

# RETAILER BRAND EQUITY AND CUSTOMER LOYALTY IN KENYA: A CASE STUDY OF MAJOR SUPERMARKETS IN THIKA TOWN

ANASTASIA KAMAU<sup>1</sup>, Dr. MARGARET A. OLOKO<sup>2</sup>

<sup>1</sup>Department of Business Administration in the school of Business, Jomo Kenyatta University of Agriculture and Technology, Kenya

<sup>2</sup>Senior Lecturer, Department of Business Administration, Jomo Kenyatta University of Agriculture and Technology, Kenya

---

**Abstract:** Customer loyalty is a deeply held commitment to rebuy or repatronize a preferred product or service in the future, thereby causing repetitive same brand or same brand set purchasing despite situational influences and marketing efforts to cause switching behaviours. Loyal customers will not switch to another product even if convinced that other brands perform better. A firm enjoys high brand loyalty when a sizeable number of its customers won't switch. Loyal customers pay back the company in the long term cash flows and in generating a stream of referrals. Customers can demonstrate their loyalty by choosing to stay with the provider, increase the number of their purchases or the frequency of their purchases. They can also be loyal by influencing the buying decisions of others. Loyal customers offer a competitive edge against competitors. Customer loyalty is ultimately the desired goal of all firms. The purpose of this research was to examine the relationship between the retailer brand equity and Customer loyalty in major supermarkets in Thika Town, Kiambu County. Specifically, the study sought to determine the extent to which brand trust influences customer loyalty; to determine the extent to which brand associations influences customer loyalty; to determine the extent to which brand perceived quality influences customer loyalty. This study used descriptive research design. This study was carried out in Thika Municipality Kiambu County. Thika Municipality covers Thika town. It is a highly populated, industrial and education center. The researcher chose the place because of the convenience of obtaining the data. The general population in this study was the supermarket employees. The target populations were employees of three major supermarkets in Thika town. According to the management of these supermarkets, an average of 300 employees works there. Simple random sampling was used to select the respondents. A sample size of 100 customers which translated to 30% of 300 was considered adequate for the study. Questionnaire was used as the data collection instrument. Data was analyzed using measures of central tendency and dispersion. Regression model was also used to analyze relationship between variables. The results indicated that Brand Associations, Perceived Quality, Brand Trust contributes to Customer Loyalty. Regression analysis showed that predictors Brand trust, brand perceived quality and brand associations explain 96.9% of customer loyalty. However, Brand Trust and Perceived Quality were the only statistically significant predictors of Customer Loyalty. Both contributed by a factor of 1.843 and 0.378 respectively. This contribution was statistically significant because the *p value* was  $<.05$ . This study concluded that brand trust is significant contributor to customer loyalty. This study concluded that perceived quality is a critical component in cultivating customer loyalty. This study concluded that brand associations are also important in cultivating customer loyalty. However, brand associations seemed to have little significance compared with the other two; brand trust and perceived quality. Brand association had a contribution of .507 but the contribution was not statistically significant because *p value* was  $>.05$  this study recommends that supermarkets in Thika Town should work towards improving their brand trust.

The study also recommends that management of supermarkets in Thika Town should strive to ensure that customers get value for their money. The supermarkets in Thika Town should not prioritize brand associations over brand trust and perceived quality because the later two have more significance in contribution to customer loyalty than brand associations. Further research should be done on other factors which are not brand related that determine customer loyalty in the retail industry.

**Keywords:** supermarkets, customer loyalty, retailer brand equity.

## I. INTRODUCTION

### 1.1 Background of the Study

The notion that brands add value to products has been called brand equity. Products and brands are not synonymous (Schiffman *et al.*, 1997). Some authors have however used them interchangeably particularly when addressing repeat purchases (Dick and Bisau, 1994; Oliver, 1997). Products and brand are significantly different both conceptually and practically. A customer usually starts judging a product in order to find the benefits it brings and the satisfaction it promises (Reynolds and Beatty, 1999). The generic or unbranded product would be enough to start such a selection process. Inexperienced consumers start with the product benefits and preferences whereas experienced consumers go directly to the brands. As the customer becomes more experienced with the product, he or she may focus on the brand.

Products follow life cycles in combination with their brands. New products are first recognized as products and later, after the product has satisfied many customers and reached a more developed stage as brands. For instance in developing cellular phones, recent customers adopt products that best suits their needs or best appeals to them emotionally, symbolically and or cognitively (Park *et al.*, 1986). More experienced customers adopt a range of brands on the basis of both value and price whereas highly experienced customers become loyal to a brand. The typology is an effort to represent the evolution of a product to a brand in customer choice and the sub sequential achievement of customer satisfaction and customer loyalty.

Brand equity is a core concept in marketing. Although extensive research has been conducted on brand equity, the literature on this subject is largely fragmented and inconclusive. Numerous definitions have been proposed. The definition from a consumers perspective is based on the premise that the power of brands lies in the minds of consumers (Leonne *et al.*; 2006). The other definition is from financial perspective. It considers brand equity as the monetary value of a brand to a firm (Simon and Sullivan, 1993). The financial value of brand is however the final outcome of consumer responses to brands (Christodoulides and de Chernatony, 2010).

Aaker (1991) and Keller (1993) developed the foundation for consumer based brand equity research from a cognitive psychology approach. Aaker (1991) defines brand equity as a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm or to a firms customers. These assets are brand awareness, perceived quality, brand associations, brand loyalty and other. Keller (1993) develops an alternative view and defines the concept of consumer based brand equity as the differential effect of brand knowledge on consumer response to the marketing of the brand. Keller views brand equity in terms of brand awareness, favourability, uniqueness of brand associations that consumers hold in memory.

