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Influence of Customer Service and Firm- Level Characteristics on Customer Satisfaction Among Large Retail Supermarkets in Kenya: Theoretical Framework

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Abstract
Different companies adopt different mechanisms to measure customer satisfaction and gain competitive edge. Principal component analysis identified five constructs which were found to influence respondents' decision to purchase: value, physical appearance, usage, prior experience and promotion. To achieve customer satisfaction therefore, most large firms are grappling to balance both the tangible and intangible consumer previous experience in order to maintain a destination of choice for its target audience. Customer service and firm level characteristics remain crucial elements of the retail mix that are of great significance to supermarket operations. Empirical review widely links the two aspects with customer satisfaction and that they are important for organization performance, growth, and sustainability amidst competition. However, previous studies have analyzed each aspect separately or looked at the variables independently which is a fact to be established in this study. The purpose of this study was to examine the influence of customer service and firm level characteristics on customer satisfaction among large retail supermarkets in Kenya. The study tested a conceptual framework of six variables which links customer service and firm level characteristics to customer satisfaction; customer loyalty card initiative; supermarket ambience; operation schedule; supermarket pricing differentiation; supermarket image; and supermarket location.
Key words: Customer Service and Firm- Level Characteristics, Customer Satisfaction

1.0 Introduction

In today's retail environment, customer expectations, preference, tastes and needs are changing rapidly. Propelled by the strong forces of urbanization and globalization, the amplification of supermarkets in Kenya has been inevitable. This development makes customer service and firm-level characteristics important tools in supermarket strategies aimed at gaining competitive edge by meeting and exceeding customer satisfaction so as to build loyalty and thus not only retain them but also increase them. According to Hongxiang (2011) quality of experience is one of the most important factors that will result in satisfaction of the customers. And as customers have become more sophisticated, their demands and expectations have continued to increase. Nakumatt, Uchumi, Ukwala, Naivas, and Tuskys are the biggest supermarkets in Kenya in terms of branch network and shopping traffics (Kamau 2008). These retailers strive to enhance consumers' shopping experience by rewarding them through offering a set of activities or programmes (Boris & Harris, 2010). These activities tend to increase the overall value of any product or service customers purchase in a store (Ward, 2014). Well-structured customer service strategies and firm-level positioning in the market place are essential because they positively influence customer expectations and perceptions. These expectations and perceptions of customers determine their buying behaviour at a retail outlet (Baron and Harris 2010).

2.0 Theoretical Framework

The theoretical framework encompassed six theories namely Cognitive Dissonance Theory; Equity Theory; Central Place Theory; The theories in support of the six specific objectives emanating from the main objective was to develop a conceptual framework on the influence of customer service and firm level characteristics on customer satisfaction among large retail supermarkets in Kenya. The specific objectives were customer loyalty card initiative; supermarket ambience; operation schedule; supermarket pricing differentiation; supermarket image; and finally to establish supermarket location.

2.1 Cognitive Dissonance Theory

Cognitive dissonance is an uncomfortable feeling caused by holding two contradictory ideas simultaneously. The theory of cognitive dissonance proposes that people have a motivational drive to reduce dissonance by changing their attitudes, beliefs, and behaviour, or by justifying or rationalizing them. The phenomenon of cognitive dissonance, originally stated by Festinger in 1957, has been quickly adopted by consumer behaviour research. Described as a psychologically uncomfortable state that arises from the existence of contradictory (dissonant, non-fitting) relations among cognitive elements (Festinger, 1957) cognitive dissonance revealed high exploratory power in explaining the state of discomfort buyers are often in after they made a purchase.

Assimilation theory is based on Festinger's (1957) dissonance theory. Dissonance theory posits that consumers make some kind of cognitive comparison between expectations about the product and the perceived product performance. This view of the consumer post-usage evaluation was introduced into the satisfaction literature in the form of assimilation theory. According to Anderson (1973), consumers seek to avoid dissonance by adjusting perceptions about a given product to bring it more in line with expectations. Consumers can also reduce the tension resulting from a discrepancy between expectations and product performance either by distorting expectations so that they coincide with perceived product performance or by raising the level of consumer satisfaction by minimizing the relative importance of the disconfirmation experienced.

According to Anderson, the consumers try to avoid dissonance by adjusting their perceptions of a certain product, in order to bring it closer to their expectations. In a similar way, the consumers can reduce the tension resulted from the discrepancy between expectations and the product's performance, both by distorting the expectations so that they could be in agreement with the product's perceived performance, and by increasing the level of satisfaction through minimizing the relative importance of experimental disconfirmation (Olson and Dover, 1979). The theory presumes the consumers are motivated enough to adjust both their expectations and their product performance perceptions. If the consumers adjust their expectations or product performance perceptions, dissatisfaction would not be a result of the post-usage process. Consumers can reduce the tension resulting from a discrepancy between expectations and product/service performance either by distorting expectations so that they coincide with perceived product performance or by raising the level of satisfaction by minimizing the relative importance of the disconfirmation experienced (Olson and Dover, 1979) Some researchers have discovered that the control on the actual product performance can lead to a positive relationship between expectations and satisfaction. (Anderson, 1973) Consequently, it is assumed that dissatisfaction could never appear unless the evaluation process began with the customers' negative expectations.

Disconfirmation theory argues that satisfaction is related to the size and direction of the disconfirmation experience that occurs as a result of comparing service performance against expectations. Ekinci et al (2004) cites Oliver's updated definition on the disconfirmation theory, which states "Satisfaction is the guest's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) has a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment. Mattila, A and O'Neill, J.W., (2003) discuss that the most popular satisfaction theories is the disconfirmation theory, which argues that satisfaction is related to the size and direction of the disconfirmation experience occurs as a result of comparing service performance against expectations. Basically, satisfaction is the result of direct experiences with products or services, and it occurs by comparing perceptions against a certain standard (e.g. expectations). Research also indicates that how the service was delivered is more important than the outcome of the service process, and dissatisfaction towards the service often occurs when guest's perceptions do not meet their expectations.

2.2 Equity Theory

Adams (1965) posits that individuals evaluate number of factors which they may consider as inputs and outcomes in their evaluations of if they are treated fairly (under-rewarded or over-rewarded) comparing to other individuals Adams, (1963). In other words, individuals compare other individual's situations with their own situations when assessing fairness. In situation when ratios are unequal, inequity occurs and individual experience cognitive dissonance. In order to restore equity individuals are motivated to act. The equity theory key components are inputs (contribution); outcomes (rewards); in reference to other individuals with whom an individual compare their ratio of outcomes to inputs.

Equity theory is often used to explain employee motivation, but it can be applied to wide range of situations such as explanation of satisfaction and loyalty as used in this study, because perceived equity evoke positive affective states, which leads to positive attitudes (satisfaction and loyalty) (Adams, 1965). Value equity is driver of loyalty intentions, which explains what must be sacrificed for received benefit (Vogel, 2008). (Rust, Lemon, and Zeithaml, 2004) estimated the effects of individual customer equity drivers that allowed projecting the return on investment occurred from expenditures.

