

**EFFECT OF CORPORATE REBRANDING ON CUSTOMER ATTITUDINAL  
RESPONSES AMONG KENYA POWER BUSINESS CUSTOMERS IN  
NAKURU TOWN**

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AND TECHNOLOGY**

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## DECLARATION

I hereby declare that this research project is my original work and has not been presented in this or any other university for the award of a degree or otherwise.

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This research project has been submitted for examination with my approval under the University supervisor.

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## **DEDICATION**

This research project is dedicated to my dear parents and siblings who have continued to tirelessly support, encourage and motivate me. My dedication also is to my colleagues for their heartless support during the development of this project.

## **ACKNOWLEDGEMENT**

I wish to acknowledge the support received from my supervisor Dr. Peter Mwaura. This research project would not have been complete without his professional advice enabling me to prepare this project. I also pass my sincere gratitude to my family members for their financial and moral support that has promoted the success of this research.

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God bless them all.

## ABSTRACT

**Background:** Kenya Power and Lighting Company is a state owned corporation founded in the year 1954. In 1997 it demerged from Kenya Power and Lighting Company and rebranded to Kenya Electricity Generating Company and in 2008 the electricity transmission infrastructure function was carved out of Kenya Power and Lighting Company and transferred to newly formed Kenya Electricity Transmission Company. In June, 2011 Kenya Power and Lighting Company was rebranded Kenya Power. Despite the high costs incurred during corporate rebranding it remains unclear whether the initiative has contributed towards customer attitudinal response as envisaged by the strategy. Hence, the study aimed at establishing the effect of corporate rebranding on customer attitudinal responses among Kenya Power business customers in Nakuru Town. The study used descriptive survey research design and targeted a population 305 respondents comprised of Kenya Power business customers. Cluster sampling was applied to identify the respondents for the study. The study sampled 173 Kenya Power business customers in Nakuru Town. The data obtained for this study used structured questionnaires, which had both open and closed ended questions. The analysis of data was conducted using SPSS version 21.0 program. The analysis involved both descriptive and inferential analysis. Descriptive analysis conducted was to assess the varied opinions of the respondents on the variables of study while inferential statistics applied to provide a basis for testing the hypothesis through correlation and regression analysis. The findings revealed that change in corporate image had a positive impact on the attitudinal responses of business customers at Kenya Power. This supported by a positive Pearson Correlation between change of corporate image and attitudinal response at ( $r = 0.383$ ). The findings also indicated that management change had a positive effect on the attitudinal response among business customers of Kenya Power with a positive correlation between management change and attitude responses among their customers at ( $r = 0.398$ ). Further findings revealed that product revitalization had a positive effect on customer attitudinal responses among business customers of Kenya Power and this was supported a moderate positive Pearson Correlation between product revitalization / renewal and attitudinal responses towards Kenya Power's products and services at ( $r = 0.367$ ). The researcher recommended that the management of Kenya Power should consider paying attention to the dimensions of corporate image. The study recommended that the corporate rebranding should be done after careful consideration of customer's attitude and perception changes on a company's products and services and the management of Kenya Power needs to reexamine the procedure incidental and needs to consider conducting prior market research and share these findings with the stakeholders. The study will add knowledge to the existing literature on rebranding and highlight the relationship between rebranding and customer attitudes.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

|             |   |
|-------------|---|
| <b>CBBE</b> | Customer-based brand equity             |
| <b>CI</b>   | Corporate Image                         |
| <b>CSR</b>  | Corporate Social Responsibility         |
| <b>KP</b>   | Kenya Power                             |
| <b>KPLC</b> | Kenya Power and Lighting Company        |
| <b>PEV</b>  | Post Election Violence                  |
| <b>SPSS</b> | Statistical Package for Social Sciences |



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## OPERATIONAL DEFINITION OF TERMS

|                                      |   |
|--------------------------------------|---|
| <b>Business customer</b>             | is an entity that purchases products with the intent of using those products in the course of operating a business  |
| <b>Corporate image</b>               | is the way an organization is presented to or perceived by its members and the public.  |
| <b>Corporate rebranding</b>          | is the creation of a new name, term, symbol, design or combination thereof of an established corporate brand with an intention of differentiating it from other corporate brands. |
| <b>Customer attitudinal response</b> | is an expression of a customer's feeling to respond negatively or positively towards a certain idea or situation.   |
| <b>Management change</b>             | is the process the effect of new business processes, management structures or cultural changes in an organization.  |
| <b>Product revitalization</b>        | is the modification and repositioning of a product with an attempt to bring it back to the market and secure the sources of equity.   |
| <b>Rebranding</b>                    | is the practice of building a new name representative of a differentiated position in mind frame of stakeholders and a distinctive identity from competitors.                     |
| <b>Strategy:</b>                     | is a way by which the organization will pursue its goals given the threats and opportunities in the environment and the resources and capabilities of the organization.           |



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Most organizations have variety of objectives entrenched in their mission and vision statement with the major goal being to maximize output. To achieve this goal, organizations have embarked on proper coordination of activities within their multiple business units and variety of strategic decisions that concern the overall corporation. According to Slater and Narver (1999), corporate branding strategy is one of the strategic decisions employed by organizations to effectively focus on a given business market which calls for the understanding of the various customer expectations. A brand is a name, symbol, or other feature that distinguishes a seller's goods or services in the marketplace. More than 500,000 brands are registered globally with pertinent regulatory bodies in different countries.

Brands serve their owners by allowing them to cultivate customer recognition of, and loyalty toward, their offerings. Brands also serve the consumer by supplying information about the quality, origin, and value of goods and services. Without brands to guide buying decisions, the free market would become a confusing, faceless crowd of consumables, Sadler (2003). He further stated that an important strategic decision is to build and maintain a favorable and strong brand, which in turn will create a desirable external image for the company. Since SBUs have to operate in different industries and different markets, they want their own special brands and logos. The decision to apply a corporate brand, more generally called an organization brand (Aaker, 2004), must be made very carefully because the corporate brand is the identifier of a corporation and is used to support business unit communications.

According to Lewer and Knox, (2004), the goal of corporate brand is to conceive, manage and communicate corporate brand values in order to guide managerial decisions, actions and normative firm behavior. Due to the fact that corporate brand values originate from organizational heritage and culture, and guide employee behaviors, they enable the company as a whole to unite behind a particular strategic intent. However, corporate brand values and

the way that they are translated into staff behaviors and conveyed to customers and other stakeholders are generally overlooked in existing studies of market driving.

Keller (1999) describes rebranding strategies as parts of repositioning without destroying existing brand loyalty. Daly and Moloney (2004) suggest that rebranding viewed as a continuum, refers to three change categories with respective change formats – Minor Changes (visual), Intermediate Changes (Reposition), and Complete Change. Besides, Stuart and Muzellec (2004) state that rebranding achieved with the changes of brand identity, can be categorized into three main types: Name, logo and slogan changes. In contrast, Muzellec and Lambkin (2006) believe that both changes of marketing aesthetics and repositioning can be rebranding approaches.

According to Goi, (2011) rebranding can occur at three distinct levels in an organization: corporate, strategic business unit, and product level. Muzellec et al. (2003) defined rebranding as the practice of building a new a name representative of a differentiated position in the mindset of stakeholders and a distinctive identity from competitors. Daly and Moloney (2004) explained that rebranding consists of changing some or all of the tangible (the physical expression of the brand) and intangible (value, image, and feelings) elements of a brand. Kapferer (1997) agreed that brand transfer made up of many components. Hankinson and Lomax (2011) agreed with the explanation that rebranding involves change not only in the visual identity of the organization but it also leads to real change within the organization. Rebranding is also about changing image and it is a long-term goal. In order to refine the definition of rebranding, Muzellec and Lambkin (2006) defined rebranding as a change in an organizations self identity and/or an attempt to change perceptions of the image among external stakeholders

Andrews and Kim (2007) maintain that rebranding always involves some changes in the existing perceptions among customers and firm position in the market. For instance, when marketers implement rebranding for an established brand, new name, term, symbol, design or other visual identity devices may create a novel position and image to both internal organization and external market. Rebranding can be a very risky and challenging strategy that may cause serious damage to brand loyalty and brand equity (Ellwood, 2006; Gotsi and

Andriopoulos, 2007; Hatch and Schultz, 2003). Customers may not appreciate such changes of the brands and react negatively if they perceive that core brand values have disappeared after rebranding (Haig, 2003).

Wafa et al. (2009) state that an enhanced attention on how to re-give a distinguished image of brands or products given through the last few years. Firms become increasingly conscious about communicating the emotional side of the brand more than the functional one. Brand name, as a symbolic component, is important since it serves as a communication tool for customers' awareness Aaker, (1991). Therefore, suggestion made was that changing the corporate brand name lead to a modification of customers' perception Muzellec and Lamkin, (2006).

The amount of literature on the corporate rebranding subject is limited, and so far, very few researchers have studied the potential connection to a high-velocity environment as cited by Henric and Andreas (2009). In addition, despite the awareness of academics of the service branding policies (Davis, 2007; Harris, 2002), there is still relatively little written about the consequences of rebranding, involving the change of brand assets, on the consumer behavior Jaju et al., (2006).

In the recent past, various companies in Kenyan market have attempted rebranding strategies towards changing customer attitudes for instance Communication Authority of Kenya, Trans National Bank, National Bank, Sidian Bank, Spire Bank, M-Oriental Bank and many more. KP has since changed its corporate brand manifested in its logo, corporate colors and perceived culture to reflect on its renewed commitment to service delivery to its customers. This study motivated by the increasing interest in corporate rebranding particularly at the KP aimed at contributing towards the understanding of the rebranding concept and its effect on customer attitudes.

## **1.2 Statement of the Problem**

The service brand name is an important component of the brand and a source of information to the customer, since service attributes are intricate to communicate through other means. Academics propose that the alteration of company's name be done only when there are no

alternative solutions, renaming without a doubt could have more disastrous consequences than a mere loss of clients. In addition, this strategy involves tremendous costs such as advertising, legal fees, promotions among others. With extensive literature on branding services, no much of it addresses the issue of rebranding practice predominantly in the service institutions. In fact, most of the rebranding literatures have not explored the effects of rebranding strategy on attitudinal responses of consumers. The need for rebranding is attested to rapidly changing business environment characterized by ever-rising competition and uncertainties of consumer behavior and attitudes. To rise above such challenges, marketers endeavor to develop new branding strategies to create additional brand values which imitated by competitors and that will be more appealing to the target market.

The rebranding strategies focused towards changing visual brand elements like color and logo to create new brand associations and induce customers' purchase intentions. However, outcomes of such strategies varied between different consumer durable brands. In this regard, attempts of rebranding by many companies in the recent past rendered a flop in delivering new outlook and enhanced customer perception and attitudes. Kenya Power manifested in its logo, corporate colors and perceived culture is to reflect on its renewed commitment to service delivery to its customers. The company reportedly spent over 100 million shillings in the rebranding process. Despite such expenditure on the rebranding exercise by Kenya Power involving its corporate image, management changes and product revitalization it remains unclear whether it has improved customers attitudes towards the company in service delivery, management status and brand image. Hence, this study sought to establish the effect of corporate rebranding on customer attitudinal responses among business customers of Kenya Power Nakuru Town.

