The International Journal of Business Management and Technology, Volume 6 Issue 3 May-June 2022
ISSN: 2581-3889

Research Article Open Access

Generic Strategies and Effect on Customer Satisfaction at Kenya Power in Nakuru County

Cherotich Eddah
Jomo Kenyatta University of Agriculture and Technology, Kenya

Daniel M. Wanyoike
Jomo Kenyatta University of Agriculture and Technology, Kenya

Abstract: *Understanding competition, studying customer needs, evaluating strength and weakness of an organization are important aspects of customer satisfaction strategy. Recent reforms in Energy sector coupled with increasing competition have driven electricity utilities to implement competitive strategies to thrive in a competitive industry. According to Michael Porter, competitive strategy is devised in 3 types; Cost leadership, Differentiation and Market focus. The objective of this research was to evaluate competitive strategies and effect on customer satisfaction at Kenya Power Nakuru County. The study employed a descriptive survey research design in collecting data from respondents. Specifically, this study sought to evaluate competitive strategies that have been implemented, their effectiveness and recommendations. The study involved review of pertinent literature, review of relevant theories and actual data collection and analysis. The population target is 134,740 customers drawn from Kenya Power domestic customer category. A sample size of 97 drawn from sectors in Nakuru County; Lanet, Molo, Naivasha, Nakuru Town, Njoro and Subukia. During pilot study, 10 questionnaires were issued two weeks before the actual study to a group of customers who did not take part in the actual study. 81 customers participated in the study, an 84% response rate, a closed ended questionnaire was used. Data analysis was carried out using descriptive statistics (means, percentages and frequencies) and inferential statistics (correlations and parametric tests such as Pearson correlation). The analysis of the data was performed with the aid of SPSS and Ms Excel and the findings presented in the form of tables and figures. The findings will assist Kenya Power management and other public utilities in carrying out SWOT analysis within their organization and improve competitive strategies for sustainable performance in the competitive industry. Two variables (market focus and differentiation) had a greater influence on customer satisfaction. The respondents were satisfied with Kenya Power products and services to a moderate level. Market focus strategy contributed the most level of satisfaction, followed by differentiation strategy, and lastly cost leadership strategy, cumulatively the generic strategies contributed to 63.9% of customer satisfaction. Future studies should establish the remaining 39.1% factors that influence customer satisfaction in the domestic customer category. A further study aiming at validating the conceptual model could be carried out in other services sectors in the Kenyan economy and public utilities.*

1.1 Background of the Study

Customer satisfaction determines how happy customers are with a company's products, services, and capabilities. Customer satisfaction information, including surveys and ratings helps a company to determine how to best improve or change its products and services to meet customer expectations. Farris (2016) defines customer satisfaction as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals. According to Kotler (2012) customer satisfaction is customer's feeling of pleasure or discontent after comparing a product's perceived performance against their expectations. Customer satisfaction is a leading indicator to purchase intentions and customer loyalty. Customer loyalty is also a lagging indicator of customer retention.

There is need for Kenya Power to monitor and improve the levels of customer satisfaction at all times. Good customer satisfaction has an effect on the profitability of every business. When customers perceive good product/service, each will typically tell nine to ten people. Improvement in customer retention by even a few percentage points can increase profits by 25 percent or more, Griffin, (1995). The main reason customers are switching to solar is the distributor's inefficiency and high cost of power. Besides the high initial cost of installing solar, customers have discovered that it is cheaper and more reliable especially for rural households who sometimes go for weeks without power in case of a hitch.

The utility firm is also stuck with expensive power purchase agreements, which require it to pay contracted diesel power producers for idle electricity. The cost of these contracts are, of course, eventually passed to the electricity consumers.

According to John Njiraini July 26th 2011, business article, Standard Media (Kenya) Kenya's electric utility had initiated a power-rationing programme that could hurt industries and small medium enterprises already experiencing high cost of power. Electric power generator KenGen and independent power producers were not generating enough capacity to make up for interruptions caused by breakdowns and routine maintenance. Those who were likely to experience trade income decline include manufacturers, and small medium enterprises. National electric utility Kenya Power explained it had to implement a "Power Supply Management Programme", rationing, because electricity demand was increasing than supply.

