

**EFFECT OF CUSTOMER EXPERIENCE ON BRAND LOYALTY  
AMONG MILLENNIALS AND GEN Z CONSUMERS: THE CASE OF  
TECHNOLOGY AND ELECTRONICS CONSUMER GOODS IN NAIROBI  
COUNTY**

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REQUIREMENTS FOR THE DEGREE OF BACHELOR OF COMMERCE AT  
STRATHMORE UNIVERSITY**

**DECEMBER 2024**

**DECLARATION**

I declare that this research project, which I submit for the undergraduate degree at Strathmore University, has not been previously submitted and approved for the award of a degree by this or any other university. To the best of my knowledge and belief, the research project contains no material previously published or written by another person except where due reference is made in the thesis itself.

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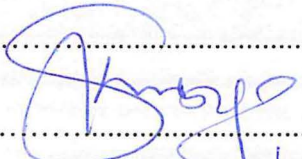
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## ABSTRACT

This study explores the effect of customer experience on brand loyalty among Millennials and Gen Z consumers in Nairobi County's technology and electronics sector. The independent variable of the study is customer experience, while the dependent variable is brand loyalty. It investigates how variables such as customer service delivery, customer touchpoints, personalisation, and the overall customer journey influence brand loyalty, framed within the Expectation-Confirmation Theory and Social Exchange Theory. These frameworks highlight how customer satisfaction and brand relationships are shaped by expectation fulfilment and perceived benefits versus costs.

A quantitative research design was adopted to capture insights from a target population of 2,390,508 Millennials and Gen Z individuals in Nairobi County. Using the Yamane formula, a sample size of 400 participants was selected. Primary data was collected via structured questionnaires distributed through digital platforms. The analysis employed descriptive statistics, correlation, and multiple regression to evaluate the relationships between customer experience dimensions and brand loyalty. Findings reveal strong positive correlations between personalisation, customer service delivery, and brand loyalty, with personalisation emerging as the most influential factor.

The study provides original value by addressing a gap in understanding the dynamics of customer experience and brand loyalty among young Kenyan consumers in the technology and electronics sector. Key insights include the importance of efficient service delivery, responsive touchpoints, and personalised experiences in cultivating brand loyalty. The results offer actionable recommendations for businesses to enhance customer experiences and for policymakers to improve consumer protection frameworks.

This research contributes to the limited literature on Kenyan Millennials and Gen Z consumers, providing a foundation for future studies and practical strategies to strengthen brand loyalty in competitive markets.

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## CHAPTER ONE: INTRODUCTION

### 1.1 Background Of The Study

The concept of customer retention as a key to business survival has been around for quite some time. Even in ancient times, merchants relied on positive word-of-mouth and repeat business for survival. Building a good reputation for quality and fair dealing encouraged customers to return (Maisam et al., 2016). In early societies, businesses relied heavily on satisfied customers to be brand advocates, through word-of-mouth recommendations, to secure repeat business keeping their businesses afloat. The rise of factories led to a focus on efficiency and mass production. While customer acquisition remained important, repeat business in purchases from satisfied customers became a way to stabilise sales (Nanggong et al., 2022). In the 20th century, marketing emerged as a powerful tool. However, companies gradually realised that customer retention was more cost-effective than constant customer acquisition (King et al., 2016). Brand loyalty programs and focus on customer satisfaction gained importance. Today, with the internet and globalisation, competition is fierce. Customer reviews, social media sentiment, and ease of switching brands make retaining loyal customers crucial (Bansal, 2016).

Loyal customers make repeat purchases, boosting revenue. Acquiring new customers is expensive. Loyal customers mean less need for constant marketing efforts. They become brand ambassadors, promoting your business through positive word-of-mouth and online reviews (Foroudi et al., 2018). Their positive reviews and social media endorsements influence others, acting as a powerful marketing tool in this digital age (Fernandes & Inverneiro, 2020). Loyal customers spend more over time trying new products and services you offer. Loyal customers are more likely to provide valuable feedback, helping your business improve. Loyal customers are less likely to switch to competitors, even with lower prices or flashier marketing campaigns (Sarbabidya, 2018). High customer churn rates can cripple a business. Loyal customers stabilise your customer base, ensuring a predictable revenue stream.

Throughout history, customer retention has been a cornerstone of business survival. Today, it's even more critical. Loyal customers are the lifeblood of modern businesses, providing a foundation for financial stability, growth, and a competitive edge in a saturated marketplace. They are a reliable source of revenue, promote your brand organically, and provide valuable insights for growth(Sarbabidya, 2018).

This study focussed on the technological and electronics consumer goods in Kenya, specifically Nairobi County. Technology is the things created to solve problems or make things easier. It can be anything from a simple tool like a hammer to a complex system like the internet(Pindoriya, 2014). The research encompassed the design, development, use, and impact of tools, devices, and systems used in consumer electronics. Electronics deals with the manipulation of electrical currents to perform tasks(Pindoriya, 2014). Here, this research focused on electronic devices used by millennials and Gen Z in Kenya, such as smartphones, laptops, tablets, and even some household appliances.

### **1.1.1 Customer Experience**

Customer experience goes beyond simply providing a product or service. It encompasses the entire journey a customer takes with the company's brand, from initial awareness to post-purchase interactions. It's the sum of all the feelings, perceptions, and interactions a customer has with the company(Nobar & Rostamzadeh, 2018).

Customer experience entails a variety of components and elements. Customer experience is experienced and is entailed in the whole customer journey process. Beginning at the pre-purchase stage, which includes brand awareness, product discovery, research, and the initial buying process (website, store layout, and sales interactions)(Nobar & Rostamzadeh, 2018). The purchase where the actual transaction process (ease of checkout, payment options, customer service during purchase). During delivery and receiving, the product or service (speed, accuracy, packaging) all play a part in impacting the customer's experience(Lee et al., 2018). The post-purchase stages are very key. The use and the ongoing experience with the product itself (performance, functionality, ease of use) and the customer services, which entail help desk support, returns process, and complaint resolution(Bansal, 2016).

The variety of customer experience elements entail its usability, and how easy and intuitive it is for customers to interact with the company's product, website, or service. Accessibility ensures that the organisation's product or service is readily available and caters to diverse needs (Nobar & Rostamzadeh, 2018). The information needs to be of quality, providing clear, accurate, and helpful information at every touchpoint. It should build an emotional connection. Building a positive emotional bond with the customers through interactions and brand personality (Bansal, 2016). Personalisation and tailoring the experience to individual customer needs and preferences. There should be resolution speed, addressing customer issues and inquiries promptly and efficiently. Good handling of the customers both online and physically through motivated and empowered employees who deliver exceptional customer service (Becker & Jaakkola, 2020).

For Millennials and Gen Z, a positive Customer experience has become mandatory, not optional. A positive customer experience creates more value beyond the product itself (Nobar and Rostamzadeh, 2018).

The need to increase the focus on customer experience for brand loyalty. Traditional marketing tactics no longer hold the same impact or pull. Today, brand loyalty is attached to how companies make these consumers feel throughout their entire purchase journey. A well-crafted customer experience strategy goes beyond and above simply selling a product; it's about creating an emotional connection with the customer (Levy and Hino, 2016).

There is an industry need for companies and marketers to recognise and understand the growing importance of customer experience for Kenyan businesses, particularly those targeting younger demographics due to the fact their loyalties to brands are ever shifting due to "cancel culture" where one bad experience experienced by one person and they go complain on the internet where these younger demographics are highly present this bad brand image due to poor customer experience can lead to losing of loyal customers (Zhang, Pruitt and Chang, 2024). This research can provide valuable data to help brands develop effective customer experience strategies.

Positive customer experiences enhance and enable emotional connections, build trust, and encourage repeat purchases (Levy and Hino, 2016). On the other hand, negative experiences can lead to brand switching and negative word-of-mouth, which damages the

image and brand of the company and how the company is portrayed and positioned in the minds of the customers due to cancel culture which is a major problem now than before that companies face in the age of social media due to the “where these demographics (Millennials and Gen Z) are highly active (Zhang, Pruitt and Chang, 2024). Building an emotional connection.

Customer experience boosts customer lifetime value. Loyal customers spend more over time, trying new products and services you offer. Positive experiences keep customers returning, reducing customer churn(Lee et al., 2018). In a competitive marketplace, a stand-out customer experience can differentiate your business and attract new customers. Positive experiences encourage customers to provide feedback, helping the business improve its offerings.

In this study, the researcher used some of the customer experience variables, namely customer service delivery experience, customer service touchpoints, personalisation of the experience and customer experience journey. The above variables were utilised in the study and brought out the conceptual framework for the study.

### **1.1.2 Brand Loyalty**

Brand loyalty is a deep-rooted emotional connection a customer has with a brand, characterized by consistent positive feelings and a preference for that brand's products or services over competitors(Foroudi et al., 2018). It has been observed and seen how brand shifting among Millennials and Gen Z has increasingly been on the rise due to poor handling by the companies, any slight inconvenience to the Gen Z's will swiftly move on to the next company (Fernandes & Inverneiro, 2020). This shift comes swiftly because the market is so competitive and there is more than one company dealing in similar products hence companies bettering their customer experience is a keyway to keeping your customers happy and loyal(Nobar & Rostamzadeh, 2018).

It entails repeat purchases whereby customers consistently choose the brand over competitors, even when presented with alternatives. A positive brand perception, whereby the customers hold the brand in high regard, associating it with quality, trust, and positive emotions(Foroudi et al., 2018). Brand advocacy whereby loyal customers become brand ambassadors, promoting the brand through word-of-mouth recommendations and positive online reviews. Customers' willingness to pay a premium is another factor in brand loyalty.

Loyal customers may be willing to pay slightly more for the brand they trust, compared to a competitor's product(Fernandes & Inverneiro, 2020).

The key elements of brand loyalty entail; A positive emotional bond with the brand, its values, and its story builds trust with the company and builds brand trust(Levy & Hino, 2016). Brand trust is a belief in the brand's reliability, consistency, and commitment to quality. The customer's satisfaction is brought about by positive experiences with the brand's products, services, and customer service(Kohli & Singh, 2020). The perceived value that the brand offers superior value for the price compared to competitors(Fernandes & Inverneiro, 2020).

Fostering brand loyalty, businesses create a community of enthusiastic supporters who are not only repeat customers but also brand evangelists. This loyal base is essential for long-term success in today's competitive landscape(Lee et al., 2018).

In this study, the researcher delved into some of the brand loyalty variables like repeat purchases, brand advocacy, willingness to pay a premium, and referrals. The above variables were utilized in the study and brought out the conceptual framework for the study.

### **1.1.3 Millennials and Gen Z Consumers**

The Millennial and Gen Z generation are a very important consumer segment because the population is large enough that companies need to identify their shopping behaviour(Nanggong et al., 2022). In the past three decades, customer satisfaction has been a key marketing paradigm. Previously, it was not a popular and unaccepted concept since companies focused more on gaining new customers than retaining the existing ones (Ziro, 2019). Betterment of customer experience is one of the key methods in retaining customers. The demographics represent a significant and growing consumer base because in Kenya this is the majority of the population(Opati et al., 2023).