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of this study was to establish the effect of corporate rebranding on customer attitudinal responses among business customers of Kenya Power, Nakuru Town.



### **1.3.2 Specific Objectives**

- i. To examine the effect of corporate image on customer attitudinal responses among business customers of Kenya Power, Nakuru Town.
- ii. To establish the effect of management change on customer attitudinal responses among business customers of Kenya Power Nakuru Town.
- iii. To assess the effect of product revitalization on customer attitudinal responses among business customers of Kenya Power, Nakuru Town.

### **1.4 Research Hypotheses**

**H<sub>01</sub>** Corporate image has no significant effect on customer attitudinal responses among business customers of Kenya Power, Nakuru Town.

**H<sub>02</sub>** Management change has no significant effect on customer attitudinal responses among business customers of Kenya Power, Nakuru Town.

**H<sub>03</sub>** Product revitalization has no significant effect on customer attitudinal responses among business customers of Kenya Power, Nakuru Town.

### **1.5 Significance of the Study**

This study will contribute to the development of knowledge and literature on rebranding and customer attitudes. This will form part of much needed effective rebranding strategies thereby providing upcoming researchers with rich source of information to build on their studies.

The need for rebranding is attested to rapidly changing business environment characterized by ever-rising competition and uncertainties of consumer behavior and attitudes. Therefore, this study will also be significant source of information for organizations in attempts to implement their rebranding strategies.

The government through ministries such as Tourism, Agriculture and others will benefit from these research findings in attempts to promote the sectors through rebranding.

### **1.6 Scope of the Study**

The study sought to establish the effect of corporate rebranding on customer attitudinal responses. The study targeted the business customers of Kenya Power in Nakuru Town. The target populations were 305 selected companies from Nakuru Town who were business customers of Kenya Power. The study was carried out between August 2015 and September 2016.

### **1.7 Limitations of the Study**

Some of the business customers were not in a position to give information effectively possibly due lack of awareness on the company rebranding compromised the collection of detailed information. The researcher assured the respondents of anonymity and clearly explained the purpose of the study to woo the KP customers to cooperate effectively.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The following chapter presented a review of past studies on rebranding and attitudinal aspects . The section analyzed the theory upon which this study was found; it further analyzed literatures on specific objectives of the study, conceptual framework, summary of literature review and research gap.

#### **2.2 Theoretical Review**

##### **2.2.1 Customer-Based Brand Equity Model**

Aaker (1991) introduced his model of brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol”. He argued these assets and liabilities will add or subtract from the values provided by a product or service to a firm and/or to that firm’s customers”. Aaker’s model (1991, 1996) consists of five components: brand loyalty, name awareness, perceived quality, brand associations, and other proprietary assets. He pointed out that a good branding strategy should concentrate on attempts to achieve name awareness, perceived quality and brand association in order to win high loyalty to the brand product. He added, brand loyalty can strengthen the other components of brand equity and increase the brand’s competitiveness on the target market.

Aaker (1991) said that a well-structured brand may become an evoked set through the attachment of symbolic attributes. Such action will motivate him to like the specific brand and eventually purchase its representative products. He further suggested that standards procedures of quality inspection be in place to maintain the stability of product quality. Brand equity, as defined by Keller (1993), occurs when a brand is known and has some strong, favorable and unique associations in a consumer’s memory. Keller (2003a) put forwarded a conceptual model of customer-based brand equity (CBBE), which highlights “the differential effect that brand knowledge has on consumer response to the marketing of that brand”.

In using appropriate brand associations, performance, and imagery can exert greater influence on customers' response (Keller, 2003b). Many of these are consistent with Keller's brand meaning construct, but attributes such as technical capability, delivery reliability and responsiveness are not included. Keller also, ignores the customer relationship with the sales team due to his concentration on consumer markets. A buyer's purchase choice depends not only on their assessment of the product's functional benefits, but also on their evaluation of the company's sales people (Michell et al., 2001). Brand response is the third step in the Keller model and represents opinions and evaluations of the brand based on a combination of associations identified in brand meaning. These judgments include overall quality, credibility, consideration and superiority.

Brand feelings are customers' emotional responses and reactions to the brand. Keller (2003) identifies six types: warmth, fun, excitement, security, social approval and self respect. Consumer judgments and feelings tend to be positive once brand reliance is transmitted and received. Brand relationships constitute the final step in the pyramid where brand response is converted to create an intense, active loyalty relationship between customers and the brand. The pinnacle of the pyramid is resonance, which refers to the nature of the relationship between the customer and the brand. It is described as having four elements: behavioral loyalty, attitudinal attachment, sense of community and active engagement (Keller, 2001). This is the stage in which a prolonged relationship is developed between the brand and its loyal customers. Overall, Keller's model provides consumer feedback into improving branding measures.

Based on Aaker's (1991) brand equity and Keller's (1993, 2001, 2003b) customer-based brand equity (CBBE), Konecnik (2006) identified the major influencing factors of brand awareness, image, perceived quality, and brand loyalty in her evaluation model of customer-based brand equity for a tourism destination (CBBETD). In the CBBETD model, above mentioned dimensions measure branding effects through tourists' perceptions of destinations. Konecnik (2006) viewed the dimension of brand awareness as the extent of brand recognition and recall of brands. She added to it the aspect of "brand familiarity". She adopted Keller's (1993, 2003) brand image as the second dimension and viewed brand image as the perceptual linkage between brand associations and the brand.

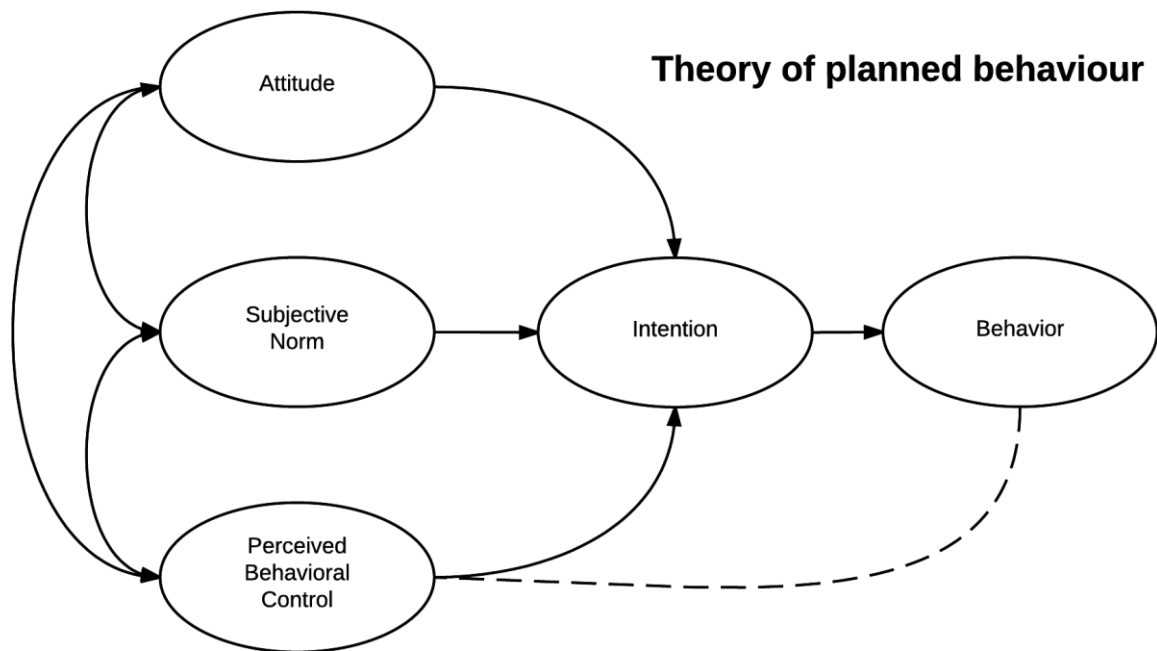
## **2.2.2 The Theory of Planned Behavior (TPB)**

While applying the term “attitude” to the research of branding, it is necessary to understand the formation of consumers’ attitudes. Ajzen (1985, 1987, 1991) in the theory of planned behavior (TPB), proposed adding perceived behavioral control to the analysis of how attitude and behavior are formed.

Attitudes, which are relatively permanent and stable evaluative summaries about an item, are an important psychological construct because they have been found to influence and predict many behaviors (Kraus, 1995; Olson & Zanna, 1993). The term “attitude” is categorized into a trio of affection, beliefs, and values, and cognition (Fishben & Ajzen, 1972; Olson & Zanna, 1993). In the affective aspect, the term “attitude” shows the individual’s favorability to objects, events, or other persons (Ajzen, 1991; Fishben & Ajzen, 1972).

The cognitive aspect of subjective norms and perceived behavioral control help individuals evaluate or judge situational conditions and consequences, such as the possibility or difficulty to implement one particular behavior (Ajzen, 1991; Bandura, 1977; Fishben & Ajzen, 1972). Boundary of social norms and personal ability may transgress the individual’s affections and cognitions and contribute to the final intention of making or not making a specific behavior (Ajzen, 1991). Moreover, beliefs and values are supposed to offer “cognitive and affective foundations” to the attitudinal determinants in identifying individuals’ considerations of behavioral decisions (Ajzen, 2006, p.7).

TPB defines attitude toward a behavior as “the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question” (Ajzen, 1991, p. 188). In general, the more favorable the attitude toward the behavior, the stronger will be an individual’s intention to perform the behavior (Ajzen, 1991). In our case, the target behavior is the intention to refer to Iran Melli bank, and the attitude is toward Melli bank. Attitude toward Melli bank reflects feelings that performing a behavior would lead to a particular, and desirable, outcome, as a result of performing that behavior.



**Figure 2.1: Theory of planned behavior (source: Ajzen, 1991, p. 182).**

## **2.3 Empirical Review**

This section presented the findings and perceptions of past researchers on the topic under study. It is organized in terms of the study objectives as follows;

### **2.3.1 Concept of Corporate Rebranding**

The concept of rebranding describes a firm's effort to redeploy or redevelop the intangible assets that are tied to an existing brand (Brown *et al.*, 2006; Merilees, 2008; Lambkin and Muzellec, 2010). Corporate rebranding aims, therefore, at modifying the stakeholders' perceptions. Like many corporate branding programmes, it may do so by projecting the company distinctiveness by using the total corporate communication mix such as

advertising, press conferences and releases, and staged media events to impress external audiences (Schultz and Hatch, 2001). A review of rebranding examples indicates, however, that all are not of the same order of magnitude. There appears to be a continuum in rebranding from the relatively minor, evolutionary modification of the logos and slogan to the major, revolutionary creation of a new name.

