INFLUENCE OF CORPORATE IMAGE ON COMPETITIVE ADVANTAGE: A CASE STUDY OF NAIROBI JAVA HOUSE LIMITED

BY
GEOFFREY K. GAKIRIA

UNITED STATES OF INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2018
STUDENT'S DECLARATION
I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University-Africa for academic credit.

Signed: _______________________________  Date: ________________________

Geoffrey Kingori Gakiria (ID No. 623457)

This research project report has been presented for examination with my approval as the appointed supervisor

Signed: _______________________________  Date: ________________________

Prof. Fred. O. Newa

Signed: _______________________________  Date: ________________________

Dean, Chandaria School of Business
ABSTRACT

The general objective of this study was to investigate the influence of corporate image on competitive advantage at Nairobi Java House Limited. The study was guided by specific objectives that sought to determine the effect of corporate image on customers’ perceived value, examine the influence of corporate image on customer loyalty, and to examine the effect of corporate image on customer satisfaction at Nairobi Java House Limited.

This study made use of the descriptive research design and more specifically the survey design because it enabled the researcher get detailed information on the study topic. The population of this study consisted of customers who frequented Nairobi Java House Limited outlets located at Nairobi’s CBD and on average, they were about 2450 customers. Stratified sampling technique was employed to select the sample size of the study, and systematic sampling was then used to select the sample size from the entire population. Sample size selection of the study involved the selection of 5.8% of the entire population bringing the sample size to 140. Data was collected for the study using questionnaires that were tested before the data collection period. Data was analyzed using Statistical Package for the Social Sciences (SPSS). Basic descriptive statistics like frequencies, percentages, means and standard deviations were used in analysis, as well as inferential analysis of correlations and regressions, and the results were presented in the form of tables and figures.

The study showed that Nairobi Java House met customers’ quality standards and needs. As a result, customers’ choice of Nairobi Java House is influenced by their view of their outlets (suitable for holding meetings), and product quality. The study revealed that customers’ choice of Nairobi Java House is influenced by their perception of the organization’s trustworthiness, and their perceived value of Nairobi Java House.

The study indicated that consumers were confident of buying from Nairobi Java House because their friends had been satisfied with their services, as well as their social group. Customer did not go to Nairobi Java House in order to become influencers/ trendsetters among their peers, and neither were they attracted to it because of its employees offering personalized service or understand their personal taste for foods and drinks. The study showed that consumers were satisfied with the services provided by Nairobi Java House, and that their customer satisfaction scores were high compared to their
competitors. The consumers’ personal service expectations of Nairobi Java House had influenced their satisfaction with their services. The study revealed that consumers were loyal to Nairobi Java House services because they provided services as promised and their employees provided cordial customer relationship.

The study concludes that consumers frequent Nairobi Java House because of the knowledge they had about the organisation and its consistent service delivery (in terms of punctuality). Consumers were also satisfied with Nairobi Java House’s online service systems and its rapport with them through social media platforms. Consumers also prefer to interact with Nairobi Java House because of it is a representation of the value they hold about themselves.

The study recommends the management of Nairobi Java House to improve their customers’ value through their transactions of operational excellence, product leadership and customer intimacy. Nairobi Java House management should ensure its employees provide personalized service to its most esteemed and loyal customers. This would facilitate their ability as an organization to go beyond their customers’ expectations, thus increase customer loyalty.
ACKNOWLEDGEMENT

I am in deed grateful to my supervisor Prof. Fred O. Newa for his invaluable guidance and held that facilitated my ability complete this research project on time. Your quick response and availability pushed me to go beyond my abilities. I would also like to thank my family and friends for their encouragement and understanding while pursuing this course.
# TABLE OF CONTENTS

STUDENT'S DECLARATION.................................................................................. ii
COPYRIGHT........................................................................................................ iii
ABSTRACT.......................................................................................................... iv
ACKNOWLEDGEMENT....................................................................................... vi
LIST OF TABLES................................................................................................. ix
LIST OF FIGURES................................................................................................ xi

CHAPTER ONE ...................................................................................................... 1
1.0 INTRODUCTION ............................................................................................. 1
1.1 Background of the Study ............................................................................... 1
1.2 Statement of the Problem ........................................................................... 4
1.3 Purpose of the Study .................................................................................. 5
1.4 Specific Objectives .................................................................................... 6
1.5 Significance of the Study ........................................................................... 6
1.6 Scope of the Study ..................................................................................... 6
1.7 Definition of Terms ................................................................................... 7
1.8 Chapter Summary ..................................................................................... 8

CHAPTER TWO ..................................................................................................... 9
2.0 LITERATURE REVIEW .................................................................................. 9
2.1 Introduction ................................................................................................... 9
2.2 Effect of Corporate Image on Customer Perceived Value ....................... 9
2.3 Influence of Corporate Image on Customer Loyalty ............................... 13
2.4 Effect of Corporate Image on Customer Satisfaction ............................. 17
2.5 Chapter Summary ..................................................................................... 21

CHAPTER THREE ................................................................................................ 22
3.0 RESEARCH METHODOLOGY ...................................................................... 22
3.1 Introduction .................................................................................................. 22
3.2 Research Design ......................................................................................... 22
3.3 Population and Sampling Design ............................................................... 23
3.4 Data Collection Methods .......................................................................... 25
3.5 Research Procedures ................................................................................ 26
LIST OF TABLES

Table 3.1: Population Distribution................................................................. 23
Table 3.2: Sample Size Distribution.................................................................. 25
Table 4.1: Reliability and Validity Results.......................................................... 29
Table 4.2: Analysis of Corporate Image on Customer Perceived Value .............. 33
Table 4.3: Correlations for Corporate Image Effect on Customer Perceived Value .... 34
Table 4.4: Model Summary for Corporate Image Effect on Customer Perceived Value .. 34
Table 4.5: Regressions for Corporate Image Effect on Customer Perceived Value........ 35
Table 4.6: Analysis of Corporate Image on Customer Loyalty .............................. 36
Table 4.7: Correlations for the Influence of Corporate Image on Customer Loyalty ....... 37
Table 4.8: Model Summary for the Influence of Corporate Image on Customer Loyalty 38
Table 4.9: Regressions for Influence of Corporate Image on Customer Loyalty .......... 38
Table 4.10: Analysis of the Effect of Corporate Image on Customer Satisfaction ....... 39
Table 4.11: Correlations for the Effect of Corporate Image on Customer Satisfaction ... 41
Table 4.12: Model Summary for Corporate Image and Customer Satisfaction ............ 41
Table 4.13: Regressions for Effect of Corporate Image on Customer Satisfaction ....... 42
LIST OF FIGURES

Figure 4.1: Response Rate ................................................................. 28
Figure 4.2: Gender ........................................................................... 29
Figure 4.3: Age Bracket ................................................................. 30
Figure 4.4: Education Level ........................................................... 30
Figure 4.5: Income Level ............................................................... 31
Figure 4.6: Frequency of Visits ...................................................... 31
Figure 4.7: Nairobi Java House Perception .................................... 32
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

In today’s business world, we witness a more fierce competition among firms due to many organizational and environmental factors such as globalization and deregulation amidst increasing global as well as domestic competition and development of new technologies (Mohammed & Shahid, 2014). The chances a firm probably has to succeed would depend largely on whether its business repertoire not only matches the major success requirements for operating in a selected target market, but also capable of bettering those of their competitors (Aswini, 2013).

The business environment today is fast changing and becoming more competitive, firms are constantly faced with strict challenges in meeting with the ever-increasing market and customers unlimited needs coupled with its varying expectations, and coping with rapid technological advances (Karaosmanoglu & Melewar, 2013). The search for new roads which lead to success and competitive advantage is becoming one of the major objectives of many companies (Czarniewski, 2015). Competitive advantage is basically seen as the ability of the firm to stay ahead of both potential and current competitors (Porter, 1985). Building a competitive advantage is not enough; the key to success overtime is building sustainable competitive advantage (Czarniewski, 2015).

Developing solid competitive strategies has become a very important factor that could contribute towards building a long-term sustainable success of any business organizations (Gioia & Thomas, 2012). A competitive strategy aims to build a profitable and sustainable position against the forces and factors that determine industry competition by identifying areas of competition in the highly dynamic environment, and employing strategies that match organizational capabilities to the changes in the environment (Mukesh Andy & Louis, 2013).

Winning business strategies are mainly grounded in sustainable competitive advantage. The desire to gain competitive advantage is the main focus of organizational performance, as such understanding the source of sustained competitive advantage has become a major area of study in strategic management (Porter, 1985). Companies that are successful invest heavily in creating sustainable competitive advantage as it is the single
most dependent contributor that gives above-average level of profitability (Barney, 2016). The goal of all business is getting a competitive advantage in relation to other competitors in the market (Porter, 1985). Once competitive advantage is achieved, organizations will always strive to maintain its competitive position in order to ensure survival in competitive markets (Mohammed & Shahid, 2014).

Firms sustain a competitive advantage only for as long as the products/services they offer and the manner in which they present them have attributes that still correspond to the major buying criteria of a substantial number of customer is based (Dutton & Dukerich, 2014). A competitive advantage laboriously achieved can be quickly lost. The company’s ability to maintain the competitive advantage obtained depends on the speed with which competitors will be able to imitate and outperform (Irakli, 2012). In search of sustainable competitive advantage which is difficult to imitate and can differentiate the firm from rivals, organizations have turned to intangible assets such as the firm’s corporate image (Ade, 2012).

Generally, positive corporate image as a long term strategic and enduring asset empowers the company to create customer loyalty, increased sales, and earnings, attract new customers, attract good employees, ability to obtain loans and increase stakeholders’ trust in the company (Virvilaite & Daubaraite, 2011). Therefore, organizations project an effective corporate image by building strong and supportive relationships with their stakeholders and understanding the various perceptions, expectations and needs of the various interest groups (Karaosmanoglu & Melewar, 2013). Creating and projecting a favorable corporate image is far more challenging than communicating the qualities of its products and services to the public (Irakli, 2012).

The corporate image of a firm communicates the organization’s mission, the professionalism of its leadership, the caliber of its employees and its role within the environment (Robert, 2012). Before anybody will agree to do business with a company, he/she will first of all asses the image of the company vis-à-vis its general perception by members of the public. As a concept, corporate image is based on the recognition that clients buy products not only because of their inherent qualities but also because of a bias, a disposition towards product of selected companies (Balmer, 2014). The corporate image of an organization affects people’s selection or rejection of its products. Since an
organization’s corporate image affects stakeholder’s behavior, they therefore strive to develop and manage their images (Robert, 2012).

Corporate image management is an essential key to attain security and maintain public trust (Deephouse, 2010). It involves actions taken with the intention to create, maintain, and probably, regain a required image in the eyes of the stakeholders. Every organization has its own corporate image, irrespective of the fact that such organization may or may not want one. If this image is properly developed and managed, the firm’s corporate image could reflect the firm’s level of commitment to quality, excellence and good relationship with its stakeholders including current and also its potential customers, present employees and future employees, also competitors and investors, governing bodies and the general public at large (Deephouse, 2010). Balmer (2014) states that, the process of managing the firm’s corporate image is an on-going, synergistic management tool, rather than a one-time corporate image exercise to enable sustainable relationship advantages to be developed with key audiences. Organizations that do not engage in successful image management increase the chances of failure (Aswini, 2013).

Kenya’s hotel, restaurant, and institutional (HRI) sector will continue growing, mid-to long-term, faster than any other economic segment in the Kenyan economy. The Government of Kenya (GOK) established a goal of, and has undertaken activities to double the 1.5 million calendar year 2010-tourist visits to 3 million by 2030 (Mohammed & Shahid, 2014). The HRI sector’s projected growth relies on a vibrant tourist sector but depends as well on strong growth of Kenya’s middle class, where increasing numbers and disposable incomes will likely lead to more restaurant and hotel visits (Lagat, 2011).

