MEDIATING EFFECT OF CUSTOMER SATISFACTION ON RELATIONSHIP BETWEEN BRAND IMAGE DIMENSIONS AND CUSTOMER LOYALTY IN FIVE STAR RATED HOTELS WITHIN NAIROBI CITY, KENYA

BY

DORCAS BOCHABERI ONDICHO

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF HOSPITALITY MANAGEMENT IN THE SCHOOL OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF ELDORET, ELDORET, KENYA

OCTOBER, 2018

DECLARATION

Declaration by the student

This thesis is my original work and has not been submitted for any academic award in any institution; and shall not be reproduced in part or full, or in any format without prior written permission from the author and/or University of Eldoret.

Ondicho Bochaberi Dorcas

SBM/S/PGHM/2004/15

Declaration by the University Supervisors

This research thesis has been submitted with our approval as University supervisors.

Dr. Julie Makomere

School of Business & Management Sciences, Department of Hotel and Hospitality Management, University of Eldoret

Dr. Wambui E. W. Ng'ang'a School of Business & Management Sciences, Department of Hotel and Hospitality Management, University of Eldoret

Date

Date

Date

DEDICATION

This work is dedicated to my family for their great support and encouragement as I undertook my research study. May God bless them abundantly.

ABSTRACT

A strong brand image can give the hotel truly loyal guests and an identity that distinguishes the hotel from others. It guarantees consistent service quality, risk reducer, enhances customer satisfaction thus leading to customer loyalty. Lack of brand image has contributed to low customer satisfaction and loyalty. Hence the study seeks to determine customer satisfaction as a mediator between brand image and customer loyalty in selected five-star rated hotels within Nairobi City, Kenya. The study was guided by the following specific objectives; to determine the effect of functional image, symbolic image, social image, apperance enhancement image and the mediating effect of customer satisfaction on the relationship between brand image dimensions and customer loyalty. The study adopted an explanatory research design. Brand relationships and information integration theories grounded the study variables. Target population was 5605 respondents with a sample size of 216. Systematic sampling technique was used to select the key informants to be used in the study. Primary data was collected using questionnaires. Cronbach's Alpha was used to check for reliability of questionnaire. Data was analyzed using Statistical Package for Social Science (SPSS) Version 23. Pilot study was done to test the validity of the study. Descriptive statistics was carried out and inferential tests specifically the Multiple Linear Regression was used to establish the effect of independent variables on dependent variable and the mediating effect. The findings from the study were that functional image had a significant effect customer loyalty with a pvalue = 0.000 being e < 0.05 hence a significant effect on the dependent variable. On symbolic image, the study found out p-value = 0.023 which is less than r<0.05 implying a significant effect on the dependent variable. On social image there was no significant effect on customer loyalty with a p value of 0.517 being p > 0.05. This implied that the social image did not significantly affect the dependent variable, customer loyalty. Finally, the findings showed that appearance enhancement image had coefficients of estimate which was significant, p-value = 0.006 which is less than p< 0.05.

TABLE OF CONTENT

DECLARATION	ii
DEDICATION	iii
ABSTRACT	iv
TABLE OF CONTENT	v
LIST OF TABLES	ix
LIST OF FIGURES	X
ABBREVIATIONS AND ACRONYMS	xi
OPERATIONAL DEFINITION OF TERMS	xii
ACKNOWLEDGMENT	xiii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Overview	1
1.2 Background to the Study	1
1.3 Statement of the Research Problem	4
1.4 Objectives of the Study	5
1.4.1 General Objective	5
1.4.2 Specific Objectives	5
1.5 Hypothesis of the Study	6
1.6 Significance of the Study	6
1.7 Scope of the Study	7
1.8 Assumptions of the Study	7
2.1 Overview	8
2.2 Concept of Customer loyalty	8
2.3 Concept of Customer Satisfaction	9
2.4 Concept of Brand Image Dimensions	13
2.4.1 Effect of Functional Image on customer loyalty	15
2.4.2 Effect of Symbolic Image on customer loyalty	16
2.4.3 Effect of Social Image on customer loyalty	

2.4.4 Effect of Appearance enhancement image on customer loyalty	19
2.5 Theoretical Framework	21
2.5.1 Brand Relationship Theory	21
2.5.2 Information Integration Theory	22
2.6 Conceptual Framework	24

CHAPTER THREE	26
METHODOLOGY	26
3.1 Overview	
3.2 Study Area	
3.3 Research Design	
3.4 Target Population	
3.5 Sampling Design and Procedure	
3.5.1 Sample Size	
3.6 Data Collection	
3.7 Research Instruments	
3.7.1 Questionnaires	
3.8 Validity and Reliability of Research Instruments	
3.8.1 Validity of Research Instruments	
3.8.2 Reliability of Research Instruments	
3.9 Data Analysis	
3.9.1 Data Analysis Tools	
3.9.2 Assumptions of multiple regressions	
3.10 Ethical Considerations	

CHAPTER FOUR	
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	
4.1 Introduction	
4.2 Response Rate	
4.3 Demographic Characteristics and Personal information of Respondents	
4.4 Descriptive Results for the Study Variables	39

4.4.1 Functional image	
4.4.2 Symbolic Image	
4.4.3 Social Image	
4.4.4 Appearance enhancement	
4.4.5 Customer Satisfaction	
4.4.6 Customer Loyalty	
4.5 Reliability of the Study Variables	53
4.6 Factor analysis of the Study Variables	
4.6.1 Total Variance Explained	
4.6.2 Factor Analysis for Customer Satisfaction	
4.6.3 Factor Analysis for Customer Loyalty	
4.7 Correlation Analysis	59
4.8 Assumptions of Regressions	61
4.8.1 Linearity	61
4.8.2 Normality	
4.8.3 Homoscedasticity	
4.8.4 Multicollinearity	63
4.9 Multiple Linear Regression Analysis	63
4.9.1 Model Summary	64
4.9.2 ANOVA Model	64
4.9.3 Test of Hypotheses	65
4.10 Mediation effect	66
CHAPTER FIVE	69
SUMMARY AND DISCUSSION OF FINDINGS	69
5.1 Introduction	69
5.2 Summary of the Findings	69
5.2.1 Functional Image	69
5.2.2 Symbolic Image	
5.2.3 Social Image	
5.2.4 Appearance enhancement	71

5.2.5 Customer Satisfaction	71
5.2.6 Customer Loyalty	71
5.3 Discussion of the Findings	
5.3.1 Functional Image on Customer Loyalty	72
5.3.2 Symbolic Image on Customer loyalty	
5.3.3 Social Image on Customer Loyalty	73
5.3.4 Appearance enhancement Image on Customer Loyalty	74

CHAPTER SIX	
CONCLUSION AND RECOMMENDATIONS	75
6.1 Conclusion	
6.2 Recommendations	
6.3 Areas for Further Research	77

REFERENCES	79
APPENDIX I: QUESTIONNAIRE FOR HOTEL GUESTS	86
APPENDIX II: SAMPLING FRAME	89
APPENDIX III: UNIVERSITY RESEARCH APPROVAL	90
APPENDIX IV: NACOSTI RESEARCH APPROVAL	91
APPENDIX V: NACOSTI RESEARCH PERMIT	92

LIST OF TABLES

Table 1 Target Population	. 28
Table 2 Sample Size	. 29
Table 3 Response Rate of the Questionnaires	. 37
Table 4 Demographic Characteristics and Personal Information	. 39
Table 5 Functional image	. 41
Table 6 Symbolic Image	. 44
Table 7 Social Image	. 46
Table 8 Appearance enhancement	. 48
Table 9 Customer Satisfaction	. 50
Table 10 Customer Loyalty	. 52
Table 11 Reliability Results	. 53
Table 12 Kaiser-Meyer-Olkin (KMO) statistics	. 54
Table 13 Principle Component Analysis	. 56
Table 14 Total Variance Explained	. 57
Table 15 Factor Analysis for Customer Satisfaction	. 58
Table 16 Factor Analysis for Customer Loyalty	. 59
Table 17 Correlation Analysis	. 60
Table 18 Linearity	. 61
Table 19 Normality	. 62
Table 20 Homoscedasticity	. 63
Table 21 Multicollinearity	. 63
Table 22 Model Summary	. 64
Table 23 ANOVA Model	. 64
Table 24 Coefficient of Estimates	. 65
Table 25 Mediation Effect	. 68

LIST OF FIGURES

Figure 1 Conceptual Framework	. 25
Figure 2 Mediation Model	. 33

ABBREVIATIONS AND ACRONYMS

SPSS	Statistical Package for Social Sciences
NBRI	Nairobi Business Research Institute
KAHC	Kenya Association of Hotelkeepers and Caterers
UNWTO	United Nation World Tourism Organization
КМО	Kaiser Meyer Olkin

OPERATIONAL DEFINITION OF TERMS

- **Brand image** Performance refers to the relative measurement of a brand's success in the marketplace. For instance, it has been argued that market share is a measure of overall brand performance, as brand achievement is created with a significant market share (Karuiki, 2015).
- Customer The consumer's fulfillment response. It is a judgment that a product satisfaction or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment (Oliver, 2014).
- **Functional image** Is defined as the overall impression left in the customers' mind because of accumulative tangible characteristics that can be measured and evaluated easily (Abd-El-Salam, Shawky & El-Nahas, 2013)
- Hotel image Is the set of beliefs, ideas, and impression that a person holds regarding an object. (Ahmad et al., 2017)
- **Social image** Is a multidimensional construct, related to the attitudes and perceptions people have of themselves. (Celaya, 2008)
- **Symbolic image** Is what the product means to consumers and the broad spectrum of feelings they experience in purchasing and using it, such as excitement and pleasure. (Tsai, 2005).

ACKNOWLEDGMENT

Foremost, I acknowledge our almighty God for the gift of life and good health that has enabled me to do this study. Secondly, i wish to convey my sincere thanks to all those persons who in any way or another contributed towards the success in writing this thesis. In particular contributions of the School of Business and Management Sciences for their support. I appreciate all the lecturers in Hotel and Hospitality Department for the support they gave to me during my coursework which has contributed much in writing this thesis. Finally I wish to appreciate the cooperation and support from my supervisors Dr. Julie Makomere and Dr. Wambui Ng'ang'a for guiding me through the process of framing and writing of the thesis.

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter presents an overview of the study. It includes the background information, the statement of the research problem, the objectives, research hypotheses, justification and significance, scope, limitations, and assumptions used in the study.

1.2 Background to the Study

According to (Hu, Kandampully & Juwaheer, 2009) Customer satisfaction is considered most important factors affecting service management, as a result of its influence on repeated purchases and word-of-mouth recommendations. In a fast-changing environment, service providers can maintain their competitive advantage by delivering high-quality services to their customers. Satisfied customers tend to offer more advantages to the service providers as a ripple effect including loyalty to the service provider, engagement in positive word-of-mouth promotion and paying premium prices (Amin *et al.*, 2013; Ryu, Lee & Gon, 2012; Dominici & Guzzo, 2010; Ryu & Han, 2010). Therefore, customer satisfaction has caught considerable attention from the academicians and the practitioners (Hu, Kandampully & Juwaheer, 2009).

According to (Kandampully & Suhartanto, 2003) the brand image is developed in the customer's mind through the impacts of promotion, advertisement, public relations, word-of-mouth and customer's encounter with the products and services. An approach used in retaining customer's brand loyalty is to emulate an existing positive brand image implemented by the successful organization (Kayaman & Arasli, 2007). Thus, the hotel image is perceived to be a significant variable which can adversely influence the

marketing strategies adopted by the hotel (Lahap et al., 2016). According to Kandampully and Suhartanto (2003) image is a crucial element to organizations, due to its capacity to influence customer's perception, decision, and behavior towards a specific line of product or service. When a customer is committed to a brand, the customer will cooperate actively and ignore alternatives provided by its competitors, which sustain company's profit in the long run (Hur, Ahn & Kim, 2011). Schulz and Omweri (2012) specified that a higher quality of services tends to add value increasing customer retention and customer loyalty. Similarly, an organization which has achieved higher profitability as a result of developing a strong image for their products or service have reinvested in customer loyalty (Mirzaee, Rad, & Molavi, 2013).

The corporate image is influenced by service quality and customer satisfaction which in turn, influences customer loyalty (Schulz & Omweri, 2012). Nam, Ekinci and Whyatt (2011) further categorized quality into two dimensions namely physical quality and staff behavior. Based on the studies conducted on hotel image, Kandampully and Suhartanto (2000) perceived these dimensions as "holistic" and "attributes." The holistic dimension alluded to an individual's mental picture of the phenomena as opposed to a mere collection of independent stimuli. This suggests the holistic or imaginary element of an image encompasses the total impression and feeling of a phenomenon from any senses.

Kandampully & Suhartanto (2003) highlighted that the operationalization of the holistic dimension of the hotel image should be based on the customer's perception of the hotel's atmosphere, reputation, external appearance, and layout. On the other hand, they also suggested that the attributes dimensions refer to the facilities and physical environment that forms and influences the phenomena (Kandampully & Suhartanto, 2003). The

operationalization of the attributes dimension is based on the guest's perception of the hotel location, physical facilities, interior design, price, the quality of the goods and services provided and also employee performance. The hotel industry has been identified as one of the most important sectors that have a positive correlation to the tourism industry, and therefore no country or region can expect to attract tourists unless it has hotels. The general pressures which have been brought about by globalization and internationalization coupled with star ratings and membership to International Hotel Associations has also challenged hotels to improve on their performance (Bowen, Morara & Mureithi, 2009).

The Kenya National Bureau of Statistics (2012) highlights that the costs for hotel services are expected to increase globally because of the current world economic situations. The hotel industry in Kenya is facing several challenges which have been affecting their performance. These challenges include shortage of skilled staff, poor infrastructure, insecurity, lack of strategic plans and poor organizational processes among other challenges (Mwangi, 2017)

Kenya has been experiencing turbulent times about its organizational practices in the last two decades. This has resulted in low profits across the economy, and this image is relatively replicated in the Hotel Industry (Mutindi, Namusonge & Obwogi, 2013). In addition, the decline in world tourism has grossly affected hotel sales and posed a threat to hotel operators because they depend on the International Tourism Market (Mutindi, Namusonge & Obwogi, 2013). Recently, the Kenyan economy has also been declining as a result of reduced income from its agriculture and manufacturing sectors. As a result, Kenya has turned its attention to tourism as an intervention to the numerous economic problems; hence the need to improve on organization changes in the hospitality industry. As Kenya focuses to be industrialized by 2030, research foresees the hotel industry as one of the sectors that will contribute significantly to industrialization (Schulz, 2012). The hotel industry has seen customer satisfaction as a critical marketing tactic in differentiating itself from its competitors, and therefore a heightened understanding of a guest preference and total worth will enhance the guest experience and maximize hotel revenue.

1.3 Statement of the Research Problem

According to Zeithaml, *et al.*, (2006), customers' approval of the firms quality of service can outcome into better business image of the hotel industries, thus leading to growth in its sales and profits. Min & Min, (1997) posits that competitiveness between hotels is increasing by day with every other organization and individuals investing in the industry, hence, the hotel managers are starting to realize that improving their brand image can become their competitive edge to remain afloat in the market. Loyalty and customer satisfaction have been attributed to the increased competition experienced by hotels.

Despite this available noble evidence in the industry, many hotels in the city are performing below bar or winding up all together. With the mass underperformance or the close-ups, revenues are lost, many rendered jobless and the whole value chain is negatively affected in one way or another. It's from this perspective that this study seeks to determine the influence of customer satisfaction as a mediator between brand image and customer loyalty in hospitality industry. This research sought to provide measures to be put in hotels in order to shift their strategy from customer acquisition to customer satisfaction.

1.4 Objectives of the Study

1.4.1 General Objective

The main objective of the study is to determine the mediating effect of customer satisfaction on relationship between brand image dimensions on customer loyalty within five-star rated hotels in Nairobi City.

1.4.2 Specific Objectives

- To determine the effect of functional image on customer loyalty in five-star rated hotels in Nairobi City
- 2. To examine the effect of symbolic image on customer loyalty in five-star rated hotels Nairobi City.
- To examine the effect of social image on customer loyalty in five-star rated hotels Nairobi City.
- 4. To determine the effect of appearance enhancement on customer loyalty in fivestar rated hotels Nairobi City.
- 5. To examine the mediating effect of customer satisfaction on the relationship between brand image and customer loyalty

1.5 Hypothesis of the Study

- H_01 : There is no significant relationship between functional image on customer loyalty within five-star rated hotels in Nairobi City.
- H_02 : There is no significant relationship between symbolic image on customer loyalty within five-star rated hotels in Nairobi City.
- H_03 : There is no significant relationship between social image on customer loyalty within five-star rated hotels in Nairobi City.
- H_04 : There is no significant relationship between appearance enhancements on customer loyalty within five-star rated hotels in Nairobi City.
- H_05 : There is no significant relationship between mediating effect on customer satisfaction on customer loyalty within five-star rated hotels in Nairobi City.