1.2 Statement of the problem

Besides affecting sales and revenue, customer dissatisfaction leads to poor brand reputation for a company and a subsequent decrease in profit. According to Mutiso and Taneja (2018),the seven major threats to Kenya's power sector are; Stagnating Demand, Rise of Captive Power, Reliability, Consumer Backlash over Pricing, Overly Rosy Projections Drive, Over-Investment in Generation, Corruption, Policy and Regulatory uncertainty. Low consumption reflects stunted socio-economic development, where rural and poor populations have yet to increase their consumption. Low demand is associated to the high cost of connecting new customers to the grid who consume even less (Moss & Kincer, 2018). This falling revenue per customer is gradually a threatening Kenya Power's business model. This calls for a need for balance between profitability and expanding access. Roughly 55% of Kenya Power revenues are from 3,600 industrial power users. These customers are beginning to migrate off the grid, citing high power bills, unreliability, and availability of attractive distribution generation options. For instance, Devki Group has set up their own coal plant to generate its own electricity to power their steel and cement plants (Njanja 2016). Customer dissatisfaction in Kenya Power runs high, illustrated by the nickname "The Kenya Paraffin Lamps and Candles Company."

According to Okoth (2020), the growing shift to solar power systems by heavy-consuming industrialists seeking reliable and cheaper supply has rattled electricity distributor Kenya Power amid thinning revenues. According to Ngugi (2021) households and heavy industry in Kenya began shifting to solar five years ago in an effort to secure cheaper and more reliable supplies of electricity. They've been joined by several companies, universities and factories that have turned to solar photovoltaic (PV) grid-tied systems to supply power at reduced operational costs. Kenya Power needs to meet customer expectations of quality, reliability and efficiency to increase satisfaction. According to Murage 4 September 2020 The Star, Parts of Nakuru, Kinungi, Gilgil experienced outages for several months after some transformers were vandalized and others developed electrical faults. Frequent outages also affected residents in Naivasha and environs and left them counting losses running into thousands of shillings. Mathiu (2021). The Nation, reported that an horticultural farmer complained that he had received an outrageous bill from Kenya Power of ksh. 709,764 within a short span .The farmer had already made two payments: one of Sh450, 000 and Sh122, 000 but there was a claimed accumulated balance brought forward of Sh872, 012 as well as a fresh monthly bill of Sh409, 952. In addition, there were charges built into the costing which included, Forex adjustment, inflation adjustment, ERC levy, REP Levy, Warma Levy, VAT and rounding charges, the whole kit-and-caboodle of shortsighted and destructive taxation. But there was also a Fuel Energy Cost of Sh320, 866. According to Msafi (2016) Hivisasa, Molo residents expressed concerns over frequent power outages in the town and its environs, despite forwarding numerous complaints to the regions Kenya Power offices, the problem had persisted.

1.3 Objective of the study

The main objective of this study is to evaluate competitive strategies and effect on customer satisfaction at Kenya Power Nakuru County.

2.1 THEORETICAL FRAMEWORK

This is a review of theories and their relevancy to this study and they include the, Theory of Competitive Strategies, Equity Theory and Value Perception Theory.

2.1.1 **Theory of Competitive Strategies**

Michael Eugene Porter is an economist, researcher, and lecturer born in Ann Arbor, Michigan, United States. In 1980, he published Competitive Strategy, his first book. In this book he developed the analysis of the matrix of generic strategies. This tool is used to identify the sources of competitive advantage.

According to Porter (1980), the generic strategies are approaches to outperforming competitors in the industry. Cost leadership requires aggressive construction of efficient-scale facilities, vigorous pursuit of cost reductions from experience, tight cost and overhead control, avoidance of marginal customer accounts, and cost minimization in areas like R&D, customer service, promotion and sales services. Having a low-cost position gives a firm above-average returns in its industry where strong competitive forces exist. The cost position cushions against rivalry from competitors, because its lower costs mean that it can still earn returns unlike their competitors. A business with low prices than its competitors is protected from powerful buyers who can exert power to drive down prices to the level of the next competitor. Low cost shields a firm from powerful suppliers by enabling flexibility to cope with increase in cost of supplies. Aspects of low-cost position also provide significant barriers to entry in terms of scale of economies and cost advantages. Lastly, a firm that offers low prices is in a favorable position regarding substitutes relative to competitors in the industry. As a result a low-cost position protects the firm against all five competitive forces because bargaining can only continue to erode profits until those of the next most efficient competitor are eliminated, and because the less efficient competitors will suffer first in the face of competitive pressures.