A signature form of rebranding is changing a brand name and / or symbol. Some firms do this as a result of engaging in corporate actions that involve other firms, such as M&A, but also product alliances and co-branding projects invoke rebranding. Another motive for rebranding is that firms may try to reposition themselves in the consumer market (Jaju et al., 2006). For example, by changing the corporate brand name a firm may also strive to shift its position in the brand relationship spectrum towards either a 'house of brands' or a 'branded house' (Aaker and Joachimsthaler, 2000; Muzellec and Lambkin, 2008). The former allows the corporate brand to separate itself from its product brands to avoid that certain associations are transferred back to the parent firm. The latter aims to lever the brand equity that is unique to a specific brand name by having all the firm's businesses and product brands operate under a single master brand. Finally a firm may want to change a brand name "to form a synergistic alliance between brands in which the sum is greater than the parts" (Rao and Ruekert, 1994, p.87). Of course, the relative importance of corporate brand names (e.g. Unilever, Ahold) versus product brand names (Andrélon, Albert Heijn) depends on the firm's brand strategy and its proximity to various stakeholders (Aaker and Joachimsthaler, 2000; Jaju *et al.*, 2006).

### **2.3.1 Corporate Image**

Corporate image is defined in various ways (Bernstein, 1984; Abratt, 1989; Gray and Balmer, 1998). It is at times denoted as universal evaluation of a corporation by an external stakeholder (Dowling, 2001; Davies and Chun, 2002). An agreement appears to have risen around the belief that corporate image is an overall impression formed as a result of a various formal and informal signals originating from the company (Bernstein, 1984). Amid, the formal signals, corporate rebranding is perhaps the strongest probable way to indicate that something in the company has altered (Kapferer, 2002). Undeniably, rebranding is

elicited by operational features such as internationalization, mergers and acquisitions, spin-offs, diversification or divestment (Muzellec and Lambkin, 2006).

Lee, Cheung, Kuntjara, and Lin (2014) established that brand repositioning is desirable, the use of evolutionary rebranding strategies is greater in enhancing consumer brand preference in the event of pleasant unique brand name attitude, while the use of revolutionary strategies is grander when customers embrace less agreeable attitude. In addition, knowledgeable consumers display comparable responses to both rebranding strategies, while evolutionary strategies seem to be additionally effective than revolutionary ones in improving consumer brand preferences in the case of novice consumers.

Increasing global competition has led businesses toward advanced need for uniqueness. Looking at variables most capable to endure a competitive advantage, corporate image surfaces (Kay, 2006). Adopting the description recommended by Muzellec and Lambkin (2006), rebranding relates to the conception of a new brand component targeting to create a different image in the mind of stakeholders. A noble and robust corporate image can have affirmative impact on the workforces, superiors, shareholders, and buyers' evaluations. Further, rebranding is a tactic comprising substantial risks, as strong brands take years to be well built imperative to offer higher margins, loyal customer bases and a unceasing stream of revenue for the firm expressive of the brand (Aaker, 1996; Keller, 2002).

Corporate image is also the general impression left in the customers' mind due to accumulative feelings, ideas, attitudes and experiences with the organization, kept in memory, transformed into positive/negative meaning, recovered to recreate image and remembered once the name of the organization is heard or conveyed to ones' attention (Dowling, 1988; Fombrun, 1996; Kazoleas et al., 2001; Hatch et al., 2003; Bravo et al., 2009). Therefore, corporate image is an outcome of communication process in which the organizations forms and spreads particular message that establishes their planned intent; mission, vision, goals and identity that mirrors their principal values that they esteem (Leuthesser and Kohli, 1997; Van Riel and Balmer, 1997; Bravo et al., 2009). This is dependable with Keller's (1993) worldwide visualization of brand image. Hence,



corporate image can be considered as a form of brand image in which the brand name denotes to the organization as a complete rather than to its sole products/services.

Firms time and again endeavor to create auspicious, exceptional, and durable associations with a product over messages to users (Keller, 2003). Consumers' emotional and rational responses to these messages most probably determine the relation among ad evaluations and brand evaluations. Brand views (MacKenzie, Lutz, & Belch, 1986) and feelings (Olney, Holbrook, & Batra, 1991; Park, Jaworski, & MacInnis, 1986) are shaped through advertising. These beliefs influence attitudes toward ads and subsequently attitudes toward the brands promoted. Mackenzie et al. linked four theoretical models of advertising and revealed that attitudes toward ads have sound effects on brand attitudes and successively on buying intentions.

Brand attitudes can be affected in part by the corporate image of the advertiser. Corporate image is defined as evaluations, feelings, and attitudes toward a company (Barich & Kotler, 1991; Dowling, 1986) or the associations and meaning a person has about a firm (Keller, 2003). Corporate image can affect advertisers' reputation and corporate credibility (Keller & Aaker, 1992), leading to beliefs about advertisers that consequently influence brand beliefs and attitudes (Biehal & Shenin, 1998; Mackenzie et al., 1986).

Past experience, ads, and corporate image are determinants of brand attitude, which in turn influences brand loyalty (re-purchase intentions). According to the theory of reasoned action, brand attitudes are a function of beliefs that a brand has desirable or undesirable attributes and evaluations of these attributes (Ajzen & Fishbein, 1980). Past experience, ads, and corporate image are likely to influence these beliefs or evaluations (or both) and, subsequently, brand attitude. In addition to the direct effects of customer satisfaction on loyalty, our model posits that brand attitude mediates the effects on loyalty of customer satisfaction, attitude toward ads, and corporate image; that is, the three variables have indirect effects on loyalty via brand attitude.

Corporate image and reputation is considered to be a critical factor in the overall evaluation of any organization (Kandampully and Hu, 2007; Sarstedt et al., 2012) because of the strength that lies in the customers' perception and mind when hearing the name of the organization. Thus, continuous research on corporate image and reputation is must for those organizations that want to successfully differentiate their positioning in the market.

Kandampully and Hu (2007) stated that CI consisted of two main components; the first is functional such as the tangible characteristics that can be measured and evaluated easily. The second is emotional such as feelings, attitudes and beliefs the one have towards the organization. These emotional components are consequences from accumulative experiences the customer have with the passage of time with the organization.

Worcester (2009) found out that when constituting CI, the most important goal is to form positive attitude towards the company among present and potential consumers. CI is comprised of creating a positive corporate personality, marketing communications and channels as well as constant feedback from the target audience.

Christensen, Askegaard (2001), Flavian, Guinaliu, Torres (2005), Chattananon, Lawley (2007) state that CI is the understanding about the company by any stakeholder. CI is determined by the elements provided by controllable and uncontrollable sources of information. Worcester (2009) notes that CI consists of product image, brand image and brand consumer image. Yeo, Youssef (2010) state that CI is a source of competitive advantage: due to the fact that CI can only be formed over a long time, it becomes difficult to imitate. Besides CI creates consumer trust and deters competitors from entering the market. Pina et al. (2006) emphasize that positive CI can raise sales, customer loyalty, attract new investors and employees. LeBlanc, Nguyen (1995) note that CI is dynamic and it can change because of particular events, shifts in consumer's environment or his personality.

Rindell, Edvardsson, Strandvik (2010) state that CI can be divided into image-in-use and image heritage. Image heritage is based on consumer past experience and created by consumer himself. Image-in-use is the result of company's image forming activities. CI must be reviewed constantly and updated according to public opinion, beliefs and values

(Herstein, Mitki, Jaffe, 2008). Wei (2002) states that company which is able to change, is seen as innovative, open and becomes exceptional in its markets. Rindell, Edvardsson, Strandvik (2010), Flavian, Guinaliu, Torres (2005), LeBlanc, Nguyen (1995) state that the longer the interaction between company and consumer, the stronger consumer's CI.

Leblanc, Nguyen (1995) defined various elements which constitute CI: corporate identity, individuality, physical environment, service offering and contact personnel. Corporate identity contains company's name, logo, exceptional features, pricing, the quality and quantity of advertising. Physical environment is comprised of environment aesthetics, lighting, condition of furniture, buildings and other company's property. LeBlanc, Nguyen (1995) state that esthetic environment increases consumer satisfaction and raises CI. Chattananon, Lawley (2007), Stuart (1997), LeBlanc, Nguyen (1995) emphasize that room decorations, lighting and other features can be used to communicate CI to the consumers. Contact personnel are exceptionally important in forming consumer attitude towards company and its products, forming CI. Personnel should be friendly, courteous, caring, competent and of attractive appearance (LeBlanc, Nguyen, 1995). Contact personnel can have negative impact on CI if they dissatisfy customers by bad mood, poor attitude (van Heerden, Puth, 1995) and service offering contains variety of services, service availability and service processes.

Yeo, Youssef (2010), emphasize that CI is influenced by information provided by the company itself and other groups. CI is studied from two perspectives: company's and consumer's. The approach of company is directed towards improvement of marketing activities while consumer's approach is based on his interpretation of CI and brand equity state that a crucial feedback exists: stakeholders are influenced by company's image forming actions and they form CI in their environment. To sum up, CI is a complex concept, which covers corporate identity, individuality and marketing communications. CI is influenced by planned and accidental activities of the company.

### **2.3.2 Management Change**

Organizational change is a risky decision, so managers must have legitimate reasons and compelling incentives to break their existing routines. Past performance is one such

motivator (Han et al., 1998). Therefore, administrative changes represent a greater departure from existing organizational routines and tend to receive strong resistance from constraints inside the firm. Relatedly, Tse et al. (1994) find that conflicts and disagreements in administrative areas are much difficult to resolve than those in technical areas. In addition, the benefit implications of technical changes such as introducing new products and improving product quality are straightforward.

In contrast, administrative changes, such as reforming the personnel management system and restructuring the business operation system, have only vague implications for future performance (Damanpour, 1991). As a result, administrative changes are difficult to initiate without strong and legitimate reasons. Poor past performance signifies the ineffectiveness of the existing operations, and thus provides strong and legitimate reasons for firms to reform their administrative systems.

The leaders' favorable change attitude also facilitates an organizational climate that encourages changes, disrupts existing bases of power, and overcomes internal political constraints (Goodstein and Boeker, 1991; Kotter, 1995). In the implementation stage, the leaders' favorable change attitude is especially needed to create the interdepartmental coordination and conflict resolution that can ensure the success of the change (Damanpour, 1991). While technical changes primarily involve the product or technology-related processes of a firm's operation, their successful implementation often requires support from corresponding changes in the administrative processes (Tsoukas, 1996). For example, if a bank intends to introduce a new service, a new set of administrative mechanisms is needed to train the bank staff and evaluate or control the performance of the service (Han et al., 1998). Although the connection between technical and administrative changes is not strictly a one-to-one relationship, organizational changes in social processes often act as prerequisites to the adoption of technical changes (Damanpour and Evan, 1984).