Following these two approaches, this study uses a consumer- based equity measure that consists of four key elements (constructs); namely brand awareness, perceived quality, brand associations and brand loyalty. These brand dimensions are widely accepted and used by numerous researchers (Yoo *et al.*, 2005; Kim *et al.*, 2003; Pappu *et al.*, 2005; Lee and black, 2010; Pike *et al* 2010; Kim and Hyun, 2011).

Creating customer loyalty is key to a firms economic performance. High customer loyalty levels have been found to lead to customer retention (Day, 1994). Customer loyalty is believed to influence consumer purchase intentions (Cronin and Taylor, 1992) and repeat purchase behavior (LaBarbera and Mazursky, 1983; Reichheld and Sasser, 1990). Researchers have also observed a positive relationship between customer loyalty and consumers willingness to pay a high price (Huber *et al.*, 2001). According to Homburg and Giering (2001) achieving high levels of customer loyalty has become a major goal for many companies. Many firms spend a huge research budget on measuring customer loyalty (Wilson, 2002), particularly in the retail sector (Sivadas and Baker Prewitt, 2000).

Customer loyalty is often used as a predictor of future consumer purchases (Newman and Werbel, 1993; Kasper, 1993). Customer satisfaction is an initial stage in the customer response to a company offering whereas loyalty is a mature stage in such a response.

Customer brand loyalty is the ultimate desirable outcome from strategic marketing activities (Chaudhuri, 1999; Gwinner *et al* 1998; Kumar, 1999; Mittal and Lassar, 1998; Reichfeld and Schefter, 2000). This is based on the growing influence of the relationship marketing orientation on marketing theory and practice (Sheth and Parvitiyar, 2000). Keller (1998) acknowledges that brand loyalty has historically been simplistically measured behaviourally simply through repeat purchase behaviours. Baldinger and Rubinson (1996) suggests loyalty definitions that include both attitudinal and

behavioural components. Chadhuri and Holbrook (2000) proposed a model that suggest that purchase loyalty tends to greater market share, while attitudinal loyalty leads to higher relative brand pricing. In this research customer loyalty include both attitudinal and behavioral components.

### 1.2 Statement of the problem

Building brand equity is an important strategic issue for retailers, generating multiple benefits such as ability to leverage ones name by launching private label brands and increase revenue and profitability by insulating them from competitors' (Ailawadi and Keller, 2004). In recent years, retailers have been facing a challenging marketing environment in the form of more demanding consumers, intensified competition and slow-growth markets (Bloemer and Odekerken-Schroder, 2000; Sirohi *et al.*, 1998). Retail sales now represent a declining share of consumer expenditures in several western economies because of such factors as aging population, changing consumer patterns and saturation in demand (Webb, 2000). As a result, building brand equity has become increasingly important for retailers in order to maintain or improve their economic performance.

Despite the increased focus on the retail branding, there is very little insight into the concept of retail branding. Relatively fewer studies have investigated the outcome of retail brand equity especially in relation to customer loyalty (Szymanski and Henard, 2001). The linkages between retail brand equity and customer loyalty are not satisfactorily explained (Pappu *et al.*, 2005). Most studies assume that brand equity has a positive effect on consumer responses (Cobb-Walgren *et al.*, 1995). Taylor *et al.*, (2004), studied the importance of brand equity on customer loyalty using various determinants of customer loyalty ( satisfaction, value, resistance to change, affect and trust). They find that taken individually these antecedents do not create Loyalty. Buil *et al.*,(2013), have studied the influence of brand equity on consumer responses (premium pricing, brand extensions, brand preferences and purchase intentions). They find that overall brand equity has a positive effect on customer loyalty. However, their study used data from two European countries (Spain and UK). Similar studies have also be one in USA and Asia (Buil *et al.*, (2013), This study seeks to examine the relationship between retail brand equity and customer loyalty within the Kenyan environment and in particular using retail supermarkets in Thika town. This study is distinguished from extant literature by testing different elements of brand equity (Brand awareness, perceived quality and brand associations) in our local environment. The results of this study while adding to existing literature also provide insight into the use of different elements of brand equity in examining the relationship between customer loyalty and brand equity.

## II. BRAND EQUITY

This concept of brand equity has numerous definitions mainly from the consumer's point of view which presumes that the power of brands is in the minds of consumers (Leone *et al.*, 2006). The other definition has been from a financial perspective which considers brand equity as the monetary value of a brand to a firm(Simon and Sullivan,1993).The financial value of a brand is the final outcome of consumer responses to brands (Christodoulides and de Chernatony,2010). Aaker (1991) and Keller (1993) developed the foundation of consumer-based brand equity perspective. According to Aaker (1991), brand equity refers to "a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and to/or to that firms customers". These assets are brand awareness, brand loyalty, perceived quality, brand associations and proprietary assets. Keller (1993) on the other hand has a different view which defines brand equity as the differential effect of brand knowledge on consumer response to the marketing of the brand. According to Keller (1993) brand equity has the following dimensions namely; brand awareness and the strength, favorability and uniqueness of brand associations that consumer hold in memory. These brand equity models have been used by many researchers such as Yoo *et al.*,(2000);Pappu *et al.*,(2005);Lee and Black,2010;Pike *et al.*,2010; and Kim and Hyun,(2011).Brands add value to products. Branding and brand management principles can be applied to retail brands with slight variations (Ailawadi and Keller,2004).The concept of retailer equity where the name of a retailer bestows value on it has recently been of great concern to both marketers(Arnett *et.*,al 2003) and practioners(Kramer,1999;Thompson,1998).From a consumer based brand equity (Pappu *et al.*2005;Yoo and Donthu,2001), the equity consumers relate with a retail brand can be referred to as consumer based retail equity. This research examined the relationship between consumer based retail equity and customer satisfaction. The retail brand equity is conceptualized from a consumer's perspective. The consumer-based retailer equity is defined in this research similar to Aaker, 1991, as "the value consumers' associate with a retailer as reflected in the dimensions of: retailer awareness, retailer associations, retailer perceived quality and retailer loyalty".