The second generic strategy is one of differentiating the product or service offering of the firm, creating something that is perceived industry wide as being unique. Approaches to differentiating can take many forms: design or brand image, technology, features, customer service, dealer network, or other dimensions. Ideally, the firm differentiates itself along several dimensions. Differentiation strategy does not allow the firm to ignore costs, but rather they are not the primary strategic target. Differentiation, if achieved, is a viable strategy for earning above-average returns in an industry because it creates a defensible position for coping with the five competitive forces, albeit in a different way than cost leadership. Differentiation strategy outperforms competitors and provide entry barriers, customers become loyal to the brand, less sensitive to price and get unique products. In addition, it increases profit margins, which averts the need for a low-cost position. Differentiation enables a firm to achieve higher margins with which to deal with supplier power, and diminishes buyer power, since buyers lack comparable alternatives become less price sensitive. To end with, the firm that has differentiated its products to achieve customer loyalty should be better positioned with reference to substitutes than its competitors.

The last generic strategy targeting a particular buyer group, segment of the product line, or geographic market. The focus strategy is based on serving a particular target well, and the functional policies are developed on this basis. This strategy is best implemented when the firm is able to serve its narrow strategic target more effectively or efficiently than its competitors who are competing broadly. In this way, the firm achieves either differentiation from better meeting the needs of the particular target, or lower costs in serving this target, or both. The focus strategy does not achieve low cost or differentiation from the perspective of the market as a whole, but it achieves one or both of these positions in relation to its narrow market target. A firm performing focus strategy can also earn above-average returns for its industry. A firm can focus on low cost position with its strategic target, high differentiation, or both. The generic strategies may also require different styles of leadership and can translate into very different corporate cultures and atmospheres. Different sorts of people will be attracted. Porter (1980).

Each generic strategy offers advantages that firms can potentially leverage to enhance their success in the industry, satisfy customers as well as address disadvantages that may undermine their success. Rivals and new entrants may find it difficult to compete with firms implementing competitive strategies.

2.1.2 Equity Theory

First developed in the early 1960s by behavioral psychologist John Adams, equity theory is concerned with defining and measuring the relational satisfaction of employees. Although the term equity is used to describe the theory, it is at least as appropriate to describe it as inequity theory. The major motivating force considered is a striving for equity but some degree of inequity must be perceived before this force can be mobilized. The theory starts with an exchange thereby the individuals give something and gets something in return. What the individual gives may be viewed as inputs to, or investments in, the relationship. Adams (2010).

According to Swan and Oliver (1989), satisfaction exhibits when customers perceive their output to input ratio as being fair. Equity models are derived from the Equity Theory Adams (1963), and are based on the ratio of input to output, which plays a key role in customer satisfaction (Oliver & Swan 1989). Equity theory states that parties to an exchange will feel equitably treated if in their minds, the ratio of their outputs to inputs is fair (Oliver & DeSarbo 1988). Whether a customer feels fairly treated or not may depends on various factors; the price paid for a product, the benefits received after, the time and effort used to carry out the transactions and the experience of previous transactions Woodruff et al (1983). This shows that comparative standards may take many different forms. This theory shares similarities with the Comparison Level Theory which explains that bases of comparison used by customers in satisfaction judgments may be

more than just expectations. Equity models of customer satisfaction unlike other models evaluates satisfaction relative to other parties in an exchange and the results of all parties sharing the same experience are considered. According to Erevvels and Leavitt (1992) equity models can provide a bigger picture of consumer satisfaction than traditional satisfaction models. For instance, they may be helpful in modeling situations where satisfaction of other party is considered to be an important element of the transaction.
Translated into an exchange context, Equity theory explains that customers compare perceived input, output ratio in a social exchange: if the customers gain is lower than their input dissatisfaction occurs. Satisfaction is thus, "a mental state of being adequately or inadequately pleased" Moutinho, (1987, p. 34). The comparison may take diverse forms. The output/input ratio for a good or service experience may be compared to the perceived net gain of another customer who has experienced a similar offer (Meyer & Westerbarkey 1996). According to Equity theory, satisfaction is viewed as a relative judgment that considers both the qualities and benefits gained through a purchase in addition to the costs and efforts borne by a customer to obtain that purchase. Fisk and Coney (1985), for example, found that customers were less satisfied and had a less positive attitude toward a business where others received a better price deal and better service experience than them. Their perceptions of fair treatment by the business translated into satisfaction decisions and further affected their future expectations and purchase intentions. Equity theory applied to customer satisfaction/dissatisfaction situations has been recognized as another way to conceptualize how comparisons work (Oliver & Desarbo 1988). Equity disconfirmation has been supported empirically and applies mainly to social interactions only (Oliver & Swan, 1989). The equity theory and attribution theory have been proposed as satisfaction determining factors. Oliver (1993, p. 419).
The concept of equity has two common meanings. First is that of legal equity which means fair treatment under the law. The second is social equity which concerns individual perceptions of fairness irrespective of legal issues. Inequity results in dissatisfaction and reduced intentions for future use of the services and products.

