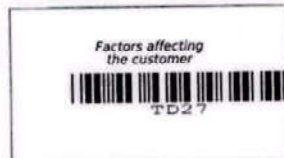


**FACTORS AFFECTING THE OF CUSTOMER SATISFACTION
IN PUBLIC ORGANIZATIONS: A CASE STUDY OF THE KENYA POWER AND
LIGHTING COMPANY LIMITED (KPLC).**

JOHN MWANGANGI MULI

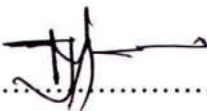


**A Research Project Submitted to the School of Human Resource Development in
Partial Fulfilment of the Requirements for the Award of the Degree of Executive
Masters in Business Administration of Jomo Kenyatta University of Agriculture and
Technology**

JANUARY, 2012

DECLARATION

This research project is my original work and has not been presented for an academic award in any other college or institution of higher learning.

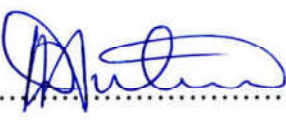
Signature.......... Date.....18/1/2012.....

John M Muli REG No: HD334-033-1625/2010

This research project has been submitted for examination with our approval as University Supervisors.

Signature.......... Date.....23/01/2012.....

Dr. Charles Ombuki

Signature.......... Date.....27/01/2012.....

Mr. Willy Muturi

DEDICATION

To my mum Phoebe, late dad Nelson, wife Connie, daughter Rita and son Rigg. This dedication will be incomplete without, my sisters Jane and Catherine.

My mum, dad and sisters' all gave me moral, material support and encouraged me to pursue education. They were our family's pillars who moulded me to be what I am today. They remain an integral part of my life and I will always be proud to be associated with them.

ACKNOWLEDGMENT

This Research Project would not have been possible without the cooperation and support of a number of people, who in one way or the other steered me towards my ultimate goal. I would like to express my appreciation to them and especially to the following:-

I hereby wish to express my sincere gratitude to my project supervisors; Dr. Charles Ombuki and Mr. Willy Muturi for their tireless guidance, selfless dedication and encouragement in making this project a reality.

I would wish to thank my lovely family, for their moral support and encouragement and for their understanding when I was not there for them during the project period; I wouldn't have made it this far without them.

Most important of all I extend my gratitude to the Almighty God for providing me with strength, good health, knowledge and vitality that helped make this project a reality.

To all, I remain forever grateful

ABBREVIATIONS

CS	– Customer Service
Customer	– KPLC customer
DC	– Disconnection
DCS	– Design and Construction system
EAP&L	– East African Power and Lighting Company Limited
EAPLC	– East Africa Power Lighting Company Limited
ERC	–Energy Regulatory Commission
GOK	– Government of Kenya
HRM	– Human Resource Management
IPP	-Independent Power Producers
ICT	– Information Communication & Technology
KPLC	– Kenya Power and Lighting Company Limited
LPG	- Liquefied Petroleum Gas
MW	– Mega Watts
O & M	- Operations and Maintenance
R & D	– Research and Design
REA	– Rural Electrification Authority
SPSS	– Statistical Package of the Social Sciences soft ware
TQM	– Total Quality Management
CBD	-Central Business District
GDP	-Gross Domestic Product

DEFINITION OF TERMS

- Connectivity** – completing the actual act of processing “electricity supply contract applications forms” of the prospective applicants and connecting their premises with electric supply
- National Grid** – the infrastructure of KPLC electrical cables from generating stations to the ultimate consumers
- Region** – KPLC has demarcated Kenya into four administrative regions i.e. Nairobi Region, Coast region, Mount Kenya Region and West Kenya region.
- Sub Regions** - Regions are further sub divided into three smaller administrative geographical area and called sub regions. Nairobi South is one of the sub regions within Nairobi Region.
- Vision 2030** - is an economic development plan initiated by the Government of Kenya to develop several different economic zones in various parts of the country.
- Post Paid Billing System**-this is the billing system whereby electricity consumption is due after actual consumption.
- Prepaid Billing System** - this is the billing system electricity consumption is paid for before actual consumption.

ABSTRACT

The study sought to establish factors affecting the levels of customer satisfaction in public utilities using a case study of the Kenya Power and Lighting Company Limited (KPLC). The study was guided by one general objective which was to determine the factors that affected customer satisfaction in service delivery of organizations with specific reference to the KPLC and four specific objectives which included: establishing the effect of time taken to contract on levels of customer satisfaction; establishing the effect of service quality on the levels of customer satisfaction; determining the effect of customer billings on level of customer satisfaction; and establishing the effect of automation on customer satisfaction.

This adopted a descriptive survey approach. The target population comprised of 223,157 customers of Kenya Power Company Limited bases in Nairobi South Sub Region of the larger Nairobi Region. A sample size of 100 respondents was purposely selected from the total population. The primary data was collected by use of questionnaires. Piloting was carried to test the validity and reliability of the instruments. For external customers, questionnaires were administered within the company premises as customers went about their transactions. Before processing the responses, data preparation was done on the completed questionnaires by editing, coding, entering and cleaning the data. Data collected was analyzed using descriptive statistics. Data analysis was done using SPSS and Microsoft Excel to generate quantitative reports which were presented in the form of tabulations, percentages, mean and standard deviation.

The study concluded that service quality at KPLC ensured customer satisfaction to a moderate extent. On the effects of staff service reliability on the level of customer satisfaction, the study concluded that staff service reliability affected customer satisfaction at KPLC to a great extent. Customers agreed that KPLC had adopted numerous relationship-building initiatives that were designed to give customers a reason to do business with them and empathy played an important role when dealing with customers. The price charged by the company influenced customer satisfaction at KPLC to very great extent.

On service quality, the study recommended that staff be trained in customer service especially on handling customers. Further, the study recommended that a system upgrade be carried out so as to improve service delivery. The study also recommends that the

Company clearly communicates its vision and mission statement to its staff and customers and ensure that it delivers within the timeframes set in the service charter. On supplier's image, the study recommends that a thorough promotion be carried out especially carrying the new logos and rebranded Company colours. On staff service reliability, the study recommends for whole organization training in customer service and the new service charter detailing where the rebranded company wishes to be. On perceived price fairness, the study recommends that the Company takes all factors in pricing its services. These may include the cost of generating power and distributing it. In addition, it should factor in the necessary costs and remain fair in its pricing strategies. This is because most of the customers felt that the price charged by the Company was not fair.

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CHAPTER ONE: INTRODUCTION

1.1 Introduction

This chapter covers the background of the study, statement of the problem, objectives of the study, research questions, significance and scope of the study.

1.2 Background of the study

Customer service is defined as activities and programmes provided by the seller to the buyer to make the relationship a satisfying one. It's an activity or benefit that one party offers to another which is, essentially intangible and, does not result in the ownership of anything. Its production may or may not be tied to a physical item. Variability of services is dependent on who provides them and when they are provided (Armstrong *et al*, 1999). Customer satisfaction is a dynamic concept as it changes at a very fast rate. The customer satisfaction includes machinery put in place by an organization to ensure that its processes and operations are efficient and effective.

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business and is part of the four perspectives of a Balanced Scorecard. Customer satisfaction can be defined as extent to which a product's perceived performance matches a buyer's expectations. Customer satisfaction depends on the product's perceived performance relative to a customer's expectations. If the product or service performance falls short of expectations, the customer is dissatisfied. On the other hand, if performance matches expectation, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied thus; this is referred to as customer delight (Kotler, 2006).