In addition, firms can introduce new administrative systems, such as new incentive schemes or continued education to motivate and improve their employees' ability to create and innovate, thereby enabling more changes in their technical improvements (Damanpour and Evan, 2004).

### 2.3.3 Product Revitalization

With the development of globalization and internationalization, companies are facing increasingly diversified competition coming from either the national market or global markets. When a brand goes into the decline stage, its brand image and brand awareness are fading out compared with competitors, and its brand equity is not as rich as before. In the decline stage, the company should pay attention to saving the brand and making relative strategies to revitalize it. Furthermore, customers can acquire information from more media than in the past. Simultaneously, an increasing number of competitors came out, and the Chinese market has become saturated. A brand can be a tool to differentiate products from competitors, and make strong awareness to customers. (Keller 1998, 2.) Moreover, Morley (2009) states that the proliferation of annual brand ranking creates an increasing number of ‘brandaholic’, who are high on purchasing products or services with famous brands.

Accordingly, brand revitalization, or called brand rejuvenation, refers to a company attempts to regain lost equity of the brand by some marketing activities since the brand becomes ageing or in the decline phase (Keller 1999, 110). Figure 3 below indicates that the brand revitalization happens at the end of the maturity phase, in order to avoid declining and be prosperous again for companies.



Figure 1.2: Brand life cycle (Egan 2007, 91)

Keller (1999, 110) describes the brand revitalization as ‘return to their roots’, and to recapture lost sources or establish new source of equity for brands. Kapferer (2008, 438) indicates that the brand revitalization consists of recreating a consistent flow of sales, putting the brand back to life, on the growth slope again. That is, the brand revitalization is a process of recapturing and creating the equity of a brand and then creating durable sales and making the brand return back to growth again.

Companies implement the brand revitalization because they realize that their brands are already ageing or in the decline phase. Therefore, these companies should accurately and completely assess the brands based on the brand knowledge and then make decisions for revitalization strategies. Consequently, a brand audit is often conducted as the first step in the brand revitalization to assess the brand equity from both company’s and customers’ perspectives. In this research, the brand knowledge provides directions of measuring the brand equity: the breadth and depth of brand awareness, and the strength, favorability, and uniqueness of brand associations held in customers’ memories. (Keller 1998, 373-374.)

However, keeping a strong brand for the long run of a company is difficult. “Today, changes in consumer tastes and preferences, the emergence of new competitors or new technology, or any new development in marketing environment could potentially have a profound effect on the fortunes of a brand” (Keller 1998, 519). For reasons as listed above, companies should pay attention to reinforcing brands, or even revitalizing brands if necessary, in order to keep the existing equity of brands, or capture new ones to increase the strengths of brands.

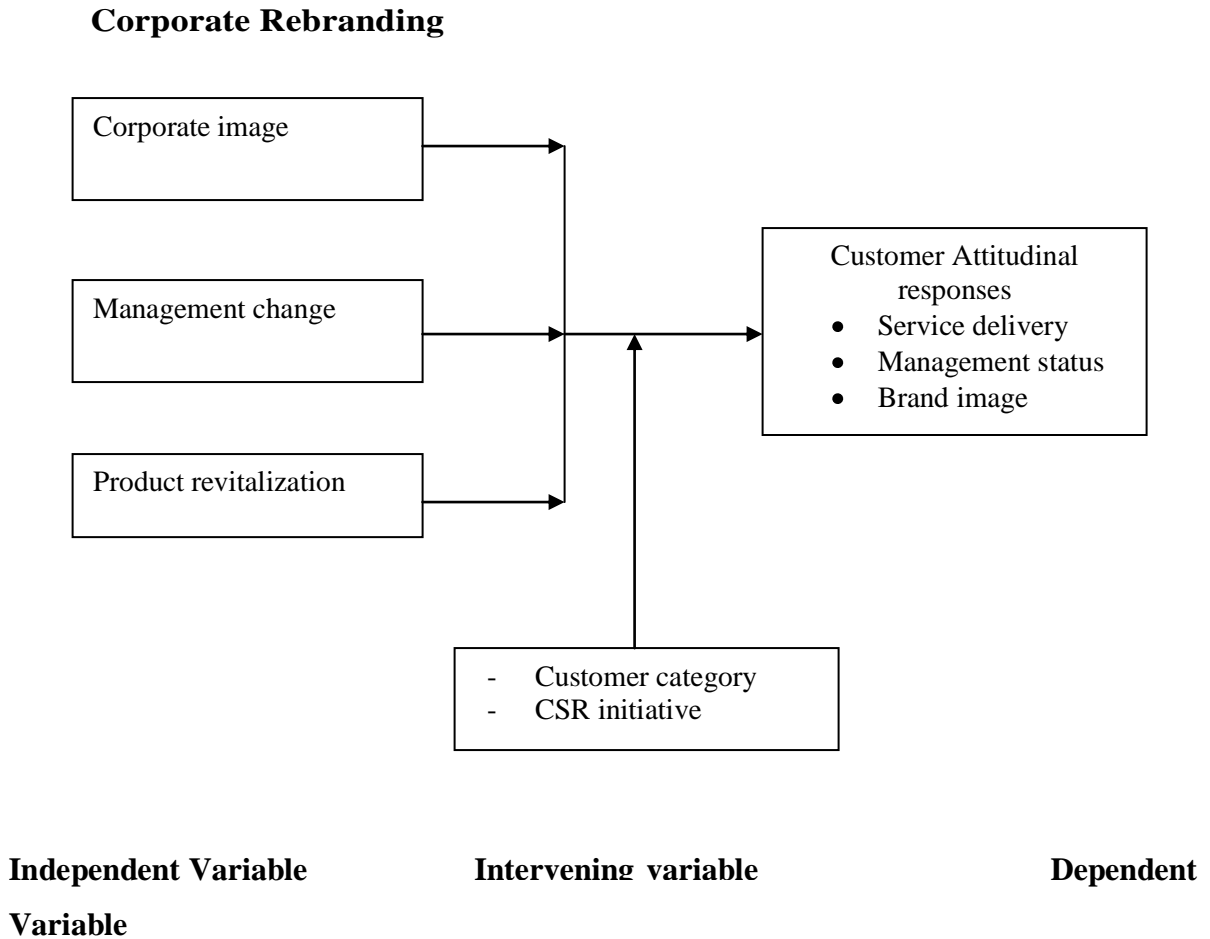
Business process reengineering is one approach for redesigning the way work is done to better support the mission of organizations and reduce costs. Reengineering starts with high-level assessment of the organization’s mission, strategic goals and customer needs. On this basis reengineering focuses on the organization’s business processes; the steps and procedures that govern how resources are used to create products and services that meet the needs of particular customers or markets. A business process can be recomposed into specific activities, measured, modeled and improved. It can also be redesigned or eliminated

altogether. Reengineering identifies, analyzes and redesigns an organization's core business processes with the aim of achieving dramatic improvements in critical performance measures such as cost, quality, service and speed. (Morley,2009)

According to Morley (2009), reengineering recognizes that an organizations 'business processes are usually fragmented into sub processes and tasks that are carried out by several specialized functional are within the organization. It maintains that optimizing the performance of sub processes can result on some benefits but cannot yield dramatic improvements if the process itself is fundamentally inefficient and outmoded. For that reason reengineering focuses on redesigning the process as a whole in order to achieve the greatest possible benefits to the organization and their customers. This drive for realizing dramatic improvements fundamentally rethinking how the organizations' work should be done distinguishes reengineering from process improvement efforts that focus on functional or incremental improvement.

## 2.4 Conceptual Framework

The diagrammatic representation of the relationship between the independent and dependent variables of this study is as shown in Figure 2.3.



**Figure 2.2: Conceptual framework**

This study conceptualizes that corporate image, management change, and product revitalization (independent variables) have a positive effect on customer attitudinal responses (dependent variables). However this relationship is subject to intervening variables such as customer category and CSR initiative.



## **2.5 Summary of Literature Review**

Brand a simple but very confused word with multiple meanings. Within this field, there are a number of generally accepted definitions. These variously refer to the brand as “a product or service, which a customer perceives to have distinctive benefits beyond price and functional performance” or “a symbol serving to distinguish the products and services of one company from another”. A brand may have many other meanings depending on the role it plays, the value it has and more importantly, to whom it is related. To brand owners, a brand is mainly a differentiation device: the living memory and the future of its products. To brand users, a brand may create an emotional bond with them, which turns the brand into an icon. In the most developed role, brands represent not only the products or services a company provides but the firm itself, the brand is the company and brands become a synonym of the company’s policy.

Attitudes lead people to behave in a consistent way towards similar objects. Boone and Kurtz (2004) describe attitudes as a person's enduring favorable or unfavorable evaluations, emotions or action tendencies toward some object or data. As they form over time through individual experiences and group contacts attitudes, become highly resistant to change. Berkowitz et al (2000) maintain that attitudes shaped by our values and beliefs, which are learned.

Once a company has a clear idea, why rebranding is necessary and what the company expects the results would be the planning and finally the execution of the rebranding strategy can be started. The key success factor in rebranding is to incorporate the internal stakeholders to the process. A company must develop both communications and training programs, to spread the new brand message internally throughout all levels of the company. To the external stakeholders, in turn, the company might include customer and journalist promotion packages, advertising, sponsoring to its promotion strategy.

Each rebranding process should be evaluated with the regards to its initial goals and possible changes made if they become evident. Consequently, research before and after the change is vital, and continuity and consistency should always be in mind when exercising rebranding. Rebranding process consists of rebranding, re-structuring and

repositioning On the other hand, rebranding process should consist of rebranding factors, rebranding goals, and rebranding process. Corporate rebranding necessitates synergy between marketing, human resource management and strategy.

## **2.6 Research Gap**

A consumer thinks, perceives, and learns and is a psychological being, which has motives, personality, and attitudes. These psychological forces affect the behavior of the consumers; and marketers seek to influence or capitalize on them. Businesses and social agencies alike frequently succeed in altering behavior by changing attitudes towards a product, service, or activity; and these changes can result in injurious or beneficial consumption decisions. A successful brand is believed to bring its owner great financial value in terms of either higher sales or premium prices and give employees the satisfaction and confidence in their products or services. Strong branding can also accelerate market awareness and acceptance of new products entering the market. It seems that consumer's attitudes and opinions have an important role in branding research. In psychology, attitude is believed to be the major determinant of future decision-making. However, little is known about the relationship between branding and customers' attitudes.

Further, the amount of literature on the corporate rebranding subject is limited, and so far very few researchers have studied the potential connection to a high-velocity environment as cited by Henric and Andreas (2009). In addition, Despite the awareness of academics of the service branding policies (Davis, 2007; Harris, 2002), there is still relatively little written about the consequences of rebranding, involving the change of brand assets, on the consumer behavior (Jaju et al., 2006). Although there is an extensive literature on branding services, no much of it addresses the issue of rebranding practice particularly in the service institutions (Wafa et al, 2011). In fact, most of the rebranding literatures do not investigate the effects of rebranding strategy on consumer attitudes.