Wang, (2007) concluded that fundamental and marketing strategies related to customer equity theory increased attitudinal and behavioral loyalty. Customer experiences inner fairness when customers outcome – input ratio match up to customers own reference outcome - input ratio (Oliver, 2008). Perceived value is the customers overall assessment of the utility of a product based on perceptions of what is received and what is given or what you get for what you pay.

2.3 Central Place Theory

According to Reilly, (1931) who developed Reilly law of retail gravitation which proposes that people are drawn to larger shopping thus larger cities tend to attract more customers to shop their than smaller ones therefore the need for supermarkets to consider location when putting up facilities. This is further supported by Craig et al (1984) who use the central place theory to explain how people living far away are attracted to larger stores which are centrally located in larger shopping malls offering more collection of goods and services than those stores within their own vicinity offering less goods and services.

Central Place Theory (CPT) is an attempt to explain the spatial arrangement, size, and number of settlements. The theory was originally published in 1933 by a German geographer Walter Christaller who studied the settlement patterns in southern Germany. Christaller noted three different arrangements of central places according to the following principles: The marketing principle; the transportation principle; and the administrative principle.

Craig *et al*., (1984) further supported central place theory in explaining how people living far away are attracted to larger stores, which are centrally located in larger shopping malls, offering more collection of goods and services than those stores within their own vicinity offering less goods and services. Stores location takes the arguments in this theory into consideration that is why there is a provision of spacious parking space in most large supermarkets. Litz and Gulasekaran, (2008) in a study of U.S. retail hardware stores on how important is physical location as a source of small-firm advantage found significant support for central-place theory. Physical location was found to yield competitive advantage to the retail stores enjoying it.

2.4 The marketing mix theories

The emergence of the marketing concept in the 1940s and 1950s brought the customer into prime focus. In the 1960s the marketing mix framework of product, price, promotion and place introduced a managerial approach to the marketing of products McCarthy (1960). The 4Ps have withstood the test of time, and offer the marketer a set of tools with which to analyze current offerings and develop new ideas, and thus subjected to a great number of criticisms (e.g. Gronroos, 1994; O'Malley & Patterson, 1998) such as the focus on the single transaction between firm and customer only, assumption that sellers are active and buyers are passive and so on.

However, by the early 1970s the limitations of this framework were being recognized both in the context of services marketing and in the context of business to business (B2B) endeavors (O'Malley& Patterson, 1998). In the late 1970s, marketers wrestled with approaches to applying marketing in this context. Just transferring the popular 4Ps was difficult because services are different from products on four key dimensions or characteristics: Intangibility; Inseparability; Variability and Perishability. Service marketers argued that 4Ps were insufficient, and they added people, physical evidence and process to the original mix Booms and Bitner, (1981).

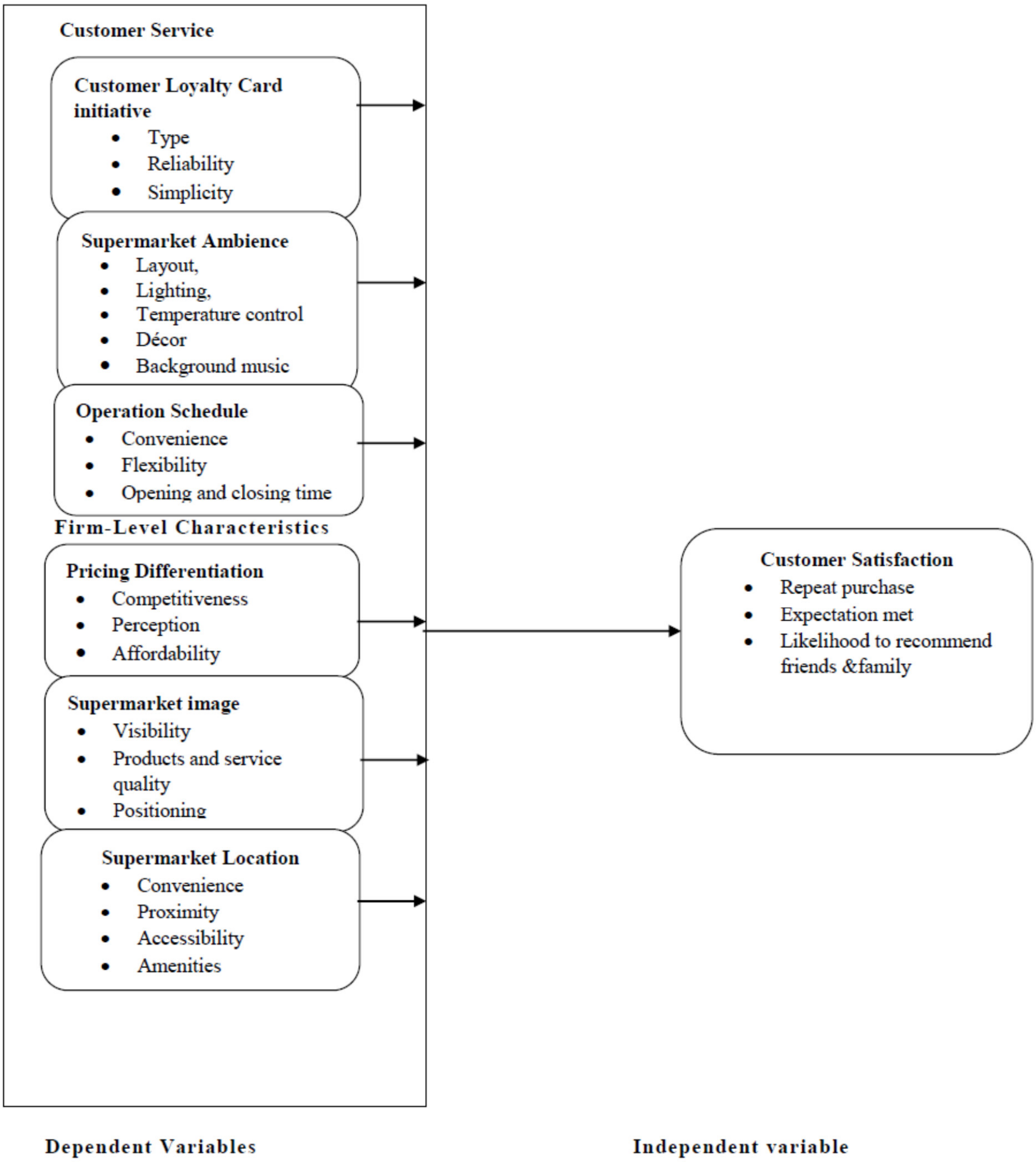
Other services marketers argued for a more dramatic paradigm shift because of the centrality of people and relationships in the exchange process (Grönroos 1994). Although the 7Ps is widely used, it has attracted a great deal of criticism for simply adding more Ps. Thus, for other researchers the challenges of the service marketing context demanded a radically different approach, an approach that developed into what is now termed as relationship marketing. Relationship Marketing aims to create a long-term interactive relationship between providers and customers therefore it is very important for service firms because it costs 5 or 6 times more to attract a new customer than retain an existing one. Lovelock, (1996)

The focus of marketing relationships began to emerge in the early 1980s. Relationship Marketing is argued to offer a more holistic approach to understanding market dynamics and to developing and implementing marketing strategies. Its ideological emphasis is on the creation of greater value for consumers and organizations by fostering cooperative and collaborative partnerships. Parvatiyar and Sheth (1999) emphasize relationship marketing's focus on the "ongoing process of engaging in cooperative and collaborative activities and programmes with immediate and end user customers to create or enhance mutual economic value, at reduced cost."