Customer satisfaction is a key and valued outcome of good marketing practice. According to Drucker (1954), the principle purpose of a business is to create satisfied customers. Increasing customer satisfaction has been found to lead to higher future profitability (Anderson et al, 1994), lower costs related to defective goods and services (Anderson et al., 1997), increased buyer

willingness to pay price premiums, provide referrals, and use more of the product (Reichheld, 1996; Anderson and Mittal, 2000), and higher levels of customer retention and loyalty (Fornell, 1992; Anderson and Sullivan, 1993). Increasing loyalty, in turn, has been found to lead to increases in future revenue (Fornell 1992; Anderson, Fornell and Lehmann, 1994) and reductions in the cost of future transactions (Reichheld, 1996). All of this empirical evidence suggests that customer satisfaction is valuable from both a customer goodwill perspective and an organization's financial perspective.

Many researchers agree that there is a positive correlation between quality and customer satisfaction. Satisfied customers are bound to come back if they were impressed by the product and service the first time round. In fact they are bound to spread the word round by telling their friends and relatives about the particular product or service that impressed them thus realization of accumulation of many customers and in the long run customer satisfaction. For this reason, more organizations are spending more resources to nurture and sustain customer loyalty by increasing their number of satisfied customers. James Lynch (1995) says, whether or not they remain, your customers depend on your effectiveness in combating the major threat to business success-consumer promiscuity. This is not a matter of morals but of common sense. If customers are not satisfied, they will find another place that will satisfy their needs, and what satisfy a customer is quality products and services. Therefore, an organization has to develop a relationship with all its customers to ensure that they (the customers) feel that their needs are important to the organization and are being met. After all, a satisfied customer becomes a loyal customer.

Customer satisfaction is critical for organizations, as it has an impact on profits (Levesque and McDougall, 1996). However, as business leaders try to implement the concept of customer satisfaction and/or retention in their companies, employees working with customers may come to regard customer satisfaction as in themselves, the goal of business. Regardless as 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.

Customer satisfaction has been deemed directly to affect customer retention and companies' market share. Service quality, service features, and customer-complaint handling determine customer satisfaction in the service industry. Service offerings, such as extended hours of operation and competitive interest rates also play a role in determining satisfaction. Satisfaction is an "overall customer attitude towards a service provider" (Levesque and McDougall, 1996), or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire. A similar definition is provided by Gerpott et al. (2001) who propose that satisfaction is based on customer's estimated experience of the extent to which a provider's services fulfil his or her expectations.

Customer satisfaction brings many benefits. Satisfied customers are less price sensitive, buy additional products, are less influenced by competitors and stay longer (Zineldin, 2000). Although customer satisfaction is important, it is not equally important to the company. There are many customers whose satisfaction is less important, such as those a company cannot serve or who are unprofitable; on the other hand, there are customers whose satisfaction is crucial to a company's survival, and the goal should always be to satisfy those customers.

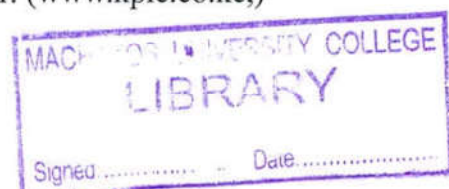
Ovenden (1995) argues that organizations must be aware of how well or badly its customers are treated. Customers rarely complain, and when someone does, it might be too late to retain that customer. One important component in the concept of satisfaction is complaint management. Nyer (2000) found that encouraging customers to complain increased their satisfaction, and this was especially the case for the most dissatisfied customers. Johnston (2001) claims that complaint

management not only results in customer satisfaction, but also leads operational improvement and improved financial performance.

At KPLC, customers have had complaints regarding the time taken to contract for supply of electricity. The process has been taking extremely too long an issue which has left many customers complaining but just hanging on because they have no other provider of the service. In addition, many customers have been complaining of congested banking halls, few pay points and poor record management as their records were not easily retrieved as and when required. This has seen the company launch a new operating system for the whole company to ensure proper record management. Further, the company has also had to invest in training employees on customer service so as to improve service delivery. Many customers have also been faced with incorrect billings. This has left many customers experiencing unfair power disconnection and interrupted electricity supply. This has had great impact on customer satisfaction to the extent of some customers opting for alternative sources like generators and solar supply.

1.1.2 KPLC Background and Customer Service Delivery

KPLC is a limited liability company responsible for the transmission, distribution and retail of electricity throughout Kenya. It was created back in 1954 then known as Kenya Power Company (KPC) for the purpose of transmitting power from Uganda through the Tororo-Juja line. It was then managed by the East Africa Power & Lighting company (E.A.P&L). In 1964 EAP&L sold its Tanzania's shares to the government of Tanzania and hence its operations were limited to Kenya. This again prompted a change of its name to Kenya Power & Lighting Company Ltd (K.P.L.C) in 1983. Through out this time K.P.L.C was in charge of power generation, transmission and distribution. However, in 1997, the power generation part was split off to form KENGEN leaving K.P.L.C with the responsibility of transmission and distribution of power. (www.kplc.co.ke)



KPLC owns and operates the national transmission and distribution grid, and retails to more than 1,600,000 customers throughout Kenya. KPLC corporate vision is to achieve a world class status as a quality service business enterprise so as to be the first choice supplier of electrical energy in a competitive environment.

KPLC objectives is to efficiently transmit and distribute high quality electricity throughout Kenya at cost effective tariffs; to achieve the highest standards of customer service; and to ensure the company's long term technical and financial viability. The Kenya Power and Lighting Company Ltd is committed to providing high quality customer service by efficiently transmitting and distributing high quality electricity that is safe, adequate and reliable at cost effective tariffs.

The Board, Management and staff of KPLC are committed to effective implementation and continual improvement of the Quality Management System that complies with ISO 9001:2008 in order to consistently meet its customers and other stakeholder's requirements and expectations.

1.3 Statement of the problem

Customer satisfaction is an important issue for marketing managers, particularly those in services industries (Bennett and Rundle-Thiele, 2004). In general, if the customers are satisfied with a provided goods or a particular service, the probability that they use the service again increases (East, 1997). Athanassopoulos (2000) found that product innovations, processes, product package, staff, service, price, convenience and business profile are all determinants of customer satisfaction. Customer satisfaction can be enhanced through relationships, provided they are developed and managed to the customer's expectations. Satisfaction increases customer retention and loyalty. Spreng et al (1995) examined the importance of service recovery in determining overall satisfaction, arguing that a company is more likely to retain a customer by encouraging complaints and then address them, than by assuming that the customer is satisfied. Satisfied and properly served

customers are more likely to return to an organization than are dissatisfied customers who could choose simply to go elsewhere.

At KPLC, there are customer service issues affecting customer satisfaction. This is in terms of capital acquisition overheads of the construction of the infrastructure i.e. the electrical lines & transformers to connect to the national grid. There are also promotional campaigns to woo back customers who have relocated in other forms of energy within the region. The average company loses lies between 10 and 30 percent of its customer each year e.g. disaffected customers opting for generators, solar panels and other alternatives of electric energy. The connectivity process to acquire electric power energy has been bureaucratic; the company has experienced spells of unscheduled electricity outages which affects the supply quality. Concerns related to inflated bills are also raised by customers. Delays in supply restoration after payment, the impacts of outsourced services, complains on the uncoordinated and lack of information on the prepaid metering rollout and finally complains on non compliance on customer delivery standards as stipulated in the customer charter have also not augmented the corporate efficiency as envisioned. These factors have been the main causes affecting levels of customer satisfaction adversely.

