather than the underlying intrinsic value (Kapferer, 2014).

Some products emerge victorious and others losers as a result of branding. Those that reap the benefit of branding will continue to enhance the strong hold on the market via marketing campaigns and exceptional customer service. The losses can fix the problem by pursuing niche strategy that will ensure they are able to stand out in the market for the delivery of a particular service or provision of a particular product (Susan, 2015).

The problem of branding will occur in the initial stage of a product life cycle. In this period a product is relatively new in the market and it is greatly discounted in value due to a lack of market knowledge of it existence and capabilities. It is imperative for every organisation to distinguish itself in the market through branding in order to gain brand loyalty by the consumers in the market (Brodie, et al., 2015).

Overall branding affects how consumers make the decision to purchase or not to purchase a product in the market which would lead to consumer loyalty of the brand and most consumers would purchase a product because of the brand name and not necessarily the benefit one would derive from the product. Companies are aware of the fact that there brands are strong and that they enjoy consumer loyalty and they take advantage of that to maximise on their sales and profits. Brand loyalty is usually to the advantage of companies and not consumer (Oliver, 2015).

The purpose of this study is to determine the effect of branding on developing customer loyalty. After completion of this project one can easily...
understand how branding helps in the development of customer loyalty. The aim of this research study is to collect data and other relevant information to build a relation between role of brand and customer loyalty and to find out whether brand plays an important role in the development of customer loyal.

1.3 Objectives of the Study
This study was guided by both general and specific objectives.

1.3.1 General Objective
The general objective of this study was to investigate the effects of Branding on customer loyalty.

1.3.2 Specific Objectives
1. To establish how brand satisfaction affects customer loyalty.
2. To investigate how company image affects customer loyalty.
3. To identify how branding tools affects customer loyalty.
4. To access how brand promotional strategy influences customer loyalty.

1.4 Research Questions
1. How does brand satisfaction help create customer loyalty?
2. How does company image influence customer loyalty?
3. How does branding tools influence customer loyalty?
4. How does brand promotional strategy affects customer loyalty?

1.5 Justification
This study is carried out to show how Safaricom Company limited has used its brand name to gain consumer loyalty in the telecommunication sector in Kenya. This will also bring to fore the need for companies to create consumer loyalty of their products in the market and this would mean they must first come up with strong brands that would result to consumer loyalty. The study will also stimulate future research papers on importance of branding to companies apart from creating and gaining consumer loyalty in the market.

1.6 Scope of the Study
Safaricom Company limited Mombasa County branches will be used as a case study for this research. Safaricom has a customer base of about 17 million subscribers in Africa but the research will only cater for its customers and employee in Mombasa County where 60 customer will be picked for the research study through simple random sampling of 20 customer each for its three branches in Mombasa County. This is because it has been able to successfully come up with a strong brand in the market and enjoying a huge customer base who are also very loyal to its products and services. The data will be collected from the top management using purposive sampling. The rest of employees and customers will be picked using simple random sampling method.

1.7 Limitation of the Study
The respondents took a lot of time in filling in the questionnaires therefore the researcher had to collect the already filled questionnaires to do the analysis because of the time constraints. This made the response rate not to be 100% as expected. The respondents were also not free to give personal information as they considered it of private nature but the researcher assured them the information would be treated confidentially and purely used for academic purposes.

LITERATURE REVIEW
2.1 Introduction
This chapter is a review of selected literature relevant to the area of study. Therefore the chapter will deal with the theoretical review, conceptual framework, criticism of existing literature and summery of literature review.

2.2 Theoretical Review
Theories are formulated to explain, predict, and understand phenomena and, in many cases to challenge and extend existing knowledge within the limits of the critical bounding assumptions. The theoretical framework introduces and describes the theory which explains why the research problem under study exists. A theoretical framework consists of concepts, together with their definitions, and existing theory/theories that are used for the particular study (Sekaran, 2005). The theories reviewed here are borrowed from the finance literature related to enterprise risk management. These theories are resource based theory, theory of planned theory and brand relationship theory.

2.2.1 Resource Based Theory
Penrose, (2015) established resource based theory that argues firms possess resources which enable firms to achieve competitive advantage and lead to superior long term performance. Valuable and rare resources can lead to the creation of competitive advantage. That advantage can be sustained over longer time periods to the extent that the firm is able to protect against resource limitation, transfer or substitution (Christine, 2015). Information system resources may take on many of the attributes of dynamic capabilities and may be useful to firms operating in rapidly changing environment. Information resources may not directly lead the firm to a position of superior sustained competitive advantage but they may be critical to the firm’s long term competitiveness in unstable environments if they help it develop, add, integrate and release other key resources over time (Wade & Halland, 2014).

Resources such as adequate finance and competent human resource are crucial for the effectiveness of market entry strategy management practices in a
rapidly changing environment (Wade & Hulland, 2014). The dynamic capabilities which consist of the activities and mechanisms of managing resources in the creation of value which enables companies manage its activities for improvement in performance. It is expected that an organization that has adequate resources would have more influence on the branding strategy of their products.

2.2.2 Theory of Planned Behaviour
The theory of planned behavior (Azjen, 2014) is an extension of the theory of reasoned action (TRA). Azjen and Fishbein (2008), made necessary by the latter model’s inability to deal with behaviors over which individuals have incomplete volitional control. At the heart of TPB is the individual’s intention to perform a given behavior (e.g., use of ICT in procurement). For TPB, attitude toward the target behavior and subjective norms about engaging in the behavior are thought to influence intention, and TPB includes perceived behavioral control over engaging in the behavior as a factor influencing intention.