The fast-food revolution has made its debut in Kenya. Few well-known chains dot major streets in key cities, eyeing the rising free spend among the growing middle class. As they begin a speedy entrance into our market, things stand to change. This is because the fast-food industry bears the uncanny ability to become entrenched in every facet of our lives, gradually changing life, as we know it and in no time to become a way of life (Mohammed & Shahid, 2014). The main distinction between fast-food businesses and other kinds of catering enterprises essentially lies in their marketing and promotion. Fast-food outlets market their brands and not so much the underlying menu like Nairobi Java House Limited (Mukesh, Andy & Louis, 2013).
Nairobi Java house is a restaurant chain of coffee houses based in Nairobi and dealing in the coffee brewing business and food and pastry as their core business. In the course of its years of existence Nairobi Java House has enjoyed 13 years of providing its clients with a good cup of coffee brewed at its best from its professional baristas and tasty meals coming from their kitchens. All this ends up with a memorable customer experience from the quality, friendly service that comes from their servers. It is purely based in Nairobi with recent prospect of venturing into other city of Kenya with Mombasa being the first outside Nairobi outlet. Having been established in Nairobi in 1999, Nairobi Java house is popularly known for its coffee besides all the other commodities it serves. The organization was established with the premise that Kenya had been ranked 6th in Africa in volumes of coffee production, but best in quality of the product. However, the country has had no culture of local coffee consumption. It was started specifically to serve brewed coffee with the knowledge that in the 1990s, consumers would not get brewed coffee and had to take instant coffee (Nairobi Java House Limited, 2012).

Nairobi Java House is a family friendly restaurant in Nairobi known to be the home to Kenya’s finest hand roasted coffee and freshly prepared home style food. It has expanded to its 13 restaurants across the city of Nairobi. Since inception in 1999, the organization has kept its promise to its customers to serve the best cup of coffee Kenya has to offer and generously serve food which is part of their brand promise. To ensure this, the organization has experts who sample hundreds of coffees before selecting the best bean to purchase (Nairobi Java House Limited, 2012). The organization serves tea which is sourced exclusively from Kenya’s tea growing highlands of Mount Kenya which is only premium export quality grade. It has a unique Mexican menu by which food is made from freshly sourced finest local ingredients. The organization believes in quality and professionalism to ensure that all meals and drinks served reflect the promise the brand has given to its customers (Lagat, 2011).

1.2 Statement of the Problem

In the recent past, corporate image was not the clearly understood and expressed concept, concerning only managerial level of profit oriented entity and therefore lack of importance was associated with above represented phenomenon (Dutton & Dukerich, 2014). Basically corporate image was considered to be criteria of secondary importance.
and only public relations departments in collaboration with design consultants were involved in successful development of corporate image (Virvilaite & Daubaraitė, 2011). However, from today’s perspective a major part of executives recognize corporate image as a core triangle and critical corporate asset for overcoming their rivalry obstacles and achieving competitive advantage in the capitalist society (Czarniewski, 2015).

The basic interest of the research is diversified to corporate image and its involvement in creation of competitive advantage for the service oriented organizations like financial institutions and hotel and tourism (Ade, 2012). According to Barney (2016) corporate image represents self-personalized attitude of the society, their knowledge and views about corporation. Scholars like (Mohammed & Shahid, 2014; Ade, 2012; Barney, 2016; Dutton & Dukerich, 2014; Gioia & Thomas, 2012) discuss corporate image as the object determined phenomenon, while others argue that it is person determined, which means that relationship between a physical object like bank and image is week, because it is individual who selects and organizes his or her views about the object.

On the other hand, whatever the argument is Deephouse (2010) explains that corporate image is originated from subjective, rather than objective cognitive processes and customer perceptions are main determinants of the represented fact. Concurrently, Dutton and Dukerich (2014) identify corporate image as the way organization members believe others to see their organization. This idea is oriented more at internal perceptions of the image than on external ones. Hence, it is possible to claim that corporate image should consider the controversial perceptions of external and internal stakeholders. In other words, corporate image is determined by customers’ perceptions, which is simultaneously supported and improved by internal employees of the organization (Gioia & Thomas, 2012). Based on this key notion where corporate image lies with the perception of the customer, this study was driven to investigate the influence of corporate image on competitive advantage at Nairobi Java House Limited.

1.3 Purpose of the Study

The general objective of this study was to investigate the influence of corporate image on competitive advantage at Nairobi Java House Limited.
1.4 Specific Objectives
1.4.1 To determine the effect of corporate image on customers’ perceived value at Nairobi Java House Limited.
1.4.2 To examine the influence of corporate image on customer loyalty at Nairobi Java House Limited.
1.4.3 To examine the effect of corporate image on customer satisfaction at Nairobi Java House Limited.

1.5 Significance of the Study
1.5.1 Nairobi Java House Limited
This study may be of great benefit to the management of Nairobi Java House Limited. Because it has highlighted the importance of corporate image on competitive advantage and it may enable them to understand how vital corporate image is a competitive advantage, and thus offer recommendations on how they can utilize it to their advantage.

1.5.2 Nairobi Java House Limited Competitors
Competitors of Nairobi Java House Limited may be able to understand why the organization is flourishing in the market, whilst retaining a high percentage of the market in Kenya. The managers of these organizations may benchmark on what is working for Nairobi Java House Limited and adopt the same for their organizations.

1.5.3 Researchers
Future scholars seeking to gather information on the effects corporate image on competitive advantage of service industries may find valuable information from this study. It has formed a foundation of reference for future scholars and it has provided gaps that the future researchers may research on, thus providing foundational topics.

1.6 Scope of the Study
This study specifically focused on Nairobi Java House Limited. It limited itself to Nairobi Java House Limited outlets that operated within Nairobi’s Central Business District (CBD). These particular outlets were located at City Hall, Embassy House, Kimathi Street, Mama Ngina Street, Phoenix House, Reinsurance Plaza and Uniafric House. The concentration of the study was on customers frequenting these specific outlets.
1.7 Definition of Terms

1.7.1 Competitive Advantage
Competitive advantage is basically seen as the ability of the firm to stay ahead of both potential and current competitors (Porter, 1985). These are conditions that allow a company or country to produce a good or service of equal value at a lower price or in a more desirable fashion (Aswini, 2013).

1.7.2 Competitive Strategy
Competitive strategy aims to build a profitable and sustainable position against the forces and factors that determine industry competition by identifying areas of competition in the highly dynamic environment, and employing strategies that match organizational capabilities to the changes in the environment (Mukesh Andy & Louis, 2013).

1.7.3 Corporate Image
A corporate image is the manner which a corporation, firm or business presents themselves to the public (such as customers and investors as well as employees) (Irakli, 2012). It can also be defined as the way in which a company is seen and understood by people in general (Gioia & Thomas, 2012).

1.7.4 Customer Loyalty
Customer loyalty indicates the extent to which customers are devoted to a company’s products or services and how strong is their tendency to select one brand over the competition (Mukesh, Andy & Louis, 2013). Irakli (2012) defines it as the likelihood of previous customers to continue to buy from a specific organization.

1.7.5 Customer Satisfaction
Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals (Aswini, 2013).

1.7.6 Service Quality
Service quality is defined as an assessment of how well a delivered service conforms to the client’s expectations in order to improve services, quickly identify problems, and to better assess client satisfaction (Mukesh, Andy & Louis, 2013).
1.8 Chapter Summary
The chapter presents the background information of the research problem, identifies the problem statement, and states the general objective of the study as well as the specific objectives addressed in the research project. The chapter also presents the rationale, scope and definition of terms used. Chapter two presents the literature review, while chapter three focuses on the research methodology. Results and findings of the study were presented in chapter four, while chapter five provided the study’s discussions, conclusions, and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
The general objective of this study was to investigate the influence of corporate image on competitive advantage at Nairobi Java House Limited. This chapter provides extensive literature on the study objectives that sought to examine the effect of corporate image on customer perceived value, the influence of corporate image on customer loyalty, and the effect of corporate image on customer satisfaction at Nairobi Java House Limited.

2.2 Effect of Corporate Image on Customer Perceived Value

2.2.1 Customer Perceived Value
Creating perceived value for customers is a key success factor for professional service firms. Vantrappen (2012), stated that, value creation for the customer means that the firm meets the customer’s quality, delivery and cost expectations. Expectations for one customer can be different for another. Khalifa (2014) observes that each customer has unique and evolving needs where: a customer expects to find different attributes in the product; and they will expect different attributes next time they use it.

Slater and Narver (2014) lay out a paradigm for attaining superior performance and creating value. They stated that creating superior customer value requires more than just focusing on customers. The key questions are which competitors, and what technologies, and whether target customers perceive them as alternate satisfiers. Superior value according to Khalifa (2014) requires the seller to identify and understand the principle competitors’ short-term strengths and weaknesses and long-term capabilities and strategies.

Slater (2014) proposed that the central organizational challenge in the customer value-based theory of the firm is to maximize the effectiveness of the firm’s customer value creation activities. He emphasized finding out what it is that the customer wants and work to meet those needs. Christopher (2012) noted that customer value is created when the perceptions of benefits received from the transaction exceed the costs of ownership. In his study, Christopher (2012) cites three sources of competitive advantage with respect to this question: operational excellence, product leadership and customer intimacy. One of these strategic approaches can be a company’s main source of value creation.
Woodruff (2014) proposes that adopting a customer value delivery orientation requires organizations to learn extensively about their markets and target customers. This is followed by deciding how to compete on what customers value now and in the future raises difficult questions. Woodruff (2014) adds that, to build customer value delivery capability often requires finding and overcoming organizational culture, procedural, and learning barriers. Different buyers value different attributes as observed by Parasuraman (1997) who noted that a basic proposition underlying the proposed framework is that customers criteria for assessing value may change over time; specifically, they may become increasingly abstract as new buyers progress towards becoming long-term customers.

2.2.2 Corporate Image and Customers Perceived Value

Evidence of the role of corporate image, as a specific influence, on the perceptions of the quality of a product or service has been provided in a qualitative study by Brown, Easingwood and Murphy (2014) and quantitative studies of service markets by Andreassen and Lindestad (2015) and Bloemer, de Ruyter and Peeters (2014). While the primary influence of the corporate image is likely to be on customers’ perceptions of quality there is some evidence that it may also influence customer choice (Andreassen & Lindestad, 2015; Bloemer et al., 2014) and the perceptions of customer value (Maklan & Knox, 2014). However, this evidence is based on consumer markets.

Consumer research shows that corporate image of a company may be used as a heuristic for judging the quality of the offering (Brown et al., 2014; Dawar & Parker, 2014; Hoyer & Brown, 2015). Other consumer research shows customers use signals or extrinsic cues, such as advertising, corporate image or company reputation, to infer product quality and to refine their choices (Bolton & Drew, 2016; Bloemer et al., 2014; Maklan & Knox, 2014). In addition, a firm with a good corporate image is likely to be perceived by customers as being more trustworthy and credible as opposed to one with a poor corporate image which will positively influence the perceived quality of the offering (Chen & Dubinsky, 2016).

Corporate image is a broader construct than brand image and hence it is more likely to have a strong influence on the perceptions of customer value (de la Fuente Sabate & de Quevedo Puente, 2015). In particular Mudambi et al. (2014) suggest that aspects of
reputation such as “being world class”, “technical leadership” and “global presence” have the potential to influence perceptions of customer value. Empirical research (Chen & Dubinsky, 2016; Lehmann & O’Shaughnessy, 2014; Andreassen & Lindestad, 2015) has demonstrated a positive influence of corporate image on customers’ perception of value. In another study of a business market, corporate image has been found to be ranked second behind price in influencing the value of an offering (Lehmann & O’Shaughnessy, 2014). Also Brown and Dacin (2016) have shown that the association customers have about the reputation of a retailer influence the perception of the value of what they purchase from a store.

2.2.3 Influence of Corporate Image on Customers Perceived Value
Consumers are mostly value driven, rational, and cognitive (Sheth, Newman & Gross, 2015). They make consumption decisions based on utilitarian values as well as other intrinsic and extrinsic values. Customers’ perceived value includes functional value, social value, emotional value, epistemic value, and conditional value (Sheth et al., 2015; Park and Rabolt, 2009).

Functional value is the utility that is perceived to possess on criteria salient to its physical or functional purposes; social value is derived from its association with one or more distinctive social groups; emotional value is derived from feelings or affective states; epistemic value is derived from its capacity to provide novelty, arouse curiosity, and satisfy knowledge-seeking aspirations; and conditional value is derived from its capacity to provide temporary functional or social value in the context of a specific and transient set of circumstances or contingencies.