Locally, studies have been done on the factors affecting customer satisfaction. E.g. Odhiambo (2004) conducted a study on the determinants of customer satisfaction the case of mobile phone subscribers in Nairobi while Imbuga (2005) did a study on the determinants of customer satisfaction in supermarkets in Nairobi. To the best of the researcher knowledge, limited studies have been conducted on the factors affecting customer satisfaction in service delivery in the public utility. To the best of the researcher knowledge, limited studies have been conducted on the factors affecting customer satisfaction in service delivery in the public utility like KPLC especially with the change of name and introduction of customer focused strategies to boost customer satisfaction. This study thus

aims at filling this information gap by providing information on factors affecting customer satisfaction at Kenya Power and Lighting Company Limited

1.4 Objectives of the study

The general objective of the study was to determine the factors that affect customer satisfaction in service delivery of organizations with specific reference to the KPLC.

1.4.2 Specific Objectives

The following were the specific objectives of the study:

- i. To establish the effect of time taken to contract on levels of customer satisfaction.
- ii. To establish the effect of service quality on the levels of customer satisfaction.
- iii. To determine the effect of customer billings on level of customer satisfaction.
- iv. To establish the effect of automation on customer satisfaction

1.5 Research Questions

The study was guided by the following research questions:

- i. What is the effect of time taken to connect a customer for supply of electricity on levels of customer satisfaction?
- ii. What is the effect of service quality on the levels of customer satisfaction?
- iii. How does billing affect the level of customer satisfaction?
- iv. What is the effect of automation on customer satisfaction?

1.6 Justification of the Study

The study would be of importance to various stakeholders including KPLC managers, KPLC customers, the government and researchers and academicians.

1.6.1 KPLC Management

This study evaluated the customer satisfaction levels in comparison with the Company's service charter. This helped outline the areas requiring improvements and exact measures to be taken to improve customer satisfaction. The findings were relevant in development of strategic responses by management on areas requiring improvement and provide measures to be taken to ensure high customer satisfaction, retention and loyalty.

1.6.2 KPLC Customers

The study would assist KPLC customers by identifying the key service delivery areas that need improvement. In addition, the information collected in the study would guide KPLC customers in planning and budgeting for their resources when transacting with the Company.

1.6.3 Government and its regulatory bodies

The government through its regulatory bodies like Energy Regulatory Commission (ERC) and the parent Ministry of Energy would benefit from the study by using the findings in formulation and implementation of policies and procedures in the energy distribution industry.

1.6.4 Scholars and Academicians

Scholars and academicians may use this study as a form of reference and a basis for further research. In addition, researchers may be able to gain additional knowledge from the case study given that it is focusing on a particular company currently operating as a monopoly.

1.7 Scope of the Study

The main focus of this study was within the Nairobi South Sub Region of the larger Nairobi Region. This region is representative as it accounts for over sixty percent of KPLC business. The study focused on customers. Data was collected from the customers considered as major respondents of the study. The study aimed at collecting data from the respondents with a view of determining the factors affecting customer satisfaction in service delivery of organizations.

1.8 Limitations of the study

The main limitations of this study were: Some respondents refused to fill in the questionnaires citing that the information was of a sensitive nature and could be used for other purposes other the intended one.

The study was also limited in terms of resources. The resource available to go to the field and ascertain whether the information being provided was the reality of whatever happens in real sense was limited. This forced the researcher to wholesomely rely on the information provided by the respondents.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the literature review, specifically the literature review focuses on the variables of the study. The review of literature focuses on the effect of the above variables on customer satisfaction.

2.2 Theoretical Review

The theoretical literature on customer satisfaction conceptualizes satisfaction as an interaction of attitude and behaviour. In other words, satisfaction (or the absence of it) is exhibited both through customer behaviour and also through attitude. For example, loyal behaviour might be manifested as repeat and relatively frequent patronage. Such behaviour may or may not be associated with a loyal attitude, which leads a customer to value a relationship. Such attitudes may, in the case of public libraries, for instance, not necessarily lead to repeat patronage, but might provoke satisfaction behaviours such as participation in a petition to resist closure of a public library service point. Greenaway (1995) argues that satisfaction is determined by the strength of the relationship between relative attitude and repeat patronage, and that it has both attitudinal and behavioural elements.

There are multiple approaches to customer satisfaction. Theories of behavioural satisfaction were dominating until 1970, considering satisfaction as the function of the share of total purchases, function of buying frequency or buying pattern or function of buying probability. These approaches looked at satisfaction in terms of outcomes (repeat purchase behaviour) rather than reasons, until Day (2003) introduced the two-dimensional concept of satisfaction, which stated that satisfaction should be evaluated with both behavioural and attitudinal criteria. Contemporary researches consider and accent the psychological (mostly attitudinal and emotional) factor of satisfaction (Reichheld, 2003).

2.3 Customer service

Customer Service is a performance which; cannot be seen, touched, tested or smelled nor can it be possessed. The intangible process characteristics that define services such as reliability, personal care, attentiveness of staff and their friendliness can only be verified once a service has been bought and consumed. People do not always perform consistently and, thus variations from one service to the other within the same organisation (Dibb et al, 2001). Quality customer service delivery begins with establishing clear, concise observable and realistic service standards that are precise in meaning, short and to the point, can be seen or measured, practical and attainable (Scott, 2003).

Understanding customer service concept is one of the utmost priorities for many companies. Service is a valuable resource and, if customers do not receive the service they expect, they would go elsewhere (Goodman, 2000). Harris (2000) identified poor time management, attitude, moodiness, and inability to handle stress, insufficient authority and serving customers on 'auto pilot' as barriers to excellent customer service. Companies that have a more satisfied customer base also experience higher economic returns (Yeung et al., 2002). High customer satisfaction leads to greater customer loyalty which in turn, leads to future revenue (Hughes, 2000). Organizations having superior service quality have been found to be market leaders in terms of sales and long-term customer loyalty and retention. Because of this, organizations competing in similar market niches are compelled to assess the quality of the services they provide in order to attract and retain their customers.

Acquiring new customers can cost 5 to 10 times more than the cost involved in satisfying and retaining current customers (Kotler 2006). A five per cent reduction in the customer defection rate can increase profits by 25 to 85 percent, depending on the industry {the margin is higher especially in the public utility due to its monopolistic features. Most firms pay more attention to their market share than to their customers' satisfaction. This is a mistake. Market share is a backward looking

metric; customer satisfaction is a forward looking metric. If customer satisfaction starts slipping, then market share erosion will soon follow (Kotler, 2006).

2.3.1 Staff Attitude and Service Delivery

Employees' attitude is very important in service delivery. For the staff to deal effectively with customers, organisations need to create customer-centred vision and customer friendly policies. Zenke and Woods (1998) noted ten common mistakes employees make with their customers: first they assume and take the customer for granted; second they use jargon, expecting the customer to understand the lingo whereas, the customer may perceive this as being rude; third, the employees speak fast that the customer has to ask her/ him to repeat; fourth they give short, slashed answers to customer's questions; fifth they do not appear like they care to customers complains; sixth they are not proactive when a problem arises; seventh employees are pre-occupied with other tasks; eighth, they interrupt or no longer listen, believing they know what the customer is asking; nine they make judgements about the buying power of the customer based on his appearance, language, skills or company reputation; and ten employees argue with customers.

