

**THE EFFECT OF CUSTOMER SATISFACTION ON ORGANIZATION
PERFORMANCE, CASE STUDY OF SONY SUGAR COMPANY
LIMITED- KENYA**

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FULLFILMENT FOR THE AWARD OF
BACHELOR DEGREE IN HUMAN
RESOURCE MANAGEMENT**

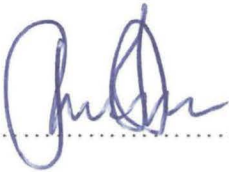
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JUNE 2010.

DECLARATION

I **Owili Patman Otieno** hereby declare that this work has not been submitted in this university or any other institution of higher learning before for an academic award and should not be reproduced without my consent.

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APPROVAL

This work has been done under my supervision as a university supervisor and submitted with my approval.

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Date:

7/6/2010

DEDICATION

To my parents Michael Otieno and Dorine Otieno, my friend Veronica Atieno, Joan and all my Brothers and Sisters among them Fred, Nixon, Felix, Godfrey, dickens, and Maurine for being with me throughout the difficult moments of my education.

To all my friends and relatives who supported me in different ways may the almighty bless you all abundantly.

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The completion of my studies at Kampala International University couldn't have been possible without the support of the almighty GOD for he is every thing in my life.

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ABSTRACT

The research topic was chosen because most private and public sector industries do not believe that customer satisfaction leads to high organization performance. This made Sony sugar to lag behind in its operations, and the poor performance was attributed to poor production and packaging methods, increased prices and poor advertising methods. The purpose of the study was to investigate the effects of customer satisfaction on organization performance of Sony Sugar Company limited- Kenya. Specific objectives revolved around, branding, pricing and advertising methods used at Sony Sugar Company limited-Kenya.

The data was collected using research design, research area, study population, sample size and sampling techniques of which a sample size of 90 employees were chosen of which 78 employees responded. The research instruments used were questionnaire and documentary review. The data obtained was analyzed and presented in tabular form, and in form of pie charts and bar graphs for easy interpretation.

The findings revealed that customer satisfaction has significant effects on organization performance. The management paid little attention to branding to the extent that employees do not understand some procedures. It was revealed that organization at times practice price discrimination which greatly affect sales. The organization does not effectively use information reach channels like television. At the same time, local advertising was the major advertising channels instead of focusing on national advertising to increase the geographical coverage for sales. This made the organization to operate below its capacity.

It was therefore recommended that organization should be structured to allow all the departmental heads and their subordinated to have insight of what is happening in other departments and their contribution towards organization performance. Managers should put it forward that creativity is rewarded in the organization so that employees can be creative enough to come up with new branding techniques. The organization should charge fair prices. The prices should match the quality and size of the package.. The organization should carryout proper SWOT analysis before advertising the products. If these measures are put in place, the organization can experience high customer loyalty and increased sales leading to improved performance of Sony Sugar company limited- Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study.

Customer satisfaction was associated with the following importance to the organization; increased sales, of company goods and services, promote loyalty to the organization products, Provide good reputation to the organization among other competitors. Therefore customer satisfaction was important in achieving organization competitive advantage.

Customer satisfaction can be defined as a person's feeling of pleasure or disappointment resulting from comparing a product perceived performance (output) in relation to his or her expectations. If the product falls short of expectations, the customer is dissatisfied. If performance exceeds expectations, the customer is highly satisfied or delighted (Kotler, 2003). Customer satisfaction is also the ability of a good or service to meet or exceed buyer's needs and expectations (Boone, 1995). The working definition for customer satisfaction is customers' personal feeling of contentment in the use of a particular organization's goods or service. Therefore full satisfaction is achieved when full expectations of customers are met. Customer satisfactions was characterized by the following; Attractive branding, Fair prices and Quality advertising

Organization performance is the ability of a consciously coordinated social unit, composed of two or more people that function on relative continuous basis to achieve common goal or set of goals in producing a given level of output (Stephen, 1998). Organization performance is the total output of individuals working together toward achieving a certain objectives of mutual benefits (Hellriegel et al 2001). Working definition for organization performance is the ability of an organization to produce given level of output or services toward achieving common objectives of the entire organization. Organization performance was characterized by the following; Good organization image Increased sales, Customer loyalty.

Therefore, the researcher felt that there was need for formulating and implementing systems and policies that would help solve this problem of customer focus that continuously lead to poor performance of the organization

Customer satisfaction had the following effects on organizational performance;

Attractive branding. A brand is a name, sign, symbol, or name combination used to identify the products of one firm and differentiate them from competition's offerings (Boone, 1995). It promotes loyalty to organization products. Price is the exchange value of a good or service. (Perrault, 2002). Fair price is a price that is affordable to the customers and matches the value of a good of service. Fair prices increase the sales of organization products. Quality advertising is the paid non- personal communication through various media by a business firm. Quality advertising is that which attracts, educates and informs the public a bout organization goods or services (Chase, 2000). It leads to reputation of the organization as well as increment on the sales of the organization goods.

On the other hand attractive branding can be attracting but the value may not be reflected on the product hindering customer loyalty. At the same time, fair prices may lead to looses to the organization if not well planned and managed. On the other hand, quality advertising can lead to persuasion yet the customers may not get satisfied leading to bad reputation leading to poor organization performance.

Sony Sugar Company in late 1990s, had been faced by many challenges varying from competition to technological from rival sugar companies like Nzoia, Chemellil and Mumias Sugar Companies, which were more customer focused making Sony Sugar company to lag behind in its operations.