Functional value relates to economic utility, indicating benefits associated with product possession as in the economic person theory (Chen, Chang & Chang, 2015). This value underlies object performance by means of a series of salient price attributes (LeBlanc & Nguyen, 2014). Price notably plays an important role in consumers’ brand choices (Erdem, Zhao & Valenzuela, 2014; Mazumdar, Raj & Sinha, 2015). Perceived product value for the money may influence consumer’s attitudes toward product brand image, affecting consumer intention to buy (Gill, Byslma, & Ouschan, 2007). Previous studies also indicate that the more reasonably priced product perceptions, the higher the purchase intention (LeBlanc & Nguyen, 2014). Therefore, buying intentions are motivated by price
and value for money considerations (Felzensztein, Hibbard & Vong, 2014; Bhaskaran & Sukumaran, 2007).

Functional value is the perceived utility acquired from an object’s capacity for functional, utilitarian, or physical performance (Larsen & Watson, 2011), and product quality is usually the measure of value (Omar, Musa & Nazri, 2014). Product/service quality is an important dimension of a corporate’s image because it is generally the most significant role of brand preference (Baltas & Argouslidis, 2007) and the major purchasing factor (Omar et al., 2014). Previous studies suggest that consumer perception about product/service quality has a strong, positive relationship with brand equity (Nowak & Washburn, 2012) and purchase intention (Woodside & Taylor, 2009; Tsiotsou, 2014; Bhaskaran & Sukumaran, 2007; Gill et al., 2007). Product/service quality is therefore used as a strategic differentiation tool to develop competitive advantage since it provides an enhanced level of functional utility offering genuine value to the consumer.

Emotional value is defined as product power to trigger certain consumer emotions or change emotional status (Sheth et al., 2015). Researchers describe emotional value as product ability to arouse feelings or affective states (LeBlanc & Nguyen, 2014). Design is understood as a core activity conferring competitive advantage by bringing to light the emotional meaning products have, or could have, for consumers and by extracting the high value of such emotional connections (Lojacono & Zaccai, 2014). Previous study findings show that emotions influence consumer purchase decisions (Mizerski & White, 2016; Burnett & Lunsford, 2016), and positive emotion has a positive effect on impulse buying behavior during shopping (Park, Kim & Forney, 2016). Given that product consumption is an experience, it follows that this experience generates emotional value. Positive emotions should increase loyalty to the offering (Sierra & McQuitty, 2015). Therefore, experiencing positive emotions creates positive senses that interact with the brand. Such brand experiences lead to brand loyalty, and increased profitability for the brand (Morrison & Crane, 2007).

Sweeney and Soutar (2015) define social value as the utility derived from the product’s ability to enhance social self-concept. Consumers consider the connection of a product with special referential groups and seek to classify their own identities, promote their image and finally gain or project the product’s symbolic value (Park et al., 2016).
Symbolic benefits demonstrate attachment to referential groups in this way, acting as an extrinsic element or sign of symbolic value. Consumers experience social symbolism through the product, and the positive perceived social symbolism of the product makes for good brand impression (Rose, Shoham, Kahle, & Batra, 2015), and also increases high buying intention (Vigneron & Johnson, 2016; Gill et al., 2007). Therefore, previous studies show that consumers interacting with product categories that visibly represent values about themselves may guide product purchase and use (Goldsmith, Frieden & Henderson, 2014).

Consumers are mostly value driven, rational, and cognitive (Sheth et al., 2015). They make consumption decisions based on utilitarian values as well as other intrinsic and extrinsic values. Theory of consumption values focusses on product values and associated tradeoffs as perceived by consumers (Zeithaml, 1988). The theory argues that consumers make choice based on the summation of perceived consumption values which may vary in contributions in different conditions (Zeithaml, 1988).

2.3 Influence of Corporate Image on Customer Loyalty
2.3.1 Customer Loyalty

Customers who feel they have obtained value from a product or service may develop loyalty. Loyalty, in turn, breeds retention which translates into higher corporate profits. Reichheld and Sasser (2014) concluded that customer defections had a stronger impact on the financial performance of an organization than other factors, as it pertained to gaining competitive advantage. Since there is a learning curve that both the company and customer must travel, Oliver’s (2016) research suggests the longer a company keeps a customer, the more profitable that customer becomes.

In order to retain customers, it is important to know why customers leave. Not only does a company lose their future profit potential, but negative experiences are shared with colleagues, and that may spur additional defections (Dalton, 2013). Keaveney (2015) looked at multiple causal factors such as pricing, inconvenience, core service failures, service encounter failures, employee responses to failures, attraction by competitors and ethical problems. No single factor was seen as consistent with the switchers, rather various combinations of factors led to customer defection. Reichheld (2014) discussed how after years of studying companies his own view of business economics was changed
and he developed a new business model based on two principles – value creation, which generates the forces that hold these businesses together, and loyalty, which is inextricably linked to value creation as both a cause and effect.

Although loyal customers are generally satisfied, satisfaction scores do not necessarily translate well into loyalty behaviors (Oliver, 2016). According to Oliver’s (2016) analysis, satisfaction is a necessary first step in loyalty formation but other factors can impact the customer’s relationship with the organization such as personal determinism and social bonding. Dalton (2013) cites three factors that drive customer loyalty – value, trust and going the extra mile. He states that customers are loyal to people who help them solve problems and expand beyond what is expected. With respect to trust, Keaveney (2015) adds that customers are loyal to people whom they trust, whom they know will come through for them and will put their interests first. Dalton (2013) argues that loyalty can be derived from a customer if the provider of the service or product espouses the customers’ needs. Jones and Farquhar (2013) state that customers are more likely to be retained if there is a customer-oriented climate in which contact staff can deliver service quality efficiently and effectively. As competition increases, the need for customer loyalty and retention will become increasingly important. Recent research on loyalty by Lam et al. (2016) found that this construct is comprised of two dimensions – recommendation and patronage.

2.3.2 Corporate Image and Customer Loyalty

Existing trends in the business environment have been found to be potential significant predictors of customer loyalty in several industries (Chen & Ching, 2014). According to Kuo Wu and Deng (2013) trends are the collective upshot of diverse uncoordinated group and or individual activities or behaviors. It is a dynamic and continuing social structure and social relations.

Adeola and Adebisi (2014) observe that contemporary trends are revealing of or imply that businesses are seen both as abstract entities and as an integral part of the society constantly influencing and being influenced by socio-economic processes in the society. In the contemporary world when it comes to trends, people are most likely to select products/services as a result of marketing efforts and being influenced by the opinions and recommendations of their immediate surroundings such as family, friends, school
among others (Reena, 2012). This is because people are more confident buying something a family member or friend has expressed satisfaction with or one in which other people in the society fancy.

In a study conducted by Pinki. (2014), it was found that reference groups have a direct impact on forming a person trends. The effect of these groups is different across products and brands (Omar et al., 2014). Furthermore Chen and Ching (2014) noted that reference groups include, not only, individuals whom a person has frequent contact with, i.e. classmates, friends, family members and work associates, but can also include ones from a different social group that a person does not have direct contact with but wishes to be part of. This social group is called an inspirational group.

According to Close (2015), the customer, while wishing to be part of this group, will be greatly affected by its members and will buy the same products they buy. It must be noted the level of influence varies depending on individuals and groups. Ayob (2014) contends that people are thought to be brand loyal for a number of reasons as follows, they are involved in purchase decisions, they are targeted frequently by marketing communications efforts, and they use brands to become influencers and trendsetters. The factors that influence the purchasing decision may be due to increasing knowledge of the marketplace and product alternatives.

2.3.3 Influence of Corporate Image on Customer Loyalty
Responsiveness refers to the general willingness by an organization through its relevant employees to assist customers and provide prompt services to the customers when they need it (Jan, Abdullah & Smail, 2013). Yunus, Bojei and Rashid (2013) contends that in demonstrating responsiveness, employees not only show willingness in offering assistance but are also able to show interest in providing solution(s) to the problem.

Employees who also show empathy, that is providing individualized consideration for customers and their needs (Oliver, 2015). Riwo-Abudho, Njanja and Ochieng (2013) explain further that courteousness demonstrated by employees is also a fundamental part of responsiveness. Knowing customers’ needs including such issues as the foods or drinks that they should take and those that they should not take, the disability status among other
personal characteristics helps in showing empathy and providing the individualized attention that the customers need.

Moreover, efficiency with respect to the manner in which employees provide clear and effective service guidance to the customers contributes to the customers’ overall assessment of the service responsiveness (Johan, Noor, Bahar, Yan & Ping, 2014). Elements of service guidance include providing smooth seating to customers especially those with specific needs as well as prompt handling of customers’ requests, inquiries or complaints also amount to responsiveness (Kamau & Stanley, 2015; Mahmud, Jussof & Hadijah, 2013; Ahmad & Khan, 2011). However, Jan et al. (2013) contends that these elemental responsive services should be considered as integral part of high service quality.

According to Yunus et al. (2013) tangibles in the service industry implies the appearance of and the physical facilities associated with a particular location. Customers are wary of the physical appearance or the employees in as much as they are concerned about the manner in which the employees treat them (Mahmud et al., 2013). The cleanliness of the staff and the interior location gives the customers confidence and trust in the service providers’ ability to provide quality services and or the staff to provide healthy and clean foods and refreshments. Therefore, tangible attributes such as cleanliness of employees and location has been found to be an indispensable factor in the customers decision to use the same provider in future.

The kind of equipment that a given service provider has implies their ability to provide the service that it claims to provide or the services that the customers may need in the course of using them (Srivastava, 2015). The possession of technical equipment and materials show the customers that the service provider is capable of not only providing the appropriate support to the customers but are capable of handling emergencies should they occur (Park et al., 2016). The customers therefore draw a conclusion that they are safe whenever they use the service provider especially in the eventuality of an emergency.

Other significant tangible factors associated with corporate image in service industry includes the interior look or design of the location, which accords the customers a feeling of value for money hence satisfaction. Han (2013) observes that the physical
environment, how it affects customers has received a lot of attention in the analyses of customer loyalty. The intangible aspects of the physical environment such as scent or odor, noise or sound as well as the air and the temperature of one’s surroundings do greatly influence the customer’s cognitive and experiential perception of satisfaction and loyalty (Lin & Worthley, 2012; Han, 2013).

Other environmental factors include attributes such as furniture, equipment, layout, devices and amenities, in the location, comfort and safety are the most imperative aspects of atmospherics that influence customer’s perception about the airline (Lin & Worthley, 2012). Passengers also look for comfortable seats and good or high-end entertainment equipment facilities (Yunus et al., 2013). According to Han (2013) in the service industry, function and ambience attributes can have either a negative or a positive impact customer’s loyalty formation or decision-making.

2.4 Effect of Corporate Image on Customer Satisfaction

2.4.1 Customer Satisfaction

In service markets, customer satisfaction is often measured as the difference between service expectations and the experience (Churchill & Surprenant, 2016). Oliver (2015) looked at satisfaction via disconfirmation of expectations. Satisfaction is subjective, and customers who have indicated they are satisfied have also defected to competing firms. According to Oliver (2015), satisfaction can be seen as a function of the expectation (adaptation) level and perceptions of disconfirmation. Churchill and Surprenant (2016) observed that an individuals’ expectations are: confirmed when a product performs as expected, negatively disconfirmed when the product performs more poorly than expected, and positively disconfirmed when the product performs better than expected. Dissatisfaction therefore, results when a subject’s expectations are negatively disconfirmed.

Fornell and Wernerfelt (2014) stated that there will always be some customer dissatisfaction due to a variety of causes (including, at least for certain types of products, customer desire for variety). According to Zahorik and Rust (2015), satisfaction has long been recognized as an important construct in models of buyer behavior and models of customer reactions to service design often incorporate it as a variable. As part of a renowned, longitudinal research program known as the American Customer Satisfaction
Index (ACSI), Fornell et al. (2016) found that service firms have significantly lower customer satisfaction scores than manufacturing firms. Their study also revealed that satisfaction is more quality-driven than price-driven in service markets.