2.4 Customer Satisfaction

Customer satisfaction is one of the key factors in modern marketing and customers' behavior analysis. Generally speaking, if the customers are satisfied with the provided goods or services, the probability that they use the services again increases. Also, satisfied customers would most probably talk enthusiastically about their buying or the use of a particular service; this would lead to positive advertising (File and Prince, 1992). On the other hand, dissatisfied customers would most probably switch to a different brand; this would lead to negative advertising. Customer satisfaction is often considered the most important factor in thriving in today's highly competitive business world.

Services have unique characteristics that distinguish them from the physical goods (Zeithaml and Bitner, 2001). Services are often characterized by intangibility, inseparability, heterogeneity, and perish ability. The importance of the above characterizations is that using them for evaluation before, while, and after using a particular service by the customers is often very hard. Because of the quality of being intangible, understanding how the customers would evaluate the quality of the organization's services is often very hard (Zeithaml and Bitner, 2001).

Chen and Ko (2007) proposed fuzzy linear programming models to determine the fulfillment levels of parts characteristics under the requirement to achieve the determined contribution levels of design requirements for customer satisfaction. Grigoroudis *et al.* (2008), considered the problem of measuring user satisfaction in order to analyze user perceptions and preferences to assess website quality. Hsu (2008) proposed an index for online customer satisfaction, which is adapted from an American Customer Satisfaction Index (ACSI). Bodet (2008) explored the satisfaction–loyalty relationships according to an empirical analysis in a sports-service context.

Studies have revealed that there exists a direct connection between satisfaction and loyalty: satisfied customers become loyal and dissatisfied customers move to another vendor (Hughes, 2001). The primary objective of creating ACSI (American Customer Satisfaction Index) in 1984 was to explain the development of customer loyalty. In ACSI model customer satisfaction has three antecedents: perceived quality, perceived value and customer expectations. In the ECSI (European Customer Satisfaction Index) model perceived quality is divided into two elements: “hard ware”, which consists of the quality of the product or service attributes, and “human ware”, which represents the associated customer interactive elements in service, i.e. the personal behaviour and atmosphere of the service environment.

2.3 Factors That Affect Customer Satisfaction

2.3.1 Service Quality

Bloemer and Ruyter (1998) suggested that customer satisfaction resulted from a consumer committed to the store through an explicit and extensive decision-making process. Customer satisfaction is frequently operated as a conscious evaluation of the price/quality ratio or the willingness to pay a premium price, or alternatively price indifference (Raju, Srinivasan and Lal, 1990; Zeithaml, Berry and Parasuraman, 1996). Supphellen and Nysveen (2001) suggested that corporate brand loyalty affected online shoppers' intentions to revisit the Web site.

Cronin and Taylor (1992) examined the causal relationships among service quality, customer satisfaction, and purchase intention. Each variable was measured by one item. There were 660 usable questionnaires randomly collected from customers of four types of businesses in the southeastern United States: banking, pest control, dry cleaning, and fast food. The results of correlation analysis have suggested that: service quality was an antecedent of consumer satisfaction, service quality had less effect on purchase intentions than did consumer satisfaction, and consumer satisfaction had a significant effect on purchase intentions.

Service quality literature indicated that perceptions of high service quality and high service satisfaction resulted in a very high level of purchase intentions. Coner and Gungor (2002) claimed that customer satisfaction was affected by product quality, service quality, and retailer image. Customer satisfaction literature showed that the relationship between customer satisfaction and customer loyalty depended on the type of satisfaction. The positive impact of manifest satisfaction on customer loyalty was stronger than that of latent satisfaction on customer loyalty (Bloemer and Ruyter, 1998).

2.3.2 Supplier Brand

The Image of brand or supplier is one of the most complex factors as it affects satisfaction at least in two ways: firstly, the customer may use his preferences to present his own image; may occur both in conscious and subconscious level. According to Aaker (1999), consumers prefer brands with personality traits that are congruent with the personality traits that constitute their malleable self-schemas. Kim, Han and Park (2001) have researched the link between brand personality and satisfaction. They did get positive support to hypothesis that the attractiveness of the brand personality indirectly affects brand loyalty.

Tidwell and Horgan (1993) have showed that people use products to enhance self-image. Secondly, according to social identity theory, people tend to classify themselves into different social categories. That leads to evaluation of objectives and values in various groups and organizations in comparison with the customer's own values and objectives. They prefer partners who share similar objectives and values. Fournier (1998) states that consumer-brand relationships are more a matter of perceived goal compatibility. Brands cohere into systems that consumers create not only to aid living but also to give meanings to their lives. Oliver (1999) argues that for fully bonded satisfaction the consumable must be part of the consumer's self-identity and his or her social-identity.

2.3.3 Perceived Price Fairness

From the consumer's perspective, the monetary cost of something is what is given up or sacrificed to obtain a product or a service. Thus, in studies on related topics, price has often been conceptualized and defined as a sacrifice (Sweeney, Soutar, and Johnson, 1999). There are three components to the concept of price: objective price, perceived non-monetary price, and sacrifice. The objective monetary price (simply put, the amount of money paid for product) is not equivalent to the perceived price (that is, the price as understood and recorded in the mind of consumer) since consumers do not

always know or remember the actual price paid for a product. Instead, they encode the price in a way that it is meaningful to them.

As to the relationship between price and satisfaction, research has shown that price is one of the determinants of customer satisfaction (Zeithaml and Bitner, 2000). When customers were asked about the value of services rendered, they consistently considered the price charged for the service (Anderson, Fornell, and Lehmann, 1994). In those cases in which consumers did not consider price in forming their judgments about the quality of service, it was generally because they lacked a reference price (Zeithaml and Bitner 2000). Still, though, this group ranked price as an important factor when it came to their overall satisfaction.