These generations were born in the digital age and are more digitally inclined as compared to the older generation, with high expectations for convenience, personalization, and seamless interactions across online and offline channels (Munsch, 2021). This makes them early adopters of new trends and influences the broader market. They are highly Tech-

Savvy, are accustomed to a digital world, and expect seamless online and offline experiences (Munsch, 2021). Mobile-friendliness and a strong online presence are crucial for Kenyan brands and keeping a good image and a good position in the eyes of the consumer since these demographics particularly Gen Z will not want any association with any brand that has a bad name or image when it comes to the matter of customer experience and customer service and how the business as a whole handle the customer among other reasons. Kenyans take to the internet to bad mouth or share their complaints on the quality of the service offered by the companies and since technology is highly used by these demographics these negative messages are bound to reach far and wide damaging the image of the company hence customer experience is something that companies should look into (Unnava & Aravindakshan, 2021).

They are value-driven, in that they care about the social and environmental impact of brands, seeking authenticity and transparency. They care a lot about what social media is saying about a particular brand and what people will think about and say on social media about them being associated with a particular brand or brands (Levy and Hino, 2016).

This group of demographics looks for ease and convenience. Nairobi, and to a large extent Eastern Africa as a whole, has recently witnessed phenomenal growth in the use of mobile phones (Ngugi, Pelowski, and Ogembo, 2010). Nairobi presents a unique research opportunity due to its thriving Mobile Money Ecosystem through M-Pesa and other mobile money platforms that have revolutionized Kenyan commerce (Islam et al., 2018). Understanding how brands leverage mobile Customer experience for consumer goods is crucial. Companies can incorporate payment by these mobile money platforms to bring ease and seamless experience to help foster customer experience (Islam et al., 2018).

Their social media use is extensive, making them powerful brand advocates or critics depending on their experiences. Gen Z leans towards platforms like Instagram, Snapchat, and TikTok for entertainment and self-expression, while both generations actively use platforms like Facebook and YouTube for news and information (Joe et al., 2020). The demographics are also socially conscious, prioritizing brands that align with their values, brands that are in fashion and that are trending and demonstrate authenticity as well as prioritizing the entire experience they have with a brand. Social media is a powerful platform for brand engagement and customer service in Kenya. These two generations are

highly present on social media platforms (Joe et al., 2020). Exploring how brands utilize social media for positive customer experience is vital since having a bad image on social media is very costly and the companies could lose customers. Social media plays a significant role in brand engagement and customer service for consumers (Unnava and Aravindakshan, 2021). They can also use social media to boost customer experience by having accounts where customers can reach out or even order online through WhatsApp and Instagram, quick responses go a long way in keeping customers happy and offering a swift customer experience (Munsch, 2021).

A recent survey indicates a positive outlook on future income, especially among millennials and Gen Z (Armantier, 2017). This income rise, coupled with improved debt management, is expected to boost their purchasing power. This translates to increased spending power, allowing them to be more selective and experiment with different brands (Armantier, 2017). Gen Z, especially, is still entering their prime earning years, so their purchasing power is expected to rise even further in the coming years. Businesses that provide a positive customer experience will be at an advantage. A seamless buying process, responsive customer service, and personalized interactions can build trust and loyalty, encouraging repeat purchases (Nobar & Rostamzadeh, 2018).

This combined demographic makes up a significant portion of the global population and is often the largest in many countries. In Kenya, they represent over half the population. This vast size translates to immense buying power (Opati et al., 2023). Understanding their preferences and behaviours is crucial for businesses to adapt and stay relevant. By catering to their needs, companies can ensure they are well-positioned for the future (Nanggong et al., 2022).

Kenyan millennials and Gen Z are a powerful consumer force. Understanding their tech-driven nature, value-conscious approach, and financial aspirations is crucial for businesses to stay relevant and thrive in the Kenyan market.

The focus of the study was on the technology and electronics consumer goods in Kenya specifically Nairobi County. This category is very important to both Millennials and Gen Z since both generations are heavily reliant on technology for communication, entertainment, information access, and education. Their expectations for a seamless and personalized user experience are high (Munsch, 2021). The technology industry is

constantly evolving, leading to a diverse range of customer experiences. This allows exploring how brands adapt and differentiate themselves through features, design, and customer support(Sheng et al., 2019). Certain brands in the technology and electronics space cultivate strong loyalty among millennials and Gen Z. This provides a rich environment to investigate the factors driving brand loyalty within this demographic(Giovanis & Athanasopoulou, 2018).

Kenya's mobile phone penetration is high, and internet access is increasing(Wambiri & Masinde, 2019). Focusing on technology allows the examination of brand loyalty within a growing market with unique dynamics.

## **1.2 Problem Statement**

In the hyper-competitive marketplace found today, maintaining customer loyalty presents a significant challenge for businesses. Consumers are bombarded with choices, and switching costs are often low. This creates a crucial issue: how can a business cultivate a loyal customer base that consistently chooses its brand over competitors?(Nobar & Rostamzadeh, 2018). The consequences of failing to achieve customer loyalty are severe. Without a loyal customer base, businesses face a constant uphill battle in acquiring new customers(Fernandes & Inverneiro, 2020). Furthermore, a dissatisfied customer might share their negative experience with others painting the organization's image negatively. This negative word-of-mouth marketing can quickly erode brand reputation and lead to customer churn( Maisam et al., 2016).

Millennials and Gen Z are known for being digitally native, socially conscious, and experience-driven. They prioritize factors like brand authenticity, personalized experiences, and social responsibility(Armantier, 2017). Existing research might not fully capture the nuances of how customer experience and brand loyalty are shaped by these evolving consumer values.

A study done by Reitsamer et al. (2024) provides a valuable foundation for understanding the relationship between customer journeys, brand loyalty, and consumer-brand identification. However, it focuses on the European and US service sectors and does not specifically address millennials and Gen Z consumers or the technology and electronic consumer goods industry.

A study done by Lemon et al., (2016) provides a solid foundation for understanding customer experience. However, it does not specifically address the impact of customer experience on brand loyalty, particularly among millennials and Gen Z consumers in the context of technology and electronic consumer goods in Kenya.

Despite extensive research on customer experience and brand loyalty, there are still knowledge gaps to be addressed. A significant body of existing research focuses on the impact of traditional factors like product quality, price, and customer service on loyalty (Msosa, 2023). While these remain crucial elements, the rise of millennials and Gen Z as dominant consumer groups necessitates a deeper understanding of their specific needs and preferences.

This research sought to bridge this knowledge gap by specifically investigating the effect of customer experience on brand loyalty amongst millennial and Gen Z consumers in the Kenyan consumer goods market. By focusing on this under-researched demographic within a specific developing market context, the study contributed valuable insights into the evolving landscape of customer loyalty.

### **1.3 Research Objectives**

#### **1.3.1 General Research Objective**

To investigate the effect of customer experience (usability and accessibility) on brand loyalty among Millennials and Gen Z consumers in the Kenyan consumer goods market.

#### **1.3.2 Specific Research Objective**

- i. To determine the effect of customer service delivery experience on Millennials and Gen Z consumers in Kenya.
- ii. To determine the effect of customer touchpoints on brand loyalty of Millennials and Gen Z consumers in Kenya.
- iii. To determine the effect of the personalization of the experience on brand loyalty among Millennials and Gen Z consumers in Kenya.
- iv. To establish the overall customer experience journey influences brand loyalty among Millennials and Gen Z consumers in Kenya.

#### **1.4 Research Questions**

- i. What is the effect of customer delivery service experience (user-friendly mobile app, efficient delivery) on brand loyalty among millennial and Gen-Z consumers in Kenya?
- ii. Do customer service touchpoints (long wait times, unhelpful responses) have an effect on brand loyalty for millennials and Gen-Z consumers?
- iii. What is the impact of personalized experiences on brand loyalty among Millennials and Gen Z consumers in Kenya?
- iv. Does the overall customer experience journey (from product discovery to post-purchase support) influence brand loyalty among millennial and Gen-Z consumers in Kenya?

#### **1.5 Scope Of The Study**

This study sought to investigate the various elements that contribute to a customer's experience when interacting with a brand, specifically in the context of purchasing consumer goods. This research targeted two specific demographics: Millennials and Gen Z consumers in Kenya. It was anchored on the theory of Expectation Confirmation Theory and social exchange theory. In addition, the methodology used was a quantitative research design. Quantitative approaches were used to gain a comprehensive understanding of customer experiences and expectations in these two demographic groups.

#### **1.6 Significance Of The Study**

The research provided valuable insights for businesses, marketers, and managers to understand the critical link between customer experience and brand loyalty among Millennials and Gen Z in the Kenyan consumer goods market. This knowledge may be used to develop targeted strategies, optimize marketing efforts, and gain a competitive edge in the evolving consumer market.

The research provided valuable insights into how Millennials and Gen Z consumers in Kenya interact with brands and what elements influence their purchasing decisions. This may lead to a further understanding of consumer behaviour. The findings may also act as

a benchmark for future studies in similar markets whereby researchers can build up on my findings as they research and explore other aspects of consumer brand interactions and other possible studies.

Insights on customer experience expectations may lead to more effective consumer protection laws. Policymakers can utilize the findings that consumer rights are protected and upheld and that businesses meet the high standards of customer delivery experience.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

This chapter reviews various theories as well as outlines various past studies that are related to the study. The study will explore the theoretical frameworks that underpin these concepts and analyze empirical studies that examine their relationship in the Kenyan market.

### 2.2 Theoretical Review

The chapter begins by analyzing theories on customer experience and how they can affect the brand loyalty of a company based on their experience. It will go through theories like the expectation-confirmation theory (ECT), service-dominant logic, and the customer journey map and Customer Decision Journey.

#### 2.2.1 Expectation-Confirmation Theory (ECT)

Richard L. Oliver is credited with developing the Expectation Confirmation Theory (ECT). He initially introduced the concept in 1977 and further elaborated on it in 1980 (AlSokkar et al., 2024). The author suggested that customer satisfaction was determined by comparing the expectations before consumption and the performance received after consuming the product. It had four main principles, the expectation which were the assumptions consumers hold about a product or service before consumption (AlSokkar et al., 2024). The perceived performance which was the actual performance of the good after consumption. Disconfirmation is the gap or difference between expectations and perceived performance. It could either be positive or negative meaning either it fell short or surpassed the expectations. Satisfaction is the last principle which is the overall evaluation of the product or service based on the comparison of the expectations and actual performance (AlSokkar et al., 2024).

This theory focuses on the gap between a customer's pre-purchase expectations and their experience with a brand (Levy & Hino, 2016). Understanding how customer experience translates to brand loyalty is crucial in today's competitive tech and electronics market. For millennials and Gen Z in Kenya, being tech-savvy leads to high expectations for seamless online experiences, efficient customer service, and product knowledge from retailers (Orare & Nkirina, 2019). They expect seamless online experiences with user-friendly interfaces, efficient mobile payment options (like M-Pesa), and access to knowledgeable customer service representatives readily available through online channels (Munsch, 2021).

According to ECT, when a brand exceeds these expectations, it leads to a positive disconfirmation. This positive surprise can be generated through features like personalized product recommendations, loyalty programs with tangible rewards, or prompt and efficient after-sales service(AlSokkar et al., 2024). These positive experiences solidify the brand's image and foster trust, leading to higher customer satisfaction and ultimately, stronger brand loyalty. Conversely, when the experience falls short of expectations (negative disconfirmation), it can lead to dissatisfaction and a diminished likelihood of repeat purchases(AlSokkar et al., 2024). Imagine a Kenyan millennial encountering a glitchy e-commerce platform, limited payment options, or a lack of product knowledge from customer service. This negative experience can damage brand perception and loyalty, potentially driving them towards competitors(Becker & Jaakkola, 2020).