Profit remains an underlying business concern and relational objectives are met through the fulfillment of promises (O'Malley and Tynan, 2008). Loyalty cannot be taken for granted and that customers will only keep coming back if they feel they are getting better value - Value Customers. The shift in focus to 'value in use' brings yet another paradigm into view. Service Dominant Logic (SDL) was introduced in 2004 by Vargo and Lusch and has caused marketers to re-think their strategies and approaches. Service dominant logic demands an increased focus on "how customers, through their experiences and interactions, co-create value with organizations" Baron et al., (2010:14). Because of the focus on co-creation, customer experiences and the management of customer relationships are considered integral to the contemporary emphasis co-creation of value.

The emergence of digital media tools such as social networking sites, podcasts, blogs, and search engines have fundamentally changed the way in which contemporary consumers communicate and, hence, the way marketers need to engage with those consumers. Digital marketing allows consumers to 'pull' down information and interact with companies, and each other, enabling participation, dialogue, co-creation of a product and a sharing of control Johnson and Baines, (2011).

Conceptual Framework
This section presents a diagrammatic representation of the relationship between the study variables labeled as independent and dependent variables



Conceptual Framework

2.5 Review of Empirical Literature

2.5.1 Customer Service and Firm-Level Characteristics on Customer Satisfaction

Customer Service refers to the retailer's efforts to enhance customers' shopping experience by making it more rewarding through offering a set of activities or programmes (Harris 2010). According to Singh, (2011) a customized approach is founded on the philosophy that every customer is valuable and therefore this approach plays a substantial role in determining the retailer's success, whereas standardized approach ensures that there is a similar experience pertaining quality, taste and feels despite location. Levy and Weitz, (2012) in his study further established that a customized (personalized) approach to customer service revolves around structuring service to meet individual needs of customers, whereas a standardized approach involves adherence to certain set rules or store policies of executing customer service. These strategies to customer service ensure superior and unique service is provided which ultimately leads to advocacy.

Levy and Weitz, (2012) explain that store personnel are guided by rules under the standardized approach which makes the whole process faster and consistent. Hyken, (2013) further advocates that personalized superior service ensures that customers come back to the business and make purchases from the retailer because of the intimate touch associated with this approach. However, inconsistencies might occur in delivery of the service depending on personal attributes of the service provider how good or bad the service will be. Standardization brings consistency in service delivery and ensures time saving.

A report by Saudi Standard, Metrology and Quality Organization, (2012) revealed that the grocery retail in Saudi shopping malls had faced many issues with the products and services quality provided to Saudi shoppers. The report added that such issues affected the confidence of Saudi shoppers about the quality of the groceries offered by these shopping malls, leading to a waning trust among the shoppers. This lack of confidence in the quality of groceries translates into a fact where many of them are avoiding big shopping malls for their grocery shopping. Many shoppers believe that groceries stored in big shopping malls are comparably less fresh than those available in a small grocery store because the former is assumed to be kept for a long time. Perception of customers plays an important role when customers evaluate service in stores. However, customer service is an intangible aspect and it makes it hard for customers to assess precisely. Five features of customer service are available in which; customers use to make their evaluations pertaining quality of service delivered at stores. These include dependability, guarantee, tangibles, empathy and responsiveness.

Dependability refers to the ability of store personnel to execute service reliably and precisely. For example, delivering service as stated or promised like meeting stated delivery dates or providing accurate warranties as stated in contracts (Levy and Weitz, 2012). According to Yeo, (2008) inconsistencies between what has been promised and the actual service delivered can be an outcome of imprecise communication in advertisement, or sales promotions. In this case, the retailer ‘oversells’ his services to the extent that his full potential cannot match what has been promised. Guarantee or assurance entails the skill and politeness of store employees and their capabilities to deliver trust and confidence in customers which can be achieved through meticulous training of staff. Yeo, (2008) suggests that store employees’ knowledge, courtesy and ability to instill trust and confidence are important in assuring customers within the store. Store personnel need to manage excess demands of customers during peak hours to ensure that assurance as a service quality dimension is addressed.

Tangibles are physical facilities, tools, staff, and communication equipment at the store. It explains the outward look of these facilities. Tangibles are a viable source to manipulate in order to enhance the store’s image and deliver strong messages of superior service to the customers (Zeithaml, Bitner and Gremler 2009:117). In the case of supermarkets, it is important that the store itself is tidy; merchandise placement should be neat, and aisles distinct and logical. (Dhurup, Singh and Surujlal, 2006:42) further suggest that appearance of a store’s human resources is also important in this instance. Empathy involves store’s staff ability to recognize customers’ emotional requirements, comprehend the cause of such conditions, and take action appropriately. It may include offering customized service or even recognizing a customer by name (Jane, 2013). It basically covers care and personal attention afforded by store personnel to customers during their shopping experiences. Empathy shows the store employees’ enthusiasm and competence to answer to personal customer needs. The goal of empathy as a service quality dimension is to offer customers increased facilities and improve the service competence through personalized service Dhurup, Singh and Surujlal, (2006).

Responsiveness refers to store’s staff enthusiasm to assist customers and offer quick service. For instance, responding to calls or emails immediately. Responsiveness is meant to address customers’ need or feeling that they are important Lucas (2012). In this case whoever is providing the service should be active, voluntary, and flexible in solving customers’ difficulties or requests. In supermarkets, employees should continuously engage in personal interaction with customers and show personal interest in their well-being. Such activities tend to increase the overall value of any product or service customers purchase in a store. Kim, Park, and Jeong, (2004) defined customer service as a group of activities that involve customer support systems, complaint processing, speed of complaint processing, ease of reporting complaint and friendliness when reporting complaint. Besides, (Marx and Erasmus, 2006) defined that customer service is an assortment of attributes that collectively represent the service.

Huddleston, Whipple, Nye and Lee, (2009) observed that price, product assortment, quality, and employee service influence store satisfaction regardless of store type (conventional stores or specialty stores). However, the degree of influence of these attributes varied by store type. The results imply that while specialty store shopper satisfaction characteristics are clearly delineated, conventional store shopper characteristics are more difficult to pinpoint.