2.3.4 Staff Service Reliability

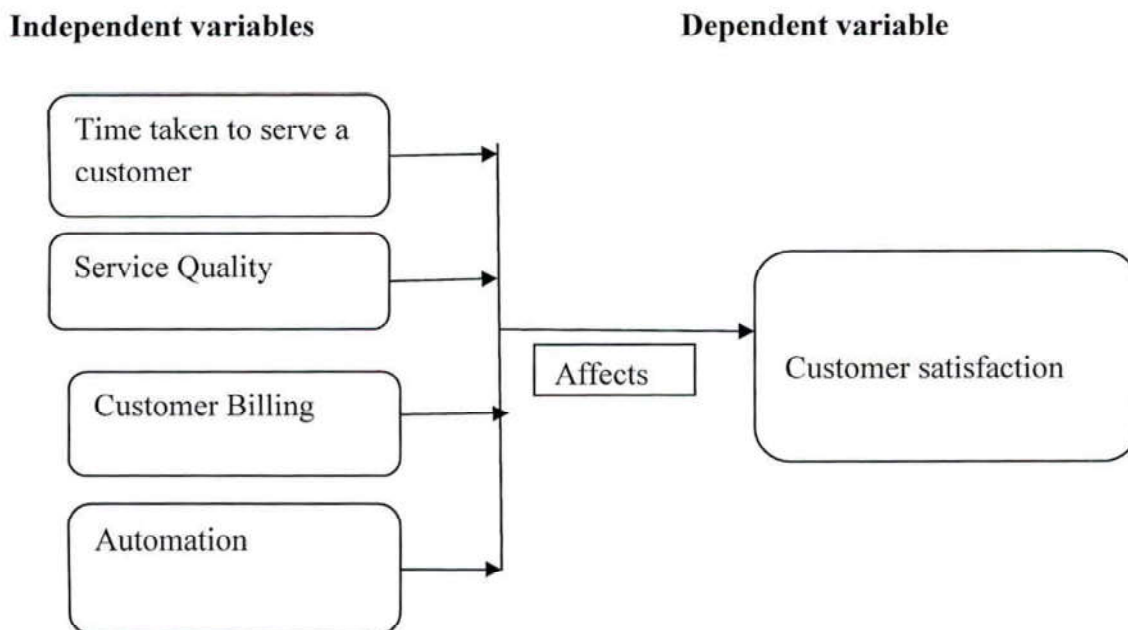
Building a good relationship with the customer is one of the key elements of customer satisfaction. Research shows that empathy plays an important role when dealing with customers (Lengnick, 1996). Addressing the customer by his name, knowing what he purchased lately and offering new products to his taste, makes him feel important and that the business has thought about him and his needs. Firms have adopted numerous service-quality and relationship-building initiatives designed to give customers a reason to do business with them.

A quality product or service must have an acceptable amount of reliability; that is: “the product/service must perform its intended function over its intended life under normal environmental and operating conditions”. Most consumers are reluctant to buy digital goods and services online because they do not have enough information to be confident with their purchases. According to a Gomez study, one of the reasons that many customers purchase travel ‘offline’ is the unreliability of

the on-line service when making a reservation. However, if a service proves to be reliable, then customers will use it and be satisfied (Pappas, 2000).

2.4 Conceptual Framework

A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. A conceptual framework is used in research to outline possible courses of action or to present a preferred approach to an idea or thought. According to Bogdan and Biklen (2003) a conceptual Framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical/ synthetical aspects of a process or system being conceived. The interconnection of these blocks completes the framework for certain expected outcomes.



Source: Author, (2011)

Figure 2.1: Conceptual Framework

2.7 Operationalization

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction in this study will be measured by references given by customer on the company, top of the mind brand, and speed with which customer records are retrieved when needed. It is expected that if the service quality is good, then the level of customer satisfaction would be higher.

It is also expected that if time taken to contract for power supply was reduced, and then customer satisfaction will be higher. Further, it is expected that if customer billings are accurate and timely, customer satisfaction would be higher.

Finally, it is also expected that if the automation process is fully implemented, service delivery to customers would improve by reducing the turnaround time and thus lead to a higher Customer satisfaction.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research design, target population, sample and sampling procedure, research instruments, piloting of the instruments, data collection and data analysis procedure.

3.2 Research design

This adopted a descriptive survey approach. According to Schindler and Coopers (2003) descriptive study is concerned with finding out the what, where and how of a phenomenon. The research design and methodology will entail collecting data useful in analysis and coming up with relevant recommendations and conclusions.

Mugenda and Mugenda (1999) noted that a survey research attempts to collect data from members of a population and describes existing phenomena by asking individuals about their perception, attitudes, behaviour or values. Surveys enable collection of data from a sizeable population in a highly economical way. The data obtained is standardized, to allow easy comparison. Moreover, it explores the existing status of two or more variables at a given point in time.

3.3 Target Population

The target population comprised of 223,157 customers of Kenya Power Company Limited bases in Nairobi South Sub Region of the larger Nairobi Region. The customers were classified into either corporate or retail.

Business Branch	Office	No. Of Customers
City Centre/Jericho/Buru Buru	Electricity House	55,697
Donholm/Kayole/Ruai	Electricity House	46,425
Industrial Area/Embakasi	Electricity House	75,607
Umoja/Komarock/Njiru	Electricity House	45,428
NAIROBI SOUTH	Totals	223,157

Source: KPLC human resource, 2011

3.4 Sample Size

Thorpe, Smith and Jackson (2008) said that a sample refers to a subset of those entities that decisions relate to. Denscombe (1998) poised that, the sample must be carefully selected to be representative

of the population and the researcher also needs to ensure that the subdivisions entailed in the analysis are accurately catered for. A sample size of 100 respondents was purposely selected from the total population. This is because the population is highly homogeneous and the resources available to conduct the survey are also limited. The researcher interviewed 100 KPLC customers using simple random sampling. In a simple random sample of a given size, all such subsets of the frame are given an equal probability. Each element of the frame thus has an equal probability of selection: the frame is not subdivided or partitioned. Furthermore, any given pair of elements has the same chance of selection as any other such pair. This minimizes bias and simplifies analysis of results. In particular, the variance between individual results within the sample is a good indicator of variance in the overall population, which makes it relatively easy to estimate the accuracy of results (Denscombe, 1998).

Customer Sample Size

Business Branch	No. Customers	Of Sample %	Customer Sample size
City Centre/Jericho/Buru Buru	55,697	0.045	25
Donholm/Kayole/Ruai	46,425	0.054	25
Industrial Area/Embakasi	75,607	0.033	25
Umoja/Komarock/Njiru	45,428	0.055	25
NAIROBI SOUTH	223,157		100

Source: Researcher, 2011

3.5 Data Collection Methods

The primary data was collected by use of questionnaires. The questionnaire made use of both open and closed ended questions. A five point likert scale was used where respondents filled in the level of their agreement with the various statements under each variable. The questionnaires were administered to respondents in person to ensure a high response rate.

3.6 Piloting

Piloting was carried to test the validity and reliability of the instruments. Validity indicates the degree to which the instrument measures the constructs under investigation (Mugenda and Mugenda, 1999). There are three types of validity test, content, criterion and related construct validity. This study shall use content validity because it will measure the degree to which the sample of the items

represents the content that the test is designed to measure. A pilot study was conducted by the researcher sending some few questionnaires to the company. These were filled by some customers at random from the selected regional offices. From this pilot study the researcher was able to detect questions that need editing and those with ambiguities. The final questionnaire was printed and dispatched to the field for data collection with the help of research assistants.

3.7 Research Procedures

For external customers, questionnaires were administered within the company premises as customers went about their transactions. Customers were allowed time to fill as they continued doing their transactions and then handed in the filled questionnaire before leaving the company premises. Personal administration was chosen upon so as to ensure high response rate. Customer anonymity was assured by coding the questionnaires. Only the researcher knew the codes on the questionnaires hence ensuring respondent confidentiality. A clear explanation was given to respondents so as to inform them on how they will benefit from the research.

3.8 Data Analysis

Before processing the responses, data preparation was done on the completed questionnaires by editing, coding, entering and cleaning the data.

Data collected was analyzed using descriptive statistics. The descriptive statistical tools helped in describing the data and determining the respondents' degree of agreement with the various statements under each factor. Data analysis was done using SPSS and Microsoft Excel to generate quantitative reports which were presented in the form of tabulations, percentages, mean and standard deviation.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter covers data analysis and discussions on factors affecting the levels of customer satisfaction in public organizations using a case study of the Kenya Power and Lighting Company Limited (KPLC). 100 questionnaires were administered to the respondents out of which 81 questionnaires were filled and returned giving a response rate of 81% which was considered sufficient for data analysis and generalization of the findings to the population of interest. This is well summarized in table 4.1 below.

