

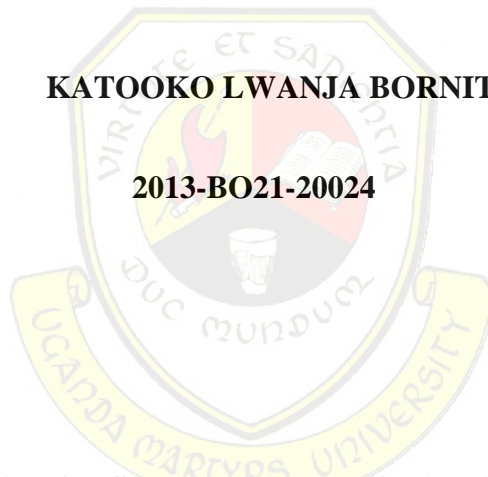
**THE RELATIONSHIP BETWEEN CUSTOMER LOYALTY AND PRODUCT
DEVELOPMENT**

A CASE STUDY OF NILE BREWERIES LIMITED UGANDA

BY

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DEDICATION

This is dedicated to my beloved parents Mr.Lwanja Alex and Mrs.Lwanja Jennifer and my siblings like vivian, Barbarah, Esther, Lillan, Patience, Gloria, Ambrose, Jovia and shalom.

Thank you for mentoring me and being there for me throughout my education and I am very proud of you my dear family.

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LIST OF ABBREVIATIONS

SWOT	Strength Weakness Opportunities and Threats
PDM	Product Data Management
PLM	Product Life Cycle Management
CIT	Critical Incident Technique
SOPI	Sequence Oriented Problem Identification
FRAP	Frequency Relevance Analysis
TQM	Total Quality Management
DMAIC	Design Measure Analyze Improve Control
NPD	New Product Development

TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF ABBREVIATIONS	v
TABLE OF CONTENTS	vi
LIST OF TABLES	x
LIST OF FIGURES	xi
ABSTRACT	xii
CHAPTER ONE	1
GENERAL INTRODUCTION	1
1.0 Introduction	1
1.1 Background to Study	2
1.2 Statement of the Problem	4
1.3 Objective of the Study	5
1.3.1 Major Objective	5
1.3.2 Specific objectives	5
1.4 Research Questions	5
1.5 Scope of Study	6
1.5.1 Geographical Scope	6
1.5.2 Content scope	6
1.5.3 Time scope	6
1.6 Significance of the Study	6
1.7 Justification of the Study	6
1.8 Definition of the Key term Concepts	7
1.8 Conceptual Framework	7

CHAPTER TWO	9
LITERATURE REVIEW	9
2.1 Customer loyalty and product development	9
2.1.1 Customer loyalty	10
2.1.2 Product development	11
2.2 Service quality and product development	12
2.3 Customer satisfaction and product development	17
2.3.1 Identification and evaluation of customer requirements	18
2.3.2 Measurement of customer satisfaction	19
2.3.3 Customer integration approaches	20
2.4 Corporate Image And Product Development	23
2.5 Cost management	27
2.7 Product safety	31
2.8 Trust	32
2.10 Service Domain Logic theory	38
CHAPTER THREE	40
RESEARCH METHODOLOGY	40
3.0 Introduction	40
3.1 Research Design	40
3.2 Area of Study	40
3.3 Study Population	41
3.4 Sampling Procedures	41
3.4.1 Sample Size	41
3.4.2 Sampling Techniques	41
3.5 Data Collection Methods and Instruments	42
3.5.1 Primary Data Sources	42
3.5.2 Secondary Data Sources	42

3.6	Data Collection Instruments.....	42
3.6.1	Questionnaire	42
3.6.2	Observation Method.....	43
3.7	Quality Control Methods.....	43
3.7.1	Data Validity	43
3.7.2	Data Reliability	44
3.8	Measurement of Variables	44
3.9	Data Analysis	44
3.9.1	Presentation of Findings.....	45
3.10	Ethical Considerations	45
3.11	Limitations of the Study.....	46
3.12	Conclusion	46
	CHAPTER FOUR.....	47
	PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS	47
4.0	Introduction.....	47
4.1	Response rate	47
4.2	Background of respondents.....	48
4.2.1	Gender of respondents	48
4.2.2	Age Bracket of respondents.....	49
4.2.3	Marital status of respondents.....	49
4.2.4	Education level of respondents	50
4.2.5	Duration in the organization	51
4.2.6	Departments respondents belong	52
4.3	Customer loyalty and product development	53
4.4	Service quality and product development.....	58
4.5	Customer satisfaction and product development	62
4.6	Corporate image and product development	66

4.7 Impact of trust on customer loyalty and product development	70
4.8 Impact of feedback on customer loyalty and product development.....	73
4.8 Conclusion	76
CHAPTER FIVE	77
SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATION.....	77
5.0 Introduction.....	77
5.1 Summary of Findings.....	77
5.1.1 Service quality and product development	77
5.1.2 Customer satisfaction and product development	78
5.1.3 Corporate image and product development	78
5.2 CONCLUSIONS	79
5.3 RECOMMENDATIONS.....	80
REFERENCES.....	81

LIST OF TABLES

Table 1: Customer loyalty and product development	55
Table 2: Correlation analysis between Customer loyalty and product development	57
Table 3: Service quality and product development.....	59
Table 4: Correlation analysis between service quality and product development	61
Table 5: Customer satisfaction and product development	63
Table 6: Correlation analysis between customer satisfaction and product development.....	65
Table 7: Corporate image and product development	67
Table 8: Correlation analysis between corporate image and product development.....	69
Table 9: Trust, customer loyalty and product development.....	71
Table 10: Feedback, customer loyalty and product development.....	74

LIST OF FIGURES

Pie 1: Showing the Gender Of Respondents.....	48
Pie 2: Showing the age bracket of respondents.....	49
Graph 1: Shows the Marital status of respondents.....	50
Graph 2: Showing the education level of respondents.....	51
Graph 3: Duration in the organization	52
Graph 4: Shows the departments respondents belong.....	53
Graph 5: Customer loyalty and product development	54
Graph 6: Service quality and product development.....	58
Graph 7: Customer satisfaction and product development	62
Graph 8: Corporate image and product development	66
Graph 9: Impact of trust on customer loyalty and product development.....	70
Graph 10: Impact of feedback on customer loyalty and product development	73

ABSTRACT

The purpose of this paper was to explore the relationship between customer loyalty and product development and the objectives of the study were corporate image and product development, service quality and product development and customer satisfaction and product development through a case study design on Nile Breweries Limited. A structured questionnaire was developed. The relationship was simultaneously tested on a sample of 80 respondents out of 100 distributed, giving a response rate of 80 percent. An analytical technique was used to assess the relationships among the variables under investigation and Pearson correlation was used to test that relationship. It is imperative to explore that a company can effectively and efficiently develop products that gain their customers satisfaction and loyalty and this was revealed through a moderate positive significant relationship between customer loyalty and product development. Despite the significance of service quality, customer satisfaction and corporate image, this study contributes in adding to the body of knowledge. Authors suggest that customer loyalty is an important mediator between service delivery innovation and service quality which affects the developed products of a firm. The recommended framework and its relationships with customer loyalty present practical guidance for organization to take customer service seriously in order to gain loyalty and therefore they should handle customers in a distinctive manner that leads to enhances firm's competitiveness.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

Pfeiffer, (2005) defines customer loyalty as a feelings or attitudes that incline a customer to return to a company, shop or outlet to purchase again, or else to repurchase a particular product, service or brand. Customer loyalty starts with a purchase, and ends with repurchase. Customer staying longer with the company tends to decrease maintenance cost, less prone to price fluctuation and good reference to other customers. Oliver (1999) further defines customer loyalty as a deeply held commitment to rebuy a preferred product/service consistently in the future thereby causing repetitive same brand or same brand set purchases. However Oliver (1999) also contends that this definition captures not only the spirit of global customer loyalty but also emphasizes the attitudinal deeply held commitment as well as the behavioral causing repetitive same-brand or same brand-set purchasing components of customer loyalty.

Anthony (2010) asserts that product development to be a complete process of bringing a new product or service on market. Companies typically see product development as the first stage in generating and commercializing new products with their overall life cycle management to create, maintain, or grow their market share (Lin and Wang, 2006). Product development and innovation requires companies to encourage creativity in staffing, planning, branding, developing new business processes and new ideas, defining risks, and even tolerating failure.

Griffin (2002) asserts that customers are empowered with different source of information over the various communication mediums, companies must allow these customers to pull the marketing information they want, when they want it and complete the purchase process on their

terms. Uncles, et al (2003) assert that data from numerous studies suggests that customers are generally polygamous and are loyal to a portfolio of brands within a product category. This leads to a possible belief that consumers are loyal to multiple brands within a same product line. However consumer's loyalty shifts when they see better value from competitors who prove that customer loyalty is the key to competitive advantage in current market situations as stated by (Lin and Wang, 2006). However customer loyalty in form of service quality, customer satisfaction, product quality and corporate image are key factors under consideration of each and every firm (Vesel and Zabkar, 2009).

1.1 Background to Study

Customer loyalty provides the foundation for a company's sustained competitive edge (Lee and Cunningham, 2001). However, product development in terms of new innovation can help a firm to develop customer loyalty which is beneficial to a firm. Developing and increasing customer loyalty is a crucial factor in companies' growth and performance. Andres (2007) asserts that customer loyalty is one of the key factors and can help a company achieve long-term success in terms of customer satisfaction, service quality, product quality, and how customers view the image of the organization this majorly base on the products being developed. However the significance of customer loyalty is closely related to the company's continued survival and to strong future growth as stated by (Fornell 1992). This implies that developing a new product; firms have to focus on the needs of each customer since customers have different tastes and preferences.

However, Ndubisi and Pfeifer (2005) contend that the cost of serving a loyal customer is higher than a new customer thus it's better to look after the existing customer before acquiring new customers. Anderson and Jacobsen, (2000) also assert that Customer loyalty is the result of an

organization effort to create a benefit for customers through product development. This helps the organization to develop quality products and services that meet customer desires in terms of satisfaction and this influences a company to maintain and increasable repeat business by customers. Although loyal consumers are most typically satisfied, customer satisfaction does not universally translate into customer loyalty.

Birir and Njer (2014) urged that Product development is the complete process of bringing a new product to the market. There are two parallel paths involved in new product development process one path involves idea generation, product design , and detail engineering the other path involves market research and market analysis (Birir and Njeru, 2014). There are steps for new product development, Ideas are generated through basic research, using SWOT analysis, brainstorming, and idea screening since it helps to eliminate unsound concepts (Koen et al, 2007). Before producing a product, firms have to consider what will the target market benefit from the product, size of the market segment the product is going to serve, technical feasibility to manufacture the products (Koen et al, 2007). Concept development and testing which involves developing marketing and engineering details of intellectual property issues, features to be incorporated and consumers reaction to the product (Koen et al, 2007).

Increasingly shorter product lifecycles, cost pressures and the demands for customer oriented products require companies to react flexibly towards changed market conditions (Abramovici and Schulte, 2006). Therefore the customer as a company external problem solution authority moves into the center of product development processes since in product development mostly customer product orientation dominates (Vanalli and Cziulik, 2003). However strong adjustments of the product development and technical features do not lead to a fulfillment of customer requirements and the results are product flops on the market, because products are

either over-engineered or show fundamental deficits market and this represents an existence of risk for companies considering the enormous innovation costs and the intensive resources in the product development (Abramovici and Schulte, 2007).

Customer demands a product, which solves a potential problem, fulfills customer needs and provides a benefit for the customer (Zaifang and Xuening, 2010). Therefore customers make their buying decisions on the basis of subjective impressions and pay attention to product comfort, reliability and security. This requires companies' to pro-active develop a product to be able to offer competitive products with high customer value (Yanamandram and White, 2010). Companies are required, no longer only to improve the efficiency but in particular the effectiveness of their product development processes. The early integration of customer feedback information into the product development process as well as permanently controlling customer satisfaction are therefore conditions for the successful development of products (Wiyaratn and Watanapa, 2011).

1.2 Statement of the Problem

One of the critical areas a firm should focus so as to improve their competitiveness is production of quality products and Service otherwise failure to have a good product development line which results in production of quality output may lead to customers dissenting consumption of a company product hence loss of customers (Friday et al; 2011). The main challenge Nile Breweries Limited faces in production of product originates from lack of raw material which arise as a result of poor performance of Barley as an input in malt beer production and this came due unfavorable weather, poor soils and few farmers being engaged in barley farming (Nile Breweries Limited report, 2014). Basing on that challenge, production of malt beer is low since the input is scarce which possibly implies that production is not at full capacity and in order to

achieve that, farmers should be given improved draught resistant seeds to plant such that weather does not affect their produce. Customers are difficult to maintain and it costs a lot to acquire new customers than to retain an old one. Hence it's imperative to retain customers because every customer has a unique product need and therefore needs to be handled differently.

1.3 Objective of the Study

1.3.1 Major Objective

To examine the relationship between customer loyalty and product development in Nile Breweries Limited

1.3.2 Specific objectives

- I. To find out the relationship between service quality and product development in Nile Breweries Limited.
- II. To determine the relationship between customer satisfaction and product development in Nile Breweries Limited.
- III. To assess the relationship between corporate images on product development in Nile Breweries Limited.

1.4 Research Questions

1. What is the relationship between service quality and product development in Nile Breweries Limited?
2. What is the relationship between customer satisfaction and product development in Nile Breweries Limited?
3. What is the relationship between corporate image and product development in Nile Breweries Limited?

1.5 Scope of Study

1.5.1 Geographical Scope

The research was conducted at Nile Breweries Limited located at port bell in Luzira in Kampala city

1.5.2 Content scope

Customer loyalty is being viewed in the following dimensions; business policies, principles and customer behavior towards new products being developed in consideration of service quality, customer satisfaction and corporate image and product development is being viewed in the following dimensions; cost, quality, safety of products and delivery.

1.5.3 Time scope

The analysis was carried out between periods of 2013-2015 because the given time to finish the research is enough for the researcher to collect all the data covering many years. This period is sufficient enough for the researcher to collect data which is reliable and valid.

1.6 Significance of the Study

The study will add knowledge and information on customer loyalty and product development and academicians will base on for further research.

The study may also help policy makers to formulate appropriate sensitization campaigns for customer loyalty programs in order to enhance customer loyalty.

1.7 Justification of the Study

The aim of this study is to possibly offer solution for the company to produce products of high quality such that customers buy more of Nile Breweries products such that customers become loyal to their products.

For students of a related course, it will form a basis of knowledge on how customer satisfaction, service quality and corporate image influence consumer to purchase more of a company products and services.

Finally the result of the findings will be of benefit to both the administration and management of Nile Breweries Limited on how best to improve their growth through customer royalty.

1.8 Definition of the Key term Concepts

Customer Loyalty: Peiguss, (2012) defines customer loyalty as the willingness of any given customer to purchase the company's goods or services over competitive ones available in the marketplace

Customer loyalty: this is a contentment a customer derive from consumption of a firm products which influences him/her to do repeated purchase of a product.