2.1.3 Value Perception Theory

Westbrook and Reilly (1983) proposed a Value-Percept Disparity theory, originally formulated by Locke (1967), as an alternative to the Expectation-Disconfirmation paradigm. They criticized the predictive expectations used as a comparison standard in the traditional Disconfirmation model, Westbrook and Reilly explain that what is expected from a product may or may not match what a customer desiresor values in a product. Alternatively, that which is valued may or may not match what is expected. Therefore, values have been proposed to be better comparative standard to expectations in explaining consumer satisfaction and dissatisfaction.
Value-percept theory states that satisfaction is an emotional response that is triggered by a cognitive process where the perceptions of a product or service are compared to one's values, needs, wants and desires, (Westbrook & Reilly 1983). Similar to the Expectancy/Disconfirmation model, an increasing disparity between one’s perceptions and one's values indicate a growing level of dissatisfaction. Westbrook and Reilly did a comparison between the expectation-confirmation paradigm and the value-percept disparity paradigm. They defined value-disparity as the degree to which the product possesses the features and performance attributes that match expectations. The disparity was evaluated on a single differential scale with the following statements "provides far less than my needs" and "provides exactly what I need". In disparity to their proposition, which states that values, rather than expectations, define satisfaction, Westbrook and Reilly observed that the disconfirmation of expectations had much more effect on satisfaction than the disparity between value and perceptions. They mentioned that both constructs; expectations and values were essential in explaining customer satisfaction, they established neither the expectation-disconfirmation model nor the value percept model was sufficient on its own. Similarly, results of recent studies studying the capacity of value and expectations in determining customer satisfaction show that it might be better to incorporate desires and expectations into a single framework, as both influence consumer satisfaction Spreng et al (1996). Value-percept theory encourages firms to work towards meeting customer satisfaction by provide the features and performance characteristics that match expectations

2.2 Conceptual Framework

A conceptual framework lives at the center of an empirical study. The conceptual framework serves as a guide and ballast to research (Ravitech&Riggan,2016),functioning as an integrating ecosystem that helps researchers intentionally bring all aspects of a study together through a process that explicates their connections, disjuncture, overlaps, tensions, and the contexts shaping a research setting and the study phenomenon in that setting.