1.2 Statement of the Problem

Sony Sugar Company in late 1990s, was faced by many challenges varying from competition to technological from rival sugar companies like Nzoia, Chemellil and Mumias Sugar Companies which were more customer focused making Sony Sugar company to lag behind in its operations. This poor performance was as a result of poor production and packaging methods, increased price of sugar and poor advertising methods.

This study helped in identification of loopholes that resulted into poor performance of Sony Sugar Company- Kenya limited during the period of poor performance, and the possible remedies that were put in place to help manage any future possible reoccurrence of poor performance. On the other hand if customer satisfaction methods were not considered then the company would continuously face this problem of poor performance even in the near future of its operation.

Therefore, the researcher felt that there was need for formulating and implementing systems and policies that would help solve this problem of customer focus that has continuously lead to poor performance of the organization. It is was a result of this that the researchers deemed it necessary to carry out an investigation into Sony Sugar's customer related services and policies which could have contributed to the current poor performance.

1.3 Purpose of the study

The purpose of the study was to investigate the effects of customer satisfaction on organizational performance in Sony Sugar company limited-Kenya.

1.4 Specific objectives of the study

1. To examine the effect of branding on the performance of Sony Sugar company limited- Kenya.
2. To assess the effect of fair prices on the performance of Sony Sugar company limited- Kenya.
3. To examine the effect of quality advertising on the performance of Sony Sugar company limited –Kenya.

1.5 Research questions

1. What was the effect of attractive branding on organization performance of Sony Sugar Company limited- Kenya?
2. How did fair prices promote organization performance of Sony Sugar Company limited – Kenya?
3. What was the effect of attractive advertising on organization performance of Sony Sugar

Limited- Kenya?

1.6 Scope of the study

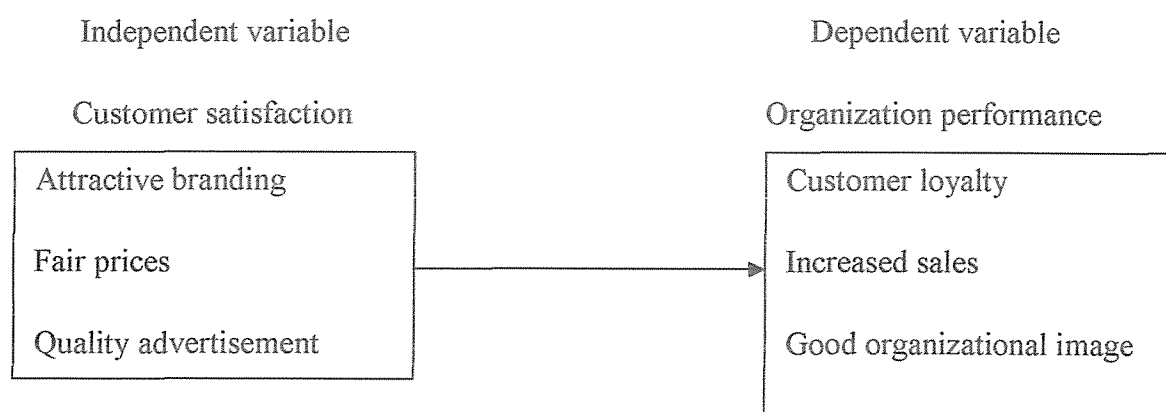
The research focused on the aspects of customer satisfaction on the performance of manufacturing Company, with reference to Sony Sugar Company which was located in Rongo district – South Nyanza province, along Kisii - Migori highway. The study was based on the performance of Sony Sugar Company limited – Kenya between 2008 – 2010.

1.7 Significance of the study

It was to be useful to the management of manufacturing companies and even other small scale businesses by providing them with recommendations on the importance of customer satisfaction that helped them improve on their performance.

This study was to benefit scholars and academicians with particular interest in customer satisfaction on the manufacturing industries to further their research on customer satisfaction, as well as providing secondary data for future reference.

1.8 Conceptual framework



Source: Perrault, 2002.

In the above conceptual framework, customer satisfaction was characterizes by attractive branding, Fair prices and quality advertisement. On the other hand, organizational performance was characterized by customer loyalty, increased sales, and good organizational image. When

the organization knew that for customers to be satisfied, their products should be branded attractively which includes colors that appeal to the customers, varying sizes and d shapes. At the same time the organization should ensure quality advertisement to reach all the targeted customers and should also charge fair prices for their products to out way their competitors. This promoted customer loyalty and good organizational image. However, implementation of these strategies were not properly effected which lead to poor organizational performance.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction.

This chapter was about analysis of literature related to customer satisfaction and how they imparted on the performance of an organization, which had been explored and studied by different scholars. Thus, the literature review was drawn from empirical survey of manufacturing practices, journals and textbooks dealing with customer satisfaction managements.

2.1 Effects of branding on organization performance

Branding is whereby a company uses a name, phrase, design, symbol, or a combination of both to identify the product and distinguish them from the competitors (Stuart, 2003). A brand name is any word, device (design, sound, shape, and color) or combination of these used to distinguish a seller's goods or services. Other brand names can be spoken while others cannot be spoken. For customers to be satisfied with the legality of the product, the product must have a trade mark which shows that the firm has legally registered its brand name or trade name such that the firm has its exclusive use (Berman, 1997). This also helps in product differentiation thus promote customer satisfaction hence promoting organizational performance. To achieve the objective of branding in customer satisfaction the company must invest in brand personality and brand equity (Stevenson, 1996).

Brand personality is a set of human characteristics associated with a brand name. Research shows that consumers always assign personality traits to products for example to be traditional rugged sophisticated, and chose brands that are consistence with their own image like comforting, unique real and fun (Kurtz, 2000).