1.6 Significance of the Study

The study findings would contribute to existing literature in two ways; first, the research provides useful insights regarding the effects of brand image dimensions on customer satisfaction and loyalty in the hospitality sector in Kenya. This enhances the role played by the management regarding decision making that they make regarding the brand image and customer satisfaction. On a larger scale, the results of this research clarify and enrich the concept of hotel image about customer satisfaction in the hotel industry and develop a sustainable approach which can boost productivity among hotel employees through a comprehensive strategy. Secondly, the study provides valuable insights to practitioners on how managers affect implementation of the image in the hotel industry. This assists in the development of appropriate policies that can aid managers and employees improve customer satisfaction.

1.7 Scope of the Study

The study focused on the mediating effect of customer satisfaction between brand image and customer loyalty among in five star rated hotels in Nairobi City. The study focused on four main brand image dimensions namely functional image, symbolic image, social image and appearance enhances image. The targeted population was customers, data collected by using questionnaire where customers were the key informants. The study was carried out for three months (August- October 2018).

1.8 Assumptions of the Study

The research took some assumptions which facilitated the research. First, it is anticipated that in any particular instance, there are a significant number of customers in the hotels selected. This assists the researcher in obtaining relevant information from the research participants concerning customer satisfaction. Secondly, the research assumes that the customers are in a position to provide relevant data to the research. Thirdly, the hotels selected for the research are adequately represented.

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter presents relevant literature regarding the effects of the brand image on customer satisfaction and loyalty. The sections included in this chapter based on literature the concept of customer satisfaction, the concept of hotel image, theoretical framework and the factors affecting image. The chapter concludes by examining the existing gaps and what it intends to contribute to the efforts of past researchers.

2.2 Concept of Customer loyalty

Brand Image and satisfaction contributes to the loyalty intention (Nichay Kumar & shiplap (2014). With loyal customers company will get customers willing to purchase more frequently, customers willing to spend more money on products and services. The loyal customers also recommend products and services to others. Loyalty is used as barrier to change to different brands and these repeat actions can be based on inertia that generates not to switch to other brands (Reichheld, 2003).

Attitudinal loyalty tells how customer's psychology will work in suggesting brand to others and behavioral loyalty indicates actual repeat purchase behavior (Reichheld, 2003). He also suggested that despite of situational influence and marketing efforts customers will not switch to other brands if deep commitment and loyalty is there to repurchase particular preferred brand in future. According to Jacoby and Chestnut, (2010) defined brand loyalty as basically, behavioral reaction articulated in authenticated in due course by some decision making unit with regard one or more brands out of a group of brands and is a function of psychological processes. Brand loyalty is a dedication of customer to the brand to purchase it over and over despite the influence of different marketing of the competitors or other brands that may cause switching behavior. Brand loyalty can be examined under repurchase, price indifference and cross-buying behavior different approaches like attitudinal approach, behavioral. Nonetheless, some researchers also say that even approach or the compound approach. Behavioral satisfied customers are deficient as they claim to be satisfied by a certain brand. The attitudinal loyalty consists of the purchase preferences, dedication or purchase intention of the consumer (Bondesson, 2012).

On the other hand researchers using the composite approach believe that both behavioral and attitudinal approaches are the best ways to measure brand loyalty. According to a research with loyal customers, companies can increase profits because loyal customers are willing to Purchase more often, Pay out money on trying fresh products, and also recommend products and services to others. Loyal customers will also give companies sincere suggestions.

2.3 Concept of Customer Satisfaction

Oliver (2014) defined customer satisfaction in terms of the response obtained from a customer when they are fulfilled with a particular product or service offered. On the other hand, Mohammadian & Mohammad (2010) eluded it as a judgment awarded to a product or service features that provides some level of consumption-related satisfaction including levels of under-or over-fulfillment.

Prior studies on customer satisfaction emphasized on the effects of expectations, performances disconfirmation of expectations, and equity on satisfaction (Kariuki, 2015). Yin (2010) perceived the expectations of customers in terms of pre-trial beliefs regarding a product which works towards a reference point or standard against which product presentation is judged. The paradigm of expectancy disconfirmation recommends that customers are satisfied if the products or services perform better than their expectation, dissatisfied if expectations of customers exceeded real performance from the products or services (Oliver, 2014).

Other researchers have identified some potential predictors of satisfaction like service/products quality, service hospitality experiences design, perceived value, retail store image and customer relationship benefits (Chen & Hu, 2010). They further note that customers can obtain satisfaction from overall service or product; particular performance of the product; representatives of the company or department and post-purchase and prepurchase relationships generated by a company with their customers. It is a judgment that a product or service feature, or the product or service itself, provided or is providing a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment.

Previous research on consumer's satisfaction focused primarily on the effects of expectations, disconfirmation of expectations, performance, affect, and equity on satisfaction (Szymanski & Henard, 2001). The importance of expectations has been acknowledged in previous studies on customer's satisfaction. Customer's expectations are pre-trial beliefs about a product that functions as comparison standards or reference points against which product performance is judged. The expectancy disconfirmation

paradigm suggests that consumers are satisfied when the product performs better than expected positive disconfirmation, dissatisfied when consumers' expectations exceeded actual product performance negative disconfirmation and neutral satisfaction when the product performance matches expectations. Several researchers have explored different types of alternative comparison standards beside expectations such as experience-based norms standards that have been tested empirically in customer's satisfaction/ dissatisfaction research (Chi & Qu, 2009; Alnaser et al., 2017).

Apart from those comparative standards perceived as antecedents of satisfaction, other researchers have explored with few potential predictors of satisfaction. These include product/service quality (Jayasundara, 2011; Lu *et al.*, 2015) ; perceived value (Yang & Peterson, 2004); service hospitality experiences design (Pullman & Gross, 2004); consumer relationship benefits. Customers are likely to be affected psychologically by the decisions of the marketing organization, such as customer satisfaction, perceived service quality, perceived value, trust, and commitment. The concept of overall evaluations is often used by specific manufacturers to explain the knowledge and experiences of customers briefly and then lead them to follow actions. For decades, customer behaviors have been predicted by overall customer satisfaction.

Kotler & Keller (2006) suggested that the satisfaction of a customer depended on the performance of the goods conform to the expectation of the customer after purchasing. Voorhees et al.(2017) argued that the outcome such activities encountered by the customers emphasize the critical role of a precise understanding of the service experience. In relation to this, Bofulo (2015) pointed out that ability of an enterprise to provide quality products and at the same satisfy the diverse needs of its customers is

solely grounded on an evaluation of the products and service from the customer's past experiences. Through a contextual analysis, Archakova (2013) supported these findings when he discovered that customer satisfaction and service quality are considered as the necessary tools which support an enterprise in terms of enhancing its operations, creating profits, and attain customer retention. This suggests that when customers are shown better satisfaction with the service quality, there is a high probability of them coming back. In a study conducted by the National Business Research Institute (NBRI), they came up with some dimensions which can be utilized to evaluate customer satisfaction.

These include the quality of service, innocence, the pace at which service offered, cost, grievances offered, confidence bestowed in the workers, other services need in the enterprise and the customer's experiences (Agbor, 2011). Rao (2012) categorized customer satisfaction into two main classes based on methodological differences. These include the transaction-specific and cumulative. The former indicates that customer satisfaction is considered as a post-assessment of a specific purchase event while the latter examines the aggregate purchase and consumption experiences concerning a particular product over a certain duration.

Literature has accumulated a vast body of knowledge related to transaction-specific customer satisfaction from the perspective of an individual (Agbor, 2011). In this research, cumulative customer satisfaction is perceived to be more critical as compared to transaction-specific in determining the relationship between customer satisfaction and hotel image.

2.4 Concept of Brand Image Dimensions

Several types of research have examined what constitutes a brand image, and most of them agreed that it is the combination of several elements such as an individual's beliefs, their thoughts, and impressions held by a person concerning a particular item it (Selby, 2004) Countryman and Jang (2006) used impression in the hotel setting to connote guests' attitude toward a hotel. In spite of its use, in the definition, such a concept appears to be short-term-oriented compared to the brand image that is long-term-oriented (Kidwell & Martin, 2004).

One's impression of a hotel appears to be based on a reconnaissance of the environment while hotel image goes beyond mere reconnaissance to include all accumulated information, whether based on firsthand experiences or communication processes (Jani & Han (2014). On his part, Sasmita & Mohd Suki (2015) pointed out that a brand image is the set of beliefs, ideas, and impression that a person holds regarding an object. Further, Karuiki (2015) added that brand image is used to drive loyalty, brand equity, brand performance and purchasing habits of customers.Mohammadian & Ronaghi (2010) opine that in the present day business environment where there are many products of one category that is not significantly different from each other; brands are what cause essential distinctions and the preference for one product over the other.

These differences are so crucial that nowadays many market leaders view their brand as a means to create competitive advantages. The brand image can play a crucial role in the company's success by developing competitive advantages with brand performance and through non-brand related means. Perceived differences among products via branding deliver some benefits to the business companies which include building consistent quantity and income for a long time, resisting attack, getting a higher fair share, plus more importantly much better cash flow and earnings (Yovovich, 2008). Brand image performance refers to the relative measurement of a brand's success in the marketplace. For instance, it has been argued that market share is a measure of overall brand performance, as brand achievement is created with a significant market share (Keller and Lehmann, 2003). Indeed, successful brands like Coca-Cola, IBM, Samsung and Sony are witnessed as brand leaders that attain substantial market share within their segments. Therefore, market share has been commonly used in the marketing research as a reliable sign of brand success (Khan, 2016). Similarly, sales volume is also a measure of brand performance as it displays the level of direct earnings from prospects.

Brand image is indispensable for marketing where customers infer the quality of products by the brand image and are further stirred up the behavior of purchasing. Isoraite, (2018) defined a brand image as the material property associated with the brand, such as the product name and the packing, which could make profits or sense for customers and help or increase describing the characteristics. Alhaddad (2014) proposed a reducing conceptual model with the effects of brand image and brand attitude. Three routes, in the model, were proposed to connect to brand right directly through the brand image and the brand attitude, and indirectly from the brand attitude through the brand image.

Isoraite (2018) stated that most brand images were subjectively perceived image, which were interpreted from the rationality or the sensitivity of customers. In addition, the brand image did not exist in the technology, the function, and the product but affected is by relevant marketing programs, campaign context, and the characters of the accepters. Regarding the brand image, Sabbir, Mahmudul & Hussain (2012)) suggested that the

perception presented by the fact would be more important than the fact itself. Isoraite (2018) also held the view that brand image incorporated customers' responses to brand name, sign, or impression and also represented the symbol of the product quality. On the contrary, Wilson *et al.* (2004) considered the brand image as a set of assets and liabilities linked with brand name and sign that the assets and liabilities increased or reduced the value by the enterprise providing products or services for customers. Brand image included the customer responses to the brand name, sign or impression, and also represented the symbol of brand image include:

2.4.1 Effect of Functional Image on customer loyalty

Sondoh *et al.* (2007) associated to the functional form of a brand image with inherent benefits of consuming a particular product characterized by specific attributes. This suggests that customers develop an impression about a product associated with specific features that are measurable. Trott & Sople (2016) also perceived it in terms of the aspects which encourage the customers to earnestly look for items that can resolve most of their consumption-related issues.

According to Owino (2013) these impressions are perceived in terms of the experiences in a firm, developed, the meaning is added and used to reconstruct the brand image of a firm. There are various researches which have been conducted regarding the role of functional image and customer satisfaction. For instance, Lu *et al.*, (2015) explored the existing link between the functional image and customer satisfaction in the leisure industry and discovered that there was a significant relationship based on the demographic elements. Similarly, Kamuruchi (2016) investigated the association that existed between functional image and client satisfaction among audit firms. Using the servqual model to evaluate the perceptions of 500 listed firms in the stock exchange, the results indicated that the firms were more satisfied with the functional dimension as compared to other dimensions observed. Mackeviciute (2013) discovered that there is a definite impact of the functional image on both customer satisfaction and customer's perception. Abd-El-Salam *et al.*, (2013) examined the impact of the functional image on customer satisfaction and also discovered a positive relationship existed between functional image and customer satisfaction.

Their findings were grounded in the argument that functional image can positively influence the relationship between the perceived service quality and customer satisfaction. To arrive at these results, they relied on two models that is to examine how customer satisfaction influences the perceived functional image, and customer loyalty and on the other hand, how customer satisfaction mediates the relationship between trust and customer loyalty.

2.4.2 Effect of Symbolic Image on customer loyalty

Sondoh *et al.*, (2007) associated the symbolic dimensions of the brand image in terms of the fundamental requirements which need support from the social circles or the individual idioms that directly add value and do not match any particular features of a product. Tsai (2005) in Sondoh *et al.*, (2007) discovered that several dimensions of the brand image including symbolic image were significantly related to re-purchase intention from the customer's perspective. The importance of examining the main factors affecting brand symbolism is determined by the extent to which brand symbolism develops value. According to Gupta & Zeithaml (2006), corporate brand symbolism leads to customer satisfaction and loyalty which significantly contributes to the firm's financial

performance. Various researches which have been conducted regarding the role of brand symbolism and customer satisfaction and majority of the studies obtained varying outcomes. Anisimova (2015) concentrated on the symbolic image when he examined consumer satisfaction and its impacts on customer loyalty. The results indicated that symbolic consumption benefits to be the antecedent of consumer satisfaction. Peters, Haan & Scholz (2014) and Anisimova (2016) discovered that symbolic image adversely affected personal behavior and valence when purchasing vehicles suggesting that behavior portrayed by the consumer impacted in brand loyalty.

Through the Klocke's study, the critical role of social symbolism regarding the behavior with the intent to purchase a product suggests that its impact on the purchase was not examined (Anisimova, 2015). Schembri, Merrilees & Kristiansen (2010) emphasized that customers use different brands and their symbolic images in different ways. From these studies, it can be noted there are different outcomes regarding the use of the symbolic image on the impact of customer satisfaction on loyalty and brand.

Thus, there is a need to evaluate the association between brand functionality, the use of idioms and other factors such as brand attitudes, purchase intention, and purchase behavior. Empirical evidence suggests that symbolic image significantly affects customer satisfaction which tends to lead to customer loyalty from the perspective of the retailing industry (Sondoh *et al.*, 2007). However, the effect of the symbolic image on customer satisfaction needs an entire examination of the conflicting results.

2.4.3 Effect of Social Image on customer loyalty

Sweeney & Soutar (2001) perceived the social image in terms of the decision made by the customer on whether to use a particular product or not. This was supported by Zhang (2015) when they cited that the existing relationship between the social image of a particular brand and customer's self-image promote the significant association of customer satisfaction to the preference of customers. In a competitive environment where firms compete for customers, it is essential to concentrate on meeting and managing customer satisfaction.

Various researches have been conducted regarding the role of the social image on customer satisfaction. For instance, Reynolds & Beatty (1999) cited in Sondoh *et al.*, (2007) found out that when consumers are associated with a more significant social image and functionality, they are more loyal to the salesperson of a specific firm. Furthermore, the strategic importance of customer satisfaction for organizations is even more highlighted. Social media is utilized to increase the awareness and participation of customers on brands around the globe (Oyza & Edwin, 2015). When firms incorporate social media programs in their marketing, their expected outcome is to improve the interaction with their clients and increase their sales as a result of improved customer satisfaction.

According to Pozin (2014), social media is essential for branding, acquisition, and retention. Through social networking sites, brands may have direct conversations and interactions with individuals hence creating more customer satisfaction (Chege, 2017). This interaction may strengthen customer satisfaction towards a particular brand that is actively participating in conversations on social media. Similarly, word-of-mouth exists

in social media in the same way it exists in real life, but the difference is that the reach of one consumer's opinions is exponentially higher than it would be outside of social media (Jokinen, 2016). This implies that negative word-of-mouth could have far-reaching consequences for a brand.