TPB has been used in many different studies in the information systems literature (Taylor, 2015). According to TPB, an individual’s performance of a certain behavior is determined by his or her intent to perform that behavior. Intent is itself informed by attitudes toward the behavior, subjective norms about engaging in the behavior, and perceptions about whether the individual will be able to successfully engage in the target behavior. According to Azjen (2014), an attitude toward a behavior is a positive or negative evaluation of performing that behavior. Attitudes are informed by beliefs, norms are informed by normative beliefs and motivation to comply, and perceived behavioral control is informed by beliefs about the individual’s possession of the opportunities and resources needed to engage in the behavior (Azjen, 2014). Azjen compares perceived behavioral control to Bandura’s concept of perceived self-efficacy (Bandura, 2015).

TPB also includes a direct link between perceived behavioral control and behavioral achievement. Given two individuals with the same level of intention to engage in a behavior, the one with more confidence in his or her abilities is more likely to succeed than the one who has doubts (Azjen, 2014). As a general theory, TPB does not specify the particular beliefs that are associated with any particular behavior, so determining those beliefs is left up to the researcher. An underlying premise of the current study is that beliefs about privacy and trustworthiness of the ICT platform inform attitudes toward Internet purchasing. TPB provides a robust theoretical basis for testing such a premise, along with a framework for testing whether attitudes are indeed related to intent to engage in a particular behavior, which itself should be related to the actual behavior. Based on the theory, beliefs about how important referent others feel about ICT adoption in procurement, and motivation to comply with the views of important others, should also influence intent to make Internet purchases. Finally, beliefs about having the necessary opportunities and resources to engage ICT in Procurement process should influence intent to purchase as well as directly influence purchasing behavior itself (Azjen, 2014).

2.2.3 Brand Relationship Theory
This theory was advanced by Gummesson, (2015) and pointed that that there exist relationships among human beings. Consequently, consumers define the brand relationship from their own individual perspectives and the brand relationship and relational value are very much personalized in the minds of consumers. Customers generate individual relationships based on their individual perception of brand value, brand meaning, and their experiences. That is, customers seem to personally create the brand through their communications across multiple contexts (Lindberg, 2015). Prior research has also explored the personal component of the relationship between a brand and its customers. Fornell, (2016) examined the nature of relationships that customers have as well as want to have—with companies. Fournier views brand-relationship quality as multifaceted and consisting of six dimensions beyond loyalty or commitment along with consumer brand relationships vary: self-concept connection, commitment or nostalgic attachment, behavioral interdependence, love/passion, intimacy, and brand-partner quality. She suggests the following typology of metaphors to represent common customer-brand relationships: arranged marriages, casual friendships/buddies, marriages of convenience, committed partnerships, best friendships, compartmentalized friendships, kinships, rebounds/avoidance-driven relationships, childhood friendships, courtships, dependencies, flings, ennui, secret affairs, and enslavements. While this typology contains most positive relationships, it may overlook a range of possible negative (e.g., adversary) and neutral (e.g., trading partner) ones. Aaker, (2016) conducted a two-month longitudinal investigation of the development and evolution of relationships between consumers and brands. They found that two factors experiencing a transgression and the personality of the brand had a significant influence on developmental form and dynamics.
2.3 Conceptual Framework
Conceptual framework helps guide the research work; it is a structure of concepts and theories pulled together as a map for study. It consists of Independent and Dependent variable as shown in the figure below:

**Independent Variables**

<table>
<thead>
<tr>
<th>Brand Satisfaction</th>
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<tbody>
<tr>
<td>• Repeat purchase, Surveys, Sales volumes and Media publicity</td>
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<tr>
<td>• Repeat purchase</td>
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<table>
<thead>
<tr>
<th>Company Image</th>
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<tr>
<td>• Value of Brand</td>
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<td>• Image influenced loyalty</td>
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<table>
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<tr>
<th>Branding Tools</th>
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<tbody>
<tr>
<td>• Brand Quality</td>
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<td>• Brand Price</td>
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<table>
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<tr>
<th>Promotional Strategy</th>
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</thead>
<tbody>
<tr>
<td>• Price consistency</td>
</tr>
<tr>
<td>• Value for money</td>
</tr>
</tbody>
</table>

**Dependent Variables**

<table>
<thead>
<tr>
<th>CUSTOMER LOYALTY</th>
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<tbody>
<tr>
<td>• Loyalty &amp; Equity</td>
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<tr>
<td>• Customer Commitment</td>
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2.3.1 Effects of Brand Satisfaction on Customer Loyalty
Several studies have proved that there exists a direct connection between the satisfaction and loyalty. Previous research studies examined that the satisfied customers become loyal and dissatisfied customers may move to the other seller (Brodie, et al., 2015). The primary objective of implementing ACSI (American Customer Satisfaction Index) in 1984 was to explain the development of the customer loyalty. Therefore in ACSI model there are three factors which influence the customer loyalty; they are; perceived value, perceived quality and customer expectations (Anderson & Sullivan, 2014). However in the ECSI (European Customer Satisfaction Index) model divided into two elements. First is hard ware which contains the elements of the product and services and the second is the human ware consists the customer service that is, the personal behaviour and atmosphere of the environment (Grönholdt et al., 2015). In both these models it is revealed that satisfaction should increase the loyalty of the consumers. When the satisfaction is low the customer will have the tendency to exit e.g. switch to a competitor or express their complaints about the product or services (Grönholdt et al., 2015). Customer satisfaction is prior to the loyalty. Customer satisfaction can be used as an indicator of future consumer purchases and the satisfied customers will have a higher probability of creating repeated purchase behaviour in time (Zeithaml et al., 2014), or recommending other to try the source of satisfaction (Arnold & Reynolds, 2015). More specifically, satisfaction is found to be an essential influencing factor of customer loyalty (Fitzell, 2014); (Fornell, 2016); (Arnold & Reynolds, 2015); (Sivadas and Baker-Prewitt, 2000); (Zeithaml et al., 2014). Whereas satisfaction and customer loyalty are recognised to be the most strongly influencing factors in most of the research studies (Anderson & Sullivan, 2014); (Fornell, 2016); (Rust & Zahorik, 2015); (Taylor & Baker, 2014). Satisfied customers will be always thinking to be loyal to the brand or product (Rowley, 2015) or without considering any effect of the other variables (Fornell, 2016) and (Oliver, 2015).
2.3.2 The Effects of Company Image on Customer Loyalty
Keller, (2014) defined that brand image refers to a particular frame of reference by which the consumer is associating a particular brand. A good image enhances the value of the brand in the eyes of the consumer by increasing its likeability or desirability and differentiating it from other competing brands (Hsieh, et al., 2014). The outcome of the favourable image is the increase in loyalty, equity and consumer buying behaviour and overall performance of brand (Keller, 2014); (Hsieh et al., 2014). Brand image is measured in terms of benefits a brand is offering or some attributes the brand is having or the usage of the brand.