Expectations play a significant role in customer satisfaction. Jones et al. (2016) stressed that, when expectations are met or exceeded, customers report higher levels of satisfaction. Therefore, an important step in managing customer expectations is creating realistic expectations. Ranaweera and Prabhu (2015) add that, it is a held belief that the more satisfied the customers are, the greater is their retention. Fecikova (2014) believes that the key to organizational survival is the retention of satisfied internal and external customers. She proposes measuring satisfaction to manage it effectively, and recommends customer satisfaction surveys, focus groups, standardized packages for monitoring satisfaction and computer software.

2.4.2 Corporate Image and Customer Satisfaction

According to Srivastava (2015) customer satisfaction implies the customer’s total or overall assessment of a service or a product over a given period of time and as a consequence of purchase and use experience. Others have defined customer satisfaction as the end-user’s post-use evaluation of a product or a service to provide expected joy and fulfilment (Khan & Khan, 2014; Peyton, Pitts & Kamery, 2013). As such, customer satisfaction can be perceived as the customer’s emotional states of contentment and enjoyment or disappointment and discontent with a product or a service as a result of comparison of his or her perception and expectations of the service or product performance (Kotler & Keller, 2012). Srivastava (2015) points out that a dissatisfied customer is a customer whose expectations outweigh his or her perceived actual service performance while for a satisfied customer the service or product interaction matches or even surpasses the initial expectations of the customer.

Peyton et al. (2013) opine that analysts have an assumed a causal link between customer satisfaction and customer loyalty. The former being considered the most perceptible antecedent for the latter. Nonetheless, this link has been refuted by some scholars who concluded after conducting a research on the association between customer satisfaction and customer loyalty that there no any real direct or even indirect relationship between the two factors (Srivastava, 2015). Other scholars have even identified some moderators
and mediators that influence the relationship between the two factors, like the exchange-relevant constructs (Khan & Khan, 2014; Evanschitzky & Wunderlich, 2014).

In the service industry, customer satisfaction is considered an imperative predictor of customer satisfaction (Kotler & Keller, 2012). In fact, several studies have indicated that customer satisfaction is perhaps the most researched customer satisfaction antecedent often finding a positive correlation between the two (Khan & Khan, 2014; Peyton et al., 2013; Evanschitzky & Wunderlich, 2014; Kotler & Keller, 2012). An and Noh (2009) found a positive correlation between customer satisfaction and customer loyalty in the airline industry. Indeed, the foregoing review indicates several studies on customer loyalty in the airline industry has determined customer satisfaction is perhaps the most fundamental predictor and determinant of customer loyalty in this service industry (Ahmad & Khan, 2011; Kamau & Stanley, 2015; Mahmud et al., 2013).

2.4.3 Influence of Corporate Image on Customer Satisfaction

Johan et al. (2014) argues that establishing positive or cordial customer relationships results in increased customer satisfaction. A rewarding encounter for the customer when using the service provider influences the customers’ desire and yearning to use the services in the future (Kotler, 2013). Kotler and Keller (2012), explain further that customer loyalty is indicated by the customer’s consistency and willingness to purchase products and services of a given company. This consistent behavioral consistency implies a re-purchase intention, which is the potential of the customers to buy a company’s services repeatedly despite marketing efforts and a spectrum of situational influences (Kamau & Stanley, 2015; Doganis, 2012).

Studies conducted to examine the customer loyalty in the service industry have a general conclusion that, customer satisfaction result in customer loyalty (Srivastava, 2015). Even while some studies have even determined a causal relationship between customer satisfaction and profitability in the service industry, some studies have contradicted such findings by determining no direct or indirect association between customer satisfaction and loyalty (Jones & Sasser, 2015). This satisfaction that customers derive from their relationships or interactions with employees relate the kind of service that they obtain. According to Jan et al. (2013) these include the manner in which the staff relate with the
customers including how they receive, handle and respond to the customers’ specific needs.

Keynes (2014) explains that consistent service delivery by a service provider creates high levels of trust for the provider by customers. Yunus et al. (2013) concurs with Keynes and point out that, “doing the right thing the first time” creates a feeling that the service provider is reliable and able to provide value for money. Punctuality is also an elemental factor in customers’ perception of a service providers’ responsiveness. According to Jan et al. (2013), customers who are rushing to meetings and conferences value punctuality and would be highly disappointed in instances of delays in order arrival times. These kind of customers include businessmen, lawyers, doctors and diplomats that value their time and would want and value consistency in service orders to meet their tight schedules (Mahmud et al., 2013; Srivastava, 2015).

Kamau and Stanley (2015) contends however, that a one-time delay in service order arrival time would not result in a customer’s overall dissatisfaction with a service provider and as such may not decrease a customer’s level of loyalty to a service provider. Nonetheless, it can be argued that reliability impact on the customer’s short and long-term orientation regarding future use or non-use of the service. It is largely accepted that reliability affects customer loyalty more in the developed countries where customers are less tolerant to inconsistencies and inaccuracy in service delivery as opposed to customers in the developing countries (Gothan & Erasmus, 2016). Johan et al. (2014) and Velimirovic, Velimirovic and Stankovic (2011) contend that customers who perceive a service to be grossly and consistently unreliable will most certainly switch to alternative or other existing service provider that they consider very reliable.

The modern customer is well informed, smart and has access to real time information. Through internet available in customer’s smartphones and computers, customers can now access more information concerning services and prices offered by a service provider quickly and make comparisons and decide on which ones offer value for money (Curtis, 2012). This means that the modern customer is less loyal and the patronage bond that the traditional customers had relied on with a service provider for his or her services are no longer important (Data Monitor, 2014).
Service providers have thus responded in kind by establishing websites and online reservation systems through which potential and even current customers can access information about the various services offered (An & Noh, 2009). Hence, the service providers’ Customer Relationship Management (CRM) comprises of such systems as multi-channel customer access system, which enhances customers’ access and service provider-customers exchanges.

The social media platform is also currently being utilized by service providers to establish rapport with customers and provide specific responses to customers concerning inquiries and complaints. Facebook and Twitter are currently some of the most discernible means through which customers have established a continuous feedback system that has facilitated customer loyalty and satisfaction (Curtis, 2012). Thus, convenience in terms of the responsiveness to customer’s queries about services, charges and other inquiries has resulted in greater customer loyalty for service providers in the service industry that have appreciated technology in this way (Mokaya, Kanyagia & Wagoki, 2012).

2.5 Chapter Summary
This chapter has provided an extensive literature on the study objectives that sought to examine the effect of corporate image on customer perceived value, the influence of corporate image on customer loyalty, and the effect of corporate image on customer satisfaction at Nairobi Java House Limited. The next chapter provides the research methodology of the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter looks into the research design and methodology of the study and then goes on to explain the study’s research design, population, sampling design and data collection. The chapter further discusses research procedures of the study and the data analysis methods that were used.

3.2 Research Design

A research design may be described as a series of decisions that as a whole form a strategy for answering the research questions and testing the hypotheses (Zikmund & Bobin, 2010). Supporting this way of thinking, Churchill and Brown (2014) view research design as a structured set of rational decision-making choices, or guidelines, to assist in generating valid and reliable research results. Saunders, Lewis and Thornhill (2015) notes that, a research design in a positivist setting covers decisions about the choice of data collection methods, and about measurement and scaling procedures, instruments, samples and data analysis. It should also make sure that the information obtained is relevant to the research problem, and that it was collected by objective procedures. This study therefore used descriptive research design and more specifically the survey design.

Malhotra and Krosnick (2009) state that, descriptive research is marked by a clear statement of the problem, specific hypothesis and detailed information needs. The study used a survey based research method and was structured with a clearly stated research objective and investigative questions. Saunders, Lewis and Thornhill (2015) state that, surveys form one of the most frequently utilized methods in business research since it allows the collection of a large amount of data from a sizeable population in a highly economic way. The survey method was used because it enabled the researcher get detailed information on the influence of corporate image (independent variable) on competitive advantage (dependent variables) at Nairobi Java House Limited. This was characterized by a systematic collection of data from members of the defined population (Nairobi Java House Limited customers) through the use of questionnaires.
3.3 Population and Sampling Design

3.3.1 Population

Cooper and Schindler (2013) define a population as the total collection of elements about which one wishes to make inferences. The population of this study consisted of customers who frequented Nairobi Java House Limited outlets located at Nairobi’s CBD and on average, they were about 2450 customers. The rationale behind targeting these customers was that they presented a unique group of people that were best placed to offer their perception of Nairobi Java House Limited image and were distributed as shown on Table 3.1.

Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Nairobi Java House Limited Outlet</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi Java House - City Hall</td>
<td>400</td>
<td>16.3</td>
</tr>
<tr>
<td>Nairobi Java House - Embassy House</td>
<td>350</td>
<td>14.3</td>
</tr>
<tr>
<td>Nairobi Java House - Kimathi Street</td>
<td>400</td>
<td>16.3</td>
</tr>
<tr>
<td>Nairobi Java House - Mama Ngina Street</td>
<td>250</td>
<td>10.2</td>
</tr>
<tr>
<td>Nairobi Java House - Phoenix House</td>
<td>350</td>
<td>14.3</td>
</tr>
<tr>
<td>Nairobi Java House - Reinsurance Plaza</td>
<td>450</td>
<td>18.4</td>
</tr>
<tr>
<td>Nairobi Java House - Uniafric House</td>
<td>250</td>
<td>10.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,450</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design

3.3.2.1 Sample Frame

A sampling frame is the source material or device from which a sample is drawn (Zikmund & Bobin, 2010). According to Saunders, Lewis and Thornhill (2012), an ideal sampling frame should have the following qualities: all units can be found – their contact information, map location or other relevant information is present, the frame is organized in a logical, systematic fashion, every element of the population of interest is present in the frame, and that no elements from outside the population of interest is present in the frame. This study did not have a sample frame because there was no list of regular customers that frequented the targeted Nairobi Java House Limited outlets, thus the study sampled the customers that were present in these establishments during the data collection period.
3.3.2.1 Sampling Technique

Stratified sampling technique was employed to select the sample size of the study. Stratified sampling is a probability sampling technique wherein the researcher divides the entire population into different subgroups or strata, then randomly selects the final subjects proportionally from the different strata (Cooper & Schindler, 2013). The study divided its sample using the 7 different Nairobi Java House Limited locations at CBD. The sampling technique was employed to ensure that the researcher collected data from all the seven targeted Nairobi Java House Limited outlets. This facilitated the study results in being applicable to all the CBD outlets.

Systematic sampling was then used to select the sample size from the entire population. According to Saunders et al. (2015), systematic sampling is a type of probability sampling method in which sample members from a larger population are selected according to a random starting point and a fixed, periodic interval. This interval, called the sampling interval, is calculated by dividing the population size by the desired sample size. In this study, the researcher targeted 2 respondents that visited the targeted outlets during the following timeframes - 10am, 12 noon, 2pm, 4pm and 6pm - from each outlet. Saunders, Lewis and Thornhill (2012) opine that, despite the sample population being selected in advance, systematic sampling is still thought of as being random if the periodic interval is determined beforehand and the starting point is random.

3.3.2.2 Sample Size

Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample (Saunders et al., 2015). According to Churchill and Brown (2014), the sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. Zikmund and Bobin (2010) state that when a researcher has a large population, selection of 5% and above provides an adequate sample that would meet the required threshold. Thus, for this study, the researcher selected 5.8% of the population from each targeted outlet to bring the study sample size to 140 and was distributed as shown on Table 3.2.

The sample size of 140 respondents was adequate for the study because Saunders et al. (2012) note that a sample size should be determined using a systematic fashion where every element of the population of interest is present in the frame, and that no elements
from outside the population of interest is present in the frame. As such, the sample size was determined from the population frequenting the Java House outlets.