According to Turban et al. (2008), social image permits a precise targeting of a desired demographic or target market. For instance, discussion forums often serve some specific group of people, and sub-categories allow targeting subgroups of subgroups. Facebook is one of the social media platforms that have developed the targeting capability in advertising on their platform to a great extent, and it is a crucial factor to their business model. On Facebook, the advertiser can quickly and accurately target their advertisements based on segments including but not limited to age, gender, geolocation, and interests (Facebook 2015). The measurability social media and the data it provides is a huge advantage because it creates more customer satisfaction

2.4.4 Effect of Appearance enhancement image on customer loyalty

According to Sondoh *et al.*,(2007), they categorized the appearance enhancement of brand image into two main groups namely the product-related and the non-product-related characteristics. In the later, they suggested that it includes all the external features of an item that is associated with its purchase or use by the consumer. On the other hand, the product-related characteristics were considered as the necessary raw materials which are needed for a functional item sought by the customer. This suggests that a definite image appearance contributes to enhancing customer satisfaction and loyalty, which has great roles in building a strong brand image of a company. Therefore, image appearance is essential for firms to gain customer satisfaction, which leads to organizational

efficiency (Neupane, 2015). Various researches have been conducted regarding the role of appearance enhancement and its effects on customer satisfaction and customer loyalty. Most of these studies have provided divergent results concerning the relationship between appearance enhancement, customer satisfaction, and customer loyalty. For instance, Upamannyu & Sankpal (2014) explored the relationship between appearance enhancement and discovered that there was no significant association among them. This was contrary to the results obtained by Lahap *et al.*, (2016) and Setiawan & Sayuti (2017).

They discovered that customer satisfaction and appearance enhancement together with organizational performance significantly demonstrated the variance of customer loyalty. According to Neupane (2015), when the appearance enhancement is done beyond average, this tends to lead to more commitment from the customers. This also implies that there is a higher price tolerance, which develops higher brand loyalty. If there is a favorable brand image appearance then proactive public relation obtained by customers is more congruent to organizational reputations, and customers are well capable of maintaining positive attitudes, beliefs, and behaviors.

Consequently, the favorable brand image appearance can increase public relation effects and enhance customer satisfaction. Conversely, unfavorable brand image leads to an inverse influence on other brand associations which might be because of lack of customers' trust in the company. A negative behavior may also come from skepticism over a company's fairness and honesty while performing public relations activities (Neupane, 2015).

2.5 Theoretical Framework

The study was operationalized with the following theories

2.5.1 Brand Relationship Theory

This research is guided the brand relationship theory. It was advanced by O'Donohoe & Tuncay Zayer (2012) when they examined the existing relationships among human beings. The theory is based on the idea that consumers tend to redefine the brand relationship from their own individual perspectives indicating that the brand relationship and relational value are personalized in the minds of consumers. Customers generate individual relationships based on their perception of brand value, brand meaning, and their experiences. Therefore, the theory advocates that if a significant relationship exists between the image of the brand and the customer's self-image, then it can be deduced that there is a high probability of customer's intent to purchase and the brand assessment (Sadeghi & Rad (2012).

According to Kariuki (2015), consumers tend to develop a particular brand using some correspondences with other parties. Prior research has also explored the personal component of the relationship between a brand and its customers. Lindberg-Repo *et al.*, (2009) examined the nature of relationships that exist between customers and companies.

The results from their study indicated that the relationship between quality and brand was considered as multifaceted and consisted of five dimensions namely self-concept connection, commitment or nostalgic attachment, behavioral interdependence, love/passion, intimacy, and brand-partner quality. They suggested the following typology of metaphors to represent common customer-brand relationships: arranged marriages, casual friends/buddies, marriages of convenience, committed partnerships, best friendships, compartmentalized friendships, kinships, rebounds/avoidance-driven relationships, childhood friendships, courtships, dependencies, flings, enmities, secret affairs, and enslavements(Lindberg *et al.*, 2009). While this typology contains most positive relationships, it may overlook a range of adverse aspects such as adversary and neutral, e.g., trading partner ones.

Ailawadi & Keller (2004) performed a two-month longitudinal study which attempted to establish the relationship between consumers and brands. The results indicated that two factors namely the features and the personality of the brand had a significant influence on developmental form and dynamics.From the theory, the social recognition function is grounded in the ability of a brand to operate as a correspondence tool permitting the customer to portray their expectations or to disassociate themselves with a particular brand. This suggests that customers portray a significant relationship with brands which assume an excellent reputation as opposed to those which do not. On the contrary, the function of the brand illustrates the ideas and thoughts behind a particular brand from a customer's perspective.

2.5.2 Information Integration Theory

Information integration theory describes the process by which stimuli are combined to form beliefs or attitudes (Anderson 1981). According to information integration theory, attitudes or beliefs are formed and modified as people receive, interpret, evaluate, and then integrate stimulus information with existing beliefs or attitudes. Moreover, the more salient or accessible a brand attitude, the more likely it is that the individual will access that attitude upon observing cues associated with the brand (Fazio, 1989) and will bias information processing in a direction implied by the valence of those attitudes (Fazio and Williams 1986; Houston and Fazio 1989).Similarly, consumer researchers have long known that judgments of a product or service are influenced by the perceptual or evaluative characteristics of material in close proximity, which are generally referred to as context effects (Lynch, Chakravarti, and Mitra 2009), so that judgments about the brand alliance are likely to be affected by prior attitudes toward each brand, and subsequent judgments about each brand re likely to be affected by the context of the other brand. The brand alliance stimulus information, presented through advertising or by experiencing it directly, accesses related affect and beliefs about those brands and products that are stored in memory

According to Sadeghi and Rad (2012) the function of a brand can be perceived in five main dimensions namely the symbol reflection based on social approval, restrictions offered to a limited number of individuals, the role played by emotional experience and technical support provided. On the other hand, Sondoh *et al.*, (2007) examined five dimensions of the brand image which affected the customer satisfaction and loyalty from the perspective of a cosmetic item.

These dimensions consist of the function, the symbolic aspect, the social aspects, the experience of the customer and the ability to improve the appearance of a brand. The results indicated that all the dimensions significantly affected customer satisfaction except the experience of the customer. The research also discovered that there was a significant relationship between customer satisfaction and loyalty. The study recommended that there is need to invest heavily in these four dimensions to enhance

customer loyalty and brand image. Based on this information, the research adopts these four dimensions of the brand image to determine its effect on customer satisfaction.

2.6 Conceptual Framework

Based on the theoretical and empirical review performed concerning the subject matter, the researcher proposes that the customers' attitude on the brand image can be effectively expressed basing on the four dimensions. The distinct dimensions of the brand image (functional, symbolic, social and appearance enhancement) represent a brand image and their respective benefits which a customer can gain from a product. These may eventually influence customer satisfaction, and in turn, significantly lead to loyalty.

Figure 2.1 shows the link between independent variables which are the four dimensions of the brand image (functional, symbolic, social and appearance enhancement) and the dependent variables (customer loyalty) while the mediator (customer satisfaction). Based on the conceptual framework figure 2.1 below, it can be noted that the four independent variables were used to evaluate its effect on dependent variable. The study gathered data related to the customer satisfaction and customer loyalty to determine how one affects the other one.

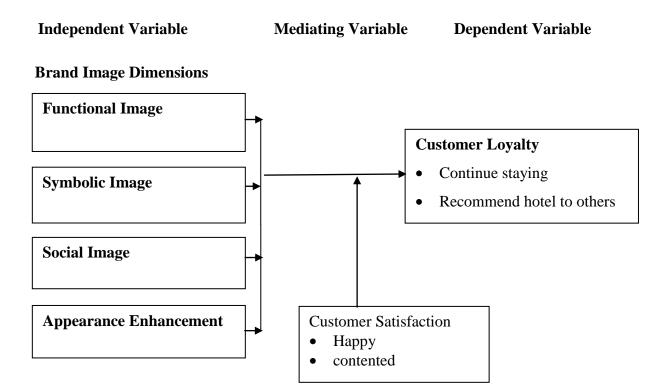


Figure 1: Conceptual Framework

Source: Adopted and modified from Sondoh et al.,(2007)

CHAPTER THREE

METHODOLOGY

3.1 Overview

This chapter focuses on methods and procedures used in gathering and examining the data. The sections presented in this chapter include the study area, research design, target population, population sample, sampling design, research instrument, validity and reliability, data collection techniques, data analysis, and ethical considerations to be used for the research study.

3.2 Study Area

The study was conducted in Nairobi, Kenya; the City covers an area of 692km² at about 1,661m above sea level. It has a population of approximately 3,183,295 (National census, 2009). A substantial part of Nairobi's economy is driven by different types of business activities ranging from international to local which support tourism activities. This intensifies competition among the hotels in an effort to improve their business performance and brand image. These tour places of Nairobi include: Parliament Building, the City Market, the National Museum, National Park the only City with a park within town, the Giraffe Centre, and the Karen Blixen Museum.

The city offers a well-developed infrastructure, the finest five star rated hotels, and international foods. It also hosts numerous international conferences, trade exhibitions, conventions, and meetings. The city is endowed with influential hotels and top-rated tour companies. It has a vast range of accommodation to suit budgets of different clientele, their tastes, and preferences. The researcher chose to conduct the study in this area because it has many five star hotels which have a significant number of employees and customers. Thus this gives the view that the area adequately addressed the concerns of the study.

3.3 Research Design

The 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. It is the conceptual structure within which research is conducted and constitutes the blueprint for the collection, measurement, and analysis of data (Labaree, 2009). The researcher used Explanatory design, which seeks to establish the relationship between brand image and customer loyalty. The study used hypotheses and also intends to discover ideas and insights.

3.4 Target Population

A population is the entire group of individuals, events or objects having common observable characteristics (Ritchie *et al.*, 2013). The study targeted Five Star Rated Hotels based on 1019 number of rooms they include Sankara Nairobi, New Stanley Hotel, Fairmont the Norfolk, Nairobi Serena Hotel and InterContinental Nairobi (Trip Advisor, 2018). The five hotels were selected because they are highly competitive and are all located in Central Business District. The study used Schall (2003) formula to estimate the guest population as shown below.

$Target Population = \frac{(Number of rooms) \times (30 nights) \times (occupancy rate)}{Average length of stay}$

The total number of rooms from 5-star hotels was 1019. The occupancy rate then was 55%, and the average length of stay was three days. Using the formula shown below:

$$5605 = \frac{(1019) \times (30) \times (0.55)}{3}$$

The target population was therefore; = 5605 as shown in Table 3.1 below;

Hotel	Number of rooms	Target Population
Sankara Nairobi	150	825
New Stanley Hotel	200	1100
Fairmont The Norfolk	170	935
Nairobi Serena Hotel	183	1007
InterContinental Nairobi	316	1738
Total	1019	5605

Table 1: Target Population

Source: (Trip Advisor, 2018)

3.5 Sampling Design and Procedure

The sampling procedure is the process of deriving a sample from a given population. This was done with a profound appreciation of the characteristics of the population including size, distribution and other features that distinguish the elements in the population to ensure all aspects of a population are captured in the selected sample. Systematic sampling technique was used to determine the number of respondents to participate in the research process.

3.5.1 Sample Size

Sampling is the process of selecting a number of individuals for a study in such a way that the individuals selected represent the large group from which they were selected. The individuals selected form the sample (Nassiuma, 2000). The sample for the study was derived from the target population. The sample size was obtained using the following Nassiuma (2000) formula.

$$Nc^{2}/c^{2} + (N-1)e^{2} = n$$

Where, n=Sample size, N=Population, c=covariance, e= standard error

$$\frac{5605([0.3)]^2}{([0.3)]^2 + (5605 - 1)0.02^2} = \frac{504.45}{2.33} = 216$$

This sample was distributed as shown in Table 3.2.

Table 2: Sample Size

Hotel	Number Of Rooms	Target Population	Sample Size
Sankara Nairobi	150	825	32
New Stanley Hotel	200	1100	42
Fairmont The Norfolk	170	935	36
Nairobi Serena Hotel	183	1007	39
InterContinental Nairobi	316	1738	67
Total	1019	5605	216

Source: (Author, 2018)

3.6 Data Collection

Both primary and secondary data sources were employed in the study. Primary data was collected by administration of questionnaires to the customers while secondary data was obtained from previous research articles, journals, internet and publications.

3.7 Research Instruments

The researcher used questionnaires for data collection, since they are relatively quick to collect information from a large portion of a group. They were administered on a day that the hotel was less busy so that the customers get ample time to fill them.

3.7.1 Questionnaires

The questionnaires were designed for customers in the five-star hotels within Nairobi. The questionnaires were divided into five main areas with responses entered on a Likertscale response system ranging from strongly agree (5) to strongly disagree (1). A Likertscale response system is considered appropriate for this instrument as it allows participants to respond to each question with a degree of certainty instead of simply answering in a manner that makes it difficult to commit (Joshi *et al.*, 2015). Section A comprised questionnaires on brand image, customer satisfaction and customer loyalty. Amalgamating customer loyalty and employee's personality (Makomere & Ng'ang'a, 2018). The last section comprised demographic information of respondents. The sections contained subsets of Likert-scales and open-ended questions.

3.8 Validity and Reliability of Research Instruments

3.8.1 Validity of Research Instruments

Validity determines whether the research truly measures that which it was intended to measure or how accurate the research results are (Golafshani, 2003). Equally, it is the extent to which results obtained from the analysis of the data represents the phenomenon under study, Mugenda and Mugenda (1999). To determine and improve the validity of the questionnaire assistance was sought from the supervisors. This allowed the preparation of the final questionnaire to capture the needed data.

3.8.2 Reliability of Research Instruments

Reliability was measured using the Cronbach's Alpha at a level of 0.7%. In the opinion of Tavakol and Dennick (2011), the agreed upon lower limit for Cronbach's Alpha is =>0.70 but may decrease to =>0.60 in explanatory research and increase up to ≥ 0.80 in studies that require more stringent reliability. A pilot test was conducted to test the content validity of the data collection instruments. A five-star hotel in Nakuru County Sarova Woodlands hotel was used to conduct the pilot study, and it was not part of the hotels selected for the actual study where 20 customers were given the questionnaires. This region was used for piloting because the hotel would be compared with the other five star rated hotels and also to avoid bias.

3.9 Data Analysis

Data collected was analyzed using the statistical package for social sciences (SPSS) version 22. Descriptive and inferential statistics was used to analyze data. Descriptive statistics included mean mode and standard deviation. Multiple regressions used in the

analysis of the data to determine the effect of brand image in the hospitality industry. In addition, demographic information, such as gender, age, marital status, the educational level, and the income level, were tabulated using frequency and percentages. Furthermore, in order to describe the data, mean and standard deviations was calculated for each variable. The analyzed data was presented in tables.

Kothari, (2004) says the coefficients assume that there is linear relationship between the two variables and that the two variables are casually related which means that one of the variables is independent and the other is dependent.

The multiple regression models to be used in this study is given as;

 $y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$

Where:

Y = Customer Loyalty

 $\alpha = \text{constant.}$

 $\beta_1 \dots \beta_4$ = Coefficients of independent variables $X_1 \dots X_4$

 $X_1 =$ Functional image

 $X_2 =$ Symbolic image

 $X_3 = Social image$

 $X_4 =$ Appearance enhances image

3.9.1 Data Analysis Tools

In order to test the mediation effect, Bootstrapping was employed in SPSS following Hayes (2013). PROCESS macro for SPSS to compute the indirect effects model 4.Hayes' (2013) macro called PROCESS was used to test the indirect effects. Hayes, (2012) PROCESS macro is among the 'macros' and 'packages' developed to accommodate simple to complicated models using the latest techniques.. Using an illustration, mediation can be depicted in the following way:

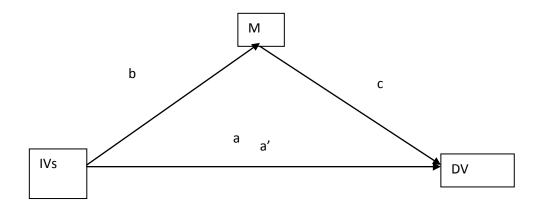


Figure 2 Mediation Model

Source; (Hayes, 2013)

Where IV is the independent variable, M is the mediating variable, DV is the dependent variable. The paths (coefficients) are denoted by b, c and a'. A summary of the four steps are presented in Table 3.3. In Table 3.3, the purpose of steps 1 - 3 is to establish that zero-order relationships among the variables exist. If one or more of these relationships are non-significant, researchers usually conclude that mediation is not possible or likely (although this is not always true, MacKinnon, Fairchild, &Fritz, 2007). A significant

relationship from steps 1 - 3, leads to step 4. Step 4 model, is necessary to ascertain if a full or partial mediation occurred. According to Baron and Kenny (1986) a full mediation occurs if the effect of mediating variable remains significant after controlling for independent variable. On the other hand, a partial mediation is deemed to occur if the relationship between the independent variable and the dependent variable is still significant after controlling for the effect of the mediating variable.