According to a study by Thương, (2016) on factors influencing customer satisfaction towards supermarkets in Thai Nguyen City, Vietnam, firm characteristics such as product, price, personal interaction, convenience, services and physical appearance were positively impacted on customer satisfaction towards studied supermarkets. Among them price had a strongest influence on customer satisfaction. Based on these findings, some recommendations were proposed.

Morgan and Rego, (2006) include firm size, advertising intensity, R&D intensity, and number of brands offered in exploring the relationship between different customer metrics (satisfaction) and several short- and long-term firm financial performance measures. Similarly, (Gruca and Rego,2005) used firm-level covariates such as advertising intensity, R&D intensity, number of brands, and the number of segments to investigate the impact of customer satisfaction on firm profitability and shareholder value. Based on the literature, we identify five firm-level covariates such as firm size, advertising expenditures, R&D expenditures, the number of brands offered (differentiation), and the number of distinct business segments in which a firm operates (diversification).

Slamet*et.al*, (2015) describes market segmentation as a strategic process for achieving alignment between product offerings and customer 'needs'. Hence, the market segmentation essentials are: Optimize allocation of business resources by targeting high-value customer. Guide product development and customize service offerings to accommodate 'needs' of target segment; Increase promotional impact by positioning products; customizing messages to align with segment-specific orientation. But even so, successfully bridging the gap between segmentation principles and successful application is a major challenge for organizations. Choosing the right approach requires both a clear understanding of organization objectives and intimate familiarity with the methodological options. There are literally hundreds of market-sensitive segmentation frameworks, including blended, tiered (or hierarchical), and multi-faceted segmentations, wide range of statistical techniques.

A study by Chamhuri and Batt, (2013) in Malaysia revealed the importance of segmentation and targeting as a strategy of enhancing customer satisfaction levels. Freshness, size and price were the most frequently cited variables in respondents' decision to purchase fresh potatoes. Principal component analysis identified five constructs which were found to influence respondents' decision to purchase: value, physical appearance, usage, prior experience and promotion. The ability to create and sustain a meaningful competitive advantage requires a deep knowledge of customer needs and disciplined business process to ensure that the 'needs' are effectively addressed.

2.5.2 Influence of customer loyalty card initiatives on customer satisfaction in large retail supermarkets in Kenya.

According to Watt, (2015), way back in 1896, the first loyalty programmes were initiated in the US – with astounding success. The system was simple, yet incredibly effective: customers received stamps when they made purchases, which they could then glue into a booklet. Once the booklets were full of stamps, they could redeem them for products Vitthalrao, Mahendra, Madhav, and Bhausaheb, (2016) observed that a working smart shopper card application is characterized by features such as reduced scanning time, personalization of items, ability to maintain history of purchased products, ability to provide information regarding discounts and offers. Some of the customer loyalty schemes include Customer loyalty cards and Coalition Loyalty Programs. Customer Loyalty Cards are structured as long-term marketing effort which provides incentives to repeat customers who demonstrate loyal buying behavior. The primary aim of customer loyalty cards is to build up emotional relationships that generate benefits. The benefits need to be valuable and should be capable of creating an emotional connection between the customers and the company (Butscher, 2002). Organizations can take active measures to develop interactive programs that not only identify but also reward their best customers Dato-on, Joyce and Manolis, (2006). The loyalty card personalized relationship process begins with giving the individualized plastic card to the customers, who will be scanned during shopper check out that records customer identity and all purchases. Usually the customer loyalty card is given to the customer for free in exchange with personal information including customer's name, address, phone number, number of household members and is used as a tool to accumulate the information about purchasing behavior from customers who subscribe while they can collect points which are redeemable in future for substantial rewards in return (Meyer-Warden, 2008). The overall objective of loyalty cards is to modify customer repeat behavior by stimulating product or service usage and retain customers by increasing switching costs aimed at creating a win-win situation for the initiating company and customers (Meyer-Warden, 2008). According to (Noble & Phillips, 2004), this strategy encourages customers to return to a retailer in order to save money, receive special offers or extras and earn additional products/services in appreciation for their loyalty. A major benefit of giving loyalty cards to customers is the collection of useful information about customer behavior that might be used for marketing decision-making (Cortinas *et al.,* 2005). Loyalty cards also enable companies to customize their marketing mix variables to the store or customer segment level.

Ergin, Parilti and Özsaçmaci, (2007) conducted a study to identify whether loyalty cards issued by stores have an impact on customer loyalty and how loyalty cards compare with other factors companies can use to increase loyalty in general. In their study they established that loyalty cards are quite an important component in a whole program of efforts designed to increase customer commitment to a store. They represent the opportunity to build long term customer loyalty. But they are not the sole factor in a customer's store loyalty development. Results of this study show that customers also focus heavily on the availability of a wide assortment of products, salespeople's positive attitudes and ease of transportation as their top factors for developing store loyalty. Therefore, companies have to take the whole package into consideration. They must aim to build a connected network of customers, partners and vendors, enabled by technology, all working towards profitable and mutually beneficial relationships.

Yi and Jeon, (2014) investigated how reward schemes of a loyalty program influence perceived value of the program and how value perception of the loyalty program affects customer loyalty. The results showed that involvement moderates the effects of loyalty programs on customer loyalty. In high-involvement situations, direct rewards are preferable to indirect rewards. In low-involvement situations, immediate rewards are more effective in building a program's value than delayed rewards. Under high-involvement conditions, value perception of the loyalty program influences brand loyalty both directly and indirectly through program loyalty. Under low-involvement conditions, there is no direct effect of value perception on brand loyalty.

The study, For Love or Money 2013 Consumer Study into Australian Loyalty Programs, surveyed over 1000 Australian consumers and found 88% of those aged over 16 belong to a loyalty program (Waters, 2013). The study found 80% of consumers buy more from businesses whose programs they are a member of. They also tend to buy from businesses which have a loyalty program versus those which don't. When faced with choosing between two similar products or businesses – one with a loyalty program and one without – 55% of those surveyed tend buy from the one that has a loyal program. But the study also found that although loyalty programs influence buying behaviour, they don't equal customer loyalty. Less than half of those surveyed tend to feel more loyal to a brand whose program they are a member of Waters, (2013).

2.5.3 Influence of supermarket ambience on customer satisfaction in large retail supermarkets in Kenya.

Retail Services and Store Atmosphere have been cited in past studies as critical influencers on Customer Loyalty in Large Scale Supermarkets. Kotler, (2009) was among the early researchers to acknowledge the importance of store atmospherics and defined it as the design of environments in order to produce emotional effects in the customer with the intent to enhance the purchasing probability. According to Hoffman and Turley, (2002), atmospherics consist of both tangible elements (furniture/equipment) and intangible elements (lights, scent, color, temperature) that comprise the service experience. Store atmosphere can be divided into four sub elements; namely, exterior variables, store layout, interior display and general interior Berman and Evans, (2010). Atmospherics form the first impression of the store and influence consumers' perceptions towards a store, and that also impacts on a stores' image and consumers' expectations of the retailer's offerings (Oh *et al.,* 2008).