Table 3.2: Sample Size Distribution

<table>
<thead>
<tr>
<th>Nairobi Java House Limited Outlet</th>
<th>Number</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi Java House - City Hall</td>
<td>400</td>
<td>5.8</td>
<td>23</td>
</tr>
<tr>
<td>Nairobi Java House - Embassy House</td>
<td>350</td>
<td>5.8</td>
<td>20</td>
</tr>
<tr>
<td>Nairobi Java House - Kimathi Street</td>
<td>400</td>
<td>5.8</td>
<td>23</td>
</tr>
<tr>
<td>Nairobi Java House - Mama Ngina Street</td>
<td>250</td>
<td>5.8</td>
<td>14</td>
</tr>
<tr>
<td>Nairobi Java House - Phoenix House</td>
<td>350</td>
<td>5.8</td>
<td>20</td>
</tr>
<tr>
<td>Nairobi Java House - Reinsurance Plaza</td>
<td>450</td>
<td>5.8</td>
<td>26</td>
</tr>
<tr>
<td>Nairobi Java House - Uniafric House</td>
<td>250</td>
<td>5.8</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,450</strong></td>
<td><strong>5.8</strong></td>
<td><strong>140</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

Data collection for the study was based on primary data. This study made use of questionnaires to capture the requisite information from the target population. Baruch and Holtom (2016) defines a questionnaire as an instrument for collecting data, and almost always involve asking a given subject to respond to a set of oral or written questions. The questionnaire was developed for this study based on the research objectives. According to Malhotra and Krosnick (2009), questionnaires are one of the most affordable ways to gather quantitative data. Especially online and mobile surveys have a very low cost and a generous reach. As such, this was deemed as the most appropriate tool for data collection.

The questionnaires contain closed-ended questions, as well as a likert scale question that required the respondents to rate various items of corporate image using the provided statements and scale of SD-Strongly Disagree, D-Disagree, N-Neutral, A-Agree, and SA-Strongly Agree. The advantageous side of the Likert Scale according to Baruch and Holtom (2016), is that they are the most universal method for survey collection, therefore they are easily understood. The responses are easily quantifiable and subjective to computation of some mathematical analysis. The researcher applied the likert scale in the study because the responses presented accommodated neutral or undecided feelings of
participants. The second reason was that, the responses would be very easy to code when accumulating data since a single number represents the participant’s response.

The questionnaire was divided into 4 sections: section A was background and demographic information; section B focused on corporate image and customers’ perceived value, section C focused on corporate image and customer loyalty, and section D focused on corporate image and customer satisfaction.

3.5 Research Procedures
A pre-test also known as a pilot test was conducted to determine the validity of the questionnaire. According to Malhotra and Krosnick (2009), a pilot test is a small scale preliminary study conducted in order to evaluate feasibility, time, cost, and improve upon the study design prior to performance of a full-scale research. The pilot study of the questionnaire involved 10 respondents in order to expose any errors the questionnaire had before it was administered to the target population. Comments, errors and corrections were applied to the questionnaire. The final modified questionnaire was then administered to the target population.

Before any data was collected from the customers, the researcher sought permission from Nairobi Java House Limited management. This was done to ensure that the study applied ethical standards of research. Once, permission had been granted, the researcher proceeded to collect data from the identified respondents. The researcher applied the drop and pick method of data collection. This involved the researcher approaching respondents and requesting them to take their time and fill the questionnaire. The respondents were left with the questionnaires and picked up later once they had completed them. To ensure validity, the researcher did not offer any incentive to volunteer participants in order to elicit honest opinions.

3.6 Data Analysis Methods
Data analysis was done using Statistical Package for the Social Sciences (SPSS). The first stage in the analysis for all variables consisted of a scan of the data set to establish basic descriptive statistics like frequencies, percentages, means and standard deviations that permitted for approximation to the pattern of behavior for each variable included in the
dataset. This helped in assessing the relative effectiveness and success of the data cleaning and consistency controls that were executed.

In the second level of analysis, the corporate image index was calculated based on the responses from the likert scale items. Pearson’s product-moment correlation co-efficient was used to establish the relationship between corporate image and the independent variables (customers’ perceived value, customer loyalty, and customer satisfaction), and a p value of $p < 0.05$ was considered to be statistically significant. Regression analysis was used to examine the manner in which the independent variables (customers’ perceived value, customer loyalty, and customer satisfaction) influenced the dependent variable (corporate image).

### 3.7 Chapter Summary
This chapter has covered the research design, the population and sampling frame, sampling technique and the sample size. The chapter has also discussed the data collection methods, the research procedures that were used and the data analysis methods that were used. It has also explained the manner in which the results from the datasets were presented. The next chapter presents the study’s results and findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
The general objective of this study was to investigate the influence of corporate image on competitive advantage at Nairobi Java House Limited. This chapter provides the results and findings of the collected data. The chapter provides the response rate and reliability results, it presents the background and demographic results, as well as, results of the study objectives that sought to examine the effect of corporate image on customer perceived value, the influence of corporate image on customer loyalty, and the effect of corporate image on customer satisfaction at Nairobi Java House Limited.

4.1.1 Response Rate
During the data collection period, the researcher distributed 140 questionnaires to the target population, and managed to receive 103 completely filled questionnaires that were used for analysis. This gave the study a response rate of 73.6%. This was above the required threshold of 55% that was indicated by Baruch and Holtom (2016).

![Figure 4.1: Response Rate](image)

4.1.2 Reliability and Validity Results
The Cronbach alpha test was utilized to test the reliability and validity of the questionnaire, and Table 4.1 indicates that all the questionnaire items for customer perceived value, customer loyalty, and customer satisfaction were reliable because their coefficients were >0.7.
### Table 4.1: Reliability and Validity Results

<table>
<thead>
<tr>
<th>Questionnaire Items</th>
<th>No. of Items</th>
<th>Cronbach Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers Perceived Value</td>
<td>10</td>
<td>0.788</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>11</td>
<td>0.795</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>10</td>
<td>0.909</td>
</tr>
</tbody>
</table>

### 4.2 Background and Demographic Information

#### 4.2.1 Gender

Figure 4.2 presents the gender divide of the study population and it shows that 56.3% were male and 43.7% were female. This shows that majority of the respondents who were willing to participate in the study were male, and a significant number of female respondents also participated in the study.

![Figure 4.2: Gender](image)

#### 4.2.2 Age Bracket

Figure 4.3 presents the age bracket of the respondents and it indicates that 63.1% of the respondents were aged between 21-30 years, 26.2% were between the ages of 31 and 40 years, 6.8% were aged between 41-50 years, 2.9% were aged 51 years and above, and 1% were below the age of 20 years. This shows that Nairobi java House receives customers of all age groups, majority being those aged between 21 and 40 years.
4.2.3 Education Level

Figure 4.4 presents the education level of the respondents and it indicates that 53.4% of the respondents had attained university degrees, 37.9% had attained their master’s degrees, 6.8% had attained diplomas, and 1.9% had attained certificates. This shows that all the respondents were well educated and could thus understand the questions.

4.2.4 Income Level

Figure 4.5 presents the income levels of the study population and it shows that 47.6% were in the Ksh. 100,001 and above bracket, 21.4% were in the Ksh. 35,001 – Ksh. 70,000 bracket, 20.4% were in the Ksh. 70,001 – Ksh. 100,000 bracket, 5.8% were in the Ksh. 20,000 and below, while 4.9% were in the Ksh. 20,001 – Ksh. 35,000 bracket. This indicates that people from all income levels frequented Nairobi Java House, but the majority were in the Ksh. 35,001 and above.
4.2.5 Frequency of Visit

Figure 4.6 presents the frequency level of the respondents and it indicates that 81.6% of the respondents visited Nairobi Java House once a week, 16.5% visited the outlets 2-3 times a week, and 1.9% visited the outlets 4-5 times a week. This shows that majority of the respondents visited Nairobi Java House on a weekly basis.

4.2.6 Nairobi Java House Perception

Figure 4.7 presents the consumer perception of Nairobi Java House outlets, and it shows that 48% perceived the outlets to be pleasant, 26.2% perceived the outlets to be moderate, 21.4% perceived the outlets as being great, 3.9% viewed the outlets as mediocre and 1% viewed the outlets to be perfect. This shows that majority of the respondents, perceived Nairobi Java House outlets as pleasant and great.
4.3 Effect of Corporate Image on Customer Perceived Value

4.3.1 Analysis of the Effect of Corporate Image on Customer Perceived Value

Table 4.2 shows that 75.7% of the respondents agreed to the fact that Nairobi Java House meets their quality standards, and 20.4% were neutral, and 3.8% disagreed (mean 3.80, standard deviation 0.719). Nairobi Java House meets customers’ needs, this was agreed to by 80.6% of the respondents, 13.6% were neutral, while 5.9% disagreed (mean 3.82, standard deviation 0.682). Customers’ choice of Nairobi Java House is influenced by their view of their outlets (suitable for holding meetings), this was agreed to by 67% of the respondents, 22.3% were neutral, while 10.7% disagreed (mean 3.71, standard deviation 0.847). Customers’ choice of Nairobi Java House is influenced by their product quality, this was agreed to by 73.8% of the respondents, 15.5% were neutral, while 10.7% disagreed (mean 3.75, standard deviation 0.837).

The study also shows that customers’ choice of Nairobi Java House is influenced by their perception of the organization’s trustworthiness, this was agreed to by 59.2% of the respondents, 29.1% were neutral, while 11.7% disagreed (mean 3.53, standard deviation 0.777). Customers’ choice of Nairobi Java House is influenced by their perceived value of Nairobi Java House, this was agreed to by 66% of the respondents, 24.3% were neutral, while 9.7% disagreed (mean 3.65, standard deviation 0.776).
Table 4.2: Analysis of Corporate Image on Customer Perceived Value

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does Nairobi Java House meet my quality standards</td>
<td>1.9</td>
<td>1.9</td>
<td>20.4</td>
<td>66</td>
<td>9.7</td>
<td>3.80</td>
<td>.719</td>
</tr>
<tr>
<td>Does Nairobi Java House meet my needs</td>
<td>1</td>
<td>4.9</td>
<td>13.6</td>
<td>72.8</td>
<td>7.8</td>
<td>3.82</td>
<td>.682</td>
</tr>
<tr>
<td>My choice of Nairobi Java House is influenced by my view of their outlets (suitable for holding meetings)</td>
<td>0</td>
<td>10.7</td>
<td>22.3</td>
<td>52.4</td>
<td>14.6</td>
<td>3.71</td>
<td>.847</td>
</tr>
<tr>
<td>My choice of Nairobi Java House is influenced by their product quality</td>
<td>1</td>
<td>9.7</td>
<td>15.5</td>
<td>61.2</td>
<td>12.6</td>
<td>3.75</td>
<td>.837</td>
</tr>
<tr>
<td>My choice of Nairobi Java House is influenced by my perception of their trustworthiness</td>
<td>0</td>
<td>11.7</td>
<td>29.1</td>
<td>53.4</td>
<td>5.8</td>
<td>3.53</td>
<td>.777</td>
</tr>
<tr>
<td>My choice of Nairobi Java House is influenced by my perceived value of Nairobi Java House</td>
<td>0</td>
<td>9.7</td>
<td>24.3</td>
<td>57.3</td>
<td>8.7</td>
<td>3.65</td>
<td>.776</td>
</tr>
<tr>
<td>My selection of Nairobi Java House is motivated by price (value for money consideration)</td>
<td>4.9</td>
<td>22.3</td>
<td>28.2</td>
<td>38.8</td>
<td>5.8</td>
<td>3.18</td>
<td>1.007</td>
</tr>
<tr>
<td>My preference for Nairobi Java House is driven by their service quality</td>
<td>1.9</td>
<td>8.7</td>
<td>25.2</td>
<td>56.3</td>
<td>7.8</td>
<td>3.59</td>
<td>.834</td>
</tr>
<tr>
<td>I prefer Nairobi Java House locations because of the sentimental feeling I have for them</td>
<td>7.8</td>
<td>20.4</td>
<td>35.9</td>
<td>29.1</td>
<td>6.8</td>
<td>3.07</td>
<td>1.041</td>
</tr>
<tr>
<td>My interaction with Nairobi Java House is a representation of the value I hold about myself</td>
<td>9.7</td>
<td>24.3</td>
<td>27.2</td>
<td>37.9</td>
<td>1</td>
<td>2.96</td>
<td>1.028</td>
</tr>
</tbody>
</table>

Customers’ selection of Nairobi Java House is motivated by price (value for money consideration), this was agreed to by 44.6% of the respondents, 28.2% were neutral, while 27.2% disagreed (mean 3.18, standard deviation 1.007). Customers’ preference for Nairobi Java House is driven by their service quality, this was agreed to by 64.1% of the respondents, 25.2% were neutral, while 10.6% disagreed (mean 3.59, standard deviation 0.834). Customers prefer Nairobi Java House locations because of the sentimental feeling they have for them, this was agreed to by 35.9% of the respondents, and an equal percentage of 35.9% were neutral, while 28.2% disagreed (mean 3.07, standard deviation 1.041). Customers’ interaction with Nairobi Java House is a representation of the value they hold about themselves, this was agreed to by 38.9% of the respondents, a significant
percentage of 34% disagreed, while 27.2% were neutral (mean 2.96, standard deviation 1.028).