These consumer- based retailer equity dimensions mirror the brand equity dimensions (brand awareness, brand associations, perceived quality and brand loyalty) proposed by Aaker (1991, 1996).

### **III. RETAILER ASSOCIATIONS**

Retailer's just like brands possess images (Chodhury et al.,1998;Steenmp and Wedel,1991).An image is a set of the associations (organized in a meaningful way) in a consumer's minds (Keller,1993) .Just as consumer's develop associations between a brand and its attributes and the benefits perceived from the brand(Krishnan,1996), so too would they have associations towards a retailer based on the attributes of the retailer and the benefits attributed from the retailer(Han,1989).We have two kinds of associations, namely: corporate based associations and experience based associations. According to Berry (2000),corporate is linked to consumer satisfaction due to the fact that the company itself becomes the brand in the consumers eyes( Ostrom et al.,2005).The overall image of the company has been shown to have a positive impact on consumer responses towards the company. Brand associations also refers to the consumers own service experience (Chernatony and Cottam, 2006; O'loughlin and Szmigin, 2005). Experienced based associations are considered to be more clearer, more stable and easier to encode and recall (Keller,1993).Information based on their experiences is evaluated to be more believable than information based on other sources(Berry,2000).Consumers brand association includes both the technical performance and the service environment and tangible elements of a firm. According to O'cass and Grace (2004) banks physical environment is one of the most important brand associations. Past research holds that humanistic cues deriving from the contact personnel's appearance and behavior during the service encounter are very important in creating the image of a firm (Berry et al.,2006).Past research reveals that consumer's perception of the contact personnel(Nguyen and Leblanc,2002,2011), the physical environment(Nguyen and Leblanc,2002; Ryu et al 2012) as well as the technical and functional aspects of service delivery (Aydin and Ozer,2005; Lai et al.,2009;Ryu et al.2012) directly affects overall company image.

### **IV. RETAILER PERCEIVED QUALITY**

Perceived retailer quality is defined as "the consumer's judgment about a retailer's overall excellence or superiority "This definition is adopted from Zeithamal (1998) which emphasizes consumer's perception over the actual or objective quality of a retailer. Perceived quality is believed to be a type of association warranting elevation to the status of a separate dimension of a retailer's equity (Aaker, 1991).Satisfaction and perceived quality are believed to highly correlated (Bitner and Hubbert,1994;Olsen,2002). Sivadas and Baker-Prewitt (2000) found a positive relationship between service quality and satisfaction consistent with previous research (Anderson *et al.*, 1994; Bitner *et al.*,1994).There are two views on the causal ordering between perceived quality and satisfaction(Babakus et al.,2004). One view proposes that perceived quality is an outcome of satisfaction (Dabholkar et al., 2000) while the other holds that satisfaction leads to higher perceptions of quality (Bitner, 1990).

### **V. CUSTOMER LOYALTY**

Oliver (1999) defines customer loyalty a deeply held commitment to rebuy of repartronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same brand set purchasing despite situational influences and marketing efforts having the potential to cause switching behaviours. Loyalty is both behaviorally (Bloemer and Odekerken-Schroder, 2002; Oliver, 1997; Tranberg and Hansen, 1986) and attitudinally (Chaudhuri and Holbrook, 2001; Yang and Peterson, 2004; Yoo and Donthu, 2001). These conceptualizations have been criticized and some studies recommend loyalty to be measured as a combination of both attitude and behavior (Day, 1969; Dick and Basu, 1994). There are mixed evidence of the relationship between loyalty and satisfaction. Some researchers (Cronin and Taylor, 1992; Woodsw et al., 1989) and those who conceptualized loyalty based on attitudes or intentions (Dabholkar et al., 2000; Yang and Peterson, 2004) found evidence of a positive relationship between loyalty and satisfaction. There is also evidence of satisfied consumers who do not engage in repeat purchases(Henning-Thurau and Klee,1997).There has been evidence of weak correlation between loyalty and satisfaction(Van Looy et al.,1998).Other researchers argue that satisfaction is a necessary but not sufficient ,condition leading to loyalty or repeat purchase (Bloemer and Kasper,1995). Despite this there seems to be a predominant belief that satisfied customers are loyal and that they engage in repeat business (Cronin and Taylor, 1992; Homburg and Giering, 2001). Consumers perceive different levels of risk depending on the image level of retailers, that is high/low (Sheinin and wagner, 2003).Consumers who are loyal to a retail are most

likely highly satisfied .In this research loyalty is defined as ‘the tendency to be loyal to a retailer, as demonstrated by the intention to purchase from the retailer as a primary choice’ (Yoo and Donthu, 2001) and is similar to what Javalgi and Moberg (1997) refer to as “latent loyalty”.

## VI. RESEARCH METHODOLOGY

Descriptive research design was used. The employees of the supermarkets formed the population while the employees of the major supermarkets in Thika were the target population. Simple random sampling technique was used to select the respondents. Questionnaires were used as data collection instrument. The results were analyzed using measures of central tendency and regression analysis was used to measure the relationship between the variables.