Brand equity is the added value a given brand name gives to a product beyond the functional benefit provided (Burnham, 1991). This value has two advantages; brand equity provides competitive advantage such as the Sunkist label that shows quality fruits. Also consumers are willing to pay a product with brand equity Therefore to achieve effective brand equity, the

organization has to ensure that marketing programmes are well established with sophisticated marketing tools to make them attractive to customers (Bell, 1991).

2.2 Effects of pricing on organization performance.

Price is the money or other considerations (including other goods and services) exchanged for the ownership of goods and services (Solomon, 2000). Price on the other hand is the amount of money exchanged for a product or services or the source of the value that consumers exchange for a product or service (Eldred, 1993). Price is one flexible element in the marketing mix that generates revenue, others represent cost. Pricing was not handled properly at Sony Sugar Company due poor cost oriented pricing and lack of price revision often enough to meet market changes.

From the consumer view point value pricing is when the perceived benefit of the product is paired with its price (Makland, 1995). Value pricing is therefore the practice of simultaneously increasing products and services benefits and maintaining or decreasing price. Therefore consumer value assessment is competitive and they judge the worth or desirability of product or service relative to substitutes that satisfy the same need (Kerin et al, 2000).

Price in the marketing mix affect the profit of the firm and thus is necessary in the marketing mix price has a direct effect and the quantity sold, thus pricing decision affect total decision affect total revenue and total cost (Nickel, 1997).

Identifying pricing objectives; (a) profit; this is always measured in terms of Returns On Investment ROI (Nickel, 1997). Sony Sugar Company emphasized on maximizing current profit when the management sets a quarterly target to be achieved; (b) Sales; if the profit is high enough to maintain a firm in business then the firm will concentrate on the increment of sales. Cutting prices of the firm's product line may lead to increase in sales leading to market penetration (Aquitano, 1999). Market shares; some firm tend to lower prices to determine the market shares. Some firms see it as an attempt to increase sales and profits; (c) survival; firms at times need o survive in the business due to stiff competition. As a matter of fact such firms pay

little attention to profit, sales market shares (Aquitano, 1999). This pricing objective was not fully implemented in Sony Sugar Company and therefore there was need for the management to ensure that such objective was factored in the pricing objective of the firm to survive in the competitive sugar industry; (d) social responsibility; a firm may forego sales and higher profits in an attempt to get recognized by customers and the society in general. This pricing objective helped Sony Sugar Company to build its image when the management put it into consideration (Boone, 1998).

Before setting a products price its better to estimate the customer demand and revenue associated with it. Demand can be estimated using demand curve which shows the maximum number of products consumers will buy at a give price. Other demand factors apart from price include; consumers taste, price and availability of other products and income of consumers (Stevenson, 1996).

The challenge facing Sony Sugar was that estimating what consumers like and dislike was not properly done for new products or taste.

For managers to set appropriate prices as the starting price the following approaches are always used; Demand oriented approach, Skimming pricing; as a new product is introduced into the market, the managers always charge higher initial prices that will appeal to the customers having weighed the satisfaction they will get from the product. At the same time, these prices are valued with time to attract other segments of the market (Buffa, 1998).

Skimming pricing has the following effects; (1) enough prospective customers are willing to buy at this high initial price as a sign of prestige, (2) the high initial price will not attract competitors, (3) lowering the price has a minor effect of measuring the sales volume and reducing the unit cost, (4) customers interpret the higher price to quality. This is when the product is protected by patent rights and copyright (Nickel, 1997).

Penetrative pricing; this is when a firm lowers the initial price of as few products to penetrate the mass market. It has the following effects; (1) maintaining the initial price to recover the losses at the introductory level, (2) lowering the price further leads too increased volumes thus increase

volume thus necessary profit, (3) other competitors will be discouraged by the low price hence low profit thus will not venture into the market (Chase, 2001).

2.3 Effects of advertising on organization performance

Advertising is any paid form of nonpersonal presentation of goods, services, idea by an identified sponsor (Kurtz, 1998). Product advertisement. This focuses on the sales of goods and services and take three forms; pioneering, competitive, and reminder, which tell people about the new product, advertising that promotes a specific brand's features is competitive in nature (Boone, 1998).

Planning; this involves developing advertising program, identifying the target audience, specifying the objective, setting the budget, selecting the right media, and scheduling the advertising. Implementation execute the advertising program, pretest the advertising carryout the advertising. Control is evaluating the advertising program, post test the advertising, and make needed changes (Evans, 1997).

After the target audience has been identified, a decision must be reached on what the advertising campaign is to accomplish. Consumers can be said to respond in terms of hierarchy of effect, which is the sequence of stages a prospective buyer goes through from initial awareness of a product to eventual action (Solomon, 2000).

Although sometimes an objective of advertising program involves several steps in the hierarchy of effects, it often stresses one main step. No matter what the objective might be, advertising objective should possess three important qualities; be designed for a well defined target audience, be measurable and cover a specific time period (Evans, 1997).

Media is the means by which the message is communicated to the target audience. This may include; TVs, newspapers, magazines, radios, direct mails and bill board, are chosen depending on the target audience, type of the product and nature of the message, campaign objectives, available budgets, and the cost alternative media (Chase, 2001).

When choosing the advertising media, the organization should choose that which maximizes exposure and minimizes costs (Evans, 1997). Because advertisers try to maximize the number of

individuals in the target market exposed to the message, they must be concerned with the reach, which is the number of people exposed to the message.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

For effective, research design, data collection and analysis were used to arrange the information in such a way that enabled the researcher to come up with the reliable recommendations and conclusions. Both qualitative and quantitative designs were used.

3.1 Research Design

This is a plan of carrying out a research and a yardstick for measuring variables. Amin, (2005), refers to a research design as a plan which the researcher will follow. It is also a series of advanced decisions that, taken together, make up a master plan or model for a research study. It is a stated method for systematically and scientifically obtaining the data to be used.