4.3.2 Correlations for the Effect of Corporate Image on Customer Perceived Value

Table 4.3 presents the correlation analysis of the study variables for effect of corporate image on customer perceived value. The table shows customer perceived value was significant to corporate image (r=0.769, p<0.01). Corporate image and customer perceived value was significant to corporate image (r=0.525, p<0.01). Influence of corporate image on customer perceived value was significant to corporate image (r=0.672, p<0.01).

Table 4.3: Correlations for Corporate Image Effect on Customer Perceived Value

<table>
<thead>
<tr>
<th></th>
<th>Corporate Image</th>
<th>Customer Perceived Value (CPV)</th>
<th>Corporate Image &amp; CPV</th>
<th>Influence of Corporate Image on CPV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Image</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Perceived</td>
<td>.769**</td>
<td>1</td>
<td>.525**</td>
<td>.672**</td>
</tr>
<tr>
<td>Value (CPV)</td>
<td>.000</td>
<td></td>
<td>.411**</td>
<td>.462**</td>
</tr>
<tr>
<td>Corporate Image &amp; CPV</td>
<td>.525**</td>
<td>.411**</td>
<td>1</td>
<td>.440**</td>
</tr>
<tr>
<td>Influence of Corporate</td>
<td>.672**</td>
<td>.462**</td>
<td>.440**</td>
<td>1</td>
</tr>
<tr>
<td>Image on CPV</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

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

4.3.3 Regressions for the Effect of Corporate Image on Customer Perceived Value

Table 4.4 presents the regression analysis of the study variables for effect of corporate image on customer perceived value. The table shows that customer perceived value accounts for 58.7% of the change in corporate image.

Table 4.4: Model Summary for Corporate Image Effect on Customer Perceived Value

<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>.769</td>
<td>.591</td>
<td>.587</td>
<td>.35125</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer Perceived Value
Table 4.5 presents the regression analysis of the study variables for effect of corporate image on customer perceived value. The table shows that customer perceived value had a positive significant relationship with corporate image, and that, every single change in corporate image would result in a 79.6% change in customer perceived value, if all variables are held constant. The equation of the relationship is presented as follows:

\[ \text{Corporate Image} = 0.397 + 0.796 \times \text{Corporate Perceived Value} \]

Table 4.5: Regressions for Corporate Image Effect on Customer Perceived Value

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficient</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.397</td>
<td>.251</td>
<td>1.585</td>
</tr>
<tr>
<td></td>
<td>Customer Perceived Value</td>
<td>.796</td>
<td>.066</td>
<td>.769</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Corporate Image

4.4 Influence of Corporate Image on Customer Loyalty

4.4.1 Analysis of the Influence of Corporate Image on Customer Loyalty

Customers did not frequent Nairobi Java House because their service always goes beyond their expectations, this was disagreed to by 28.2% of the respondents, although a majority of the respondents 45.6% were neutral, while 26.2% disagreed (mean 2.93, standard deviation 0.932). Consumers frequent Nairobi Java House because their services always meet their expectations, this was agreed to by 49.5% of the respondents, 35% were neutral, while 15.6% disagreed (mean 3.32, standard deviation 0.888).

The study also shows that consumers frequent Nairobi Java House because their staff service is efficient, this was agreed to by 56.3% of the respondents, 30.1% were neutral, while 13.6% disagreed (mean 3.44, standard deviation 0.848). Consumers are confident of buying from Nairobi Java House because their friends have been satisfied with their services, this was agreed to by 46.6% of the respondents, 35% were neutral, while 18.4% disagreed (mean 3.30, standard deviation 0.861). Consumers frequent Nairobi Java House because of their social group, this was agreed to by 39.8% of the respondents, 30.1%
were neutral, while and equal percentage of 30.1% disagreed (mean 3.04, standard deviation 1.028).

Table 4.6: Analysis of Corporate Image on Customer Loyalty

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I frequent Nairobi Java House because their service always goes beyond my expectations</td>
<td>7.8</td>
<td>20.4</td>
<td>45.6</td>
<td>23.3</td>
<td>2.9</td>
<td>2.93</td>
<td>.932</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because their services always meet my expectations</td>
<td>4.9</td>
<td>10.7</td>
<td>35</td>
<td>46.6</td>
<td>2.9</td>
<td>3.32</td>
<td>.888</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because their staff service is efficient</td>
<td>2.9</td>
<td>10.7</td>
<td>30.1</td>
<td>52.4</td>
<td>3.9</td>
<td>3.44</td>
<td>.848</td>
</tr>
<tr>
<td>I am confident of buying from Nairobi Java House because my friends have been satisfied</td>
<td>1.9</td>
<td>16.5</td>
<td>35</td>
<td>42.7</td>
<td>3.9</td>
<td>3.30</td>
<td>.861</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because of my social group</td>
<td>8.7</td>
<td>21.4</td>
<td>30.1</td>
<td>36.9</td>
<td>2.9</td>
<td>3.04</td>
<td>1.028</td>
</tr>
<tr>
<td>I frequent Nairobi Java House in order to become an influencer/ trendsetter among my peers</td>
<td>25.2</td>
<td>40.8</td>
<td>18.4</td>
<td>13.6</td>
<td>1.9</td>
<td>2.26</td>
<td>1.048</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because its employees offer me personalized service</td>
<td>15.5</td>
<td>26.2</td>
<td>29.1</td>
<td>27.2</td>
<td>1.9</td>
<td>2.74</td>
<td>1.084</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because its employees understand my personal taste for foods and drinks</td>
<td>16.5</td>
<td>31.1</td>
<td>22.3</td>
<td>28.2</td>
<td>1.9</td>
<td>2.68</td>
<td>1.113</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because its employees have the customer’s best interest at heart</td>
<td>5.8</td>
<td>16.5</td>
<td>36.9</td>
<td>37.9</td>
<td>2.9</td>
<td>3.16</td>
<td>.937</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because of the cleanliness of its staff</td>
<td>1.9</td>
<td>6.8</td>
<td>25.2</td>
<td>56.3</td>
<td>9.7</td>
<td>3.65</td>
<td>.825</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because of the cleanliness of its interior, location and layout</td>
<td>1.9</td>
<td>2.9</td>
<td>14.6</td>
<td>67</td>
<td>13.6</td>
<td>3.87</td>
<td>.750</td>
</tr>
</tbody>
</table>

Consumers do not frequent Nairobi Java House in order to become an influencer/ trendsetter among their peers, this was disagreed to by 66% of the respondents, 18.4% were neutral, while 15.5% agreed (mean 2.26, standard deviation 1.048). Consumers did
not frequent Nairobi Java House because its employees offer personalized service, this was disagreed to by 41.7% of the respondents, 29.1% were neutral, while an equal percentage of 29.1% agreed (mean 2.74, standard deviation 1.084). Consumers did not frequent Nairobi Java House because its employees understand personal taste for foods and drinks, this was disagreed to by 47.6% of the respondents, 30.1% agreed, while 22.3% were neutral (mean 2.68, standard deviation 1.113).

Consumers frequent Nairobi Java House because its employees have the customer’s best interest at heart, this was agreed to by 40.8% of the respondents, 36.9% were neutral, while 22.3% disagreed (mean 3.16, standard deviation 0.937). Consumers frequent Nairobi Java House because of the cleanliness of its staff, this was agreed to by 66% of the respondents, 25.2% were neutral, while 8.7% disagreed (mean 3.65, standard deviation 0.825). Consumers frequent Nairobi Java House because of the cleanliness of its interior, location and layout, this was agreed to by 80.6% of the respondents, 14.6% were neutral, while 4.8% disagreed (mean 3.87, standard deviation 0.750).

4.4.2 Correlations for the Influence of Corporate Image on Customer Loyalty

Table 4.7 presents the correlation analysis of the study variables for influence of corporate image on customer loyalty. The table shows customer loyalty was significant to corporate image (r=0.836, p<0.01). Corporate image and customer loyalty was significant to corporate image (r=0.631, p<0.01). Influence of corporate image on customer loyalty was significant to corporate image (r=0.767, p<0.01).

<table>
<thead>
<tr>
<th></th>
<th>Corporate Image</th>
<th>Customer Loyalty</th>
<th>Corporate Image &amp; Customer Loyalty</th>
<th>Influence of Corporate Image on Customer Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Image</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>.836**</td>
<td>.000</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Corporate Image &amp; Customer Loyalty</td>
<td>.631**</td>
<td>.000</td>
<td>.534**</td>
<td>1</td>
</tr>
<tr>
<td>Influence of Corporate Image on Customer Loyalty</td>
<td>.767**</td>
<td>.000</td>
<td>.697**</td>
<td>.505**</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
4.4.3 Regressions for the Influence of Corporate Image on Customer Loyalty

Table 4.8 presents the regression analysis of the study variables for influence of corporate image on customer loyalty. The table shows that customer loyalty accounts for 69.5% of the change in corporate image.

Table 4.8: Model Summary for the Influence of Corporate Image on Customer Loyalty

<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>.836</td>
<td>.698</td>
<td>.695</td>
<td>.30172</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer Loyalty

Table 4.9 presents the regression analysis of the study variables for the influence of corporate image on customer loyalty. The table shows that customer loyalty had a positive significant relationship with corporate image, and that, every single change in corporate image would result in a 65% change in customer loyalty, if all variables are held constant. The equation of the relationship is presented as follows:

\[
\text{Corporate Image} = 1.285 + 0.650 \times \text{(Corporate Loyalty)}
\]

Table 4.9: Regressions for Influence of Corporate Image on Customer Loyalty

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficient</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.285</td>
<td>.141</td>
<td>.836</td>
<td>9.090</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>.650</td>
<td>.043</td>
<td></td>
<td>15.284</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Corporate Image

4.5 Effect of Corporate Image on Customer Satisfaction

4.5.1 Analysis of the Effect of Corporate Image on Customer Satisfaction

Table 4.10 indicates that consumers were satisfied with the services provided by Nairobi Java House, this was agreed to by 82.5% of the respondents, 12.6% were neutral, while 4.8% disagreed (mean 3.81, standard deviation 0.701). Consumers feel that Nairobi Java House has higher customer satisfaction scores compared to its competitors, this was
agreed to by 59.2% of the respondents, 26.2% were neutral, while 14.6% disagreed (mean 3.50, standard deviation 0.917). Consumers’ personal service expectations of Nairobi Java House have influenced their satisfaction with their services, this was agreed to by 67% of the respondents, 25.2% were neutral, while 7.7% disagreed (mean 3.63, standard deviation 0.767). Consumers frequent Nairobi Java House because of their satisfaction with their services, this was agreed to by 66% of the respondents, 28.2% were neutral, while 5.8% disagreed (mean 3.60, standard deviation 0.732).

