Strategic Factors Influencing Customer Satisfaction at Virgin Clean Limited In Mombasa County Kenya

Juweriya Fiqhi Feswal¹ & Dr. Evelyne Awuor Datche²
¹Student Jomo Kenyatta University of Agriculture and Technology
²Lecturer Jomo Kenyatta University of Agriculture and Technology

Abstract: Customer satisfaction is seen as a key satisfaction indicator within a business, for any organization to withstand customer satisfaction, high quality standards are demanded. The purpose of this research is to examine the strategic factors influencing customer satisfaction at Virgin Cleaning Ltd Mombasa Kenya. The general objective of the study is to examine the strategic factors influencing customer satisfaction at Virgin Cleaning Ltd Mombasa Kenya. The strategic factors selected for the study and which formed the specific objectives of the study was to determine the influence of price on customer satisfaction, to establish the influence of customer service and to investigate the influence of competitive positioning on customer satisfaction at Virgin Cleaning Ltd Mombasa Kenya. The study adopted descriptive research design. The population of the study was all the customers at the company. The sampling frame was 40 customers out of which a sample size of 31 customers were extensively surveyed to ascertain the influence of strategic factors influencing customer satisfaction. The study used stratified random sampling. Primary data was collected by use of questionnaires which was administered through drop and pick method. The stepwise multiple regression analysis revealed that customer satisfaction namely: competitive positioning, customer service and price fairness explained statistically significant portion of the variance associated with the extent of customer satisfaction. The stepwise multiple regressions indicated that among the factors influencing customer satisfaction at Virgin Cleaning Limited in Mombasa. The study recommended the following: That Virgin Cleaning Limited should continuously develop new products and services to remain competitive in the market: That they should continue with superior customer services in order to maintain and keep customers: That Virgin Cleaning Limited should be mindful of their client’s welfare by charging reasonable prices that can enable them to acquire more market share.

INTRODUCTION

1.1 Background of the Study
A prudent organization needs to formulate a strategy that is appropriate for the organization, appropriate for the industry, and appropriate for the situation. For a firm to attain sustained excellence with their external customers an organization requires internal systems that are aligned to serve the external customer, with each internal subsystems adding value to others within the organization that are dependent on it; as though the other subsystems were its customers(Deming,2006). Indeed, all organizations, whether for-profit or nonprofit, private or public, have found it necessary to engage in strategic factors in order to achieve their corporate goals. Customer satisfaction is among the corporate goal that Virgin Cleaning Ltd wants to achieve.

Singh (2006) suggests that “Customers are the purpose of what we do and rather than depending on us, we very much depend on them. The customer is not the source of a problem; we shouldn’t perhaps make that customer „should go away” because our future and our security will be put in jeopardy”. That is the main reason why organizations today are focusing on customer satisfaction, loyalty and retention.

Since satisfied customer is the core concern of any organization they therefore pay close attention to the factors that influence a customer’s decision towards service provider. The main purpose of this research is to study the key variables that are having strong influence on customer satisfaction in Virgin Cleaning Ltd. This study will consider the strategic factors as price fairness, customer’s services and competitive positioning to know its effects on customer satisfaction. Strategic factors influencing customer satisfaction are key concern for any organization, department or country because through customer satisfaction any business can establish long term profitable relationship with customer. The reason behind is once a firm loses its loyal customers it has to incur a cost of acquiring them again in addition to acquiring the new ones.

1.1.1 Customer Satisfaction
According to Khritiano, Kertahadi and Suyadi (2012), customer satisfaction is commonly viewed as a result of comparison between the consumption expectation and experience; customer satisfaction
is achieved when the final deliverable expectation. It is seen as a key satisfaction indicator within a business. Customer satisfaction depends on the product perceived relative to customer’s expectations. If the product or service satisfaction falls short of expectations, the customer is dissatisfied. When satisfaction matches expectation, the customer is satisfied, if the satisfaction exceeds expectation the customer is highly satisfied which is referred to as customer delight (Hutt and Speh, 2004)

However, as business leaders try to implement the concept of customer satisfaction in their companies, employees working with customers may come to regard customer satisfaction as in them, the goal of business. Regardless to what business leaders may be trying to implement in their companies, any employee interacting with customers is in a position either to increase customer satisfaction, or put it at a risk. Employees in such positions should therefore have the skills to respond effectively and efficiently to customer needs. Johnston (2001) claims that complaint management not only results in customer satisfaction, but also leads operational improvement and improved financial satisfaction.

1.1.2 Profile of Virgin Clean Limited

Virgin Clean Ltd presents a clean and comfortable environment at a cost-effective price is a key challenge for today’s businesses. Office managers and business owners want a value-for-money service with no compromise on quality - and must use their budgets wisely. The company was established in 2006 to meet this need. They provide clients with a unique set of benefits that blend quality delivery with cost saving methodologies. With environmental services contracts in place at a number of businesses Mombasa wide, the company brings extensive experience to every aspect of Commercial Cleaning, providing the full service. They have been working in businesses for close to 10 years and have developed a deep understanding of the special nature of the environment: in particular, the need to ensure the safety and security of businesses and staff by employing reliable and honest personnel who have undergone police screening, and the need to protect any property and material. Services provided at Virgin Clean Ltd include: See attached list at the appendix.

Customer satisfaction has been deemed to directly affect customer retention and companies’ market share. Service quality, service features, and customer-complaint handling maintained by the organization determine customer satisfaction and thereby expanding their market share by securing its brand. Virgin Clean Ltd ought to have Service offerings, such as extended hours of operation and competitive interest rates which will be crucial in determining satisfaction. The organization should be driven by customer attitude towards ensuring that it fully satisfies its customers.

1.2 Statement of the Problem

The last ten years has been particularly demanding for business organizations due to a number of factors that include, increased customer demands, increased government scrutiny through regulation, political tensions and ever increasing alternatives of communication that keep on being introduced in the market (Fay & Lurmann, 2004). Customer satisfaction is one of the most important issues concerning business organizations of all types, which is justified by the customer oriented philosophy and the principles of continuous improvement in modern enterprise. For this reason, customer satisfaction should be measured and translated into number of measurable parameters.

Customer satisfaction at Virgin clean is the most important factor that the team looks into. The market is very competitive so it has to standout to retain their consumers. When the consumers seek the company services they ought to look into the product price how pocket friendly they are compared to their competitors, how well do they look into the customers’ needs and wants and how they have positioned themselves in the market may lead a consumer to opt for virgin clean services rather than other cleaning companies. While this is the case, Virgin Clean has had issues with their customers. The consumer was not receiving services that he contracted. Garbage collection is not done on the required dates hence pile up at the customer’s residence. The cleaners do not report to work as agreed making it difficult for the company to act on time. The organization has no customer services department making it impossible for consumers to air their grievances. Virgin Clean Ltd has lost several tenders due to high price quotation.