Qualitative Research Design which is devoid of numerical values and Quantitative Research Design which are plans for carrying out research oriented towards quantification were applied in order to describe current conditions or to investigate relationships, including cause-and-effect relationships.

The researcher used descriptive research design with the aim of getting a systematic description that is accurate as possible that is, he aimed at the complete enumeration of the characteristics of the population that was the staff of Sony Sugar Company in relation to effect of customer satisfaction on company performance.

3.2 Research Area

South Nyanza Sugar Company Ltd. (Sony Sugar Company) was the company selected to form the basis of this research study. It is located in Rongo District along Kisii- Migori road in southern part of Nyanza Province in Kenya.

3.3 Study Population

The study population constituted 224 staff members of Sony Sugar company (staff list, 2009), consisting of Marketing department, Manufacturing department and Human resource, among other company administrators.

3.4 Sample Size and sampling technique

Considering time and other constraints of the study, the research used purposive sampling technique on which a sample size of 90 employees selected out of the 224 employees of Sony Sugar Company limited.

Table 3.1 Presentation of sample

GEND- ER	MARKETING DEPARTMENT		MANUFACTURING DEPARTMENT		HUMAN RESOURCE		TOTAL	
	Intended sample	Responded sample	Intended sample	Responded sample	Intended sample	responded sample	Inte- nded	respo- nded
Male	20	18	30	24	10	10	35	52
Female	10	9	5	5	15	12	55	26
Total	30	27	35	29	25	22	90	78

3.5 Research Instruments

These were the instruments that the researcher used to collect the necessary information for the study. These instruments are discussed below:

The researcher used a set both open and closed ended questions to identify research problem in an attempt to collect relevant data in effort to answer the research question under investigation. Open ended questions were used to probe respondents for more information while closed ended questions were used for easy statistical data entry and analysis.

The researcher reviewed company documents in order to get the data he needed for the study. He also reviewed these documents to obtain information about the company such as its history.

3.6 Data Collection Method

This involved the collection of both primary data and secondary data from various sources.

This is first hand information; the researcher used questionnaires to obtain this data. He was also taken through the procedure of how customer satisfaction was ensured. This helped in enhancing reliability of the data collected and information presented.

Secondary data this is second hand information that is, information already published and to obtain this data the researcher reviewed company documents presented to him upon request, company journals and any other material necessary for this study.

3.7 Data Processing and Analysis

Once the researcher obtained the necessary data for this study, he analyzed it then interpreted it. Special considerations were given to attributes such as age, sex and position held in the company.

3.8 Statistical Treatment of Data

The researcher presented the findings in form of tables, graphs, and pie charts. Analysis and presentation of the findings in this way enhanced easy understanding of the inferences made thereby improving reliability and validity.

CHAPTER FOUR

DATA PRESENTATION & INTERPRETATION

4.0 Introduction

This chapter is about data presentation and data analysis collected from employees of Sony Sugar company limited-Kenya. The data was collected based on the following objective.

4.1 Effects of branding on organization performance of Sony Sugar company limited-Kenya.

The first objective of this study was to examine the effects of branding at Sony sugar company-Kenya it was answered by on appendix C section a questions, 5, 6 and 7, and the result was summarized in the table 4.1, 4.2 and 4.3 below.

Table 4.1 Employees' idea on branding at Sony Sugar Company limited –Kenya.

Does the company value branding as one of the customer satisfaction tool?	Yes	No	TOTAL
Frequency (fo)	68	10	78
Percentage %	87%	13%	100%

The result in table 4.1 revealed that 68 employees (87%) acknowledged that they have some idea on branding, where as 10 employees (13%) acknowledge that they don't have any idea on branding used at Sony sugar company limited-Kenya. It was therefore deduced that, a few employees especially from human resource and marketing department did not have an idea because job rotation was not effected well and the company relied mostly on specialization. Employees were not given enough time to know operations from other departments thus the lack of idea on branding, a part from some who studied the idea from colleges. It was therefore recommended that to achieve full importance of branding as a tool, employees should be trained on branding basics for them to have an idea. At the same time the management should conduct frequent rotational programs to avoid over specialization as this will help instilling the

idea of branding in employees and importance associated with it in Sony Sugar Company limited- Kenya.

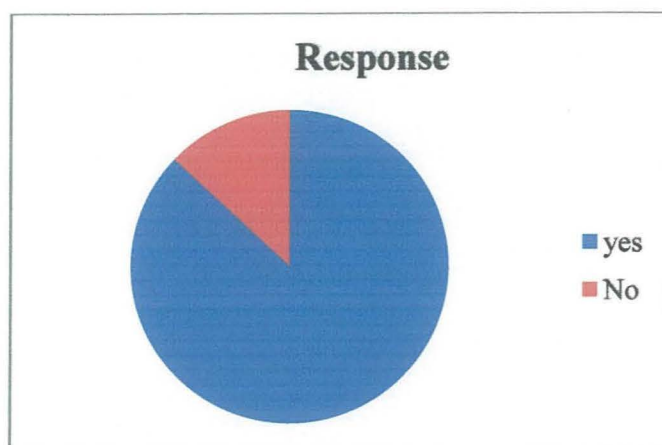


Figure 4.1 A pie chart showing percentage of employees with idea on branding at Sony Sugar Company limited-Kenya

Table 4.2 Does the company value branding as one of the customer satisfaction tool?