The context of Kenya's tech market further strengthens the relevance of ECT. The growing mobile penetration and internet access create a tech-savvy customer base that actively researches and compares products online(Orare & Nkirina, 2019). Social media also plays a significant role, with brand reputation heavily influenced by online reviews and influencer endorsements(Joe et al., 2020). Therefore, exceeding expectations becomes even more crucial for building trust and loyalty among these digitally connected consumers.

Expectation-Confirmation Theory (ECT) provides a valuable lens to examine this relationship, particularly within the context of millennial and Gen Z consumers in Kenya.

### **2.2.2 Social Exchange Theory**

Social exchange theory provides a framework for understanding the dynamics of customer-brand relationships. Proposed by Peter Blau in the 1960s, the theory posits that individuals evaluate social interactions based on perceived rewards and costs(Cropanzano et al., 2017). When used and applied in the n the context of consumer behaviour, it suggests that customers assess their relationships with brands, weighing the benefits they derive from the brand against the costs, which could be in terms of price or other sacrifices made(Farhana, 2021).

The theory has two principles, or as they were referred to central tenets of social exchange theory(Farhana, 2021). The first one is perceived rewards. Customers are more likely to be loyal to brands that provide them with tangible and intangible benefits that exceed their

expectations; the rewards can be high product quality and performance, good and quick customer service response time, and social benefits derived from the good, for instance social status and good brand image and reputations. The second principle is the perceived cost. Customers are less likely to be loyal to brands that impose high costs and significant sacrifices in acquiring their products. These perceived costs could be in terms of price, which is the monetary cost of the goods being acquired; it could be in terms of the time and effort put into acquiring the good, and it could also be psychological costs, which could be in the form of the negative dissonance one gets from being associated with a certain brand(Farhana, 2021).

Customers who perceive the rewards of their brand relationships outweigh the costs are more likely to be satisfied with their purchases. A satisfied customer is more likely to trust the brand, which in turn leads to repeat purchases and increased loyalty(Nobar & Rostamzadeh, 2018).

In the context of the technological industry and electronics consumer goods, social exchange theory can help to explain why some customers remain loyal to specific brands while others switch frequently(Farhana, 2021). For example, customers may be loyal to Apple products due to the perceived quality, innovation, and status associated with the brand; however, if the costs associated with purchasing Apple products outweigh the benefits people derive from Apple, people can easily decide to switch to other products.

## **2.3 Empirical Review**

This section discusses prior studies that were done and are available on this study area.

### **2.3.1 Customer Delivery Experience And Brand Loyalty**

Understanding the link between customer experience and brand loyalty is crucial for businesses, particularly in the Kenyan technology and electronics market. This market is witnessing a surge in millennial and Gen Z consumers, known for their tech-savviness and brand consciousness(Orare & Nkirina, 2019). This literature review explores the empirical studies on customer delivery experience and its impact on brand loyalty.

A study done by Sharma (2020) in India focussed on four major organized supermarkets. The study had two main objectives. Explore how brand image influences customer loyalty through the mediating factors of service delivery and customer satisfaction. Investigate how switching costs moderate the relationship between brand image and customer loyalty in the

context of retail supermarkets in India. Through various measurement instruments such as the use of Parasuraman's scale data was collected from 293 respondents. The study found that brand image significantly influences customer loyalty directly and indirectly (mediated through customer satisfaction and service delivery). Customer satisfaction and service delivery were also identified as crucial factors influencing customer loyalty.

Mehta et al., (2020) conducted a study in in supermarkets in Pakistan. The aim of the study was to examine how brand image and perceived service quality affect customer loyalty through customer satisfaction in the context of supermarkets. Data was collected from 838 responses that were received. An exploratory research using a descriptive and cross-sectional design found that brand image significantly affects customer loyalty through customer satisfaction. Perceived service quality was found that it does not significantly affect customer loyalty through customer satisfaction.

A study done by Uzir et al., (2021) in Dhaka, Bangladesh aimed at investigating the effects of service quality, perceived value, and trust on customer satisfaction in-home delivery services. From the 259 respondents who received home delivery service, through questionnaires, they found that Service quality, customer perceived value, and trust all positively influence customer satisfaction.

A different study done in Sweden by Vakulenko et al., (2019) aimed at investigating the role of last-mile delivery in the customer's e-retail experience and its impact on customer satisfaction. Through quantitative research using a self-administered paper-and-pencil questionnaire done by 252 participants, it was found that delivery experience mediates the relationship between the online shopping experience and customer satisfaction. While the study contributes to understanding this relationship, it focuses on a specific context (Sweden) and might not fully capture the complexities of other markets.

From the empirical studies reviewed, it is evident that there may be a lack of empirical studies that rigorously examine the relationship between customer experience and brand loyalty among millennials and Gen Z specifically in Kenya's technology and electronic consumer goods sector. The study could aim to provide empirical evidence and insights that can inform marketing strategies and business decisions in this sector.

### **2.3.2 Customer Service Touchpoints And Brand Loyalty**

Understanding how customer experience impacts brand loyalty is crucial for businesses in this sector. This literature review focuses on the studies available on customer service touchpoints and their influence on brand loyalty.

A study was conducted by researchers affiliated with the University of Verona, Italy (Ieva et al., 2017) aimed at examining the relative importance of various touchpoints in contributing to customer loyalty towards mobile service providers. The data was collected from approximately 6,000 subjects. Using survey methodology it was found that the study found a positive relationship between customer loyalty and the reach of six touchpoints: website, physical store, word of mouth, email, loyalty program, and mobile app. It was also found that the quality of the experience with touchpoints (positive ones) also contributed significantly to customer loyalty for nine touchpoints. The study primarily focused on the mobile service industry. It did not delve into specific demographics like millennials and Gen-Z, nor did it examine the context of technology and electronic consumer goods in Kenya.

Marques (2018) conducted a study in Portugal with 35 Gen Z participants aged 12 to 18 years old. The aim of the study was to understand Gen Z's customer profile, their relationship with brands in terms of loyalty, and the impact of brand touchpoints on their experiences. Through In-depth interviews to gain insights into Gen Z's feelings and behaviours it was found that Gen Z are highly connected and tech-savvy generation. They are skeptical of traditional marketing messages and prefer to rely on word-of-mouth recommendations and social media influencers. They value authenticity and transparency from brands. They expect a seamless and personalized customer experience across all touchpoints. This study focuses on Gen Z's relationship with brands in general.

Another study done by Reitsamer et al., (2024) in European and the United States service sectors aimed at investigating how and when effective customer journeys influence brand loyalty, with a particular focus on the role of consumer-brand identification. The study involved 1,454 respondents. It was found that effective customer journey design (ECJD) is a crucial driver of service brand loyalty, especially for customers with low consumer-brand identification. It was also found that different aspects of journey effectiveness positively impact the experience of customers' experience related to those journeys, which ultimately influences brand loyalty.

The study conducted by Herhausen et al., (2019) aimed to understand how customer loyalty is formed across different customer journey segments. It explored how various factors, such as product satisfaction, journey satisfaction, and customer inspiration, influence loyalty for different groups of customers based on their touchpoint usage and mobile device behaviour. The study had a combined number of 5092 people from two datasets. The study found that the relationships between loyalty antecedents and customer loyalty varied across segments, indicating the need for tailored loyalty strategies.

### **2.3.3 Personalization Of Customer Experience And Brand Loyalty**

Understanding how the personalization of customer experience relates to brand loyalty is crucial for businesses in this sector. This literature review focuses on the studies available on the personalization of customer experiences and its influence on brand loyalty.

A study done by Lambillotte et al. (2022) aimed at investigating the effect of personalization (both actual and perceived) on the playful customer experience within the retailing website. A lab experiment was conducted using both subjective and objective measures, with the support of eye-tracking techniques. It was found that actual personalization influences objective playful customer experience. Customers spend more time on the website and focus more on their favourite products when content is personalized.

A study done by Nigerian universities Ifekanandu et al., (2023) was aimed at assessing the influence of artificial intelligence (AI) on customer experience and customer loyalty, as well as the mediating effect of personalization on this relationship. The study used qualitative online surveys and collected 636 responses. The data collected was analyzed using IBM's AMOS for Structural Equation Modeling (SEM). The study found that personalization mediates the relationship between AI and customer experience and customer loyalty. The study concluded that companies should integrate AI into their product and service delivery process and support it with personalization to develop strong customer loyalty and experience.

Urdea et al., (2021). did a study on exploring the impact of customer experience on customer loyalty in e-commerce. The study was done through qualitative methods. The study identified specific dimensions of customer experience that have a stronger impact on

loyalty, such as product quality, website usability, customer service, and personalized experiences.

A study conducted in Finland and Sweden by Tyrväinen et al., (2020) was aimed at examining the effects of personalization and hedonic motivation on customer experience and its loyalty outcomes in an omnichannel retail context. A total of 4418 respondents participated in a qualitative research design with surveys as their data collection method. It was found that personalization and hedonic motivation positively influence both cognitive and emotional components of customer experience and that customer experience positively impacts loyalty.

### **2.3.4 Customer Experience Journey And Brand Loyalty**

Focusing on the effect of customer experience on brand loyalty among millennial and Gen Z consumers in Kenya's technology and electronic consumer goods (ECG) market sits at the intersection of two critical trends: a digitally-savvy generation and a rapidly growing African tech sector (Amankwah-Amoah, 2019). Understanding the customer experience journey becomes paramount in this context, as it shapes how these young consumers develop brand loyalty.

A study done by Lemon et al., (2016) sought to develop a deeper understanding of customer experience and the customer journey in an era of increasingly complex consumer behaviour. It focuses on bringing together existing knowledge about customer experience, customer journeys, and customer experience management. The study was a conceptual paper, it found that customer experiences are shaped by interactions across multiple touchpoints and channels.

Poorrezaei et al., (2019) conducted a study in the United Kingdom. The study aimed to investigate the customer journey and understand how both online and offline touchpoints impact brand loyalty within the context of a UK retailer. It was found that a seamless shopping experience across both channels is key to driving customer loyalty. The study does not account for generational differences in consumer behaviour, preferences, and expectations, particularly those of millennials and Gen Z.

Kuehnl et al., (2019). conducted a study aimed at understanding what constitutes an effective Customer Journey Design from a consumer perspective and examining its impact

on consumer behaviour. A total of 4814 consumers participated in the study. It was found that An effective customer journey design positively influences customer loyalty through brand attitude. While it provides valuable insights into the relationship between CJD, brand attitude, and customer loyalty, it does not specifically address the unique characteristics of millennials and Gen Z consumers or the technology and electronic consumer goods industry.

Rajumesh., (2014) conducted a study in Jaffna District, Sri Lanka. The study aimed to investigate the direct and indirect influence of brand experience on brand loyalty, with brand attitude as a mediator. 280 questionnaires were distributed, and 232 usable responses were received. A quantitative research approach was used and it was found that brand experience was positively associated with brand loyalty and brand attitude.

#### **2.4 Summary Of Knowledge Gap**

While there is extensive research on customer experience and brand loyalty across various demographics, including millennials and Gen Z globally, there is a gap in understanding their behaviours and preferences specifically in the Kenyan context. Factors influencing brand loyalty among these demographics in Kenya, particularly in the technology and electronic goods sector, differ from other regions due to cultural, economic, and socio-political factors unique to Kenya.