Locally, various Scholars have reviewed the concept of customer satisfaction in different contexts; Muturi (2004) researched on factors that determine customer loyalty to a mobile phone service provider the case of mobile phone users in Nairobi and found out that the major factor is service quality, price indifference and perceived value. Mungai (2008) studied the factors that determine customer loyalty, the case of the port of Mombasa and found out that Customer Satisfaction, perceived quality and brand loyalty were the main determinant. Thus, no such study to the knowledge of the researcher has been done on strategic factors influencing customer satisfaction at Virgin Clean Ltd. A study in the company would
The Resource Based Theory (RBT) of the firm has stressed the importance of strategic choice whose tasks include identifying, developing and managing the interconnectivity of resources and capabilities which may be tangible or intangible. The RBT of the firm links the internal strategic development of the organizations with the adoption of the strategic factors by the organization. This is because investors always want to invest their money where they could get value at the same time reducing costs.

1.3. Objectives of the study

1.3.1 General objective

The main objective of the study will be to examine the strategic factors influencing customer satisfaction at Virgin Clean Ltd.

1.3.2 Specific objectives

i. To determine the influence of price fairness on customer satisfaction at Virgin Clean Ltd.

ii. To establish the influence of customer service on customer satisfaction at Virgin Clean Ltd.

iii. To investigate the influence of competitive positioning on customer satisfaction at Virgin Clean Ltd.

1.4 Research Questions

i. How does price influence customer satisfaction at Virgin Clean Ltd?

ii. What is the influence of customer service on customer satisfaction at Virgin Clean Ltd?

iii. How does competitive positioning influence customer satisfaction at Virgin Clean Ltd?

1.5 Justification of the study

Organizational Managers

Singh (2006) suggests that “Customers are the purpose of what we do and rather than depending on us, we very much depend on them. The study will help organizational managers to identify and use efficient and effective strategic factors to respond to customer satisfaction.

Investors

The study will provide current and future investors to gauge their investment options based on the adoption of the strategic factors by the organization. This is because investors always want to invest their money where they could get value at the same time reducing costs.

Academics and research institutions

It will be important to scholars who may want to conduct further research on the topic. The study shall make theoretical, practical and methodological contributions which will contribute to professional extension of existing knowledge in strategic management by helping to understand strategic factors influencing customer satisfaction.

1.6 Scope of the Study

This study will be conducted at Virgin Clean Ltd Mombasa County. When a relationship doesn’t matter, then even the perfectly satisfied consumer can switch on a whim (Sachs, 2013). The study will focus on strategic factors which are price, customer service and competitive positioning on customer satisfaction at the organization.

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the existing literature, information and publication on the topic related to the research problem by accredited scholars and researchers. This section shall examine what various scholars and authors have said about the strategic factors influencing customer satisfaction at Virgin Clean Ltd particular it will cover the theoretical review of literature, empirical review of the literature and conceptualization of the research problem and research gap.

2.2 Theoretical Review

The theories that were used in the study include the Resource Based Theory, Competitive Advantage Theory and Stakeholder Theory.

2.2.1 Resource Based Theory

The Resource Based Theory (RBT) of the firm provided that a firm delivers added value through the strategic development of the organizations are hard to imitate and hard to substitute resources. The RBT developed from the prior theoretical work such as the traditional study of the distinctive competencies, Ricardian Economists, Penrocsian Economics and the study of the anti-trust implications. The theory states that a firm is able to perform better when it combines its unique resources to drive all the areas of the organization (David, 2009). This theory asserts that a firm gains sustainable competitive advantage when it implements strategies which cannot be copied by competitors. Resources that qualify to be sources of competitive advantage must be rare, strategic, inimitable, non-substitutable, appropriate and immobile (Ling & Jaw, 2011).

The dynamic nature of firms calls for the development of dynamic capabilities which can be able to integrate, build upon and reconfigure internal and external resources to the firm’s advantage. The RBT of the firm links the internal capabilities of the organization to strategy formulation to achieve competitive advantage (Njuguna, 2009). The theory views the firm as an interconnectivity of resources and capabilities which may be tangible or intangible. The RBT of the firm has stressed the importance of strategic choice whose tasks include identifying, developing
and deploying core resources to maximize profits. This theory has contributed to the development of the theory of competitive advantage.

Virgin is therefore charged with the responsibility of investing in unique resources that will differentiate them from their competitors and help them improve their satisfaction (Wang & Ahmed, 2007). Competitive positioning relates to RBT because the organization needs to position itself strategically to win the customers. The company can obtain branded bags for different waste and hand over to the customers. Virgin Clean Ltd can offer corporate social responsibility this will create customer base.

2.2.2 Competitive Advantage Theory

When a firm sustains profits that exceed the average for its industry the firm is said to possess competitive advantage over its rivals. The goal of much of business strategy is to achieve a sustainable competitive advantage (Barney & Hesterly, 2006). Smit (2010) identified two basic types of competitive advantage which are cost and differentiation advantage. Cost Advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost but differentiation advantage are the core benefits that a firm obtains which exceed those of competing products. Cost and differentiation advantages are known as positional advantages since they describe the firm’s position in the industry as a leader in either cost or differentiation.

These generic strategies are cost leadership, differentiation and focus. Cost Leadership strategy calls for companies to be low cost producers compared to their rivals. As the industry matures and prices decline, firms that can produce more cheaply will remain profitable for a long period of time. Differentiation strategy is the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than those of competitors. In differentiation, a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers (Porter, 2011). A focus strategy is where a firm concentrates on a narrow segment and within those segmenting attempts to achieve either a cost advantage or differentiation. Cheng (2013) highlighted that the core competencies of hospitality organizations include the processes, skills and assets that influence organizations to achieve competitive advantage. Other factors have also been mentioned to contribute to core competencies such as location, brand, facilities, employee customer loyalties, market coverage, market share, service quality, technology, leadership, systems and procedures and organizational culture.

Virgin Clean Ltd should strive for unique characteristics in order to distinguish themselves from competitors in the eyes of their consumers (Gehrels, 2007). Virgin Clean Ltd needs to learn how to create new advantages that will keep them one step ahead of their competitors through differentiation. This is because they need to possess unique advantages in relation to their competitors if they are to survive especially in the global competitive environment. Porter (2008) developed a framework for analyzing the nature and extent of competition within an industry. He suggested that there are five competitive forces which determine the degree of competition within an industry such as the cleaning Sector.