3.9.2 Assumptions of multiple regressions

The following were the assumptions that the data used in order to conduct the linear regression analysis:-

- Normality: It is assumed that the residuals of variables are normally distributed. That is, the errors in the prediction of value Y (the dependent variable) are distributed in a way that approaches the normal curve. This was tested by skewness and kurtosis.
- ii. Linearity: It is assumed that the relationship between the independent and dependent variables is linear. Scatter plots of the variables can help make this determination.
- iii. Homoscedasticity: At each level of the predictor variables(s), the variance of the residual terms should be constant.
- iv. Multi-collinearity: There was no perfect linear relationship between two or more of the predictors. So, the predictor variables were not correlate too highly thus it was be tested using variance inflation factor (VIF) and tolerance

3.10 Ethical Considerations

The study followed ethical procedures and considerations expected in the research process. All cited works in the current study were dully acknowledged. The study ensured that confidentiality and privacy of respondents was bestowed (Muita, 2012). The study did not disclose individuals' information to any third party whereas none of respondents' name was identified in the current study.

The study asked the respondents to volunteer to participate in the study by disclosing to them the purpose of the study. Participants were notified that they are free to withdraw in case they don't feel like participating (Mugenda & Mugenda, 2012). Finally I had an approval from NACOSTI which is the supreme body that permits one to do research.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter provides a presentation of research findings collected from the field. The information collected was presented in tabular forms. It provides findings on the effect of brand image on customer loyalty mediated by customer satisfaction among five star rated hotels in Nairobi City. This chapter opens with a section on the demographic description of participants who were involved in data collection. Then followed by reporting of data pertaining to the research objectives posed in this study, factor analysis, correlation and regression analysis was used to analyze data.

4.2 Response Rate

Response rate of survey is significant concern in a study because it ensures the questionnaires collected are valid for data analysis (Hair *et al.*, 2010). Response rate is defined by Hamilton (2009) as the percentage of respondents who participated in the survey from the sample size determined for the research.

The 216 questionnaires were distributed to respondents however, 200 were returned with the response rate of 92.6%, although, out of the 200 collected questionnaires only 192 were found to be useful for further analysis. This accounted for 88.9% valid response rate as shown in Table 3 below. According to Sekaran and Bougie (2010), response rate of at least 30% is acceptable for surveys.

Frequency/rate
216
200
192
8
16
92.6
88.9

Table 3: Response Rate of the Questionnaires

4.3 Demographic Characteristics and Personal information of Respondents

The study sought to establish the personal characteristics of the respondents. Based on the results, majority (52.1%) were male while 47.9% were female. From the study, the age of the respondents was that 26% (50) of the respondents was below 25 years, 20.8% (40) were in the 26 to 30 age brackets, 18.8% (36) were between 31 to 35 years of age,8.3% (16) were between 36to 40 years while 26.1% (50) of the respondents were over 40 years of age.

The bulk of hotel customers were those below 25 years and those over 40 years of age. Concerning length of stay, 25%(48) was1to3times,23.4% (45) 4 to 6 times,23.4%(45) had 7 to 9 times,9.4% (18) was 10 to 12 times, while 18.7%(36) had a length of above 12 times. With respect to the number of times the respondents had visited the hotel, 39.6% (76) had visited the hotel once, 22.4% (43) twice, 16.7% (32) three times, 7.8% (15) of them have visited the hotel four times while 13.5% (26) of the respondents have visited the hotel five times.

Overall, most of the respondents have visited the hotel either once or twice. In terms of occupation, the study established that 64.1% (123) of the respondents were self-employed, 18.2% (35) are unemployed and 17.7% (34) are self-employed. Judging by the responses, majority of the customers in five star rated hotels in Nairobi City are in employed.

Finally, the purpose of visit to the hotels is for leisure (56.8%) followed by conference/ training (18.8%), business (14.1%), adventure (6.8%) and wildlife safari (3.6%). The purpose of visit to the hotels is mainly for leisure hence the respondents are ideal in providing information on how brand image affects their customer loyalty. As shown on Table 4 below.

		Frequency	Percent
Gender:	Male	100	52.1
	Female	92	47.9
	Total	192	100
Age	below 25 yrs	50	26
C	26-30yrs	40	20.8
	31-35 yr	36	18.8
	36-40yr	16	8.3
	Above 40 yr	50	26.1
	Total	192	100
length of stay in this hotel	1-3 times	48	25
0	4-6 times	45	23.4
	7-9 times	45	23.4
	10-12 times	18	9.4
	above 12 times	36	18.7
	Total	192	100
times visited this hotel	Once	76	39.6
	Twice	43	22.4
	Three times	32	16.7
	Four times	15	7.8
	Five times	26	13.5
	Total	192	100
Occupation	Employed	123	64.1
-	Unemployed	35	18.2
	Self employed	34	17.7
	Total	192	100
purpose of visit	Leisure	109	56.8
	Business	27	14.1
	Conference/training	36	18.8
	Adventure	13	6.8
	Wildlife Safari	7	3.6
	Total	192	100

 Table 4: Demographic Characteristics and Personal Information

4.4 Descriptive Results for the Study Variables

The study variables were, functional image, symbolic image, social image, appearance enhancement image, customer satisfaction as mediator and customer loyalty as dependent variable.

4.4.1 Functional image

The first objective of the study was to determine the effect of functional image on customer loyalty among five star rated hotels. Basing on the results, 56.3% (108) strongly agreed that the hotel performs as promised, 37.5% (72) agreed on the same though 6.3% (12) of the respondents were undecided. The item had a mean of 4.5 and a standard deviation of 0.6 a clear indication that hotels deliver as promised to customers.

When asked if they like the hotel because it makes them feel beautiful, 36.5% (70) of the respondents strongly agreed, 46.4% (89) agreed though 12% (23) were neutral. Evidently, most of the respondents like the 5-star hotels because it makes them feel beautiful. This was confirmed by a mean of 4.1 and standard deviation of 1. Further, 39.1% (75) of the respondents strongly agreed that the hotel is dependable as they say, 47.9% (92) agreed, 1.6% (3) disagreed while 9.9% (19) were undecided. The item had a mean of 4.2 and a standard deviation of 0.8 which confirmed that the respondents find the hotels dependable.

The respondents were also asked to comment on the reliability of the hotel. The results indicated that 49% (94) of the respondents agreed that they have a preference towards the hotel because their service is reliable, 46.9% (90)) agreed though 3.6% (7) were undecided. The item had a mean of 4.4 and a standard deviation of 0.6. The implication is that, customers have a preference towards the 5-star hotels because their services are reliable.

Finally, 48.4% (93) of the respondents strongly agreed that they prefer the hotel because of the high-quality services it offers, 40.6% (78) of them agreed while 10.9% (21) were undecided. The results suggest that the hotels offer high quality services. With a mean of 4.4 and a standard deviation of 0.7. In a nutshell, the results on functional image had an aggregate mean of 4.0, standard deviation of 0.8, skewness of -1.2 and kurtosis of 1.1. The results indicate that the respondents were agreeable on majority of the items on functional image, as shown on Table 5 below.

									~	
		SD	D	NS	А	SA	Μ	S/.D	Ske vness	Ku 'tosis
I like this hotel		52	Ľ	110		011	1,1	0/12	THESS	00010
because they										
perform as they										
promise	F	0.0	0.0	12.0	72.0	108.0	4.5	0.6	-0.8	-0.3
	%	0.0	0.0	6.3	37.5	56.3				
I like this hotel										
because they makes										
me feel beautiful	F	9.0	1.0	23.0	89.0	70.0	4.1	1.0	-1.5	2.8
	%	4.7	0.5	12.0	46.4	36.5				
My hotel is										
dependable as they										
say	F	3.0	3.0	19.0	92.0	75.0	4.2	0.8	-1.3	2.9
	%	1.6	1.6	9.9	47.9	39.1				
I prefer this hotel										
because their service										
are reliable	F	0.0	1.0	7.0	90.0	94.0	4.4	0.6	-0.7	0.4
	%	0.0	0.5	3.6	46.9	49.0				
I prefer this hotel because they have										
high quality services	F	0.0	0.0	21.0	78.0	93.0	4.4	0.7	-0.6	-0.7
	%	0.0	0.0	10.9	40.6	48.4				
Functional Image							4.0	0.8	-1.2	1.1

Table 5: Functional image

4.4.2 Symbolic Image

The second objective of the study sought to examine the effect of symbolic image on customer loyalty among five star rated hotels. The results from the study revealed that, 33.9% (65) of the respondents strongly agreed that they prefer coming to the hotel because it prevents them from looking cheap, 24.5% (47) of them agreed, 10.9% (21) strongly disagreed, 15.6% (30) disagreed while 15.1% (29) were undecided. The item had a mean of 3.6 and a standard deviation of 1.4. The results suggest that most of the respondents come to the hotel because it prevents them from looking cheap.

To find out if the respondents prefer coming to the hotel because it enhances the perception that they have desirable lifestyle, the respondents were asked to respond accordingly. The results indicated that 14.6% (28) of the respondents strongly agreed that the hotel enhances the perception that they have desirable lifestyle, 38% (73) of them agreed, 7.3% (14) strongly disagreed, 12% (23) disagreed while 28.1% (54) were undecided. The implication is that not all of the respondents come to the hotel because it enhances the perception they have desirable lifestyle. The item revealed a mean of 3.4 and a standard deviation of 1.1.

Regarding whether the respondents come to the hotel because it makes them feel better fit into their social group, 25.5% (49) of the respondents strongly affirmed these assertions, 35.9% (69) agreed, 6.8% (13) strongly disagreed, 17.2% (33) disagreed while 14.6% (28) of the respondents were neutral. The results suggest that most of the respondents come to the hotel because it makes them feel better fit into their social group. This has been confirmed by a mean of 3.6 and a standard deviation of 1.2.

Further, 27.6% (53) of the respondents strongly agreed that coming to the hotel gives them a sense of belonging, 33.3% (64) of them agreed, 24.5% (47) disagreed though 13.5% (26) of the respondents were undecided. Overall, coming to the hotel gives most of the respondents a sense of belonging. This is supported by a mean of 3.6 and a standard deviation of 1.2.

Finally, 20.3% (39) of the respondents strongly agreed that they prefer coming to the hotel since prominent people in the society are regulars,26.6% (51) of them agreed, 15.1% (29) of them strongly disagreed, 19.3% (37) of them disagreed while 18.8% (36) were neutral. The results summed up to a mean of 3.2 and standard deviation of 0.9. The implication is that the respondents visit the hotel not solely because prominent people in the society visit.

Generally, the results on symbolic image had an aggregate mean of 3.7, standard deviation of 0.9, skewness of -0.9 and kurtosis of 0.3. This is an indication that the respondents were not agreeable on all items on symbolic image, the information is illustrated on Table 6 below.

Table 6: Symbolic Image

		SD	D	NS	A	SA	М	S/ D	Skewnes s	Ku rto sis
I prefer coming to										
this hotel because it										
prevents me from										
looking cheap	F	21.0	30.0	29.0	47.0	65.0	3.6	1.4	-0.5	-1.
	%	10.9	15.6	15.1	24.5	33.9				
I prefer coming to										
this hotel because										
they enhances the										
perception that I										
have desirable	-									
lifestyle	F	14.0	23.0	54.0	73.0	28.0	3.4	1.1	-0.5	-0.
	%	7.3	12.0	28.1	38.0	14.6				
I prefer coming to										
this hotel because										
they make me feel										
better fit into my	Б	12.0	22.0	•••	60.0	10.0	2.6	1.0	0.6	0
social group	F %	13.0	33.0	28.0	69.0	49.0	3.6	1.2	-0.6	-0.
Coming to this	%0	6.8	17.2	14.6	35.9	25.5				
Coming to this hotel make be a										
sense of belonging	F	2.0	47.0	26.0	(10	52.0	20	1.0	0.2	1
sense of belonging	1 [.]	2.0 1.0	47.0 24.5	26.0 13.5	64.0 33.3	53.0 27.6	3.6	1.2	-0.3	-1.
I prefer coming to	70	1.0	24.3	15.5	33.3	27.0				
this hotel since										
most prominent in										
the society come										
here	F	29.0	37.0	36.0	51.0	39.0	3.2	1.4	-0.2	-1.
	%	15.1	19.3	18.8	26.6	20.3	5.2	1.7	0.2	1.
Symbolic Image		1011	17.0	10.0	_0.0	20.0	3.7	0.9	-0.9	0.3

4.4.3 Social Image

The third objective of the study sought to examine the effect of social image on customer loyalty among five star rated hotels. The respondents were asked whether they like the hotel because it makes them feel accepted. The findings were 32.8% (63) of them strongly agreed that the hotel makes them feel accepted, 27.1% (52) of them agreed,

6.3% (12) disagreed while 31.8% (61) of the respondents were undecided. The item revealed a mean of 3.8 and standard deviation of 1 indicating that a significant number of the respondents like the hotel because it makes them feel accepted. To find out if the respondents like the hotel because it helps them feel highly recognized in the society. Results indicated that 20.3% (39) of the respondents strongly agreed that they like the hotel because it helps them feel highly recognized in the society, 24% (46) of them agreed, 18.8% (36) disagreed while 33.3% (64) were neutral. The results suggest that being highly recognized in the society is not a major reason why the respondents like the hotel. This is reiterated by a mean of 3.4 and standard deviation of 1.1.

The respondents were asked whether they like the hotel because it improves the way they are perceived by others. The findings were such that 8.3% (16) of the respondents strongly agreed,38.5% (74) agreed, 19.3% (37) disagreed while 28.1% (54) of the respondents were neutral. The item had a mean of 3.2 and standard deviation of 1 meaning that the respondents were not entirely in agreement. Further, 27.1% (52) of the respondents strongly agreed that whenever they come to the hotel, people highly respect them,16.7% (32) of them agreed,7.3% (14) strongly disagreed, 10.9% (21) disagreed while 38% (73) of them were undecided. The results summed up to a mean of 3.5 and standard deviation of 1.2 indicating that the respondents are respected whenever they come to the hotel.

Finally, 9.4% (18) of the respondents strongly agreed that whenever they come to the hotel, most people don't look down on them,26% (50) agreed,14.1% (27) disagreed while 36.5% (70) were undecided. The item revealed a mean of 3.0 and a standard deviation of

1.2 suggesting that it is unclear if most people down on the respondents whenever they visit the hotel.

Overall, social image had a mean of 3.5, standard deviation of 0.9, skewness of -0.7 and kurtosis of 0.5. The implication is that the respondents fairly agreed with the items on social image. Also, there were fewer variations in the responses as indicated by the standard deviation as shown on the Table 7 below.

								S/	Skew	Kur
		SD	D	NS	Α	SA	\mathbf{M}	5/ D	ness	tosis
I like this hotel		52		110		011	1.1	2	ness	00515
because it helps me										
feel accepted	F	4.0	12.0	61.0	52.0	63.0	3.8	1.0	-0.5	-0.5
Ĩ	%	2.1	6.3	31.8	27.1	32.8				
I like this hotel										
because it helps me										
feel highly										
recognized in the										
society	F	7.0	36.0	64.0	46.0	39.0	3.4	1.1	-0.1	-0.8
	%	3.6	18.8	33.3	24.0	20.3				
I like this hotel										
because it improves										
the way I am										
perceived by others	F	11.0	37.0	54.0	74.0	16.0	3.2	1.0	-0.4	-0.6
	%	5.7	19.3	28.1	38.5	8.3				
When I come to this										
hotel people highly										
respect me	F	14.0	21.0	73.0	32.0	52.0	3.5	1.2	-0.2	-0.7
	%	7.3	10.9	38.0	16.7	27.1				
When I come to this										
hotel most people										
will not look down										_
on me	F	27.0	27.0	70.0	50.0	18.0	3.0	1.2	-0.2	-0.6
~ • • •	%	14.1	14.1	36.5	26.0	9.4				
Social Image							3.5	0.9	-0.7	0.5

Table 7: Social Image

4.4.4 Appearance enhancement

The fourth objective of the study sought to determine the effect of appearance enhancement on customer loyalty among five star rated hotels. From the study it to found out it that visiting the hotel provides a solution to their expectation. 30.7% (59) strongly agreed, 37.5% (72) agreed, 7.3% (14) disagreed while 21.9% (42) of them were undecided. The item had a mean of 3.9 and standard deviation of 1 meaning that the respondents agreed.Regarding whether visiting the hotel makes a good impression of the respondents to other people, 18.8% (36) of the respondents strongly agreed, 42.2% (81) of them agreed, 15.1% (29) disagreed while 19.8% (38) of the respondents were neutral. The results were supported by a mean of 3.6 and a standard deviation of 1.1.