The existing relationships between customers and the company, including their products and services, are often impersonal but nevertheless important in branding since such relationships affect the image of a company. This image is created by such factors as the company name, brands, famous company personalities, and other persons who symbolise the attitudes of the company. Several authors have measured different aspects of loyalty. Mostly loyalty has been seen as a multi-dimensional construct acknowledged by different dimensions, some of which can be identified by the behaviour of the customers and others on the basis of psychological processes. Hence Rundle (2015) pointed out that it should be measured by individualising the attitudinal loyalty, which is defined as a customer tendency towards a brand that include preference.

2.3.3 The Branding Tools that influences Consumer Loyalty
Brand Quality - While explaining the positive effects of having loyal consumer base, customer loyalty is value motivated. It is to be mentioned that while improving the quality of customer loyalty, a key issue or argument factor is that identifying the problems for the customer defection, i.e. causes for the customer disloyalty (Payne, 2013).

Brand Price - One of the drivers of customer brand insistence or loyalty is “value.” While value is comprised of more than just price (benefit bundle, perceived quality, etc.), it’s important to understand pricing to deliver a strong brand value. Customer become loyal to a brand because of the price. When they consider the price of product in relation to competition and then perceive it to be reasonable price even if it is high they will purchase such brands especially if to them the quality is better than other brands in the market.

2.3.4 The Effects of Brand Promotional Strategy on Customer Loyalty
One of the most effective means of gaining consumer loyalty in the market is by undertaking a lot of advertising. Most strong brands including Safaricom spend a lot of money on advertising campaign and have a budget set aside just for its advertising activities. Most consumers relate well with product brands that are advertised through the media and other forms of advertising. There has been massive growth of young people among the population of most countries in the world, and media tend always to concentrate and target such an audience. The media has always played a major role in increasing customer loyalty. Television, radio and all other campaigns attracting the youth and marketing aims at the age between 18 to 35 years old customers. Younger consumers are very significant and vital, but the problem is if the advertisers are concentrating on youth targeted audience, they are ignoring the other demo graphically and economically vital market of target customers (Carrigan & Szmigin, 2017). Advertisers and the marketers may have ignored the past generations over 50’s but they should need to formulate an idea of strategy towards this new generation customers.

2.4 Critique of the Existing Literature
Fahimi (2014) conducted a study entitled "Factors influencing the selection and customer loyalty in banking: a case study of depositors in Mellat Bank”, and concluded that the choice of brand equity and customer deposit interest rate has a positive effect on customer's choices and service quality effectively has a positive effect on customer loyalty.

Allameh and Noktedan (2014) performed a study entitled "The effect of service quality on customer loyalty" in 1388. The aim of the study was to examine the relationship between the loyalty of customers and one of its key variables, i. e. service quality. In that study, the trust and satisfaction variables have been studied as intermediary variables, and for the evaluation of the data questionnaires are used in Likert 7 choices type. Statistical universe was the guests of 4 and 5 star hotels in Isfahan, and sample size was 67 and simple random sampling was used. The findings indicate a significant positive relationship between service quality and customer loyalty. In addition, the findings show the trust and satisfaction variables play mediator role in the relationship between service quality and loyalty, and in turn have significant positive impact on creating loyalty.

Booms and Bitner (2011) further advanced the traditional marketing mix developed by the American Professor of Marketing Jerome McCarthy into the extended marketing mix or services marketing mix. This service of marketing mix is also called the 7P model or the 7 Ps of Booms and Bitner. This marketing strategy extends...
the original marketing mix model from four to seven elements. While McCarthy had only defined four confirmable marketing elements, the 7Ps are an extension as a consequence of which this services marketing mix can also be applied in service companies and knowledge intensive environments (Vliet, 2013).

2.5 Summary
Brand loyalty consists of a consumer's commitment to repurchase the brand and can be demonstrated by repeated buying of a product or service or other positive behaviours such as word of mouth advocacy. True brand loyalty implies that the consumer is willing, at least on occasion, to put aside their own desires in the interest of the brand. Brand loyalty is more than simple re purchasing, however customers may repurchase a brand due to situational constraints, a lack of viable alternatives, or out of convenience. Such loyalty is referred to as "spurious loyalty". True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behaviour. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm. For example, if one has a brand loyalty to Company A he will purchase Company A's products even if Company B's are cheaper and/or of a higher quality.