Understanding the nature and strength of each of the five forces within an industry assists managers in developing competitive strategies for their organizations such as Virgin Clean Ltd. The five forces are competitive rivalry, threat of substitute products, the bargaining power of suppliers, the bargaining power of buyers and the threat of new entrants. Barney and Hesterly (2006) cite competitive rivalry to include the ability of industries to strive for competitive advantage over their rivals. Rivalry is measured by indicators of industry concentration with the Concentration Ratio (CR) as the measure. The CR indicates the percent of market share held by the largest firms in an industry. A high Concentration Ratio indicates that a high market share is held by the largest firms in the industry is concentrated. Schinkel and Tuinstra (2006) states that a low concentration ratio indicates that an industry is characterized by many rivals, one of which has a significant market share. These fragmented markets are said to be competitive. If rivalry among firms in an industry is low, the industry is considered to be disciplined. The discipline may result from the industry’s history of competition, the role of a leading firm, or informal compliance with a generally understood code of conduct. When a rival act in a way that elicits a counter-response by other firms, rivalry intensifies (Fedderke & Szalontai, 2008). In pursuing an advantage over its rivals the organization can choose from several competitive strategies. A threat of substitutes exists when product demand is affected by the price changes of a substitute product. Product price elasticity is affected by substitute products because as more substitutes become available, the demand becomes more elastic since customers have more alternatives (Harrison & St. John, 2008). A close substitute product constrains the ability of firms in an industry to raise prices.
The bargaining power of buyers involves the impact that customers have on a producing industry (Özmucur, 2006). Smit (2010) observes that when buyer power is strong, the relationship to the producing industry is near to a monophony, a market in which there are many suppliers and one buyer. Under such market conditions, the buyer sets the price. Buyers are powerful if they are concentrated or if there are a few buyers with a significant market share. The bargaining power of suppliers refers to the power of suppliers to influence prices especially in an industry that shares resources. As a result, the bargaining power of suppliers will not be determined solely by their relationship with one industry but by their relationship with all the industries that they serve. Samuelson and Marks (2012) highlight that the threat of new entrants to the industry is the possibility that new firms can enter the industry which affects competition. Barriers reduce the rate of entry of new firms, thus maintaining a level of profits for those already in the industry.

This theory relates with the independent variable that is price fairness. The company needs to charge less than what the competitor offers but also be able to make profits. When applying for tenders they should have a feasibility study quota ting competitors offer. It will be easy for them to quote the best price. Price quotation should look into all possible issues like employee salary, resources and profits. The organization can have competitive positioning whereby they can save time and resources. When collecting garbage, the company may have a Yard to litter within the vicinity before dumping in Mwakirunge then after the day schedule a huge truck escorts the trash to Mwakirunge. This will save cash as each dump is paid for, fuel and time making all customers served effectively and efficiently.

2.2.3 Stakeholder Theory
Stakeholders are considered to be entities that are affected in various ways by the undertakings of an organization. Friedman and Miles (2006) argued that organizations should consider the interests of stakeholders because they influence the satisfaction of firms in various ways. Mitchell and Cohen (2006) highlights that stakeholders bear some risks as a result of their direct or indirect investment in a particular organization. A firm is therefore an inter-relationship of various stakeholders who influence the organization both externally and internally. It is stated that in an organization, stakeholder can either be primary or secondary depending on their relationship with the organization. This is because organizations are different and they harbor different interests. Organizations should develop tactics to respond to the needs of stakeholders in order to prevent the negative effects of stakeholders’ activities.

Stakeholders are very important for organizations because they interact with the organization on a day to day basis hence; they have a very big influence on the affairs of the business (Fassim, 2008). Stakeholders can either take a cooperative potential or a competitive threat depending on how an organization treats them. Organizations should develop strategies for stakeholder management such as leading, educating, collaborating, defending, educating and motivating stakeholders (Enz, 2008).

Customers have been regarded as the most important stakeholders for the purposes of this study and hence their relationship with the organization needs to be managed. The existence of the organization is because of the customers. When problems are brought forward Virgin Clean should be able to look into them. The customers should feel the value of the money they offer. Customer services are a very important factor in the organization.

2.3 Conceptual Framework
A conceptual framework refers to a graphical representation of the theorized interrelationships of the variables of a study (Odhiambo & Waiganjo, 2014). The independent variables of the study are Price fairness, Competitive Positioning and Customer service. The dependent variable is Customer satisfaction.
2.3.1 Price Fairness

According to (Kotler & Armstrong 2010) price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service. The literature shows’ inclination towards price in relation to customer satisfaction (Hermann et al., 2007; Kukar-Kinney, Xia & Monroe, 2007; Martin-Consuegra, Molina & Esteban, 2007). Price refers to consumers’ assessments of whether a seller’s price is reasonable, acceptable or justifiable (Xia et al., 2004; Kukar-Kinney, Xia & Monroe, 2007). Price is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty. Research has shown that customer’s decision to accept particular price has a direct bearing at satisfaction level and loyalty and indirectly (Martin-Consuegra, Molina & Esteban, 2007). In another study of (Hermann et al., 2007), it was concluded that customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. The price fairness itself and the way it is fixed and offered have a great impact on satisfaction.

According to (Lommeruda & Sørøgard, 2003) cleaning services are like undifferentiated products therefore, customers are not price sensitive all the times and sometimes brand loyalty takes part in brand preferences. This is the reason; some consumers are retained with old monopolists. Literature explored showed substantive role of price fairness and quality service with customer satisfaction, therefore, this study also comprised the factors influencing customer satisfaction in the organization.

However, not only generally important to explore the power relationship between these dimensions and satisfaction, optimal strategy, but it is essential to identify asymmetric effects in these dimensions.
relationships. For example, based on opponent-process theory assumes that some dimensions of price perception, such as price fairness, are mandatory requirements. If these demands are not met, customers will become very unhappy, however, their fulfillment will not actually increase satisfaction. In contrast, a good satisfaction in other dimensions may not come by itself. Under satisfaction in these dimensions could lead to dissatisfaction, but a good satisfaction will increase satisfaction significantly. Low satisfaction could not lead to dissatisfaction, but a good one rise notably the satisfaction. Knowing these asymmetric effects is extremely important because it helps the company to allocate resources to different satisfaction dimensions. Virgin Clean must be aware that price requirements must be met to a basic level and that their value must be fulfilled. A modern price policy must protect consumer perception on choosing the best company to deliver services. Consumers face prices that’s hard to pay tend to buy elsewhere. Many consumers get confused by the pricing policy without having an understanding and only reacting to competition, prices or marginal goals.

2.3.2 Customer Services

Customer service is a system of activities that comprises customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint (Kim, Park & Jeong, 2004). The improved customer services are the focal point of the cleaning service providers for social as well as for economic reasons. From a social point of view, services should be available to the customers on reasonable terms. As far as economic factor is concerned, services should satisfy the needs of the customers (Turel & Serenko, 2006).

For developing satisfaction among customers, the cleaning service providers need to be extra careful for the customer services they provide. Satisfaction of customer is determined by his evaluation of service provided by a brand (Gustafsson, Johnson & Roos, 2005). The study of (Ahn, Han & Lee, 2006) shows that when the customers, do not get their complaints considered properly, they start looking for other brands. It happens because either the customer service centers do not handle the complaints or the customers are not able to address them properly. Sometimes, cleaning service providers take considerably longer time to resolve the problems. The customers do not wait for long and hence they lose satisfaction with that particular brand (Ahn, Han & Lee, 2006). Furthermore, the friendly attitude and courteous behavior of the service workers at service firms leave a positive impression on the customer which lead towards customer satisfaction (Soderlund & Rosengren, 2008). On the other hand, if a cleaning service provider lacks in providing services to its customers it experiences customer churn. (Kim, Park & Jeong 2004) argued that service provider should provide customer oriented services in order to heighten up customer satisfaction. It was also found that the customers get satisfied to a brand more if they get all the needed services accumulated in that very brand (Ahn, Han & Lee, 2006).