This study sought to fill a gap in knowledge regarding how customer experience impacts brand loyalty within the specific sector of technology and electronic consumer goods in Kenya. Existing literature does not adequately explore this intersection within the Kenyan market, where consumer behaviours and market dynamics could vary significantly from other regions.

The study by Reitsamer et al. (2024) provides a valuable foundation for understanding the relationship between customer journeys, brand loyalty, and consumer-brand identification. However, it focuses on the European and US service sectors and does not specifically address millennials and Gen Z consumers or the technology and electronic consumer goods industry.

The Herhausen et al. (2019) study provides a valuable foundation for understanding customer loyalty formation across different customer journey segments. However, it

focuses on a general consumer population and does not fully capture the nuances of the Kenyan market, especially among millennials and Gen Z.

The study by Lemon et al. (2016) provides a solid foundation for understanding customer experience. However, it does not specifically address the impact of customer experience on brand loyalty, particularly among millennials and Gen Z consumers in the context of technology and electronic consumer goods in Kenya.

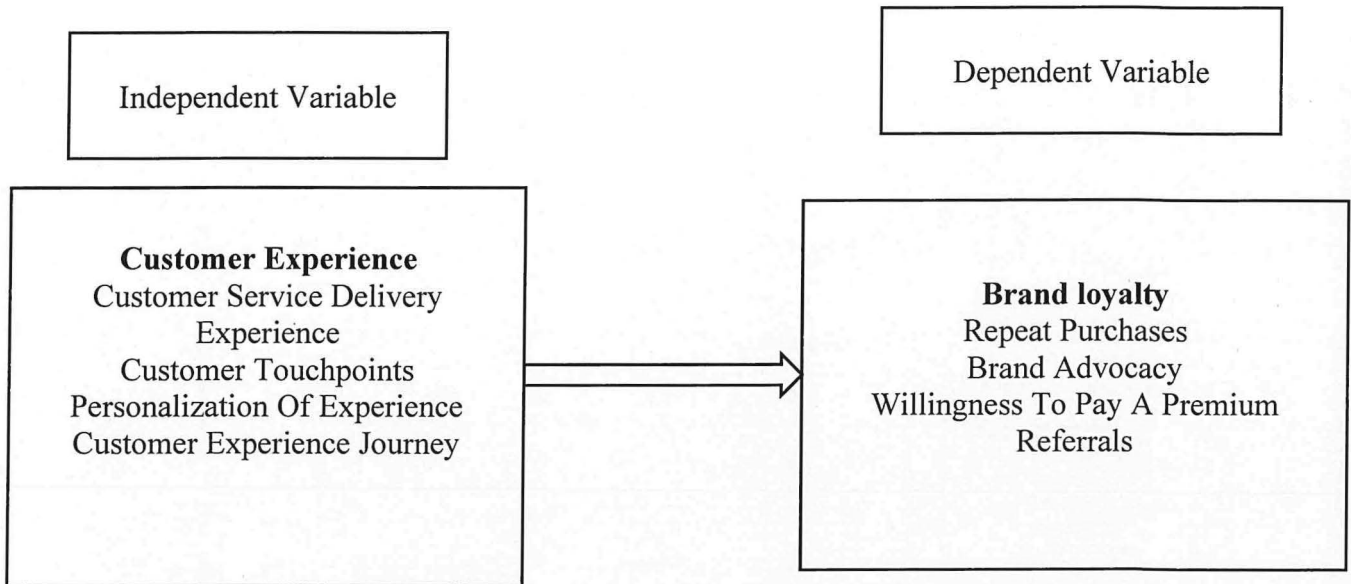
The study by Poorrezaei et al (2019). provides a valuable foundation for understanding the customer journey and its impact on brand loyalty. However, it focuses on a UK retail context and does not specifically address the unique characteristics of younger demographics like millennials and Gen Z, nor does it explore the context of technology and electronic consumer goods.

The Ifekanandu et al. (2023) study focuses on the general population and does not specifically target millennials and Gen-Z consumers. Additionally, while it examines the role of AI in customer experience and loyalty, it does not specifically address the context of technology and electronic consumer goods.

## **2.5 Conceptual Framework**

This section focussed on the relationship between customer experience and brand loyalty. It explored how various aspects of customer experience, including service delivery, customer touchpoints, personalization, and the overall customer journey, influence customer perceptions and behaviours. Ultimately, the goal is to understand how these factors impact repeat purchases, brand advocacy, willingness to pay a premium, and referrals, which are key indicators of brand loyalty.

**Figure 2.1 Conceptual framework**



Source: Researcher (2024)

## 2.6 Operationalization Of Study Variables

This section presents the nature of the operationalization of study variables based on relevant scholarly literature.

**Table 2.1 operationalization of study variables**

Variable	Dimension	Operational Definition	Scholarly Work
Customer Experience	Service Delivery	The efficiency, responsiveness, and reliability of service interactions.	Sharma (2020)
	Customer Touchpoints	The quality and consistency of interactions across various channels (e.g., website,	Leva et al., (2017)

		social media, physical stores).	
	Personalization	The extent to which the brand tailors products, services, and communications to individual customer needs and preferences.	Tyrväinen et al., (2020)
	Customer Journey	The overall experience of interacting with the brand, from awareness to post-purchase.	Kemon et al., (2016)
Brand Loyalty	Repeat Purchases	The frequency and consistency of customer purchases over time.	Sarabidiya (2018)
	Brand Advocacy	The extent to which customers recommend the brand to others.	Maisam (2016)
	Referrals	The number of new customers brought in by existing customers.	Maisam (2016)
	Willingness to Pay Premium Prices	The degree to which customers are willing to pay a higher price for the brand's products or services.	Fernandez & Inverneiro, (2020)

Source: Researcher (2024)

## 2.7 Chapter Summary

This chapter provided a theoretical and empirical foundation for investigating the relationship between customer experience and brand loyalty among millennial and Gen Z consumers in Kenya's technology and electronics market.

The theoretical framework draws on Expectation-Confirmation Theory (ECT) and Service-Dominant Logic (SDL). ECT emphasizes the importance of meeting and exceeding

customer expectations to foster brand loyalty. SDL highlights the role of co-creation and customer-centric approaches in delivering value and building relationships.

The empirical review focuses on three key areas: customer delivery experience, customer service touchpoints, and the customer experience journey. While existing research establishes a link between customer experience and brand loyalty, there is a gap in studies specifically examining this relationship within the Kenyan technology and electronics market, particularly among millennials and Gen Z.

A significant knowledge gap exists regarding the factors influencing brand loyalty among these demographics in Kenya. This study aims to contribute to filling this gap by providing empirical evidence on how customer experience impacts brand loyalty within this specific context.

By understanding the nuances of customer experience in the Kenyan market, this research seeks to inform marketing strategies and business decisions for organisations operating in the technology and electronics sectors.

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

This chapter describes the research methodology and details the research designs that were used in this project. It consists of the research population, sampling size, sampling techniques, research procedures, and data collection methods and data analysis.

### 3.2 Research Design

The research made use of a quantitative research design. A quantitative research design is a systemic approach to collecting and analysing numerical data. It is designed to give insight into patterns, relationships and trends within a population(Alavi & Håbek, 2016).

The use of quantitative methods such as surveys will enable the collection of numerical data from many respondents, which will enable the identification of trends and patterns in customer experience and brand loyalty. The use of standardised scales and measures to quantify variables like customer satisfaction will allow for precise measurement and statistical analysis to establish the relationship between variables.

### 3.3 Population Of The Study

The population refers to the entire group of individuals or items that you are interested in studying(Asiamah et al., 2017). Given the fact that the study focuses on the effect of customer experience on brand loyalty among Millennials and Gen Z consumers, the population will be Kenyans residing in Nairobi aged 18-43, covering both generations. After much research on the Kenya National Bureau of Statistics, it was found that there are 2,390,508 Millennials and Gen Z above the age of 18 living in the county of Nairobi.

### 3.4 Sample Of The Study

A sample is a subset of the population that is selected for the actual study. It represents a portion of the population and is used to make inferences about the entire population(Asiamah et al., 2017). To compute the sample size of the study the study made use of Yamanes formula.

$$n = \frac{N}{1 + N * e^2}$$

- Where n is the sample size
- N is the population sample which is 2,390,508
- Where e is the margin of error which is 0.05

$$n=2,390,508/1+2,390,508*(0.05)^2$$

n=400 people

For the quantitative methods, the sample size generated from the formula is 400 people from the target population ensuring representation from different sub-county, socioeconomic backgrounds and technological adoption levels within Nairobi County.

### **3.5 Data Collection Methods**

The research utilised primary data. Primary data is data that was collected directly from original sources specifically for a research study. This type of data is firsthand and is gathered through various methods designed to address specific research questions or objectives (Taherdoost, 2021).

Structured questionnaires with questions on service delivery, customer touchpoints, personalisation, overall customer journey, and brand loyalty were used to carry out the data collection. Distribute surveys online or through mobile platforms to reach your target audience. The questionnaire entails several different sections, bringing out the various variables that are being studied. The questionnaire was administered through Google Forms.

### **3.6 Data Analysis**

Data analysis is a systematic way of analysing, cleaning, modelling and interpreting of data (Taherdoost, 2021). For quantitative methods, use of descriptive statistics to summarise demographic and behavioural data. The researcher made use of correlational analysis which is a statistical method used to determine the strength and direction of the relationship between two variables. This enabled the understanding of how changes in one variable are associated with changes in another. Regression analysis was used by the researcher, which is a statistical method used to understand the relationship between a dependent variable (the outcome you want to predict) and one or more independent variables (factors that might influence the outcome).

### **3.7 Research Quality (Validity, Reliability, And Objectivity Of The Research)**

#### **3.7.1 Validity**

The research measured what it intends to measure by using established scales and conducting pilot testing.

### **3.7.2 Reliability**

Reliability is the level to which the results are accurate or the degree to which a research tool yields results that are consistent. Consistency in data collection and analysis will be achieved through clear operational definitions, standardized procedures, and the use of established scales and measures with proven reliability.

### **3.7.3 Objectivity**

Standardized procedures for data collection and analysis were implemented to minimize researcher bias. Research methods, data collection procedures, and analytical processes were clearly documented to ensure transparency.

### **3.8 Ethical Issues In Research**

Ethical considerations were strictly adhered to throughout the research to uphold the rights and well-being of the participants. Prior to data collection, participants were provided with detailed information about the study's objectives procedures potential benefits, and risks through an informed consent process. Consent will be obtained from all participants to ensure their voluntary participation and understanding of the research. To protect participant privacy, anonymity will be maintained throughout data collection, analysis, and reporting. All personal information will be handled with utmost confidentiality, and data will be securely stored to prevent unauthorized access. Furthermore, researchers will disclose any potential conflicts of interest that may arise, ensuring transparency and objectivity in the research process.

