DETERMINANTS OF CONSUMER PREFERENCE IN CHOICE OF PETROLEUM SERVICE OUTLETS IN NAIROBI

BY

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DECLARATION

I hereby declare that this research project is my original work and has not been presented for a degree in any other University.

Signed

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This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This project is dedicated first and foremost to the almighty God whose providence, grace and care I cherish.

To my children Brian Kakunu, Natalia Kavili and Blessings Ndanu .I know you will do exploits in your time!

ABSTRACT

The objectives of the study is to determine factors that influence patronage behavior in selecting a petroleum service outlet in Nairobi and the challenges of selecting a petroleum service outlet in Nairobi. Today's customers are unique and their needs are diverse. They have different tastes and preferences. In order to successfully market a product, the marketer must measure the factors that influence consumer preference, emphasize market segmentation through preferences and emphasise product positioning in order to meet consumer's need. The study helped to determine factors that influence patronage behavior in selecting a petroleum service outlet in Nairobi and determining the challenges of selecting a petroleum service outlet in Nairobi.

Sample sizes of 100 customers were selected for the study. The sample is justified by the homogeneity of the customers hence the researcher believed that the sample size is representative of the population given the homogeneity of the target population.

The results of the survey provided crucial feedback on customer's opinion about their preference of fuel station. Results showed that customers agreed with the fact that fuel station's quality of services was a top priority. Other factors of influence that were highly valued included the fuel station overall image and added services at the station e.g. windscreen cleaning, water, air etc. It was also observed that respondents agreed with the fact that fuel station's quality of services was the most important factor. Other factors of influence that scored highly in importance included the fuel station overall image, Prices of the fuel and other services offered and Management of the fuel station. On the other hand, the spouse influence, family/friends/colleagues influence and employer influence were viewed as the least important sources of influence towards fuel station preference.

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CHAPTER ONE: INTRODUCTION

1.1Background of the Study

According to (Shah, 2007), marketing concept philosophy states that marketers must first define the benefits the consumers seek and then gear marketing strategies accordingly. Marketing strategies primarily designed to influence and satisfy the consumers rely on a better knowledge of the consumer. By(Shah, 2007) analysing consumers" characteristics and decision making processes, marketers develop strategies to influence the choices consumers make. Consumer choice of fuel station has been of interest for decades. The existence of alternatives demands preference and choice of fuel stations based on the customers unique and diverse needs. Like all consumers of other products, the customer decision making process is influenced by both internal and external factors.These can be measured by the customer's choice of stations, services and the number of repeat visits or the level of awareness. Shah (2007) by measuring the factors that influence customer's preferences, (Angevine, 2011) fuel stations can develop marketing strategies that are responsive to customer's needs and wants thus gaining a competitive advantage.

The business environment is rapidly changing making it imperative for organizations to constantly adapt their activities in order to succeed (Ansof,1987). Economies have been liberalized leading to more new markets and new entrants. Competition has set in with firms aiming to increase, gain, or maintain their market share. The fast changing global business environment have led to more competition, increased choice for customers, lower prices, lower margins, replacement of tangible assets with information dramatically changing global structures, from independence to interdependence. Boundaries collapsing and market economies expanding (World economic outlook, 1997).

On the other hand consumers are faced with a variety of choices on where to buy goods as well as services. They are constantly being bombarded by discounts, other offers and have access to an ever widening range of competitive alternatives in nearly all shopping categories. Moreover, they have a growing number of shopping options including internet and even more recently, mobile shopping. As a result of the foregoing developments in the market, consumers are seeking the best offers and are highly skeptical about those who do not provide clear value for money. In fact, customers have become very choosy in terms of what they purchase, where they purchase and how they make their purchases (Davidson, 1988). (Kotler, 2006) echoes the same sentiment by his observation that consumers have become more educated and informed more than ever before and they have the tools to verify companies' claims and seek out superior alternatives.

In order to cope up with the competitive challenges, firms have undertaken various strategic measures. (Randall, 1994) observes that there is need to provide better quality price ratio (value for money). That marketers are now trying to maintain minimum quality standards, reduce overhead and keep the end price low. As consumers are bombarded with cheaper substitute products to choose from, they become aware of their tastes and preferences (Kotler and Keller, 2006). To win the consumers, businesses have to ride on a Unique Selling Proposition (USP) in order to stay ahead of the competitors (Hewett, 2002). According to Randall (1994), any brand, which succeeds over time, has something about it, which is better than its competitors. The advantage must be salient to consumers or to the trade, and can flow from the product itself or from other factors such as technology, production cost, consumer franchise and distribution among others. Companies have further employed sales representatives countywide who sell and market on day-to-day basis.