2.3.3 Competitive Positioning

Competitive advantage (CA) relates to strategy formulation and implementation in organizations (Gäletic, Prester & Nacinovic, 2007). Organizations that desire to perform must select strategies that give them a competitive advantage over their competitors based on their core competencies (Enz, 2008). Organizations can do strategic analysis to achieve competitive advantage using tools such as Strengths Weaknesses Opportunities and Threats (SWOT) Analysis, Porter’s five forces model and the Resource Based Theory (RBT) of the firm. Strengths, Weaknesses, Opportunities and Threats analysis aims at matching an organizations internal strengths and weaknesses with a firm’s external opportunities and threats.

Porters Five Forces Model determines the firms’ abilities to position and compete in a market such as Virgin Clean. Mibei (2007) also proposes three generic strategies which can help organizations to cope with competitive forces and these include focus, cost leadership and differentiations. Previous RBT research has provided evidence that the analysis of a firm’s internal resources helps firms to realize their competencies and capabilities which are inimitable by their competitors (Wang & Ahmed, 2007). Lo (2012) states that the firm’s resources include assets, capabilities, organizational processes and knowledge that help firms to implement the strategies that improve customer satisfaction.

Other researchers refer to these resources as core competencies and capabilities that could generate competitive advantage (Jonsson & Devonish, 2009). Olsen (2008) is of the view that core competencies of hospitality organizations include processes, skills and assets that influence organizations to achieve Competitive Positioning (CP). Johnson, et.al., (2008) highlighted sources that have been mentioned to contribute to core competencies as location, brand, facilities, employee, customer loyalties, market coverage, market share, service quality, technology,
leadership, systems and procedures and organizational culture.

The organization is dynamic which is affected by diverse variables hence the application of CP will help them to sustain exemplary satisfaction. Richard and Marilyn (2006) argue that the essence of business strategy formulation is coping with competition. Moullin (2007) also suggest that business strategy is all about competitiveness because the main purpose of strategy adoption is to enable firms like hotels to gain a sustainable edge over its competitors. Virgin Clean achieves Strategic Competitive Advantage (SCA) when an attractive number of customers prefer its services over the offerings of competitors and when the basis of this preference is durable (Sabah, Laith, & Manar, 2012). Businesses will only result in CP when the appropriate strategic factors of satisfaction are adopted.

Ottenbacher, Harrington and Parsa (2009) stated that for a firm to achieve high satisfaction it has to achieve one of the basic competitive advantages which are lower cost and differentiation. The author further suggests that a firm which does not adopt any one of these strategies is geared towards failure. Differentiation can take different forms such as various marketing strategies, better product image, better market awareness, low prices, higher product quality and better customer service or availability of goods. Differentiation helps firms to build customer loyalty through offering unique products or services thus helping firms to perform better than others (Allen & Helms, 2006).

Firms that adopt differentiation can charge higher prices based on their costs, channels of distribution and quality or they can choose to differentiate themselves in any other area of their distinctive competencies. Differentiation strategies can be classified into market and product strategies. In product-innovation, firms outperform their competitors by increased creativity, quality, efficiency and innovations among others (Akan, Allen, Helms, & Spralls, 2006). Cheng (2013) states that marketing differentiation involves the use of marketing practices which assist hotels to differentiate themselves and they include market segmentation, branding, customer services, pricing and advertising. The company can gain competitive advantage by adopting a low cost strategy such as mass production, technology adoption, achieving economies of scale and access to raw materials. A cost-leadership strategy can improve the satisfaction of hotels by giving them distinctive competencies in the management of materials and also in the production process.

2.4. Empirical review

Scholars have reviewed the concept of customer satisfaction in different contexts; Emily (2014) researched on factors that influence customer satisfaction in savings and credit cooperatives (Sacco’s) in Kenya: a case study of balozi Sacco looking at information communication technology, quality products/services and staff training as her variables. The study found out that ICT can improve the level of interactions and efficiency of services. The survey appreciated the fact that customer satisfaction is influenced by the availability and efficiency of ICT services, quality products and services offered and the staff training and qualifications to handle Sacco member clients. Liseche (2014) researched on factors influencing customer satisfaction at Kenya Airways cargo services and his findings were; promotion affect customer’s satisfaction levels mainly through advertisement through radio and television. It also concludes that the service quality of cargo services improved customer satisfaction at Kenya Airways Cargo. The study further concludes that brand had impact on customer satisfaction although it influenced to a certain percentage. It also concludes that the strategies that highly affected customer satisfaction were advertising and direct marketing, personal selling and promotion.

Junqi (2012) researched on the factors affecting customer satisfaction and behavioral intentions in using mobile telecommunication service in Bangkok, Thailand. The study found that perceived value, service quality, and marketing mix all affect the customer satisfaction and behavioral intention in using mobile telecommunication service in Bangkok, Thailand in this research. Riaz (2010) researched on factors influencing customer satisfaction and his findings were focusing at customers of telecommunication companies. It showed that if a brand is fulfilling its promises, it would enhance customer satisfaction and create a feeling in customer that he has chosen one of the best brands. Amon (2008) researched on factors influencing customers’ satisfaction in tourist hotels in Tanzania and his findings were perceived quality and perceived prices are influential factors in determining customers’ satisfaction in the hotel industry.

2.5 Critique of existing literature

Muzammil, Sehrish & Adnan (2010) studied factor influencing customer satisfaction and established that Customer satisfaction is very important because it creates sense of belongingness, emotional binding and brand loyalty among customers. They did not look into any of the strategic factors found in this study that is price, customer service and competitive positioning.
Satisfaction is as “if needs or demands of customers are fulfilled through particular product or service” or if customer feels that he gets the desired benefits from the goods or services for which they have paid to a particular firm. The main motive of this study was to check that how factors of customer services and price fairness add value toward creating satisfied customers or otherwise. Results show that all the factors selected affect the customer satisfaction to great extent. Customer service is the most powerful stimulant of brand loyalty. Kamrul & Rahman (2015) studied effects of customer relationship management on customer satisfaction and loyalty and found out that it has direct relationship. The study finds the components of CRM that constitute a CRM process, and interconnected links among customer relationship management, customer satisfaction and customer loyalty. The studied differed as they did not look into variables like competitive positioning.