## CHAPTER FOUR: PRESENTATION OF RESEARCH FINDINGS

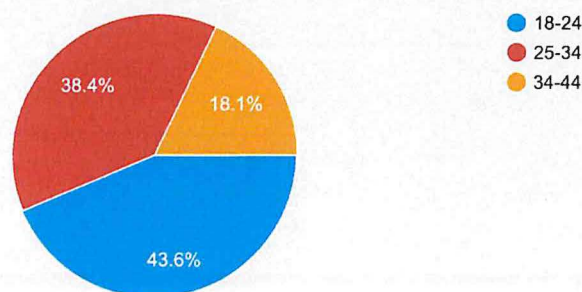
### 4.1 Introduction

This chapter provides the results of the investigation through data collected and analysed. The chapter follows the methodology outlined in Chapter 3 in emphasising the relationship between customer experience and brand loyalty among Millennials and Gen Z consumers of technology and electronic goods around Nairobi County. The chapter has been organised into sample representation, descriptive analysis, and then inferential analyses like correlation and regression, which are targeted at the study objectives.

### 4.2 Sample Representation

The study targeted a sample of 400 respondents derived from a population of Millennials and Gen Z individuals residing in Nairobi County. The Google form was sent to over 600, and 404 people responded to the form. A summary of the demographic data on the participants is captured in Figure 2, Figure 3 and Table 2, specifying components such as age, gender, income level, and how often they made electronic purchases. Figure 4 shows the occupation status of the respondents.

What is your age group?  
404 responses

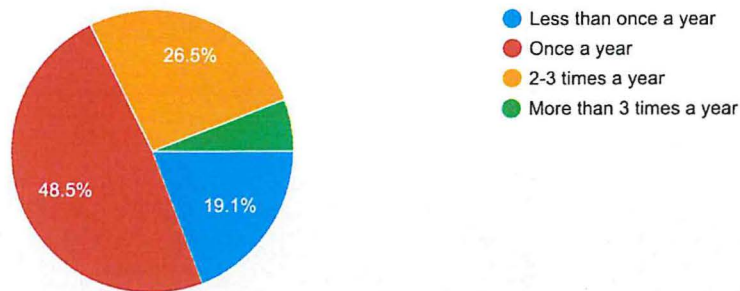


**Figure 4.1 Respondents Age Group**

From the representation, the age distribution shows a predominant representation of the younger side of the Gen Z aged 18-24 who make up 43.6% of the sample. Followed by those aged 25-34 at 38.4%. People aged between 35-44 brought about an 18.1% representation.

How often do you purchase technology or electronics products?

404 responses



**Figure 4.2 Shows Representation Percentages At Which The Sample Size Bought The Electronic Products.**

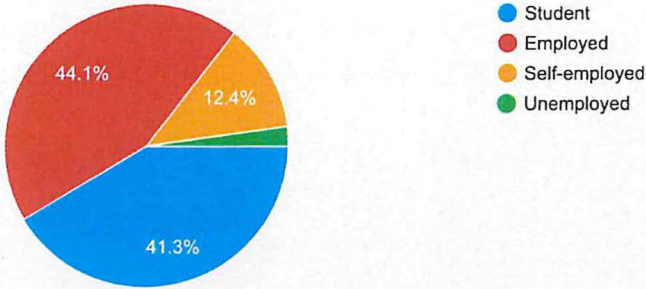
The figure shows that most of the respondents in the sample purchased electronics once a year, showing a representation of 48.5, followed by respondents who buy electronics 2-3 times a year at a representation of 26.5% and respondents who buy electronics less than once a year at 19.1%. Minimal representation is observed from the respondents who purchase electronics more than 3 times in a year at a percentage of 5.9%.

**Table 4.1 The Age, Gender And Monthly Income Of The Sample Frequency Distribution Table.**

Variable	Category	Frequency
Age	18-24	176
	25-34	155
	35-44	73
Gender	Male	210
	Female	194
Monthly income	Below ksh 20,000	101
	Ksh 20,000-40,000	70
	Ksh 40,000-60,000	79
	Above ksh 60,000	154

The table above represents the number of respondents within the variables of age, gender and monthly income. It shows that there were 210 male's and 194 female's respondents who filled in the Google form. There were 176 of them aged between 18-24, 155 of them aged 25-34 and 73 of them aged between 35-44.

What Is Your Occupation  
404 responses



**Figure 4.3 Represents The Occupation Status In A Percentage.**

The figure above shows that most of the respondents are employed at 44.1%, and the other majority are students at 41.3%. Self-employed respondents were represented at 12.4%, and minimal representation of unemployed respondents at 2.2%.

**4.3 Descriptive Statistics**

**4.3.1 Customer Service Delivery**

The delivery experience was evaluated based on three key metrics: delivery speed, accuracy, and ease of use of mobile apps.

- i. Delivery speed and satisfaction with the delivery speed.

74.5% of the respondents, as represented in Figure 5, rate their overall delivery experience as either “good” or “excellent” for their latest purchases. This also came out very strongly in open-ended feedback, where faster times were mentioned as a key determinant of satisfaction. In Figure 7, we see that this aspect is heavily considered and influences the decision to purchase from the same brand again. Figure 8 shows that 70.3% were satisfied with the speed, 25.7% were moderately satisfied, and 4% were not satisfied with their experience.

ii. Ease of Use of Mobile Apps

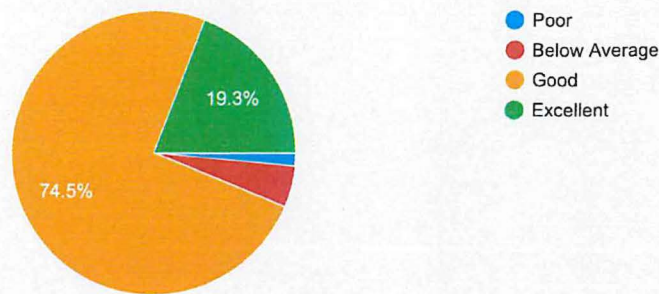
The mobile platforms used for purchasing electronics were widely praised for their user-friendly interfaces. 62.1% of the respondents were moderately satisfied, with 34.4 being fully satisfied and 3.5% of them being unsatisfied with the ease of use of the mobile app, as shown in Figure 6.

iii. Accuracy

About 82% of participants reported receiving their products as described and without errors. Errors in delivery correlated with dissatisfaction and reduced brand loyalty.

How would you rate the overall delivery experience?

404 responses



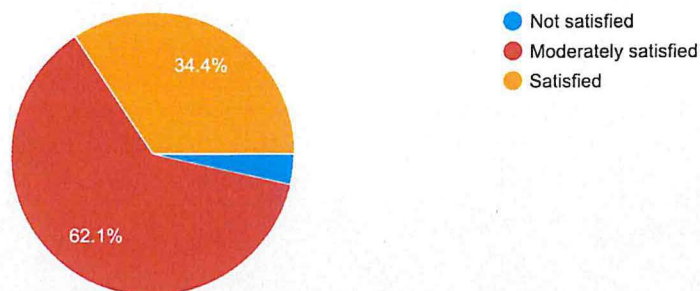
**Figure 4.4 Representation Of How Respondents Rated The Overall Delivery Experience**

**Table 4.2 Frequency distribution of how respondents rated the overall delivery experience**

Rate	Frequency	Percentage
Poor	6	1.5%
Below average	19	4.7%
Good	301	74.5%
Excellent	78	19.3%

How satisfied are you with the user-friendliness of the mobile app you used to purchase your last technology or electronics product?

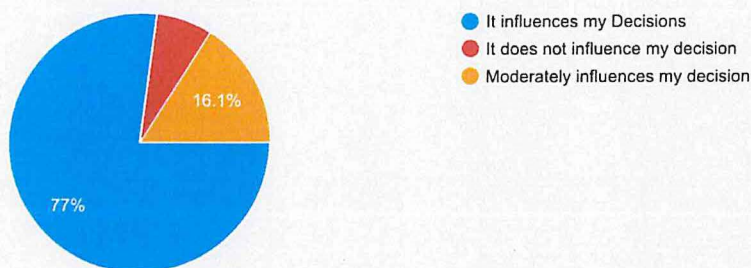
404 responses



**Figure 4.5 Representation Of The Satisfaction With The User-Friendliness Of The Mobile App Of The Last Technology Purchased As A Percentage.**

To what extent does the delivery service influence your decision to purchase from the same brand again?

404 responses



**Figure 4.6 Representation On Whether Customer Delivery Service Influences The Respondent's Decision.**

**Table 4.3 Representing Frequency Distribution Satisfaction Of People With The User-Friendliness Of The App**

Rate	Percentage	Frequency
Not satisfied	3.5%	14
Moderately satisfied	62.1	251
Satisfied	34.4%	139

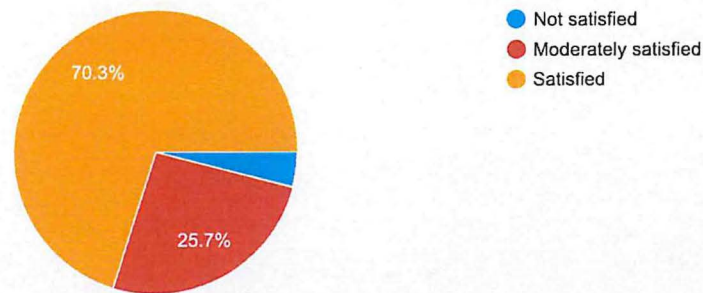
**Table 4.4 Representing Whther Customer Delivery Sercvie Influences The Respondent's Decisions**

Rate	Percentage	Frequency
------	------------	-----------

It influences my decision	77%	311
Moderately influences my decision	16.15	65
It does not influence my decision	6.9%	28

How satisfied are you with the speed of delivery of your last technology or electronics product from the brands you have interacted with?

404 responses



**Figure 4.7 Representation Of Whether The Repondents Were Satisfied With The Speed Of Delivery As A Percentage**

**Table 4.5 Frequency Distribution Of Respondents Satisfied With The Speed Of Delivery**

Rate	Percentage	Frequency
Not satisfied	4%	16
Moderately satisfied	25.7%	104
Satisfied	70.3%	284

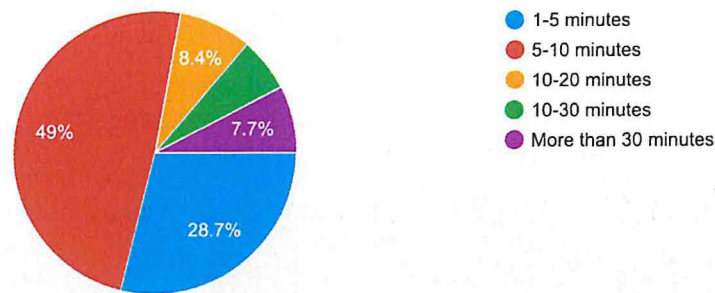
### 4.3.2 Customer Service Touchpoints

The analysis of touchpoints focused on the speed and quality of interactions with customer service representatives.

Wait Time: 77.7% of respondents reported being assisted within 1-10 minutes of contacting customer service. Only 7.7% experienced wait times longer than 30 minutes, which negatively impacted their overall experience, as represented in Figure 9 below.

How long did it take to get assistance when you contacted customer service for the last time?