In an earlier study by Moye and Giddings, (2002) it was found that store atmospherics which includes store interior (attractive, fashionable, stylish decorations, lightings, temperature) seem to have a positive direct influence on shopping behaviour in various clothing stores. Venter and Dhurup, (2005) found that customers attach great importance to the atmospheric variable (physical aspects), the reliability and the policies of the retailer. North and Croeser, (2006) suggest that shoppers seek stores that have a pleasant atmosphere. Chan and Chan (2008) also emphasizes that a pleasant store atmosphere helps consumers to have an exhilarating shopping experience. Another study conducted by Vignali, Vignali and Pavičić (2006) reveals that atmospherics affect sensory pleasure as well as components of affective pleasure (emotional pleasure) and cognitive pleasure (seeing oneself in the fantasy).

The effect of atmospherics or physical design and decor elements on consumers and workers is recognized in earlier research as important to customer perceptions of quality and has been labeled as Servicescapes (Bitner, 1992). The ability of the physical environment to influence behavior and to create an image is particularly apparent for service businesses. Bitner suggests the physical environment in which the service is performed includes dimensions such as: posters, advertisements, signs, music, lighting, and decor. Servicescapes also referred to as the service encounter has been shown to increase customer satisfaction across industries Pareigis et al., (2010).

2.5.4 Influence of Operation schedule in achieving customer satisfaction in large retail supermarkets in Kenya.

Store policy refers to a store's decisions ('policy') concerning the depth and breadth of their merchandise, their loyalty programs and credit facilities, operating hours, parking facilities and additional customer services offered. Here, it has been found that stores endowed with good facilities are more likely to secure a favorable consumer perception Thang and Tan, (2003).

Operating hours also influence consumers when considering the place of purchase (Kaufman, 1996). Reardon and Berdegué, (2007) stated that the costs bear by the user will determine the consumers' purchase decisions and reflect the consumer comfort. Consumers who buy products through traditional retailers tend to make frequent purchases due to the distance factor. However, purchases from supermarket s occur only at a certain time. Although there are no regular purchases, but consumers tend to purchase higher quantities of goods from supermarkets compared when purchasing at traditional markets Consumers are patronizing convenience stores largely due to the longer opening hours, as well as the wide range of products and services offered at fair prices.

2.5.5 Influence of pricing differentiation on customer satisfaction in large retail supermarkets in Kenya.

Grewal and Levy, (2007) observe that retail pricing has been considered as an important element for determining the perception that the consumers have on a store and one of the major difficult issues faced by retailers. It is the marketing factor where retailers expect customers to part with their money. (Grewal, Ailawadi, Gauri, Hall, Kopalle and Robertson 2011) identified that price is a convincing tool that attracts customers to purchase from a certain retail store and it can be briefly affect retailer's profitability; store brand, sales, product and brand image, consumer's intent to purchase, consumer's experience and customer loyalty.

González-Benito, Martínez-Ruiz and Mollá-Descals (2010) revealed that price is an important consideration when buying consumable goods for customers with low-income, as compared to wealthy customers. The development of a policy on discounted prices or sales promotions will enable the retailer to gain certain beneficial effects such as increasing the sales in the product category (González-Benito *et al.,* 2010), accelerating purchases and attract clients towards the establishment (Tsao,*et.al*., 2009). Some investigation observed a positive relation between the price paid and the perception of product quality (Dubovik and Janssen, 2012). Especially, those consumers with limited resources of diagnosis of the information consider price as an important indicator.

In general, retail stores who offer good quality products with low price will attract more consumers. Sales promotion is defined as a temporary reduction of price or multiple unit prices for a specific set of products for a specific set of time. According to Ciavolino and Dahlgaard, (2007), Value for money is the perceived level of quality relative to the price paid for a product or service. Value of money is based on competitive pricing of products, discounts awarded to customers, and promotions.

Of all the aspects of the marketing mix, price is the one, which creates sales revenue - all the others are costs. The price of an item is clearly an important determinant of the value of sales made. In theory, price is really determined by the discovery of what customers perceive is the value of the item on sale. Newmann and Cullen, (2002) describe pricing strategy is an important element of a product marketing campaign. More than any other element, pricing strategy directly impacts the amount of profit you make. Choose a pricing strategy that helps you meet your sales objectives enhances your reputation and provides the best profit point for the market demand.

According to Kotler and Armstrong, (2008) price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service . Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable. Price is a very important issue that leads toward satisfaction fostering loyalty. Child, Kilroy, & Naylor,(2015) argue that firms that keep their prices low and make sure consumers know register high customer satisfaction levels compared to those that keep their prices high. The prediction that emerging-market consumers would initially shop at discounters and then "graduate" to supermarkets hasn't come true. Discounters, or retailers that exhibit at least four core discounter characteristics—low prices, limited range, low-cost store retrofits, and ultra-simple operations—have more than held their own against supermarkets. In Turkey, for example, discount stores are a fast-growing channel, largely due to the success of local companies. Low-price stores can establish a dominant position in markets that are going through rapid increases in disposable income (as was the case, of course, in postwar West Germany). When the first modern-trade stores to open in a market are discounters, they can set price expectations permanently. It is however, important to gauge your price perception among customers. Hassan and AbuBakar, (2010) found that consumers tend to choose a store that offers reasonable prices. Price is a factor that gives supermarkets a competitive edge above its competitors. They argued that unreasonable pricing which did not correspond to the quality of services or products delivered was not good for the organization since it lowered customer satisfaction levels and loyalty. Huddleston, Whipple, Mattick & Lee, (2009) also indicated that pricing was a critical firm characteristic that could not be ignored when discussing customer satisfaction. Modern retailing need to understand consumer behavior thus, penetration/promotional pricing strategy, penetration or promotional pricing provides services at low initial prices to encourage use of the services (Malik, Zameer, Khaliq, &Uzair, 2016)). As customers prefer low price with good quality, retailers will use price discounts to attract them to buy their products. Usually, this pricing strategy apply when the business is new and by setting a lower price, the customers will be aware of the existence of the new business which eventually helps to spread news by mouth to mouth in the neighborhoods area. Companies seeking to capture this potential must make efforts to understand the behavior of consumers and find ways to apply this understanding to the thousands of frontline pricing decisions they make every year Jain, (2009).

2.5.6 Influence of Supermarket image in achieving customer satisfaction in large retail supermarkets in Kenya.

Supermarket image can basically be defined as customers' perception of a store, or in other words what customers think of a store based on the stimuli they receive with their senses. Olson, (2005). Dimensions frequently included in the store image concept, except for store atmosphere, are for example customer's image of facilities, clientele, convenience and products. These dimensions are explained by several attributes, for example, a product can be explained by the attributes of price, quality, design and range. Whoolrich is one of America's oldest outdoor clothing companies. When they updated their store image in a more fashionable way, their home product sales increased with a significant 50% the first year (Aspfors, 2010).). This shows the importance of knowing how the customers experience the store and knowing the customers' needs and wants. The key for a successful store image is to create an image that matches with the targeted consumer's expectations and with the overall objectives.