## VII. RESEARCH FINDINGS AND DISCUSSION

### *Perceived Quality*

Respondents were asked to indicate their level of agreement with statements in regard to perceived quality. They were to use a Likert scale of 1-5 where 1 was strongly disagree, 2 disagree, 3 neutral, 4 agree and strongly agree. The results indicate that respondents agreed with the statements that this supermarket offers good value for money (n=78, M=4.18, SD=.734), and this supermarket offers consistent quality products (n=78, M=4.14, SD=.716). These results show that respondents perceive quality in their preferred brand. Table 1 summarizes the findings.

**Table 1: Perceived Quality**

Statement	N	Mean	Std. Deviation
This supermarket offers good value for money	78	4.18	.734
This supermarket offers consistent quality products	78	4.14	.716
This supermarket offers innovative products	78	3.96	.711
This supermarket offers reliable products	78	3.76	.668
This supermarket offers high quality products	78	3.74	.729
Valid N (listwise)	78		

### *Brand Associations*

Respondents were asked to indicate their level of agreement with statements in regard to brand associations. They were to use a Likert scale of 1-5 where 1 was strongly disagree, 2 disagree, 3 neutral, 4 agree and strongly agree. The results show that respondents agreed with the statements that employees in this supermarket are competent and supportive (n=78, M=4.15, SD=.583), this supermarket is well useful to the Thika Community (n=78, M=4.09, SD=.648), this supermarket has clean washrooms (n=78, M=4.04, SD=.797) and customers feel secure while shopping at this supermarket (n=78, M=4.01, SD=.730). Table 2 summarizes these findings.

**Table 2: Brand Associations**

Statement	N	Mean	Std. Deviation
Employees in this supermarket are competent and supportive	78	4.15	.583
This supermarket is well useful to the Thika Community	78	4.09	.648
This supermarket has clean washrooms	78	4.04	.797
Customers feel secure while shopping at this supermarket	78	4.01	.730
This supermarket offers a variety of products	78	3.90	.749
Employees in this supermarket are polite and friendly	78	3.88	.868
This supermarket is well regarded by my colleagues	78	3.81	.704
This supermarket is well located	78	3.81	.774

This supermarket offer a variety of products	78	3.76	.668
Customers are delighted by the services offered by this supermarket	78	3.74	.729
This supermarket has adequate and secure parking	78	3.72	.682
This supermarket's employees provide timely and satisfactory assistance	78	3.71	.686
Customers expect trouble free service from this supermarket	78	3.69	.690
This supermarket offer after –sale service	78	3.64	.755
Valid N (listwise)	78		

**Customer Loyalty**

Respondents were asked to indicate their level of agreement with a number of statements regarding customer loyalty. Respondents were to use a Likert scale of 1-5 where 1 was strongly disagree, 2 disagree, 3 neutral, 4 agree and strongly agree. The results reveals that respondents agreed with the statements that many customers believe their choice of this supermarket is a wise one (n=78, M=4.08, SD=.679), customers prefer this supermarket to all the others (n=78, M=4.08, SD=.679), this supermarket is customers first choice whenever they need to use supermarket services (n=78, M=4.08, SD=.769), and when most customers think about this supermarket they are happy knowing that they made the decision to make this store their supermarket (n=78, M=4.01, SD=.655). The results show that the respondents were loyal to their brand. Table 3 presents these findings.

**Table 3: Brand Loyalty**

Statement	N	Mean	Std. Deviation
Many customers believe their choice of this supermarket is a wise one	78	4.08	.679
Customers prefer this supermarket to all the others	78	4.08	.679
This supermarket is customers first choice whenever they need to use supermarket services	78	4.08	.769
When most customers think about this supermarket they are happy knowing that they made the decision to make this store their supermarket	78	4.01	.655
Customers are loyal patrons of this supermarket	78	3.99	.860
When most customers think about this supermarket it gives them pleasure knowing that they made the decision to choose this supermarket	78	3.91	.793
Customers intend to use this supermarket in the upcoming years	78	3.90	.749
It would be difficult to change customers beliefs about this supermarket	78	3.86	.768
Even if others recommend other supermarkets, most customers would not change their preference	78	3.81	.704
Many customers say that this supermarket is the best there is in Thika Town	78	3.81	.774
Patronizing this supermarket for most customers have been a good experience	78	3.79	.709
Customers refer this supermarket to their friends and relatives.	78	3.79	.795
Many customers say they would not switch to a competitor, even if they had a problem with this supermarket	78	3.78	.832
After making several visits to this supermarket, many customers have grown fond of it	78	3.69	.744
Most customers have personal feelings towards this supermarket	78	3.60	.709
Most customers will continue to shop in this supermarket even if it moderately raises its prices	78	2.83	.746
This supermarket fits many customers' personality	78	2.67	.816
Valid N (listwise)	78		

**Regression Analysis Results**

A regression analysis based on the model  $Y = .594 + 1.843X_1 + .378X_2 + .507X_3 + .08478$  was done and the results are presented in table 4. The results show that predictors Brand Associations, Perceived Quality, Brand Trust explain 96.9% ( $R^2=.969$ ) of the change in Y (customer loyalty).

**Table 4: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.984 <sup>a</sup>	.969	.968	.08478

a. Predictors: (Constant), Brand Associations, Perceived Quality, Brand trust

Analysis of variance ANOVA was used to establish whether the model used was statistically significant or not. The F-ratio ( $F=772.020$ ,  $P\ value=.000$ ) was significant since  $p\ value < .05$ .