## **2.7 Critique of Literature Review**

Rebranding can be a very risky and challenging strategy that may cause serious damage to brand loyalty and brand equity (Ellwood, 2006; Gotsi and Andriopoulos, 2007; Hatch and Schultz, 2003). Customers may not appreciate such changes of the brands and react negatively if they perceive that core brand values have disappeared after rebranding (Haig, 2003). Academics suggest that the change of a company's name should be done only when there are no other alternative solutions (Kilic and Dursun, 2006), renaming indeed could have more disastrous consequences than a simple loss of clients (Thurtle, 2002).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research methodology used in the study and the methods and tools used to carry out the study. It contains the research design, a description of target population and the sampling design containing the sample size and how it was selected. The chapter also describes the methods and instruments used to collect data and finally, details of the methods and tools used to analyze the collected data.

#### **3.2 Research Design**

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004). The study adopted a descriptive survey research design, defined as an empirical inquiry that investigated a contemporary phenomenon within its real-life context when the boundaries between phenomenon and context are not evident (Yin, 2003). Descriptive research design is a method of collecting information by interviewing or administering questionnaires to a sample of individuals (Orodho, 2003). The design considered appropriate for the study since it involved a survey approach during data collection phase of the study.

#### **3.3 Target Population**

According to (Mugenda & Mugenda, 2004), Target population is the member of a real or hypothetical set of people, events or objects the researcher wishes to generalize the results of the research. The study carried out in Nakuru Town with specific target on business customers of KP. The study targeted **305** selected business customers in Nakuru Town .

### 3.4 Sampling and Sampling Techniques

#### 3.4.1 Sampling Frame

According to (Kothari, 2004), sampling frame consists of a list of items from which the sample is to be drawn.

**Table 3.1. Sampling Frame**

| <b>Geographical Area</b> | <b>No. of business customers</b> | <b>Percentage %</b> |
|--------------------------|----------------------------------|---------------------|
| Upper industrial area    | 180                              | 59                  |
| Lower industrial area    | 125                              | 41                  |
| <b>TOTAL</b>             | <b>305</b>                       | <b>100</b>          |

#### 3.4.2 Sampling Procedure

To select the sample size proportionally, the study used cluster sampling where the target population divided into clusters and simple random sample of the groups selected and the element in each cluster sampled. In this case, reference made to the geographical location of the respondents that is, upper industrial area and lower industrial area. This is because cluster sampling gives accurate results when most of the variation in the population is within the groups and not between them.

**Table 3.2. Sampling Size**

| <b>Geographical Area</b> | <b>No. of Business customers</b> | <b>Sample Size</b> |
|--------------------------|----------------------------------|--------------------|
| Upper industrial area    | 180                              | 102                |
| Lower industrial area    | 125                              | 71                 |
| <b>TOTAL</b>             | <b>305</b>                       | <b>173</b>         |

### **3.5 Research Instrument**

The study used questionnaires to obtain primary data. This was because they were fast, cheap and could be self-administered, according to Mugenda and Mugenda, (2004). The instrument was considered reliable and capable of obtaining detailed information on the topic of study. The questionnaires were closed ended to make it easy for the respondents to provide accurate and objective information for the study. The researcher also utilized secondary data from other publications where they considered necessary.

### **3.6 Pilot Testing**

#### **3.6.1 Validity of the Instrument**

Prior to embarking on the main study, the researcher carried out a pilot study with the aim of verifying both the reliability and validity of the research instruments. According to Mugenda & Mugenda (2003) validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. Validity of research instrument was established by expert judgment as supported by (Orodho, 2003). This helped in the enhancement of questionnaires thereby promoting the credibility of data collected.

#### **3.6.2 Reliability of the Instrument**

Reliability refers to the extent to which the data collection techniques or analysis will yield consistent findings (Orodho, 2003). This was done through for instance a pre-test of the instrument to check on its applicability. This pre testing gave a good picture as to how competent the research instrument was from feedback provided by those in the pre test. The test-retest method applied to estimate the degree to which the same results was obtained with a repeated measure of accuracy of the same concept. This helped test the instrument reliability as it also provided a basis for improving the research methodology.

The reliability involved collecting data from 10% (18 respondents) who randomly selected from the target population. These respondents excluded from the main study. Reliability of the instrument was determined by use of Cronbach alpha. The instrument was deemed reliable given that it attained a level higher than the alpha 0.7 ( $\alpha \geq 0.7$ ). Reliability test results for 18 questionnaires administered to KP business customers were as contained in table below.

**Table 3.3. Reliability of instrument**

| <b>Cronbach's Alpha</b> | <b>N of Items</b> |
|-------------------------|-------------------|
| 0.803                   | 32                |

The reliability coefficient (Alpha) standardized for all sections combined for KP business customers questionnaire was ( $\alpha=0.803$ ). N of items refers to the number of units of analysis created with the SPSS spreadsheets.

### **3.7 Data Collection Procedure**

An introductory letter was obtained from JKUAT (Nakuru CBD campus), which was used in seeking permission from KP, Nakuru Office to collect data from their business customers. The researcher then identified specific respondents and using drop and pick method he issued the respondents to fill at their convenience but within the research reschedule and then picked after two days for data collection for analysis.

### **3.9 Data Processing and Analysis**

Descriptive statistics was used in the analysis of quantitative data. Data analysis begun with editing, coding and tabulation of data according to research hypothesis. Achola (2007) states that analysis means ordering, categorizing, manipulating and summarizing of data to obtain answers to research questions. The data was analyzed with the aid of Statistical Package for Social Sciences (SPSS) version 21.0. Information was presented using Mean and standard deviations to allow the researcher make conclusions on findings. Further, inferential statistics were applied to test the relationship between the independent variables and the dependent variables besides testing of hypothesis. In this regard, Pearson Correlation coefficient was used to test the nature of relationship between the individual independent variables and dependent variable in each case. Regression analysis was also used to test the

significance of the effect of corporate rebranding on customer attitudinal responses. The following model applied;

**Model,**

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:

Y = Customer Attitudinal Responses

a = Constant

$\beta$  = Beta coefficients

$X_1$  = Corporate Image

$X_2$  = Management Change

$X_3$  = Product Revitalization

e = Error term



## CHAPTER FOUR

### RESEARCH FINDINGS AND DATA ANALYSIS

#### 4.1 Introduction

This chapter presented findings of the study. The findings are presented under the following headings: Demographic characteristics of the respondents; the effect corporate image on customer attitudinal responses, the effect of management change on customer attitudinal responses, the effect of product revitalization on customer attitudinal responses at Kenya Power. The results were obtained from analysis and interpretation of the collected data. The data was obtained from questionnaires administered to employees from selected business customers of KP in Nakuru Town. The response rate was 86%, which was considered adequate for the study.

#### 4.2 Demographic Characteristics of the Respondents

This section presents data related to the demographic characteristics of the respondents. This section contains findings in respect to the gender, age and level of education.

##### 4.2.1 Gender of the Respondents

The response in respect to the gender of the respondents was as provided in Figure 2.

| <b>Gender</b> | <b>Frequency</b> | <b>Percentage %</b> |
|---------------|------------------|---------------------|
| Male          | 58               | 39                  |
| Female        | 90               | 61                  |
| <b>Total</b>  | <b>148</b>       | <b>100</b>          |

Table 4.1 shows that 61% of the respondents were male while 39% of the respondents were female. It implies that the study was able to capture the views of both gender as far as the effect of corporate rebranding on customer attitudinal responses and gender is concerned.

#### 4.2.2 Age of the Respondents

The respondents were asked to indicate their age, and the response was as given in Table .

**Table Age of Respondents**

| <b>Age</b>     | <b>Frequency</b> | <b>Percentage %</b> |
|----------------|------------------|---------------------|
| 21-30          | 19               | 19                  |
| 31-40          | 33               | 55                  |
| 41-50          | 28               | 22                  |
| Above 60 years | 6                | 4                   |
| <b>Total</b>   | <b>148</b>       | <b>100</b>          |

The findings in Table show that 55% of the respondents were aged between 31 and 40 years, 22% were aged between 41 and 50 years, whereas 19% were aged between 21 and 30 years, while 4 % were aged above 60 years. This implied that majority of the respondents were of 40 years or below, and thus, the element of change and modernity in response to globalization is not inconveniencing. change in Corporate image, management change and product revitalization reflect the way things are today and not the yesteryears.

#### 4.2.3 Respondent's` Level of Education Qualification

The response in respect to the respondents' educational qualifications was as provided in Table 4.1.

**Table 4.1: Respondent's Level of Education Qualification**

| <b>Response</b>     | <b>Frequency</b> | <b>Percentage%</b> |
|---------------------|------------------|--------------------|
| <b>Postgraduate</b> | 3                | 2                  |
| <b>Masters</b>      | 37               | 25                 |
| <b>Degree</b>       | 83               | 56                 |
| <b>Diploma</b>      | 25               | 17                 |
| <b>Total</b>        | <b>148</b>       | <b>100</b>         |

According to the findings in Table 4.1, 56% of the respondents indicated that their highest attained educational qualification was a Degree, 25% indicated Masters level, where as 17% indicated a Diploma level, while 2 % were of postgraduate level. This implied that majority of the respondents had either degree level or above. This level was sufficient for them to comprehend the effect of corporate rebranding and customer attitudinal responses.

#### 4.2.4 Length of Service by Kenya Power

The respondents were asked to indicate how long they had been KP customers, and the response as given in Table 4.2.

**Table 4.2: Length of Service by Kenya Power**

| <b>Response</b>          | <b>Frequency</b> | <b>Percentage %</b> |
|--------------------------|------------------|---------------------|
| <b>1-10years</b>         | 18               | 12                  |
| <b>11-20years</b>        | 73               | 49                  |
| <b>21-30years</b>        | 43               | 29                  |
| <b>30years and above</b> | 14               | 10                  |
| <b>Total</b>             | 148              | 100                 |

The findings in Table 4.2 show that 49% of the respondents had been customer for KP for a period between 11 and 20 years, 29 % had been customers for a period between 21 and 30 years, 12 % for a period between 1 and 10 years, while 10% had been customers for a period of 30years and above. This implied that most of the respondents companies had been customers for a period long enough to observe changes in respect to corporate rebranding.