Someone by the name James Surowiecki stated ‘The truth is we've always over estimated the power of branding while underestimating consumers’ ability to recognise quality. Therefore we will see how branding has influence consumer loyalty in Telecommunication Sector in Kenya.

2.6 Research Gaps
The literature that was reviewed on effects of branding on consumer loyalty has been done from organisations of the industrialized nations whereas developing nations or economy. Most studies on effects of branding on consumer loyalty has been concentrated on tangible products and little study has been done on intangible products or services and hence the motivation for this study.

RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the methods and procedures to be used in data collection and analysis. This include: research design, sampling frame, sampling techniques, data collection instruments, data collection procedure and finally data processing and data analysis.

3.2 Research Design
Descriptive research was undertaken, and research took a form of a case study on mobile service provider Safaricom Company Limited in Mombasa county branches. The descriptive approach tried to find out the effects of Branding on Customer loyalty on Safaricom brand. According to Bryman and Bell, (2015) research classification can be divided into two categories; one is quantitative research and two qualitative research. Qualitative research acknowledges a theoretical investigation into advance scientific knowledge, where immediate application is not the direct objective or motivation. The focus on this kind of research is to expand the general knowledge and understanding of nature and its laws. Quantitative research focus on an experimental investigation that uses existing knowledge for the new or improved application.

3.3 Target population
The target population under study is Safaricom company limited company employees and customers in Mombasa County. Safaricom has a customer base of about 17 million subscribers in Africa.

Table 3.1: Target population

<table>
<thead>
<tr>
<th>Branch</th>
<th>Population of employees</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moi Avenue</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Town Centre/Posta</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Nakumatt Nyali</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>70</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>
3.4 Sampling Technique
Sampling means selecting a given number of subjects from a defined population as representative of that population. Cooper and Schinder, (2013) defines sampling as the process by which a relatively small number of individuals are selected and analyzed in order to find out something about the entire population. However, it is agreed that the larger the sample size the smaller the sampling error. In each of the three branches selected at random, at least 3 three managers were picked through stratified sampling while the 10 employees in each were picked through simple random sampling. In the case of their customers at least 10 customers were also picked through purposive sampling from each branch to represent the many customers who visit the shops. In total 69 respondents were sampled.

Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Branch</th>
<th>Managers</th>
<th>Staff</th>
<th>Customers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moi Avenue</td>
<td>3</td>
<td>10</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Town Centre/Posta</td>
<td>3</td>
<td>10</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Nakumatt nyali</td>
<td>3</td>
<td>10</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9</strong></td>
<td><strong>30</strong></td>
<td><strong>30</strong></td>
<td><strong>69</strong></td>
</tr>
</tbody>
</table>

3.5 Data Collection Instruments
The data collection instruments to be used during the study was questionnaires and interviews. This is because they are very flexible especially the questionnaires and one can reach a large number of audiences within a short period of time.

3.6 Data Collection Procedures
The methods that were used to collect data are Questionnaires and interview guides. The branch and sales managers were interviewed by booking interview sessions with them and managers were picked using purposive sampling method and interview guide was used to get relevant research information from them. Questionnaires were administered to rest of company employees from each branch in Mombasa using simple random sampling and 20 customers were also picked through simple random sampling. Cohen, et al., (2013) says that there are three ways or approaches to data collection; qualitative approach, quantitative approach and mixed method approach. In this particular research study a mixed approach was used to ensure all relevant data is collected and analysed.

3.7 Pilot testing
The questionnaires will be pilot tested before the actual data collection. This will involve a few respondents from Safaricom to ascertain its effectiveness. The researcher will be interested in testing the reliability of the research instruments, the questionnaire hence validity of data collected. Validity is the accuracy and meaningfulness of inferences which are based on the research results. Bryman and Bell, (2015) asserts that reliability is done using Cronbach’s Alpha Model on SPSS. Cooper and Schinder, (2013) assert that reliability is the measure of the degree to which research instrument yields consistent results or data after repeated trials. The researcher will do a pilot with 10 % of respondents before distributing the questionnaire. The researcher will use 7 respondents for the pilot process. The purpose is to ensure that those items in the questionnaire are clearly stated and have the same meaning to all respondents. At the same time I will help to determine how much time is required to administer the questionnaire. Respondents for pre-testing will not form part of the sample.

3.8 Data Processing, Analysis and Presentation
Kothari and Gang, (2014) argues that data collected has to be processed, analyzed and presented in accordance with the outlines laid down for the purpose at the time of developing the research plan. Data analysis involves the transformation of data into meaningful information for decision making. It will involve editing, error correction, rectification of omission and finally putting together or consolidating information gathered. The collected data will be analyzed quantitatively and qualitatively. Descriptive and inferential statistics will be done using SPSS version 22 and specifically multiple regression model will be applied. Set of data will be described using percentage, mean standard deviation and coefficient of variation and presented using tables, charts and graphs. Fraenkel and Wallen (2000) argue that regression is the working out of a statistical relationship between one or more
variables. The researcher will use a multiple regression analysis to show the effect and influence of the independent variables on the dependent variables. The relationship is as follows:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \]

- \( Y \) = Represents the dependent variable, effects of branding on customer loyalty
- \( \alpha \) = Constant
- \( \beta_1, \beta_2, \beta_3, \beta_4 \) = Partial regression coefficient
- \( X_1 \) = Brand Satisfaction
- \( X_2 \) = Company Image
- \( X_3 \) = Branding tools
- \( X_4 \) = Promotional Strategy
- \( \varepsilon \) = error term or stochastic term

### DATA ANALYSIS AND PRESENTATIONS

#### 4.1 Introduction

This chapter presents analysis of the data on the effects of branding on customer loyalty a case study of Safaricom Company Limited Mombasa County, Kenya. The chapter also provides the major findings and results of the study and discusses those findings and results against the literature reviewed and study objectives. The data is mainly presented in frequency tables, means and standard deviation.