**Table 5: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.648	3	5.549	772.020	.000 <sup>b</sup>
	Residual	.532	74	.007		
	Total	17.180	77			

a. Dependent Variable: Customer Loyalty  
 b. Predictors: (Constant), Brand Associations, Perceived Quality, Brand trust

Coefficients table shows the contribution of each variable to the change in Y and the statistical significance of such contribution. According to the results, Brand Trust ( $\beta=1.843$ ,  $p=.022$ ) and Perceived Quality ( $\beta=.378$ ,  $p=.024$ ) contributed by a factor of 1.843 and .378 respectively. This contribution was statistically significant because the  $p\ value < .05$ . Brand Associations ( $\beta=.507$ ,  $p=.433$ ) contributed to customer loyalty by a factor of .507. However, this contribution was not statistically significant because  $p\ value > .05$ . Table 6 presents these findings.

**Table 6: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	.594	.071		8.400	.000
	BrandTrust	1.565	.669	1.843	2.341	.022
	PerceivedQuality	.318	.138	.378	2.308	.024
	BrandAssociations	.427	.542	.507	.788	.433

a. Dependent Variable: CustomerLoyalty

***Relationship between retailer brands perceived quality and customer loyalty***

The second objective of the study was to determine the relationship between retailer brand perceived quality and customer loyalty. Respondents agreed with the statements about the perceived quality. Retailer brand perceived quality contributed to customer loyalty by a factor of 0.378 and a  $p\ value$  of 0.24. This contribution was statistically significant because the  $p\ value$  was less than 0.05. This could mean that the supermarkets offer consistently high quality products, there are no expired products may be because of their operational procedures like ensuring the first products to be ordered are the first ones to be sold.

***Relationship between retailer brand associations and customer loyalty***

The third objective of the study was to determine the relationship between retailer brand associations and customer loyalty. The respondents agreed with most of the statements associated with retailer brand associations. Regression analysis results showed that brand associations contributed to customer loyalty by a factor of .507 and a  $p\ value$  of .433. This contribution was not statistically significant because the  $p\ value$  was greater than .05.

**VIII. CONCLUSIONS**

This study concluded that brand trust is significant contributor to customer loyalty. The supermarkets therefore need to work on their brands so that customers can trust them. This will result into customer loyalty which can lead to growth and long term benefits for the supermarkets. This will grow their brand equity hence end up spending less in marketing and increase sales.

This study concluded that perceived quality is a critical component in cultivating customer loyalty. This means that customers will buy where they perceive to get value for their money. It is therefore important for supermarkets to understand the dynamics of customer loyalty in regard to perceived quality. In this way, the supermarkets will be in a position to enhance their offering to be perceived as giving quality to their customers. In the long run this will result to customer loyalty and growth in brand equity.

This study concluded that brand associations are also important in cultivating customer loyalty. However, brand associations do not seem to have little significance compared with the other two; brand trust and perceived quality. This implies that for supermarkets to cultivate customer loyalty, they need to concentrate on brand trust and perceived quality with little attention to brand associations.

### **RECOMMENDATIONS**

This study recommends that supermarkets in Thika Town should work towards improving their brand trust. This is because the study revealed that brand trust is a significant contributor to customer loyalty hence growing brand equity.

The study also recommends that management of supermarkets in Thika Town should strive to ensure that customers get value for their money. This is due to the significance of the perceived quality in determining customer loyalty.

The supermarkets in Thika Town should not prioritize brand associations over brand trust and perceived quality because the latter two have more significance in contribution to customer loyalty than brand associations.

### **REFERENCES**

- [1] Aaker, D. A. (1991). "Managing brand equity". The Free Press, New York.
- [2] Aaker, D. A. (1991). "Managing brand equity: Capitalizing on the value of a Brand Name", The Free Press, New York.
- [3] Aaker, D. A. (1996). "Building Strong Brands". The Free Press, New York.
- [4] Aaker, D.A. (1996). "Measuring Brand equity across products and markets", *California Management Review*, 38(3): 102-120.
- [5] Aaker, D.A. (2004). "Brand Portfolio Strategy". The Free Press New York.
- [6] Ailawadi, K.L. and Keller, K.L. (2004). "Understanding Retail Branding conceptual insights and research priorities". *Journal of Retailing*, 80: 331-42.
- [7] Ailawadi, K.L, Neslin, S.A and Gedenk, K., (2001). "Pursuing the value-conscious consumer store brands versus national brand promotions", *Journal of Marketing*, 65: 71-89.
- [8] Anderson, E.W., Fornell, C. and Lehmann, D.R. (1994). "Customer satisfaction, market share and profitability". *Journal of Marketing*, 58(3): 53-66.
- [9] Arnett, D. B., Lverie, D. A. and Meiers, A. (2003). "Developing parsimonious retailer equity indexes using partial least squares analysis: a method and applications", *Journal of Retailing*, 79(3): 161-70.
- [10] Aydin, S. and Ozer,G. (2005). "The role of communication and trust in explaining customer loyalty: in the Turkish mobile telecommunication market", *European Journal of Marketing*, 39(7): 910-925.
- [11] Babakus, E., Bienstock, C.C. and Van Scotter, J. R. (2004). "Linking perceived quality and customer satisfaction to store traffic and revenue growth", *Decision Sciences*, 35(4): 13-37.
- [12] Babbie, E. (2005). *Survey research methods* (3). Belmont: Wodsworth.
- [13] Ball, D., Coelho, P.S. and Machas, A (2004), "The role of communication and trust in explaining customer loyalty: an extension to the ECSI model" *European Journal of Marketing* 38 (9/10) : 1272 – 1293.
- [14] Berry, L. (2000), "Cultivating service brand equity", *Journal of the Academy of Marketing Science*, 28 (1): 18-25.
- [15] Berry, L., E. and Carbone, L. (2006). "Service clues and customer assessment of the service experience: lessons from marketing", *Academy of Management Perspectives*, 20(2): 43-57.
- [16] Bitner, M. J. (1990). "Evaluating service encounters: the effects of physical surroundings and employee response", *Journal of Marketing*, 54(2): 69-81.