#### 4.3 Effect of Corporate Image at Kenya Power, Nakuru Town

This section presents the findings in respect to effect of corporate image at Kenya Power Nakuru Town. The findings were as follows;

**Table 4.3: Corporate Image at Kenya Power**

*(SA-Strongly agree, A-Agree, UN-Uncertain, DA-Disagree, SD-Strongly disagree)*

|   | <b>N</b> | <b>SA</b> | <b>A</b> | <b>UN</b> | <b>D</b> | <b>SD</b> | <b>TOTAL</b> |
|---|----------|-----------|----------|-----------|----------|-----------|--------------|
| Corporate image has created a new image/ position in the mind of stakeholders at KP.            | 148      | 29%       | 61%      | 5%        | 5%       | 0%        | 100%         |
| Corporate image constitutes of corporate identity, service offering and contact personnel at KP | 148      | 55%       | 45%      | 0%        | 0%       | 0%        | 100%         |
| Corporate image has promoted Kenya Power's distinctiveness.                                     | 148      | 50%       | 47%      | 3%        | 0%       | 0%        | 100%         |
| Corporate Image has helped KP sustain competitive advantage.                                    | 148      | 48%       | 46%      | 4%        | 2%       | 0%        | 100%         |
| Corporate Image has a positive impact on customer evaluation of KP's products or services.      | 148      | 38%       | 45%      | 9%        | 6%       | 2%        | 100%         |
| Corporate image has created trust and customer loyalty among KP customers.                      | 148      | 61%       | 33%      | 3%        | 3%       | 0%        | 100%         |
| Corporate image has captured customer beliefs and values at KP.                                 | 148      | 37%       | 54%      | 1%        | 7%       | 0%        | 100%         |
| Valid N (listwise)  | 148      |           |          |           |          |           |              |

According to Table 4.3, majority of the respondents 61% agreed that corporate image created a new image/position in the minds of stakeholder at Kenya Power, 29% strongly agreed while 5% were uncertain about the statement and 5% disagreed in the statement. On corporate image constitutes of corporate identity, service offering and contact personnel at Kenya Power majority of the respondents 55% strongly agreed and 45% agreed. Customers' understanding of corporate identity is correct and this means that if KP tampers with it, this will negatively affect customer attitude. As Lawley (2007) argues that corporate identity, which in this case, contains company's name, logo, exceptional features, pricing, the quality

and quantity of advertising are exceptionally important in forming consumer attitude towards company and its products.

The findings also show that corporate image has promoted a Kenya Power's distinctiveness with majority 50% strongly agreeing, 47% agreed and 3% were uncertain of the statement. This implying that the customers were convinced that KP corporate image was yielding expected company's distinctiveness. This is important, given previous research findings. For instance, Schultz and Hatch (2001) noted that corporate branding programmes may do so by projecting the company distinctiveness by using the total corporate communication mix such as advertising, press conferences and releases, and staged media events to impress external audiences.

Other scores were as follows. Corporate image has helped Kenya Power sustain competitive advantage with majority 48% strongly agreed, 46% agreed, 4% were uncertain while 2% disagreed; On corporate image has a positive impact on customer evaluations of a Kenya Power's products or services majority 45% agreed, 38% strongly agreed and 9%, 6% and 2% respectively; On corporate image has created trust and customer loyalty among a Kenya Power's customers majority 61% strongly agreed, 33% agreed, 3% were uncertain another while 3% disagreed; and on corporate image has captured customer beliefs and values majority 54% agreed, 37% strongly agreed, 1% were uncertain and 7% disagreed. The respondents gave a view that reflects positive attitude towards attempts by KP to change their corporate image. They appreciate the likely positive impact on customer and imply that as far as they know that corporate image of KP has had positive effects on their operations.

The findings were in line with a study by Abd-El-Salam, Shawky and El-Nahas (2013) who established that corporate image had a positive impact of and customer attitudes. Their study emphasized the fact that that managers needed to pay attention to the dimensions of corporate image for purposes of utilizing each for long term customer retention as they have the potential to influence the customers' evaluations of a company's offers. According to Sarstedt *et al.*, (2012), corporate image and reputation is considered to be a critical factor in the overall evaluation of any organization because of the strength that lies in the customers' perception and mind when hearing the name of the organization. In addition, Kay, 2006 strongly links corporate image with a firm's ability to tackle competitive advantage. These

authors demonstrate the fact that a good and strong corporate image can have a positive impact on workers, managers, investors, and customers' evaluations. Thus, the situation at KP is that business customers welcome changes related to corporate image and agree that it promotes a company's distinctiveness.

#### 4.4 Effect of Management Change at Kenya Power, Nakuru Town

This section presents the findings in respect to the effect of management change .The findings were as follows;

**Table 4.4: Management Change at Kenya Power**

*(SA-Strongly agree, A-Agree, UN-Uncertain, DA-Disagree, SD-Strongly disagree)*

|  | N   | SD  | A   | UN  | D   | SD | TOTAL |
|--|-----|-----|-----|-----|-----|----|-------|
| KP management has broken down bureaucratic administrative routines for customers   | 148 | 30% | 38% | 14% | 9%  | 8% | 100%  |
| KP has motivated staff to improve service delivery                                 | 148 | 30% | 46% | 5%  | 16% | 2% | 100%  |
| KP has restructured business operations to enhance service access by its customers | 148 | 44% | 52% | 0%  | 0%  | 4% | 100%  |
| KP has introduced new services and new set of administrative mechanisms            | 148 | 50% | 46% | 2%  | 2%  | 0% | 100%  |
| Stakeholders (customers) have contributed to managerial changes at KP.             | 148 | 44% | 47% | 2%  | 4%  | 4% | 100%  |
| Valid N (listwise)   | 148 |     |     |     |     |    |       |

According to table 4.4, majority 38% of the respondents agreed that KP management has broken down bureaucratic administrative routines for customers, 30% strongly agreed, 14% disagreed and 9% of the respondents were uncertain over the issue and 8% strongly disagreed. In addition, majority 46%, strongly agreed by 30% of the respondents that KP has motivated staff to improve service delivery, agreed it. However a considerable percentage 5% were uncertain, 16% disagreed and strongly disagreed by 2% respectively. Further, majority 52% of the respondents agreed that KP has restructured business operations to enhance service access by its customers while 44% strongly agreed and a section 4% strongly disagreed. Consequently, the findings showed that KP has introduced new services and new set of administrative mechanisms by majority 50% and 46% of the respondents who strongly agreed and agreed respectively. On the same issue, 2% disagreed and another 2% were uncertain on whether KP has introduced new services and new set of administrative mechanisms.

Finally, it was also agreed upon by majority 47% of respondents that stakeholders (customers) have contributed to managerial changes at KP which was also strongly agreed upon by another 44% of the respondents 2% were uncertain and 4% disagreed on the matter and another 4% strongly disagreed thus implying that there was an effect of management change on customer attitudinal responses among business customers of Kenya Power in Nakuru Town. Despite that fact that the most respondents felt that management change may have been influenced by stakeholders, they seemed to agree that in time the impact on customers' attitudinal responses had been a positive one.

#### **4.5 Effect of Product Revitalization at Kenya Power**

This section presents the findings in respect to the effect of product revitalization .The findings were as follows;

**Table 4.5: Product Revitalization at Kenya Power**

*(SA-Strongly agree, A-Agree, UN-Uncertain, DA-Disagree, SD-Strongly disagree)*

|  | <b>N</b> | <b>SA</b> | <b>A</b> | <b>UN</b> | <b>D</b> | <b>SD</b> | <b>TOTAL</b> |
|--|----------|-----------|----------|-----------|----------|-----------|--------------|
|  |          |           |          |           |          |           |              |

|  |     |     |     |    |    |    |      |
|--|-----|-----|-----|----|----|----|------|
| KP's logo is attractive to customers and clearly displays its content.                   | 148 | 56% | 34% | 1% | 5% | 4% | 100% |
| KP's brand has recaptured its trust from customers on the firm.                          | 148 | 40% | 47% | 8% | 5% | 1% | 100% |
| KP's symbols are clearly understood by customers.  | 148 | 36% | 66% | 1% | 1% | 0% | 100% |
| KP's name is easy to remember or recall.   | 148 | 34% | 58% | 3% | 2% | 2% | 100% |
| Stakeholders can acquire information from more channels than in the past at KP.          | 148 | 41% | 45% | 7% | 7% | 0% | 100% |
| KP's brand has led to a positive customer perception of the current and future products. | 148 | 48% | 40% | 8% | 3% | 1% | 100% |
| Valid N (listwise)   | 148 |     |     |    |    |    |      |

According to table 4.5, it was strongly agreed upon by majority (56%) of the respondents that KP's logo is attractive to customers and clearly displays its content which was shared by another 34% of the respondents who agreed, 1%, 5% and 4% of the respondents were uncertain, disagreed and strongly disagreed respectively on the matter. Majority 47% of the respondents agreed that KP's brand has recaptured its trust from customers on the firm which was also supported by 40% strongly agreeing where as 8% were uncertain, 5% disagreed and 1% strongly disagreed respectively. In addition, the findings established that KP's symbols are clearly understood by customers as supported by 66% and 36% of the respondents who agreed and strongly agreed on the matter. However, 1% were uncertain and another 1% disagreed on KP symbols being clear. It was also reported by majority 58% and 34% of the respondents who agreed and strongly agreed that KP's name is easy to remember or recall. Another 3% were not sure on the issue, 2% disagreed and 2% also strongly



disagreed respectively. The study established that stakeholders can acquire information from more channels than in the past at KP

as reported by majority 45% who agreed and 41% who strongly agreed. Consequently, 7% disagreed and 7% were uncertain. Finally, majority 48% of the respondents strongly agreed that KP's brand has led to a positive customer perception of the current and future products, 40% agreed, 8% were unsure, 3% disagreed while 1% strongly disagreed on the issue. Thus implying that product revitalization did have a positive influence on customer attitudinal responses among business customers of Kenya Power in Nakuru Town. According to Harris and ChenarTony (2001) corporate brand creates differentiate, attract and encourage the both the external and internal stakeholders and the interested parties to feel that they belong to the company. Kenya Power's strong corporate brand led to positive consumer perception of the current and new products in the future.

#### 4.6 Customer Attitudinal responses at Kenya Power, Nakuru Town

Several statements purporting the impact of rebranding on customer attitudinal responses were tested. Mean scores were computed and the response was as provided in Table 4.6.