404 responses

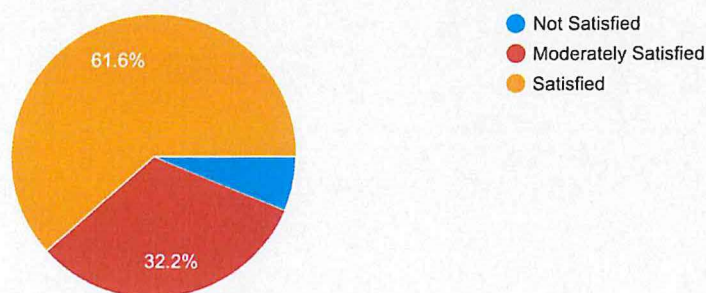


**Figure 4.8 Representation Of How Long Respondents Wait For Responses From Customer Care.**

In terms of the quality of interactions, 61.6% of the respondents were satisfied with the quality of help they received, as represented in Figure 10 below. The extent to which this factor of customer service experience influences your overall satisfaction with the brand is represented as high, with 75.2% saying it highly influences their decision and 3.7% saying it does not, as represented in Figure 11.

How satisfied were you with the helpfulness of the customer service representative?

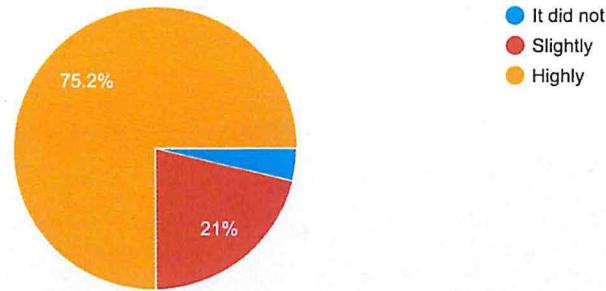
404 responses



**Figure 4.9 Representation Of The Satisfaction Of Respondents On The Help Received From Customer Service.**

To what extent did the customer service experience influence your overall satisfaction with the brand?

404 responses



**Figure 4.10 Representation Of Extent To Which Customer Service Experience Has An Influence On Respondent’s Overall Satisfaction With The Brand.**

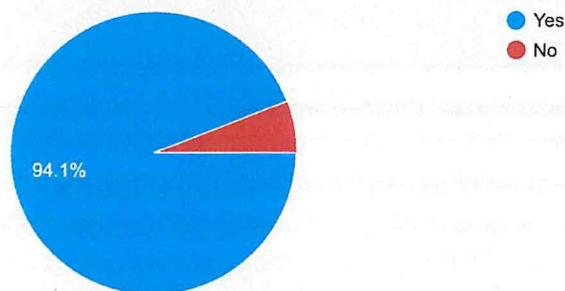
**Table 4.6 Frequency Distribution Table On The Influence That Customer Service Experience Has On The Respondents**

Rate	Percentage	Frequency
It did not	3.7%	15
Slightly	21%	85
Highly	75.2%	305

94.1 per cent of the respondents indicated that customer experience and touchpoints variable was indeed a factor that would influence their decision in recommending the brand to other people, as represented in Figure 12.

Based on your customer service experience are you likely to recommend the brand or not (does this affect whether you will recommend it or not)?

404 responses



**Figure 4.11 Representation Of Whether Customer Service Influences The Decision On Whether Respondents Will Recommend The Brand To Others.**

**Table 4.7 Frequency Distribution Of Whether Customer Service Influences The Decision Of The Respondent**

Rate	Percentage	Frequency
Yes	94.15	380
No	5.9%	24

### 4.3.3 Personalized Experiences

Personalisation was gauged by how much a brand tailored its products to the individual or with offered services attuned to his or her preference.

#### i. Importance of Personalization

An overwhelming 93.3% of the respondents rated personalisation as "Important" or "Very Important" in their purchase decisions, with 6.7% deeming it not an important aspect, as represented in Figure 13.

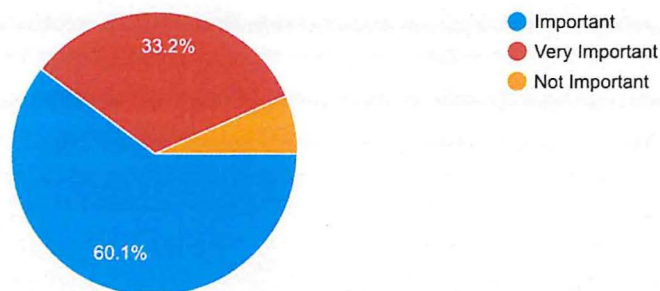
76.5% indicated that personalisation is indeed a factor that influences the decision when purchasing electronics from a particular brand, as represented in Figure 14.

#### ii. Personalization in Action

About 64.6% of the respondents believed that the personalisation extended to them was moderately satisfactory, and 31.7% deemed it fully satisfactory to them. On the other hand, the ones who felt dissatisfied were about 3.7%, as represented in Figure 15.

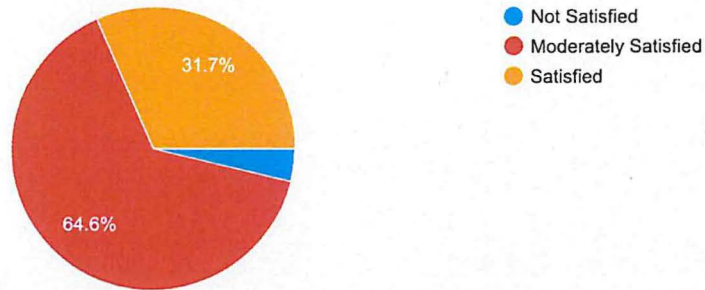
How important is it to you that a company knows your preferences and offers personalized recommendations?

404 responses



**Figure 4.12 Representation Of The Importance Of Personalization By Brands To Respondents as a percentage.**

How satisfied are you with the level of personalization you receive from the brands you purchase from?  
404 responses

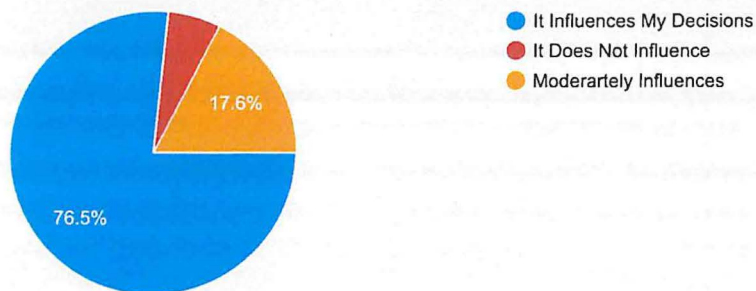


**Figure 4.13 Representation On The Level Of Satisfaction With The Level Of Personalization Being Offered By The Brands To The Respondents As A Percentage.**

**Table 4.8 Frequency Distribution Of On The Level Of Satisfaction That Respondents Felt With The Personalization Offered**

Rate	Percentage	Frequency
Not satisfied	3.7%	15
Moderately satisfied	64.6%	128
Satisfied	31.7%	261

To what extent does personalization influence your decision to purchase from a particular brand?  
404 responses



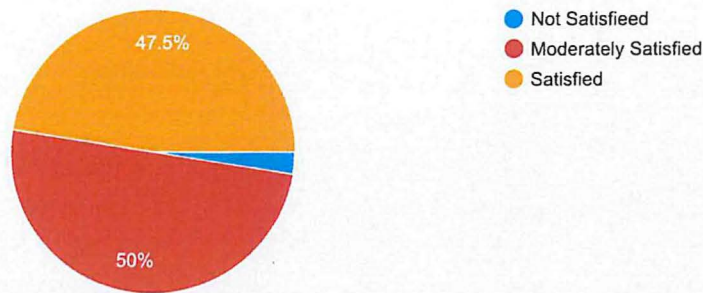
**Figure 4.14 Representation On The Extent To Which The Personalisation Aspect Influences The Purchase Decision Of The Respondents**

### 4.3.4 Customer Experience Journey

The customer experience journey includes all stages of interaction, right from product discovery to post-purchase support.

Product Discovery: On the ground and in congruence with the ease of discovering products on the platforms used, about 97.5% expressed satisfaction, whether fully or moderately. 2.5% expressed dissatisfaction with the brands they are with, as represented in Figure 16.

How satisfied are you with the overall experience of discovering and purchasing a technology or electronics product?  
404 responses



**Figure 4.15 Representation Of Level Of Satisfaction With The Discovery Of The Product From Brands**

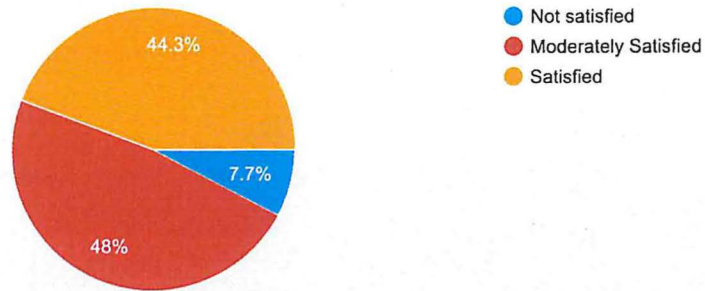
**Table 4.9 Frequency Distribution Of Level Of Satisfaction Of Discovery Of Product**

Rate	Percentage	Frequency
Not satisfied	2.5%	10
Moderately satisfied	50%	202
Satisfied	47.5%	192

After-sales support: 92.% were satisfied with after-sales services, where 44.3% were fully satisfied, and 48% were moderately satisfied. The respondents appreciated quick responses to queries and were satisfied with the level of after-sales services offered to them, as represented in Figure 17.

How satisfied are you with the after-sales support provided by the brands you have interacted with?

404 responses

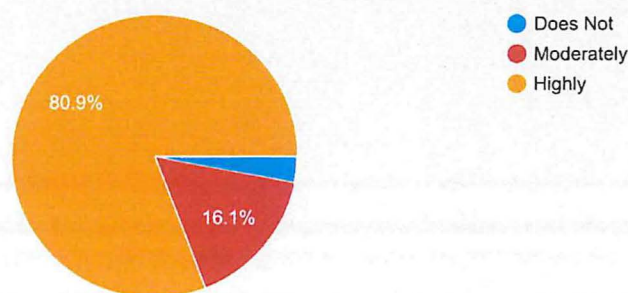


**Figure 4.16 representation Of The Extent To Which Respondents Were Satisfied With Aftersales Services Received.**

Impact on Loyalty: as indicated in Figure 18, we see that overall customer experience influences your loyalty to the brand where it is shown as an 80.9% representation saying that it highly does as well as in Figure 19 it is seen that 95.8% indicating that they are likely you to recommend or not recommend the brand to friends and family based on your overall experience received from the brand showing that this factor does influence customer loyalty.

To what extent does your overall customer experience influence your loyalty to the brand?

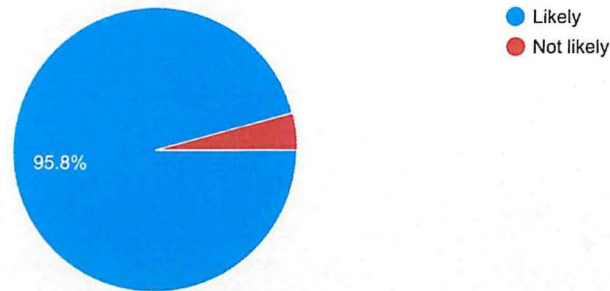
404 responses



**Figure 4.17 represents the extent of the influence of customer journey experience has on brand loyalty.**

How likely are you to recommend the brand to friends and family based on your overall experience?