Table 4.1: Response Rate

Number of Questionnaires Administered	Number of Questionnaires Filled and Returned	Response Rate
100	81	81%

4.2 Demographic Statistics

4.2.1 Gender Distribution of the Respondents

The study sought to establish gender distribution of the respondents.

Table 4.2: Gender Distribution of the Respondents

Gender	Frequency	Percent
Female	46	56
Male	32	40
not indicated	3	4
Total	81	100

From the findings, 56% of the respondents were female, 40% of the respondents were male while 4% of the respondents did not specify their gender. This is well illustrated in table 4.2.

4.2.2 Age of the respondents

The study sought to establish the distribution of the respondents according to age brackets.

Table 4.3: Age of Respondents

Age	Frequency	Percent
26-35	37	46
36-45	21	26
46 and above	14	17
18-25	7	9
not indicated	2	2
Total	81	100

The analysis of the respondents age revealed that majority of the respondents (46%) were aged between 26-35 years followed by those aged between 36-45years at 26%. 17% of the respondents were aged over 46 years while 9% were aged between 18-25 years. 2% of respondents did not specify their age group.

4.2.3 Level of Education

The study also sought to establish the respondents' level of education.

Table 4.4: Level of Education

Level of Education	Frequency	Percent
Graduate	27	33
Certificate/ diploma	25	31
Post graduate	23	28
O level	5	6
Not indicated	1	1
Total	81	100

According to the findings, 33% of the respondents were graduates, 31% had diploma/certificate, 28% were post graduates, 6% of the respondents had reached O-level while a small proportion of respondents as indicated by 1% did not specify their level of education.

4.2.4 Period Interacted With KPLC

The respondents were also required to indicate the number of years that they had transacted with KPLC.

Table 4.5: Period Interacted With KPLC

Experience	Frequency	Percent
More than 10 years	46	57
Between 5 and 10 years	21	26
Less than 5 years	12	15
Not indicated	2	2
Total	81	100

From the study 57% of the respondents had transacted with KPLC for more than 10 years, 26% had transacted with KPLC for a period between 5- 10years, 15% had transacted with KPLC for less than 5 years while 2% of the respondents did not indicate the years they had transacted with KPLC.

4.3 Service Quality

4.3.1 Service Quality at KPLC and Customer Satisfaction

The study also sought to establish the relationship between service quality at KPLC and customer

Table 4.6: Service Quality at KPLC and Customer Satisfaction

Service quality	Frequency	Percent
Yes	57	70
No	22	27
Not indicated	2	2
Total	81	100

From the findings, majority of the respondents (70%) felt that service quality at KPLC ensured customer satisfaction while 27% felt that service quality at KPLC did not ensured customer satisfaction, 2% of the respondents failed to indicate their opinion.

4.3.2 Effect of service quality at KPLC on customer satisfaction

The study sought to establish effect of service quality at KPLC on customer satisfaction.

Table 4.7 : Effect of service quality at KPLC on customer satisfaction

Extent	Frequency	Percent
Moderate extent	22	27
Great extent	21	26
Not indicated	20	25
Very great extent	14	17
Little extent	3	4
Not at all	1	1
Total	81	100

From the findings, 27% of the respondents indicated that service quality at KPLC affected customer satisfaction to a moderate extent, 26% said to a great extent, 25% failed to indicate the extent, 17% said to a very great extent, 4% indicated little extent while 1% of respondents felt that service quality at KPLC did not ensure customer satisfaction as indicated in table 4.7 above.

4.3.3 Level of Service Quality at KPLC

The study sought to establish rating of the level of service quality at KPLC.

Table 4.8: Level of Service Quality at KPLC

Rate	Frequency	Percent
Moderate	50	62
High	21	26
Low	9	11
Not indicated	1	1
Total	81	100

According to the responses given, majority of the respondents (62%) rated the service quality as moderate, 26% rated as high, 11% rated the service quality as low while 1% did not rate the service quality at KPLC as illustrated in table 4.8 above.

4.3.4 Quality of Customer service at KPLC and Customer Satisfaction

The researcher set to establish the quality of customer service at KPLC and customer satisfaction.

Table 4.9: Quality of Customer service at KPLC and Customer Satisfaction

Agreement	Frequency	Percent
Moderately agree	39	48
Strongly agree	28	35
Neither agree nor disagree	8	10
Not indicated	6	7
Total	81	100

The study sought to establish the level of agreement that relate with the statement that the quality of service at KPLC had maintained a high level of customer satisfaction. From the study findings, 48% of the respondents ranked the service quality as moderate, 35% strongly agreed, 10% neither agreed nor disagreed while 7% did not indicate their choice. This is well illustrated in table 4.9 above.

4.4 Supplier Image

4.4.1 Influence of KPLC Image on Customer Satisfaction

On whether KPLC's image influenced customers' satisfaction, the findings were as shown in table 4.10 below.

Table 4.10: Influence of KPLC Image to Customer Satisfaction

Image	Frequency	Percent (%)
Yes	51	63
No	25	31
not indicated	5	6
Total	81	100

the analysis indicated that majority of the respondents (63%) were in agreement while 31% felt that KPLC's image did not influence customers' satisfaction.6% of the respondents failed to indicate if they were in agreement or not as shown in table 4.10 above.

4.4.2 Extent at Which KPLC Image Influence Customer Satisfaction

The study further sought to establish the extent at which KPLC image influence customer satisfaction.

Table 4.11: Extent at Which KPLC Image Influence Customer Satisfaction

Extent	Frequency	Percent
Great extent	27	33
Not indicated	27	33
Very great extent	14	17
Moderate extent	12	15
Little extent	1	1
Total	81	100

From the study findings, 33% of customers agreed to a great extent, another 33% did not indicate their level of agreement, 17% agreed to a very great extent while 15% agreed to a moderate extent. Only 1% agreed to a little extent as indicated in table 4.11 above.

4.5 Perceived Price Fairness

4.5.1 Influence of Price Charged at KPLC on Customer Satisfaction

The study also sought to establish the influence of price charged at KPLC on customer satisfaction.

Table 4.12: Influence of Price Charged at KPLC on Customer Satisfaction

Price	Frequency	Percent
Yes	65	80
No	11	14
not indicated	5	6
Total	81	100

From the findings, 80% of the respondents agreed that price charged influenced their satisfaction at KPLC while 14% felt that price charged did not influence their satisfaction at KPLC.6% of the respondents failed to indicate their responses as shown in table 4.18 above.

4.5.2 Extent at Which Price Influence Customer Satisfaction at KPLC

Table 4.13: Extent at Which Price Influence Customer Satisfaction at KPLC

Extent	Frequency	Percent
Very great extent	29	36
Great extent	25	31
Not indicated	11	14
Moderate extent	9	11
Little extent	6	7
Not at all	1	1
Total	81	100

The respondents were also requested to indicate the extent at which the price charged influenced their satisfaction at KPLC. From the results of the study, 36% of the respondents indicated to a very great extent, 31% indicated to a great extent, 14% did not indicate the extent, 11% indicated to a moderate extent while 7% said to a little extent. A small proportion of respondents as indicated by 1% felt that the price charged did not at all influenced their satisfaction at KPLC as shown in table 4.19 above.