**Table 4.6: Customer attitudinal responses at Kenya Power**

*(SA-Strongly agree, A-Agree, UN-Uncertain, DA-Disagree, SD-Strongly disagree)*

|  | N   | SA  | A   | UN | D  | SD | TOTALS |
|--|-----|-----|-----|----|----|----|--------|
| New brand image has modified customer's perception at KP.  | 148 | 60% | 36% | 0% | 3% | 1% | 100%   |
| New name, symbol, design and other visual identity devices create a novel position among KP customers. | 148 | 34% | 61% | 0% | 5% | 0% | 100%   |
| KP has recaptured the customer attention through their attitudinal change.                             | 148 | 46% | 46% | 1% | 7% | 0% | 100%   |
| Changes in KP's service  | 148 | 38% | 60% | 0% | 2% | 0% | 100%   |

|  |     |     |     |    |     |    |      |
|--|-----|-----|-----|----|-----|----|------|
| delivery have had positive attitudinal responses among customers.                          |     |     |     |    |     |    |      |
| New management status has led to more favorable attitude towards KP products and services. | 148 | 33% | 37% | 5% | 13% | 4% | 100% |
| Valid N (listwise)   | 148 |     |     |    |     |    |      |

Table 4.6 indicated that majority 60% of the respondents strongly agreed that new brand image has modified customer's perception at KP. This opinion was shared with another 36% of the respondents who agreed. Further, 3% disagreed and another 1% were strongly disagreed on the matter. In addition, majority 61% of the respondents agreed that new name, symbol, design and other visual identity devices create a novel position among KP customers, another 34% strongly agreed on the matter while 5% disagreed. The study revealed that KP has recaptured the customer attention through their attitudinal change as reported by 46% and 46% of the respondents who strongly agreed and agreed respectively. Consequently, 1% were uncertain and 7% of the respondents disagreed that KP has recaptured customers attention . Further, majority 60% of the respondents agreed that changes in KP's service delivery have had positive attitudinal responses among customers 38% strongly agreed another 2% disagreed. It was also established that new management status has led to more favorable attitude towards KP products and services as indicated by majority 43% and 33% of the respondents. The findings show that rebranding does have a positive influence on customer attitudinal response among business customers of Kenya Power.

## 4.7 Research Hypothesis Testing of Objectives

### 4.7.1 Research Hypothesis 1 Testing

To test research hypothesis  $H_{01}$  that read “Corporate image has no significant effect on customer attitudinal responses among business customers of Kenya Power in Nakuru Town, a Pearson Moment Correlation was computed and the results were as provided in Table 4.7.

**Table 4.7: Pearson Correlation between Corporate image and Customer attitudinal responses**

|                                |                     | Correlations                   |                 |
|--------------------------------|---------------------|--------------------------------|-----------------|
|                                |                     | Customer Attitudinal Responses | Corporate Image |
| Customer Attitudinal Responses | Pearson Correlation | 1                              | .383**          |
|                                | Sig. (2-tailed)     |                                | .000            |
|                                | N                   | 148                            | 148             |

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

Table 4.7 shows that there was a positive correlation between corporate image and customer attitudinal responses among business customers of Kenya Power, Nakuru Town at 0.383. This level was above the test significance level at 0.05. This therefore meant that there was an effect of corporate image on customer attitudinal responses. Positive impact on customer attitudinal responses was a reflection of positive corporate image. Therefore, we reject the Null hypothesis that read, “Corporate image has no significant effect on customer attitudinal responses among business customers of Kenya Power in Nakuru Town and **accept** the alternative hypothesis which read, “Corporate image has positive significant effect on customer attitudinal responses among business customers of Kenya Power in Nakuru Town”.

#### 4.7.2 Research Hypothesis 2 Testing

To test research hypothesis  $H_{02}$  that read, “Management change has no significant effect on customer attitudinal responses among business customers of Kenya Power in Nakuru Town” a Pearson Moment Correlation was computed and the results were as provided in Table 4.8.

**Table 4.8: Pearson Correlation between management change and attitudinal responses among customers**

|   |   | <b>Correlations</b>                           |                              |
|---|---|---|------------------------------|
|   |   | <b>Customer<br/>Attitudinal<br/>Responses</b> | <b>Management<br/>Change</b> |
| <b>Customer<br/>Attitudinal<br/>Responses</b> | Pearson<br>Correlation<br>Sig. (2-tailed) | 1   | .398**                       |
|   | N   | 148   | 148                          |

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

Table 4.8 shows that there was a positive correlation between management change and attitudinal responses among customers at 0.398. This level was above the test significance level at 0.05. This therefore meant that there was a significant effect of management change on attitudinal responses among business customers. Positive impact on attitudinal responses among customers is a reflection of comfort with the management change. Therefore, we **reject** the Null hypothesis that read, “Management change has no significant effect on customer attitudinal responses among business customers of Kenya Power in Nakuru Town” and **accept** the alternative hypothesis, which read, “Management change has significant effect on customer attitudinal responses among business customers of Kenya Power in Nakuru Town”.

### 4.7.3 Research Hypothesis 3 Testing

To test research hypothesis  $H_{03}$  that read, “Product revitalization has no significant effect on customer attitudinal responses among business customers of Kenya Power, Nakuru Town” a Pearson Moment Correlation was computed and the results were as provided in Table 4.9.

**Table 4.9: Pearson Correlation between Product revitalization and Customer attitudinal responses.**

|   |   | Correlations                         |                                     |
|---|---|--------------------------------------|-------------------------------------|
|   |   | Customer<br>Attitudinal<br>Responses | Product revitalization /<br>renewal |
| <b>Customer<br/>Attitudinal<br/>Responses</b> | Pearson<br>Correlation<br>Sig. (2-tailed) | 1                                    | .367**                              |
|   | N   | 148                                  | 148                                 |

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

Table 4.9 shows that there was a positive Pearson Correlation on the effect of product revitalization on customer attitudinal responses 0.367. This level was higher than the test significance level at 0.05. This therefore meant that there was a significant effect of product revitalization / renewal on customer attitudinal responses among business customers of Kenya Power in Nakuru Town. A positive impact on customer attitudinal responses was a reflection of the effectiveness of product revitalization / renewal in steering customer satisfaction. Therefore, we **reject** the Null hypothesis that read, “Product revitalization has no significant effect on customer attitudinal responses among business customers of Kenya Power, Nakuru Town” and **accept** the alternative hypothesis, which read, “Product revitalization has significant effect on customer attitudinal responses among business customers of Kenya Power, Nakuru Town”.

#### 4.8 Regression analysis

The following section contains inferential results aimed at presented findings on the relationship between the independent variables and the dependent variable. It assess the pooled effect of the various independent variables on the dependent variable.

**Table 5.1 Regression Model Summary**

| <b>Regression</b> |                   |                 |                          |                                   |  |
|-------------------|-------------------|-----------------|--------------------------|-----------------------------------|--|
| <b>Model</b>      | <b>R</b>          | <b>R Square</b> | <b>Adjusted R Square</b> | <b>Std. Error of the Estimate</b> |  |
| <b>1</b>          | .548 <sup>a</sup> | .300            | .285                     | .37441                            |  |

a. Predictors: (Constant), CI ,Management change, PR

The results in Table 5.1 show that the value obtained for R, which is the model correlation coefficient was  $r = 0.548$  which was higher than any zero order value in the table. This indicates that the model improved when more variables were incorporated when trying to analyze the effects of corporate rebranding. The adjusted r-square value of,  $r = 0.285$ , also indicated that the multiple linear regression model could explain for approximately 30% of the variations in the effect of corporate rebranding at Kenya Power.

**Table 5.2 ANOVA Test results**

| <b>ANOVA<sup>a</sup></b> |            |                       |           |                    |          |                   |
|--------------------------|------------|-----------------------|-----------|--------------------|----------|-------------------|
| <b>Model</b>             |            | <b>Sum of Squares</b> | <b>df</b> | <b>Mean Square</b> | <b>F</b> | <b>Sig.</b>       |
| <b>1</b>                 | Regression | 8.652                 | 3         | 2.884              | 20.573   | .000 <sup>b</sup> |
|                          | Residual   | 20.187                | 144       | .140               |          |                   |
|                          | Total      | 28.839                | 147       |                    |          |                   |

a. Dependent Variable: Customer Attitudinal Responses  
b. Predictors: (Constant), Product revitalization , Management Change, Corporate Image

ANOVA test was conducted to test the significance level of the entire model. The significance value 0.000 was obtained; since the value was less than 0.05, it was concluded that Corporate image, management change and product revitalization jointly have significant effect on customer attitudinal responses at Kenya Power. The findings are shown in table 5.3.

**Table 5.3 Coefficients of estimates**

|              |                               | <b>Coefficients<sup>a</sup></b>    |                   |                                  |          |             |
|--------------|-------------------------------|------------------------------------|-------------------|----------------------------------|----------|-------------|
| <b>Model</b> |                               | <b>Unstandardized Coefficients</b> |                   | <b>Standardized Coefficients</b> | <b>T</b> | <b>Sig.</b> |
|              |                               | <b>B</b>                           | <b>Std. Error</b> | <b>Beta</b>                      |          |             |
| <b>1</b>     | <b>(Constant)</b>             | .442                               | .509              |                                  | .869     | .386        |
|              | <b>Corporate Image</b>        | .277                               | .111              | .195                             | 2.506    | .013        |
|              | <b>Management Change</b>      | .268                               | .061              | .319                             | 4.390    | .000        |
|              | <b>Product revitalization</b> | .340                               | .095              | .268                             | 3.573    | .000        |

a. Dependent Variable: Customer Attitudinal Responses

The results in Table 5.3 indicated that the most important effect on customer attitudinal response was ( $\beta = 0.340$ ) followed by corporate image ( $\beta = 0.277$ ), and management change in that order respectively. This indicated that the dependent variable, that is, customer attitudinal responses would change by a corresponding number of standard deviations when the respective independent variables change by one standard deviation. Therefore, the effects are seen to significantly influence the customer attitudinal responses at Kenya Power. The fitted regression line is as follows;

$$Y=0.442+0.277 X_1 +0.268X_2+0.340 X_3$$

Where  $X_1, X_2, X_3$ , are corporate image, management change and, product revitalization.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents a summary of research findings, conclusions, and recommendations drawn from conclusions. The purpose of this study was to investigate the effect of corporate rebranding on customer attitudinal responses among business customers of Kenya Power, Nakuru Town. In this study, data was collected using questionnaires. Analysis of data was conducted with the aid of the Statistical Package for Social Sciences (SPSS) version 21.0 for windows. The analysis entailed computation of descriptive statistics (frequencies, means and percentages).

#### 5.2 Summary of the Research Findings

The summary of the study findings were as follows:

##### 5.2.1 Corporate Image and Customer Attitudinal Responses

The findings revealed that change in corporate image had a positive impact on the attitudinal responses of business customers at KP. Corporate image created a new image in the mind of stakeholders at KP. The findings also show that KP's brand constituted of corporate identity, service offering and contact personnel. These aspects were perceived by the respondents and reported to promote KP's distinctiveness. The study showed that the customer image helped Kenya Power in to sustain its competitive advantage. This supported by the fact that there was a positive Pearson Correlation between change of corporate image and attitudinal response at ( $r = 0.383$ ).

##### 5.2.2 Management Change and Customer Attitudinal Responses

The findings indicated that management change had a positive effect on the attitudinal response among business customers of KP. The study showed KP management broke down bureaucratic administrative routines for customers, KP also motivated its staff to improve customer service delivery. The findings also indicated that KP had restructured its business



operations to enhance service access by its customers making it much better than initially. Finally, KP introduced services and new set of administrative mechanisms which changed the perception of their customers and all this was supported by the fact that there was a positive correlation between management change and attitude responses among their customers at ( $r = 0.398$ ). However, it was noted by the customers that such change if not well communicated, might receive resistance from stakeholders since they have great contribution towards the managerial change.