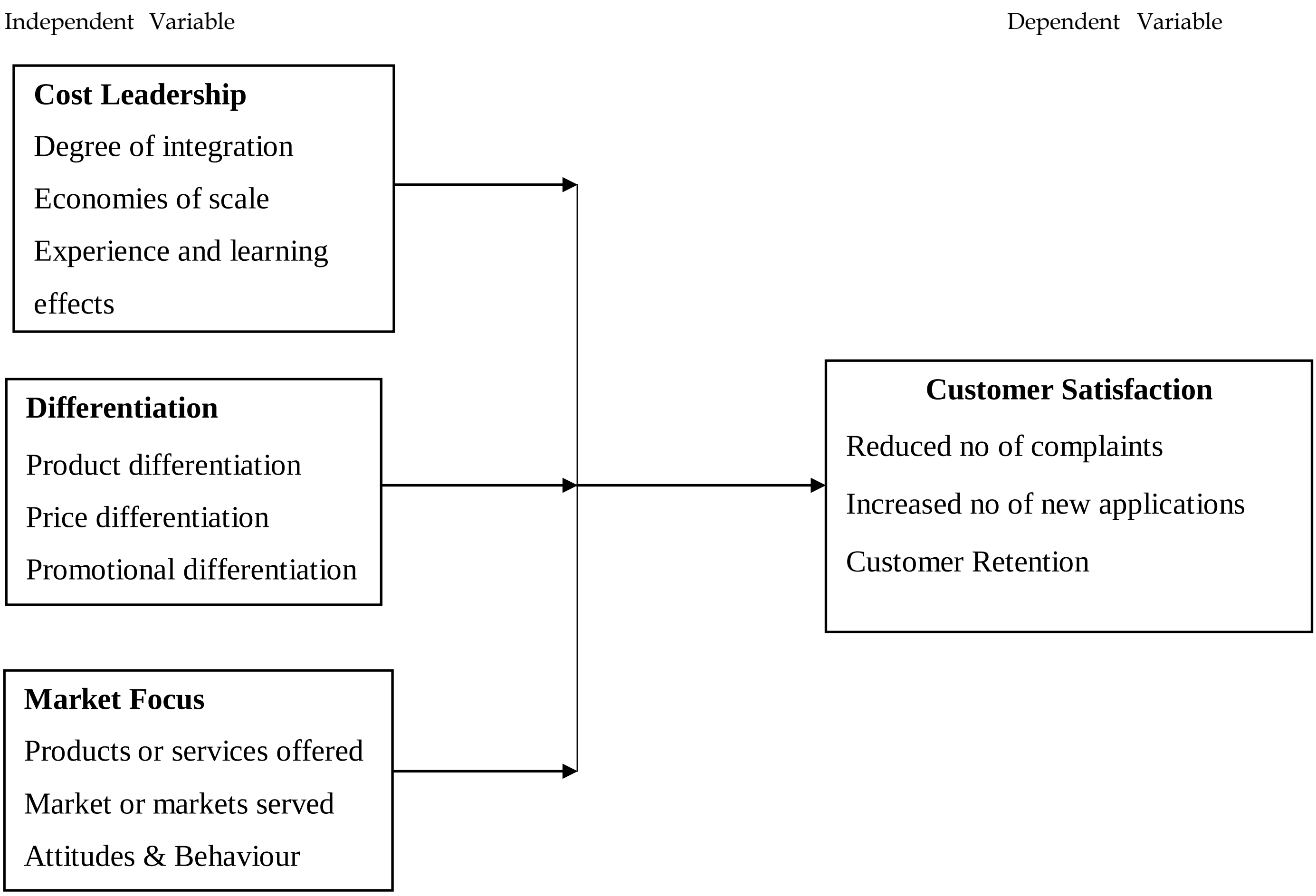

Figure 1: Conceptual Framework

2.4 Empirical Review

According to Asia International Grid Connection Study Group (2020) implementing new interconnections and reinforcing existing ones in Northeast Asia could provide economic benefits from the international competition by reducing the electricity prices, stability of power supply, and indirect support to the adoption of low-cost renewable energy (RE) on large scale. This would improve sustainable economic development and environmental protection.
Drosos et al (2020). Undertook a study to examine the satisfaction level of residential customers on products, services, customer service, and the pricing policy by electricity providers in Greece. The findings of the study showed that the residential customers were quite satisfied. . Based on the study findings, it was concluded that electricity providers were capable of: (a) framing their future products and services so as to meet the expectations of customers, and (b) including other socio-economic criteria to be applied by electricity providers in the future.

According to Akaranga (2014), one of the reasons customers were not satisfied with Kenya Power Company was due to the high cost of electricity. In addition, high cost of new connection even deterred potential customers from applying for meters. The researcher recommended that the management looked into ways of reducing the cost of new connections and the cost of consumption of electricity. Aside from reducing cost of connection, the management can look into allowing customers to pay for connections in installments as they pay their electricity bills. This could lessen the burden of paying the connection fee in one lump sum.
Drosos et al (2020). Undertook a study to examine the satisfaction level of residential customers on products, services, customer service, and the pricing policy by electricity providers in Greece. The findings of the study showed that the residential customers were quite satisfied. The average satisfaction index of the residential customers was approximately 52.15% globally. The researchers explained the findings could help electricity providers to frame their future products and services so as to keep their customers satisfied. The study findings ascertained how perceived service quality in the public utility sector could reconcile employees' customer orientation and customer satisfaction simultaneously.

3.1 RESEARCH METHODOLOGY

3.1.1 Sample size and sampling procedure

Sampling is the process of selecting a small number from the study's population in such that this number is representative of the traits present in the study population. World Health Organization. (2001). Kumar (2018). Indicated that sampling is the process of selecting a few members from a bigger group to become the basis of estimating or predicting the prevalence of an unknown piece of information, situation or outcome regarding a bigger group. Sampling is often undertaken to counter constraints relating to available time, logistical arrangements or financial availability among others. Systematic random sampling technique was used in the selection of Kenya Power Customers. The study adopted a formula presented by Mutai, (2000). Shown below for the computation of sample size of the business community category due to the big size of the target population.

$$n= \frac{z^2 (l - p)}{x^2P}$$

Where $0<p, x<p$

n = sample size

z = confidence level

x = accuracy

p = proportion or percentage

Since p is unknown, it is set at 0.5, at 95% confidence level, $z = 1.96$ and the sampling error of x^2 is taken to be 0.2. Thus, the sample size n was:

$$n = \frac{1.96^2(1 - 0.5)}{(0.2)^2\, 0.5}$$

$$n = \frac{3.816(0.5)}{0.02}$$

$n = 96.04$ or 97

3.1.2 Data Analysis and Presentation

Zikmund and d'Amico, (2001) define this stage as the statistical and qualitative considerations of data gathered by research. After the data collection exercise, data will be arranged and edited to ensure accuracy, relevance and completeness and transformed into a quantitative form through coding. It will then be analyzed using Frequency distribution and regression model. The data will be presented using tables and charts. Descriptive statistics (means, percentages and frequencies) and inferential statistics (correlations and parametric tests such as Pearson correlation) will be computed with the aid of SPSS version 25.