4.5.3 Price Fairness and Its Effect on Customer Satisfaction at KPLC

The study sought to establish the level of agreement with the statement that relate to price fairness and its effect on customer satisfaction at KPLC.

Table 4.14: Customer Are Satisfied With Prices Offered By KPLC

	Mean	Std. Deviation
KPLC offers cheap and affordable products/services as compared to other international institutions.	4.1096	4.8949
Am totally satisfied with the prices offered by the KPLC.	3.8205	6.01026
Price is an indicator of the quality of service.	3.1667	1.4535

From the findings, the respondents disagreed that KPLC offers cheap and affordable products/services as compared to other international institutions and that they are totally satisfied with the prices offered by the KPLC as recorded by a mean score of 4.1096 and 3.8205 respectively. The respondents were also neutral on price as an indicator of the quality of service as shown by a mean score of 3.1667. This is well illustrated in table 4.20 below.

4.6 Staff Service Reliability

4.6.1 Effects of Staff Reliability on Customer Satisfaction at KPLC

The study sought to establish whether the staff service reliability affected customers' satisfaction at KPLC.

Table 4.15: Effect of Staff Reliability on Customer Satisfaction at KPLC

Response	Frequency	Percent
Yes	62	77
No	13	16
not indicated	6	7
Total	81	100

From the findings above, 77% of the respondents were in agreement while 16% felt that the service reliability did not affect their satisfaction. 7% of the respondents did not indicate if they agreed or not. This is well shown in table 4.12 above.

4.6.2 Extent at Which Staff Service Reliability Affected Customer Satisfaction at KPLC

The study further sought to establish customers' view of staffs' service reliability.

Table 4.16: Extent at Which Staff Service Reliability Affected Customer Satisfaction at KPLC

Response	Frequency	Percent
Great extent	27	33
Moderate extent	18	22
Very great extent	16	20
Not indicated	11	14
Little extent	6	7
Not at all	3	4
Total	81	100

From the findings, 33% of customers indicated that staffs' service reliability affected their satisfaction at KPLC to a great extent, 22% were affected to a moderate extent, 20% said they were affected to a very great extent, 14% did not indicate while 7% and 4% of the respondents indicated to a little extent and not at all respectively. This is well indicated in table 4.13 above.

4.6.3 Level of Agreement on Staff Service Reliability and Its Effect on Customer Satisfaction at KPLC

The study sought to establish the level of agreement with statements that relate to KPLCs' staff reliability on customer satisfaction. This is well illustrated in table 4.14 below.

Table 4.17: Staff Service Reliability and Its Effect on Customer Satisfaction at KPLC

	Mean	Std. Deviation
KPLC have adopted numerous relationship-building initiatives designed to give customers a reason to do business with them.	2.4583	1.06066
Empathy plays an important role when dealing with customers.	1.8889	1.10766
If a service proves to be reliable, then customers will use it and be satisfied.	1.3333	0.53074
Building a good relationship with the customer is one of the key elements of customer satisfaction.	1.3205	0.71157

According to the findings, the respondents agreed that KPLC have adopted numerous relationship-building initiatives designed to give customers a reason to do business with them and that empathy plays an important role when dealing with customers as shown by a mean score of 2.4583 and 1.8889 respectively. The respondents also strongly agreed that whenever service proves to be reliable, then customers will use it and be satisfied and Building a good relationship with the customer is one of the key elements of customer satisfaction scoring a mean of 1.3333 and 1.3204 respectively.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter presents a summary of the findings, conclusion and recommendations on factors affecting the levels of customer satisfaction in public organization.

5.2 Summary of the Findings

100 questionnaires were administered to the respondents out of which 81 questionnaires were filled and returned giving a response rate of 81% which was considered sufficient for data analysis and generalization of the findings to the population of interest. 56% of the respondents were female while 40% were male. On age, 46% were aged between 26-35 years followed by those aged between 36-45 years at 26%. 17% were aged over 46 years while 9% were aged between 18-25 years. On education, 33% were graduates, 31% had diploma/certificate, 28% were post graduates, 6% of the respondents had reached O-level while a small proportion of respondents as indicated by 1% did not specify their level of education. 57% of the respondents had transacted with KPLC for more than 10 years, 26% had transacted with KPLC for a period between 5- 10 years, 15% had transacted with KPLC for less than 5 years.

5.2.1 Service Quality

On the relationship between service quality at KPLC and customer satisfaction, 70% of the respondents felt that good service quality at KPLC promoted customer satisfaction while 27% felt that service quality at KPLC did not was not satisfactory. This means that on average, the quality of services offered by KPLC satisfied customers as indicated by 70% of the respondents. However, there were some customers who were not satisfied with the quality of services offered by KPLC. This means that the Company needs to improve its service delivery to its customers so as to improve

the satisfaction level. This may be achieved through improvement of information technology systems used to serve customers so as to reduce long customer queues. This may help in reducing the response time and customer complaints. However, the company has also made some progress in ensuring customer satisfaction. First, the Company has come up with a service charter which it is using to improve its service delivery by adhering to the set timelines.

On the level of service quality at KPLC, 62% of the respondents rated the service quality as moderate, 26% rated as high while 11% rated the service quality as low. These findings clearly indicate that KPLC has room for improving its service quality so as to ensure high levels of customer satisfaction. 88% rated the service as moderately satisfying meaning that there are 12% who feel the company needs to improve its service delivery. To ensure high customer satisfaction, the Company needs to conduct customer satisfaction surveys to establish the exact areas/items that the customers would want improved. By so doing, the Company will be able to come up with measures and ways of satisfying then thereby increasing the levels of customer satisfaction.

From the study findings on the effects of service quality on level of customer satisfaction, it was evident that that service quality at KPLC ensured customer satisfaction to a moderate extent. The customers rated the level of service quality at KPLC as moderate. In addition, the customers moderately agreed that the service quality at KPLC has maintained a high level of customer satisfaction.

5.2.2 Supplier Image

KPLC's image influenced customers' satisfaction as indicated by 63% of the respondents who agreed when asked on the influence of KPLC's image on customer satisfaction. The image the Company builds in the mind of customers play a key role in the determination of customer satisfaction. An image build in customers' mind about a company always influences the customer's

perception of the company and regardless of the efforts a Company make to improve its customer service and satisfaction, customer will always be feeling like the Company has not done anything.

On the extent at which KPLC image influenced customer satisfaction, 33% of customers agreed to a great extent, another 33% did not indicate their level of agreement, 17% agreed to a very great extent while 15% agreed to a moderate extent. This implies that KPLC's image influenced customer satisfaction. KPLC's image is influenced in a number of ways. First, through the pace at which customers are connected to the grid, after the application for a connection and the response time when there is a disconnection and the general response to the customers' demands.

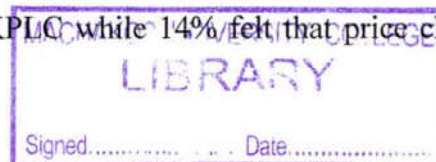
5.2.3 Staff Service Reliability

On the effect of staff service reliability on customers' satisfaction at KPLC, 77% of the respondents agreed that staff service reliability affected customer satisfaction while 16% felt that the service reliability did not affect their satisfaction. Staff service reliability includes the staff courteousness, the tone with which they respond to customers, and the timeliness with which they serve customer among other variables. The manner in which the staff treats customers determines their service reliability.