2.6 Research gap
A lot of literature surrounded the area of customer satisfaction much of what have been discussed is about answering the question of which factors affect customer satisfaction in service industry. However, there is a gap in customer satisfaction related literature with regard to the cleaning services. Fewer cleaning service studies have been conducted on customer satisfaction compared with other services provided in Kenya. Liseche (2014) researched on factors influencing customer satisfaction at Kenya Airways cargo services. The variables used in this research are unique since customer services and competitive positioning are used compared with the past studies. This research will seek to bridge the knowledge gap by introducing the adoption of Strategic factors influencing customer satisfaction at Virgin Clean Ltd in order for the organization to position themselves to survive in the midst of adversity. This will be done through the services provided by the organization and how well do they satisfy their customers.

2.7 Summary
The chapter reviewed the theories related to the study which included the resource based theory, competitive advantage theory and the stakeholder theory. It clearly showed the relationship of the three variables with their theories. The conceptualized strategic factors influencing customer satisfaction are price, customer service and competitive positioning, the linkages among the variables were determined and a conceptual framework was hypothesized and relevant gaps explained. In the conceptual framework, we had sub variables that relate to the study objective.

RESEARCH METHODOLOGY

3.1 Introduction
This section will provide information on the techniques and methods to be used to obtain the required data for the study. It will present the research design, target population, sampling frame, sampling size and techniques, data collection instruments, data collection procedures, pilot testing and data analysis and presentation.

3.2. Research Design
According to (Kothari, 2004) research design is a plan, a roadmap and blueprint strategy of investigation conceived so as to obtain answers to research questions; it is the heart of any study. The study adopts descriptive survey research design. According to (Burns & Grove 2003), descriptive research “is designed to provide a picture of a situation as it naturally happens”. It may be used to justify current practice and make judgment and also to develop theories. This study design is selected because it helps the researcher describe data and characteristics about the population and phenomenon under study. Quantitative and qualitative data will be collected using this study design and the data presented using frequencies and percentages. This design is therefore suitable in providing information on the strategic factors influencing customer satisfaction taking a case of Virgin Clean Ltd.

3.3 Target Population
According to (Burns & Grove 2003) describe population as all the elements that meet the criteria for inclusion in a study. Mugenda (2005) highlights the target population as a number of individuals about which a researcher is interested in describing or making a statistical inference. The study relies on all customers at Virgin Clean Ltd. The company has 40 customers. See attached appendix for the customers list.

3.4 Sampling Frame
A sampling frame is the list from which the sample is selected, so the quality of the sampling frame affects the quality of the sample (Mohadjer, Krenzke & Kerckhove, 2013). The customers that receives Virgin Clean Services will be for the sampling frame.

3.5 Sample Size and Sampling Techniques
According to (Fraenkel, Wallen, & Hyun, 2012) defines sampling as the process of selecting individuals to participate in a research. The study will adopt proportionate stratified sampling design where the respondents will mainly be the customers. Since the population is heterogeneous, each group will first be identified and the sum of each group used as a proportion of the entire
population to be included in the sample. A sample size of 31 customers will be reached through proportionate stratified sampling as worked; for example

\[
\text{Sample Size} = \frac{x}{n} \times Z = y
\]

Where: \(\frac{x}{n}\) = weight over population

\(Z\) = sample space

### Table 3.1 Sample Size

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>POPULATION SIZE</th>
<th>WEIGHT</th>
<th>SAMPLE SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Floor cleaning &amp; Floor polishing</td>
<td>10</td>
<td>10/40*30</td>
<td>8</td>
</tr>
<tr>
<td>Carpet shampooing &amp; seat cleaning</td>
<td>7</td>
<td>7/40*30</td>
<td>5</td>
</tr>
<tr>
<td>Window cleaning</td>
<td>5</td>
<td>5/40 *30</td>
<td>4</td>
</tr>
<tr>
<td>Deep toilet cleans</td>
<td>6</td>
<td>6/40 *30</td>
<td>5</td>
</tr>
<tr>
<td>Waste collection &amp; disposal</td>
<td>9</td>
<td>9/40*30</td>
<td>7</td>
</tr>
<tr>
<td>Pest control &amp; fumigation</td>
<td>3</td>
<td>3/40*30</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>

The tables show types of services offered by the company. As shown above the total population is 40 whereby each service is represented by the population size. According to Mugenda and Mugenda (2003), a sample of 10-30% is good if well-chosen and the elements are more than 30. The table above shows sample size of 31.

### 3.6 Data Collection Instruments

The researcher will use a number of methods of collecting the relevant information as well as various sources thus both secondary and primary data.

#### 3.6.1 Primary data sources

Primary data will be collected from the responses that the researcher shall collect from interviewing the customers and the questionnaires that will be prepared. The researcher shall administer questionnaires through systematic random sampling method.

#### 3.6.2 Secondary data sources

Secondary data may be will be utilized in this study whereby the data will be obtained from the annual reports of the organization, suggestion box, websites, published journal, articles, policy documents and any other official documents.

### 3.7 Data collection procedure

The researcher will utilize questionnaires to collect information from respondents. The questionnaire will contain close-ended and standardized questions to minimize the degree of variance brought about by personal opinion and diversity of response from respondents to ease data analysis. The samples respondents will be issued with questionnaires using drop and pick method. The questionnaires will be collected three days from drop time to enable respondents to fill them at their own time. Questionnaires will be distributed to some of the customers where the research will be carried out so that responses could be easily compared, analyzed and computed.

### 3.8 Pilot Testing

A pilot study on the questionnaires will be done in order to validate the questionnaires and correct any errors which may have been made.

#### 3.8.1 Validity of the Instruments

Kothari (2004), states that validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. To test validity of the data collection instruments, a pilot study will be carried out to identify the research instrument that is ambiguous. 10% of the 31 customers yielding 3 conveniently sampled surveys will be used to give the needed information for piloting. The pilot study will be carried out at Kleen Cleaners questionnaires will be tested for validity. Ambiguity and irrelevant information noted in the questionnaire will be modified for validity purpose. The respondents will also be requested to respond on the clarity of the questions presented to them.
3.8.2 Reliability of the Instruments
Reliability is the extent to which a research instrument yields measures that are consistent each time it is administered to the same individuals or yields consistent results (Kothari, 2004). Internal consistency reliability will be done after all items have been constructed. A pilot study will be carried out among 3 customers randomly selected in Mombasa county Kenya to identify some of the short comings likely to be experienced during the actual study and hence enhance reliability (Kombo & Tromp, 2006). Cronbach Alpha formula in the SPSS computer programme will be used to calculate the correlation coefficient. Sekeran and Bougie (2010) highlighted that Cronbach’s alpha coefficient ranges between 0 and 1 with higher alpha coefficient values of 0.7 and above being more reliable. In this study, a threshold of 0.7 will be used to establish the reliability of the data collection instrument.

3.9 Data processing and analysis
According to Hyndman (2008) data processing involves translating the answers on a questionnaire into a form that can be manipulated to produce statistics. This involves coding, editing, data entry, and monitoring the whole data processing procedure.