The respondents were also asked if using the service of the hotel is effective to their needs than other hotels. It showed 27.6% (53) of the respondents strongly agreed, 42.2% (81) of them agreed, 5.7% (11) disagreed while 23.4% (45) were undecided. With a mean of 3.9 and a standard deviation of 0.9. When asked if their choice to use the hotel has been a wise one, 30.2% (58) of the respondents strongly agreed, 51% (98) of them agreed while 18.8% (36) of the respondents were undecided. The results were corroborated by a mean of 4.1 and standard deviation of 0.7 a clear indication that there are no regrets with reference to the choice of the hotel.

Finally, 39.6% (76) of the respondents strongly agreed that the hotel does a good job of satisfying their needs, 39.1% (75) of them agreed, 7.3% (14) disagreed though 12% (23) of them were undecided. The results suggest that the hotel does a good job of satisfying customers' needs. This is supported by a mean of 4.1 and a standard deviation f 1.0verall, appearance enhancement image had a mean of 3.8, standard deviation of 0.8,

skewness of -0.7 and kurtosis of 0.3. The implication is that the respondents were agreeable on most items on appearance enhancement image. Besides, there were fewer variations in the responses as shown on Table 8 below.

		SD	D	NS	•	SA	м	S/ D	Skew	Kur
X7' '/' /1 ' 1 / 1		5D	D	IND	Α	SA	Μ	D	ness	tosis
Visiting this hotel					= 0					
provides a solution to					72.					
my expectation	F	5.0	14.0	42.0	0	59.0	3.9	1.0	-0.7	0.1
	%	2.6	7.3	21.9	37.	30.7				
Visiting this hotel makes a good										
impression of me on					81.					
other people	F	8.0	29.0	38.0	0	36.0	3.6	1.1	-0.6	-0.4
I I I	%	4.2	15.1	19.8	42.	18.8				
Using the service of this hotel is effective to my										
need than other hotels	F	2.0	11.0	45.0	81.	53.0	3.9	0.9	-0.6	0.0
	%	1.0	5.7	23.4	42.	27.6				
My choice to use this hotel has been a wise	, 0	110		2011						
one	F	0.0	0.0	36.0	98.	58.0	4.1	0.7	-0.2	-0.9
	%	0.0	0.0	18.8	51.	30.2				
This hotel does a good job of satisfying my	, -				• • •					
needs	F	4.0	14.0	23.0	75.	76.0	4.1	1.0	-1.1	0.8
	%	2.1	7.3	12.0	39.	39.6				
Appearance enhances in							3.8	0.8	-0.7	0.3

Table 8: Appearance enhancement

4.4.5 Customer Satisfaction

This section of the analysis highlights the results on customer satisfaction. The study enquired from the respondents whether the service is always prompt. Results indicated that 51.6% (99) strongly agreed, 41.7% (80) agreed, 1.6% (3) disagreed while 4.2% (8) were neutral. The results summed up to a mean of 4.4 and standard deviation of 0.7

indicating that the service is always prompt. To establish if the hotel gives fast attention to the problems and customer complaints, the respondents were asked to respond accordingly. The findings revealed that 51.6% (99) of the respondents strongly agreed, 41.1% (79) of them agreed while 6.8% (13) of the respondents were undecided. The item revealed a mean of 4.4 and standard deviation of 0.6 indicating that fast attention is given to customer complains. To ascertain whether the staff are enthusiastic to help customers. The results revealed that 64.1% (123) of the respondents strongly agreed, 29.7% (57) of them agreed while 5.2% (10) were undecided.

The mean for the item was 4.6 and the standard deviation 0.6 suggesting that the staffs are enthusiastic to help customers.Finally, 69.3% (133) of the respondents strongly agreed that the staff approach towards customers is friendly and ethical, 25% (48) of them agreed while 5.7% (11) were neutral. The item revealed a mean of 4.6 and standard deviation of 0.6 indicating that customers are approached in a friendly and ethical manner.

Overall, the mean for customer satisfaction was 4.4, standard deviation 0.7, skewness - 2.2 and kurtosis 1.3. There were less variations in the responses as indicated by the standard deviation. Also, the respondents were agreeable on most items on customer satisfaction, as shown on Table 9 below.

Table 9: Customer Satisfaction

		SD	D	NS	A	SA	М	S/D	Ske wne ss	Kur tosis
The service is		10		- 110		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
always prompt	F	2.0	3.0	8.0	80.0	99.0	4.4	0.7	-1.7	1.5
	%	1.0	1.6	4.2	41.7	51.6				
Give fast attention to the problems and customer										
complains.	F	0.0	1.0	13.0	79.0	99.0	4.4	0.6	-0.8	0.2
Ĩ	%	0.0	0.5	6.8	41.1	51.6				
Staff are enthusiastic to help customers	F	0.0	2.0	10.0	57.0	123.	4.6	0.6	-1.4	1.9
The staff approach towards customer is friendly and	%	0.0	1.0	5.2	29.7	64.1				
ethical	F	0.0	1.0	11.0	48.0	133.0	4.6	0.6	-1.4	0.9
	%	0.0	1.0	5.7	25.0	69.3				
Customer Satisfact	ion						4.4	0.7	-2.2	1.3

4.4.6 Customer Loyalty

The study also sought to establish customer loyalty in the hotels. It assessed whether the customers intend to continue staying in the hotel, results were such that, 44.8% (86) of the respondents strongly agreed, 46.4% (89) of them agreed while 8.9% (17) were undecided. With a mean of 4.4 and standard deviation 0.6 and indication that the respondents intend to continue staying in the hotel.

Other than that, 44.8% (86) strongly agreed that they are willing to recommend the hotel to a friend, 46.9% (90) agreed while 8.3% (16) of the respondents were not sure. The

item had a mean of 4.4 and a standard deviation of 0.6 indicating that the respondents are willing to recommend the hotel to a friend.

Besides, 40.6% (78) of the respondents strongly agreed that they intend to revisit the hotel, 50% (96) agreed, 3.1% (6) disagreed while 5.7% (11) were not sure if they intend to revisit the hotel. The item had a mean of 4.3 and a standard deviation of 0.8. The implication is that the respondents intend to revisit the hotel.

While if they were completely happy with the products and services from the hotel. 61.5% (118) strongly agreed, 30.2% (58) agreed while 7.8% (15) were undecided. The mean for the item was 4.5 and the standard deviation 0.7 implying that the respondents are completely happy with the products and services from the hotel.Further, when asked whether they do not intend to stay in other hotels, 41.1% (79) strongly agreed, 38% (73) agreed, 1.6% (3) disagreed while 17.7% (34) were undecided. As indicated by a mean of 4.2 and standard deviation of 0.9, the respondents do not intent to stay in other hotels.

When asked if the hotel is like a home to them, 41.1% (79) of the respondents strongly agreed, 44.8% (86) agreed, 3.1% (6) strongly disagreed while 8.9% (17) were undecided. The item realized a mean of 4.2 and standard deviation of 0.9 suggesting that the hotel is like a home to the respondents. Further, 44.3% (85) of the respondents strongly agreed that the operations and standards of this hotel are excellent, 51% (98) of them agreed, 2.1% (4) disagreed while 0.5% (1) were not sure. The mean for the item was 4.3 and the standard deviation 0.8. The implication is that the operations and standards of the respondents agreed that the staff is like a family to them, 10.4% (20) strongly disagreed, 11.5% (22) disagreed while 6.3% (12) were undecided. The implication is that the staff is like a family to the respondents. This is

supported by a mean of 3.8 and standard deviation of 1.3.Generally, customer loyalty had a mean of 4.1, standard deviation of 0.8, Skewness of -1.3 and Kurtosis of 1.8. The results indicate that the respondents were agreeable on most items on customer loyalty. There were also less variations in the responses. The results are as shown on Table 10 below.

									Skew	Kur
		SD	D	NS	Α	SA	Μ	S/ D	ness	tosis
I intend to continue										
staying in this hotel	F	0.0	0.0	17.0	89.0	86.0	4.4	0.6	-0.5	-0.7
	%	0.0	0.0	8.9	46.4	44.8				
I am willing to recommend this hotel										
to a friend	F	0.0	0.0	16.0	90.0	86.0	4.4	0.6	-0.5	-0.7
	%	0.0	0.0	8.3	46.9	44.8				
I intend to revisit this										
hotel	F	1.0	6.0	11.0	96.0	78.0	4.3	0.8	-1.2	2.5
	%	0.5	3.1	5.7	50.0	40.6				
I am completely happy with the										
products and services						118.				
from this hotel	F	0.0	1.0	15.0	58.0	0	4.5	0.7	-1.2	0.7
	%	0.0	0.5	7.8	30.2	61.5				
I do not intend to stay										
in other hotels	F	3	3	34	73	79	4.2	0.9	-1.0	1.2
	%	1.6	1.6	17.7	38	41.1				
This hotel is like a										
home to me	F	6	4	17	86	79	4.2	0.9	-1.5	3.0
	%	3.1	2.1	8.9	44.8	41.1				
The operations and standards of this hotel										
are excellent	F	4	4	1	98	85	4.3	0.8	-2.0	6.1
	%	2.1	2.1	0.5	51	44.3				
The staff is like a										
family to me	F	20	22	12	69	69	3.8	1.3	-0.9	-0.4
		10.	11.							
	%	4	5	6.3	35.9	35.9				
Customer loyalty							4.1	0.8	-1.3	1.8

Table 10: Customer Loyalty

4.5 Reliability of the Study Variables

Questionnaire items were piloted tested to remove confusing words and to improve upon the clarity of the questions items to strengthen its reliability. Statistically Cronbach's alpha was used to assess the reliability of the instrument, reliability values of 0.6 to 0.7 and above are considered by many researchers as acceptable (Cooper & Schindler, 2006; Malhotra& Birks, 2006). The responses were ascertained by using the Cronbachs' alpha reliability coefficient (α) of the data gathered from the pilot study.

Field (2014) contended that Cronbach's alpha value that is at least 0.70 is for a reliable research instrument. If a threshold of 0.70 was used to establish the reliability of the data collection instrument. This was computed with the assistance of Statistical Package for Social Sciences (SPSS) version 23. Cronbach Alpha was established for every objective which formed a scale. The table shows symbolic Image had the highest reliability α 0.945 follows by functional image $\alpha = 0.934$. All the variables were reliable as their reliability values exceeded the prescribed threshold of 0.70. Customer loyalty was the lowest at 0.777. The results of the pilot test on each variable are shown in Table 11 below.

No	Constructs	Coefficient	No. of items	Comments
		alpha		
1	Functional Image	0.934	5	Accepted
2	Symbolic Image	0.945	5	Accepted
3	Social Image	0.829	5	Accepted
4	Appearance Enhances	0.865	5	Accepted
	Image			
5	Customer Satisfaction	0.867	4	Accepted
6	Customer loyalty	0.777	8	Accepted

Table 1	1: Reliat	oility F	Results
---------	-----------	----------	---------

4.6 Factor analysis of the Study Variables

Factor analysis test included Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy, and Bartlett's Test of Sphericity. The Kaiser-Meyer-Olkin measure of sampling adequacy tests whether the partial correlations among variables are small. The KMO measures the sampling adequacy which should be greater than 0.5 for a satisfactory factor analysis to proceed. The KMO index, in particular, is recommended when the cases to variable ratio are less than 1.5. The KMO index ranges from 0 to 1, with 0.50 considered suitable for factor analysis. Another indicator of the strength of the relationship among variables is Bartlett's test of sphericity.Bartlett's test of sphericity is used to test the null hypothesis that the variables in the population correlation matrix are uncorrelated. KMO was greater than 0.5, and Bartlett's Test was significant as indicated in table 12 below.

Table 12: Kaiser-Meyer-Olkin (KMO) statistics

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sa	0.783	
Bartlett's Test of Sphericity	Approx. Chi-Square	2052.674
	Df	190
	Sig.	0

Factors with loadings of above 0.5 are excellent and should be retained for further data analysis. The items namely I like this hotel because they perform as they promises, I like this hotel because they makes me feel beautiful, my hotel is dependable as they say, I prefer this hotel because their services are reliable, I prefer this hotel because they have

high quality services, I prefer coming to this hotel because it prevents me from looking cheap, I prefer coming to this hotel because they enhances the perception that I have desirable lifestyle, I prefer coming to this hotel because they make me feel better fit into my social group, coming to this hotel makes feel a sense of belonging.

I prefer coming to this hotel since most prominent in the society come here, I like this hotel because it helps me feel accepted, I like this hotel because it helps me feel highly recognized in the society, I like this hotel because it improves the way I am perceived by others, when I come to this hotel people highly respect me, when I come to this hotel most people do not look down on me, visiting this hotel provides a solution to my expectation, visiting this hotel makes a good impression of me on other people, using the service of this hotel is effective to my need than other hotels, my choice to use this hotel has been a wise one and this hotel does a good job of satisfying my needs were retained for further data analysis.

Table 13 Principle Component Analysis

	1	2	3	4
I like this hotel because they perform as they promises			0.7 18	
			0.6	
I like this hotel because they makes me feel beautiful			74 0.6	
My hotel is dependable as they say			17	
I prefer this hotel because their service are reliable			0.6 76	
I prefer this hotel because they have high quality services			0.5 59	
I prefer coming to this hotel because it prevents me from looking cheap	0.8 9		57	
I prefer coming to this hotel because they enhances the	0.7			
perception that I have desirable lifestyle	95			
I prefer coming to this hotel because they make me feel better fit	0.7			
into my social group	93 0.6			
Coming to this hotel makes feel a sense of belonging	82			
I prefer coming to this hotel since most prominent in the society come here	0.5 4			
				0.7
I like this hotel because it helps me feel accepted				78
I like this hotel because it helps me feel highly recognized in the society				0.7 69
I like this hotel because it improve the way I am perceived by				0.7
others				15
				0.6
When I come to this hotel people highly respect me				31
When I come to this hotel most people do not look down on me				0.8 49
when reome to this noter most people do not not down on me		0.7		т <i>)</i>
Visiting this hotel provides a solution to my expectation		06		
Visiting this hotel makes a good impression of me on other		0.5		
people		82		
Using the service of this hotel is effective to my need than other hotels		0.6 23		
lioters		0.6		
My choice to use this hotel has been a wise one		5		
		0.7		
This hotel does a good job of satisfying my needs		01		
Extraction Method: Principal Component Analysis.				
Rotation Method: Promax with Kaiser Normalization.				

4.6.1 Total Variance Explained

Analysis of total variance was done to determine the proportion of variance in the set of variables. It shows all components extracted from the analysis along with their Eigen value, variance and cumulative percentages. It also indicates that all the components had Eigen values greater than 1. Besides, all the components were found to be significant as shown in table 14 below.

Table 14: Total	Variance	Explained
-----------------	----------	-----------

Total Variance							
Explained							
Compo		Initial	Extraction Sums of		Rotation Sums of		
nent	Eig	genvalues	Squared Loadings Squared I		Squared Loadings		Squared Loadings
	То	% of	Cumulat	То	% of	Cumulat	
	tal	Variance	ive %	tal	Variance	ive %	Total
1	6.6	33.0	33.0	6.6	33.0	33.0	5.9
2	2.3	11.6	44.5	2.3	11.6	44.5	4.0
3	1.7	8.5	53.0	1.7	8.5	53.0	2.3
4	1.4	7.0	60.0	1.4	7.0	60.0	3.2

4.6.2 Factor Analysis for Customer Satisfaction

The result shows that the factor loadings were above 0.5. This implies that all the factors were retained for further analysis. All customer satisfaction items namely, service is always prompt, give fast attention to the problems and customer complaints, staff are enthusiastic to help customers and the staff approach towards customer is friendly and ethical were later used for further analysis. To sum up customer satisfaction accounted for 45.6% of the total variance as indicated on table 15 below.

	Component
The service is always prompt	0.671
Give fast attention to the problems and customer complains.	0.643
Staff are enthusiastic to help customers	0.748
The staff approach towards customer is friendly and ethical	0.795
KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy. Approx. Chi-	
Square	0.596
Bartlett's Test of Sphericity	90.153
Df	6
Sig.	0
Total Variance Explained; Extraction Sums of Squared Loadings	
Total	1.824
% of Variance	45.603
Cumulative %	45.603
Extraction Method: Principal Component Analysis.	

Table 15: Factor Analysis for Customer Satisfaction

4.6.3 Factor Analysis for Customer Loyalty

Factor analysis for customer loyalty was conducted to ensure that all of the constructs used are valid and reliable before proceeding for further analysis. The study requested that all loading less than 0.5 be suppressed in the output, hence providing blank spaces for many of the loadings.

All customer loyalty factors notably, I intend to continue staying in this hotel, I am willing to recommend this hotel to a friend, I intend to revisit this hotel, I am completely happy with the products and services from this hotel, I do not intend to stay in other hotels, this hotel is like a home to me, the operations and standards of this hotel are excellent and the staff is like a family to me were retained for further data analysis. Additionally, first factor accounted for 32.885% of the total variance and the second factor 48.49% of the total variance.