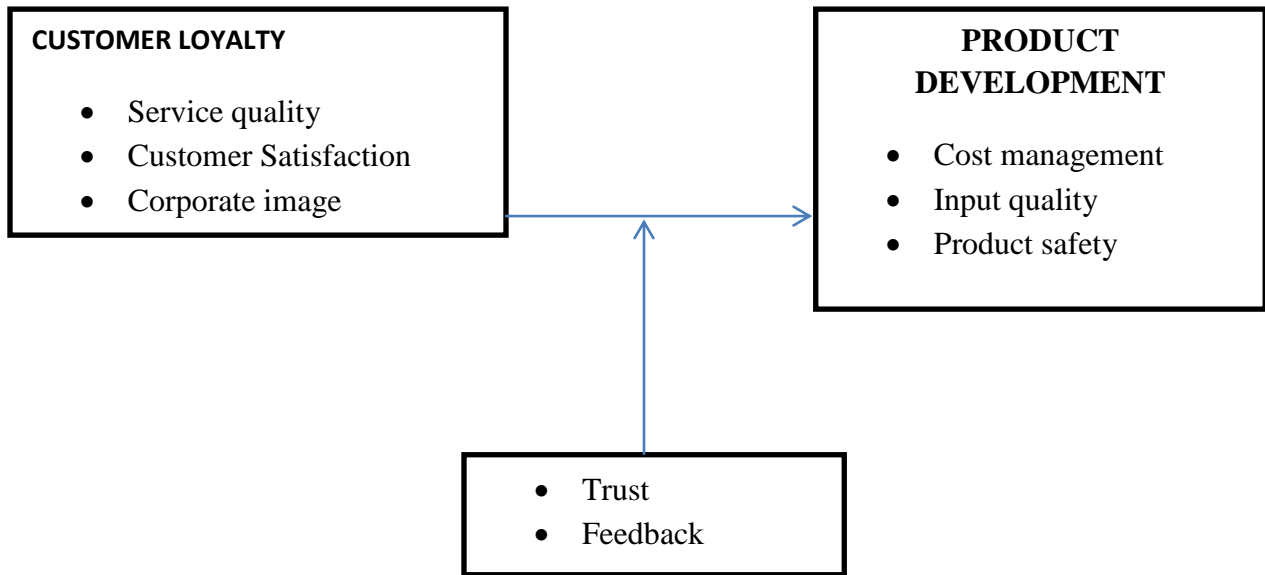
Product development: Birir and Njeru, (2014) also contend that product development is the complete process of bringing a new product to the market.

Product development: this is a process of designing and creating of a new product.

1.8 Conceptual Framework

According to Terblanche and Boshoff, (2006) it is imperative to understand the signs of service quality, customer satisfaction and corporate image of customer loyalty in order to leverage the greatest benefits available from it. Product quality, product cost, inputs and safety as dominant factors of customer loyalty, are important aspects in management theory and practice in developing a product (Bresnahan, 2010).

Fig 1.0 CONCEPTUAL FRAME WORK



Sources: Terblanche and Boshoff, (2006); Bresnahan, (2010).

The above diagram reflects how the customer loyalty (Independent variable) and the dimensions; service quality, customer satisfaction, and corporate image, if used appropriately can lead to improvement in product development (Dependent variable) such as cost management, input quality and product safety. This relationship has result in production of quality products which meet the need of customers which lead to more purchase hence customer loyalty.

The relationship is affected by trust of customers towards the new products being developed and this means that if products are trusted by customers, they will consume more of company products and the early integration of customer feedback information into the product development process as well as permanently controlling customer satisfaction are therefore conditions for the successful development of products (Wiyaratn and Watanapa, 2011). However for the purposes of this study the intervening variables will not be considered since they are macro factor beyond the scope of this study.

CHAPTER TWO

LITERATURE REVIEW

2.1 CUSTOMER LOYALTY AND PRODUCT DEVELOPMENT

Customer loyalty is described as a product of repeat purchase, self-stated retention, price insensitivity, resistance to counter persuasion and recommendation to others (Jaishankar et al, 2000). However, customer loyalty manifests itself in not only behavioral fashion but it also influenced by the attitudinal setup of mind (Sirdeshmukh et al. 2002). According to Terblanche and Boshoff, (2006) it is imperative to understand the precursor drivers service quality, customer satisfaction, customer experience and corporate image of customer loyalty in order to leverage the greatest benefits available from it. However Johnson et al, (2006) assert that the factors leading to customer loyalty are complex and dynamic, changing and evolving over time.

Increasingly shorter product lifecycles, cost pressures and the demands for customer oriented products require producing companies to react flexibly towards changed market conditions (Abramovici and Schulte, 2006). Therefore the customer as a company external problem solution authority moves into the center of product development processes since in product development a mostly customer product orientation dominates (Vanalli and Cziulik, 2003). Strong adjustments of the product development and technical features do not lead to a fulfillment of customer requirements and the results are product flops on the market, because products are either over-engineered or show fundamental deficits market and this represents an existence of risk for companies considering the enormous innovation costs and the intensive resources in the product development (Abramovici and Schulte, 2007).

2.1.1 CUSTOMER LOYALTY

Customer loyalty is the customer attitude and behavior to prefer one brand over all competitor ones due to satisfaction with the product or services. It encourages consumers to shop more consistently. (Peiguss, 2012) Customer loyalty is defined as the willingness of any given customer to purchase the company's goods or services over competitive ones available in the marketplace. (Singh, Khan, 2012). Due to the fact that loyalty is the result of developing past positive experiences with the customers and having them return to the company various times due to these experiences, customers return again again to do buy regardless of whether it may not have the best product, price or service delivery (Ghavami and Olyaei, 2006)

Zikmund (2002) demonstrates that loyalty is more than a repetition of behavior. Customers can demonstrate loyalty to price, brand, company, and other customers. However, Customer satisfactions important to any company and it affect clients repeatedly coming back to the company due to its service. This expects that the crucial factors affected customer loyalty are customer satisfaction, emotional bonding, trust, choice reduction/ habit, and company history (Ghavami and Olyaei, 2006). Therefore, customer satisfaction with a company's products or services could be considered the key to a company's success and long-term competitiveness.

Customer satisfaction is viewed as a central determinant of customer retention (Peiguss, 2012). Singh and Khan, (2012) pointed out that satisfaction is not enough because less than half of the company satisfied customers will come back. The company needs to transfer satisfied customer to loyal customer. It's so important because it costs so much to influence customers to buy and so little to induce a repurchase. Customer loyalty is a result of a positive emotional experience, physical attribute-based satisfaction and perceived value of an experience, which includes the product or services (Zikmund, 2002).

2.1.2 PRODUCT DEVELOPMENT

According to Birir and Njeru, (2014) product development and innovation requires companies to encourage creativity in staffing, planning, branding, developing new business processes and new ideas, defining risks, and even tolerating failure. Product development is the complete process of bringing new product to the market, there are two parallel paths involved in new product development process one path involves idea generation, product design , and detail engineering the other path involves market research and market analysis (Koen et al, (2007). Companies typically see product development as the first stage in generating and commercializing new products with their overall life cycle management to create, maintain, or grow their market share (Anthony, 2010).

There are eight steps in product development, these start with ideas that are generated through basic research, using SWOT analysis ,brainstorming, ,idea screening objective is to eliminate unsound concepts before putting more resources into the process questions like what benefits will the target market benefit from the product ,size of the market segment ,technical feasibility to manufacture the products ,concept development (Koen et al, (2007). The third step it involves developing marketing and engineering details investigate intellectual property issues, features to be incorporated, benefits and consumers reaction to the product the fourth step is business analysis it involves estimation of likely selling price based upon competitors and consumer feedback (Johnson et al, (2006). The fifth step is beta testing and market testing physical prototype test and packaging and make adjustment where necessary, sixth step is technical implementation initiation of the new product resource estimation planning, commercialization fir instance launch the product and finally pricing the new product according to (Koen et al, (2007). Incremental products are considered to be cost reduction ,improvement to existing products line

addition to existing platforms and repositioning of existing products introduced into the market while breakthrough products are new to the company and also new to the world have greater performance and highly improved ,platform products establish a basic architecture for next generation product.

Due to technological advancements and competition, product development of a firm is under tremendous pressure. Customers are more refined for their demands and therefore are more asserting on better standards of service. In their minds service signifies customer relationship, service delivery, customer delight, customer satisfaction, and others. The firms ought to give consideration to the significance of service quality parameters, for example tangibles, empathy, assurance, responsiveness and reliability, while considering about degrees of performance in achieving customer service targets. Customer service endeavors are, therefore, strongly linked to quality enhancement pursuits (Sachdev and Verma, 2004). Service quality is an important tool in in measuring quality of products produced as well as differentiating products and services .The relationship between service quality and product development is found to be very strong and this relationship can be protected by providing the products or services with significant quality (Kadir et al, 2011).

2.2 SERVICE QUALITY AND PRODUCT DEVELOPMENT

According to su (2004) service quality is defined as how well a consumer's needs are met and how well the service delivered meets the customer's expectations. Additionally, Othman and Owen (2002) define service quality as the outcome of the customer's overall evaluation and differences between service expectations and the actual service performance. However service quality is conceptualized as a multidimensional construct consisting of five dimensions of service quality which include: tangibility (appearance of physical components); reliability

(dependability of service provider and accuracy of performance); responsiveness (promptness and helpfulness); assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence); and empathy (caring, individualized attention the firm gives its customers) as stated by(Lévesque and Mc Dougall 1996).

Service quality is influenced by capability of an organization in satisfying customer needs in accordance with their expectations which is associated with product development (Yoo and Park, 2007). Services are usually performance driven; therefore creating accurate descriptions to a homogeneous quality is challenging to be determined. Three factors play dominant role in the marketing environment: growing rivalry from private firms, introduction of new sophisticated technologies, and continuous change in the working environment (Kettinger & Lee, 1994). Customers have grown to be increasingly conscious of their wants and desire better standards of services. This implies that when developing a product, firms should ensure that products match the quality customers expect.

Quality has been defined as fitness for use, or the extent to which a product successfully serves the purposes of consumers (Beverly et al., 2002). Customer service is one of the organizational processes which companies perform considering the growing competition and for attracting entrepreneurial opportunities for increasing profitability and better access to the market and increasing the customer satisfaction and loyalty level (Calif, 1987). According to Goofin and Price (1996) service quality has importance because it ends in increasing product quality, gaining competitive advantage, gaining profitable opportunities, and as a result increasing sales and income. According to Newby and McManus (2000) excellent quality of customer services is based upon not just the knowledge and skills of the individual but also upon the way that the

organization as a whole, from top management downwards, pulls in the same direction and presents a clear, positive message to customers.

The domain of the activities related to service quality is vast. Tour and Kumar (2003) have mentioned duties and functions of this section in the form of installation and startup services, training, maintain and repair, documentation, providing logistic and spare parts, improving products, software services, warranty and call center service. Recognition of profitable opportunities is considered in order to present electronic customer service in this industry with developing communicational infrastructure and development of utilization of technology in car manufacturing companies. Services which are presented by manufacturing industry today are informational, training, communicational, leasing, repairing and maintenance services, and also innovational services (Khaksar et al. 2010).

Presenting informational services is in the line of informing customers about new products, information regarding service centers and also car news. Today, large car manufacturers present their informational services utilizing email, Short Message Service, and websites (Wilson et al, 1999). Presenting suitable training services create possibility for increasing the level of customer service and hence the customer satisfaction. Using trained staffs also, increases the accountability of the company (Nilda et al, 2009). Presenting communicational a service is directly related to customer satisfaction. Customers after purchasing products may have doubts in their decision making; the only way to manage this uncertainty is to establish a long term relationship with customers (Flynn et al, 2002).

One of the strategies of presenting better customer services in manufacturing industry is to provide proper trainings to personnel and customers (Khaksar et al, 2010). Leasing contracts usually concluded and enforced in the framework of lease condition acquisition. Leasing services

in manufacturing industry increase the purchase power of people and lead to increase the sales of the company. Leasing is one option for acquiring a new product. Providing repair and maintenance is the inseparable part of customer service quality in manufacturing industry. Maintenance means changing, cleaning, installing, and restarting up the parts which has problems (Calif, 1987). Discovery services refer to the services that company do for detecting defects in the product and rectifying them without causing any loss for the customers. Discovery services have also used for discovering new needs and creating new entrepreneurial opportunities (Kruse et al, 2010). For implementing this type of services, company tests its products in some markets and with utilizing benchmarking mechanisms satisfaction of the product will be analyzed.

The service firms in order to improve their customer service management, they should pay more attention to enhancing the service selectively as well as focusing on more important product features while developing a product (Chen et al, 2009). It is important for service firms to know how delicate the customers are to numerous service and product features or measurements. Therefore, they should allocate resources in such a way that boost the usefulness of service operations and are in line with customer concerns. Moreover, the priorities of customer service should be fully investigated keeping in view the service specific contexts (Sachdev & Verma, 2004). Customers are evolving into a lot more refined, segmented and challenging, and are expecting more regarding product or service customization, development, uniqueness, price and quality (Stark, 2011).

The demand for quality and production of products and services in firms are becoming very important regarding their business superiority in order to remain competitive by enhancing their competitive advantage and any default in product development results in product failure (Bon &

Mustafa, 2013). Product development is a leading element in sustaining competitiveness. It heats up organizational development, propels future triumphs and it is the vehicle that enables businesses to support their stability in the market (Gaynor, 2002). Firms deal with challenges to distinguish themselves in the industry by developing product that meet customer need. They endeavor to come up with realistic choices concerning the identification, selection, and utilization of resources to develop differentiated new products and services which will bring about outstanding profits (Nijssen et al., 2006).

Service delivery describes a firm's capability to create finished components' and deliver services/products to the customers (Chen and Tsou, 2012). A firm's capability to provide targeted amount of quality, customization, speed and the cost for available resources is determined by both the amount of work completed prior to demand and exactly how the firm facilitates consumers to take advantage of its resources (Chopra and Lariviere, 2005). In the today's economy, due to fast changing consumer tastes as well as the growth of variety of consumer segments with diverse preferences, values, and shopping habits, firms aim to produce and offer services and products at low costs, provide better value to customers, and enhance service delivery strategies to boost sales and profits and cut down costs (Chen et al., 2009). Organizations are more likely in a position to catch the attention of new customers due to enhanced or excellent service quality as well as their capability to promote these improvements (Johnston and Clark, 2001).

For an organization, product development is not only limited to innovation of product, it also involves process, strategy, organization architecture and so forth. The objective of corporate product development is to strengthen corporations' external competitiveness and enhance internal capabilities through product or process innovation (Geroski, 1994). Froehle et al. (2000)

believed that innovation is comprised of technology, organization and regularized developmental steps. Chapman et al. (2003) urged that innovation is the product of technology, knowledge and relationship network. Guan et al. (2006) contends that technological innovation is the combination of knowledge and technologies from different fields of specialization for the sake of product innovation and that the improvement in technological innovation capabilities would strengthen an organization's competitiveness.

2.3 CUSTOMER SATISFACTION AND PRODUCT DEVELOPMENT

Customer satisfaction is the sense of contentment that consumers experience when comparing their introductory expectations with the actual quality of the acquired product (Krivobokova, 2009). According to Lodenius, (2011), customer satisfaction has increasingly become an important indicator on how to develop or improve existing products. The change to a more customer-oriented approach from a traditional product oriented road management approach requires new feedback input methods and involvement of the customer. Zeithaml and Bitner, (2003), contend that satisfaction is the customers' evaluation of a product whether that product has met their needs and expectations. Furthermore, Deng et al, (2009) asserts that the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers. Ostrom and Iacobucci, (2003) urged that customer satisfaction is commonly related to two most important elements including the customer's judgment of the product quality and his evaluation of the interaction experience he or she has made with the product provider.