The regression model that was used in the study is;

$$Y=\beta_0+\beta_1X_1+B_2X_2+\beta_3X_3+ \epsilon$$

Where; Y Customer Satisfaction

β_0 Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ Regression coefficient

X_1 Cost Leadership, X_2 Differentiation, X_3 Focus

ϵ Standard error

4.1 RESEARCH FINDINGS AND DISCUSSION

4.1.1 Descriptive Statistics

The descriptive statistics were summated responses on the statements measuring the study's independent variables (market focus strategy, cost leadership strategy, differentiation strategy and dependent variable (customer satisfaction) using Likert scale with values ranging from 5 to 1; that is; 5=Strongly Agree, 4=Agree, 3= Neutral, 2=Disagree and 1= Strongly Disagree, and some 1-Very little extent, 2-Little extent, 3-Moderate extent, 4-Great extent and 5-Very great extent The results are presented in the table form showing each variable and its corresponding grand mean of responses. The grand mean of market focus strategy is 3.7160, cost leadership strategy is 3.1419 and differentiation strategy is 3.59876 these corresponds to moderate extent on the Likert scale.Effective use of selected strategies, market focus and differentiation strategies to a greater extent influences customer satisfaction than cost leadership strategy. Several studies have identified a positive correlation between factors that influence customer satisfaction and customer satisfaction (Fornell et al., 1996; Yu et al 2005; Zeithaml et al., 2009). These factors are mostly similar in what aspect of customer satisfaction they are measuring; some of them include customer's expectation, perceived service quality, product quality, perceived value, price, among others. The finding is also in line with observation by Leelakulthanit and Hongcharu (2011).
Regarding the overall customer satisfaction an overall mean of 3.429. This illustrates that the respondents had an overall satisfaction with the services offered by Kenya Power to a moderate extent. This implies that there is some possibility respondents could recommend Kenya Power products and services to friends and increase customer base, carry out repeat purchases and speak favorable of the products and services.

4.1.2 Inferential analysis

Coefficient analysis shows that there was a positive relationship between all variables and customer satisfaction: Market focus (β = .531, t = 3.959); Cost leadership (β =.032, t = .257 Differentiation (β = .438, t =3.624). Furthermore, the significance levels were analyzed and as shown in the table, all the variables had a significant relationship with customer satisfaction: where P<0.05). The results also show that market focus and differentiation strategies affects customer satisfaction more than cost leadership strategy. Overall, the consistency of regression coefficients on the predictors in the model suggest that these variables are important factors influencing customer satisfaction but at varying degrees.

Table 1Coefficient Analysis

		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B		Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	-.219	.337		-.649	.518	-.890	.453		
	Market focus	.531	.134	.458	3.959	.000	.264	.798	.350	2.859
	Cost Leadership	.032	.124	.024	.257	.798	-.216	.280	.555	1.801
	Differentiation	.438	.121	.379	3.624	.001	.197	.678	.429	2.330

a. Dependent Variable: Customer Satisfaction

From the regression model the following regression equation is derived:
$Y= - 0.219 + 0.531X_1 + 0.032X_2 + 0.438X_3 + \epsilon$
Where: X1=Market Focus X2= Cost leadership X3= Differentiation ε = Error Term, Constant = - 0.219 shows that if the factors are rated zero, customer satisfaction would change by a factor -0.219. The independent variables have varying degree of impact on customer satisfaction depending on beta coefficient values with market focus and differentiation having a positive effect of 0.531 and 0.438 respectively.

Table 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.799[a]	.639	.625	.59244	2.065

a. Predictors: (Constant), differentiation, cost leadership, market focus

b. Dependent Variable: customer satisfaction

Regression analysis shows the coefficient of determination R Squared which tell us how variation in factors (market focus, cost leadership and differentiation strategies) explain the changes or variation in customer satisfaction. R square of 0.639 for the model means that the independent variables (competitive strategies) in the model offer an explanation of about 63.9% on the variation in the dependent variable (customer satisfaction).
This means that as the competitive strategies change, customer satisfaction varies by 63.9%. This is a moderate relationship since 36.1% remaining is explained by other variables not included in the model and represented by the error term. Hence the results reveal that the independent variables (competitive strategies) are key determinants of customer satisfaction at Kenya Power.