Table 16: Fac	tor Analysis	for Customer	Loyalty

	1	2
I intend to continue staying in this hotel	0.729	
I am willing to recommend this hotel to a friend	0.52	
I intend to revisit this hotel	0.638	
I am completely happy with the products and services from		
this hotel		0.637
I do not intend to stay in other hotels		0.801
This hotel is like a home to me		0.625
The operations and standards of this hotel are excellent		0.806
The staff is like a family to me		0.825
KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.616	
Bartlett's Test of Sphericity; Approx. Chi-Square	304.164	
Df	28	
Sig.	0	
Total Variance Explained: Rotation Sums of Squared Loading	ngsa	
Total	2.631	1.248
% of Variance	32.885	15.605
Cumulative %	32.885	48.49
Extraction Method: Principal Component Analysis.		
Rotation Method: Promax with Kaiser Normalization.		
a Rotation converged in 3 iterations.		

4.7 Correlation Analysis

Correlation statistics is a method of assessing the relationship between variables. Pearson correlation results showed that functional image is positively related with customer loyalty with a Pearson Correlation coefficient of r = .871 which is significant at p < 0.01. The output also shows that symbolic image is positively related with customer loyalty, with a coefficient of r = .810 which is also significant at p < 0.01. Also, the correlation results indicated that social image is positively related with customer loyalty as shown by a coefficient of r = .688 which is significant at p < 0.01. Further, appearance enhancement

image was also positively related with customer loyalty as evidenced by a coefficient of r = .786 which is also significant at p< 0.01.

Finally, customer satisfaction coefficient had a positive relationship with customer loyalty as evidenced by coefficient of r = .678 which is also significant at p< 0.01. From the foregoing, there is a linear relationship between functional image, symbolic image, social image, appearance enhances image, customer satisfaction and customer loyalty. This provided more ground to perform multiple regression analysis as shown on table 17 below.

	Customer loyalty	functional image	symbolic image	social image	Appearance enhances image	Customer satisfaction
Customer						
loyalty	1					
functional						
image	.871**	1				
e	0					
symbolic						
image	.810**	.757**	1			
iniuge	0	0	1			
social						
image	.688**	.632**	.819**	1		
	0	0	0			
Appearance						
enhances						
image	.786**	.704**	.778**	.769**	1	
-	0	0	0	0		
Customer						
satisfaction	.678**	.506**	.432**	.404**	.478**	1
	0	0	0	0	0	

Table 17:	Correlation	Ana	lysis
------------------	-------------	-----	-------

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

4.8 Assumptions of Regressions

The assumptions for regression used to analyze data were linearity normality, homoscedasticity and multicollinearity

4.8.1 Linearity

Linearity means the correlation between variables, which is represented by a straight line. Assessing and having the knowledge about the level of the relationship among variables is considered as an important element in data analysis. It is crucial to test the relationship of the variables to identify any departure that may impact the correlation. The results show that all the variables are linear with each other, as shown in Table 18 below.

		Sum o	of	Mear	ı	
		Squar	es d	f Squai	e F	Sig.
Functional image * Customer	(Combined					
Loyalty)	89.673	26	3.449	12.583	0.000
					217.68	
	Linearity	59.668	1	59.668	4	0.000
Symbolic image * Customer	(Combined					
Loyalty)	164.037	26	6.309	19.936	0.000
				119.62	378.00	
	Linearity	119.624	1	4	6	0.000
Social image*Customer	(Combined					
Loyalty)	86.163	26	3.314	11.438	0.000
					200.39	
	Linearity	58.062	1	58.062	3	0.000
Appearance enhances image	(Combined					
* Customer Loyalty)	111.121	26	4.274	7.662	0.000
					114.30	
	Linearity	63.758	1	63.758	1	0.000
Customer Satisfaction *	(Combined					
Customer Loyalty)	131.022	26	5.039	20.716	0.000
				104.23	428.49	
	Linearity	104.236	1	6	5	0.000

Table 18: Linearity

The main assumption in normality is that the data distribution in each item and in all linear combination of items is normally distributed (Tabachnick &Fidell, 2007). The assumptions of normality can be examined at univariate level (distribution of scores at an item-level) and at multivariate level (i.e. distribution of scores within a combination of two or more than two items). To identify the shape of distribution, Kolmogorov-Smirnov was used (Hair *et al.*, 2010) which were calculated for each variable. The results from these tests revealed that all the variables were not significant, which meets the assumptions of normality as shown in Table 19 below.

Attributes	Kolmogorov-Smirnova		nova	Shapiro-Wi	lk	
	Statistic	df	Sig.	Statistic	df	Sig.
Customer loyalty	0.186	634	0.200*	0.925	6	0.539
Customer satisfaction	0.168	634	0.076	0.932	24	0.107
Functional image	0.184	634	0.200*	0.932	6	0.597
Symbolic image	0.290	634	0.125	0.837	6	0.122
Social image	0.239	634	0.200*	0.878	6	0.259
Appearance enhances image	0.238	634	0.200*	0.921	6	0.514

Table 19: Normality

4.8.3 Homoscedasticity

The Levene test for equality of variances was used to test for the assumption of homoscedasticity. In this regard, the study hypothesized that the variance of each subgroup was the same. The desired result for non-violation of homoscedasticity was therefore to reject this hypothesis. Table 4.18 shows that testing at the 0.05 level of significance; none of the Levene statistics was significant. The assumption of homoscedasticity was not violated. Table 20 below illustrate.

Table 20: Homoscedasticity

Attributes	Levene Statistic	df1	df2	Sig.
Customer loyalty	0.406	1	632	0.524
Customer satisfaction	2.243	1	632	0.135
Functional image	7.400	1	632	0.087
Symbolic image	1.494	1	632	0.222
Social image	1.257	1	632	0.263
Appearance enhances image	2.740	1	632	0.098

4.8.4 Multicollinearity

Multicollinearity means that two or more of the independent variables are highly correlated and this situation can have damaging effects on the results of multiple regressions. The VIF values in Table 21 were less than four meaning that there was no multicollinearity.

Table 21: Multicollinearity

Attributes	Collinearity Statistics			
	Tolerance	VIF		
Functional image	0.593	1.688		
Symbolic image	0.345	2.900		
Social image	0.328	3.050		
Appearance enhances image	0.633	1.580		
Customer Satisfaction	0.380	2.632		

Dependent Variable: Customer Loyalty

4.9 Multiple Linear Regression Analysis

The hypothesized that there was no significant effect of the independent variables on the dependent variable.

4.9.1 Model Summary

Results showed that all the four predictors (appearance enhancement image, functional image, social image and symbolic image) explained 83.2 percent variation of customer loyalty (R squared=0.832). As shown in table 22 below

Table 22: Model Summary

		Adjusted R	Std. Error of the
R	R Square	Square	Estimate
.912	0.832	0.822	0.32998

a Predictors: (Constant), appearance enhances image, functional image, social image, symbolic image

4.9.2 ANOVA Model

From the results, the above-discussed coefficient of determination was significant as evidenced in F ratio of 83.139 with p value 0.000 <0.05 (level of significance). Therefore, the model was fit to predict customer loyalty using functional image, symbolic image, social image and appearance enhancement image. As illustrated in Table 23 below.

Table 23: ANOVA Model

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	36.211	4	9.053	83.139	.000
Residual	7.295	67	0.109		
Total	43.507	71			

a Dependent Variable: Customer loyalty

b Predictors: (Constant), appearance enhances image, functional image, social image, symbolic image

4.9.3 Test of Hypotheses

The hypothesis testing was performed which was set at than $\alpha = 0.05$, results were that functional image had coefficients of estimate which was significant, basing on $\beta 1= 0.536$ p-value = 0.000. Therefore, an increase in functional image by one-unit results to an increase in customer loyalty by 0.536 units. Furthermore, the effect of functional image was reiterated by the t-test value = 6.698, which implied that the standard error associated with the parameter is more than the effect of the parameter.Further, symbolic image had coefficients that was significant, basing on $\beta_2 = 0.246$ (p-value = 0.023 which is less than $\alpha = 0.05$). Therefore, for each unit increase in symbolic image, there is up to 0.246-units increase in customer loyalty. Moreover, the effect of symbolic image was tested by the ttest value of 2.319 which implied that the effect on customer loyalty ($\beta_4 = 0.246$, p > 0.05). Therefore, an increase in social image will have no influence on customer loyalty. The t-test value of 0.517 further confirms that social image has no influence on customer loyalty.

Finally, the findings showed that appearance enhancement image had coefficients of estimate which was significant, basing on $\beta_4 = 0.254$ (p-value = 0.006 which is less than $\alpha = 0.05$). This suggests that there is up to 0.254-unit increase in customer loyalty for each unit increase in appearance enhancement image. The effect of appearance enhancement image was twice the effect attributed to the error, which was indicated by the t-test value = 2.847.As shown in table 24 below

Table 24: Coefficient of Estimates

	Unstandardized Coefficients		Standar	dized Coef	ficients
	В	Std. Error	Beta	t	Sig.
(Constant)	0.457	0.210		2.175	0.033
Functional image	0.505	0.075	0.536	6.698	0.000
Symbolic image	0.204	0.088	0.246	2.319	0.023
Social image	-0.042	0.081	-0.049	-0.517	0.607
Appearance enhancement					
image	0.247	0.087	0.254	2.847	0.006

a Dependent Variable: Customer loyalty

4.10 Mediation effect

The mediation of customer satisfaction on the relationship between brand image and customer loyalty was sought with the aim of testing the hypothesis that customer satisfaction does not significantly mediate the relationship between brand image and customer loyalty. The findings in Table 4.23 showed that brand image had a significant effect on customer satisfaction, 0.3665, p- value = 0.000, CI [0.2526, 0.4804] with a standard error of 0.0578. This means that with each unit increase in brand image, customer satisfaction increases by 0.3665 units. Furthermore, brand image had a positive and significant effect on customer loyalty, 0.74, p-value = 0.000, CI [0.6706, 0.8094] with a standard error of 0.0352.

Also, customer satisfaction had a positive and significant effect on customer loyalty, 0.3402, p-value = 0.000, CI [0.2611, 0.4194] with a standard error of 0. 0401. The R-square value of 0.8097 indicated that 80.97% of the variation in customer loyalty is accounted for by the model. Further, brand image has a positive and significant effect on customer loyalty, 0.8647, p-value = 0.000, CI [0.7908, 0.9385]. The findings show that

with each unit increase in brand image, customer loyalty increases by 0.8647 units. The R-square value of 0.7374 indicates that 73.74% of the variation in customer loyalty is accounted for by the model.

With regard to the direct effect, the findings showed that brand image has a positive and significant effect on customer loyalty, 0.74, p-value = 0.000, CI [0.6706, 0.8094] with a standard error of 0.0352. The test for specific indirect effects revealed that customer satisfaction (0.1247, p-value = 0.000) mediates the relationship between brand image and customer loyalty.

Constant 3.0362 0.2206 13.762 0 2.601 3 BI 0.3665 0.0578 6.3453 0 0.2526 (0) ************************************	
R R-sq MSE F df1 df2 0.4182 0.1749 0.3611 40.2631 1 190 Model coeff Se t p LLCI Constant 3.0362 0.2206 13.762 0 2.601 33 BI 0.3665 0.0578 6.3453 0 0.2526 63 **** Outcome Variable: CL Kasset Model 0.2526 13.762 0 2.601 33.762 Model Summary R R-sq MSE F df1 df2 0.8999 0.8097 0.1105 402.1962 2 189 Model coeff Se t p LLCI Constant -0.2199 0.1724 -1.2753 0.2038 -0.5601 00.6706 00.6706 00.6706 00.6706 00.6706 00.6706 00.6706 00.531 00.6816 00.2611 00.8587 0.7374 0.1517 53.34942 1 1900 Model Summary R R <th>0 ULCI 3.4714 0.4804</th>	0 ULCI 3.4714 0.4804
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	0 ULCI 3.4714 0.4804
ModelcoeffSetpLLCIConstant 3.0362 0.2206 13.762 0 2.601 3BI 0.3665 0.0578 6.3453 0 0.2526 0****Outcome Variable: CLModel SummaryRR-sqMSEFdf1df2 0.8999 0.8097 0.1105 402.1962 2189ModelcoeffSetpLLCIConstant -0.2199 0.1724 -1.2753 0.2038 -0.5601 0BI 0.74 0.0352 21.0399 0 0.6706 0CS 0.3402 0.0401 8.4782 0 0.2611 0Correct colspan="4">MSE Fdf1df2MSE Fdf1df2Model SummaryRR-sqMSEFdf1df20.8587 0.7374 0.1517 533.4942 1190ModelcoeffSetpLLCIConstant 0.8131 0.143 5.6858 0 0.531 1BI 0.8647 0.0374 23.0975 0 0.7908 0***********************************	ULCI 3.4714).4804 *****
Constant 3.0362 0.2206 13.762 0 2.601 3 BI 0.3665 0.0578 6.3453 0 0.2526 (0) ************************************	3.4714).4804 *****
BI 0.3665 0.0578 6.3453 0 0.2526 0.2526 **** Outcome Variable: CL Model Summary R R-sq MSE F df1 df2 0.8999 0.8097 0.1105 402.1962 2 189 Model coeff Se t p LLCI Constant -0.2199 0.1724 -1.2753 0.2038 -0.5601 0 BI 0.74 0.0352 21.0399 0 0.6706 0 CS 0.3402 0.0401 8.4782 0 0.2611 0 CS 0.3402 0.0401 8.4782 0 0.2611 0 OUTCOME VARIABLE: CL Model Summary R R-sq MSE F df1 df2 Model coeff Se t p LLCI LCI Constant 0.8131 0.143 5.6858 0 0.531 E BI 0.8647 0.0374 23.0975 0).4804 *****
*************************************	****
Outcome Variable: CL Model Summary R R-sq MSE F df1 df2 0.8999 0.8097 0.1105 402.1962 2 189 Model coeff Se t p LLCI Constant -0.2199 0.1724 -1.2753 0.2038 -0.5601 0 BI 0.74 0.0352 21.0399 0 0.6706 0 CS 0.3402 0.0401 8.4782 0 0.2611 0 ************************************	_
Model SummaryRR-sqMSEFdf1df2 0.8999 0.8097 0.1105 402.1962 2189ModelcoeffSetpLLCIConstant -0.2199 0.1724 -1.2753 0.2038 -0.5601 0BI 0.74 0.0352 21.0399 0 0.6706 0CS 0.3402 0.0401 8.4782 0 0.2611 0***********************************	-
RR-sqMSEFdf1df2 0.8999 0.8097 0.1105 402.1962 2189ModelcoeffSetpLLCIConstant -0.2199 0.1724 -1.2753 0.2038 -0.5601 0BI 0.74 0.0352 21.0399 0 0.6706 0CS 0.3402 0.0401 8.4782 0 0.2611 0***********************************	-
RR-sqMSEFdf1df2 0.8999 0.8097 0.1105 402.1962 2189ModelcoeffSetpLLCIConstant -0.2199 0.1724 -1.2753 0.2038 -0.5601 0BI 0.74 0.0352 21.0399 0 0.6706 0CS 0.3402 0.0401 8.4782 0 0.2611 0***********************************	-
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Р
Constant -0.2199 0.1724 -1.2753 0.2038 -0.5601 0 BI 0.74 0.0352 21.0399 0 0.6706 0 CS 0.3402 0.0401 8.4782 0 0.2611 0 ************************************	0
Constant -0.2199 0.1724 -1.2753 0.2038 -0.5601 0 BI 0.74 0.0352 21.0399 0 0.6706 0 CS 0.3402 0.0401 8.4782 0 0.2611 0 ************************************	ULCI
CS 0.3402 0.0401 8.4782 0 0.2611 0 ************************************).1202
************************************).8094
************************************).4194
OUTCOME VARIABLE: CL Model Summary R R-sq MSE F df1 df2 0.8587 0.7374 0.1517 533.4942 1 190 Model coeff Se t p LLCI Constant 0.8131 0.143 5.6858 0 0.531 1 BI 0.8647 0.0374 23.0975 0 0.7908 0 ************************************	
Model Summary R R-sq MSE F df1 df2 0.8587 0.7374 0.1517 533.4942 1 190 Model coeff Se t p LLCI Constant 0.8131 0.143 5.6858 0 0.531 1 BI 0.8647 0.0374 23.0975 0 0.7908 0 *********** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y ************************************	
R R-sq MSE F df1 df2 0.8587 0.7374 0.1517 533.4942 1 190 Model coeff Se t p LLCI Constant 0.8131 0.143 5.6858 0 0.531 1 BI 0.8647 0.0374 23.0975 0 0.7908 0 *********** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y ************************************	
0.8587 0.7374 0.1517 533.4942 1 190 Model coeff Se t p LLCI Constant 0.8131 0.143 5.6858 0 0.531 1 BI 0.8647 0.0374 23.0975 0 0.7908 0 ************************************	
Model coeff Se t p LLCI Constant 0.8131 0.143 5.6858 0 0.531 1 BI 0.8647 0.0374 23.0975 0 0.7908 0 *********** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y *** Total effect of X on Y Effect se T p LLCI ULCI	р
Constant 0.8131 0.143 5.6858 0 0.531 1 BI 0.8647 0.0374 23.0975 0 0.7908 0 *********** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y ********** ********* Total effect of X on Y Effect se T p LLCI ULCI	0
BI 0.8647 0.0374 23.0975 0 0.7908 (************************************	ULCI
**************************************	.0951
**************************************).9385
Total effect of X on Y Effect se T p LLCI ULCI	
Effect se T p LLCI ULCI	
1	
0.8647 0.0374 23.0975 0 0.7908 0.9385	
Direct effect of X on Y	
Effect se T p LLCI ULCI	
0.74 0.0352 21.0399 0 0.6706 0.8094	
Indirect effect(s) of X on Y:	
Effect BootSE BootLLCI BootULCI	
CS 0.1247 0.0384 0.0543 0.2051	
Level of confidence for all confidence intervals in output:95.0000	

CHAPTER FIVE

SUMMARY AND DISCUSSION OF FINDINGS

5.1 Introduction

This chapter presents the summary discussions of the findings. The study was guided by the following research objectives; to determine the effect of functional image, symbolic image, social image, appearance enhancement on customer loyalty and the mediating effect on customer satisfaction between brand image dimensions and customer loyalty in hotel industry.