- [17] Bitner, M. J. and Hubbert, A. R. (1994). "Encounter satisfaction versus overall satisfaction versus quality", in Rust, R.T. and Oliver, R.L.(Eds),*Service Quality: New Directions in Theory and Practice*, Sage Publications, Thousand Oaks.
- [18] Bloemer, J and Odekerken-Schroder, G (2002). "Store satisfaction and store-related factors", *Journal of Customer Satisfaction, Dissatisfaction and Complaining Behaviour*, 15: 68-80.
- [19] Bloemer, J. and Kasper, H.D.P. (1995). "The complex relationship between consumer satisfaction and brand loyalty", *Journal of Economics Psychology*, 16(2): 311-19.
- [20] Bloemer, J. and Odekerken-Schroder, G. (2002). "Store satisfaction and store loyalty explained by customer and store-related factors", *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behaviour*, 15: 68-80.
- [21] Chaudhuri, A., ( 1999)."Does Brand Loyalty mediate brand equity outcomes?" *Journal of Marketing Theory and Practice*, 7(2): 136-46.
- [22] Chaudhuri, A and Holbrook, M. B. (2001). "The chain of effects from brand trust and brand effect to brand performance: the role of brand loyalty", *Journal of Marketing*, 65(2): 81-83.
- [23] Chowdhury, J., Reardin, J. and Srivastava.(1998). "Alternative modes of measuring store image: an empirical assessment of structural versus unstructured measures", *Journal of Marketing Theory and Practice*, 6(2): 72-86.
- [24] Christodoulides, G. and de Chernatony, L. (2010). "Consumer-based brand equity conceptualization and measurement", *International Journal of Market Research*, 52( 1): 43-66.
- [25] Cobb-Walgreen, C., Ruble, C. A. and Donthu, N. (1995). "Brand equity, brand preference and purchase intent", *Journal of Advertising*, 24( 3): 25-40.
- [26] Cronin, J. J. and Taylor, S.A. (1992). "Measuring service quality: a reexamination and extension", *Journal of Marketing*, 56(3): 55-68.
- [27] Dabholkar, P.A., Shepherd, C.D. and Thorpe, D.I. (2000). "A comprehensive framework for service quality: an investigation of critical conceptual and measurement issues through a longitudinal study", *Journal of Retailing*, 76(2): 139-73.
- [28] Dabholkar, P.A., Thorpe, D.I. and Rentz, J.O. (1996). A measure of service quality for retail stores; scale development and validation', *Journal of Academy of Marketing Sciencel* 24(1): 3-16.
- [29] Dalziel, N., Harris, F. and Laing, A. (2011), " A multidimensional typology of customer relationships: from faltering to affective", *international Journal of Bank Marketing* 29 (5): 398 – 432.
- [30] De Chernatony, L. and COTTAM, S. (2006). "Why are all financial services brands not great?", *Journal of Product and Brand Management*, 5( 2): 88-97.
- [31] De Chernatony, L. and Segal-Horn, S. (2003), " The criteria for successful services brands", *European Journal of Marketing*, 37 (7/8) : 1095 – 1118
- [32] De Chernatony, L. and Dall' Olmo Rily, F. (1999), "Experts' views about defining services brands and the principles of services branding", *Journal of Business Research*, 46 (2) : 181 – 192.
- [33] Day, G. S. (1994). "The capabilities of market driven organizations", *Journal of Marketing*, 58(4): 37-52.
- [34] Donald and Delno, A. (2006). *Proposal and Thesis Writing. An introduction.* Pauline's Publishers. Nairobi.
- [35] Dick, A. S. and Basu, K. (1994). " Customer loyalty: toward an integrated conceptual framework", *Journal of the Academy of Marketing Science*, 22( 2): 99-113.
- [36] Ewing, M. T. (2000). "Brand and retailer loyalty: Past behavior and future intentions", *Journal of Product and Brand Management*, 9(2): 120-127.
- [37] Farquhar, P. H. and Herr, P. M. (1993). "The dual structure of brand associations", in Aaker, D.A. and Biel A.I.( eds),*Brand Equity and Advertising: Advertising's role in Building Strong Brands*, Lawrence Erlbaum Associates, London, 263-79.
- [38] Fournier, S. (1998). "Consumers and their brands: developing relationship theory in consumer research", *Journal of Consumer Research*, 24(4): 343-373.
- [39] Gwinner, K. P., Gremler, D. D. and Bitner, M. J. (1998). "Relational benefits in services industries: the customer's perspective", *Journal of the Academy of Marketing Science*, 26(2): 101-14.