According to Hobka et al (2006) products performance components are classified in three categories: 1) Features designed for products (for yeast; swelling power and speed, improving aroma, flavor and nutrition properties of bread), 2) internal properties (for yeast, shape, color,

maintainability), and 3) external properties (for yeast, safe, sustainable, beautiful, stylish and varieties of packaging). Measuring product performance is an important part of product evaluation. Successful product performance has three aspects of concept. Financial measures, customer satisfaction, time-to-market or product lifecycle. Oliver (1980) stated that the attitude to a product is a function of the initial attitude at the time of purchase and satisfaction with the transaction. When a customer purchases a product, satisfaction occurs in the process after buying. Thus successful product performance can make their customers happy (Selnes 1993). Identification and implementation of customer requirements and demands in the early stages of product development is important for the success of the product. To measure the success/failure of products, the first indicator is customer satisfaction.

The most important points of view are quality management, marketing oriented approaches and technically aligned methods for requirement analysis. Engineering approaches like product data management (PDM) or product lifecycle management (PLM) still do not include customers as a know-how capacity for product development (Abramovici and Schulte, 2007). The classical customer oriented approaches can be classified as follows: identification and evaluation of customer requirements, measurement of customer satisfaction and customer integration approaches.

2.3.1 Identification and evaluation of customer requirements

The solutions for the identification of customer requirements are predominantly based on methods for customer observation and interviews. Customer observation represents an objective procedure. Product use, behavior and customer reactions are analyzed using video recording (Kaiser, 2002). The customer observation method is used if information cannot or only unsatisfactorily be determined by communication. This method detects not only difficulties

during the product application, but also serves the purpose of recognizing misapplications. Customer observations can be conducted in the customer's natural environment or in an artificial laboratory environment (Wildemann, 1999). Customer interviews have the advantage, in relation to the customer observation, that the customer's opinion can already be considered in the product creation phase (Zink and Bäuerle, 2004). Generally only suggestions for product improvements result from customer interviews, only rarely further results for new product innovations.

2.3.2 Measurement of customer satisfaction

Customer-oriented methods for the customer's satisfaction measurement can be divided into objective and subjective procedures. Objective procedures evaluate the customer satisfaction using market specific indicators, which are related to the customer satisfaction. Subjective procedures are based on the formation of individual customer satisfaction judgments. A differentiation between characteristic oriented, incident-oriented and problem-oriented procedures is established (Zink and Bäuerle, 2004). Characteristic oriented measuring procedures are based on the assumption that customer satisfaction is composed of several product characteristic evaluations. The customer-oriented evaluation is usually raised using customer surveys. The most important characteristic-oriented procedures are multi-attributive models, decomposition procedures, the vignette method, the willing-to-pay approach and the penalty-reward factor approach.

The disadvantage of these procedures is the limited number of characteristics, which can be considered within a customer survey. Incident-oriented procedures focus on positive and negative experiences within a product or service use. They are primarily aligned to services, but can also be applied for evaluating physical products. The most important incident-oriented procedures are the critical incident technique (CIT) and sequence oriented problem identification

(SOPI). Problem oriented procedures describe an improvement of the incident-oriented measuring procedure. They pursue the disclosure of satisfaction-relevant problem fields. Frequency relevance analysis (FRAP analysis), problem detecting method and complaint analysis are among these procedures (Kaiser, 2002).

2.3.3 Customer integration approaches

The existing solutions for the customer's voice integration into the value-added processes differ according to the addressed product lifecycle phase and thus to the point of customer interaction.

The lead user approach and the co-designer approach are relevant for the product development phase. The lead user approach is based on extensive investigations, which showed that numerous innovations do not emanate from producing companies, but from customers. Partly the customers even develop innovative products. The term of the lead users describes customers, whose momentary product requirements represent an anticipation of future market demands (Eric, 1986). The term co-designer describes a customer, who is actively involved in product development processes and becomes a temporary co-worker of the company. The customer integration takes place on different integration levels. It can take place on a lower integration level in terms of focus groups or on a high integration level by directly being involved in the product design.

Chavan, (2003) defined product quality development to be the totality of features and characteristics of a product that bears on its ability to satisfy given needs. If customer's expectation is fulfilled by the product, the customer will be satisfied and think that the product is of good or even high quality. If it is reversed, the customer will consider that the product is of low quality. Kotler and Armstrong, (2010) contends that product quality performance has eight criteria which are: performance, features, reliability, conformance, durability, serviceable,

aesthetic, and perceived quality. Mai and Hoang, (2013) emphasize that quality of products developed has to be conceptualized as the difference between customer expectations regarding a product to be received and perceptions of the product being received. Product quality is an approach to manage business processes in order to ensure full satisfaction of the customers which will help to increase competitiveness and effectiveness of the industry (Rahaman et al, 2011).

Product quality, product cost, inputs and safety as dominant factors of customer satisfaction and loyalty, are important aspects in management theory and practice in developing a product (Bresnahan, 2010). Product quality and product cost mean different things to different consumers (Woo et al, 2014). The concepts of product quality and product cost encompass a variety of drivers and implications for business performances, which are not yet fully understood. Dynamic challenges in managing product design, production costs, and product safety continue to emerge (Knudsen, 2010) because consumers compare product quality, cost, and safety features of competitive offerings before acquisitions are completed (Scheere, 2010).

Major function of management processes is to lead organizations so that product development objectives like; product quality, cost control, and safety standard goals maybe reached (Chaudha et al., 2011). This may offer a wide variety of opportunities, from which management practitioners would be able to share common responsibility of increasing market share by investing in quality product improvement, which may influence a positive societal change (Harper and Porter, 2011). Development of Product quality is the life-support of quality control and it ensures that consumers are able to buy high quality products or services with long-lasting reliability (Feigenbaum and Feigenbaum, 2009). Product quality attains improved processes that produce a safe uniform output of products. Processes reduce mistakes and rework, as well as

reducing waste of labor, machine-time, and materials and thus increase output with less effort (Eckert and Hughes, 2010).

The most significant gains in development of product quality and productivity are consumers' satisfaction on goods and services offered for sale (Salegna & Fazel, 2011). This is because safety products are tantamount to saving lives and maximizing corporate social responsibility. These concepts point toward quality management based on selection and application of the best solutions for solving industrial and organizational problems (Srinivasan and Hanssens, 2009). Quality control product development and management practitioners look for solutions to meet consumer product-safety and customer satisfaction demands (Xu et al., 2013). Consequently, there is a need for product design engineers and product management practitioners to use skills set based on the application of enhanced technical knowledge that encapsulates product quality, cost control, and product safety to meet customer expectations and satisfaction (Harper and Porter, 2011).

There is an increased product durability or design lifetime mapped into an additional flow of utility from the system (Saleh, 2008). Improving insights of the quality of goods motivate customer satisfaction (Cameroon et al, 2010). Hence, quality product produced has an impact on customer satisfaction and this affects higher lifetime value for consumers and businesses (Verhoef, and Lemon, 2013). Superior product quality development lead to good reputation of firms (Tsekeris, 2010) hence, management has to establish strategic goals for quality improvement and performance monitoring to improve product quality (Joanna et al, 2008). Therefore, taking corrective actions to improve customer perception of quality changes is of paramount importance because the strategies motivate consumer behaviors to incremental revenue acquisitions (Iyer and Kuksov, 2010).

2.4 CORPORATE IMAGE AND PRODUCT DEVELOPMENT

Corporate image is defined as the overall impression” left in the customers’ mind as a result of accumulative feelings, ideas, attitudes and experiences with the organization, stored in memory, transformed into a positive/negative meaning, retrieved to reconstruct image and recalled when the name of the organization is heard or brought to ones’ mind (Bravo et al., 2009). Thus, corporate image is a result of communication process in which the organizations create and spread a specific message that constitutes their strategic intent; mission, vision, goals and identity that reflects their core values that they cherish (Bravo et al., 2009). This is consistent with Keller’s (1993) worldwide vision of brand image. Thus, corporate image could be considered as a type of brand image in which the brand name refers to the organization as a whole rather than to its sole products/services.

Corporate image and reputation is considered to be a critical factor in the overall evaluation of any organization (Sarstedt et al, 2012) because of the strength that lies in the customers’ perception and mind when hearing the name of the organization (Bravo et al., 2009). Thus, continuous corporate image and reputation is a must for those organizations that want to successfully differentiate their positioning in the market. Kandampully and Hu (2007) asserts that corporate image consisted of two main components; the first is functional such as the tangible characteristics that can be measured and evaluated easily. The second is emotional such as feelings, attitudes and beliefs the one have towards the organization. These emotional components are consequences from accumulative experiences the customer have with the passage of time with the organization.

Porter (1985) contends that a good reputation may help a firm build a product image in the industry, while Franklin (1984) urged that corporate reputation is a global and final outcome of

the process of building a corporate image. However, based on the meaning generally accepted for each concept, one observes that both corporate image and reputation are the external perceptions of the firm. The former is the firm's portrait made in the mind of a consumer, while the latter is the degree of trust (or distrust) in a firm's ability to meet customers' expectations in line with their product development.

Corporate image is thus the results of an aggregation process which incorporates diverse information used by the consumer to form a perception of the firm. Even for a consumer who has not yet had experience with the firm, these perceptions may be formed from other sources of information such as advertising or word-of-mouth. In our opinion, the emotional component of corporate image and corporate reputation may share a close relationship because of the psychological dimensions which contribute to their formation (Genasi, 2001). These dimensions are manifested by the consumer's attitudes and beliefs which rely on past actions of the firm or previous experiences with the firm. In the case of services that are categorized as experience products whose quality can only be evaluated after consumption, given their intangibility, corporate image and reputation both can be used as effective means of predicting the outcome of the service production process and, perhaps, considered as the most reliable cues which signal the ability of a service firm to satisfy the customer's desires.

From the perspective of marketing, the impact of corporate image on consumer behavior is well recognized in spite of the lack of empirical evidence. Numerous authors assert that a good corporate image or reputation helps to increase the firm's sales and its market share, and to establish and maintain a loyal relationship with customers (Andreassen and Lindestad, 1998). A favorable store image can influence repeated patronage (Dick and Basu, 1994). Ostrowski (1993) contends that a passenger's image of the carrier which is based on long-term experiences

encompassing many service encounters is more important in explaining customer loyalty than is the evaluation of the current, single flight. They also argue that the consumer may consider a bad experience as an exception to his whole impression of the service provider. In addition, this study suggested a consistent and significant relationship between the reputation of the carrier and customer loyalty.

Service quality as perceived by customers (Zeithaml et al, 1990) however the service provider is the one to create and deliver the service. Service providers are the organization's ambassadors; because they hold the ultimate balance of quality in product and service in the customers' mind (Surprenant and Solomon, 1987). However they act as a boundary-spanning that links commercial organizations from inside and outside by obtaining information and disseminating this information to all parties; this is also known as discretionary behavior, or travelling the extra mile for the customer beyond the call of duty (Slatten, 2008). Little and Little (2009) also urge that customers evaluate service quality/product based on perceptions of two-dimensional service/product quality concept, a technical quality or outcome of the service/product act dimension, (what is delivered) or how well the service/product performs as expected and as promised or what the customer receives in the end or what is delivered (Opoku et al., 2008) and the functional quality, or process-related dimension.

Grönroos (1984) contends that another quality dimension, which is very much related to how the moments of truth of the buyer-seller interactions themselves are taken care of and how the product/service provider functions, therefore, it is called the functional quality of the process. Technical quality, also known as extrinsic quality which is defined as what the customer is actually receiving from the service, or the quality of the outcome or result of the service, is the "what" is delivered during the service delivery process. Functional quality is also known as

intrinsic quality, perceptual quality, and interactive quality; and describes the manner in which the service is delivered. Functional quality refers to employees' actions or the human interaction that takes place during the service encounter; it is the "how" a service is delivered or provided (Mels et al, 1997). Furthermore, when customers do not have the expertise, time, and/or desire to make an assessment of technical quality, they may rely primarily, and sometimes completely, on perceptions of functional quality to assess service/product quality (Opoku et al, 2008).

Corporate image includes information and inferences about the company as an employee, employer, customer, community and supplier and as a corporate citizen. Since an organization's corporate image affects stakeholders' behavior, they strive to develop and manage their image for many reasons among which are;

- i. Enhancement of the corporate competitive advantage thus leading to higher profitability.
- ii. Promoting favorable relationship with the community in the environment they operate, else it may experience difficulty in recruitment, selection and maintaining the employee morale.
- iii. Influencing investors and financial institutions.
- iv. Establishing a corporate goodwill for the organization.
- v. Creating good identity for the employees thereby leading to their satisfaction.
- vi. Stimulating sales, thus influencing customer loyalty.
- vii. Promoting good relationship with the government, opinion leaders and various interest groups, (Adeniji et al, 2012).

Worthy of note is the fact that perceptions and influences about the company will differ between the various stakeholders groups depending on the nature of their interaction with the organization. Thus, it follows that an organization may have more than one image depending on

the nature of the interaction it has with the different interest groups. Because people tend to humanize companies, corporate image could be said to include characteristics attributed to humans such as friendly, ruthless loving and caring. Therefore, to project an effective corporate image, it is important for the organization to understand all the various interest groups perceptions, expectations and needs. This becomes important because the needs and aspirations of the various interests will be different which makes it necessary to recognize that these needs can differ between the groups. Importantly, corporate image affects the way in which various stakeholders behave towards an organization. A favorable image tends to encourage shareholders to invest in a company, attract good staff, and retain customers, increases profits and correlates with superior overall returns (Robert and Dowling, 2007).

2.5 Cost management

A business objective is the starting point for any business organization to thrive and it provides direction for action. It is also a way of measuring the effectiveness or otherwise of the actions taken by the management of the organization. The main goal or objective of any business organization according to Lucey (1993) is to make and maximize profit while other secondary objectives include going concern, growth, corporate social responsibility, benefits to employees and so on. Though other objectives are also considered very important as listed above, but profit maximization is usually the ultimate because it maximizes the shareholders wealth which is the ultimate aim of investing in a business. People will naturally prefer to invest in a highly profitable business (Charles, 1998). Therefore, in the long run only the profit maximizes survive in the business environment. However, for adequate profit to be recorded from a business there is a need for adequate control of cost. Robert (2007) asserts that a company with adequate cost structure possesses the higher chance of attaining its profit target.

Innes et al, (2000) assert that the survival triplet today for any company is how to manage product/service cost, quality, and performance. The customers are continuously demanding high quality and better performance products/services and at the same time, they want the price to be reasonably low. The shareholders are also demanding a required rate of return on their investment from the company. Thus cost has become a residual. The challenge is being able to manufacture products or provide services within the acceptable cost framework. Innes, John, Mitchell and Sinclair (2000) concluded their study with a recommendation that cost management has to be an ongoing and continuous improvement activity within the company so as to enhance profitability and survival.

Cost behavior according to Asaolu and Nassar (2007) is the study of the ways in which costs vary or do not vary with the level of activity in an organization. They level of activity was described as the amount of work done or the number of events that have occurred. Drury (2005) on the other hand, also defines cost as expenses, which have been consumed in earning revenue. Profitability was however defined by Lucey (1997) as the excess of revenue and cost. In other word, profit is determined by deducting cost from revenue. This shows the linearity of profit and cost. The term variable and fixed cost otherwise known as indirect and direct expenses have been traditionally used in the management accounting literature to describe how costs react to changes in activity level. Short-term variable costs vary in direct proportion to the volume of activity that is, doubling the level of activity double the total variable costs. This was urged by Fischer and Schmitz (1998) to lead to increase in profit. Consequently, total variable costs are linear and unit variable cost is constant (Adeniji, 2011).