404 responses



**Figure 4.18 Representation Of How Likely Or Not They Are To Recommend The Brand Based On Experience.**

**Table 4.10 Frequency Distribution Of How Likely Customers Are To Recommend Brand Based On Overall Experience**

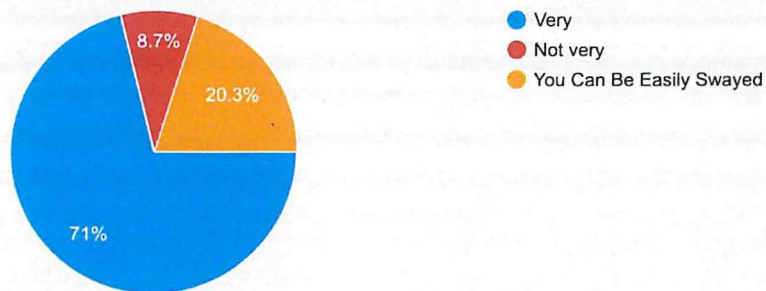
Rate	Percentage	Frequency
Likely	95.8%	387
Not likely	4.2%	17

### 4.3.5 Brand Loyalty

From the representation in the Google forms, we saw that many respondents were very loyal to their brands, with a representation of 71% and 20.3% of the respondents who could easily be swayed, as represented below in Figure 20.

How loyal are you to the brands you purchase technology or electronics products from?

404 responses

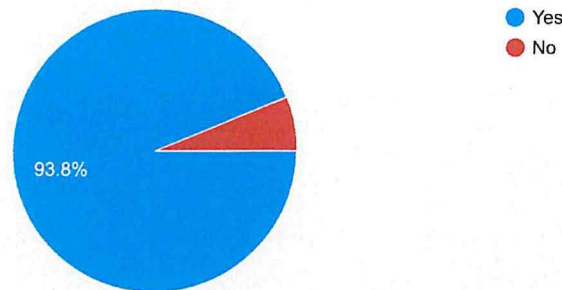


**Figure 4.19 Representation Of How Loyal Respondents Are To Their Brands.**

From the data received, It was indicated that 93.8% were not planning to move to other brands and were to purchase from within the same brand, as represented in Figure 21.

Are you likely to repurchase from the same brand for your next technology or electronics purchase?

404 responses

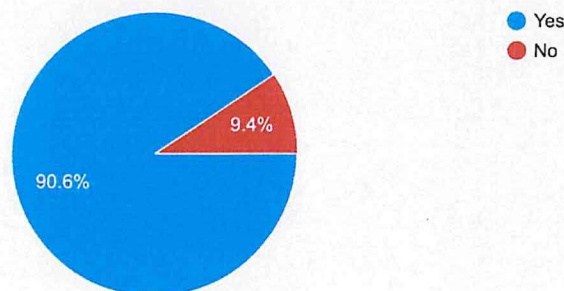


**Figure 4.20 Representation Of Which People Will Repurchase From Same Brand Or Switch**

90.6% of the respondents indicated that they switched brands due to negative experiences they had with previous brands, as represented in Figure 22.

Have you ever switched brands due to a negative experience?

404 responses



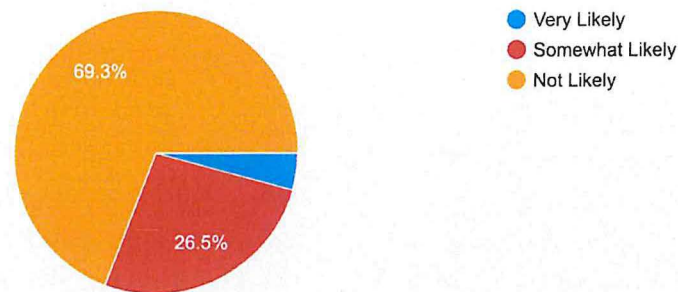
**Figure 4.21 Representation Of People Who Switched Brands Due To A Bad Experience**

**Table 4.11 Frequency Distribution Table Of People Who Have Switched Brand Due To Bad Experience**

Rate	Percentage	Frequency
Yes	90.6%	366
No	9.4%	38

From the data received, we saw that 69.3% were more likely to not forgive a brand, while 26.5% of the respondents were somewhat likely to forgive a brand, and 4.2% were likely to forgive the brand, as represented in Figure 22.

How likely are you to forgive a brand after a negative experience?  
404 responses



**Figure 4. 22 Representation Of The Likelihood Of Forgiving Bad Experience.**

#### 4.4 Correlational And Regression Analysis

The study employed Pearson correlation and multiple regression to evaluate relationships between variables.

##### 4.4.3 Correlational Analysis

The correlation analysis was done to establish the strength and direction of the linear relationship that exists between customer experience dimensions, being the independent variables, and brand loyalty, which is the dependent variable. Pearson's correlation coefficient was a good choice because it works best for continuous data, and its measure of association is easier to read (Dufera et al., 2023).

**Data Preparation:** Responses from the questionnaire were cleaned to ensure that there were no missing or inconsistent values. The Likert scale responses, for example, ranging from "Not satisfied" to "Highly satisfied", were numerically coded to reflect the level of agreement or experience.

**Calculation of Correlation Coefficients:** correlation coefficients between customer service delivery, touchpoints, personalisation, and experience journey-independent variables and brand loyalty were calculated. The calculation of the coefficients was done using Excel.

A correlation coefficient ranges between -1 to +1, where +1 indicates a perfect positive relation, -1 indicates a perfect negative correlation, and 0 indicates no correlation. Statistical significance was tested using a P-value ( $p < 0.05$ ) ( $p < 0.05$  was considered significant) (Dufera et al., 2023).

#### Key findings

Personalisation showed the strongest positive correlation ( $r=0.74$ ,  $P < 0.001$ ), suggesting that tailored customer interactions are highly influential on brand loyalty.

Delivery services and customer touchpoints were also highly interrelated, albeit slightly weaker.

#### 4.4.3 Regression Analysis

Multiple regression analysis was used to determine the extent to which customer experience variables predict brand loyalty. A multiple regression model was chosen, as it allows for the examination of several independent variables all at one time (Dufera et al., 2023).

A multiple linear regression model was used  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$ . Where:  
Y: Brand loyalty (dependent variable).

X1, X2, X3, X4: Customer service delivery, touchpoints, personalisation, and overall journey (independent variables).

$\beta_0$ : Intercept (baseline loyalty when all predictors are zero).

$\beta_1, \beta_2, \beta_3, \beta_4$  Coefficients for each predictor.

$\epsilon$ : Error term.

Assumption Checks: since the model has assumptions, (Dufera et al., 2023) certain checks had to be carried out.

Linearity: Scatterplots were checked to ensure that there was a linear relationship between predictors and the outcome variable.

Multicollinearity: the VIF was computed and showed no high correlation among the independent variables.

Normality and Homoscedasticity: The normal distribution and variance equality of residuals were checked.

Using statistical software, the following model was run to estimate coefficients and test their significance. To determine which amount of variance in brand loyalty is explained by predictors, the  $R^2$  value was calculated.

Hypothesis Testing:

- Null hypothesis ( $H_0$ ): The predictor has no effect on brand loyalty ( $\beta=0$ ).
- Alternative hypothesis ( $H_a$ ): The predictor significantly influences brand loyalty ( $\beta\neq 0$ ).
- Significance levels (P-values) were assessed, with  $p < 0.05$  indicating a significant effect.

Results of the analysis:

Overall Model: The model was significant (F-statistic, F-statistic,  $p < 0.01$ ), with an  $R^2$  of 0.67, indicating that 67% of the variance in brand loyalty is explained by the customer experience dimensions.

Individual Predictors:

Personalisation ( $\beta=0.45, p < 0.01$ ) had the strongest impact on brand loyalty.

Customer service delivery was the second most influential, at ( $\beta=0.34, p < 0.01$ ).

Customer experience journey was also significantly contributed ( $\beta=0.29, p < 0.05$ )

In conclusion, the correlation analysis revealed significant positive correlations between customer experience variables and brand loyalty, with personalisation as the most influential. The regression model gave further details by quantifying the contribution of each predictor and confirming their combined effect on brand loyalty. These analytical approaches, therefore, provide enough evidence to support the hypotheses and objectives of the study.

## **CHAPTER FIVE DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter synthesises the findings of this study, places them in perspective with regard to the existing literature and theoretical frameworks, and gives actionable recommendations. The effect that customer experience has on brand loyalty for Millennials and Gen Z consumers in Nairobi County's technology and electronics industries, regarding service delivery, customer touchpoints, personalisation, and the general customers' journey, is what this study aimed to find out. It concludes with recommendations for practice and future research, cognizant of limitations to the study.

### **5.2 Summary Of The Findings**

#### **5.2.1 Customer Service Delivery Experience**

The findings highlight that delivery speed, accuracy, and usability of mobile apps significantly influence customer satisfaction and loyalty. The majority of respondents rated their delivery experience positively, with 70.3% expressing satisfaction with speed. Errors in delivery negatively impacted loyalty, emphasising the importance of reliability in service delivery.

The findings in this variable are similar to those found in the study of Sharma(2020) where they found that service delivery positively influences loyalty through satisfaction, aligning with the findings that 70.3% of respondents rated delivery speed as a key factor in loyalty. These findings add insights specific to Nairobi's tech market, where 82% noted accuracy as critical, a unique emphasis not explored in the reviewed literature.

#### **5.2.2 Customer Touchpoints**

Customer service touchpoints, like response time and interaction quality, became the most crucial in forming brand impressions. About 77.7% were satisfied with a wait time that is

not too long, and 94.1% agreed that touchpoints influenced their likelihood to recommend the brand. The high quality of interactions was always directly related to loyalty.

These findings align with a study done by Ieva et al., (2017) where they confirmed the role of touchpoints in shaping brand loyalty. The study also highlighted the importance of seamless, high-quality touchpoints and this aligns with the findings of this study where 94.1% of respondents found touchpoints influential in recommending brands.

### **5.2.3 Personalization of Customer Experience**

Personalisation influenced loyalty a great deal, as 93.3% of the respondents found it important for the purchasing decision. It was due to personalisation in the offering and communication that brands appeared more relevant, reliable, and satisfying. This is backed by 76.5%, indicating that personalisation does influence their purchasing decision.

This research findings align with the cited literature whereby the cited studies emphasised personalisation as a strong predictor of brand loyalty. Studies like Tyrväinen et al. (2020), show that personalisation enhances emotional bonds, reflected in this chapter's finding that 93.3% rated personalisation as critical for purchasing decisions.

### **5.2.4 Overall Customer Experience Journey**

The end-to-end customer journey, ranging from pre-purchase to purchase and post-purchase stages, directly influenced the loyalty of the customers. Product discovery, an easy purchase process, and after-sales care were of high importance to the respondents, and 80.9% agreed that this journey had a great influence on their loyalty.

The findings in this section align with what was cited in the reviewed literature where the cited literature and the findings in this chapter where findings stress that an integrated customer journey impacts loyalty. The researcher references Poorrezaei et al. (2019) in the literature review, who found seamless journeys enhance loyalty, aligning with Chapter 5's finding that 80.9% of respondents viewed the journey as a major loyalty determinant.

### **5.2.5 Brand Loyalty**

Findings on brand loyalty indicated that 71% of respondents were extremely loyal to their current brands, and 93.8% intended to make purchases from the same brand. Brand loyalty was shaped to a great degree by positive experiences along the customer journey, with a total of 90.6% having switched brands in the past due to a poor experience. Moreover, 69.3% would not forgive brands for a bad experience, again showing how important

consistent quality was. Brand loyalty was also related to advocacy in that loyal customers were more likely to recommend one's favourite brands to others.