#### 4.2 Response Rate

The study targeted 69 employees of Safaricom Limited in Mombasa County, Kenya. From the study, 55 out of the 69 sample respondents filled-in and returned the questionnaires making a response rate of 79.7% as per Table 4.1 below.

<table>
<thead>
<tr>
<th>Table 4.1 Questionnaire Return Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>Respondent</td>
</tr>
<tr>
<td>Non-respondent</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

According to (Mugenda & Mugenda, 2008) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent; therefore, this response rate was adequate for analysis and reporting.

#### 4.2.1 Data Validity

The researcher asked experts, three academicians, to assess the scales’ content validity. Accordingly, the researcher made changes on the first draft in terms of eliminating, adding or rewording some of the items included in that draft.

#### 4.2.2 Reliability Analysis

Prior to the actual study, the researcher carried out a pilot study to pre-test the validity and reliability of data collected using the questionnaire. The pilot study allowed for pre-testing of the research instrument. The results on reliability of the research instruments are presented in Table 4.2 below.

<table>
<thead>
<tr>
<th>Table 4.2: Reliability Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scale</strong></td>
</tr>
<tr>
<td>Brand Satisfaction</td>
</tr>
<tr>
<td>Company Image</td>
</tr>
<tr>
<td>Branding Tools</td>
</tr>
<tr>
<td>Promotional Strategy</td>
</tr>
<tr>
<td>Customer Loyalty</td>
</tr>
</tbody>
</table>

The overall Cronbach’s alpha for the three categories which is 0.732. The findings of the pilot study shows that all the three scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 (Mugenda & Mugenda, 2008).

#### 4.3 Demographic Information

The background information was gathered based on gender, age, working experience, level of education and functional area working in.

#### 4.3.1 Gender of respondents

The sought to establish the gender of respondents. The study results showed that 54.5% were males and 45.5% were female with a mean score of 1.45 and a standard deviation of 0.503 as shown in figure 4.1 below. This shows that the majority of the respondents were male.
4.3.2 Age of respondents

The study sought to establish the age of respondents. The study results revealed that 41.8% were below 25 years, 21.8% were between 25-30 years, 7.3% were between 31-35 years, 10.9% were between 36-40 years, 5.5% were between 41-45 years and those above 45 years were 12.7% with a mean score of 2.55 and a standard deviation of 1.793 as shown in figure 4.2 below. This shows that majority of the respondents were below the ages of 35 years.

Figure 4.1 Gender of Respondents

Figure 4.2 Ages of Respondents

Figure 4.3 Gender of Respondents

Figure 4.4 Ages of Respondents
4.3.3 Working experience
The study sought to establish the working experience of respondents. The results showed that respondents who have worked for less than 5 years were 30.9%, between 5-10 years were 18.2%, between 11-15 years were 25.5% and between 16-20 years and above 20 years were 12.7% respectively with a mean score of 2.58 and a standard deviation of 1.384 as shown in figure 4.3 below. This shows that the majority of respondents have worked less than 5 years.

![Figure 4.5 Work experience](image)

4.3.4 Level of Education
The study sought to establish the education level of respondents. The study results revealed that 14.5% were four fours, 12.7% hold certificates, 16.4% hold diplomas, 34.5% are bachelors degree holders and 21.8% were holding masters degrees with a mean score of 3.36 and a standard deviation of 1.352 as shown in figure 4.4 below. This shows that the majority of the respondents hold bachelors degrees.

![Figure 4.6 Level of Education](image)
4.3.5 Functional Area
The study sought to establish the functional areas respondents work in. The study results revealed that finance and IT departments had 18.2%, operations had 30.9%, human resource had 20% and other departments had 12.7% with a mean score of 2.78 and a standard deviation of 1.315 as shown in figure 4.5 below. This shows that the majority of respondents were in operations department.

![Functional Area at Safaricom Limited](image)

**Figure 4.7 Functional Area at Safaricom**

4.4 Analysis of Objectives
In the research analysis the researcher used a tool rating scale of 5 to 1; where 5 was the highest and 1 the lowest. Opinions given by the respondents were rated as follows, 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree and 1 = Strongly Disagree. The analysis for mean, standard deviation and coefficient of variation were based on this rating scale.

4.4.1 Brand Satisfaction
Table 4.3 Brand Satisfaction

<table>
<thead>
<tr>
<th>Brand satisfaction</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safaricom products and services are satisfactory</td>
<td>55</td>
<td>4.00</td>
<td>0.981</td>
</tr>
<tr>
<td>Safaricom measures customers satisfaction through repeat purchase, surveys, sales volumes, media and publicity</td>
<td>55</td>
<td>3.67</td>
<td>1.375</td>
</tr>
<tr>
<td>Safaricom has a mechanism for handling and addressing challenges facing it</td>
<td>55</td>
<td>3.56</td>
<td>1.500</td>
</tr>
<tr>
<td>Safaricom products and services enjoy repeat purchase in the market</td>
<td>55</td>
<td>4.44</td>
<td>0.688</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td></td>
<td>55</td>
<td></td>
</tr>
</tbody>
</table>

The first objective of the study was to establish the effect of brand satisfaction on customer loyalty. Respondents were required to respond to set questions related to brand satisfaction and give their response. The statement in agreement that Safaricom products and services are satisfactory had a mean score of 4.00 and a standard deviation of 0.981 signifying a high level of agreement, this findings are in agreement with Kapferer (2008) that strong company offers satisfactory products and services. The opinion that Safaricom measures customers satisfaction through repeat purchase, surveys, sales volumes, media and publicity had a mean score of 3.67 and a standard deviation of 1.375. The opinion that Safaricom has a mechanism for handling and addressing challenges...
facing it had a mean score of 3.56 and a standard deviation of 1.500. The opinion that Safaricom products and services enjoy repeat purchase in the market had a mean score of 4.44 and a standard deviation of 0.688 signifying a high level of agreement. This findings are in agreement with Kapferer (2008) that a strong company influences brand loyalty.