After data is collected, it will be prepared in readiness for analysis by editing, handling blank responses, categorizing and keying into Statistical Package for Social Sciences (SPSS) computer software for analysis. SPSS will be used to produce frequencies, descriptive and inferential statistics which were used to derive conclusions and generalizations regarding the population. Inferential statistics included regression analysis. Regression analysis will be done by use of an econometric model which is laid below.

Table 4.1 Questionnaire Response Rate

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>22</td>
<td>70.96%</td>
</tr>
<tr>
<td>Non-Respondents</td>
<td>9</td>
<td>29.04%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

According to Kothari and Gang, (2014) 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 Validity
Factor analysis was used to check validity of the constructs. Kaiser-Mayor-Oklin measures of sampling adequacy (KMO) & Bartlett’s Test of Sphericity is a measure of sampling adequacy that is recommended to check the case to variable ratio for the analysis being conducted. In most academic and business studies, KMO & Bartlett’s test play an important role for accepting the sample adequacy. While the KMO ranges from 0 to 1, the world-over accepted index is over 0.5. Also, the Bartlett’s Test of Sphericity relates to the significance of the study and thereby shows the validity and suitability of the
responses collected to the problem being addressed through the study. For Factor Analysis to be recommended suitable, the Bartlett’s Test of Sphericity must be less than 0.05.

The study applied the KMO measures of sampling adequacy and Bartlett’s test of sphericity to test whether the relationship among the variables has been significant or not as shown in below in table 4.2. Factor 1 was based on six items that represented competitive positioning; Factor 2 was based on six items that represented customer service, Factor 3 was based on six items that represented price fairness, Factor 4 was based on six items that represented customer service. The Kaiser-Mayor-Oklin measures of sampling adequacy shows the value of test statistic as 0.770, which is greater than 0.5 hence an acceptable index. While Bartlett’s test of sphericity shows the value of test statistic as 0.000 which is less than 0.05 acceptable indexes. This result indicates a highly significant relationship among variables.

Table 4.2 KMO Bartlett’s Test

<table>
<thead>
<tr>
<th></th>
<th>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</th>
<th>Bartlett’s Test of Sphericity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.770</td>
<td>83.565</td>
</tr>
<tr>
<td>df</td>
<td>10</td>
<td>.000</td>
</tr>
</tbody>
</table>

4.2.2 Reliability Analysis
Prior to the actual study, a pilot study was carried out 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 4.3

Table 4.3 Reliability Analysis

<table>
<thead>
<tr>
<th>Scale</th>
<th>Cronbach’s Alpha</th>
<th>Number of Items</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Positioning</td>
<td>0.889</td>
<td>6</td>
<td>Accepted</td>
</tr>
<tr>
<td>Customer Service</td>
<td>0.797</td>
<td>6</td>
<td>Accepted</td>
</tr>
<tr>
<td>Price Fairness</td>
<td>0.700</td>
<td>6</td>
<td>Accepted</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.721</td>
<td>6</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

The overall Cronbach’s alpha for the four categories which is 0.802. The findings of the pilot study showed that all the four scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 (Bryman and Bell, 2015).

4.3 Background Information
The background information gathered was based on level of education, working experience, level of customer satisfaction.

Table 4.4 Level of Education

<table>
<thead>
<tr>
<th>Scale</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary Level</td>
<td>4</td>
<td>18.2</td>
</tr>
<tr>
<td>College</td>
<td>4</td>
<td>18.2</td>
</tr>
<tr>
<td>University</td>
<td>11</td>
<td>50</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>3</td>
<td>13.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>22</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3.2 Working Experience
The study sought to establish the working experience of respondents. The study results revealed that 31.8% of the respondents had a working experience of less than 3 years and between 9 – 12 years respectively, 27.3% have a working experience of between 3 – 9 years and those above 12 years were 9.1% with a mean score of 2.18 and a standard deviation of 1.006 as shown in Table 4.5.
### Table 4.5 Working Experience

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 Years</td>
<td>7</td>
</tr>
<tr>
<td>Between 3 – 9 Years</td>
<td>6</td>
</tr>
<tr>
<td>Between 9 – 12 Years</td>
<td>7</td>
</tr>
<tr>
<td>Above 12 Years</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>22</strong></td>
</tr>
</tbody>
</table>

### 4.3.3 Level of Customer Satisfaction
The study sought to establish the level of customer satisfaction of respondents. The study results revealed that 45.5% regard customer satisfaction as very high, 18.2% high, 13.6% moderate and low level of customer satisfaction respectively and 9.1% none with a mean score of 2.23 and a standard deviation of 1.412 as shown in Table 4.6.

### Table 4.6 Level of Customer Satisfaction

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very High</td>
<td>10</td>
</tr>
<tr>
<td>High</td>
<td>4</td>
</tr>
<tr>
<td>Moderate</td>
<td>3</td>
</tr>
<tr>
<td>Low</td>
<td>3</td>
</tr>
<tr>
<td>None</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>22</strong></td>
</tr>
</tbody>
</table>

The statement that Virgin Clean Limited has been able to maintain customer satisfaction. The study results revealed that 50% strongly agree, 22.7% moderately agree, 4.5% neither agree nor disagree and 22.7% moderately disagree with a mean score of 2.00 and a standard deviation of 1.234.

### 4.4 Analysis of Variables
In the research analysis the researcher used a tool rating scale of 5 to 1; where 5 were 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 analyses for mean, standard deviation were based on this rating scale.

### 4.4.1 Competitive Positioning

#### Table 4.7 Competitive Positioning

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization competes on the high number of sales.</td>
<td>22</td>
<td>3.27</td>
<td>1.882</td>
</tr>
<tr>
<td>Focusing on a particular market</td>
<td>22</td>
<td>3.00</td>
<td>1.662</td>
</tr>
<tr>
<td>Differentiation of services</td>
<td>22</td>
<td>3.91</td>
<td>1.823</td>
</tr>
<tr>
<td>Differentiation of product</td>
<td>22</td>
<td>2.59</td>
<td>1.297</td>
</tr>
<tr>
<td>The industry that we operate in is turbulent, fast-changing and uncertain.</td>
<td>22</td>
<td>3.45</td>
<td>1.683</td>
</tr>
<tr>
<td>Competitive positioning is a significant factor in our organization.</td>
<td>22</td>
<td>4.05</td>
<td>1.214</td>
</tr>
</tbody>
</table>

The first objective of the study was to establish the competitive positioning on customer satisfaction at Virgin Clean Limited in Mombasa County, Kenya. Respondents were required to respond to set questions related to competitive positioning and give their opinions. The statement that the organization competes on the high number of sales had a mean score of 3.27 and a standard deviation of 1.882. The statement that focusing on a particular market had a mean score of 3.00 and a standard deviation of 1.662. The statement that differentiation of services had a mean score of 3.91 and a standard deviation of 1.823. The statement that differentiation of product had a mean score of 2.59 and a standard deviation of 1.297. The statement that the industry that we operate in is turbulent, fast changing and uncertain had a mean score of 3.45 and a standard deviation of 1.683. The statement that competitive positioning is a significant factor in our organization had a mean score of 4.05 and a standard deviation of 1.214.
significant factor in our organization had a mean score of 4.05 and a standard deviation of 1.214.