Does the company value branding as one of the customer satisfaction tool?	Strongly agree	Agree	Fairly agree	TOTAL
Frequency (fo)	53	15	10	78
Percentage %	68%	19%	13%	100%

The information in table 4.2 shows that 53 employees or (68%) strongly agree that branding is valued At Sony Sugar Company as a customer satisfaction tool. 15 employees or 19% agreed that branding is valued, while 10 or 13% of employees fairly agreed that branding is valued at Sony sugar as a customer satisfaction tool. The difference in response is as a result that management has not made employees especially in other departments apart from manufacturing, to know the value of branding. Human resource manager proposed the organization should invest a lot in research and development and if possible, establish a separate department from marketing to deal with research and product development .

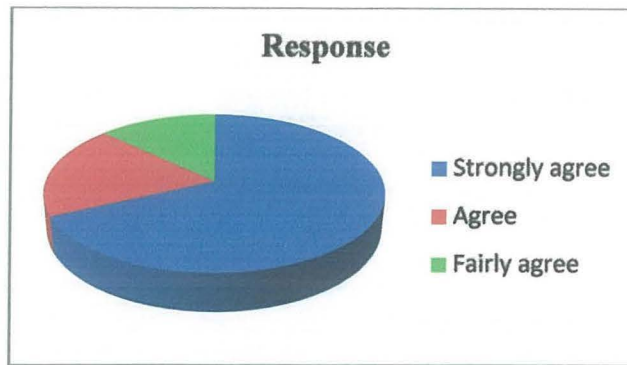


Fig 4.2. Pie chart showing employees response on branding as customer satisfaction tool.

Table 4.3. Has the branding given in the above question helped to improve the performance of Sony Sugar Company?

Has the branding given in the above question helped to improve the performance of Sony Sugar Company?	Strongly agree	Agree	Fairly agree	TOTAL
Frequency (fo)	52	18	8	78
Percentage %	67%	23%	10%	100%

The results in the table 4.3 revealed that 52 administrator or (67%) strongly agreed that branding used at Sony sugar company has greatly improved on the performance. the employees. 18 or(23%) agreed that branding has helped improve organization, while 8 employees or (10%) fairly agreed that branding has considerably improved on the performance of Sony Sugar Company. This implies that, a section of the employees are made to be mindful on branding as a customer satisfaction tool. They fail to adequately exchange ideas on how well branding can be effectively used to achieve organization performance in Sony Sugar company limited-Kenya.

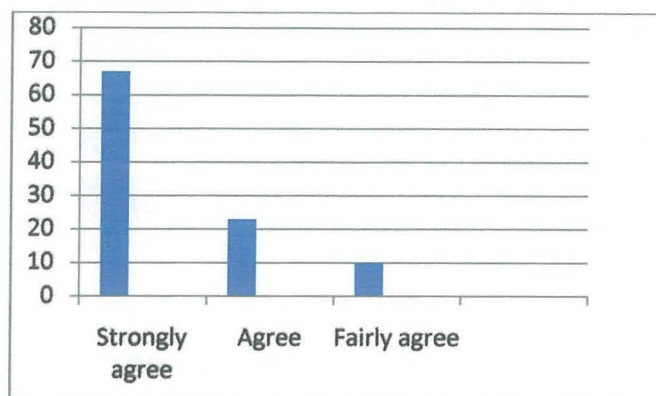


Fig 4.3 Bar graph showing employees response on effects of branding on organization Performance.

4.2. Effects of pricing on organization performance of Sony Sugar company limited -Kenya
Appendix C section b questions 8, 9 & 10, were used to answer the above objective and the results were summarized in the tables 4.4, 4.5 and 4.6 below.

Table: 4.4 Do you have an idea on product pricing?

Do you have an idea on product pricing?	Yes	No	TOTAL
Frequency (fo)	57	21	78
Percentage %	73%	27%	100%

The result in table 4.4 revealed that 57 or (73%) employees accepted that they had an idea on pricing, where as 21 or (27%) had no idea on product pricing. It can therefore be deduced that majority of the employees acknowledged that pricing had a significant role when attempting to achieve organization performance. The other employees with no idea on product pricing played a minor role in the production and sale of products. Employees should carryout interrelated tasks and this can be done through on- job training, by supervisors and offering short training courses by external expertise.

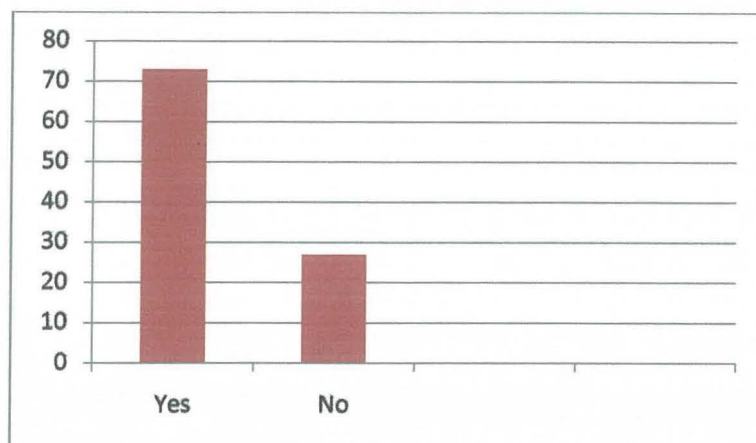


Fig 4.4 Bar graph showing employee confidence in the current pricing techniques

Table 4.5 Do you have confidence in the current pricing techniques being used by Sony Sugar Company?