4.4.2 Company Image

Table 4.4 Company Image

<table>
<thead>
<tr>
<th>Company Image</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safaricom corporate social responsibility influences customer loyalty</td>
<td>55</td>
<td>4.13</td>
<td>.795</td>
</tr>
<tr>
<td>Safaricom brand image influences customer loyalty to its brand products and services</td>
<td>55</td>
<td>3.98</td>
<td>1.063</td>
</tr>
<tr>
<td>Safaricom has a strategy to ensure it maintains a good public image of its brand in the market</td>
<td>55</td>
<td>4.35</td>
<td>.821</td>
</tr>
<tr>
<td>Safaricom has a strong brand image in the market</td>
<td>55</td>
<td>4.75</td>
<td>.440</td>
</tr>
</tbody>
</table>

The second objective of the study was to establish the effect of company image on customer loyalty. Respondents were required to respond to set questions related to company image and give their response. The opinion in agreement that Safaricom corporate social responsibility influences customer loyalty had a mean score of 4.13 and a standard deviation of 0.795, signifying a high level of agreement. The opinion that Safaricom brand image influences customer loyalty to its brand products and services had a mean score of 3.98 and a standard deviation of 1.063. These findings are in agreement with Rowley (2005) that brand image adds value to the company. The opinion that Safaricom has a strategy to ensure it maintains a good public image of its brand in the market had a mean score of 4.35 and a standard deviation of 0.821 signifying a high level of agreement. This finding is in agreement with Kapferer (2008). The opinion that Safaricom has a strong brand image had a mean score of 4.75 and a standard deviation of 0.440.

4.4.3 Branding Tools

Table 4.5 Branding Tools

<table>
<thead>
<tr>
<th>Branding Tools</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safaricom brand prices ensures that their is customer loyalty of the brand in the market</td>
<td>55</td>
<td>4.47</td>
<td>.504</td>
</tr>
<tr>
<td>Safaricom has a superior brand quality in the market</td>
<td>55</td>
<td>4.24</td>
<td>.769</td>
</tr>
<tr>
<td>Cost effectiveness of Safaricom products and services affects customer loyalty in the market</td>
<td>55</td>
<td>4.55</td>
<td>.503</td>
</tr>
<tr>
<td>Do you agree that Safaricom quality information influences customer loyalty in the market</td>
<td>55</td>
<td>4.09</td>
<td>.727</td>
</tr>
</tbody>
</table>

The third objective of the study was to establish the effect of brand tools on customer loyalty. Respondents were required to respond to set questions related to brand satisfaction and give their response. The opinion in agreement that Safaricom brand prices ensure that their customer loyalty of the brand in the market had a mean score of 4.47 and a standard deviation of 0.504 signifying a high level of agreement Kapferer (2008). The opinion that Safaricom has a superior brand quality in the market had a mean score of 4.24 and a standard deviation of 0.769. The opinion that cost
effectiveness of Safaricom products and services affects customer loyalty had a mean score of 4.55 and a standard deviation of 0.503. The opinion that do you agree that Safaricom quality information influences customer loyalty had a mean score of 4.09 and a standard deviation of 0.727.

### 4.4.4 Promotional Strategy

**Table 4.6 Promotional Strategy**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you agree price consistency strategy of Safaricom products and services influences customer loyalty</td>
<td>55</td>
<td>4.29</td>
<td>.762</td>
</tr>
<tr>
<td>Do you agree Safaricom continues promotional activities of its products and services in the market influences customer loyalty</td>
<td>55</td>
<td>4.58</td>
<td>.534</td>
</tr>
<tr>
<td>Do you agree value for money promotional strategy of Safaricom products and services influences customer loyalty</td>
<td>55</td>
<td>3.20</td>
<td>.826</td>
</tr>
<tr>
<td>Do you agree that the Safaricom better option promotional strategy campaign slogan influences customer loyalty</td>
<td>55</td>
<td>4.40</td>
<td>.494</td>
</tr>
</tbody>
</table>

Valid N (listwise)

55

The fourth objective of the study was to establish the effect of promotional strategies on customer loyalty. Respondents were required to respond to set questions related to promotional strategy and give their response. The opinion in agreement that do you agree price consistency strategy of Safaricom products and services influence customer loyalty had a mean score of 4.29 and a standard deviation of 0.762. The opinion that do you agree Safaricom continues promotional activities of its products and services in the market influences customer loyalty had a mean score of 4.58 and a standard deviation of 0.534. The opinion that do you agree value for money promotional strategy of Safaricom products and services influences customer loyalty had a mean score of 3.20 and a standard deviation of 0.826. The opinion that do you agree that the Safaricom better option promotional strategy campaign slogan influences customer loyalty had a mean score of 4.40 with a standard deviation of 0.494. This findings are in agreement with Rowley (2005) promotional strategy help build customer loyalty.