### 4.4.2 Customer Service

**Table 4.8 Customer Service**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service representatives are well trained</td>
<td>22</td>
<td>3.50</td>
<td>1.793</td>
</tr>
<tr>
<td>Customer service representatives are well supervised</td>
<td>22</td>
<td>3.68</td>
<td>.945</td>
</tr>
<tr>
<td>Customer service representatives adheres to standards of conduct</td>
<td>22</td>
<td>3.68</td>
<td>1.555</td>
</tr>
<tr>
<td>Customer service representatives act to my best interest</td>
<td>22</td>
<td>4.00</td>
<td>1.414</td>
</tr>
<tr>
<td>Customer service representatives respond well to my inquiries in a timely manner.</td>
<td>22</td>
<td>3.86</td>
<td>1.246</td>
</tr>
<tr>
<td>I am satisfied with customer service representatives</td>
<td>22</td>
<td>4.05</td>
<td>1.618</td>
</tr>
</tbody>
</table>

Valid N (listwise) 22

The second objective of the study was to establish the customer service on customer satisfaction at Virgin Clean Limited in Mombasa County, Kenya. Respondents were required to respond to set questions related to customer service and give their opinions. The statement that customer service representatives are well trained had a mean score of 3.50 and a standard deviation of 1.793. The statement that customer service representatives are well supervised had a mean score of 3.68 and a standard deviation of 0.945. The statement that customer service representatives adheres to standards of conduct had a mean score of 3.68 and a standard deviation of 1.555. The statement that customer service representatives act to my best interest had a mean score of 4.00 and a standard deviation of 1.414. The statement that customer service representatives respond well to my inquiries in a timely manner had a mean score of 3.86 and a standard deviation of 1.246. The statement that I am satisfied with customer service representatives had a mean score of 4.05 and a standard deviation of 1.618.

### 4.4.3 Price Fairness

**Table 4.9 Price Fairness**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price fairness at Virgin Clean has maintained the level of my satisfaction</td>
<td>22</td>
<td>3.41</td>
<td>1.817</td>
</tr>
<tr>
<td>Price fairness is a very important issue that leads towards satisfaction</td>
<td>22</td>
<td>3.91</td>
<td>1.269</td>
</tr>
<tr>
<td>My satisfaction is directly influenced by price perceptions</td>
<td>22</td>
<td>3.32</td>
<td>1.912</td>
</tr>
<tr>
<td>Price of the services offered creates good customer relation.</td>
<td>22</td>
<td>3.91</td>
<td>1.823</td>
</tr>
<tr>
<td>The price that Virgin clean offers has created customer loyalty and satisfaction</td>
<td>22</td>
<td>3.27</td>
<td>1.579</td>
</tr>
<tr>
<td>The value of the price is equivalent to work done hence satisfaction</td>
<td>22</td>
<td>4.09</td>
<td>1.109</td>
</tr>
</tbody>
</table>

Valid N (listwise) 22

The third objective of the study was to establish the price fairness on customer satisfaction at Virgin Clean Limited in Mombasa County, Kenya. Respondents were required to respond to set questions related to price fairness and give their opinions. The statement that price fairness at virgin clean has maintained the level of my satisfaction had a mean score of 3.41 and a standard deviation of 1.817. The statement that price fairness is a very important issue that leads towards satisfaction had a mean score of 3.91 and a standard deviation of 1.823. The statement that the price that Virgin clean offers has created customer loyalty and satisfaction had a mean score of 3.27 and a standard deviation of 1.579. The statement that the value of the price is equivalent to work done hence satisfaction had a mean score of 4.09 and a standard deviation of 1.109.

Influenced by price perceptions had a mean score of 3.32 and a standard deviation of 1.912. The statement that price of the services offered creates good customer relation had a mean score of 3.91 and a standard deviation of 1.823. The statement that the price that Virgin Clean offers has created customer loyalty and satisfaction had a mean score of 3.27 and a standard deviation of 1.579. The statement that the value of the price is equivalent to work done hence satisfaction had a mean score of 4.09 and a standard deviation of 1.109.
4.4.4 Customer Satisfaction

Table 4.10 Customer Satisfaction

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The complaint processing attracts me in contracting them</td>
<td>22</td>
<td>4.18</td>
<td>1.097</td>
</tr>
<tr>
<td>Knowledge and courtesy of employees and their ability to convey trust and confidence in Virgin Clean</td>
<td>22</td>
<td>3.00</td>
<td>1.746</td>
</tr>
<tr>
<td>Virgin Clean employees’ willingness to help customers and provide prompt service which guarantees repeated success</td>
<td>22</td>
<td>3.55</td>
<td>1.870</td>
</tr>
<tr>
<td>Our customer care services influences customer satisfaction</td>
<td>22</td>
<td>3.82</td>
<td>1.332</td>
</tr>
<tr>
<td>Virgin Clean Ltd follows on customer defections</td>
<td>22</td>
<td>2.77</td>
<td>1.572</td>
</tr>
<tr>
<td>Customer feedback influences the satisfaction</td>
<td>22</td>
<td>3.55</td>
<td>1.969</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>22</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The statement in agreement that the complaints processing attracts me in contracting them had a mean score of 4.18 and a standard deviation of 1.097. The statement that knowledge and courtesy of employees and their ability to convey my trust and confidence in Virgin Clean had a mean score of 3.00 and a standard deviation of 1.746. The statement that Virgin Clean employee’s willingness to help customers and provide prompt service which guarantees repeated success had a mean score of 3.55 and a standard deviation of 1.870. The statement that our customer care services influences customer satisfaction had a mean score of 3.82 and a standard deviation of 1.332. The statement that Virgin Clean limited follows on customer defections had a mean score of 2.77 and a standard deviation of 1.572. The statement that customer feedback influences the satisfaction had a mean score of 3.55 and a standard deviation of 1.969.

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

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (Logistics Service Delivery) and the independent variables (Port Information system, Port infrastructure, Port Customs Processes and Port staff competence). According to Sekaran, (2015), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari and Gang, 2014).

Table 4.11 Pearson Correlation

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Customer Satisfaction</th>
<th>Competitive Positioning</th>
<th>Customer Service</th>
<th>Price Fairness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive Positioning</td>
<td>.423*</td>
<td>1</td>
<td>.199</td>
<td>.582**</td>
</tr>
<tr>
<td>Customer Service</td>
<td>.638**</td>
<td>.01</td>
<td>1</td>
<td>.572**</td>
</tr>
<tr>
<td>Price Fairness</td>
<td>.274</td>
<td>.004</td>
<td>.005</td>
<td>1</td>
</tr>
</tbody>
</table>
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 4.11 below. According to the findings, it was clear that there was a positive correlation between the independent variables, competitive positioning, customer service and price fairness and the dependent variable customer satisfaction. The analysis indicates the coefficient of correlation, r equal to 0.423, 0.638 and 0.274 for competitive positioning, customer service and price fairness respectively. This indicates positive relationship between the independent variable namely competitive positioning, customer service and price fairness and the dependent variable customer satisfaction.