- [40] Han, C. M. (1989). "Country image: halo or summary construct?", *Journal of Marketing Research*, 26(2): 222-229.
- [41] Henning-Thurau, T. and Klee, A. (1997). "The impact of customer satisfaction and relationship quality on customer retention: a critical reassessment and model on development", *Psychology and Marketing*, 14(8): 737-764.
- [42] Hoeffler, S. and Keller, K. K. (2003). "The marketing advantages of strong brands", *Brand Management*, 10(6): 421-445.
- [43] Homburg, C. and Giering, A. (2001). Personal characteristics as moderators of the relationship between customer satisfaction and loyalty: an empirical analysis", *Psychology and Marketing*, 18(1): 43-66.
- [44] Huber, F., Herrmann, A. and Wrickle, M. (2001). "Customer satisfaction as an antecedent of price acceptance: results of empirical study", *Journal of Product and Brand Management*, 10(3): 160-169.
- [45] Jacoby, J., Olson, J. C., and Haddock, R. A. (1971). Price, Brand Name, and Product Composition Characteristics as Determinants of Perceived Quality. *Journal of Applied Psychology*.
- [46] Javalgi, R. and Moberg, C. R. (1997). "Service loyalty: implications for service providers", *Journal of Services Marketing*, 11(3): 165-179.
- [47] Kasper, H. (1988). "On problem perception, dissatisfaction and brand loyalty", *Journal of Economic Psychology*, 9(3): 387-397.
- [48] Keller, K. L. (1993). "Conceptualizing, Measuring and managing customer based brand equity", *Journal of Marketing*, 57(1): 1-22.
- [49] Keller, K. L. (1998). *Strategic brand management: Building, Measuring and managing Brand Equity*. Prentice Hall, Upper Saddle River.
- [50] Kim, H.W.G. and An, J. A. (2003). "The effect of consumer- based brand equity on firms' financial performance", *Journal of Consumer Marketing*, 20 (4): 335-351.
- [51] Kim, H. H. and Hyun, Y.J. (2011). "A model to investigate the influence of marketing mix efforts and corporate image on brand equity in the IT software sector", *Industrial Marketing Management*, 40: 424-38.
- [52] Kothari, C.R. (2004). "Research Methodology: Methods and Techniques" (2<sup>nd</sup> ed). New Age International Publisher, New Delhi.
- [53] Kramer. (1999). "Marxism to marketing", *Progressive Grocer*, September.
- [54] Krishnan, H. S. (1996). "Characteristics of memory associations: a consumer based brand equity perspective", *International Journal of Research in Marketing*, 13(4): 389-405.
- [55] Kumar, P. (1999). "The impact of long term-term client relationships on the performance of business firms", *Journal of Service Marketing*, 12(9): 4-18.
- [56] Lai, F., Griffin, and Babin, B.J. (2009). "How quality, value, image, and satisfaction create loyalty at a Chinese telecom", *Journal of Business Research*, 62(10): 980-986.
- [57] Laroche, M., Ueltsch, L.C., Abe, S., Cleveland, M. and Yannopoulos, P. (2004), "Service quality perceptions and customer satisfaction: evaluating the role of culture", *Journal of International Marketing*, 12(3): 58-85.
- [58] Lassar, W., Mittal, B. and Sharma, A. (1995). "Measuring customer-based brand equity", *Journal of Consumer Marketing*, 12(4): 11-19.
- [59] Lee, J-S and Black, K.-J. (2010). "Re examination of attendee-based brand equity" *Tourism management*, 31: 395-401.
- [60] Leone, R. P., Rao, V. R., Keller, K.L., Luo, A.M., McAlister, L and Srivastava, (2006). "Linking brand equity to customer equity", *Journal of Service Research*, 9(2): 125-138.
- [61] Mitchell, V.W. and Greatorex, M. (1993), "Risk perception and reduction in the purchase of consumer services", *The Service Industries Journal*, 13(4): 179 - 200
- [62] Mittal, B. and Lassar, W. M., (1998). "Why do customers switch? The dynamics of satisfaction versus loyalty" *The Journal of Services Marketing*, 12(3): 177-194.
- [63] Moorman, C., Deshpande, R and Zaltman, G. (1993), "Factors affecting trust in marketing research relationships", *Journal of Marketing*, 57(1): 81-102