### 4.4.5 Effects of branding on customer Loyalty

**Table 4.7 Customer loyalty**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would recommend this brand to someone who seeks my advice</td>
<td>55</td>
<td>4.53</td>
<td>.604</td>
</tr>
<tr>
<td>I am willing to pay a price premium over competing products to be able purchase this brand again</td>
<td>55</td>
<td>4.55</td>
<td>.503</td>
</tr>
<tr>
<td>A good image enhances the value of the brand in the eyes of the consumer by increasing its likeability or desirability and differentiating it from other competing brands</td>
<td>55</td>
<td>4.45</td>
<td>.765</td>
</tr>
</tbody>
</table>

Valid N (listwise)

55

The opinion that i would recommend this brand to someone who seeks my advice had a mean score of 4.53 and a standard deviation of 0.604 signifying a high level of agreement. The statement that i am willing to pay a price premium over competing products to be able to purchase this brand again had a mean score of 4.55 and a standard deviation of 0.503. The opinion that a good image enhances the value of the brand in the eyes of the consumer by increasing its likeability or desirability and differentiating it from other competing brands had a mean score of 4.45 and a standard deviation of...
0.765, this findings are in agreement that a good company image build customer loyalty Kapferer (2008).

4.5 Correlation Analysis

To establish the relationship between the independent variables and the dependent variable the study conducted correlation analysis which involved coefficient of correlation and coefficient of determination.

4.5.1 Coefficient of Correlation

In trying to show the relationship between the study variables and their findings, the study used the Karl Pearson’s coefficient of correlation (r). This is as shown in Table 4.8 below. According to the findings, it was clear that there was a positive correlation between the independent variables, brand satisfaction, company image, branding tools and promotional strategy. The analysis indicates the coefficient of correlation, r equal to 0.003, 0.292, 0.517, and 0.523 for branding satisfaction, company image, branding tools and promotional strategy. This indicates positive relationship between the independent variable namely brand satisfaction, company image, branding tools and promotional strategy and the dependent variable effects of branding on customer loyalty.

Table 4.8 Pearson Correlation

<table>
<thead>
<tr>
<th></th>
<th>Customer Loyalty</th>
<th>Brand Satisfaction</th>
<th>Company Image</th>
<th>Branding Tools</th>
<th>Promotional Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Loyalty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Satisfaction</td>
<td>.003</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company Image</td>
<td>.292*</td>
<td>.338*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branding Tools</td>
<td>.517**</td>
<td>.634**</td>
<td>.082</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Promotional Strategy</td>
<td>.523**</td>
<td>.529**</td>
<td>.087</td>
<td>.917**</td>
<td>1</td>
</tr>
</tbody>
</table>

* Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

4.5.2 Coefficient of Determination

Table 4.9 showed that the coefficient of determination was 0.486. Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Customer loyalty) that is explained by all independent variables. From the findings this meant that 48.6% of Customer loyalty is attributed to combination of the four independent factors investigated in this study.

Table 4.9 Coefficient of Determination (R²)

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.697*</td>
<td>.486</td>
<td>.445</td>
<td>.90497</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Promotional Strategy, Company Image, Brand Satisfaction, Branding Tools
This means that 48.6% of the relationship is explained by the identified four factors namely brand satisfaction, company image, branding tools and promotional strategy. The rest 51.6% is explained by other factors not studied in this research. In summary the four factors studied namely, brand satisfaction, company image, branding tools and promotional strategies explains or determines 48.6% of the relationship while the rest 51.4% is explained or determined by other factors.

4.6 Regression Analysis

4.6.1 Analysis of Variance (ANOVA)

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is as per Table 4.10 below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting Customer loyalty.

Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The overall Anova results indicates that the model was significant at $F = 11.832, p = 0.000$.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>38.761</td>
<td>4</td>
<td>9.690</td>
<td>11.832</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>40.949</td>
<td>50</td>
<td>.819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>79.709</td>
<td>54</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Loyalty
b. Predictors: (Constant), PromotionalStrategy, CompanyImage, BrandSatisfaction, BrandingTools

4.6.2 Multiple Regression Analysis

The researcher conducted a multiple regression analysis as shown in Table 4.11 so as to determine the relationship between customer loyalty and the four variables investigated in this study.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.267</td>
<td>2.474</td>
</tr>
<tr>
<td>Brand Satisfaction</td>
<td>.185</td>
<td>.058</td>
</tr>
<tr>
<td>Company Image</td>
<td>.161</td>
<td>.088</td>
</tr>
<tr>
<td>Branding Tools</td>
<td>.554</td>
<td>.185</td>
</tr>
<tr>
<td>Promotional Strategy</td>
<td>.029</td>
<td>.144</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Loyalty

The regression equation was:

$Y = 1.267 + 0.185X_1 + 0.161X_2 + 0.554X_3 + 0.029X_4$

Where;
The regression equation above has established that taking all factors into account (customer loyalty is a result of brand satisfaction, company image, branding tools and promotional strategy) constant at zero customer loyalty will be 1.267. The findings presented also shows that taking all other independent variables at zero, a unit increase in brand satisfaction will lead to a 0.185 increase in the scores of customer loyalty; a unit increase in company image will lead to a 0.161 increase in customer loyalty; a unit increase in branding tools will lead to a 0.554 increase in the scores of customer loyalty; a unit increase in promotional strategy will lead to 0.029 score of effects of branding on customer loyalty. This therefore implies that all the four variables have a positive relationship with customer loyalty with branding tools contributing most to the dependent variable.