Table 4.10: Analysis of the Effect of Corporate Image on Customer Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with the services provided by Nairobi Java House</td>
<td>2.9</td>
<td>1.9</td>
<td>12.6</td>
<td>76.7</td>
<td>5.8</td>
<td>3.81</td>
<td>.701</td>
</tr>
<tr>
<td>I feel that Nairobi Java House has higher customer satisfaction scores compared to its competitors</td>
<td>2.9</td>
<td>11.7</td>
<td>26.2</td>
<td>50.5</td>
<td>8.7</td>
<td>3.50</td>
<td>.917</td>
</tr>
<tr>
<td>My personal service expectations of Nairobi Java House have influenced my satisfaction with their services</td>
<td>1.9</td>
<td>5.8</td>
<td>25.2</td>
<td>61.2</td>
<td>5.8</td>
<td>3.63</td>
<td>.767</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because of my satisfaction with their services</td>
<td>2.9</td>
<td>2.9</td>
<td>28.2</td>
<td>63.1</td>
<td>2.9</td>
<td>3.60</td>
<td>.732</td>
</tr>
<tr>
<td>I am loyal to Nairobi Java House services because they provide services as promised</td>
<td>2.9</td>
<td>11.7</td>
<td>35</td>
<td>47.6</td>
<td>2.9</td>
<td>3.36</td>
<td>.838</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because of the cordial customer relationship I experience with them</td>
<td>2.9</td>
<td>6.8</td>
<td>35</td>
<td>47.6</td>
<td>7.8</td>
<td>3.50</td>
<td>.850</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because of their consistent service delivery(in terms of punctuality)</td>
<td>2.9</td>
<td>12.6</td>
<td>22.3</td>
<td>60.2</td>
<td>1.9</td>
<td>3.46</td>
<td>.849</td>
</tr>
<tr>
<td>I frequent Nairobi Java House because of the information that I have and know about them</td>
<td>1.9</td>
<td>8.7</td>
<td>22.3</td>
<td>65</td>
<td>1.9</td>
<td>3.56</td>
<td>.763</td>
</tr>
<tr>
<td>I am satisfied with Nairobi Java House’s online service systems</td>
<td>4.9</td>
<td>12.6</td>
<td>55.3</td>
<td>25.2</td>
<td>1.9</td>
<td>3.07</td>
<td>.808</td>
</tr>
<tr>
<td>I am satisfied with Nairobi Java House’s rapport with me as a customer through social media platforms</td>
<td>4.9</td>
<td>17.5</td>
<td>51.5</td>
<td>26.2</td>
<td>0</td>
<td>2.99</td>
<td>.798</td>
</tr>
</tbody>
</table>
Consumers are loyal to Nairobi Java House services because they provide services as promised, this was agreed to by 50.5% of the respondents, 35% were neutral, while 14.6% disagreed (mean 3.36, standard deviation 0.838). Consumers frequent Nairobi Java House because of the cordial customer relationship experienced by them, this was agreed to by 55.4% of the respondents, 35% were neutral, while 9.7% disagreed (mean 3.50, standard deviation 0.850). Consumers frequent Nairobi Java House because of their consistent service delivery (in terms of punctuality), this was agreed to by 62.1% of the respondents, 22.3% were neutral, while 15.5% disagreed (mean 3.46, standard deviation 0.849).

Consumers frequent Nairobi Java House because of the information that they have and know about them, this was agreed to by 66.9% of the respondents, 22.3% were neutral, while 10.6% disagreed (mean 3.56, standard deviation 0.763). Consumers are satisfied with Nairobi Java House’s online service systems, this was agreed to by 27.1% of the respondents, however majority of the respondents 55.3% were neutral, while 17.5% disagreed (mean 3.07, standard deviation 0.808). Consumers are satisfied with Nairobi Java House’s rapport with them as customers through social media platforms, this was agreed to by 26.2% of the respondents, however majority of the respondents, 51.5% were neutral, while 22.4% disagreed (mean 2.99, standard deviation 0.798).

4.5.2 Correlations for the Effect of Corporate Image on Customer Satisfaction
Table 4.11 presents the correlation analysis of the study variables for influence of corporate image on customer satisfaction. The table shows customer satisfaction was significant to corporate image (r=0.743, p<0.01). Corporate image and customer satisfaction was significant to corporate image (r=0.767, p<0.01). Influence of corporate image on customer satisfaction was significant to corporate image (r=0.646, p<0.01).
Table 4.11: Correlations for the Effect of Corporate Image on Customer Satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Corporate Image</th>
<th>Customer Satisfaction</th>
<th>Corporate Image &amp; Customer Satisfaction</th>
<th>Influence of Corporate Image on Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Image</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>.743**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Image &amp; Customer Satisfaction</td>
<td>.767**</td>
<td>.685**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>&amp; Customer Satisfaction</td>
<td>.000</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influence of Corporate Image on Customer Satisfaction</td>
<td>.646**</td>
<td>.537**</td>
<td>.593**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

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

4.5.3 Regressions for the Effect of Corporate Image on Customer Satisfaction

Table 4.12 presents the regression analysis of the study variables for the effect of corporate image on customer satisfaction. The table shows that customer satisfaction accounts for 54.8% of the change in corporate image.

Table 4.12: Model Summary for Corporate Image and Customer Satisfaction

<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>.743</td>
<td>.552</td>
<td>.548</td>
<td>.36758</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Customer Satisfaction

Table 4.13 presents the regression analysis of the study variables for the effect of corporate image on customer satisfaction. The table shows that customer satisfaction had a positive significant relationship with corporate image, and that, every single change in corporate image would result in a 62.8% change in customer satisfaction, if all variables are held constant. The equation of the relationship is presented as follows:

Corporate Image = 1.112 + 0.628 (Corporate Satisfaction)
Table 4.13: Regressions for Effect of Corporate Image on Customer Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficient</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.112</td>
<td>.208</td>
<td>5.345</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction</td>
<td>.628</td>
<td>.056</td>
<td>.743</td>
</tr>
</tbody>
</table>

Dependent Variable: Corporate Image
CHAPTER FIVE
5.0 DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction
This chapter sums up the research study through the provision of the study’s summary, discussions of the research findings, and provision of the study’s conclusions based on the findings. The chapter also provides recommendations for improvement and those for further studies.

5.2 Summary
The general objective of this study was to investigate the influence of corporate image on competitive advantage at Nairobi Java House Limited. The study was guided by specific objectives that sought to determine the effect of corporate image on customers’ perceived value, examine the influence of corporate image on customer loyalty, and to examine the effect of corporate image on customer satisfaction at Nairobi Java House Limited.

This study made use of the descriptive research design and more specifically the survey design because it enabled the researcher get detailed information on the study topic. The population of this study consisted of customers who frequented Nairobi Java House Limited outlets located at Nairobi’s CBD and on average, they were about 2450 customers. Stratified sampling technique was employed to select the sample size of the study, and systematic sampling was then used to select the sample size from the entire population. Sample size selection of the study involved the selection of 5.8% of the entire population bringing the sample size to 140. Data was collected for the study using questionnaires that were tested before the data collection period. Data was analyzed using Statistical Package for the Social Sciences (SPSS). Basic descriptive statistics like frequencies, percentages, means and standard deviations were used in analysis, as well as inferential analysis of correlations and regressions, and the results were presented in the form of tables and figures.

The study showed that Nairobi Java House met customers’ quality standards and needs. As a result, customers’ choice of Nairobi Java House is influenced by their view of their outlets (suitable for holding meetings), and product quality. The study revealed that customers’ choice of Nairobi Java House is influenced by their perception of the organization’s trustworthiness, and their perceived value of Nairobi Java House.
Customers select Nairobi Java House due to its price and service quality. Customers prefer Nairobi Java House locations because of the sentimental feeling they have for them and they prefer to interact with Nairobi Java House because of it is a representation of the value they hold about themselves.

The study indicated that consumers were confident of buying from Nairobi Java House because their friends had been satisfied with their services, as well as their social group. Customer did not go to Nairobi Java House in order to become influencers/trendsetters among their peers, and neither were they attracted to it because of its employees offering personalized service or understand their personal taste for foods and drinks. These customers frequented these outlets because Nairobi Java House because its employees had the customer’s best interest at heart, and the outlets and its employees were clean.

The study showed that consumers were satisfied with the services provided by Nairobi Java House, and that their customer satisfaction scores were high compared to their competitors. The consumers’ personal service expectations of Nairobi Java House had influenced their satisfaction with their services. The study revealed that consumers were loyal to Nairobi Java House services because they provided services as promised and their employees provided cordial customer relationship. Consumers frequent Nairobi Java House because of the knowledge they had about the organisation and its consistent service delivery (in terms of punctuality). Consumers were also satisfied with Nairobi Java House’s online service systems and its rapport with them through social media platforms.

5.3 Discussions

5.3.1 Effect of Corporate Image on Customer Perceived Value
The first study objective was to examine the effect of corporate image on customer perceived value, and the study showed that there was a positive and significant correlation between corporate image and customers perceived value, where by corporate image influenced the change in customer perceived value by 79.6%.

The study examined whether Nairobi Java House meets their quality standards and the results were similar with those of Andreassen and Lindestad (2015) and Bloemer et al. (2014) who states that the primary influence of the corporate image is likely to be on
customers’ perceptions of quality there is some evidence that it may also influence customer choice, and the perceptions of customer value (Maklan & Knox, 2014). Nairobi Java House meets customers’ needs. These results agree with those of Slater (2014) who proposed that the central organizational challenge in the customer value-based theory of the firm is to maximize the effectiveness of the firm’s customer value creation activities. He emphasized finding out what it is that the customer wants and work to meet those needs.

Customers’ choice of Nairobi Java House is influenced by their view of their outlets (suitable for holding meetings). These results are similar to observations made by Brown *et al.* (2014) that evidence of the role of corporate image, as a specific influence, on the perceptions of the quality of a product or service. Customers’ choice of Nairobi Java House is influenced by their product quality. These results concur with those of Bolton and Drew (2016); Bloemer *et al.* (2014); and Maklan and Knox (2014) whose consumer research showed that customers use signals or extrinsic cues, such as advertising, corporate image or company reputation, to infer product quality and to refine their choices.

Customers’ choice of Nairobi Java House is influenced by their perception of the organization’s trustworthiness. These results agree with those of Chen and Dubinsky (2016) that, a firm with a good corporate image is likely to be perceived by customers as being more trustworthy and credible as opposed to one with a poor corporate image which will positively influence the perceived quality of the offering. Customers’ choice of Nairobi Java House is influenced by their perceived value of Nairobi Java House. These results are confirmed by de la Fuente Sabate and de Quevedo Puente (2015) who observed that, corporate image is a broader construct than brand image and hence it is more likely to have a strong influence on the perceptions of customer value.

Customers’ selection of Nairobi Java House is motivated by price (value for money consideration). These concurs with Lehmann and O’Shaughnessy (2014) that corporate image has been found to be ranked second behind price in influencing the value of an offering. Brown and Dacin (2016) have shown that the association customers have about the reputation of a retailer influence the perception of the value of what they purchase from a store. Customers’ preference for Nairobi Java House is driven by their service
quality. These results concurs with Baltas and Argouslidis (2007) who states that, product/ service quality is an important dimension of a corporate’s image because it is generally the most significant role of brand preference and the major purchasing factor.

Customers prefer Nairobi Java House locations because of the sentimental feeling they have for them. These results coincide with those of Sierra and McQuitty (2015) who notes that, given that product consumption is an experience, it follows that this experience generates emotional value. Positive emotions should increase loyalty to the offering. Customers’ interaction with Nairobi Java House is a representation of the value they hold about themselves. These results are similar to those of Park et al. (2016) who state that, consumers consider the connection of a product with special referential groups and seek to classify their own identities, promote their image and finally gain or project the product’s symbolic value.

5.3.2 Influence of Corporate Image on Customer Loyalty

The second study objective was to examine the influence of corporate image on customer loyalty, and the study showed that there was a positive and significant correlation between corporate image and customer loyalty, where by, corporate image influenced the change in customer loyalty by 65%.

Customers did not frequent Nairobi Java House because their service always goes beyond their expectations. These concurs with Dalton (2013) who cites three factors that drive customer loyalty – value, trust and going the extra mile. He states that customers are loyal to people who help them solve problems and expand beyond what is expected. Consumers frequent Nairobi Java House because their services always meet their expectations. These concurs with Keaveney (2015) who states that customers are loyal to people whom they trust, whom they know will come through for them and will put their interests first. Dalton (2013) argues that loyalty can be derived from a customer if the provider of the service or product espouses the customers’ needs.