According to Shimp (2000), public relations are also an integral part of sales representatives' job since it is an organizational activity involved in fostering goodwill between a company and its public. Beyond covering new customers and making sales, today the professional way of handling customers is by building long-term relationships. According to Futrell (1999), companies build relationships by listening to their customers' needs and organizing the company efforts to solve customer problem.

Other response strategies that firms have had to seek to counter these imperative changes include: re-engineering, restructuring and innovation in an effort to focus on providing quality and variety to the more discerning consumer. According to Charles and Gareth (1998), most firms are now focusing on quality, variety, differentiation, understanding the customer by way of marketing and investing in technology among others.

1.1.1 The Concept of Consumer Preference

Attitudes are global or overall evaluative judgments. Companies are interested in knowing about consumers attitudes toward their products because attitudes influence consumers' purchase and consumption intentions. Although a consumer may have a favorable attitude toward a product, it does not necessarily translate into purchase behavior. This is because liking one product does not preclude the possibility that another product is liked even more. For this reason attitudes are sometimes measured in form of preferences. Preferences represent attitude toward one object in relation to another. (Blackwell et al, 2006).

The term "'preferences" can be used in a variety ways. One could interpret the term "preference" to mean evaluative judgment in the sense of liking or disliking an object. When a person likes one of the altematives more than the other, he has developed preference for the one liked and is more likely to choose it. Preference is also used primarily to mean an option that has the greatest value among a number of options (Blackwell, 2006). This refers to a choice between altematives and the possibility of rank ordering of these altematives, based on the degree of happiness, satisfaction, gratification, enjoyment, or utility they provide.Preference tends to indicate choice.

Choice is created and modified through a decision making process. Busch and Houston (1985) identified six stages involved in the consumer decision process, namely: problem recognition, internal search, external search, information receipt, decision and post decision. Katz, et al (1978) employed the uses of gratifications model to explain media exposure. They developed a paradigm which is concemed with the social and psychological origin of needs, which generate expectationsof the information sources, which lead to differential pattems of exposureor engagement in other activties, resulting in need gratifications and other consequences, perhaps mostly unintenced.

The decision involved in the development of preference for and choice of an object will vary depending on the complexity of the needs and the alternative means of satisfying them. It may be routine, limited or extensive one. Regardless of the form of decision making, several factors influence the process and even the decision. Kotler et al, (2004) argues that consumers are influenced by psychological characteristics, personal situation, social forces, environmental influences and marketing programs. These influences are diverse and multifaceted, and interact to varying degrees on the decision that each individual eventually makes.

Consumers are involved with decision to determine where to purchase a selected product or service. This is a very important decision, which interacts thoroughly with that of what to buy. Not all sales outlets are alike, and consumers have options concerning location (downtown or sub-urban stores), services offered (high versus low), among others. Consumers must therefore decide not only on the general type of store to purchase from but also determine the particular outlet (Loudon, et al, 1979). Assessing the preferences of users is a critical component in any decision support or recommender system: the ability to tailor recommendations to the needs and desires of a particular user is indeed a hallmark of intelligent decision support. The main reason lies in policy evaluation. If individuals have preferences, then policies and institutions can be evaluated in terms of preferences over the outcomes. Consumer preference can be determined by observing his or her choice behavior.

Consumer preference is used primarily to mean an option that has the greatest anticipated value among a number of options. This is an economic definition and does not tap into 'wishes' or 'dreams' (for e.g. that safe drinking water was free, that there should be world peace) but for all practical purposes is an appropriate definition. Preference and acceptance can in certain circumstances mean the same thing but it is useful to keep the distinction in mind with preference tending to indicate choices among neutral or more valued options with acceptance indicating a willingness to tolerate the status quo or some less desirable option (Aaker, 1991).

The customers are very important and play a crucial role in any process of marketing. Today, customers are the kings of the market because the customer loyalty and customer preference are built by the products and the services offered to the customers and they seek for the more benefits and money's worth for the amount they spend. That is where the concept of customer preference and consumer behavior comes. Customers make the marketers to rethink about designing the products and services. They have to think about the market segmentation, market strategies, consumer behavior, consumer's tastes, consumer's lifestyle etc also. Many marketers are smart enough to understand consumers' needs, wants and demands and perform beyond their expectations i.e. they delight them. It provides them growth, profitability and creativity with lot of inventions (Shah, 2007).

1.1.2 Outlet Selection

A service outlet is chosen based on the self-confidence that the customer has regarding the outlet .About the nature, quality of product and service he or she would receive. A personal consumer buys goods and services for his or her own use. Products are bought for final use by individual end users .Buying motives may be classified into to two (i) Product motives (ii) Patronage motives. Patronage of any service outlet is largely determined by the tastes and preference of the customer as earlier mentioned. It is for this reason that the researcher deems it important to determine the consumer preferences in choice of service outlets in Nairobi, a case of Petroleum industry in Kenya.