Hornigren (2006), pointed out that a fixed costs remains unchanged in total for a given time period despite wide changes in the related level of total activity or volume. Furthermore,

Horngren et al. (2009) contend that costs are defined as variable or fixed with respect to a specific cost object and for a given time. Continuing this debate, Adeniji (2011), reported that over a sufficiently long period of time, virtually, all costs are variable. During such a long period of time, contraction in demand will be accompanied by reductions in virtually all categories of costs. For example, senior managers can be relieved of their jobs, machinery may not be replaced and buildings and land may be sold. Similarly, large expansions in activity will eventually cause all categories of costs being incurred by enterprise to increase. According to Olabisi et al. (2012) Step fixed costs are fixed within specific levels of activity within a given time period. Many items of cost are fixed costs in nature within certain levels of activity i.e. relevance range exists (Asaolu & Nassar, 2007). Step fixed costs are actually increased or decreased by a constant amount at various activity levels. Semi-variable costs include both fixed and variable components. The cost of maintenance is a semi-variable cost consisting of planned maintenance that is undertaken whatever the level of activity, and variable element that is directly related to the level of activity (Horngren, 2006).

2.6 Output quality

A critical factor reportedly behind output quality initiatives undertaken by many organizations has been the increasingly global nature of competition (Callahan and Lasry 2004). Quality is typically regarded as a key driver of competitive advantage and hence the enhancement of product quality has been of prime concern to firms (Foster and Sjoblom 1996). It has also been a matter of concern to the management accounting literature, in which studies focusing on learning curves, cost of quality and zero defect approaches to quality have frequently been featured (for example Malmi et al. 2004). In accounting practice, cost of quality (prevention, appraisal,

internal failure and external failure costs) is a widely used method in the control of quality costs, as are zero defect approaches to quality (Anderson and Sedatole 1998). Smith and Wright (2004) reported that product quality refers to the extent to which products meet the expectations of customers, and argued that product quality improvement should lead to customer satisfaction and higher sales. Output quality typically takes into consideration product design and customer requirements as well as the environmental attributes of products (Wagner 2005).

Azzone and Bertele (1994) contend that the environmental attributes of products are a critical factor in the buying behaviors of consumers. The literature suggests that there are also a number of product quality consequences at the organizational level. For example, Shank and Govindarajan (1994) argued that quality is widely recognized as a key competitive weapon of firms. Similarly, arguments have been made that quality provides a basis for establishing and maintaining a global competitive advantage (for example Porter 1991; Flynn et al. 1995; Terziovski et al. 1999). A firm's competitive advantage is defined as the way in which it creates value for its customers, which allows it to establish and sustain a defensible position in its product market (Flynn, Schroeder and Sakakibara 1995).

Output quality has been recognized as a strategic organizational priority for some time. Flynn et al. (1994) argued that quality is a critical component in the design and manufacture of products which are considered superior to those of competitors. Companies reportedly pursue product quality on the presumption that it will improve their competitive position, business success, and differentiate their products (for example Belohlav 1993; Carr 1995). Daniel and Reitsperger (1991) indicated that a strategic focus on quality has been widely considered as a fundamental aspect of manufacturing strategy in many firms, and is likely to result in improvements in product demand thereby facilitating the building and maintenance of a competitive position. Hitt

and Hoskisson (1997) argued that customers increasingly expect products to be of high quality. Hence, product quality is often considered to contribute to the development of a firm's competitive advantage (Judge and Douglas 1998).

2.7 Product safety

Product safety refers to the reduction in the probability that use of a product will result in illness, injury, death or negative consequences to people, property or equipment. We broadly define use to mean that the product may be consumed, physically implanted into the body, or placed into physical use. While some safety issues can be traced back to design flaws, manufacturing or processing defects, software problems, and packaging errors (or a combination of these), a supply chain perspective highlights the safety problems that can arise at transfers in the system from improper storage, handling and distribution of the product (Thirumalai and Sinha, 2011). Although product safety has traditionally been viewed as a technical problem in the domain of regulators, epidemiologists, design engineers, scientists, as well as quality management, safety engineering and ergonomics, there has been growing awareness that operations management can provide fresh and effective approaches to managing product safety and security. Lewis (2003) coined the term operational risk, which he defined as the potential for an operation to generate negative consequences for various external and internal stakeholders. Using case studies to investigate a theoretical model that integrated theories of operations management with risk management, he concluded that effective risk control is more similar to service quality management than process control. He advocated a risk control process that incorporates dimensions of prevention, mitigation and recovery.

Others later adapted risk management theory to address supply chain disruption. Using basic concepts of risk management where (1) sources of risk are identified; (2) potential consequences

of those risks are assessed, and (3) the appropriate actions are determined to mitigate risk, Chopra and Sodhi's (2004) approach to supply chain risk involved stress testing to identify specific risks and tailoring strategies to adapt a risk mitigation approach for each specific risk. Kleindorfer and Saad (2005) used operations principles, such as supply chain optimization, supply chain agility, contingency planning, collaborative sharing of information in the supply chain, flexibility and modularity, and total quality management (TQM), among others, as the building blocks to effectively manage disruptive risk in a supply chain. While not a comprehensive list, others who use operations management principles to address issues of product security and safety include Lee and Whang (2005) who advocate the use of total quality management, Crosby's cost of quality paradigm and Six Sigma's Design Measure Analyze Improve Control (DMAIC) in order to design and operate better processes to assure supply chain security at lower cost. Kumar and Schmitz (2011) also use Six Sigma in the management of recalls. Tang (2008) and Pyke and Tang (2010) use continuous improvement as a foundation to their 3R approach (e.g. readiness, responsiveness, and recovery) in managing product safety and handling recalls. Using an integrated operations management/risk management approach, we next describe the product safety and security risks in each of our five industries. We also discuss strategies to prevent and mitigate potential risks in these industries. While it is impossible to eliminate all hazards from ever reaching the market, we then discuss critical strategies and research directions for detect

2.8 Trust

Trust is the name of confidence and belief which customer attach to an organization and consider what he or she expects that should be delivered (Deutschi, 1958). Actually trust is a relation attaches the customer with the company. Trust also involves between the employees of an

organization. The higher level of trust upon each other in an organization creates productive relationships, which at the end generates long term benefits for the organizations (Leonidou et al, 2008). Trust development is more suitable to trade when considering the business to consumer market (Wirtz & Lihotzky, 2003). Even in production of product salesperson behavior influences more to build trustworthy relationships with customers (Swan et al, 1999).

Macintosh (2009) contend that the factor of awareness and knowledge with the service provider enhance customer trust that is significantly influenced by rapport construction. That relationship satisfaction makes customer trustworthy (Miyamoto & Rexha, 2004). However trust has direct connection with loyalty, in product and service industry, the element of trust involves between its provider and its customer. Customer trust is a mean to buy a product or service and that customer trust have a straight relationship with the customer loyalty (Ribbink et al, 2004). Normally customer trust boost up when the trust worthy products developed are placed at the trust admirable environment and sells by a praiseworthy individual. Customer trust in results increases customer loyalty (Guenzi et al, 2009)

When the customers have trust on developed services and products of a company then loyalty is developed (Ribbink et al, 2004). There are several determinants that determine customer loyalty but the role of trust is crucial that determines customer loyalty. When the level of trust is greater on products being developed then loyalty will increased and customer want to retain with the supplier by increasing the level of commitment (Rauyruen and Miller, 2007). Basically new product development (NPD) success is much easier when its customers are loyal and that loyalty gives the benefit of retention, in form of continuous attachment of the customer with the organization (Kandampully and Suhartanto, 2000).

Most of companies when design their objectives and strategies they take in consideration of loyalty. Customer loyalty makes a platform where the customer ready to stay maximum time with the organization and cause for long term benefit (Wong et al, 2009). Loyalty is basically a name of inspiration with the company developed products or services. Loyalty is beneficial to organization it increase its market share just as well as it facilitates the customer to buy a right product and decrease the post purchase dissonance (Duffy, 2003). Through product development, customer relationship is built which is the essential aspect of exploring, creating and sustaining customer loyalty (Wong et al, 2009). Basically E-loyalty is difficult to increase as lot of risk attached to this medium. Customization, be concerned, privacy, security and many other factors enhance customer loyalty (Srinivasan et al, 2002). But multiple channels retailing policy facilitate to builds up customer loyalty (Wallace et al, 2004).

Customer wants to be treated by the same person. Hence especially the service organizations need to clarify the credibility of their staff to make customer more personal loyal (Bove and Johnson, 2006). There are several ways to identify loyalty and this illustrates the multi-dimensional nature of loyalty (Thiele, 2005). As loyalty is multidimensional which describes that value added services also derive customer loyalty as a result of product development (Szeinbach et al, 1997). In results loyal customers tend to further purchase the products even when the prices are high with understandable explanations (Martin et al, 2009). There are several determinants of loyalty which includes service quality, perceived value, and corporate image (Lai et al, 2009).

Satisfaction has greater influence over customer loyalty.

The empirical evidences shows that when organizations give more importance to the expectations of its customers through product development then it derives customer loyalty (Flint et al, 2011). The better management of product returns of lower risky products makes customers

to be more loyal. This loyalty is also found for highly risky products as the return of high risk products mainly related to technical and practical problem and vagueness (Ramanathan, 2011). Customer loyalty constructs customer retention. Customer loyalty is a feeling that marketers portray to their customers about value creation (Kumar and Shah, 2004). It has been found that making customer loyal by different loyalty programs increases their lifetime commitment (Waarden, 2007). Attitudinal loyalty also involves when something is being produced by both, its supplier and its customer. Production involvement makes the customer attitudinally loyal (Auh et al, 2007). Empirical evidences provides that formalized meetings with customers and giving value to their opinions during meetings make customers more satisfied and ultimately more make them loyal (Ellinger et al, 1999). Even lot of researchers concluded loyalty as the outcome of satisfaction.

2.9 Feedback

In today's markets, technology has provided consumers with access to unlimited amounts of information and an ability to communicate with other consumers and companies anywhere in the world. This has provided them with a sense of empowerment, such that they desire a greater role in exchanges with companies (Ernst et al, 2010). One important outcome of this increased consumer empowerment is that consumers now desire to play a greater role in the process of value creation. This process is referred to as feedback and can occur in a variety of contexts (Bolton and Saxena-Iyer 2009). Feedback in product development is considered as an important manifestation of customer engagement behavior and loyalty (van et al. 2010).

One context in particular where consumer feedback is increasingly vital is the area of new product development (NPD). Consumers are able and willing to provide ideas for new goods or services that may fulfill needs that have not yet been met by the market or might improve on

existing offerings and makes them loyal (Ernst et al, 2010). However they are now able to easily communicate these ideas to the company through Internet websites, e-mail, and social networks. In other words, feedback in NPD is the practice of collaborative product development by firms and consumers and thus, feedback allows consumers to take an active and central role as participants in the NPD process (O'Hern and Rindfleisch 2009).

Consumer feedback represents an attractive approach for companies for a variety of reasons. In particular, ideas generated through feedback will more closely mirror consumer needs. It has been clearly recognized that successful NPD depends on a deep on feedback of consumer needs and product development efforts that meet those needs (Hauser et al, 2006). However, this process is often rather difficult because these needs are often complex and may not always be identified through traditional marketing research methods (O'Hern and Rindfleisch 2009). The inability to adequately assess and fulfill consumer needs is often a key reason for new product failure (Ogawa and Piller 2006). However, by involving consumers more actively in the NPD process, new product ideas can be generated, which are more likely to be valued by consumers, thereby increasing the likelihood of new product success and customer loyalty.

Thus, firms that manage this process effectively will ultimately achieve a sustainable competitive advantage over the competition (Prahalad and Ramaswamy 2004). In addition, involving consumers in the NPD process can improve product quality, reduce risk, and increase market acceptance (Business Wire 2001). Emergent consumers are individuals who are especially capable of applying intuition and judgment to improve product concepts that mainstream consumers will find appealing and useful (Hoffman et al, 2010). Market mavens are individuals who have information about many kinds of products, places to shop, and other facets of the

market, and have a high propensity to initiate discussions with and respond to information requests from other consumers which builds customer loyalty (Feick and Price 1987).

The consumer segments listed above may be especially engaged in feedback activities. However, the specific motivators of consumer participation in feedback are little understood (see also van Doorn et al. 2010 in the current issue). Feedback involves, on the part of consumers, monetary and nonmonetary costs of time, resources, physical and psychological effort to learn and participate in the feedback process. Relative to these costs, consumers compare benefits of engaging in feedback activities in product development process (Etgar 2008). The reasons for providing feedback include; financial, social, technical, and psychological factors all play a role (Fuller 2008).

Some consumers are motivated by financial rewards, either directly in the form of monetary prizes or profit sharing from the firm that engages in feedback with them, or indirectly, through the intellectual property that they might receive, or through the visibility that they might receive from engaging in feedback competitions. But many others are not simply motivated by money: they choose to freely reveal ideas (Hippel and Krogh 2006) and freely share effort in the post ideation stages of product development. Some may receive social benefits from titles or other forms of recognition that a firm might bestow on particularly valuable contributors. Social benefits of feedback comprise increased status, social esteem, good citizenship, and strengthening customer loyalty (Nambisan and Baron 2009).

Finally, consumers may participate in the feedback process for psychological reasons that remain poorly understood. Creative pursuits of feedback are likely to enhance intrinsic motivation and sense of self-expression and pride (Etgar 2008). Acting creatively enhances positive affect and enjoyment of contributing (Nambisan and Baron 2009). Moreover, some consumers may

participate purely from a sense of altruism. They may do so because they genuinely believe in the objectives of the NPD effort or because they obtain psychic utility from participating in the feedback process. Others may be motivated due to high involvement or dissatisfaction with the product (Ernst et al, 2010).

2.10 Service Domain Logic theory

Service domain logic theory proposes a framework for visualizing precisely, regarding the perception of services and its place in competition. The theory perceives competencies and knowledge of people in provision of quality services through implementation of professional capabilities like skills and knowledge (Chen et al., 2009). The theory is based on an understanding of individuals and firms put together into a network and devoted to interchange the functional utilization of their competences to produce high level customer service quality (Lusch et al, 2007).

The theory tasks organizations and consumers not to be exclusive, meaning product value is co-created collectively among suppliers of the developed products and the customers through integration of resources and making use of competences (Vargo et al., 2008). Competing via services is about much more than introducing value to products. According to Service Domain logic theory, Knowledge and skills are crucial resources for product development and achieving competitive edge. The Service Domain logic theory is based on the actions of operant resources like knowledge and skills while Good Domain logic theory is based on the exchange of operand resources like goods (Vargo et al, 2008).

The today's business world is very dynamic; it's unpractical for a firm to be stagnant in the delivery of their value proposition services. Therefore, product and service innovations are important basing on the range of competences that a firm continuously rekindle, build,

incorporate, and renovate. However, due to the integrative nature of service delivery, collaborative competence, according to the theory plays a critical role in sustaining competitive advantage of a firm (Lusch et al, 2007).

2.11 Summary of the identified gaps

According to the literature discussed above, it majorly talks about customer loyalty issues from a broad perspective while the research intends to find out the customer loyalty processes in Nile Breweries Limited. The authors have discussed about customer loyalty in terms of customer satisfaction, service quality and corporate image thus the researcher's aim is to identify the major drawbacks in customer loyalty of Nile Breweries Limited, and how they implement the practices as discussed in the reviewed literature.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this chapter the researcher described the techniques or methods of data collection and instruments that were used in gathering data. The research is organized under different sections for easy comprehension that is research design, research study area, study population, sample size, sampling techniques, data sources, data collection instruments, data analysis and presentation, ethical issues and limitations of the study.

3.1 Research Design

The research will use case study design. Both quantitative and qualitative research approach was used to collect data. Kumar, (2005) says that a study is classified qualitative if the purpose of the study is primarily to describe a situation, phenomenon, problem or event.