Table 3 ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.863	3	15.954	45.456	.000[b]
	Residual	27.026	77	.351		
	Total	74.889	80			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Differentiation, Cost leadership, Market focus

ANOVA Table shows that the F value of 45.456 was statistically significant at 0.000, which was less than 0.05. This depicts a linear relationship among the variables under study and also that the model had less than 0.05 likelihood of giving a wrong prediction. The above results also show that the independent variables (market focus, cost leadership and differentiation strategies) used were statistically significant in predicting theCustomer satisfaction at 95% significance level.

5.1 CONCLUSION AND RECOMMENDATION

5.1.1 Conclusion

Overall, with an aggregate mean of 3.48 the three strategies in the study namely market focus strategy, cost leadership strategy and differentiation strategy affects customer satisfaction to a moderate extent. Customer satisfaction is a parameter for measuring profitability of business; higher satisfaction leads to higher sales of products and services generating higher revenues of the business. The coefficient of determination R^2 tells us how variation in factors (market focus strategy, cost leadership and differentiation strategy) explains the changes or variation in customer satisfaction. With R^2 of .639 for the model, imply the independent variables in the model (market focus strategy, cost leadership and differentiation strategy) could explain 63.9% variation in customer satisfaction. Two variables (market focus and differentiation) had a greater impact on customer satisfaction. It can be concluded that the respondents were satisfied with Kenya Power products and services to a moderate level. Market focus strategy contributed the most level of satisfaction, followed by differentiation strategy, and lastly cost leadership strategy. Therefore, if Kenya Power wants to increase the level of satisfaction, it should prioritize market focus and differentiation.

5.1.2 Recommendation

Based on the research finding, the researcher recommends that the management in Kenya Power focuses on cost leadership strategy to improve customer satisfaction as it was ranked last among the three strategies. Though market focus and differentiation strategies lead cost leadership, they did not influent customer satisfaction to a great extent. There is need for the company to improve its products and services and overall performance in order to increase customer satisfaction levels. Amidst the much competition from electricity suppliers, initiatives that achieve more immediate goals should be prioritized. However, the result implies that a reliable, uninterrupted services drives customer satisfaction, one of the ultimate goals of any service organization. The researcher recommends that the future researchers should establish the remaining 39.1% factors that influence customer satisfaction in the domestic customer category. Future researchers should also evaluate competitive strategies and influence on customer satisfaction in other utilities.

REFERENCES

[1.] Adams, J. S. (1963). Towards an understanding of inequity. *The journal of Abnormal and Social Psychology*, *67*(5), 422-.427

[2.] Adams, J. S. (1965). Inequity in social exchange. In *Advances in experimental social psychology* (Vol. 2, pp. 267-299). Academic Press.

[3.] AEMC, 2020 Retail energy competition review, Final report, 30 June 2020

[4.] Akaranga, S. J. (2014). Factors influencing customer satisfaction with service provision by Kenya Power: a case of Nairobi County, Kenya (Doctoral dissertation, University of Nairobi).

[5.] Asia International Grid Connection Study Group, "Interim report", https://www.renewable-ei.org/en/activities/reports/ img/20170419/ASGInterimReport_170419_Web_en.pdf [April 2017]

[6.] Brian Ngugi, February 11 2021, Economy Business Daily Africa https://www.businessdailyafrica.com/bd/economy/kenya-power-curb-consumers-switch-3286876 accessed on 22/9/2021

[7.] Drosos, D., Kyriakopoulos, G. L., Arabatzis, G., & Tsotsolas, N. (2020). Evaluating customer satisfaction in energy markets using a multicriteria method: The case of electricity market in Greece. Sustainability, 12(9), 3862.

[8.] Edwin Okoth, November 20, 2020,Kenya-power-raises-alarm-over-clients-solar-switch. Business

[9.] EIA, U. (2016). How much electricity does an American home use.

[10.] Erevelles, S., & Leavitt, C. (1992). A comparison of current models of consumer satisfaction/dissatisfaction. *The Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, *5*, 104-114.

[11.] Farris, P. W. (2016). *Marketing metrics*. Pearson Education India.

[12.] Fisk, R. P., & Young, C. E. (1985). Disconfirmation of equity expectations: Effects on consumer satisfaction with services. ACR North American Advances.

[13.] Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., and Everitt Bryant, B. (1996).