- [64] Mugenda, O.M and Mugenda, A.G., (2003). "Research Methods: Quantitative and Qualitative Approach" Acts Press. Analysis, Nairobi.
- [65] Mugenda, O. M and Mugenda, A. G., (2008). "Social Science Research" Conception, methodology and. Kenya Applied Research and Training Services.
- [66] Murray, K.B. and Schlacter, J.L. (1990), " The impact of services versus goods on consumer's assessment of perceived risk and variability," *Journal of Academy of Marketing Science*, 18 (1) : 51-65
- [67] Nachimias, C. F & Nachimias, D. (1992). "Research Methods in the social sciences"
- [68] (4<sup>th</sup> ed).St Martin's press. London.
- [69] Newman, J. W. and Werbel, R. A. (1973). "Multivariate analysis of brand loyalty for major household appliances", *Journal of Marketing Research*, 10 (4): 404-409.
- [70] Nguyen, N. and LeBlanc. (2001). "Corporate image and corporate reputation in customers' retention decisions in services", *Journal of Retailing and Consumer Service*, 8(4): 227-36.
- [71] Nguyen, N. and LeBlanc. (2002). "Contact personnel, physical environment and perceived corporate image of intangible services by new clients", *International Journal of Services Marketing*, 25(5): 349-360.
- [72] Nguyen, N. and Leclerc, A. (2011). "The effect of service employees' competence on financial institutions' image: benevolence as a moderator variable", *Journal of Services Marketing*, 25: 349-360.
- [73] Nguyen, T., Barret, N. and Miller, K. (2011). "Brand loyalty in emerging markets", *Marketing intelligence and Planning*, 29( 3): 222-232.
- [74] O'Cass, A. and Grace, D.(2004). "Exploring consumer experiences with a service brand". *Journal of Product and Brand Management*, 13(14): 257-268.
- [75] Oliver, R. L. (1997). *A Behavioural perspective on the consumer*. Mcgraw-Hill, New York.
- [76] Oliver, R. L. (1999). "Whence customer loyalty?",*Journal of Marketing*, 63: 33-44.
- [77] Olsen, S. O. (2002). "Comparative evaluation and the relationship between quality, satisfaction, and repurchase loyalty", *Journal of the Academy of Marketing Science*, 30(3): 240-249.
- [78] O'Loughlin, D. and Szmigin, I. (2005). "Customer perspectives on the role and importance of branding in Irish retail financial services", *International Journal of Bank Marketing*, 23(1): 8-27.
- [79] Orodho A, J. (2005). *Elements of Education and Social Science Research Methods*. (2<sup>nd</sup> ed.).Maseno. Kanezga publishers.
- [80] Ostrom, A., Lacobucci, D. and Morgan, F. (2005). "Services branding", in Tybout,A. and Calkins, T.(Eds),*Kellogg on Branding*, John Wiley and Sons Inc, Hoboken: 186-200.
- [81] Pappu, R., Quester, P.G. and Cooksey, R.W.(2005). "Consumer-based brand equity: improving the measurement. Empirical evidence", *Journal of Product and Brand Management*, 14(3): 143-154.
- [82] Bianchi, C., Kerr, G. and Patti, C. (2010). "Consumer-based brand equity for Australia as a long haul tourism destination in an emerging market", *International Marketing Review*, 27(4): 434-449.
- [83] Reicheld, F. R. and Schefter, P. (2000). "E-loyalty: your secret weapon on the Webb", *Harvard Business Review*, 78(4): 105-14.
- [84] Robinson, J. (1995). "A review of shopping trends: implications and lessons for retailers", *Journal of Targeting, Measurement and Analysis for Marketing*.
- [85] Ryu, K., Lee, H. and Kim, W. G. (2012). "The influence of quality of the physical environment, food, and service on restaurant image, customer perceived value, customer satisfaction, and behavioral intentions", *International Journal of Contemporary Hospitality Management*, 24(2): 220-223.
- [86] Schiffman, L., Bendall, D., Watson and Kanuk, L. L. (1997). "Consumer Behaviour", Prentice-Hall, Sydney.
- [87] Shenin, D. A. and Wagner, J. (2003). "Pricing store brands across categories and retailers", *Journal of Product and Brand Management*, 12(4): 201-219.
- [88] Sheth, J. N. and Parvitiyar, A. (2000). "Toward a Theory of Business Alliance Formation", in Sheth, J. and Parvitiyar, A. (Eds), *Handbook of Relationship Marketing*, Sage Publications, London.

- [89] Simon, C. J. and Sullivan, N. W. (1993). "The measurement and determinants of brand equity: " a financial approach", *Marketing Science*, 12: 28-52.
- [90] Sirohi, N., McLaughlin, E.W. and Wittink, D.R.(1998). "A model of consumer perceptions and store loyalty intentions for a supermarket retailer", *Journal of Retailing*, 74(2): 223-245.
- [91] Sivadas, E. and Baker-Prewitt, F. L. (2000). "An examination of the relationship between service quality, customer satisfaction and store loyalty", *International Journal of Retail and Distribution Management*, 28(2): 73-82.
- [92] Szymanski, D. M. and Henard, D. H. (2001). "Customer satisfaction: a meta-analysis of the empirical evidence", *Journal of the Academy of Marketing Science*, 29(1): 16-35.
- [93] Thomson, S. (1998). "Red letter school days", *Brandweek*, 39(29): 22-26.
- [94] Tranberg, H. and Hansen. (1986). "Patterns of brand loyalty: their determinants and their role for leading brands", *European Journal of Marketing*, 20(3): 81-109.
- [95] Van looy, B., Dierdonck, V. R. and Gemmel, P. (1998). *Services management: An Integrated Approach*, FT Publishing, London.
- [96] Washburn, J. H. and Plank, R. E. (2002). "Measuring brand equity: an evaluation of a consumer-based brand equity scale", *Journal of Marketing Theory and Practice*, 10(1): 46-62.
- [97] Webb, A. (2000). "Shopping redefined: towards a new concept of retailing", *International journal of Retailing and Distribution Management*, 28(12): 503-507.
- [98] Wiersma, J. J. (1998). "Delivery of Extension Publications Using the World Wide Web", two case studies, *Agron.*
- [99] Wilson, A. (2002). "Attitude towards customer satisfaction measurement in the retail sector", *International Journal of Market Research*, 44(2): 213-248.
- [100] Woodside, A. G., and Daly, R. T. (1989). "Linking service quality, customer satisfaction, and behavioral intentions", *Journal of Healthcare Marketing*, 9(4): 5-17.
- [101] Yang, Z. and Peterson, R. T. (2004). "Customer perceived value, satisfaction, and loyalty: the role of switching costs", *Psychology and Marketing*, 21(10): 799-822.
- [102] Yoo, B and Donthu, N. (2001). "Developing and Validating a multidimensional consumer-based brand equity scale", *Journal of Business Research*, 52: 1-44.
- [103] Yoo, B and Donthu, N. and Lee, S. (2000). "An examination of selected marketing mix elements and brand equity", *Journal of the academy of Marketing Science*, 28(2): 195-211.
- [104] Zeithaml, V. (1988). "Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence", *Journal of Marketing*, 52: 2-22.