On the other hand, the study is classified quantitative if you want to quantify the variation in a phenomenon, situation, problem or issue and here analysis is geared to ascertain the magnitude of the variation (Kumar, 2005).

Quantitatively, the ideas and opinions got from respondents was gathered and tabulated in simple tables and percentages to make it easy to measure the relationship between customer royalty and product development.

3.2 Area of Study

The study was confined to Nile Breweries Limited port bell in Luzira in Kampala district. The area was chosen because it has been in beverage business for a long time. It covers the areas of

customer satisfaction, service quality and corporate image and their relationship to the product development in terms of cost management, input quality and product safety.

3.3 Study Population

The research population is a group of individuals from which the items are taken for measurement. The target population of the study was the managers and clients and employees of Nile Breweries Limited with great focus on areas of customer satisfaction, service quality and corporate image. The target population of this study was comprised of 100 respondents (source: primary source)

3.4 Sampling Procedures

Sampling procedure is a process of selecting a part of population on which research can be conducted, which ensures that conclusions from the study can be generalized to the entire population. Researchers have developed a number of techniques where only a small portion of the total population is sampled, and attempts to generalize the results and conclusion for the entire population. In this present study, the researcher used Krejcie and Morgan Table (1970) to determine the sample size.

3.4.1 Sample Size

The sample size was established using the Krejcie and Morgan table. So from the table of Krejcie and Morgan, the researcher established a sample size of 100 which is in the corresponding population size of 80.

3.4.2 Sampling Techniques

The researcher used the purposive sampling technique. Judith (2005) defines purposive sampling as a non-probability sampling technique where the units that are being investigated are based on the judgment of the researcher. Here since the study was focused on known target group, that is,

the managers, clients and employees. A simple random sampling was used by the researcher to sample respondents on a probability. The research was based more on purposive sampling district and basically the respondents have appropriate information pertaining to the study.

3.5 Data Collection Methods and Instruments

The researcher used both primary and secondary sources of data.

3.5.1 Primary Data Sources

This type of data was obtained from employees in Nile Breweries Limited who came up with relevant information about the study. The information was obtained by self-administered questionnaires and interviews.

3.5.2 Secondary Data Sources

This information was obtained from published materials, which include text books, journals, magazines, internal reports, minutes and newspapers, unpublished reports.

3.6 Data Collection Instruments

3.6.1 Questionnaire

Kumar, (2005) defines a questionnaire as a written list of questions, the answers to which are recorded by the respondents. It is a device for gathering information consisting of a list of questions or statements calling for information from the respondents. Usually the respondent writes in the spaces provided on the form as guided by the researcher.

The questionnaire was employed as a research instrument; specific research questions were formulated by the researcher and given to respondents (Key informants) to answer them. It was used in that it is flexible due to the fact that people can fill these forms at their own convenience.

The questions were stated logically and systematically so as to achieve the specific research objectives of the study.

Closed ended questionnaires: Respondents' answers were limited to a fixed set of responses. Most scales are closed ended. Other types of closed ended questions include: Scaled questions. Responses are graded on a continuum and this helped to avoid biased responses from the respondents (Judith, 2005).

3.6.2 Observation Method

Kumar, (2005) defines observation as a purposeful, systematic and selective way of watching and listening to an interaction or phenomenon that takes place. The researcher collected data using this method by taking pictures of some important items such as receipts that were being drawn by respondents to their customers. The researcher was able to collect data using this method by simply looking at the way respondents performed some activities, such as handling of store keys, inventory, documents and records. The researcher was able to draw up conclusions basing on what he saw. The researcher also used a camera to take pictures to show evidence of findings. The justification for use of this method of data collection was that it provides a detailed description of the events or situations studied hence useful in collection of qualitative data. The researcher was in position to get first-hand information although the method seemed risky.

3.7 Quality Control Methods

3.7.1 Data Validity

Data validity was ensured through subjecting the draft tools such as the questionnaires questions to be reviewed by experts to ensure that the right questions for research study are asked. The questionnaire was reviewed by my supervisor before granted permission to go and collect data. The researcher also ensured that right questions for the study guided by the objectives.

3.7.2 Data Reliability

Judith (2005) states that data reliability is the degree of to which an assessment tool produces stable and consistent results. To ensure data reliability the researcher administered different forms of data collection instruments were administered, that is, observation and questionnaires and the results were compared. It was established that the way some of the questions that were answered by respondents in the questionnaires were corresponding to the observations that were made.

3.8 Measurement of Variables

The format of a typical five-level Likert item, for example, could be: 1) Strongly disagree, 2) Disagree, 3) Not sure, 4) Agree, 5) strongly agree. Likert scaling is a bipolar scaling method, measuring either positive or negative response to a statement. This was used to measure the independent and dependent variables to find out whether there is positive or negative relationship between the variables.

Both qualitative and quantitative analytical techniques were used to analyze qualitative and quantitative data respectively and here percentages were used to analyze the data collected. The researcher also used narratives.

3.9 Data Analysis

Kumar (2005) defines data analysis as process of bringing order, structure and meaning to the mass of collected data. The researcher used narratives to present qualitative data. The data that was collected using the questionnaires was quantitatively analyzed using descriptive data analysis; SPSS.

3.9.1 Presentation of Findings

Presentation of findings was done using Charts and graphs: these show data visually and include simple bar graphs, pie charts. These identified the relationship between the variables with the help of computer programs such as Excel.

Use of cross tabulation. This was used to present the data collected in tabulation form in order to identify the similarities and differences between the variables.

3.10 Ethical Considerations

A copy of the introductory letter from Uganda Martyrs University by the Faculty of Business Administration and Management was presented before each respondent to assure that the information got from research was purposely for academic purposes.

The researcher talked to the respondents about the purpose of the data and the reasons for carrying out the study; this helped to ensure that right and genuine answers were got to make the research meaningful.

The researcher maintained complete confidentiality of the information that was got from the institutions during the study.

The researcher maintained the individual responsibility and carries out the research herself and not employ someone to do it and this exposed her to various consequences in research.

The researcher also obtained permission from the respondents who participated in the study who are asked to kindly fill in the questionnaires and these included owners and managers.

3.11 Limitations of the Study

The researcher faced some challenges while conducting the research of which many beyond her control and these included the following;

The research was limited due to a small sample size that the researcher had chosen; the report therefore may have a high number of errors due to the small sample size that the researcher chose to undertake which may be insufficient to come up with thorough conclusion.

In addition, there was a limitation of giving out some information which limits the researcher from getting all the information needed to conduct a successful research.

There was also a limitation of some people refusing to participate in the research as some say that they are tired and some actually so no reason to participate in the research because they saw no benefit out of it.

3.12 Conclusion

To sum it up, various and useful techniques or various forms were used to make sure that information was collected, analyzed, processed and interpreted to yield meaningful information to the researcher and Nile Breweries Limited.

CHAPTER FOUR

PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

4.0 Introduction

This chapter presents the field findings, the analysis of the findings and interpretation of the data collected, these findings are presented in form of tables, graphs and pie charts. The area of the study was Nile Breweries Limited located at Port Bell in Luzira. The findings presented in this chapter are in line with the study objectives;

- IV. To find out the relationship between service quality and product development in Nile Breweries Limited.
- V. To determine the relationship between customer satisfaction and product development in Nile Breweries Limited.
- VI. To assess the relationship between corporate images on product development in Nile Breweries Limited.

4.1 Response rate

The study was composed of 100 questionnaires that were issued during data collection, 80 questionnaires were returned giving a percentage response rate of 80%. According to Mugenda and Mugenda (2003) a response rate of 80% and over is excellent. Therefore the study registered an excellent response rate. This possibly means that the information collected was enough for the study.

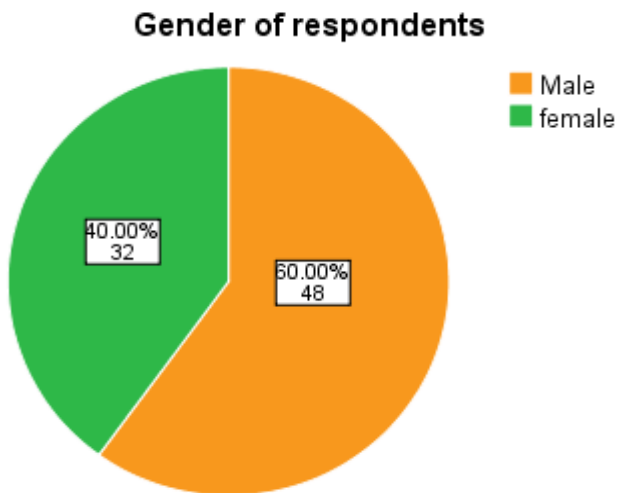
4.2 Background of respondents.

Respondents were required to state their gender, age group, marital status, education level and the duration in the organization. This background information was necessary as proof that findings for the study were not for specific respondents.

4.2.1 Gender of respondents

The pie chart below clearly shows the gender of respondents since the researcher was interested in knowing the gender of her respondents who solely participated in the study and the results were presented as follows;

Pie 1: Showing the Gender Of Respondents.



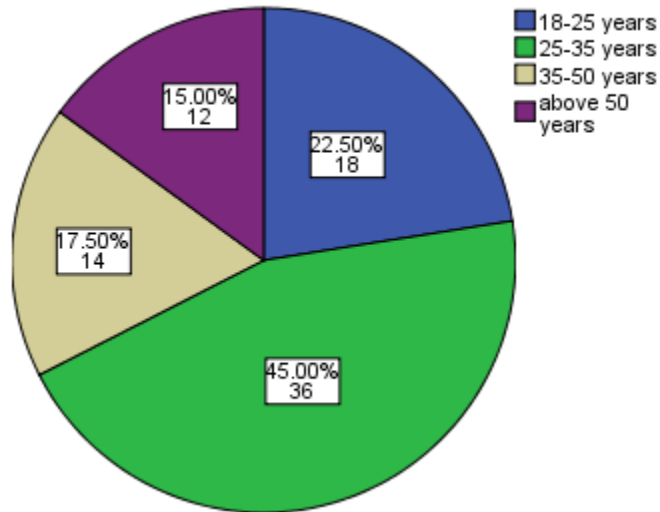
Source: Primary Data. (2016)

The results presented above show that 48 (60%) of respondents are males and 32 (40%) were females. This possibly implies that during the research most of the respondents were males since manual labor is required to work in the production and manufacturing department in Nile Breweries Limited since some activities require strength.

4.2.2 Age Bracket of respondents.

The age of respondents was established which ranged from 18-25years, 25-35 years, 35-50years, 50 years above and the findings are represented in the figure below

Pie 2: Showing the age bracket of respondents.



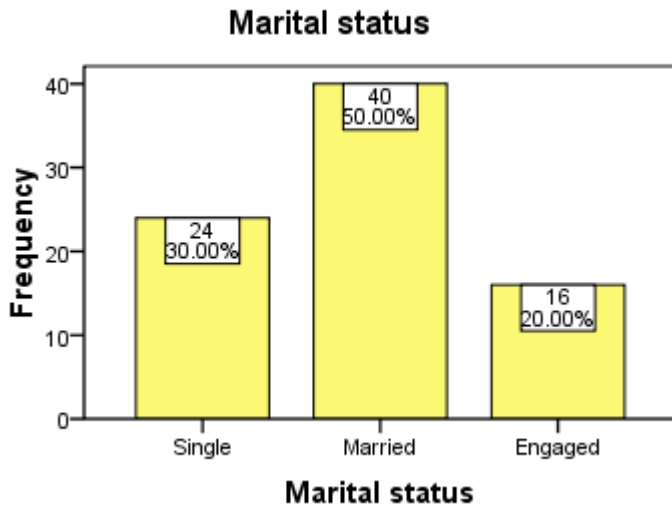
Source: Primary Data (2016)

Pie 2 illustrates that majority of respondents were aged 25-35 years 36(45%). The other distribution was between 18-25 years 18(22.5%), 35-50 years 12(17.5%), 50 years and above 12(15%) indicating that majority of respondents are mature enough to work with Nile Breweries Limited and this age is self driven since they have a target to achieve in terms of improving their standard of living.

4.2.3 Marital status of respondents.

The marital status of the respondents was categories into married, single and engaged and the findings are illustrated in Graph 1;

Graph 1: Shows the Marital status of respondents.



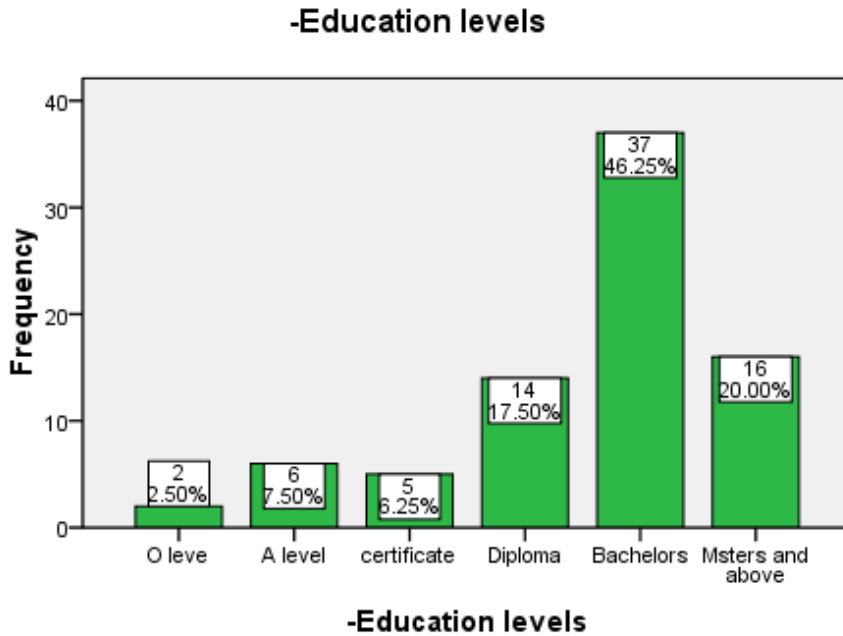
Source: Primary Data (2016)

The findings also stated that 40(50%) of the respondents are married, 24(30%) of the respondents are single and 16(20%) are engaged. This proportion of married status reveals the level of maturity of respondents which leads to giving of valid information.

4.2.4 Education level of respondents

The study shows the academic qualification of respondents so that she could establish whether the people operating and managing the company are technically skilled and also whether they acquired Masters, Bachelor's degree, Diploma O level and A level certificate.

Graph 2: Showing the education level of respondents



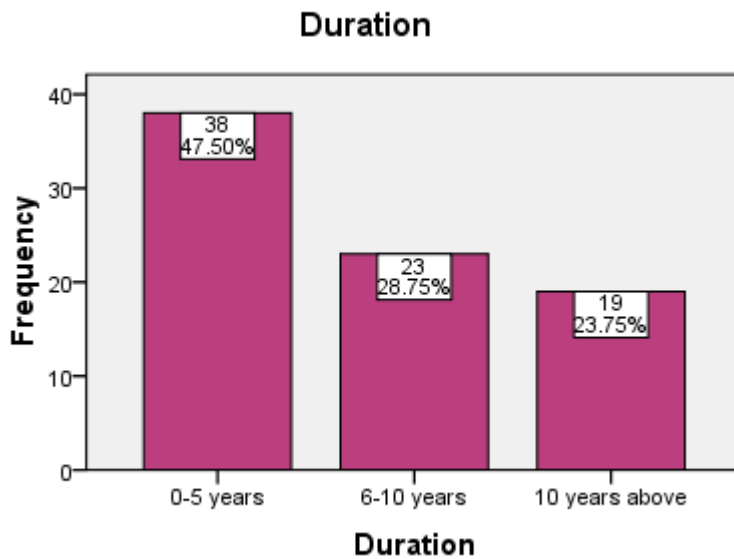
Source: Primary Data (2016)

The field findings revealed that those that had attained Bachelors were 37(48.2%), Masters and above were 16(20%), Diploma were 14(17.5%), Certificate were 5(6.2%), A-level were 6(7.5%) and O-level 2(2.5%). This probably implies that the majorities of the employees had attained University with Bachelors and Masters and therefore they are exposed and understand better the concept of service quality, customer satisfaction and corporate image.