### **5.2.3 Product Revitalization and Customer Attitudinal Responses**

Based on product revitalization the findings revealed that product revitalization had a positive effect on customer attitudinal responses among business customers of KP. The findings also established that KP's logo was attractive to customers and clearly displayed its content. The brand also recaptured its trust from customers on the firm and this was significant since it was assumed customers had lost their trust on KP. The findings also showed that KP's symbol was clearly understood by customers and the name too was easier to recall compared to the previous. It was also indicated that KP customers could acquire information from using several media channels than before. Finally, the results also revealed that KP's brand led to a positive customer perception of the current and future product and services and this is appropriate at the decline stage of the product life cycle as perceived by the customer. The positive effect of product revitalization on customer attitudinal responses was supported by the fact that there was a positive Pearson Correlation between product revitalization / renewal and attitudinal responses towards KP's products and services at ( $r = 0.367$ ).

### **5.3 Conclusion of the Study**

Followings the findings, the study draws the following conclusions. KP has strived to maintain better service offering to their customers other than being a monopoly in the service they offer. Corporate rebranding was seen to add value KP's product and services and to the company as a whole. From the findings, it can be argued that KP management noticed that it had a role to play in influencing the customer attitude and perception towards the company through building strong corporate brand. Even though the three aspects

correlate positively with customer attitudinal responses, management change and product revitalization are more significant predictors of customer attitude compared to corporate image.

KP's change of corporate image at the time of the study was taken positively by its business customers. The customers believed that it is aimed at creating new position in their minds, recapturing their trust and loyalty and promoting its distinctiveness. However much was needed to be done to enhance their effectiveness in enhancing or arousing positive customer attitudinal responses. KP paid more attention to corporate image activities because image and expectations that users held with respect to the nature and quality of their services would affect their attitudinal responses towards the company and its products/ services. Change in the corporate identity; logo, name, symbols, colors were not enough to effect a positive branding change. To really influence attitudinal responses of customers towards a company, a need to earn a positive reputation for providing a quality product or service at a fair price was paramount.

KP's breaking down of bureaucratic administrative routines for customers, staff motivation to improve service delivery, and restructuring business operating to enhance service access by its customers greatly influenced attitudinal responses towards KP and its products or services. Effectiveness of existing operations was deemed a function of a strong management change. In other words poor past performance signified the ineffectiveness of the existing operations, and thus provided strong and legitimate reasons for firms to reform/restructure their administrative systems. Therefore, management change was viewed positively by the customers as a precursor towards quality service delivery thus boosting attitudinal responses of customers towards the organization and its products/ services.

Product revitalization had a positive effect on KP's customer attitudinal responses. Morley (2009) states that the proliferation of annual brand ranking creates an increasing number of 'brandaholics', who are high on purchasing products or services with famous brands. This appeared to be the case with KP's business customers who appeared convinced that process re-engineering, more media/channels of communication was a road map to quality service

provision. Thus they were happy with the steps by KP in respect to product revitalization / renewal.

#### **5.4 Recommendations**

From the conclusions of the study, the following recommendations were made.

- i. The management of KP should consider paying attention to the dimensions of corporate image for purposes of utilizing each for long-term customer retention as they have the potential to influence the customers' attitudinal responses towards company and its product and services.
- ii. The study recommended that the corporate rebranding should be done after careful consideration of customer's attitude and perception changes on a company's products and services by the management. This will ensure that customers have a positive perception and are satisfied by such products/services.
- iii. In the case of product revitalization / renewal, the management of KP needs to reexamine the procedure incidental and needs to consider conducting prior market research and share these findings with the stakeholders. This will help ensure that process re-engineering and other attributes related to it are effective antecedents to quality service provision and reputation building.

#### **5.5. Suggestion for Further Studies**

Literature on corporate rebranding as an influence of customer attitude is limited which calls for more researchers to conduct studies on related area. This study covered a public sector and therefore more research could be done in the private sector.

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**APPENDIX I**

**LETTER OF INTRODUCTION**

Dear respondent,

I am a Business Administration (Marketing Option) student at Jomo Kenyatta University of Agriculture and Technology. Currently, I am carrying out a research study on Effect of Corporate Rebranding on Customer Attitudinal Responses in Nakuru Town: A Case of Kenya Power business customers.

I kindly request you to provide me with the requisite data by participating in filling the attached questionnaire. The information obtained will be treated with utmost confidentiality. Your assistance will be highly.

Yours faithfully,

Soila C. Kabindio

.....

Student

Dr. Peter Mwaura

.....

University Supervisor

## APPENDIX II

### QUESTIONNAIRE

The following questionnaire has been designed to enable the bearer who is the researcher to collect data on the “**Effect of Corporate Rebranding on Customer Attitudinal Responses among business customers of Kenya Power, Nakuru Town**”. Fill free to participate by filling in your responses as appropriate.

*(Where SA=Strongly Agree, A=Agree, UN=Uncertain, D=Disagree, SD=Strongly Disagree)*

#### Section A: Background Information

1. Please indicate your gender

Male            [    ] Female            [    ]

2. What is your age bracket

21-30 years            [    ]

31-40 years            [    ]

41-50 years            [    ]

51-60 years            [    ]

Above 60 years            [    ]

3. What is your education qualification?

Post graduate            [    ]

Masters.            [    ]

Degree.            [    ]

Diploma.            [    ]

Certificate.            [    ]

4. How long have you been a Kenya Power customer?

1-10 years.            [    ]

- 11-20 years. [ ]
- 21-30 years. [ ]
- 30 years and above. [ ]

5. How would you regard the following aspects of corporate rebranding or the overall impression made on you as a Kenya Power customer? *Kindly tick appropriately.*

|                                  | Very Important | Important | Moderate | Slightly Unimportant | Unimportant |
|----------------------------------|----------------|-----------|----------|----------------------|-------------|
| Change of corporate image        |                |           |          |                      |             |
| Management change                |                |           |          |                      |             |
| Product revitalization / renewal |                |           |          |                      |             |

### Section B: Corporate Image

The following statements describe the effect of corporate image. Kindly agree or disagree.

|     | Statement  | SA<br>(5) | A<br>(4) | UN<br>(3) | D<br>(2) | SD<br>(1) |
|-----|--|-----------|----------|-----------|----------|-----------|
| 7.  | Corporate Image has created new image/position in the mind of stakeholders at Kenya Power.             |           |          |           |          |           |
| 8.  | Corporate image constitutes corporate identity, service offering and contact personnel at Kenya Power. |           |          |           |          |           |
| 9.  | Corporate image has promoted Kenya Power's distinctiveness.  |           |          |           |          |           |
| 10. | Corporate Image has helped Kenya Power sustain its competitive advantage.                              |           |          |           |          |           |
| 11. | Corporate Image has had positive impact on customer evaluation of Kenya Power's products or services   |           |          |           |          |           |
| 12. | Corporate image has created trust and loyalty among Kenya Power customers.                             |           |          |           |          |           |

|     |  |  |  |  |  |  |
|-----|--|--|--|--|--|--|
| 13. | Corporate image has captured customer beliefs and values at Kenya Power. |  |  |  |  |  |
|-----|--|--|--|--|--|--|

**Section C: Management Change.**

The following statements present the effect of management change. You are required to fill in the spaces provided by indicating the extent to which you agree or disagree.

|     | <b>Statement</b>  | <b>SA</b><br><b>(5)</b> | <b>A</b><br><b>(4)</b> | <b>UN</b><br><b>(3)</b> | <b>D</b><br><b>(2)</b> | <b>SD</b><br><b>(1)</b> |
|-----|---|-------------------------|------------------------|-------------------------|------------------------|-------------------------|
| 14. | Kenya Power management has broken down bureaucratic administrative routines for customers   |                         |                        |                         |                        |                         |
| 15. | Kenya Power has motivated staff to improve service delivery                                 |                         |                        |                         |                        |                         |
| 16. | Kenya Power has restructured business operations to enhance service access by its customers |                         |                        |                         |                        |                         |
| 17. | Kenya Power has introduced new set of administrative mechanisms.                            |                         |                        |                         |                        |                         |
| 18. | Stakeholders (customers) have contributed to managerial changes at Kenya Power.             |                         |                        |                         |                        |                         |

**Section D: Product Revitalization**

The following statements present the effect of product revitalization. You are required to fill in the spaces provided by indicating the extent to which you agree or disagree.

|     | <b>Statement</b>  | <b>SA</b><br><b>(5)</b> | <b>A</b><br><b>(4)</b> | <b>UN</b><br><b>(3)</b> | <b>D</b><br><b>(2)</b> | <b>SD</b><br><b>(1)</b> |
|-----|---|-------------------------|------------------------|-------------------------|------------------------|-------------------------|
| 19. | Kenya Power's logo is attractive to customers and clearly displays its content. |                         |                        |                         |                        |                         |
| 20. | Kenya Power's brand has recaptured its trust from customers on the firm.        |                         |                        |                         |                        |                         |
| 21. | Customers understand Kenya Power's symbols clearly.                             |                         |                        |                         |                        |                         |
| 22. | Kenya Power's name is easy to remember or recall.                               |                         |                        |                         |                        |                         |
| 23. | Stakeholders can acquire information using more                                 |                         |                        |                         |                        |                         |

|     |  |  |  |  |  |  |
|-----|--|--|--|--|--|--|
|     | channels than in the past at Kenya Power.  |  |  |  |  |  |
| 24. | Kenya Power's brand has led to positive customer perception of current and future products.                  |  |  |  |  |  |
| 25. | Kenya Power has achieved product revitalization through continuous improvement of its products and services. |  |  |  |  |  |

**Section E: Customer Attitudinal Responses**

The following statements present the customer attitudinal responses. You are required to fill in the spaces provided by indicating the extent to which you agree or disagree.

|     | <b>Statement</b>  | <b>SA<br/>(5)</b> | <b>A<br/>(4)</b> | <b>UN<br/>(3)</b> | <b>D<br/>(2)</b> | <b>SD<br/>(1)</b> |
|-----|---|-------------------|------------------|-------------------|------------------|-------------------|
| 26. | New brand image has modified customer perception at Kenya Power.  |                   |                  |                   |                  |                   |
| 27. | New name, symbol, design and other visual identity features has created a novel position among Kenya Power customers. |                   |                  |                   |                  |                   |
| 28. | Kenya Power has recaptured customer's attention through rebranding process.   |                   |                  |                   |                  |                   |
| 29. | Changes in Kenya Power's service delivery have had positive attitudinal responses among customers.                    |                   |                  |                   |                  |                   |
| 30. | New management status has led to more favorable attitude towards Kenya Power products and services.                   |                   |                  |                   |                  |                   |

**END: Thank you for participating.**