5.2 Summary of the Findings

The findings for the study were based on the main objectives which included Functional Image, Symbolic Image, Social Image, Appearance enhancement Image and the mediating effect of customer satisfaction on the relationship between brand image dimensions and customer loyalty.

5.2.1 Functional Image

The findings from the study were that functional image had a significant effect customer loyalty with a p-value = 0.000 being e <0.05 hence a significant effect on the dependent variable. The results on functional image indicated that the hotels delivered as promised to customers. Besides, the respondents like the hotel because it makes them feel beautiful. They also find the hotels dependable and have a preference towards the hotels because their services are reliable in addition the hotels offer high quality services.

5.2.2 Symbolic Image

On symbolic image, the study found out p-value = 0.023 which is less than r<0.05 implying a significant effect on the dependent variable. Therefore, for each unit increase in symbolic image, there is up to 0.246-units increase in customer loyalty. Moreover, the effect of symbolic image was tested by the t-test value of 2.319 which implied that the effect of symbolic image surpasses that of the error.

With reference to symbolic image, some of the respondents come to the hotel because it prevents them from looking cheap. Further to certain individuals, the hotel enhances the perception they have desirable lifestyle. As well, the respondents come to the hotel because it makes them feel better fit into their social group. They also feel a sense of belonging in the hotel though they do not go to the hotel solely because prominent people in the society visit.

5.2.3 Social Image

On social image there was no significant effect on customer loyalty with a p value of 0.517 being p > 0.05. This implied that the social image did not significantly affect the dependent variable, customer loyalty. Regarding social image, a significant number of the respondents like the hotel because it makes them feel accepted. However, being highly recognized in the society is not a major reason why the respondents like the hotel. Also, the respondents were not entirely in agreement whether like the hotel because it improves the way they are perceived by others. Besides, it is unclear if most people are look down on the respondents whenever they visit the hotel. Nonetheless, the respondents are respected whenever they come to the hotel.

5.2.4 Appearance enhancement

Finally, the findings showed that appearance enhancement image had coefficients of estimate which was significant, p-value = 0.006 which is less than p< 0.05. This suggests that there is up to 0.254-unit increase in customer loyalty for each unit increase in appearance enhancement image. The findings on appearance enhancement image indicated that visiting the hotel provides a solution to their expectation. Also visiting the hotel makes a good impression of the respondents to other people. Besides, using the service of the hotel is effective to the respondents' needs than other hotels. In addition, there are no regrets with reference to the choice of the hotel. Finally, the hotel does a good job of satisfying customers' needs.

5.2.5 Customer Satisfaction

With respect to customer satisfaction, the study indicated that the service at the hotel is always prompt. Fast attention is given to customer complaints and the staffs are enthusiastic to help customers. Finally, customers are approached in a friendly and ethical manner.

5.2.6 Customer Loyalty

The results on customer loyalty indicated that the respondents intend to continue staying in the hotel. Also, the respondents were willing to recommend the hotel to a friend. They intend to revisit the hotel and are completely happy with the products and services from the hotel. Besides, the respondents do not intent to stay in other hotels. As well, the hotel is like a home to the respondents. The operations and standards of the hotel are excellent and the staff are like a family to them.

5.3 Discussion of the Findings

5.3.1 Functional Image on Customer Loyalty

Findings showed that functional image had a positive and significant effect on customer loyalty. This indicates hypothesis 1 was rejected ($\beta_1 = 0.505$, p < 0.05). Hence, increase in functional image will lead to an increase in customer loyalty. Consistent with the results, Kamuruchi (2016) in a study on the relationship between functional image and client satisfaction among audit firms concluded that firms were more satisfied with the functional dimension when compared to other dimensions.

Similarly, Lu et al. (2015) established that there exists a link between functional image and customer satisfaction in the leisure industry based on the demographic elements. Besides, Abd-El-Salam, Shawky & El-Nahas (2013) stipulated that a positive relationship exists between functional image and customer satisfaction. The studies however have not established a direct link between functional image and customer loyalty. Therefore, the study has provided sufficient insights on the existing relationship between functional image and customer loyalty.

5.3.2 Symbolic Image on Customer loyalty

Symbolic image was found to have a positive and significant on customer loyalty. This indicates hypothesis 2 was rejected (β_2 = 0.204, p-value = 0.023 which was less than α = 0.05). In line with the results, Tsai (2005) in Sondoh et al. (2007) postulated that symbolic image significantly related to re-purchase intention from the perspectives of customers. The results of the study also corroborate that of Gupta & Zeithaml (2006) which indicated that corporate brand symbolism leads to customer satisfaction and

loyalty which significantly contributes to the firm's financial performance. Similarly, Peters, Haan & Scholz (2014) and Anisimova (2016) discovered that symbolic image adversely affected personal behavior when purchasing vehicles suggesting that behavior portrayed by the consumer impacted in brand loyalty. Further support to the study findings is by Sondoh et al., (2007) who noted that symbolic image significantly affects customer satisfaction which in turn leads to customer loyalty. From the ensuing discussions, symbolic image contributes significantly to customer loyalty.

5.3.3 Social Image on Customer Loyalty

The study established that social image has no significant effect on customer loyalty. Thus, hypothesis 3 was supported ($\beta_3 = -0.049$, p> 0.05). Contrary to the results, Zhang (2015) noted that the existing relationship between the social image of a particular brand and customer's self-image enhances the significant association of customer satisfaction to the client's preferences.

As well, Reynolds & Beatty (1999) cited in Sondoh et al. (2007) established that whenever consumers are associated with a more significant social image, they are more loyal to the salesperson of a given firm. Similarly, Pozin (2014), espoused that social media is key for branding, acquisition, and retention. The results are also in disagreement with findings by Chege (2017) which indicated that through social networking sites, brands have an opportunity to directly interact with individuals thereby resulting in more customer satisfaction.

5.3.4 Appearance enhancement Image on Customer Loyalty

Hypothesis 4 of the study was rejected. An indication that appearances enhancement image had a positive and significant effect on customer loyalty ($\beta 4 = 0.254$, p < 0.05). In tally with the results, Sondoh et al. (2007) confirmed that definite image appearance contributes to enhancing customer satisfaction and loyalty which in turn builds a stronger brand for a firm. Likewise, Neupane, (2015) concluded that image appearance is essential for firms to gain customer satisfaction which contributes to organizational efficiency.

In addition, Lahap et al. (2016) and Setiawan & Sayuti (2017) inferred that customer satisfaction and appearance enhancement together with organizational performance resulted in customer loyalty. However, Upamannyu & Sankpal (2014) found no relationship between appearance enhancement and customer satisfaction. Overall, appearance enhancement image predicts customer loyalty.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

Based on the study findings, it was concluded that functional image, customer loyalty and appearance enhancement image had a statistically significant effect on customer loyalty in the Nairobi City Hotels in Kenya. Based on the outcome, it can be concluded that that Functional image is an important recipe for Customer Loyalty. This suggests that customers develop an impression about a product associated with specific attributes that they deem important. As such, when a hotel promises to deliver certain services, customers expect the hotels to fulfill its promises. In the event the hotels accomplish these needs, the customers are satisfied and in turn they become loyal.

Further it can concluded that symbolic image is a aspect that influences customer loyalty in the hotels. Evidently, certain section of customers prefers hotels that befit their status. For such customers, branding is key and it is their desire to be associated with desirable lifestyle. Therefore, the reputations connected with five-star hotels makes customers better fit into their social group. Also, it leads to customer loyalty because of the sense of belonging in the hotel the customers have.

However, social image had no significant effect on customer loyalty. It could be that the hotels social image has not been effectively embraced in managing customer satisfaction. Also, the customers did not visit the hotel because they want to be highly recognized in the society. The implication is that being respected and recognized in the society was not

effective in enhancing customer loyalty. Therefore there is need for further studies on the link between social image and customer loyalty to ascertain the validity of the results.

Finally, appearance enhancement image contributes significantly to customer loyalty. Undoubtedly, the five-star hotels meet the specific needs of its clients. Other than that, only by being customers, other people have a good impression of them because of the good brand image the hotels have developed over time. The eventual outcome is that the clients are satisfied and in turn they become loyal customers.

6.2 Recommendations

The following recommendations were made based on findings and conclusions of the study:

Policy Recommendations

From the study findings, it is hereby recommended that the government and the stake holders should develop clear policy geared towards creating a functional image, customer loyalty and appearance enhancement of the hotels to make competitive hence giving them an edge in the global market.

Recommendations to Management

The hotel management should invest in creating functional image of their hotels as it is an important aspect that five stars hotels can capitalize on to attract and maintain customers. Therefore, it is utmost necessary for five star hotels to deliver on their promises to customers. Specifically, attempts need to be made to ensure that clients feel beautiful when at the hotel. Besides, the services need to be reliable and of high quality if customer loyalty is to be attained.

The study recommends that the five-star hotels need to engage in analyzing their symbolic image performance and whether their satisfied customers have a sense of belonging to the hotel. Also, building symbolic image needs to be part and parcel of the hotel's branding strategy. Specifically, concerted efforts need to be made to ensure that customers receive the care that befits their status. Besides, the services should be tailored to meet the needs of customers from all social groups.

Finally, it is recommended that appearance enhancement image significantly improves customer loyalty, it is therefore crucial for hotels to incorporate clients specific needs in the services offered in the hotel. This will improve their interaction with their clients and as a result improve customer satisfaction. Besides, the hotels need to be responsive to customer needs to differentiate themselves from other hotels.

6.3 Areas for Further Research

The study is subject to the following limitations. First, the selection of five-star hotels is restricted to five-star hotels in Nairobi County. Further research is needed to determine whether the results obtained from this study could be generalized to other five-star hotels within the country. Further, the study established no significant relationship between social image and customer loyalty, thus there is need for further studies to ascertain the validity of the results. Finally, the methodology that has been chosen to achieve the research objectives was limited to questionnaires. As such, future research could build on this study by examining the effect of brand image on customer loyalty mediated by

customer satisfaction in both a qualitative and quantitative way. Specifically, only a single research methodological approach was employed and future research through interviews could be undertaken to triangulate.

REFERENCES

- Abd-El-Salam, E. M., Shawky, A. Y., & El-Nahas, T. (2013). The impact of corporate image and reputation on service quality, customer satisfaction and customer loyalty: testing the mediating role. Case analysis in an international service company. *Journal of Business and Retail Management Research*, 8(1).
- Agbor, J. M. (2011). The Relationship between Customer Satisfaction and Service Quality: a study of three Service sectors in Umeå.
- Ahmad, N. H., Ramayah, T., Halim, H. A., & Rahman, S. A. (Eds.). (2017). Handbook of Research on Small and Medium Enterprises in Developing Countries. IGI Global.
- Ailawadi, K. L., & Keller, K. L. (2004). Understanding retail branding: conceptual insights and research priorities. *Journal of retailing*, 80(4), 331-342.
- Alhaddad, A. (2014). The effect of brand image and brand loyalty on brand equity. *International Journal of Business and Management Invention*, 3(51), 28-32.
- <u>Alnaser</u> F. M., <u>Ghani</u> M.A., <u>Rahi</u> S., <u>Mansour</u> M. & <u>Abed</u> H., (2017). The Impact of SERVQUAL Model and Subjective Norms on Customer?s Satisfaction and Customer Loyalty in Islamic Banks: A Cultural Context. *Int J Econ Manag Sci* 2017, Vol 6(5): 455
- Amin, M., Yahya, Z., Ismayatim, W. F. A., Nasharuddin, S. Z., & Kassim, E. (2013). Service quality dimension and customer satisfaction: An empirical study in the Malaysian hotel industry. *Services Marketing Quarterly*, 34(2), 115-125Archakova, A. (2013). Service Quality and Customer Satisfaction. Case study: Company X.
- Anisimova, T. (2015). Brand communication using symbolic brand values: implications for consumer satisfaction and loyalty. In AM2015-The Magic In Marketing-The Academy of Marketing Conference, University of Limerick, Ireland 7-9 July 2015.
- Anisimova, T. (2016). The effects of corporate brand symbolism on consumer satisfaction and loyalty: Evidence from Australia. *Asia Pacific Journal of Marketing and Logistics*, 28(3), 481-498.
- Ary, D., Jacobs, L. C., Irvine, C. K. S., & Walker, D. (2018). *Introduction to research in education*. Cengage Learning.

- Basavaraj Sulibhavi & Dr. Shivashankar K (2017), "The Impact Of Brand Image On Customer's Loyalty Towards Private Label Brands: The Mediating Effect of satisfaction. hubli-dharwad conglomerate city of Karnataka", International Journal of Marketing & Financial Management, ISSN: 2348 –3954 (online) ISSN: 2349 –2546 (print), Volume 5,(Issue8, Aug-2017), pp 43-50,
- Bofulo A. O., (2015). Capacity Management Practices and Customer Satisfaction among The Shopping Malls in Nairobi, Kenya. (Unpublished Thesis). Available at <u>http://erepository.uonbi.ac.ke</u> accessed on 13th February 2018.
- Bowen, M., Morara, M., & Mureithi, M. (2009). Management of business challenges among small and micro enterprises in Nairobi-Kenya. *KCA journal of business management*, 2(1).
- Chege, M. W. (2017). Effect of Social Media Marketing On Consumer Loyalty in the Banking Industry: A Case of Equity Bank (Doctoral dissertation, United States International University-Africa).
- Chen, P. T., & Hu, H. H. (2010). How determinant attributes of service quality influence customer-perceived value: an empirical investigation of the Australian coffee outlet industry. *International Journal of Contemporary Hospitality Management*, 22(4), 535-551.
- Chi, C. G. Q., & Qu, H. (2009). Examining the relationship between tourists' attribute satisfaction and overall satisfaction. *Journal of Hospitality Marketing & Management*, 18(1), 4-25.
- Countryman, C. C., & Jang, S. (2006). The effects of atmospheric elements on customer impression: the case of hotel lobbies. *International Journal of Contemporary Hospitality Management*, 18(7), 534-545.
- Creswell John, W. (2013). Research Design: Qualitative. *Quantitative and Mixed Methods Approaches, Third Edition, Kraków.*
- Hu, H. H., Kandampully, J., & Juwaheer, T. D. (2009). Relationships and impacts of service quality, perceived value, customer satisfaction, and image: an empirical study. *The service industries journal*, 29(2), 111-125.
- Hur, W. M., Ahn, K. H., & Kim, M. (2011). Building brand loyalty through managing brand community commitment. *Management Decision*, 49(7), 1194-1213.
- Išoraitė, M. (2018). Brand image development. Ecoforum Journal, 7(1).