A well-managed store image is crucial because it affects: The store position in the mind of the consumer, customers store preference, how often and from how far customers visit the store, and customer loyalty. The concept of Store Image becomes important for the first time when Martineau (1958) talked about the personality of stores. According to this research, retail stores have a personality and should be able to create empathy with their customers. This personality, or store image, is formed based on functional characteristics and psychological attributes. He conducted a survey which indicated that the reasons consumers give preference to a particular store mainly involve the intrinsic aspects of the store that are less tangible and were not generally taken into consideration at the time his article was published.

Theodoridis and Chatzipanagiotou, (2009) conducted a similar study. Their aim was to discover the relationship between the image attributes and satisfaction of a Greek supermarket. First, based on the theory of image in retailing, the authors performed a factor analysis and detected six factors composing the store's image: service, atmosphere, products, price, merchandise presentation and in-store convenience. Then they performed multiple regression analysis to relate these factors with the questions involved in determining satisfaction. The results indicated that only four of the six factors had a significant impact on customer satisfaction: service, price, products and in-store convenience. Price and products were the key factors to determine customer satisfaction. Therefore, the hypothesis that image attributes have a positive effect on customer satisfaction can be partially accepted, since two of the attributes (merchandise presentation and atmosphere) did not have a significant impact on customer satisfaction. Another result of their study was that store image attributes and satisfaction are strongly related. In other words, Greek shoppers evaluate store image as something important for their level of satisfaction.

A study by Silva and Giraldi, (2010) in Brazil highlighted the components of supermarket image. The findings indicate that image has an influence of nearly 30% on customers' satisfaction with the store studied. The image dimensions in this study were assortment, convenience, reputation, price, atmosphere, layout and service. It established that the highest by the respondents was service, while the dimension that received the lowest evaluation was price. This can mean that for the store to improve its image among customers, it should lower its prices. According to the respondents, the dimension that most affects their satisfaction is also service.

According to Eneh and Ozkaya, (2014) image is a notion which an individual holds with regards to another individual, group or organization. In other words, image is an impression which an individual or a group seeks to create or strike upon others regarding himself/herself/itself. On the basis of these explanations, corporate image, shortly, can be explained as all kinds of impressions that the community makes about a corporation. Corporate image is a valuable, tangible entity which is hard to imitate and it can help to obtain superior, sustainable financial performance (Marteson, 2007). According to Yalcin, (2010), corporate image is comprised of four key elements in which the corporate image has influence on employees, target groups (customers, partners) and community. These are thoughts about the corporation, recognition of the corporation, reputation of the corporation and the comparability of the firm with its competitors. Every retail store carries different images in the marketplace (Feng & Zhilong, 2009). Store image can be defined as customer's perception of the store and its attributes which composite the service, pricing strategy, store location, merchandise, promotion, store atmosphere and layout.

Simply stated, store image may be defined as the symbolic, experiential expression of the manner in which consumers see or visualize a store (Saraswat, Mammen, Aaja & Tewari, 2010). Retail stores have images of their own images that serve to influence the perceived quality of the products they carry and the decisions of consumers regarding store choice (Schiffman & Kanuk, (2009). The image of a retail outlet is important in such a decision because the consumer may be seeking a particular brand or quality of merchandise, specific services such as credit or delivery, an attractive outlet, courteous employees, and an outlet where other consumers with similar lifestyles are likely to shop (Foxall &Yani-de-Soriano, 2005). Another study conducted by du Preez, Visser and Van Noordwyk (2008b) classified store attributes into eight dimensions; namely, atmosphere, convenience, facilities, institutional, merchandise, promotion, sales personnel and service. An earlier study by Amine and Cadenat, (2003) had also identified the store appearance, its employees and promotional materials as noticeable cues to consumers that contribute to their perception of a store's image. In the present study, five of these store image factors; namely, store assistance, store atmospherics, store appeal, promotion and store accessibility receive empirical attention.

2.5.7 Influence of Store Location on customer satisfaction in large retail supermarkets in Kenya.

According to Child, Kilroy, and Naylor, (2015) urban consumers with limited budgets and smaller homes often prefer to buy small amounts frequently, both for immediate consumption and for stocking up. And where trading space is constrained, proximity formats offer a more realistic prospect of economic returns for the retailer. Modern retailers can benefit from their experience operating smaller urban formats in developed markets—banners such as Albert Heijn's AH to Go in the Netherlands or Tesco Express and Sainsbury's Local in the United Kingdom. They provide the example of one market in which small-format stores have been the major driver of modern-trade development as Indonesia. In Indonesia, Sales through the convenience-store channel are growing at a rate of more than 25 percent per year across the country. In fact, the increasing dominance of convenience stores, known locally as mini-marts, has led to a contraction in the number of supermarkets and hypermarkets.

Mafin and Dhurup, (2015) observed that the proximity of the store in relation to others and the attractiveness of exterior design which shoppers interact with while visiting shopping malls (Ibrahim & Najjar, 2008).Customer satisfaction was greatly influenced by their proximity to the purchase event or center. In this regard was seen to be a function of locational advantages. Customers near the buying place were highly satisfied compared to those in distant location. (Kimani, Kagira, Kendi, Wawire & Fourier, 2012) noted that consumers tended to select a store at shopping mall because of proximity with other stores Time pressure and cost implications also drive consumers to seek accessible shopping. The closer the consumers are to a store, the greater the possibility to buy from that store (Prasad & Aryasri, 2011). Ligas and Chaudhuri (2012) stressed that lack of convenient accessibility affect consumers' level of commitment to the store which might be reflected in customer loyalty. Accessibility is therefore important for a retail outlet as it signifies convenience and reach, for the store which allows consumers to shop easily (Huang, Oppewaln & Mavondo, 2012). The trend exhibited over the past 40 years by grocery stores and supermarkets closing stores in urban and inner - city areas in favor of locating in suburban neighborhoods is "grocery gap" . This can be considered a byproduct of "white flight", the movement of the white inner - city population to the suburban areas where often the higher paying jobs were locating and/or followed. The abandonment of the urban areas for lush suburban pastures left many in its wake such as lower income and minority populations unable to move to or afford a higher cost of living.

The location of any store is always very important. Location can mean convenience and accessibility. Location can also refer to the number of stores in a particular geographical setting. According to Martinéz-Ruiz et al (2010), suggest that once a location is near to the home then transaction costs associated with purchase such as transport costs and time spent are likely to be reduced. Retail store success is often strongly associated with location, location and location. For some suppliers, operating from the internet means being accessible to anyone with a computer world-wide 24/7. Location and premises clearly play a part in engendering loyalty. The Three L's of retail - "location, location and location" - are undoubtedly important, and attractive and functional premises are equally so. Competitive Location literature in discrete space addresses the issue of optimally locating firms that compete for clients in space. A competitive location model is such that there is more than one firm competing in the spatial market and with interaction between them. The location decision of a firm will affect not only its market share, but also its competitor's market shares Serra, (2010).