4.2.5 Duration in the organization

The study established the duration respondents have spent working for Nile Breweries Limited

Graph 3: Duration in the organization



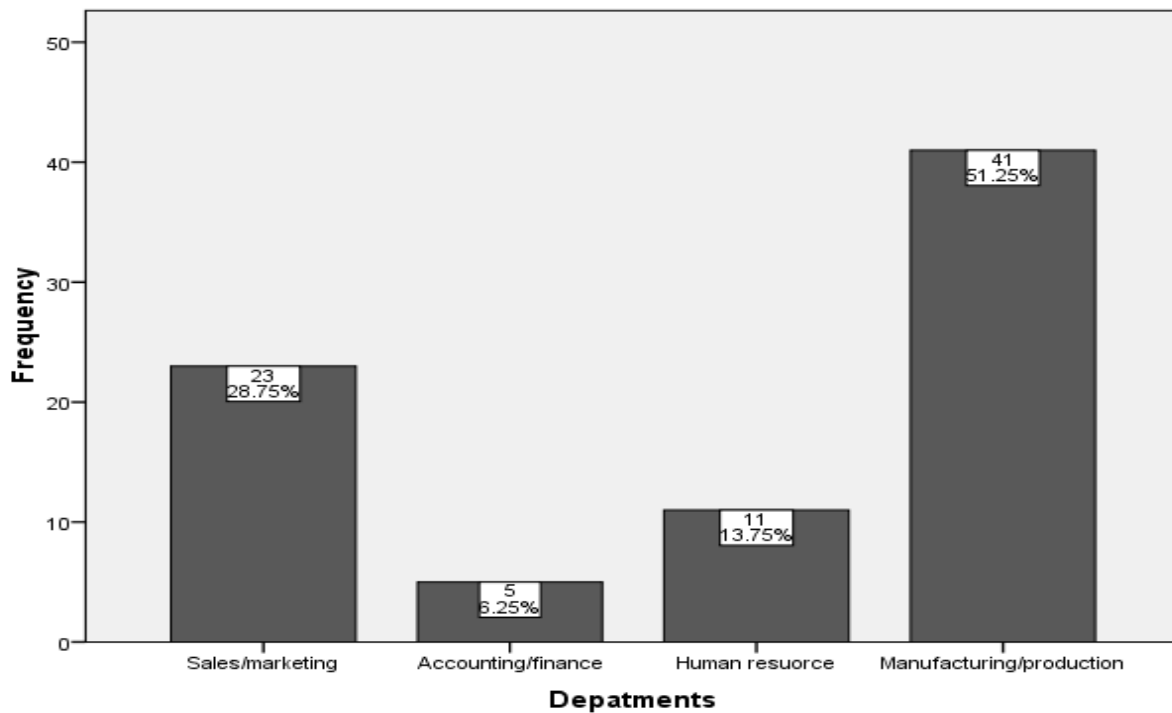
Source: Primary Data (2016)

Findings revealed that 38 (47.5%) have worked with the organization for 0-5 years, 23(28.8%) for a period of 6-10 years 19(23.7%) for a period exceeding 10 years. This possible implies that almost all the respondents had worked for some time in the organization and therefore they have knowledge about customer loyalty and its effect on product development.

4.2.6 Departments respondents belong

The findings also stated that sale and marketing, manufacturing and production are the core departments in Nile Breweries Limited. However accounting and finance, human resource also acts as the supporting departments since Nile Breweries Limited is a processing company.

Graph 4: Shows the departments respondents belong



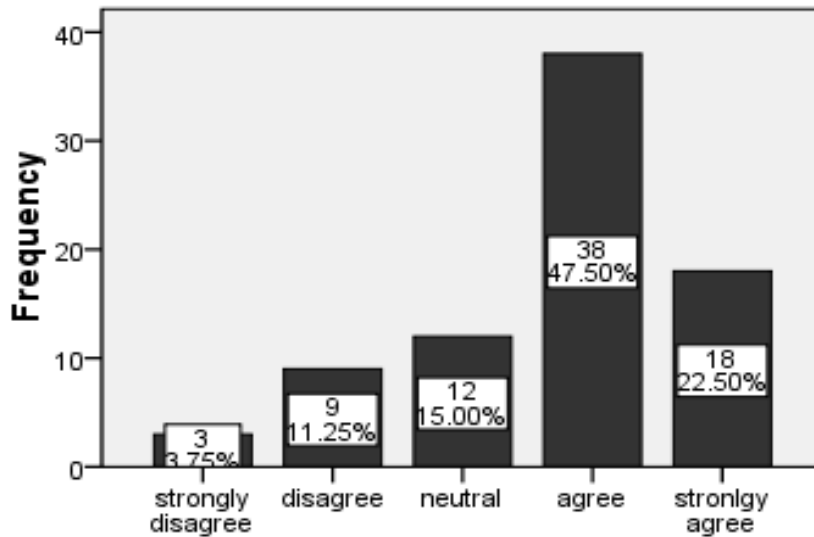
Source: primary data (2016)

The study shows that 41(51.2%) respondents belonged to manufacturing/production department, 23(28.8%) respondents belonged to sales/marketing department, 11(13.8%) to human resource department and 5(6.2%) respondents belonged to accounting/finance departments. This illustrate that highest proportion of respondents belong manufacturing/production department since Nile Breweries Limited is a processing company.

4.3 CUSTOMER LOYALTY AND PRODUCT DEVELOPMENT

The study stated the effect of Customer loyalty and product development; the findings are in regards with the respondents' feedback from the field. However the study analysis was arranged into five categories; those who strongly agreed, agreed who support the statement, those who strongly disagreed and disagreed who are against the statement and those who were neutral were also classified in to the undecided category, thus the five categories.

Graph 5: Customer loyalty and product development



Source: Primary Data (2016)

Findings revealed that 56(70%) of the respondents agreed that customers are loyal to the company, 13(14.0%) of the respondents are neutral, 12(15%) disagreed. This concurs with Johnson et al, (2006) who asserted that the factors leading to customer loyalty are complex and dynamic, changing and evolving over time. The findings possibly mean that product development process of Nile Breweries Limited result in production of high quality products and services which increase customer trust and loyalty to their products offered on the market.

The study further posed questions to confirm the perception in Graph5. These confirmatory perception of customer loyalty and product development as illustrated below.

Table 1: Customer loyalty and product development

Level of agreement	1	2	3	4	5
Population sample	N	N	N	N	N
The level to which customers are loyal to your company	6 7.5%	7 8.8%	8 10%	33 41.2%	26 32.5%
The level to which a company makes more products	5 6.3%	5 6.3%	7 8.7%	35 43.7%	28 35%
Coming up with other products encourages consumers to shop more consistently	7 8.7%	6 7.5%	10 12.5%	26 32.5%	31 38.3%
Customer satisfaction with a company's product or services could be considered the key to a company's success and long-term competitiveness	5 6.3%	9 11.3%	5 6.3%	35 43.7%	26 32.5%

Source: Primary Data (2016)

Findings above, show 59(73.7%) agreed that customers are loyal to the company, 13(16.3%) disagreed with the statement and 8(10%) were not sure about statement. However due to the fact that loyalty is the result of developing past positive experiences, customers can return to the company various times to buy regardless of whether it may not have the best product, price or service delivery (Ghavami and Olyaei, 2006).This contends that production of product is continuous since respondents show that a company produces more products which is a good indicator of product development.

The findings show that 63(78.7%) agreed with the statement, 12(12.5%) disagreed with the statement and 7(8.7%) neither agreed nor disagreed with the statement since they were indecisive. Companies have to develop products since product development is seen as the first stage in generating and commercializing new products with their overall life cycle management to create, maintain, or grow their market share (Anthony, 2010). However this shows that customer loyalty results in to production of quality products and services through the product development process which positively impact on consumer perception about the products produced.

The study indicated that 57(71.3%) agreed with the statement that coming up with other products encourages consumers to shop more consistently, 13(16.3%) respondents disagreed with the above statement and 10(12.5%) respondent were undecided about the statement. This is in line with Birir and Njeru (2014) who urged that product development and innovation requires companies to encourage creativity in staffing, planning, branding, developing new business processes and new ideas, defining risks, and even tolerating failure and this influences customers to buy more of a company products hence leading to customer loyalty.

The findings also stated that 61(76.3%) of the respondents agreed to the statement that customer satisfaction with a company's product or services could be considered the key to a company's success and long-term competitiveness. 14(17.5%) of the respondents disagreed with the statement and 5(6.3%) respondents neither agree nor disagree with the statement. However this is viewed as a central determinant of customer retention (Peiguss, 2012). This possibly mean that when customers get satisfied with a company's product or services, this leads to a company's success and long-term competitiveness in the market which makes customers loyal to products offered.

Table 2: Correlation analysis between Customer loyalty and product development

		Customer loyalty	Product development
Customer loyalty	Pearson Correlation	1	.571**
	Sig. (2-tailed)		.005
	N	80	80
Product development	Pearson Correlation	.571**	1
	Sig. (2-tailed)	.005	
	N	80	80

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

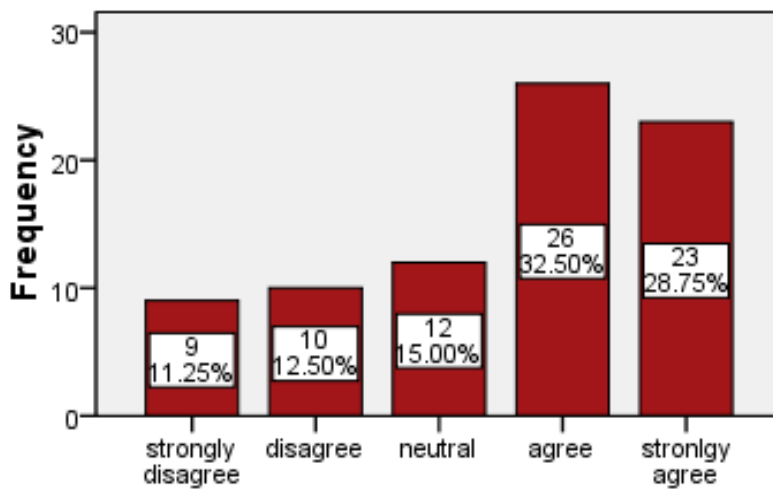
Source: primary data (2016)

The study determined the relationship between Customer loyalty and Product development. This was done by computing Pearson correlation co-efficiency determinant. From the table 2 above, correlation result provided a value ($r = 0.571^{**}$ $p < 0.005$) which revealed that there is a moderate relationship between Customer loyalty and Product development. Zikmund, (2002) asserts that a company needs to transfer satisfied customer to loyal customer since it costs so much to influence customers to buy and this is due a positive emotional experience, physical attribute-based satisfaction and perceived value of an experience, which includes the products produced or services delivered match customer expectations. This possibly implies that customer loyalty affect Product development by 0.571 which is above the Pearson correlation determinant of 0.005.

4.4 SERVICE QUALITY AND PRODUCT DEVELOPMENT

To assess the effect of Service quality and product development, the study analysis was categories into five categories those who strongly agreed and agreed who support the statement, those who strongly disagreed and disagreed who are against the statement and those who were neutral were also classified into the undecided category, thus the five categories.

Graph 6: Service quality and product development



Source: Primary Data (2016)

The findings in Graph 6, show that 49(61.3%) agreed with the statement that quality of products produced meets customers overall evaluation and hopes of making more products, 19(24%) disagreed with the statement and though 12(15%) were not decisive about the subject matter because they were not sure in their opinions. This is supported by Yoo and Park, (2007) who contends that service quality is influenced by capability of an organization in satisfying customer needs in accordance with their expectations which is associated with product development. This probably implies that the overall evaluation and hopes of making more products depends on

quality of products produced if they meet customer preference in order to influence customer loyalty.

The study further posed questions to confirm the perception in Graph6. These confirmatory perception of service quality and product development as illustrated below.

Table 3: Service quality and product development

Level of agreement	1	2	3	4	5
Population sample	N	N	N	N	N
Product image are usually performance driven, therefore creating perfect image to similar products is challenging to be determined	6	10	6	36	22
	7.5%	12.5%	7.5%	45%	27.5%
It is important for service firm to know how delicate the customers are to various service and product features or measurement	5	5	10	33	27
	6.3%	6.3%	12.5%	41.3%	33.7%
Excellent quality of customer service is not only based on knowledge and skill of individuals but also the way organization presents a positive message to customers	4	15	11	20	30
	5%	18.7%	13.7%	25%	37.5%
When developing a product, firms ensure product match the quality customers expect	5	5	8	37	25
	6.3%	6.5%	10%	47.5%	31.3%

Source: Primary Data (2016)

The findings stated that 58(72.5%) agreed with a statement that product image are usually performance driven, therefore creating perfect image to similar products is challenging to be

determined. 16(20%) respondents disagreed with the statement and 6(7.5%) respondents were undecided. Gaynor, (2002) contends that product image are usually performance driven, therefore creating perfect image to similar products is challenging to be determined.

The study findings show that majority 60(75%) respondents agreed with the statement that it is important for service firm to know how delicate the customers are to various service and product features or measurement, 10(12.5%) respondents disagreed with the statement and though 10(12.5%) respondent were undecided about the statement. Service firms in order to improve their customer service management, they should pay more attention to enhancing the service selectively as well as focusing on more important product features while developing a product (Chen et al, 2009). This possibly implies that knowing how delicate customers are to firm, helps a firm to measure their service and product features hence leading to product development.

From the findings 50(62.5%) respondents agreed with the statement that excellent quality of customer service is not only based on knowledge and skill of individuals but also the way organization presents a positive message to customers. 19(23.7%) respondents disagreed with the statement and though 11(13.7%) respondents neither agree nor disagree with the statement. However excellent quality of customer services is based upon not just the knowledge and skills of the individual but also upon the way that the organization as a whole, from top management downwards, pulls in the same direction and presents a clear, positive message to customers (Newby and McManus 2000). Therefore this probably implies that excellence in quality customer service helps an organization to presents a positive message to customers who detains customer to be loyal.

The findings state that 62(77.5%) of the respondents agreed with the statement that developing a product, firms ensure product match the quality customers expect, 10(12.5%) of the respondents disagreed with the statement and however 8(10%) of the respondents were not sure about the

statements. However when firms are developing products they have to ensure that product match the quality customers expectation (Nijssen et al., 2006) this helps to maintain old and recruit new customers.