Do you have confidence in the current pricing techniques being used by Sony Sugar Company?	Strongly agree	Agree	Fairly agree	TOTAL
Frequency (fo)	47	17	14	78
Percentage %	60%	22%	18%	100%

The result in table 4.5 implies that 47 employees or (60%) acknowledge that they had confidence in the current pricing techniques used at SS. 17 or 22% agreed that they had confidence, while 14 fairly agreed that they have confidence in the current pricing techniques. It was deduced that different in opinion was due to price discrimination, whereby to some customers, prices were high compared to the normal set prices. This was realized to have lead to poor sales due to the discrepancy in prices. Employees suggested that there should be constant price for all customers to enlist their loyalty to improve on the performance of SS Company limited -Kenya.

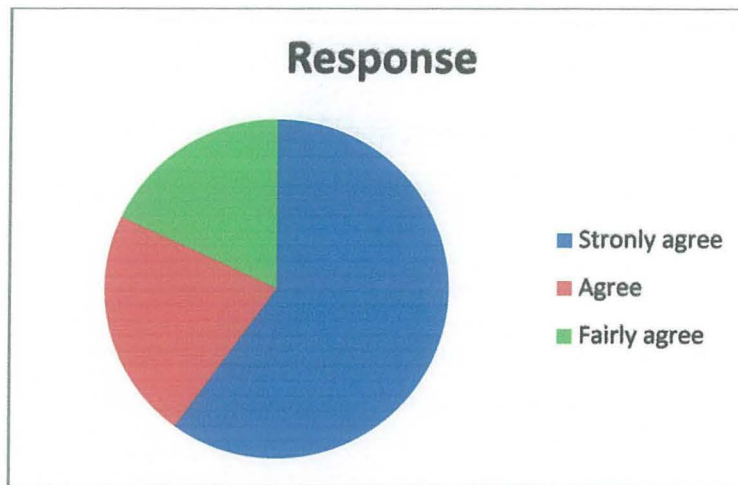


Fig 4.5 Pie chart showing employee's confidence on the pricing techniques used by Sony Sugar Company.

Table: 4.6. Please indicate any problems that are faced with the current pricing technique adopted by the company.

Please indicate any problems that are faced with the current pricing technique adopted by the company.	Low sales	Bad image	TOTAL
Frequency (fo)	60	18	78
Percentage (%)	77%	23%	100%

According to table 4.6 it is revealed that 60 employees or (77%) acknowledged that The current pricing technique has continuously lead to low sales because the prices were higher compared to those of the competitors. At the same time, 18 or (23%) mentioned bad image to be associated with the current pricing technique used at Sony Sugar Company. It can therefore be deduced that the organization practices price discrimination thinking that customers are ignorant. This is a bad practice and therefore has been detrimental to SS hindering its performance.

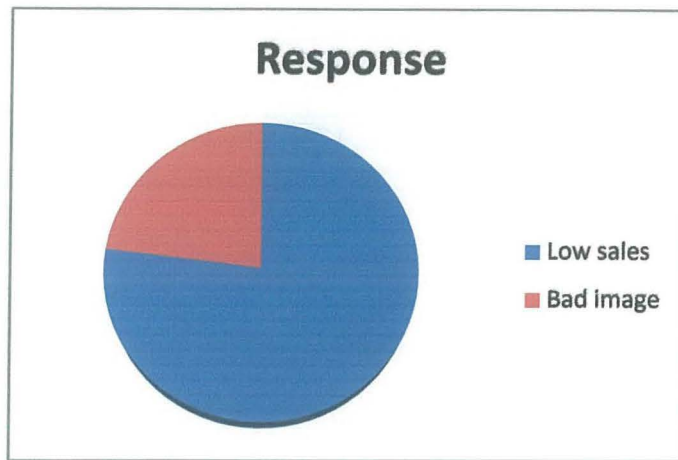


Fig 4.6 Pie chart showing problems faced with the current pricing technique at Sony Sugar Company limited Kenya.

4.3 Effects of advertising on organization performance.

Appendix C section c, questions 11, 12 & 13 were used to answer the above objective and the results were summarized in the tables 4.7, 4.8 and 4.9 below.

Table: 4.7 How frequent does the company advertise the products?

How frequent does the company advertises the products?	Weekly	Fortnig- htly	Monthly	TOT AL
Frequency (fo)	12	24	42	78
Percentage %	15%	31%	54%	100%

The result from table 4.7 indicate that 12 employees (15%) accepted that SS Company limited-Kenya, advertizes weekly.24 or (31%) acknowledged that the company advertises fortnightly, while the majority 42 or (54%) responded that averts are made every month. The difference on employee response was attributed to the fact that SS company limited-Kenya had not established clear advertising durations and dates to the extent that employees are not sure when the adverts are released. It was therefore deduced that SS Company has not fully utilized the media. The

organization need to have good media relations and identify the durations when the adverts are to be run to avoid such uncertainty so that they can match their competitors.

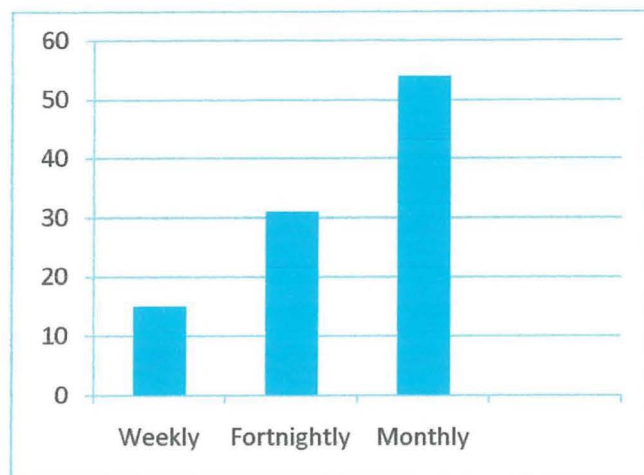


Fig 4.7 Bar graph showing how frequent Sony Sugar company limited- Kenya advertizes its Products

Table: 4. 8 What advertising media does the company uses most when advertising the products?