Consumer choice is very important in marketing of a given product and must be taken into account for any business to succeed. According to Aaker (1991), consumers are different to a brand and they in fact, buy with respect to the features, price, and convenience with little concern to the brand name. There is likely little equity. If on the other hand they continue to purchase the brand even in the face of the competitor with superior features, prices, and convenience, then substantial value exists in the brands and perhaps in its symbol or slogans.

According Fredrick (1990) making the product available at all times so that the customer has a choice is one of the very important marketing strategies a manufacturer can use and can help achieve a unique competitive advantage. To provide satisfaction effectively to the consumers, marketers must understand how all their marketing activities are perceived, because perceptions greatly influence consumer choice of a product or service.

1.1.3 An Overview of Kenya's Petroleum Industry

The History of the Oil Industry can be traced to Pennsylvania, USA with the establishment of the Standard Oil Company by John D Rockefeller in 1870 whose key business was the refining, distribution, and transportation of Oil throughout America. In Kenya, the first Multinational Oil Company Shell, is thought to have started its operations in 1900 with its establishment at the port town of Mombasa. Kenya Shell started off as a kerosene and petrol distributor (Ndolo, 2008).

The Oil industry has three levels: Upstream, Midstream, and Downstream levels which encompass the main segments in the supply chain. The Upstream level involves the exploration, and production of crude oil; it ends at the point where the crude product is delivered to an export terminal in the country of production. Midstream level includes the transportation and trading of crude oil to refineries. The Downstream level refers to the refining of crude oil into finished products, the storage of crude oil, the distribution and marketing of finished products to retail service stations or to commercial customers' site. The Oil industry in Kenya is basically at the downstream level (Munyao, 2008).

There are three major distinct players in the oil industry in Kenya. Kenya

Petroleum Refineries Ltd (KPRL) who are involved in the refining business. Kenya Pipeline Company (KPC) who undertakes the storage and transportation of petroleum products from their Mombasa terminal to the various depots within the country. (Mumo, 2006) The government through the Ministry of Energy lays down the policy guidelines. The Energy Act has established an Energy Regulatory Commission (ERC) that regulates the importation, exportation, transportation, refining, storage and sale of petroleum products.

The ERC is charged with the responsibility of ensuring the implementation and observance of the principles of fair competition within the industry (Munyao, 2008). The oil industry is divided into four major marketing fronts namely retail, commercial, aviation and liquefied petroleum gas. Retail focuses on marketing products to motorists at filling stations strategically located by the roadside. The Commercial arm of marketing is concerned with selling of fuel products to large consumers mainly in the construction and manufacturing sectors. Aviation business is involved with sale of aviation fuels to airlines. LPG section is involved in sale of liquefied petroleum gas.

Liquefied petroleum gas is marketed in bulk for commercial uses or smaller cylinders for domestic use (Mwangi, 2008). Oil marketers operate in an oligopolistic market structure characterized by strong mutual independence, homogeneous petroleum products and high capital entry requirements (Ndolo, 2008). The oil industry in Kenya was liberalized in October 1994, whereupon an influx of new entrants into the market was experienced. As of May 2003, the new entrants included international affiliates such as Engen. As at end of 2004 new entrants licensed to import crude oil included locally owned companies such as National Oil, Dalbit, Galana, Global, Hass, and Triton, which has since collapsed.

There are estimated 40 oil marketing companies operating in Kenya. The dominant ones, who have a national presence, control more than 80% of the market share. These include Total Kenya with a 27.5% market share, KenolKobil 19.4%, Kenya Shell 16.1%, Libya Oil 11.7%, Gapco 6.3%, National Oil 4.1%, Hashi Energy 2.2%, Galana Oil 1.8% (PIEA, Petroleum Insight Magazine January – June 2010)

The majors in the oil Industry in Kenya are today faced with the proliferation of new entrants, the independent oil companies, most of who are known more for their unethical push for profits than observing business ethics. This has resulted to increased competition and has consequently lowered the performance of companies in oil industry. The Multinationals cite falling margins and uneven playing field as occasioning their divestment. Moreover, oil marketing and distribution is no longer a lucrative business because demand has outstripped supply. Several Kenyan oil marketers have made a conscious decision to divest their downstream business and concentrate their efforts in the upstream and profitable markets in Asia and China.

Petroleum is a major source of commercial energy in the country, accounting for about 80% of the commercial energy requirements. In spite of the important role played by the large oil companies exiting the country, not much seems to have been done to date. For instance a study by Kinuu (2007) on management of strategic change at Tamoil Kenya, found that organization change at Tamoil was characterized by a lack of clarity on the future state of the organization, an overemphasis on changes to structures, simultaneous introduction of relatively many change programs and mild resistance. Similar to this study is the fact that change management can come in form of divestment.