Table 4: Correlation analysis between service quality and product development

		Service quality	Product development
Service quality	Pearson Correlation	1	.624**
	Sig. (2-tailed)		.005
	N	80	80
Product development	Pearson Correlation	.624**	1
	Sig. (2-tailed)	.005	
	N	80	80

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

Source: primary data (2016)

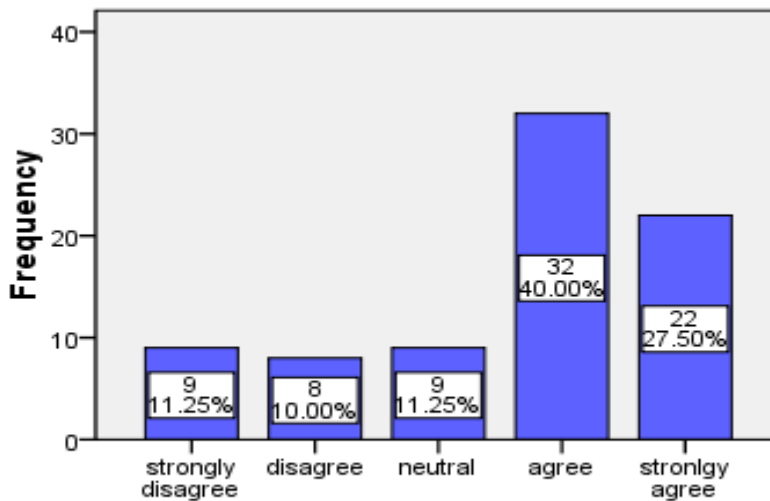
The study shows the relationship between Service quality and Product development. This was through computing Pearson correlation co-efficiency determinant. From Table 4 above, correlation result provided a value ($r = 0.624^{**}$ $p < 0.005$) which revealed that there is a moderate strong positive and a significant relationship between service quality and Product development. This possibly implies that improvement in service quality affect Product development by 0.624 which is above the Pearson correlation determinant of 0.005 significant. This is emphasized by Bon & Mustafa, 2013) who asserts that the demand for quality and production of products and services in firms are becoming very important regarding their business superiority in order to remain competitive by enhancing their competitive advantage and any default in product

development results in product failure. However customer service should be taken into serious consideration since it positively affects the level of product development.

4.5 CUSTOMER SATISFACTION AND PRODUCT DEVELOPMENT

The study assessed the effect of customer satisfaction and product development as shown below. The study analysis was arranged into five categories; those who strongly agreed and agree support the statement, those who strongly disagreed and disagreed were against the statement and those who were neutral were also classified into a category of the undecided, thus the five categories.

Graph 7: Customer satisfaction and product development



Source; Primary Data (2016)

Graph 7 shows that 54(67.5%) agreed with the statement that customer satisfaction has become an indicator on how to develop or improve existing products. 17(21.3%) of the respondents disagreed with the statement and however 9(11.3%) were neutral with the statement. Lodenius, (2011) urged that customer satisfaction has increasingly become an important indicator on how to develop or improve existing products. This possibly implies that to develop or improve

existing products customer satisfaction acts as an indicator which is a positive effect on customer loyalty and product development.

The study further posed questions to confirm the perception in Graph7. These confirmatory perception of customer satisfaction and product development as illustrated below.

Table 5: Customer satisfaction and product development

Level of agreement	1	2	3	4	5
Population sample	N	N	N	N	N
Do products you produce satisfy customers in terms of quality	7	7	6	32	28
	8.7%	8.7%	7.5%	40%	35%
The satisfaction of customers help to increase competitiveness of the industry and help in product development	6	8	9	35	22
	7.5%	10%	11.3%	43.7%	27.5%
Nile Breweries offers a wide variety of product to satisfies its customers	8	9	7	20	36
	10%	11.3%	8.7%	25%	45%
Consumers are able to buy high quality products with long lasting loyalty	7	10	7	33	23
	8.7%	12.5%	8.7%	41.3%	28.7%

Source: Primary Data (2016)

The study findings stated that 60(75%) who agreed with the statement that products produced satisfy customers in terms of quality, 14(17.5%) respondents disagreed with the statement and 6(7.5%) respondents were undecided of whether products produced satisfy customers in terms of quality. However the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing products that meet customers' expectations in terms of

quality Deng et al, (2009). Therefore this implies that customers are satisfied with the product of Nile breweries Limited.

The findings show that 57(71.3%) respondents agreed with the statement that satisfaction of customers help to increase competitiveness of the industry and help in product development, 14(17.5%) respondents disagreed with the statement and 9(11.3%) respondent were undecided about the statement. Product quality is an approach to manage business processes in order to ensure full satisfaction of the customers which will help to increase competitiveness and effectiveness of the industry (Rahaman et al, 2011). This implies that satisfaction of customers help to increase competitiveness of the industry and help in product development which leads to customer loyalty.

The findings also stated that 56(70%) of the respondents agreed with the statement that Nile Breweries Limited offers a wide variety of product to satisfy its customers, 17(21.3%) respondents disagreed with the statement and 7(8.7%) respondents neither agree nor disagree with the statement. Mai and Hoang, (2013) contend that quality of products developed has to be conceptualized as the difference between customer expectations regarding a product to be received and perceptions of the product being received and availability of a variety of products. This possibly means that Nile Breweries Limited offers a wide variety of product to satisfy its customers which is a good indicator of customer satisfaction and loyalty.

The findings show that 56(70%) of the respondents agreed with the statement that consumers are able to buy high quality products with long lasting loyalty, 17(21.3%) of the respondents disagreed with the statement and 7(8.7%) of the respondents were not sure about the statements. Quality control product development and management practitioners look for solutions to meet consumer product-safety and customer satisfaction demands and consumers are able to buy high

quality products with long lasting loyalty (Xu et al., 2013). Therefore this possibly means that customers buy high quality products with long lasting loyalty since products meet their needs.

Table 6: Correlation analysis between customer satisfaction and product development

		Customer satisfaction	Product development
Customer satisfaction	Pearson Correlation	1	.413**
	Sig. (2-tailed)		.005
	N	80	80
Product development	Pearson Correlation	.413**	1
	Sig. (2-tailed)	.005	
	N	80	80

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

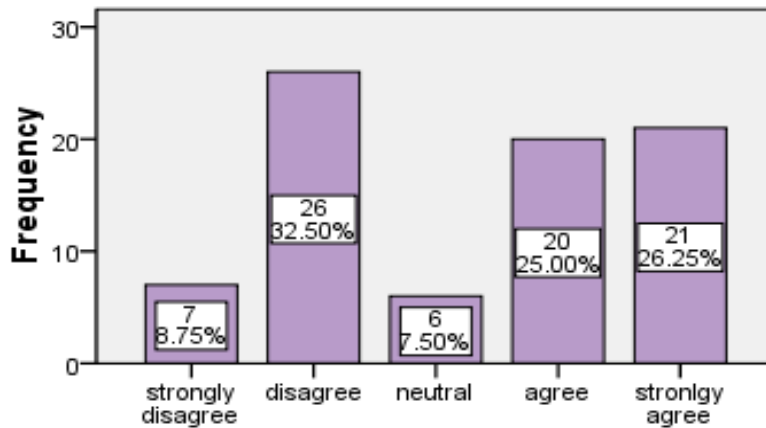
Source: primary data (2016)

The study shows the relationship between customer satisfaction and Product development. This was done by computing Pearson correlation co-efficiency determinant. From Table 6 above, correlation result provided a value ($r = 0.413^{**}$ $p < 0.005$) which indicated that there is a weak positive and a significant relationship between customer satisfaction and Product development. This implies improvement in service quality affect Product development by 0.413 which is above the Pearson correlation determinant of 0.005 significant. However Ostrom and Iacobucci, (2003) stated that customer satisfaction is commonly related to two most important elements including the customer’s judgment of the product development process, quality and his evaluation of the interaction experience he or she has made with the product provider in order to be satisfied. This implies that customer satisfaction should be looked at and this only happens when products produced are of high quality.

4.6 CORPORATE IMAGE AND PRODUCT DEVELOPMENT

The study aimed at establishing the effect of corporate image and product development. The study analysis shows that those who strongly agreed and agreed support the statement, those who strongly disagreed and disagreed were against the statement and those who were neutral, thus the five categories.

Graph 8: Corporate image and product development



Source: Primary Data (2016)

The analysis states that 41(51.3%) agreed with the fact that how a company is seen result in production quality products and however, 33(41.3%) of the respondents disagreed with the statement and 6(7.5%) were indecisive with the statement. Corporate image and reputation is considered to be a critical factor in the overall evaluation of any organization products being developed (Sarstedt et al, 2012). This possibly implies that not how a company is seen results in production of quality products. However factors like competence of workforce, compensation have to be considered.

The study further posed questions to confirm the perception in Graph8. These confirmatory perception of customer loyalty and product development as illustrated below.

Table 7: Corporate image and product development

Level of agreement	1	2	3	4	5
Population sample	N	N	N	N	N
Company's image consist of tangible characteristics of a product that can be measured and evaluated	6	10	6	35	23
	7.5%	12.5%	7.5%	43.7%	28.7%
Customers evaluate products based on opinions of product quality or outcomes of the product	7	9	7	25	32
	8.7%	11.3%	8.7%	31.3%	40%
Promoting favorable relationship with community a firm operate in is important to keep the image of the organization	8	10	8	34	20
	10%	12.5%	10%	42.5%	25%
A favorable image encourages shareholders to invest in a company, attract good staff, and retain customers which increase profits and returns	9	6	7	25	33
	11.3%	7.5%	8.7%	25%	41.3%

Source: Primary Data (2016)

The findings also state that 58(72.5%) agreed with the statement that Company's image consist of tangible characteristics of a product that can be measured and evaluated, 16(20%) respondents disagreed with the statement and 6(7.5%) respondents were undecided. Kandampully and Hu (2007) also contend that corporate image consisted of two main components; the first is functional such as the tangible characteristics that can be measured and evaluated easily. This possibly implies

that tangible characteristics of a product can be measured and evaluated which constitutes a company's image.

The findings show that 57(71.3%) respondents agreed with the statement that customers evaluate products based on opinions of product quality or outcomes of the product. 16(20%) respondents disagreed with the statement and 7(8.7%) respondent were undecided about the statement. Customers evaluate products based on opinions of product quality or outcomes of the product (Ostrowski 1993). This probably implies that customers evaluate products based on opinions of product quality or outcomes of the product which help them in decision making in case of repeated purchase.

From the findings obtained, 54(67.5%) of the respondents agreed with the statement that promoting favorable relationship with community a firm operate in is important to keep the image of the organization, 18(22.5%) respondents disagree with the statement and 8(10%) respondents neither agree nor disagree with the statement. Promoting favorable relationship with community a firm operates in is important to keep the image of the organization (Franklin, 1984). However this possibly implies that promoting a good relationship with community a firm operates helps to keep the image of the organization since customers are valuable to the organization.

The analysis shows that 58(72.5%) of the respondents agreed with the above statement that a favorable image encourages shareholders to invest in a company, attract good staff, and retain customers which increase profits and returns. 15(18.7%) of the respondents disagreed with the statement and (8.7%) of the respondents were not sure about the statements. A good image encourages shareholders to invest in a company, attract good staff, and retain customers which

increase profits and returns (Robert and Dowling, 2007). This possibly means that a favorable image encourages shareholders to invest in a company, attract good staff, and retain customers which increase profits and returns and customer loyalty.

Table 8: Correlation analysis between corporate image and product development

		Corporate image	Product development
corporate image	Pearson Correlation	1	.632**
	Sig. (2-tailed)		.005
	N	80	80
Product development	Pearson Correlation	.632**	1
	Sig. (2-tailed)	.005	
	N	80	80

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

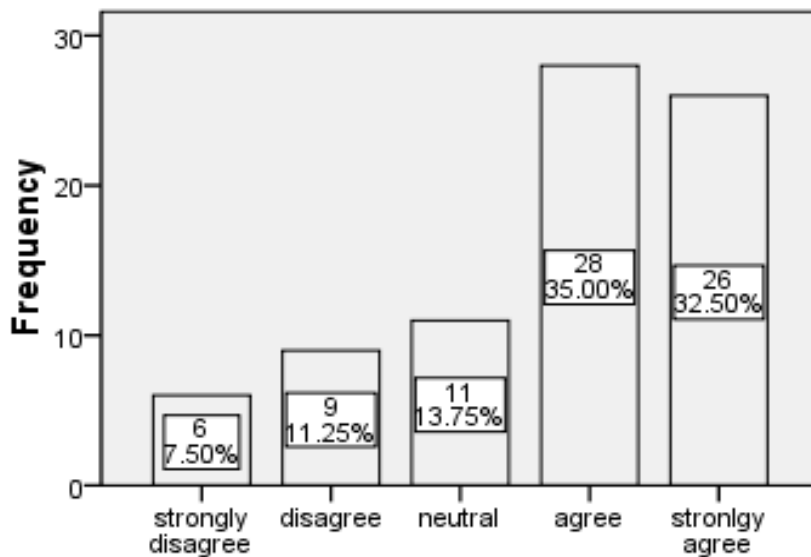
Source: primary data (2016)

The study determined the relationship between corporate image and Product development. This was done by computing Pearson correlation co-efficiency determinant. From the Table 8 above, correlation result provided a value ($r = 0.632^{**}$ $p < 0.005$) which shows that there is a moderate strong positive and a significant relationship between corporate image and Product development. This implies improvement in corporate image affect Product development by 0.632 which is above the Pearson correlation determinant of 0.005. Porter (1985) suggested that a good reputation may help a firm build a product image in the industry that meet the expectations of consumers. This implies that customer consider the image of a company in order to consumer more of its products and become loyal.

4.7 IMPACT OF TRUST ON CUSTOMER LOYALTY AND PRODUCT DEVELOPMENT

The study aimed at establishing the moderating effect of trust, customer loyalty and product development. The study analysis was classified into five categories those who strongly agreed and agreed who support the statement, those who strongly disagreed and disagreed who are against the statement and those who were neutral, thus the five categories.

Graph 9: Impact of trust on customer loyalty and product development



Source: Primary Data (2016)

The findings show that 54(67.5%) agreed with the statement that trust customers put in the company's produced products increases customer loyalty. However, 15(18.7%) of the respondents disagreed with the statement and 9 (11.3%) were indecisive with the statement. The higher level of trust between customer and an organization developed products, creates productive relationships, which at the end generates long term benefits for the organizations

(Leonidou et al, 2008). This probably implies that trust customers put in the company's products increases customer loyalty.

The study further posed questions to confirm the perception in Graph9. These confirmatory perception of trust and product development as illustrated below.

Table 9: Trust, customer loyalty and product development

Level of agreement	1	2	3	4	5
Population sample	N	N	N	N	N
Satisfaction from a company produced products increases trustworthy	7	7	6	40	20
	8.7%	8.7%	7.5%	50%	25%
Customers trust boost up when the trustworthy products developed are sold to customers	6	8	8	23	35
	7.5%	10%	10%	28.7%	43.7%
Customers have trust in developed products of a company then loyalty is developed	7	9	9	35	20
	8.7%	11.3%	11.3%	43.7%	25%
The level of trust is greater on products being developed then loyalty will increase and customer want.	8	9	7	36	20
	10%	11.3%	8.7%	45%	25%

Source: Primary Data (2016)

The findings stated that 60(75%) respondents were in support of the statement that satisfaction from a company produced products increases trustworthy, 14(17.5%) respondents disagreed with the statement and 6(8.7%) respondents were undecided. Macintosh (2009) asserts that the factor of awareness and knowledge with produced products enhance customer trust that is significantly influenced by rapport construction and this relationship satisfaction makes customer trustworthy.

However this probably implies that Satisfaction from a company produced products increases trustworthiness among customers.