What advertising media does the company uses most when advertising the products?	Television	Radio	Newspapers	TOTAL
Frequency (fo)	15	46	17	78
Percentage %	19%	59%	22%	100%

The result from table 4.8 shows that 15 employees (12%) responded that adverts were run on televisions, 46 or (59%) acknowledged that most adverts were run on local broadcasting radio stations, while 17 or (22%) responded that newspapers were at times used by the company. This was as a result of the company targeting different classes of customers who at times failed to respond to the products leading to financial losses. It was therefore deduced that Sony Sugar company should identify the potential customers, who in most cases listened to local radio

stations, and therefore should concentrate their adverts to media choice which will reach the majority of the target customers and this will lead to improved performance of S S company.

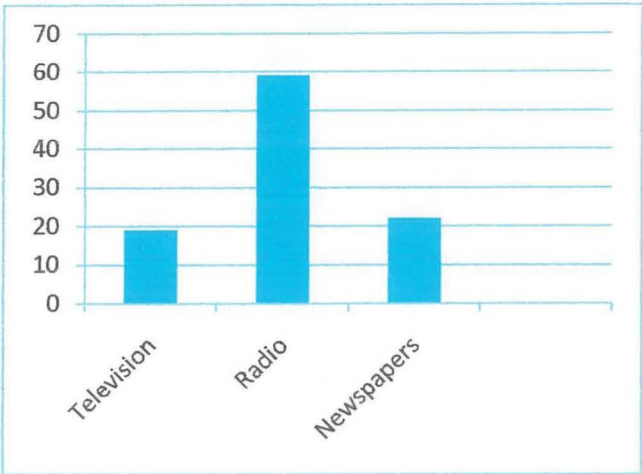


Fig 4.8 Bar graph showing media choices when advertising, by Sony Sugar Company Limited- Kenya.

Table: 4.9 Is the advertising media choice mentioned above effective in reaching the targeted customers?

Is the advertising media choice mentioned above effective in reaching the targeted customers?	Strongly agree	Agree	Fairly agree	TOTAL
Frequency (fo)	40	22	16	78
Percentage %	51%	28%	21%	100%

The result from table 4.9 shows that 40 employees or (51%) highly considered the media choice to be effective, 22 employees or (28%) agreed that the media choice is an effective one in reaching the targeted customers, while 16 employees or (21%) fairly agreed that the media choice has reached the targeted customers. Employees acknowledged that the organization concentrated on other media choices for example, radio, compared to the others and thus

suggested the need to balance on the media choice since the world has gone digital. It was therefore deduced that Sony Sugar Company is not taking advantage of media choices with animations such as television, yet if well used can be potential in reaching the targeted customers which can lead to improved performance of Sony Sugar company.

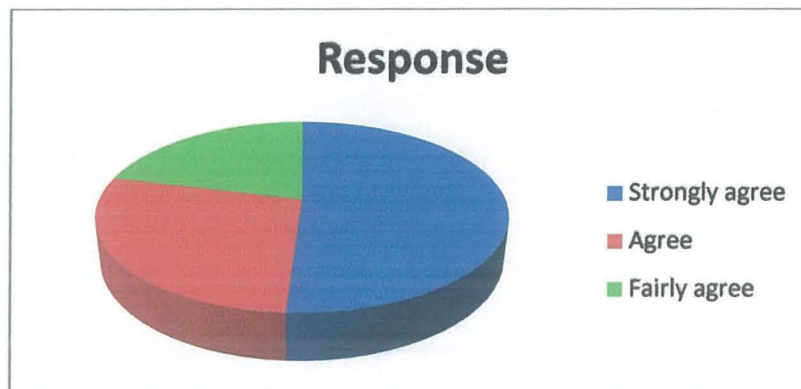


Fig 4.9 Pie chart showing effectiveness in media choice by Sony Sugar Company, in reaching targeted customers.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS & RECOMMENDATIONS

5.0 Introduction

This chapter presents the general conclusions and recommendations made base on the objectives of the study and data collected from employees of Sony sugar Company limited-Kenya.

5.1 Discussion

The first objective of the study was to examine the effect of branding on organization performance of Sony Sugar Company limited- Kenya. According to data collected, it revealed that majority of the employees had knowledge on branding used at Sony sugar company limited-Kenya .It was therefore deduced that, a few employees especially from human resource and marketing department did not have an idea because job rotation was not effected well and the company relied mostly on specialization. Employees were not given enough time to know operations from other departments thus the lack of idea on branding, a part from some who studied the idea from colleges. It was therefore recommended that to achieve full importance of branding a as a tool, employees should be trained on branding basics for them to have an idea. At the same time the management should conduct frequent rotational programs to a void over specialization as this will help instilling the idea of branding in employees and importance associated with it in Sony Sugar Company limited- Kenya.

The second objective was to asses the effects of pricing on organization performance of Sony Sugar company limited-Kenya. It was revealed that majority of the employees acknowledged that pricing had a significant role when attempting to achieve organization performance. The other employees with no idea on product pricing played a minor role in the production and sale of products. Employees should carryout interrelated tasks and this can be done through on- job training, by supervisors and offering short training courses by external expertise. This was realized that if put in place could help improve performance of Sony Sugar Company limited-Kenya.

The last objective was to examine the effect of quality advertising on the performance of Sony Sugar Company limited –Kenya. And from the data obtained, it was revealed that pricing It was deduced that difference in opinion was due to price discrimination, whereby to some customers,

prices were high compared to the normal set prices. This was realized to have lead to poor sales due to the discrepancy in prices. Employees suggested that there should be constant price for all customers to enlist their loyalty to improve on the performance of Sony Sugar Company limited -Kenya.