A strategic location allows easy access, attracts a larger number of customers, and increase potential sales of a retail outlet. Thus accessibility affects catchment population of a shopping mall (Fox *et al.,* 2004). Retail location has long been considered as an important strategic business decision for a number of reasons. First, consumers' store choice decisions are influenced greatly by accessibility of retail locations according to spatial interaction models, which denote the relationship between a consumer's perception of utility and characteristics of a destination (Saxena, 2011).Secondly, retailers may be able to develop a sustainable competitive advantage through location strategy (Levy *et al.*, 2007).The choice of a retail store location has a major and deep impact on its business performance. A wrong choice in most times could mean failure, whereas a good choice may lead the business toward all-time success.

2.5.8 Customer Satisfaction

Naderian, (2012) describes satisfaction as a judgment process. It is about comparing between expectations and performance. Normally stores and retail industry consider price and quality and variety of their product as their key success factors to win other competitors. However, using the traditional way of marketing cannot make them sure to be competitive in the market due to fast growth in customers need and quick develop in the industry and globalization. The concept of customer satisfaction is a result of many distinct factors (McColl Kennedy & Schneider, 2006). Understanding whole components of customer and organization or firm leads to better understanding of customer satisfaction. As a result, it can cause an improvement and attainment of higher levels in customer satisfaction (Naylor& Greco, 2002).

The importance of clearly identifying the component of customer satisfaction creates the procedure and a template for business to perform better and therefore grow easily (Haye, 2008). Customer satisfaction is a primary guide to store loyalty, (Caruana, 2000; Chang & Tu, 2005; Pan and Zinkhan, 2006; Yun & Good, 2007) while some perception about store image can affect satisfaction according to Anselmsson, (2006). Customer satisfaction is a crucial element for both retailers and customers. Customer satisfaction has linked to other important variables like loyalty and customer retention. (Wong & Sohal, 2003; Gomez et al, 2004; Martenson, 2007).

Chi and Qu, (2007) examined the influence of store image on customer satisfaction. Customer satisfaction determines what needs to change and improve about service and products. As such, customer satisfaction could be evaluated through four conditions: 1- Disconfirmation 2- Customer expectation 3- Product performance 4- Satisfaction. Customer satisfaction is a general psychological state which is about the expectation for emotions and experience from shopping behaviour (Oliver, 2003). Similarly, as he stated customer satisfaction is the accumulated experience of a customer's purchase and consumption experiences. In a supermarket context therefore, a client satisfaction is measured through overall satisfaction toward the services. Yi, (2000) mentioned that customer's satisfaction is influenced experiences and expectations with service performance. Thus, satisfaction is similar to an attitude, as it can be assessed as the sum of the satisfactions with the various attributes of the product or service. This therefore means that customer satisfaction is expectation before purchase and perception about performance after purchase. In the service environment, customer satisfaction has been seen as a special form of customer attitude. It is a phenomenon of post-purchase reflection on how much the customer likes or dislikes the service after experiencing it , and it can be treated as a fulfillment of consumptive goals as experienced and described by customers Oliver,(2003).

Different companies adopt different mechanism to measure customer satisfaction. According to Cacioppo, (2010), assessment of customer satisfaction is one of the key mechanisms for successful organizations in the current economy in the world. Measurement of customer satisfaction can help to hold existing customer and may provide directions about how to attract new customers from the competitive business environment. As mentioned by Barattieri, Basu, and Gottschalk, (2014) measurement of customer satisfaction and understanding the extent may help organizations to improve their customer services. It is argued that a satisfied customer certainly recommends the product or service to their relatives and friends. It is therefore, the marketing strategies should be focused on increasing customer satisfaction level. According to Ray, (2009), satisfaction of customer is their evaluation after purchasing the products or services as it meets or exceeds their expectations. Nevertheless, customer satisfaction cannot be bounded into after purchase evaluation but it could be their overall experiences of purchasing and consuming experiences.

Cacioppo, (2010) noted that retail customer satisfaction is determined by customer service, brand variety, store environment, convenient location and shopping convenience. Retail customer satisfaction depends on location, product quality, reliability, and process and personnel services. Wan and Schell, (2013) pointed out that customer satisfaction resulted from the measurement of products and service according to the customer's previous experiences as well as the overall evaluation on the consuming experience. They indicated that an enterprise providing a good service quality could really satisfy the diverse needs of customers, and customer satisfaction was the overall evaluation of the product and the service based on the customer's past experiences. Ray, (2009) mentioned that customer satisfaction was the result of the customer purchase and the use of service. When the customer showed better satisfaction with the service quality, it indicated that the customer felt satisfied, and vice versa. Kapferer, (2011) noted that there were many dimensions in measuring customer satisfaction, including price of goods, service efficiency, attendant attitude, overall performance of the company, and the closeness to the ideal company. According to Cengiz, (2010), customer satisfaction is a key issue for all organizations that wish to create and keep a competitive advantage in today's highly competitive world. Therefore, it was precise when Czepiel and Rosenberg (1977) confirming statement of three decades ago that there is probably no concept in marketing that is at once more fundamental and pervasive than consumer satisfaction.

2.6 Critique of existing Literature related to the study

Ergin, Parilti and Özsaçmacı (2007) carried out a study titled Impact of Loyalty Cards on Customers' Store Loyalty in Ankara, the capital city of Turkey with the participation of 309 Turkish consumers. The study was aimed at identifying whether loyalty cards issued by stores have an impact on customer loyalty and how loyalty cards compare with other factors companies can use to increase loyalty in general. All of the respondents in the study were 18 years or older. A mall-intercept approach was adopted in the data collection. A total of 309 surveys were conducted face-to-face at three selected shopping malls in a large metropolitan area. The study concluded that Loyalty cards are quite an important component in a whole program of efforts designed to increase customer commitment to a store. They represent the opportunity to build long term customer loyalty. But they are not the sole factor in a customer's store loyalty development. The study gives emphasis on global perspective and may not be similar to African or Kenyan perspective.

The results of this study show that customers not only focus on loyalty cards, they also focus heavily on the availability of a wide assortment of products, salespeople's positive attitudes and ease of transportation as their top factors for developing store loyalty. Therefore, supermarkets have to take the whole package into consideration. They must aim to build a connected network of customers, partners and vendors, enabled by technology, all working towards profitable and mutually beneficial relationships. However, the situation in Turkey may not be the same as that of supermarkets in Kenya and this is to be established in this study.