4.7 Conclusion
On brand satisfaction the study revealed that Safaricom has a strong brand and that they have strategies in place to protect their brand. On company image the study revealed that Safaricom has a strong company image that has taken long to build through trust with stakeholder. Safaricom strives to ensure good public image that ensures that they get new businesses. The study revealed that the various branding tools are available to Safaricom. Brand prices ensures that there is customer loyalty by providing loyalty points like “Bonga Points”. On promotional strategy, the study revealed that price consistency of safaricom products and services influences brand loyalty. Competing brand price of Safaricom product and services influences customer loyalty.

The analysis indicates the coefficient of correlation, \( r \) equal to 0.003, 0.292, 0.517, and 0.523 for branding satisfaction, company image, branding tools and promotional strategy. This indicates positive relationship between the independent variable namely brand satisfaction, company image, branding tools and promotional strategy and the dependent variable effects of branding on customer loyalty. The study revealed that the \( R^2 \) was 48.6%.

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction
This chapter presents the summary of research findings, discussion of key findings, conclusions made from the study and the recommendations for policy and practice. The chapter also presents suggestions for further research.

5.2 Summary of Findings
The main objective of this study was to determine the effects of branding on customer loyalty. The study was conducted on the 55 employees out of 69 employees that constituted the sample size. To collect data the researcher used a structured questionnaire that was personally administered to the respondents. The questionnaire constituted 28 items. The respondents were the employees of Safaricom Company Limited in Mombasa County. In this study, data was analyzed using frequencies, mean scores, standard deviations, percentage, Correlation and Regression analysis.

From the study on gender, the majority were male. On age the majority were below the age of 25 years. On education level, the majority of the respondents hold a bachelor’s degree. On work experience, majority of respondents have worked with Safaricom for less than 5 years. On functional area, majority of respondents work in the operations department.

The analysis indicates the coefficient of correlation, \( r \) equal to 0.003, 0.292, 0.517, and 0.523 for branding satisfaction, company image, branding tools and promotional strategy. This indicates positive relationship between the independent variable namely brand satisfaction, company image, branding tools and promotional strategy and the dependent variable effects of branding on customer loyalty. The study revealed that the \( R^2 \) was 48.6%.

On brand satisfaction the study revealed that Safaricom has a strong brand and that they have strategies in place to protect their brand. On company image the study revealed that Safaricom has a strong company image that has taken long to build through trust with stakeholder. Safaricom strives to ensure good public image that ensures that they get new businesses. The study revealed that the various branding tools are available to Safaricom. Brand prices ensures that there is customer loyalty by providing loyalty points like “Bonga Points”. On promotional strategy, the study revealed that price consistency of safaricom products and services influences brand loyalty. Competing brand price of Safaricom product and services influences customer loyalty.

5.3 Conclusion
The study concluded the following:
1. The level of satisfaction derived from a given brand influences customer loyalty to
a great extent. This can be explained by the use of sales in measuring levels of customer satisfaction with a given brand.

2. The image of the company has a direct relationship with the level of satisfaction derived. This way it would be possible to determine products that offer minimal levels of satisfaction based on their sales levels. Moreover the high number of customers who stated that they were satisfied with company’s product can be used to explain the high levels of loyalty to the company’s brand. The image of a company is crucial in determining the level of customer loyalty to the company’s products. This can be explained by the effort placed by the company to methods such as public relations, advertisements, innovation, and improvement of services all aimed at creating a good public image.

3. The branding tools adopted by a company influences customer loyalty. This can be shown for example by the effect of pricing on customer loyalty. The branding tools show that the loyalty of a significant number of customers is influenced by the pricing of the brand. Moreover the relationship between the responses by the employees and the customers support this assertion. The findings show that the company uses brand quality and brand price as branding tools to promote customer loyalty. The customers on the other hand stated that they were attracted to the company by coverage, branding, quality, local ownership, and reliability. Also good branding and local ownership are aspects that can be well utilised through research to promote brand loyalty. It therefore follows that branding tools adopted by a company are crucial in determining customer loyalty to the company in the market.

4. The brand promotion strategy adopted by a company influences customer loyalty significantly. This can be explained by the different ratings given for the different mediums of advertisements. The brand promotion strategy shows the effect of each medium is unique to itself and thus impacts on the customers differently. Moreover, a substantial number of the customers stated that advertisements influence their loyalty to a brand with the influence differing with different mediums of advertisements. Therefore in an effort to promote customer loyalty it is important to analyze the mediums expected to be used to ensure that the required level of loyalty is achieved.

5.4 Recommendations
The recommendations arising out of this study include:

1. That the company should continuously be innovative with new ways and strategies to continuously provide brand satisfaction to its clients and prospective clients. This brand satisfaction helps the company to acquire new clients and make new revenue.

2. That the company image should all the time be protected and defended such that it can attract new customers and maintain the customer loyalty. Further the company can enhance its company image by participating in corporate citizenship and good governance.

3. That the company adopts innovative branding tools that can reach all existing and new customers such as social media and other platforms.

4. That the company should adopt promotional strategies that are consistent with the strategic plans so that it can remain on track spend less funds and achieve more better results as desired.

5.5 Suggestion for Further Research
This study focused on the effects of branding on customer loyalty a case study of Safaricom Company Limited in Mombasa county. Since only 48.6% of results was explained by the independent variables in this study, it is recommended that a study be carried out:

1. On other factors that have an effect on branding on customer loyalty, specifically, a study on relationship between behavioral factors and customer loyalty from across the country should be carried out in order to pick out other variables not covered in this study.

2. The research should also be done in other regions and the results compared so as to ascertain whether there is consistency on effects of branding on customer loyalty a case study of Safaricom company limited.

REFERENCES