- Jacoby, Jacob; Chestnut, Robert (2010) Brand Loyalty: Measurement and Management. Edited by Frederick E. Webster, Jr., Series on Marketing Management. John Wiley & Sons: New York.
- Jani, D., & Han, H. (2014). Personality, satisfaction, image, ambience, and loyalty: Testing their relationships in the hotel industry. *International Journal of Hospitality Management*, 37, 11-20.
- Jayasundara, C. (2011). A modular approach to customer satisfaction in relation to service quality. *Journal of the University Librarians Association of Sri Lanka*, 15(1).
- Jokinen, T. (2016). Branding in Social Media and the Impact of Social Media on Brand Image.
- Joshi, A., Kale, S., Chandel, S., & Pal, D. K. (2015). Likert scale: Explored and explained. British Journal of Applied Science & Technology, 7(4), 396
- Kamuruchi, R. M. (2016). An assessment of the relationship between audit quality characteristics and client satisfaction perceptions in government parastatals in Kenya (Doctoral dissertation, Strathmore University).
- Kandampully, J., & Suhartanto, D. (2003). The role of customer satisfaction and image in gaining customer loyalty in the hotel industry. *Journal of Hospitality & Leisure Marketing*, 10(1-2), 3-25.
- Kariuki, M. N. (2015). The impact of brand image on customer satisfaction in major supermarkets in Nairobi city.
- Kayaman, R., & Arasli, H. (2007). Customer based brand equity: evidence from the hotel industry. *Managing Service Quality: An International Journal*, 17(1), 92-109.
- Keller, K. L., & Lehmann, D. R. (2003). How do brands create value?. *Marketing management*, 12(3), 26-26.
- Khan, M. A. (2016). MNEs Management Strategies in Developing Countries: Establishing the Context. In *Multinational Enterprise Management Strategies in Developing Countries* (pp. 1-33). IGI Global.
- Kidwell, R. E., & Martin, C. L. (Eds.). (2004). *Managing organizational deviance*. Sage Publications.
- Kothari, C. R. (2004). *Research methodology: Methods and techniques*. New Age International.

- Kotler, P., & Keller, K. (2006). Marketing Management: Customer value, customer satisfaction and customer loyalty. *Upper Saddle River, New Jersey*.
- Labaree, R. V. (2009). Research Guides: Organizing Your Social Sciences Research Paper: Types of Research Designs.
- Lahap, J., Ramli, N. S., Said, N. M., Radzi, S. M., & Zain, R. A. (2016). A Study of Brand Image towards Customer's Satisfaction in the Malaysian Hotel Industry. *Procedia-Social and Behavioral Sciences*, 224, 149-157.
- Lahap, J., Ramli, N. S., Said, N. M., Radzi, S. M., & Zain, R. A. (2016). A Study of Brand Image towards Customer's Satisfaction in the Malaysian Hotel Industry. *Procedia-Social and Behavioral Sciences*, 224, 149-157.
- Lindberg-Repo, K., Mehra, E., Gupta, N., Dube, A., & Kaul, V. (2009). Titans of branding. *Jyväskylä: Gummerus*.
- Lu, C., Berchoux, C., Marek, M. W., & Chen, B. (2015). Service quality and customer satisfaction: qualitative research implications for luxury hotels. *International Journal of Culture, Tourism and Hospitality Research*, 9(2), 168-182.
- Lu, C., Berchoux, C., Marek, M. W., & Chen, B. (2015). Service quality and customer satisfaction: qualitative research implications for luxury hotels. International Journal of Culture, Tourism and Hospitality Research, 9(2), 168-182.
- Mackevičiūtė, E. (2013). Customer perceived value impact on customer satisfaction and loyalty: case of bakery and confectionery B2B market in Lithuania (Doctoral dissertation, ISM University of Management and Economics).
- Makomere, J. & Ng'ang'a, W (2017). Amalgamating Customer Loyalty and Employees Personality LAP LAMPARD.
- Mirzaee, N., Rad, M. K., & Molavi, N. (2013). An examination of the effect of brand's dimensions on loyalty of industrial customers. *Journal of Research and Development*, 1(2), 1-14.
- Mohammadian, M. R., & Mohammad, H. (2010). Brand Promotion Strategies and Techniques.
- Mugenda, O. M., & Mugenda, A. G. (1999). *Research methods: Quantitative and qualitative approaches*. Acts press.
- Mutindi, U. J. M., Namusonge, G. S., & Obwogi, J. (2013). Effects of strategic management drivers on organizational performance: a survey of the hotel industry in Kenyan coast.

- Mwangi, J. N. (2017). *Strategic management drivers and performance of five star hotels in nairobi city* (Doctoral dissertation, University of Nairobi).
- Nam, J., Ekinci, Y., & Whyatt, G. (2011). Brand equity, brand loyalty and consumer satisfaction. *Annals of Tourism Research*, *38*(3), 1009-1030.
- Nassiuma, D. K. (2000). Survey sampling. Theory and methods.
- Neupane, R. (2015). The effects of brand image on customer satisfaction and loyalty intention in retail super market chain UK. *International Journal of Social Sciences and Management*, 2(1), 9-26.
- Niklas Bondesson. (2012) Brand image antecedents of loyalty and price premium in business markets,: *Business and Management Research*, Vol. 1, No. 1
- Nishay Kumar & Shilpa Sanpal (2014). Effect of brand image on customer satisfaction and loyalty intention and role customer. *Research Gate Journal*
- O'Donohoe, S., & Tuncay Zayer, L. (2012). Consumer–Brand Relationships Theory and Practice.
- Oliver, R. L. (2014). Satisfaction: A behavioral perspective on the consumer. Routledge.
- Owino, E. O. (2013). The Influence of service quality and corporate image on customer satisfaction among university students in Kenya (Doctoral dissertation, KCA University).
- Oyza, I., & Edwin, A. M. (2015). Effectiveness of social media networks as a strategic tool for organizational marketing management. *The Journal of Internet Banking and Commerce*.
- Pozin, I. (2014). 20 companies you should be following on social media.
- Pullman, M. E., & Gross, M. A. (2004). Ability of experience design elements to elicit emotions and loyalty behaviors. *Decision sciences*, 35(3), 551-578.
- Rao, C. P. (Ed.). (2012). Marketing and multicultural diversity. Ashgate Publishing, Ltd..
- Reichheld, F.F. (2003), "The one number you need to grow", *Harvard Business Review*, *Vol.* 81 No. 12, pp. 46-54
- Reynolds, K. E., & Beatty, S. E. (1999). Customer benefits and company consequences of customer-salesperson relationships in retailing. *Journal of retailing*, 75(1), 11-32.

- Ritchie, J., Lewis, J., Nicholls, C. M., & Ormston, R. (Eds.). (2013). Qualitative research practice: A guide for social science students and researchers.
- Ryu, K., & Han, H. (2010). Influence of physical environment on disconfirmation, customer satisfaction, and customer loyalty for first-time and repeat customers in upscale restaurants.
- Ryu, K., Lee, H. R., & Gon Kim, W. (2012). The influence of the 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), 200-223.
- Sabbir Rah, M., Mahmudul H, M., & Hussain, B. (2012). Brand Image and its Impact on Consumer's Perception: Structural Equation Modeling Approach on Young Consumer's in Bangladesh. *Journal of Applied Sciences*, 12, 768-774.
- Sadeghi, T., & Rad, E. V. (2012). The effects of brand associations on consumer response. *African Journal of Business Management*, 6(11), 4048.
- Sasmita, J., & Mohd Suki, N. (2015). Young consumers' insights on brand equity: Effects of brand association, brand loyalty, brand awareness, and brand image. *International Journal of Retail & Distribution Management*, 43(3), 276-292.
- Schall, M. (2003). Best practices in the assessment of hotel-guest attitudes. *Cornell Hotel* and Restaurant Administration Quarterly, 44(2), 51-65.
- Schembri, S., Merrilees, B., & Kristiansen, S. (2010). Brand consumption and narrative of the self. *Psychology & marketing*, 27(6), 623-637.
- Schulz, R. N., & Omweri, J. N. (2012). The effects of business image on customer retention in hotels in Eldoret, Kenya. European Journal of business and management. ISSN, 2222-1905.
- Selby, M. (2004). Understanding urban tourism: Image, culture and experience. IB Tauris.
- Setiawan, H., & Sayuti, A. J. (2017). Effects of service quality, customer trust and corporate image on customer satisfaction and loyalty: an assessment of travel agencies customer in South Sumatra Indonesia. *IOSR Journal of Business and Management*, 19(5), 31-40.
- Sondoh Jr, S. L., Omar, M. W., Wahid, N. A., Ismail, I., & Harun, A. (2007). The effect of brand image on overall satisfaction and loyalty intention in the context of color cosmetic. *Asian Academy of Management Journal*, 12(1), 83-107.

- Sweeney, J. C., & Soutar, G. N. (2001). Consumer perceived value: The development of a multiple item scale. *Journal of retailing*, 77(2), 203-220.
- Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International journal of medical education*, 2, 53.
- TripAdvisor (2018).5-Star Hotels in Nairobi. Retrieved from https://www.tripadvisor.com/Hotels-g294207-zfc5-Nairobi-Hotels.html
- Trott, S., & SOPLE, V. V. (2016). *Brand Equity: An Indian Perspective*. PHI Learning Pvt. Ltd..
- Tsai, S. P. (2005). Impact of personal orientation on luxury-brand purchase value: An international investigation. *International Journal of Market Research*, 47(4), 427-452.
- Upamannyu, N. K., & Sankpal, S. (2014). Effect of Brand Image on Customer Satisfaction & Loyalty Intention and The Role of Customer Satisfaction Between Brand Image and Loyalty Intention. *Journal of Social Science Research*, 3(2), 274-285.
- Voorhees, C. M., Fombelle, P. W., Gregoire, Y., Bone, S., Gustafsson, A., Sousa, R., & Walkowiak, T. (2017). Service encounters, experiences and the customer journey: Defining the field and a call to expand our lens. *Journal of Business Research*, 79, 269-280.
- Wilson, W., Ouyang, M., Rineha, S. M., & Grant, E. S. (2004). Brand equity in the drinkin'box market: Canadian vs. American. *Journal of Comparative International Management*, 8(1).
- Yang, Z., & Peterson, R. T. (2004). Customer perceived value, satisfaction, and loyalty: The role of switching costs. *Psychology & Marketing*, 21(10), 799-822.
- Yin, Y. (2010). *Customer service quality at Great Wall Motor (GWM) service centres in the greater Durban area* (Doctoral dissertation).
- Yovovich, B. G. (2008). Golden Opportunities: Some Companies are strengthening their Tuition-Assistance Programs with an Eye Toward Building the Next Generation of Leaders. *Human Resources Executive Online*.
- Zhang, Y. (2015). The impact of brand image on consumer behavior: a literature review. *Open journal of business and management*, 3(1).

APPENDIX I: QUESTIONNAIRE FOR HOTEL GUESTS

Dear Respondent,

I am a Dorcas Bochaberi Ondicho from University of Eldoret undertaking a Master's degree Hotel and Hospitality. I am carrying out a research study on: The Mediating Effect of Customer Satisfaction on Relationship Between Brand Image Dimensions and Customer Loyalty in Five Star Rated Hotels within Nairobi City Kenya. I kindly request you to participate in my study and your responses to the items in the questionnaire will be treated with utmost confidentiality, and will not be used for any other purposes except this study.

The questionnaire is made up of two sections A and B. Please answer each question by writing on the spaces provided or tick ($\sqrt{}$) against the boxes provided. The information provided will be used for the purpose of this research only; therefore do not write your name on the answer sheet.

Thank you.

SECTION A: FUNCTIONAL IMAGE

5= Strongly Agree 4= Agree 3= Not sure 2= Disagree 1= Strongly Disagree							
		5	4	3	2		
1.	I like this hotel because they perform as they promises						
2.	I like this hotel because they makes me feel beautiful						
3.	My hotel is dependable as they say						

=;				
2.	I like this hotel because they makes me feel beautiful			
3.	My hotel is dependable as they say			
4	I prefer this hotel because their service are reliable			
5	I prefer this hotel because they have high quality services			

SECTION B: SYMBOLIC IMAGE (TICK WHERE APPLICABLE)

		5	4	3	2	1
1.	I prefer coming to this hotel because it prevents me from					
	looking cheap					
2.	I prefer coming to this hotel because they enhances the					
	perception that I have desirable lifestyle					

3.	I prefer coming to this hotel because they make me feel better fit			
	into my social group			
4	Coming to this hotel make be a sense of belonging			
5	I prefer coming to this hotel since most prominent in the society			
	come here			

SECTION C: SOCIAL IMAGE (TICK WHERE APPLICABLE)

		5	4	3	2	1
1	I like this hotel because it helps me feel accepted					
2	I like this hotel because it helps me feel highly recognized in the society					
3	I like this hotel because it improve the way I am perceived by others					
4	When I come to this hotel people highly respect me					
5	When I come to this hotel most people you will not down on me					

SECTION D: APPEARANCE ENHANCES IMAGE (TICK WHERE APPLICABLE)

		5	4	3	2	1
1	Visiting this hotel provides a solution to my expectation					
2	Visiting this hotel makes a good impression of me on other people					
3	Using the service of this hotel is effective to my need than other					
	hotels					
4	My choice to use this hotel has been a wise one					
5	This hotel does a good job of satisfying my needs					

SECTION E: CUSTOMER SATISFACTION (TICK WHERE APPLICABLE)

	Statements	5	4	3	2	1
1.	The service is always prompt					
2.	Give fast attention to the problems and customer complains.					
3.	Staff are enthusiastic to help customers					
4.	The staff approach towards customer is friendly and ethical					

SECTION F: CUSTOMER LOYALTY (TICK WHERE APPLICABLE)

	Statements	5	4	3	2	1
1.	I intend to continue staying in this hotel					
2.	I am willing to recommend this hotel to a friend					
3.	I intend to revisit this hotel					
4.	I am completely happy with the products and services from this hotel					
5.	I do not intend to stay in other hotels					
6.	This hotel is like a home to me					
7.	The operations and standards of this hotel are excellent					
8.	The staff is like a family to me					

SECTION G: DEMOGRAPHIC INFORMATION

Please tick ($\sqrt{}$) where appropriate:

APPENDIX II: SAMPLING FRAME

HOTEL	NUMBER OF ROOMS
Sankara Nairobi	150
New Stanley	200
Fairmont the Norfolk	170
Nairobi Serena Hotel	183
Intercontinental Nairobi	316
Total	1019

Source: Trip Advisor, 2018

APPENDIX III: UNIVERSITY RESEARCH APPROVAL



P. O. Box 1125 - 30100, Eldoret, Kenya Tel: -254 53 2063257 / 2063712/13 Ext 2352/3 Mob: 0736 493555, Eax: +254 53 206 3257 E-mail: <u>deansbus@uceld.ac.ke</u>

SCHOOL OF BUSINESS & MANAGEMENT SCIENCES Department of Hotel & Hospitality Management

REF: UoE/B/SBUS/PGME&SB/041

7th August, 2018

UASIN GISHU COUNTY

Dear Sir/Madam,

RE: APPLICATION FOR RESEARCH PERMIT - DORCAS BOCHABERI SBM/S/PGHM/2004/15

Reference is made to the above named who is applying to the National Commission for Science Technology and Innovation for a Research Permit.

Ms. Bochaberi is a student University of Eldoret undertaking a Master Degree in Hospitality Management in the School of Business and Management Sciences. She has completed presenting her research proposal titled *Mediating Effect Of Customer Satisfaction Between Brand Image And Customer Loyalty In Five Star Rated Hotels Within Nairobi City: Kenya*

Any assistance accorded to her is highly appreciated by this institution.

Yours faithfully,



DR. RACHEAL KAREI HEAD, DEPARTMENT OF HOTEL AND HOSPITALITY MANAGEMENT

C.C. Dean, School of Business and Management Sciences

APPENDIX IV: NACOSTI RESEARCH APPROVAL



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471, 2241349,3310571,2219420 Fax:+254-20-318245,318249 Email: dg@nacosti.go.ke Website : www.nacosti.go.ke When replying please quote NACOSTI, Upper Kabete Off Waiyaki Way P.O. Box 30623-00100 NAIROBI-KENYA

Ref: No. NACOSTI/P/18/03549/24743

Date: 18th August, 2018

Dorcas Bochaberi Ondicho University of Eldoret P. O. Box 1125-30100 **ELDORET.**

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*The mediating effect* of customer satisfaction between brand image and customer loyalty: A study on five star rated hotels in Nairobi City" I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 17th August, 2019.

You are advised to report to the County Commissioner and the County Director of Education, Nairobi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

BONIFACE WANYAMA FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner Nairobi County.

The County Director of Education Nairobi County.

National Commission for Science, Technology and Innovation is ISO9001:2008 Certified

APPENDIX V: NACOSTI RESEARCH PERMIT