Karanja, (2012) conducted a study titled Effect of Customer Loyalty Schemes on Competitiveness of Supermarkets in Kenya. The purpose of the study was to establish the effect of customer loyalty schemes namely, customer loyalty cards and coalition loyalty programs on competitiveness of supermarkets in Nakuru town, Kenya. The target populations of the study were the managers and customers of Nakumatt, Tuskys and Naivas supermarkets in Nakuru town Kenya. A sample of 384 consisting of 375 customers and 9 managers was selected purposively for the study. Descriptive and regression statistics were used to analyze the data and the findings indicated that customer loyalty schemes had a positive effect on supermarkets' competitiveness. It was established that most customers agreed that it's worthwhile being a loyalty card holder and see it as a way in which the supermarkets values them for being loyal. However, the study focused on supermarket competitiveness in terms of market share and not marketing effectiveness. Furthermore, the study focused on only a few supermarkets with the same characteristics in town and not the entire county which could have given it a broader perspective.

Cortinas, Elorz, and Mugica, (2005) established that Customer loyalty cards tend to increase customer purchase intensity, frequency and positive word of mouth as loyalty holders recommend and encourage their friends, colleagues and relatives to their choice of supermarket. Customers generally agreed that that they make bulk purchases, encourage their friends, colleagues and relatives to be members of the coalition loyalty schemes because of the benefits associated with the scheme as they earn bonus points and also the safety aspect because they don't need to carry hard cash with them while going for shopping. (Afande & Kang'arua 2015) concludes that customer loyalty schemes have a positive effect on competitiveness of supermarkets. Since most supermarkets are moving towards customer loyalty schemes, the differentiating feature may be in terms of the overall customer benefits. This implies that a supermarket whose schemes offer more benefits to customers is likely to be ahead of other competitors. The supermarkets should therefore undertake constant improvements on their customer loyalty schemes to remain competitive. Their study recommended that more attention in terms of constant innovation should be paid on the use of customer loyalty cards and coalition loyalty programs by supermarkets as a strategy for competitiveness. Supermarkets vary in terms of their marketing approach and a general view may not give insights, therefore it is important to factor this in the study.

Ndwiga, (2012) investigated the factors influencing customer loyalty in supermarkets in Kenya. The study analyzed factors influencing customer loyalty in supermarkets in Kenya and focused its study in Nakurnatt, Nairobi County. It established that most of the customers are not registered with the Nakurnatt smart card but they are impressed that Nakumatt supermarket gives them value for their money. On the other hand the survey found that the services and brand utility had the highest influence to her customers whereas brand image moderately determined choice. It further determined that loyalty programs in does not necessarily create customer loyalty. Firstly, the study lacks the other alternatives that the customers may prefer since it only focused on few strategies. Secondly, it only looked at Nakumatt customers and not any other supermarket, therefore giving narrow insights needed to conclusively determine factors influencing customer loyalty.

Njoka, (2012), examined the Factors influencing consumer choice of supermarkets in Kenya sought to establish factors informing customer choice touching on variables like proximity, ambience, product variety, price, mode of payment and customer service concluded that conveniently located stores, opening for long hours, offering special discounts and good product quality help win customers. The three lowest ranked components in the study were; enough sales assistants, delivery of products to parking areas and home delivery of bulk goods. However the study recommended that supermarkets undertake continuous customer surveys to isolate factors driving customer choice of stores as different environments command different strategies that influence customer choice. The study assumed that all supermarkets have the same characteristics in terms of personality, size, behavior, thereby affecting how it responds and adapts to the ever changing marketing environment.

Afande and Kang'arua, (2015) conducted a study on the Factors Affecting Customer Loyalty of Supermarkets in Nyeri Town, Kenya. One of the specific objectives was to explore the extent to which price differences in supermarkets affect customer loyalty. Data was collected by use of questionnaires distributed and collected by the researcher. The completed questionnaires were screened for accuracy and completeness and edited and coded where necessary. Thereafter, they were sorted in accordance with similarity of response given to the different questions. Microsoft Excel was used for data analysis and generation of code for data simulation for effective analysis and for effective use of the descriptive statistics research design. The study revealed that the supermarkets have factors that affect the loyalty of their customers who shop at their stores. Price is one of the factors that the supermarkets in Nyeri face as different supermarkets had different pricing strategies. Further still, the study focused on Nyeri town and the results may not be a representative of other towns in Kenya.

Zhuang, Tsang, Zhou and Nicholls, (2006) conducted a study on the impact of situational factors on buying decisions in the context of shopping malls. The study suggested that situational factors such as geographical and institutional location play a major role in sales situations and thus deserve special attention from marketers. The study had a limitation in the selection of the malls. The findings may be mall-specific rather than representative of the general population. Logistic regression technique was applied to analyze the data. Further research could include more samples from different malls and apply other analytical technique such as multiple regression and factor analysis. The study was undertaken in a shopping mall which is a different environment compared to that of a supermarket.

Mokgabudi, (2011) carried out a study on the impact of shopping mall development on consumer behavior in township area. The research found that malls development in low-income communities resulted in several benefits for consumers such as convenient location, a larger variety of goods offered at lower prices. The study was focused on Gauteng Alexandra region as matter of convenience. The results cannot be generalized to other areas and a country due to difference in demographic profiles. Further studies should be conducted to test collectivism vs. individualism theories in low income consumer behavior. More empirical studies should be carried out using a larger sample that will be more representative and in other places.

A study by El-Adly, (2007) on shopping malls attractiveness: segmentation approach revealed six mall attractiveness factors from the shoppers' perspective: Comfort, entertainment, diversity, mall essence, convenience, and luxury. The study is limited as it surveyed UAE University Staff as shoppers. Thus, findings may not be representative of UAE shoppers in general. The study recommended that further research need to be conducted in other cities so as to examine the validity and reliability of the identified attractiveness factors and shoppers segment. Critically, all previous studies focused their studies in a developed country; or focused on customer loyal cards.

2.7 Conclusion

The Kenyan retail sector is seen as one of the most developed in sub-Saharan Africa, while Kenya's Vision 2030; the government's blueprint for the economy aims to increase efficiency in the retail sector, which it hopes will raise the market share of products sold through formal channels to 30% in the next few years (KPMG, Africa Consumer Theory, 2013). The various studies previously undertaken conclude that supermarket deliberate strategies and techniques to satisfy and retain customers have a positive effect on their growth and performance. This implies that supermarkets whose schemes offer more value to customers is likely gain competitive edge over their competitors. The empirical review conducted in the past into retail patronage behaviour has considered the impact of price or location or one variable through various conceptions. A review of empirical studies conducted in Kenya, other African countries and developed countries confirms that customer service and firm level characteristics influence customer satisfaction. However, to verify this relationship, an empirical study should be conducted on the influence of customer service and firm level characteristics on customer satisfaction among large scale supermarkets in Kenya. From the literature review, research gaps were identified that provide a justification for conducting an empirical study. Based on the conceptual framework, it is hypothesized that there is a relationship between customer service and firm- level characteristics on customer satisfaction in large retail supermarkets in Kenya.

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