4.5.2 Coefficient of Determination (R²)

To assess the research model, a confirmatory factors analysis was conducted. The four factors were then subjected to linear regression analysis in order to measure the success of the model and predict causal relationship between independent variables competitive positioning, customer service and price fairness), and the dependent variable (Customer Satisfaction).

Table 4.12 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>.767</td>
<td>.589</td>
<td>.520</td>
<td>1.86732</td>
</tr>
</tbody>
</table>

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>89.827</td>
<td>3</td>
<td>29.942</td>
<td>8.587</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>62.764</td>
<td>18</td>
<td>3.487</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>152.591</td>
<td>21</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The model explains 58.9% of the variance (Adjusted R Square = 0.520) on Customer Satisfaction. Clearly, there are factors other than the three proposed in this model which can be used to predict logistics service delivery. However, this is still a good model as Cooper and Schinder, (2013) pointed out that as much as lower value R square 0.10-0.20 is acceptable in social science research.

This means that 58.9% of the relationship is explained by the identified four factors namely competitive positioning, customer service and fair prices. The rest 41.1% is explained by other factors in the customer satisfaction not studied in this research. In summary the three factors studied namely competitive positioning, customer service and fair prices, or determines 58.9% of the relationship while the rest 41.1% 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 4.14 below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting factors of logistics service delivery. 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 = 8.587, p = 0.001.

4.6.2 Multiple Regression

The researcher conducted a multiple regression analysis as shown in Table 4.14 so as to determine the relationship between value chain and the four variables investigated in this study.
Table 4.14 Multiple Regression

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>6.874</td>
<td>2.999</td>
<td>2.292</td>
<td>.000</td>
</tr>
<tr>
<td>Competitive Positioning</td>
<td>.291</td>
<td>.107</td>
<td>.838</td>
<td>2.717</td>
</tr>
<tr>
<td>Customer Service</td>
<td>.045</td>
<td>.258</td>
<td>.054</td>
<td>.175</td>
</tr>
<tr>
<td>Price Fairness</td>
<td>.322</td>
<td>.162</td>
<td>.731</td>
<td>1.983</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive Positioning</td>
<td>.291</td>
<td>.107</td>
<td>.838</td>
<td>2.717</td>
<td>.004</td>
</tr>
<tr>
<td>Customer Service</td>
<td>.045</td>
<td>.258</td>
<td>.054</td>
<td>.175</td>
<td>.000</td>
</tr>
<tr>
<td>Price Fairness</td>
<td>.322</td>
<td>.162</td>
<td>.731</td>
<td>1.983</td>
<td>.003</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Satisfaction

The regression equation was:

\[ Y = 6.874 + 0.291X_1 + 0.045X_2 + 0.322X_3 \]

Where:

\[ Y = \text{the dependent variable (Customer Satisfaction)} \]
\[ X_1 = \text{Competitive Positioning} \]
\[ X_2 = \text{Customer Service} \]
\[ X_3 = \text{Price Fairness} \]

The regression equation above has established that taking all factors into account (Customer satisfaction as a result of competitive positioning, customer service and price fairness) constant at zero logistics service delivery will be 6.874. The findings presented also shows that taking all other independent variables at zero, a unit increase in competitive positioning will lead to a 0.291 increase in the scores of customer satisfaction; a unit increase in customer service will lead to a 0.045 increase in customer satisfaction and a unit increase in price fairness will lead to a 0.322 increase in the scores of customer satisfaction. This therefore implies that all the three variables have a positive relationship with price fairness contributing most to the dependent variable. This therefore implies that all the three variables have a positive relationship with customer satisfaction with price fairness contributing most to the dependent variable. From the table we can see that the predictor variables of competitive positioning, customer services and price fairness got variable coefficients statistically significant since their p-values are less than the common alpha level of 0.05.

**5.2 Summary of the Findings**

The objectives of this study was to examine the strategic factors influencing customer satisfaction at Virgin Clean Limited in Mombasa County, Kenya. The study was conducted on 22 out of 31 that constituted the sample size. To collect data the researcher used a structured questionnaire that was personally administered to the respondents. The questionnaire constituted 24 items. The respondents were the employees of Virgin Cleaning Limited. In this study, data was analyzed using frequencies, mean scores, standard deviations, percentage, Correlation and Regression analysis.

The study finding established that majority of respondents hold university degrees with a working experience of less than 3 years and between 3 – 9 years. The customer satisfaction level was found to be very high.

**5.2.1 Competitive Positioning**

The study results revealed that Virgin Clean Limited competes on the high number of sales and that competitive positioning is a significant factor in the organization. Further the study established that differentiating products and services has helped the company remain competitive.

**5.2.2 Customer Service**

The study results revealed that customer service representatives are well trained and supervised. Further the study results revealed that customer service was a unique selling point in that customers always come back for a repeat service thus increasing sales revenue.

**5.2.3 Price Fairness**

The study revealed that price fairness at Virgin Clean has maintained the level of satisfaction and that it leads to customer satisfaction. Further the study revealed that prices offered creates good customer relations and satisfaction.

**5.3 Conclusion**

From the research findings, the study concluded all the independent variables studied have significant effect on customer satisfaction as indicated by the
strong coefficient of correlation and a p-value which is less than 0.05. The overall effect of the analyzed factors was very high as indicated by the coefficient of determination. The overall P-value of 0.00 which is less than 0.05 (5%) is an indication of relevance of the studied variables, significant at the calculated 95% level of significance. This implies that the studied independent variables namely competitive positioning, customer service and price fairness have significant on factors influencing customer satisfaction in Virgin Clean Limited in Kenya.

The stepwise multiple regression analysis revealed that customer satisfaction namely; competitive positioning, customer service and price fairness explained statistically significant portion of the variance associated with the extent of customer satisfaction. The stepwise multiple regressions indicated that among the factors influencing customer satisfaction at Virgin Cleaning Limited in Mombasa.

5.4 Recommendations

The study recommended the following:

1. That Virgin Clean Limited should continuously develop new products and services to remain competitive in the market.
2. That they should continue with superior customer services in order to maintain and keep customers.
3. That Virgin Clean Limited should be mindful of their client’s welfare by charging reasonable prices that can enable them to acquire more market share.

5.5 Suggestion for Further Studies

This study focused on the strategic factors influencing customer satisfaction at Virgin Clean Limited in Mombasa County, Kenya. Since only 58.3% of results were explained by the independent variables in this study, it is recommended that a study be carried out on other factors on customer service in the public sector. The research should also be done in other government corporation of private sector and the results compared so as to ascertain whether there is consistency on customer satisfaction.

REFERENCES