The customers' view of staffs' service reliability may vary and at times be subjective. From the findings, 33% of customers indicated that staffs' service reliability affected their satisfaction at KPLC to a great extent, 22% were affected to a moderate extent, 20% said they were affected to a very great extent, 14% did not indicate while 7% and 4% of the respondents indicated to a little extent and not at all respectively.

5.2.4 Perceived Price Fairness

On the influence of price charged at KPLC on customer satisfaction, 80% of the respondents agreed that price charged influenced their satisfaction at KPLC while 14% felt that price charged did not



influence their satisfaction at KPLC. With such a high proportion of respondents indicating that price charged influenced their satisfaction, this means that on general, price charges for services offered by KPLC greatly influence customer satisfaction. Perceived price fairness includes the amount charged for connection and the monthly charges paid to KPLC. Recently, the Company launched a prepaid meter boxes which has helped customers in measuring and controlling their electricity consumption. Perceived price fairness also includes the comparison between the amounts paid to the company versus the quality of services received from the company. If the customers are not getting value for their money, they will perceive the prices of the company as being unfair. The study concluded that price charged influenced customer satisfaction at KPLC to very great extent as it was disagreed that customers were totally satisfied with the prices offered by the KPLC and that KPLC offered cheap and affordable products/services as compared to other international institutions. Moreover, the respondents were neutral on price as an indicator of the quality of service.

5.3 Conclusion

5.3.1 Service Quality

Service quality greatly affected customer satisfaction at KPLC as indicated by 70% of the respondents who felt that good service quality at KPLC promoted customer satisfaction compared to 27% who felt that service quality at KPLC did not was not satisfactory. On average, the quality of services offered by KPLC satisfied customers although there was room for improvement as there were some customers who were not satisfied with the quality of services offered by KPLC. This means that the Company needs to improve its service delivery to its customers so as to improve the satisfaction level.

5.3.2 Supplier Image

KPLC's image influenced the quality of its services. The image customers hold of KPLC greatly influence its customers' satisfaction. This has generated a lot of discussions in the Company thereby leading to rebranding of the Company to signify a new beginning. The company has now rebranded to Kenya Power with a new vision and mission statements focused on customer service and timely delivery.

From the above discussion and further discussions in chapter four, it is clear that KPLC's image has a great bearing to the customers' satisfaction.

5.3.3 Staff Service Reliability

Staff service reliability greatly affects customer satisfaction. Staff need to know their duties and perform their tasks well and on time to reduce customer dissonance. A good and timely service delivery to the customers by its staff will promote the levels of customer satisfaction. The Company has noticed this fact and thus the proposed staff development program especially on customer service.

5.3.4 Perceived Price Fairness

The price charged for any product normally influences the level of customer satisfaction with that product/service. For KPLC, customers perceived the prices charged as fair compared to the services they received from the Company. Perceived price fairness means that customers were charged fairly for connection to the grid and subsequent monthly billings. This in turn improved the level of customer satisfaction with the services of the Company.

5.4 Recommendation

5.4.1 Service Quality

From the discussion in chapter four and summary in this chapter, the qualities of services delivered by KPLC to its customers were of moderate quality. This led to a moderately high level of customer satisfaction as a high proportion of respondents indicated moderate to high levels of satisfaction. However, service quality may be improved to ensure 100% customer satisfaction/ To achieve this, the study recommends that staff be trained in customer service especially on handling customers. Further, the study recommends that a system upgrade be carried out so as to improve service delivery.

5.4.2 Supplier Image

The study recommends that KPLC engage itself in image promotion by engaging itself in corporate social responsibility that promotes its brand image. Since a brand is built by several factors, the study also recommends that the Company clearly communicates its vision and mission statement to its staff and customers and ensure that it delivers within the timeframes set in the service charter. In addition, the study recommends that a thorough promotion be carried out especially carrying the new logos and rebranded Company colours.

5.4.3 Staff Service Reliability

The study recommends that staff be equipped with customer service skills. As a result, the study recommends for whole organization training in customer service and the new service charter detailing where the rebranded company wishes to be.

5.4.4 Perceived price Fairness

The study recommends that the Company takes all factors in pricing its services. These may include the cost of generating power and distributing it. In addition, it should factor in the necessary costs and remain fair in its pricing strategies. This is because most of the customers felt that the price charged by the Company was not fair.

5.5 Suggestions for further Studies

The study suggests that another study be carried out within the same company after five years to measure the effects of the measures taken by the Company in improving customer service and customer satisfaction. This study will serve as a benchmark on which the future study can be used to check on the effects of various intervention strategies used by the Company.

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APPENDICES

Appendix I: Customer Questionnaire

SECTION A: BIO DATA

You are requested to fill out your personal information in the spaces below. Please tick only one response.

1. Gender Male: Female:
2. What is your age?
18-25 26-35 36-45 46 and above
3. Level of education
Primary Level 'O' Level Certificate/Diploma Graduate
Postgraduate
4. How long have you worked/interacted with KPLC?
Less than 5 years Between 5 and 10 years More than 10 years

SERVICE QUALITY

5. Does service quality at KPLC ensure customer satisfaction?
Yes () No ()
6. If yes in question 5, to what extent?
Very great extent []
Great extent []
Moderate extent []
Little extent []
Not at all []
7. Rate the level of service quality at KPLC.
High () Moderate () Low ()
8. Do you agree with the following statement:
"The quality of service at KPLC has maintained a high level of customer satisfaction".
Strongly agree []
Moderately agree []
Neither agree nor disagree []
Moderately disagree []
Strongly disagree []

SUPPLIER IMAGE

9. Does KPLC image influence your satisfaction at KPLC?

Yes () No ()

10. If yes in question 9, to what extent does KPLC image influence your satisfaction at KPLC?

- Very great extent []
- Great extent []
- Moderate extent []
- Little extent []
- Not at all []

11. In your opinion, how does KPLC image influence your satisfaction at KPLC?

.....

STAFF SERVICE RELIABILITY

12. Does staff service reliability affect your satisfaction at KPLC?

Yes () No ()

13. If yes in question 12, to what extent does staffs' service reliability affect your satisfaction at KPLC?

- Very great extent []
- Great extent []
- Moderate extent []
- Little extent []
- Not at all []

14. What is your level of agreement with the following statements that relate to staffs service reliability and its effect on your satisfaction at KPLC?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Building a good relationship with the customer is one of the key elements of customer satisfaction					
Empathy plays an important role when dealing with customers					

KPLC have adopted numerous relationship-building initiatives designed to give customers a reason to do business with them					
If a service proves to be reliable, then customers will use it and be satisfied					

PERCEIVED PRICE FAIRNESS

15. Does price charged influence your satisfaction at KPLC?

Yes [] No []

16. If yes in question 15, to what extent does price influence your satisfaction at KPLC?

- Very great extent []
- Great extent []
- Moderate extent []
- Little extent []
- Not at all []

17. In what ways does price fairness influence your satisfaction at KPLC?

.....

18. What is your level of agreement with the following statements that relate to price fairness and its effect on your satisfaction at KPLC?

	Strongly agree	agree	neutral	disagree	Strongly disagree
Am totally satisfied with the prices offered by the KPLC					
Price is an indicator of the quality of service					
KPLC offers cheap and affordable products/services as compared to other international institutions					