[14.] Growing the trust relationship [Electronic version]. *Journal of Marketing, 60*(4), 7-18

[15.] George Murage September 4th 2020, Business article, Star https://www.the-star.co.ke/business/2020-09-04-kenya-power-addresses-material-shortage-outages/ accessed on 5.5.2022.

[16.] Griffin, A., Gleason, G., Preiss, R., & Shevenaugh, D. (1995). Best practice for customer satisfaction in manufacturing firms. *MIT Sloan Management Review*, *36*(2), 87.

[17.] James Anyanzwa May 31 2021, Business, The east african.https://www.theeastafrican.co.ke/tea/business/power-utilities-in-africa-a-woeful-tale 3419786

[18.] John Msafi March 3 2016, Business article, Hivi sasa https://hivisasa.com/posts/molo-residents-decry-frequent-power-outages

[19.] John Njiraini July 26th 2011, business article, Standard Media (Kenya) https://www.standardmedia.co.ke/business/business/article/2000039612/kenya-power-resorts-to-rationing.Accessed on 20.9.2021

[20.] Kojima, M., & Trimble, C. (2016). Making power affordable for Africa and viable for its utilities.

[21.] Kotler, P. (2012). Kotler on marketing. Simon and Schuster.

[22.] Kubasu, K. (2018). Factors influencing customer satisfaction with services offered by Safaricom mobile cellular network (Doctoral dissertation, Strathmore University).

[23.] Kumar, R. (2018). Research methodology: A step-by-step guide for beginners. Sage.

[24.] Leelakulthanit, O. and Hongcharu, B. (2011). Factors that impact customer satisfaction: evidence from the Thailand mobile cellular network industry. *International journal of management and marketing research,* 4(2), 67-76

[25.] Locke, E. A. (1967). Motivational effects of knowledge of results: Knowledge or goal setting? Journal of Applied Psychology, 51(4p1), 324.

[26.] Meyer, A., & Westerbarkey, P. (1996). Measuring and managing hotel guest satisfaction. Service quality in hospitality organizations, 185-203.

[27.] Moss, T. Kincer, J. (2018) Energy Access Isn't the End of the Story: New Evidence of Electricity Demand in Kenya.

[28.] Moutinho, L. (1987). Consumer behavior in tourism. .

[29.] Mutai, K. B. (2000). How to Write Quality Language Research Proposal.

[30.] Oliver, R. L. (1993). Cognitive, affective, and attribute bases of the satisfaction response. Journal of consumer research, 20(3), 418-430.

[31.] Oliver, R. L., & DeSarbo, W. S. (1988). Response determinants in satisfaction judgments. Journal of consumer research, 14(4), 495-507.

[32.] Oliver, R. L., & Swan, J. E. (1989). Equity and disconfirmation perceptions as influences on merchant and product satisfaction. Journal of consumer research, 16(3), 372-383.

[33.] Porter (1980). Competitive strategy: Techniques for analyzing industries and competitors.

[34.] Porter, M. E., & Strategy, C. (1980). Techniques for analyzing industries and competitors. Competitive Strategy. New York: Free.

[35.] Power, K. (2015). Kenya Power Annual Report and Financial Statements for year ended 30 June 2015.

[36.] Rose Mutiso&Jay Taneja September 26, 2018, the seven major threats to Kenya's power sector, Energy for Growth hub.https://www.energyforgrowth.org/memo/the-seven-major-threats-to-kenyas-power-sector/ accessed on 21/9/2021

[37.] Spreng, R. A., & Mackoy, R. D. (1996). An empirical examination of a model of perceived service quality and satisfaction. *Journal of retailing*, *72*(2), 201-214.

[38.] Westbrook, R.A., & Reilly,M. D.(1983). Value-percept disparity: an alternative to the disconfirmation of expectations theory of consumer satisfaction. ACR North American Advances.

[39.] Woodruff, R. B., Cadotte, E. R., & Jenkins, R. L. (1983). Modeling consumer satisfaction processes using experience-based norms. Journal of marketing research, 20(3), 296-304.

[40.] World Health Organization. (2001). Sampling methods and sample size. Health research methodology. A guide for training in research methods.

[41.] Yu,C. J., Wu,L., Chiao,Y. and Tai, H. (2005). Perceived quality, customer satisfaction, and customer loyalty: the case of Lexusin Taiwan. Total Quality Management and Business Excellence, 16 (6): 707 -719

[42.] Zeithaml, V. A., Bitner, M. J. & Gremler, D. D. (2009). Services marketing: New York: McGraw-Hill

[43.] Zikmund, W. G., & d'Amico, M. (2001). Marketing: creating and keeping customers in an e-commerce world. South-Western College Pub. Thomson Learning.