5.2 Conclusions

The research topic was about effects of customer satisfaction on organization performance, and was characterized by branding, pricing and advertisement.

The first objective was to examine the effects of branding on organization performance, and from research findings and data analysis, it was proved that branding is directly connected to organization performance because it is evident that branding had a great significance in organization performance, yet the management does not put it known by majority of employees. This was as a result of lack of information by employees due to laxity on the side of management. The management should capitalize on research and development and should involve employees to help in branding attractive products.

The second objective was to asses the effects of pricing on organization performance. According to data analysis curried out, it was discovered that pricing is directly connected to organization performance because when the organization attempted price discrimination, sales reduced and the image of the organization was destroyed. It is therefore worth for the organization to stabilize prices despite the markets they are in.

The last objective was to examine the effects of quality advertising on organization performance. From the findings it was revealed that effective media choice helps in reaching the target customers. Since business operations have gone digital, the organization should adequately use channels like Television or newspapers to market their products due to the use of animations which are quite attractive compared to the Radio adverts. This if well managed can boost the performance of Sony Sugar Company limited-Kenya.

5.3 Recommendations

Below are the recommendations were drawn from the study

Organization should be structured to allow all the departmental heads and their subordinated to have insight of what is happening in other departments and their contribution towards organization performance. Continuous training is important in this case and is enhanced through effective communication. At the same time, the organization should establish research and development department fully equipped to handle issues related to branding. Managers should put it forward that creativity is rewarded in the organization so that employees can be creative enough to come up with new branding techniques.

The organization should charge fair prices after knowing that they are not the only suppliers in the region. The prices should match the quality and size of the package. Management should put measures in place to help reduce both legal and illegal price discrimination Price discrimination since this has cost the organization much. Employee's perception should be changed towards the organization, such that they don't view it as a place for advancing personal interests. Employees who are found victims of price discrimination especially the sales men, should be punished to help manage the vice.

The organization should carryout proper SWOT analysis before advertising the products. The belief that the organization has got customer loyalty is not enough due to stiff competition in the sugar industry. New markets should be established and this can only be achieved through proper advertising using the appropriate channels to reach the targeted customers. Channels rich in information like Television should be resorted to to help further market the products.

The organization should shift from regional marketing or advertising to national advertising for the company to gain popularity, thus increase on sales. The central office in Nairobi should adopt a new strategy such that all local radio and television channels are used to advertise the company products to match competitors like Mumias Sugar and Chemelil Sugar, who advertise nation wide. If these measures are put in place, the organization can experience high customer loyalty and increased sales leading to improved performance of Sony Sugar company limited- Kenya.

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APPENDIXA: TIME SCHEDULED

ACTIVITY	DURATION
DATA COLECTION	DECEMBER 2009
PROPOSAL WRITING	JANUARY- FEBRFUARY 2010
SUBMISSION	APRIL 2010
DATA COLLECTION	MAY 5 TH – 15 TH 2010
WRITNG DESERTATION AND SUBMISSION	MAY 2010

APPENDIX B: BUDGET ESTIMATE FOR THE STUDY

ACTIVITY	USH
Transport	100,000
Internet surfing	50,000
Stationery	30,000
Typing and printing	50,000
Total	230,000

APPENDIX C: QUESTIONNAIRE FOR OPERATIONAL STAFF AND EMPLOYEES

Dear Respondent,

The questionnaire is designed to obtain data on 'The Effects of customer satisfaction on Company Performance' which is being carried out as a partial fulfillment for the award of a Bachelors Degree in Human Resource Management at Kampala International University. The information obtained is for educational purposes only and will be treated in strict confidentiality.

Thank you in advance.

Please tick (✓) wherever necessary.

Section A: Personal data

1. Gender:

Male ☐ Female ☐

2. Age

Below 30 Years ☐ 30-50 Years ☐ above 50 Years ☐

3. How long have you worked with Sony Sugar Company?

Below 5 Years ☐ 5-10 Years ☐ above 10 Years ☐

4. Academic Qualifications

Below O- Level ☐

O-Level ☐

Certificate ☐

A-Level ☐

Diploma ☐

Degree ☐

Post Graduate ☐

Please specify the course name.....

Section B: Customer satisfaction issues

(a). Effects of branding on organization performance

5. Do you have an idea on branding?

Yes ☐

No ☐

6. Does the company value branding as one of the customer satisfaction tool?

Strongly agree ☐ Agree ☐ Fairly ☐ Disagree ☐ Strongly disagree ☐

7. Has the branding given in the above question helped to improve the performance of Sony Sugar Company?

Strongly Agree ☐ Agree ☐ fairly ☐ Disagree ☐ Strongly disagree ☐

Give reason in your view above

.....
.....
.....

(b). Effects of pricing on organization performance

8. Do you have an idea on product pricing?

Yes ☐

No ☐

9. Do you have confidence in the current pricing techniques being used by Sony Sugar Company?

Strongly agree ☐ Agree ☐ Fair ☐ Disagree ☐ Strongly Disagree ☐

Why.....
.....
.....

10. Please indicate any problems that are faced with the current pricing technique adopted by the company

.....
.....

(c). Effects of advertising on organization performance

11 How frequent does the company advertises the products?

Weekly ☐

Fortnight ☐

Monthly ☐

If other specify.....

12. What advertising media does the company uses most when advertising the products

Television ☐

Radio ☐

Newspapers ☐

If other specify.....

13. Is the advertising media choice mentioned above effective in reaching the targeted customers?

Strongly agree ☐ Agree. ☐ Fairly ☐ Disagree ☐ Strongly disagree ☐

THANK YOU FOR YOUR RESPONSE