### **5.3 Conclusions**

Various conclusions may be drawn from the findings of this study, such as:

**Customer Service Delivery as Foundational Driver of Loyalty:** Efficient and reliable delivery services instil a strong foundation in positive customer experiences. Mistakes in delivery, whether that be delays or inaccuracies, directly decrease trust and loyalty, making the optimisation of logistics a critical component for brands targeting Millennials and Gen Z. These two generations are quite accustomed to rapid service in the digital age and will have little tolerance for inefficiencies.

**Customer Touchpoints as Trust Builders:** Consistent, responsive, and quality touchpoints not only fulfil immediate customer needs but also strengthen brand trust over time. Indeed, the study confirms that these touchpoints are "moments of truth" when the values and commitment a brand has towards customer satisfaction are put under scrutiny. Poor touchpoint experiences lead to reputational risks amplified by social media platforms where these demographics are highly active.

**The Transformative Power of Personalization:** Personalization creates a sense of uniqueness and emotional connection between the brand and the customer. Brands that leverage consumer data responsibly to craft tailored experiences achieve a competitive edge, particularly in competitive markets like Nairobi's technology and electronics sector. Respondents highlighted that personalisation makes them feel valued and understood, encouraging repeat interactions and loyalty.

**Holistic Customer Journey as Differentiator:** A seamless and positive journey across all stages- pre-purchase, purchase, and post-purchase-is critical to building loyalty. Without integrating online and offline touchpoints, there is a risk of customer loss. Conversely, a brand that would ensure continuity of experience through strong after-sales support, easy-to-use interfaces, and quick resolution of issues is likely to retain customers and increase business.

The Importance of Emotional Brand Attachment: Apart from functional elements, Millennials and Gen Z need to attach emotionally to brands. In most cases, this attachment contributes more to their loyalty than price competitiveness or product features. Taking into consideration values like environmental sustainability or social responsibility, the brand could create a deeper bond.

## **5.4 Recommendations**

### **5.4.1 For Business**

#### **i. Improve Last-Mile Delivery:**

Partner with local logistics providers to improve last-mile delivery. Integrate real-time tracking systems to ensure customers are always updated on the status of their respective deliveries.

Allow flexibility in choices of delivery, like offering pick-up points or same-day delivery, according to different customer preferences.

#### **ii. Ensure Transparent Communication Channels:**

Be transparent about any delay or failure in delivery and immediately update the customer on resolving the issue. They should deploy AI-enabled chatbots to respond instantly while allowing human escalation for complex issues

#### **iii. Enhance Customer Personalization Strategy:**

Design loyalty programs based on individual purchase histories and preferences. Integrate the use of AI and machine learning for predictive personalisation based on customer behaviour.

#### **iv. Increase the Emotional Quotient of Brands:**

Businesses should implement socially responsible practices and communicate them to resonate with the values of the Millennials and Gen Z. Engage consumers on social media platforms to drive community and brand advocacy.

#### **v. Invest in Omnichannel Experiences:**

Ensure a consistent brand, communication, and service on the e-commerce, in-store, and mobile app levels. Work with integrated CRM systems to manage customer data and interactions consistently.

#### **5.4.2 For The Policy Makers**

##### **i. Improve Consumer Data Protection Laws:**

Elaborate policies that guarantee the ethical use of consumer data, especially for personalisation, as well as force transparency in the way businesses process and store personal information.

##### **ii. Fair Trade Practices:**

Lay down standards to which e-commerce portals must adhere, ensuring reliability concerning delivery and quality of service.

Draft policies to stop predatory practices that are depreciating consumer trust, including false advertising.

#### **5.4.3 For Academic Institutions**

##### **Provide Training in Digital Marketing and Data Analytics:**

The schools should offer programs in customer experience management to equip the marketers and business leaders of the future.

They should also encourage research initiatives toward achieving a deeper understanding of emerging consumer behaviour in emerging markets like Kenya.

#### **5.5 Suggestions For Further Research**

**Segmented Generational Studies:** Further studies should extend the survey and research to engage comparisons among Millennials and Gen Z with that of older generations, like Baby Boomers and Generation X, in securing an understanding of generational nuances around brand loyalty.

**Role of Technologies:** Further studies should research the role of artificial intelligence, augmented reality, and blockchain-Investigate the role that new technologies will play in enhancing customer experiences and loyalty programs.

**Sectoral Comparison:** Understand the nature of customer experience and brand loyalty in various other industries, such as food delivery, health care, or fin-tech, for common patterns across sectors and sector-specific challenges.

**Gender and Cultural Influences:** Examine how gender and cultural values influence the perception of customer experience and brand loyalty in Kenya's diverse demographic landscape.

**The Impact of Social Media Trends:** Future researchers should study how trends such as influencer marketing or cancel culture have an effect on brand loyalty for Millennials and Gen Z in Kenya.

## **5.6 Limitations Of The Research**

- i. **Geographical Concentration:** This is a metropolitan county with higher internet penetration and disposable incomes compared to the countryside. Thus, the findings may be limited in their generalizability across other regions with differing socio-economic dynamics.
- ii. **Time Constraints:** The research provides a picture of a moment in time and cannot allow for changes in the long run in customer behaviour that may be influenced by other exogenous factors such as economic change or technological advancement.
- iii. **Qualitative Insights Limited:** In as much as quantitative data provided robust correlations, deeper qualitative methods such as focus groups or in-depth interviews could provide richer insights into consumer motivations and emotional connections with brands.

- iv. Potential for Response Bias: It can be expected that respondents may have given more socially desirable answers rather than accurate representations of their experiences and loyalty behaviours.
- v. Sectoral Scope: The scope is limited to consumer goods, technology, and electronics and thus cannot encompass wider consumer behavioural trends across other industries or product categories.
- vi. Overlapping Generations: While the focus was on Millennials and Gen Z, the study did not distinctly isolate the behaviours of younger Vs and older Millennials, which could mask intra-generational differences.
- vii. Time Constraints and Tediousness: The research study was very time-consuming, especially with regard to data collection. There was much effort needed to distribute and collect the responses, as the collection of a sufficiently random sample required many follow-ups and reminders.
- viii. Low Response Rates: It was quite a task to persuade respondents to fill out the questionnaires. Most of them were either reluctant or uninterested, which delayed achieving an ideal sample size to the extent that it was realised. This may have created a problem of selection bias, as those who responded were most likely to be highly involved with technology and electronics.

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## Appendices

### Appendix One Consent Form

**Research Title:** The Effect of Customer Experience on Brand Loyalty Among Millennials and Gen-Z Consumers: The Case of Technology and Electronics Consumer Goods in Kenya

**Researcher:** Victor Gituku Mwangi

#### **Introduction:**

I am conducting a research study to understand how customer experiences influence brand loyalty among millennials and Gen-Z consumers in Kenya. Your participation in this study is voluntary and confidential. The information you provide will be used solely for research purposes and will not be shared with any third party without your consent.

#### **Participation:**

By completing this questionnaire, you are consenting to participate in this research study. Your participation is voluntary, and you may withdraw at any time without penalty.

#### **Confidentiality:**

All information collected will be kept strictly confidential. Your identity will remain anonymous, and only aggregated data will be used for analysis and reporting.

#### **Data Usage:**

The data collected from this questionnaire will be used for academic research purposes only. It will be analysed to understand the relationship between customer experience and brand loyalty among millennials and Gen-Z consumers in Kenya.

#### **Consent:**

I have read and understood the information provided above. I voluntarily agree to participate in this research study.

Do you consent to take part in the form

- Yes
- No

**Thank you for your participation!**

## **Appendix Two Questionnaire: The Effect of Customer Experience on Brand Loyalty**

### **Section A: Demographic Information**

1. Age:
  - 18-24
  - 25-34
  - 35-44
2. Gender:
  - Male
  - Female
3. Occupation:
  - Student
  - Employed
  - Self-employed
  - Unemployed
4. Monthly income:
  - Below Ksh. 20,000
  - Ksh. 20,000 - 40,000
  - Ksh. 40,000 - 60,000
  - Above Ksh. 60,000
5. How often do you purchase technology or electronics products?
  - Less than once a year
  - Once a year
  - 2-3 times a year
  - More than 3 times a year

### **Section B: Customer Delivery Service Experience**

1. How satisfied are you with the user-friendliness of the mobile app you used to purchase your last technology or electronics product?
  - Not satisfied
  - Moderately satisfied
  - Satisfied

2. How satisfied are you with the speed of delivery of your last technology or electronics product from the brands you have interacted with?
  - Not satisfied
  - Moderately satisfied
  - Satisfied
  
3. How would you rate the overall delivery experience?
  - Poor
  - Below Average
  - Average
  - Good
  - Excellent
  
4. To what extent does the delivery service influence your decision to purchase from the same brand again?
  - It Influences My Decisions
  - It Does Not Influence
  - Moderately Influences

### **Section C: Customer Service Touchpoints**

1. How long did it take to get assistance when you contacted customer service for the last time regarding any issue you had?
  - 1-5 minutes
  - 5-10 minutes
  - 10-20 minutes
  - 20- 30 minutes
  - More than 30minutes
  
2. How satisfied were you with the helpfulness of the customer service representative?
  - Not satisfied
  - Moderately satisfied
  - Satisfied

3. To what extent did the customer service experience influence your overall satisfaction with the brand?
  - Did not
  - Slightly
  - Highlys
  - Extremely
  
4. Based on your customer service experience are you likely to recommend the brand or not (does this affect whether you will recommend it or not)?
  - Yes
  - No

**Section D: Personalized Experiences**

1. How important is it to you that a company knows your preferences and offers personalized recommendations?
  - Important
  - Very important
  - Not important
  
2. How satisfied are you with the level of personalization you receive from the brands you purchase from?
  - Not satisfied
  - Moderately satisfied
  - Satisfied
  
3. To what extent does personalization influence your decision to purchase from a particular brand?
  - It Influences My Decisions
  - It Does Not Influence
  - Moderartely Influences

**Section E: Overall Customer Experience Journey**

1. How satisfied are you with the overall experience of discovering and purchasing a technology or electronics product?
  - Not satisfied

- Moderately satisfied
  - Satisfied
2. How satisfied are you with the after-sales support provided by the brands you have interacted with?
- Not satisfied
  - Moderately satisfied
  - Satisfied
3. To what extent does your overall customer experience influence your loyalty to the brand?
- Does not
  - Moderately
  - Highly
4. How likely are you to recommend the brand to friends and family based on your overall experience?
- Likely
  - Not Likely

**Section F: Brand Loyalty**

1. How loyal are you to the brands you purchase technology or electronics products from?
- Very
  - Not Very
  - You Can Be Easily Swayed
2. Are you likely to repurchase from the same brand for your next technology or electronics purchase?
- Yes
  - No
3. Have you ever switched brands due to a negative experience?

- Yes
  - No
4. How important is brand reputation when making a purchase decision for technology or electronics?
- Very Important
  - Somewhat Important
  - Not Important
5. How often do you recommend your preferred technology or electronics brand to others?
- Very Often
  - Sometimes
  - Rarely
  - Never
6. How likely are you to forgive a brand after a negative experience?
- Very Likely
  - Somewhat Likely
  - Not Likely