Consumers frequent Nairobi Java House because their staff service is efficient. These results are in agreement with Jones and Farquhar (2013) who state that customers are more likely to be retained if there is a customer-oriented climate in which contact staff can deliver service quality efficiently and effectively. Consumers are confident of buying
from Nairobi Java House because their friends have been satisfied with their services. These results agree with Kuo Wu and Deng (2013) trends are the collective upshot of diverse uncoordinated group and or individual activities or behaviors. A study conducted by Pinki. (2014), it was found that reference groups have a direct impact on forming a person trends.

Consumers frequent Nairobi Java House because of their social group. The results concurs with that of Close (2015), the customer, while wishing to be part of this group, will be greatly affected by its members and will buy the same products they buy. It must be noted the level of influence varies depending on individuals and groups. Consumers do not frequent Nairobi Java House in order to become an influencer/ trendsetter among their peers. These results differ with those of Ayob (2014) who contends that people are thought to be brand loyal for a number of reasons as follows, they are involved in purchase decisions, they are targeted frequently by marketing communications efforts, and they use brands to become influencers and trendsetters.

Consumers did not frequent Nairobi Java House because its employees offer personalized service. These results are similar to those of Jan et al. (2013) who state that, responsiveness refers to the general willingness by an organization through its relevant employees to assist customers and provide prompt services to the customers when they need it. Consumers did not frequent Nairobi Java House because its employees understand personal taste for foods and drinks. This coincides with Riwo-Abudho, Njanja and Ochieng (2013) who explain further that courteousness demonstrated by employees is also a fundamental part of responsiveness. Knowing customers’ needs including such issues as the foods or drinks that they should take and those that they should not take.

Consumers frequent Nairobi Java House because its employees have the customer’s best interest at heart. This coincides with Yunus et al. (2013) who contends that in demonstrating responsiveness, employees not only show willingness in offering assistance but are also able to show interest in providing solution(s) to the problem. Consumers frequent Nairobi Java House because of the cleanliness of its staff. These results are similar to those of Mahmud et al. (2013) who note that customers are wary of the physical appearance or the employees in as much as they are concerned about the manner in which the employees treat them. Consumers frequent Nairobi Java House
because of the cleanliness of its interior, location and layout. According to Mahmud et al. (2013) the cleanliness of the staff and the interior location gives the customers confidence and trust in the service providers’ ability to provide quality services and or the staff to provide healthy and clean foods and refreshments.

5.3.3 Effect of Corporate Image on Customer Satisfaction

The third and final objective of the study objective was to examine the effect of corporate image on customer satisfaction, and the study showed that there was a positive and significant correlation between corporate image and customer satisfaction, where by corporate image influenced the change in customer satisfaction by 62.8%.

Consumers were satisfied with the services provided by Nairobi Java House. These results are similar to those of Churchill and Surprenant (2016) who state that customer satisfaction is often measured as the difference between service expectations and the experience, and Oliver (2015) who observed that, satisfaction can be seen as a function of the expectation (adaptation) level and perceptions of disconfirmation. Consumers feel that Nairobi Java House has higher customer satisfaction scores compared to its competitors. These results concurs with Churchill and Surprenant (2016) who observed that an individuals’ expectations are: confirmed when a product performs as expected, negatively disconfirmed when the product performs more poorly than expected, and positively disconfirmed when the product performs better than expected.

Consumers’ personal service expectations of Nairobi Java House have influenced their satisfaction with their services. These results are in tandem with findings of Jones et al. (2016) who notes that, expectations play a significant role in customer satisfaction and stressed that, when expectations are met or exceeded, customers report higher levels of satisfaction. Therefore, an important step in managing customer expectations is creating realistic expectations. Consumers frequent Nairobi Java House because of their satisfaction with their services. These results are similar to those of Srivastava (2015) who states that, customer satisfaction implies the customer’s total or overall assessment of a service or a product over a given period of time and as a consequence of purchase and use experience.
Consumers are loyal to Nairobi Java House services because they provide services as promised. These results are in tandem with Kotler and Keller (2012) who observed that, customer satisfaction can be perceived as the customer’s emotional states of contentment and enjoyment or disappointment and discontent with a product or a service as a result of comparison of his or her perception and expectations of the service or product performance. Consumers frequent Nairobi Java House because of the cordial customer relationship experienced by them. These results concurs with Johan et al. (2014) who argues that establishing positive or cordial customer relationships results in increased customer satisfaction. A rewarding encounter for the customer when using the service provider influences the customers’ desire and yearning to use the services in the future.

Consumers frequent Nairobi Java House because of their consistent service delivery (in terms of punctuality). This results concurs with Kotler and Keller (2012) who explain further that customer loyalty is indicated by the customer’s consistency and willingness to purchase products and services of a given company. This consistent behavioral consistency implies a re-purchase intention. Consumers frequent Nairobi Java House because of the information that they have and know about them. These results are in tandem with Curtis (2012) who states that, through internet available in customer’s smartphones and computers, customers can now access more information concerning services and prices offered by a service provider quickly and make comparisons and decide on which ones offer value for money.

Consumers are satisfied with Nairobi Java House’s online service systems. This coincides with An and Noh (2009) who state that, service providers have thus responded in kind by establishing websites and online reservation systems through which potential and even current customers can access information about the various services offered. Consumers are satisfied with Nairobi Java House’s rapport with them as customers through social media platforms. These results are in tandem with Curtis (2012) who states that, the social media platform is also currently being utilized by service providers to establish rapport with customers and provide specific responses to customers concerning inquiries and complaints.
5.4 Conclusions

5.4.1 Effect of Corporate Image on Customer Perceived Value
The study concludes that Nairobi Java House met customers’ quality standards and needs. As a result, customers’ choice of Nairobi Java House is influenced by their view of their outlets (suitable for holding meetings), and product quality. The study concludes that customers’ choice of Nairobi Java House is influenced by their perception of the organization’s trustworthiness, and their perceived value of Nairobi Java House. Customers select Nairobi Java House due to its price and service quality. Customers prefer Nairobi Java House locations because of the sentimental feeling they have for them and they prefer to interact with Nairobi Java House because of it is a representation of the value they hold about themselves.

5.4.2 Influence of Corporate Image on Customer Loyalty
The study concludes that customers did not frequent Nairobi Java House because their service never went beyond their customers’ expectations, but rather frequented the outlets because their services always met their expectations and because their staff service was efficient. The study concludes that consumers were confident of buying from Nairobi Java House because their friends had been satisfied with their services, as well as their social group. Customer did not go to Nairobi Java House in order to become influencers/trendsetters among their peers, and neither were they attracted to it because of its employees offering personalized service or understand their personal taste for foods and drinks. These customers frequented these outlets because Nairobi Java House because its employees had the customer’s best interest at heart, and the outlets and its employees were clean.

5.4.3 Effect of Corporate Image on Customer Satisfaction
The study concludes that consumers were satisfied with the services provided by Nairobi Java House, and that their customer satisfaction scores were high compared to their competitors. The consumers’ personal service expectations of Nairobi Java House had influenced their satisfaction with their services. The study concludes that consumers were loyal to Nairobi Java House services because they provided services as promised and their employees provided cordial customer relationship. Consumers frequent Nairobi Java House because of the knowledge they had about the organisation and its consistent service delivery (in terms of punctuality). Consumers were also satisfied with Nairobi Java House because of the sentiment and value they hold about themselves.
Java House’s online service systems and its rapport with them through social media platforms.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Effect of Corporate Image on Customer Perceived Value
The study recommends the management of Nairobi Java House to improve their customers’ value through their transactions of operational excellence, product leadership and customer intimacy.

5.5.1.2 Influence of Corporate Image on Customer Loyalty
The study recommends the management of Nairobi Java House to provide personalized service to its most esteemed and loyal customers. This would facilitate their ability as an organization to go beyond their customers’ expectations, thus increase customer loyalty.

5.5.1.3 Effect of Corporate Image on Customer Satisfaction
The study recommends Nairobi Java House management to effectively utilize their online service systems. The organization should make an effort in creating rapport with their customers through social media platforms which would increase customer satisfaction.

5.5.2 Recommendations for Further Studies
This study specifically focused on Nairobi Java House Limited. It limited itself to Nairobi Java House Limited outlets that operated within Nairobi’s Central Business District (CBD). The study thus recommends similar studies to be conducted on other Nairobi Java House outlets in Nairobi and other areas in order to provide a comprehensive response to the question of the influence of corporate image on competitive advantage.
REFERENCES


APPENDICES
APPENDIX I: QUESTIONNAIRE

The general objective of this questionnaire is to investigate the influence of corporate image on competitive advantage at Nairobi Java House Limited. Please take your time and fill it appropriately. Kindly note that this questionnaire will be used for academic purposes only, and you are not required to offer your personal information.

Section A: Background and Demographic Information

1. Gender
   Male ☐   Female ☐

2. Age bracket
   20 years and below ☐   21-30 years ☐   31-40 years ☐
   41-50 years ☐   51 years and above ☐

3. Education level
   Certificate ☐   Diploma ☐   Degree ☐   Master’s Degree ☐
   Other ☐   Specify ________________________________

4. Income level
   Below Ksh. 20,000 ☐   Ksh. 20,000 - 35,000 ☐   Ksh. 35,001 – 70,000 ☐
   Ksh. 70,001 – 100,000 ☐   Ksh. 100,001 and above ☐

5. How often do you frequent Nairobi Java House outlets (In terms of days per week)?
   Once a Week ☐   2-3 Times ☐   4-5 Times ☐   6-7 Times ☐
   More than Once Daily ☐

6. What is your perception of Nairobi Java House Limited?
   Mediocre ☐   Moderate ☐   Pleasant ☐   Great ☐
   Perfect ☐
Section B: Effect of Corporate Image on Customer Perceived Value

7. Using the scale SD-Strongly Disagree, D-Disagree, N-Neutral, A-Agree, and SA-Strongly Agree, please rate the following statement about the effect of corporate image on customer perceived value as it relates to you.

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Section C: Influence of Corporate Image on Customer Loyalty

8. Using the scale SD-Strongly Disagree, D-Disagree, N-Neutral, A-Agree, and SA-Strongly Agree, please rate the following statement about the influence of corporate image on customer loyalty as it relates to you.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>I frequent Nairobi Java House because their service always goes beyond my expectations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C2</td>
<td>I frequent Nairobi Java House because their services always meet my expectations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C3</td>
<td>I frequent Nairobi Java House because their staff service is efficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C4</td>
<td>I am confident of buying from Nairobi Java House because my friends have been satisfied with their services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C5</td>
<td>I frequent Nairobi Java House because of my social group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C6</td>
<td>I frequent Nairobi Java House in order to become an influencer/trendsetter among my peers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C7</td>
<td>I frequent Nairobi Java House because its employees offer me personalized service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C8</td>
<td>I frequent Nairobi Java House because its employees understand my personal taste for foods and drinks</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C9</td>
<td>I frequent Nairobi Java House because its employees have the customer’s best interest at heart</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C10</td>
<td>I frequent Nairobi Java House because of the cleanliness of its staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C11</td>
<td>I frequent Nairobi Java House because of the cleanliness of its interior, location and layout</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section D: Effect of Corporate Image on Customer Satisfaction

9. Using the scale SD-Strongly Disagree, D-Disagree, N-Neutral, A-Agree, and SA-Strongly Agree, please rate the following statement about the effect of corporate image on customer satisfaction as it relates to you.

<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>I am satisfied with the services provided by Nairobi Java House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D2</td>
<td>I feel that Nairobi Java House has higher customer satisfaction scores compared to its competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D3</td>
<td>My personal service expectations of Nairobi Java House have influenced my satisfaction with their services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D4</td>
<td>I frequent Nairobi Java House because of my satisfaction with their services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D5</td>
<td>I am loyal to Nairobi Java House services because they provide services as promised</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D6</td>
<td>I frequent Nairobi Java House because of the cordial customer relationship I experience with them</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D7</td>
<td>I frequent Nairobi Java House because of their consistent service delivery(in terms of punctuality)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D8</td>
<td>I frequent Nairobi Java House because of the information that I have and know about them</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D9</td>
<td>I am satisfied with Nairobi Java House’s online service systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D10</td>
<td>I am satisfied with Nairobi Java House’s rapport with me as a customer through social media platforms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

THANK YOU