The findings indicate that 58(72.5%) respondents agreed with the statement that customer trust increases when the trustworthy products developed are sold to customers, 14(17.5%) respondents disagreed with the statement and 8(10%) respondent were undecided about the statement. Normally customer trust increases when the trustworthy products developed are placed in a trustworthy environment and sold by a trustworthy individual and customer trust in results increases customer loyalty (Guenzi et al, 2009). However customer trust helps to increase trustworthiness in products developed and sold to customers

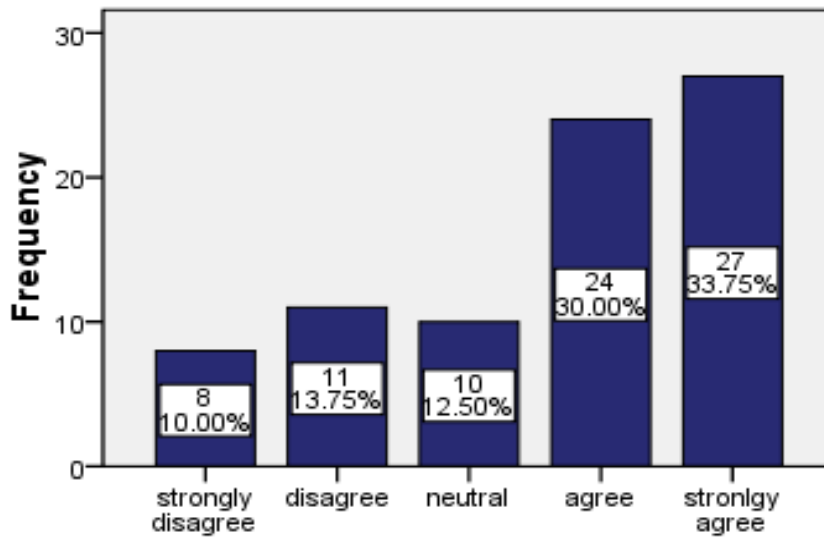
From the findings, 55(68.7%) of the respondents agreed with the statement that customer trust in developed products of a company then loyalty is developed, 16 (20%) respondents disagree with the statement and 9(11.3%) respondents were indecisive with the statement. When the customers have trust in developed services and products of a company then loyalty is developed (Ribbink et al, 2004). This possibly implies that having trust in developed products of a company, customer loyalty is developed.

The findings state that 56(70%) of the respondents agreed with the above statement that the level of trust is greater on products being developed then loyalty will increase and customer want, 17(21.3%) of the respondents disagreed with the statement and 7(8.7%) of the respondents were not sure about the statements. When the level of trust is greater on products being developed then loyalty will increase and customer want to remain with the supplier by increasing the level of commitment (Rauyruen and Miller, 2007). Therefore this probably means that the greater the level of trust on products developed, customer loyalty increases thus product development.

4.8 IMPACT OF FEEDBACK ON CUSTOMER LOYALTY AND PRODUCT DEVELOPMENT

The study aimed at establishing the moderating effect of feedback, customer loyalty and product development. The study analysis was arranged into five categories; those who strongly agreed, agreed who were in support of the statement, those who strongly disagreed and disagreed were against the statement and those who were neutral or undecided, thus the five categories.

Graph 10: Impact of feedback on customer loyalty and product development



Source: Primary Data (2016)

The findings state that 51(63.7%) agreed with the statement feedback in production of products increase customer loyalty, and however, 19(23.7%) of the respondents disagreed with the statement and 10(12.5%) were indecisive with the statement. Market experts are individuals who have information about many kinds of products, places to shop, and other facets of the market, and have a high propensity to initiate discussions with and respond to information requests from other consumers which builds customer loyalty (Feick and Price 1987). This possibly implies that feedback in product development increase customer loyalty and it important in production process.

The study further posed questions to confirm the perception in Graph10. These confirmatory perception of customer loyalty and product development as illustrated below.

Table 10: Feedback, customer loyalty and product development

Level of agreement	1	2	3	4	5
Population sample	N	N	N	N	N
Feedback in product development is important manifestation of customer engagement behavior and loyalty	6	7	8	36	23
	7.5%	8.7%	10%	45%	28.7%
Consumers provide information about goods that fulfill the need that has not been met by the market	6	9	7	22	36
	7.5%	11.3%	8.7%	27.5%	45%
Feedback allows consumers to take an active and central role as participants on the product development process	7	7	7	38	21
	8.7%	8.7%	8.7%	47.5%	26.3%
Successful producing of products depends on feedback of consumer needs and efforts that meet those needs	8	9	8	35	20
	10%	11.3%	10%	43.7%	25%

Source: Primary Data (2016)

The findings show that 59(73.7%) respondents were in support of the statement that feedback in product development is important manifestation of customer engagement behavior and loyalty, 13(16.3%) respondents disagreed with the statement and 8(10%) respondents were undecided. Feedback in product development is considered as an important manifestation of customer engagement behavior and loyalty (van et al. 2010). However customer’s feedback in product

development is important and should be taken into serious consideration in order to have loyal customers.

The analysis obtained indicates that 58(72.5%) respondents agreed with the statement that consumers provide information about goods that fulfill the need that has not been met by the market. 15(18.7%) respondents disagreed with the statement and 7(8.7%) respondent were undecided about the statement. Consumers are able and willing to provide ideas for new goods or services that may fulfill needs that have not yet been met by the market or might improve on existing offerings and makes them loyal (Ernst et al, 2010). This probably implies that consumers provide information about goods that fulfill the need that is yet met in the market and this leads to innovation in a firm

the findings also stated that 59(73.7%) of the respondents agreed with the statement that feedback allows consumers to take an active and central role as participants on the product development process. 14(17.2%) respondents disagree with the statement and 7(8.7%) respondents were indecisive with the statement. feedback in new product development(NPD) is the practice of collaborative product development by firms and consumers and thus, feedback allows consumers to take an active and central role as participants in the NPD process (O'Hern and Rindfleisch 2009). The above finding can mean feedback allows consumers to take an active and central role and participants in product development process which leads to customer loyalty.

The findings show that 55(68.7%) of the respondents agreed with the above statement that successful producing of products depends on feedback of consumer needs and efforts that meet those needs. 17(21.3%) of the respondents disagreed with the statement and 8(10%) of the

respondents were not sure about the statements. However this has clearly recognized that successful new product development (NPD) depends on feedback of consumer needs and product development efforts that meet the needs of customers (Hauser et al, 2006). This possibly means that successful production of products depends on feedback of consumer needs and efforts a company invest in to meet the needs of various consumers hence leading to customer loyalty.

4.8 Conclusion

The analysis of primary data indicates that; service quality, customer satisfaction and corporate image have a positive effect on product development as it has been stated in the findings. This possibly implies that minor deviations still exist and therefore further explanation and summary of findings is presented in chapter five.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 INTRODUCTION

This chapter presents summary of the study findings as per the study objectives, conclusions based on those findings and recommendations which are based on the study findings. The major objective of the study was to examine the relationship between customer loyalty on product development in Nile Breweries Limited.

5.1 SUMMARY OF FINDINGS

The study was guided by the following specific objectives and data was collected using questionnaires and analyzed using descriptive analysis in percentage form. Findings of the study show that service quality, customer satisfaction and corporate image lead to sound improvement in product development process of Nile Breweries Limited products and services in terms of product safety, cost management and increased number of customers consuming beer. The findings also stated that customer loyalty lead to product development by 0.571 and further stressed by a mean percentage average of 60(75%) level of agreement.

5.1.1 Service quality and product development

The study states that the majority of the respondents agreed that service quality has a direct and strong relationship with product development with Pearson correlation determinant of 0.534 this is evidenced by mean average of respondents who were 57.5(71.9%) agreement. Service quality is influenced by capability of an organization in satisfying customer needs in accordance with their expectations which is associated with product development. Services are usually

performance driven; therefore creating accurate descriptions to a homogeneous quality is challenging to be determined even now.

5.1.2 Customer satisfaction and product development

Findings showed that there is a moderate positive relationship between customer satisfaction and product development with a Pearson correlation determinant of 0.413 supported by the average mean of agreement which was 57.25(71.6%). This possibly implies that customer satisfaction has increasingly become an important indicator on how to develop or improve existing products. The change to a more customer-oriented approach from a traditional product oriented road management approach requires new feedback input methods and involvement of the customer.

Satisfaction means customers' evaluation of a product whether that product has met their needs and expectations.

5.1.3 Corporate image and product development

The findings also stated that there is a positive relationship between corporate image and product development shown by Pearson correlation product of 0.632 and proved by the mean average of 56.75(70.9%). This possibly implies that corporate image includes information and inferences about the company as an employee, employer, customer, community, and supplier and as a corporate citizen. Since an organization's corporate image affects stakeholders' behavior, they strive to develop and manage their image. customers evaluate service quality/product based on perceptions of two-dimensional service/product quality concept, a technical quality or outcome of the service/product act dimension, or how well the service/product performs as expected and as promised or what the customer receives in the end or what is delivered and the functional quality, or process-related dimension which is line with the image of the corporation.

5.2 CONCLUSIONS

One of the study objectives was to establish relationship between Service quality and product development and findings stated that there was a positive relationship in the variables. Service quality is influenced by capability of an organization in satisfying customer needs in accordance with their expectations which is associated with product development. Excellent quality of customer services is based upon not just the knowledge and skills of the individual but also upon the way that the organization as a whole, from top management downwards, pulls in the same direction and presents a clear, positive message to customers.

Another objective assessed Customer satisfaction and product development; this showed that there is a positive relationship between Customer satisfaction and product development. When a customer purchases a product, satisfaction occurs in the process after buying. Thus successful product performance can make their customers happy. Identification and implementation of customer requirements and demands in the early stages of product development is important for the success of the product. To measure the success/failure of products, the first indicator is customer satisfaction.

The other objective established whether corporate image and product development had a relationship. It was found out that corporate image positively affects and product development. Therefore corporate image information and inferences about the company like; employee, employer, customer, community, and supplier and as a corporate citizen can be assessed. Organization's corporate image affects stakeholders' behavior, they strive to develop and manage their image. Customers evaluate service quality/product based on perceptions of two-dimensional service/product quality concept, a technical quality or outcome of the service/product basing on the image of the corporation.

5.3 RECOMMENDATIONS

Because the study had gaps as revealed by the findings, the following recommendations are hereby suggested:

I recommend that management of Nile Breweries Limited should focus on innovation in order to develop products of high quality because launching new product shows how competitive Nile Breweries Limited.

The researcher recommends that the organization should keep on improving the level of satisfaction among customers tends to affect the services offering, which has a direct link with customer satisfaction. And when customers are satisfied, their patronage and loyalty increases, therefore profitability also increases.

The management of Nile Breweries Limited should invest in research and development such that they can be innovative in terms of new product development and increase on their sales and enhance the company's profitability.

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**APPENDIX III: TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN
POPULATION**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

“N” is population size
“S” is sample size.

APPENDIX IV



making a difference

**Office of the Dean
Faculty of Business Administration and Management**

Your ref.:

Our ref.:

Nkozi, 15th April, 2016

To Whom it may Concern

Dear Sir/Madam,

Re: Assistance for Research:

Greetings and best wishes from Uganda Martyrs University.

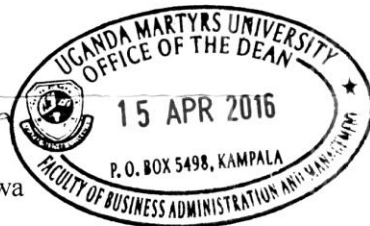
This is to introduce to you Ms Katooko Iwajja Borintah who is a student of Uganda Martyrs University. As part of the requirements for the award of the Degree of Bachelor of Business Administration and Management of the University, the student is required to submit a dissertation which involves a field research on a selected case study such as a firm, governmental or non governmental organization, financial or other institutions.

The purpose of this letter is to request you permit and facilitate the student in this survey. Your support will be greatly appreciated.

Thank you in advance.

Yours Sincerely,

Mr. Edward Segawa
Associate Dean



UGANDA MARTYRSUNIVERSITY

FACULTY OF BUSINESS AND ADMINISTRATION

APPENDIX IV: QUESTIONNAIRE

Dear Sir/Madam,

I am **KATOOKO LWANJA BORNITAH** a student of Uganda Martyrs University pursuing a bachelor's degree in Business Administration and Management. I am carrying out a research on **“THE RELATIONSHIP BETWEEN CUSTOMER LOYALTY AND PRODUCT DEVELOPMENT.”** All information given is for academic purposes and your response on this questionnaire will assist me in completion of this research. Please spare a few minutes of your time and answer the following questions precisely.

All the information provided will be kept confidential. Thank you very much for your time.

SECTION A: BACKGROUND INFORMATION: (please tick)

i. Gender: Male Female

ii. Age group:

18-25 25-35 35-50

Above 50

iii. Marital Status: Single Married Engaged

iv. Education Level:

O-level A-level certificate

Diploma Bachelors Masters and above

v) Duration in the organization

0-5 years 6-10 years 10 years and above

Departments in the Organization

Sales /Marketing Accounting/ Finance Human resource
 Manufacturing/Production

SECTION B

Please indicate the number which best suits your answer using the key below;

Strongly disagree	disagree	Not sure	agree	Strongly agree
1	2	3	4	5

Customer loyalty and product development

No.	Statement	1	2	3	4	5
1.	Factors leading to customer loyalty are difficult, changing and evolving over time.					
2.	To what level do you think customers are loyal to your company					
3	To what level do you think companies make more product					
4	Coming up with other products encourages consumers to shop more consistently.					
5	Customer satisfaction with a company’s products or services could be considered the key to a company’s success and long-term competitiveness.					

How does customer loyalty help in product development in your organization?

.....

Objective (1) Service quality and product development.

No.	Statement	1	2	3	4	5
1.	The quality of products produced meet customers overall evaluation and hopes of making more products					
2.	Product images are usually performance driven; therefore creating perfect images to similar products is challenging to be determined.					
3	It is important for service firms to know how delicate the customers are to various service and product features or measurements.					
4	Excellent quality of customer services is not only based upon the knowledge and skills of the individual but also the way the organization presents a positive message to customers.					
5	When developing a product, firms should ensure that products match the quality customers expect.					

How does service quality help in product development?

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Objective (2) Customer satisfaction and product development.

No.	Statement	1	2	3	4	5
1.	Customer satisfaction has increasingly become an important indicator on how to develop or improve existing products.					
2.	Do products you produce satisfy customers in terms of quality.					
3.	The satisfaction of the customers will help to increase competitiveness and effectiveness of the industry and help in product development					
4.	Nile breweries Offers a wide variety of products to satisfy its customers.					
5.	Consumers are able to buy high quality products with long-lasting loyalty.					

Does your company benefit from customers being loyal to your products?

.....

.....

.....

(Objective 4)The effect of corporate image on product development.

	Statements	1	2	3	4	5
1	The way people see the company influences its making of quality products.					
2	Company’s image consisted of tangible characteristics of a product that can be measured and evaluated easily such as feelings, attitudes and beliefs that a customer has towards the organizations products.					
3	customers evaluate product based on opinions of product quality, or outcome of the product					
4	Promoting favorable relationship with the community in the environment firms operate in is important to keep the image of the organization					
5	A favorable image encourages shareholders to invest in a company, attract good staff, and retain customers, increases profits and c returns					

How does a company’s image help it come up with other products?

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Trust

	Statements	1	2	3	4	5
1	The trust customers put in a company's produced products increase customer loyalty					
2	satisfaction from a company produced products makes customer trustworthy					
3	customer trust boost up when the trust worthy products developed are sold to customers					
4	When customers have trust in developed products of a company then loyalty is developed					
5	When the level of trust is greater on products being developed then loyalty will increase and customer want					

When customers trust an organization can that lead to developing of products?

.....

Feedback

	Statements	1	2	3	4	5
1	feedback in making products increase customer loyalty					
2	Feedback in product development is important manifestation of customer engagement behavior and loyalty					
3	Consumers provide information about goods that fulfill the need that has not yet been met by the market.					
4	feedback allows consumers to take an active and central role as participants in the Product Development process					
5	successful Producing of products depends on feedback of consumer needs and efforts that meet those needs					

How does feedback help in developing a product?

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