Munyao (2008) in his study on the application of Value Chain in developing competitive advantage at Kenya Petroleum Refineries Ltd described the systems, processes and structures that support value chain in terms of both primary and support activities at KPRL. Moreover, significant value is lost or not enhanced by operations and technology related activities. Another study by Mwangi (2008) on the relationship between competitive strategies and performance of independent oil companies in Kenya, recommended that independent oil companies set out medium and longer term competitive strategies more in line with the established major oil companies and that they should consistently adopt competitive strategies to improve performance.

1.2 Problem Statement

The oil industry landscape in Kenya is dynamic with rapid withdrawals and entry by smaller local operators. In October 2000, Agip sold its local interests to Shell Kenya. In a press release (Daily nation, 2006) Exxon Mobil, the parent company of Mobil Oil made known its strategic decision to exit the Kenyan market, it sold its local interest to Tamoil Kenya Ltd, the parent company of Libya Oil Kenya Ltd. In 2007 British Petroleum, BP Africa exited the Kenyan market and sold its shares to Kenya Shell. In 2008, Chevron announced its intentions to exit Kenya and other East and Southern African markets, it sold its local interest to Total Marketing. In April 2010, Shell announced its intention to exit Kenya and other nineteen African Markets.

The cost and benefits of the behavioral offering are often referred to as the price of a behavior. It is important to know that the price is the net balance of costs and benefits. If it costs more than it benefits a customer to do a behavior then the behavior is less likely to be performed. Costs and benefits are not merely measured by quantity either. Often a single benefit can be weighted so heavily in the customer's mind that it can make up for a multitude of lower weighted costs. Andreasen (1995) provides a detailed explanation of how to comprehensively measure benefits and costs. Consumer behavior in the choice fuel station are predominantly focused at the macro or National level (Sexauer 1971, Liason 1998, Nayga and Capps 1992) It is commonly agreed that micro level data enhances the understanding of the consumer behavior compared to micro or national level data.

During the past decade, the petroleum service sector has undergone drastic changes, resulting in a market place which is characterized by intense competition, little growth in primary demand. Oil marketers are forced to find new basis for competition and they have to improve the quality of their own products/ services. In order to increase customer loyalty, many oil marketing companies have introduced innovative products and services (V-power, Low sulphur diesel, Un-leaded extra and Loyalty cards). Marketing success requires understanding and frequently monitoring the success to the long-range profitability and ultimate survival of the industry players. This can be done by ensuring that customers develop patronage to the service outlets in order for them to repeat the purchase.

Today's customers are unique and their needs are diverse. They have different tastes and preferences. In order to successfully market a product, the marketer must measure the factors that influence consumer preference, emphasize market segmentation through preferences and emphasise product positioning in order to meet consumer's need (Muriuki, 2003).The urban customer especially in Nairobi has an abundance of petroleum stations and to offer a mutual fulfillment is critical component (Maibach, Rothschild, and Novelli, 1995).

The research problem is therefore to develop a better understanding to the determinants of consumer preference in the choice of petroleum service outlets in Nairobi.

1.3 Objectives of the Study

Below are the objectives of this study. They have been classified as the general objectives and specific objectives:-

(a) General Objectives

The general objective is to find out the determinants of consumer preference in the choice of petroleum service outlets in Nairobi.

(b) Specific Objectives

i. To determine factors that influence patronage behavior in selecting a petroleum service outlet in Nairobi.

ii. To determine the challenges of selecting a petroleum service outlet in Nairobi.

1.4 Significance of the Study

The study findings will provide useful and pertinent information to outlet managers and thus enable them to device marketing strategies that would win customers' minds, various scholars can also conduct a study to verify the study's findings. The study therefore forms a basis for conducting further research. The findings of the study are thus useful to the policy makers in the management of finger millet in addressing the existing problem of de-utilization of finger millet potential in the country .This will help them assess the potential loss of earnings arising from the barriers of the value chain. These will help them to be more economical and efficient in the service delivery. Potential investors who are keen in establishing petroleum service outlets will find the information useful in making sound decisions on their investments. The study will provide additional information to the body of literature in the field of customer choice selection. It will also provide further knowledge in the field of marketing arrangements.

For the scholars, the study will provide additional information to the body of literature in the field of customer outlet choice, as it will show the shortfalls in the customer royalty to petroleum outlet selection and the outcome of the shortfalls of having inappropriate customer royalty systems as well as the importance of customer royalty systems in the Oil marketing industry.

For the other similar organizations for example the ministry of Energy, the study shall offer a basis for further development of the knowledge on the customer outlet preference in Kenya and the role of various stakeholders in regulating the Oil marketers for vibrant economic growth. The study hence seeks also to outline key policy issues that should be considered by the government and stakeholders in promulgating a framework for the sustainable development.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Consumer preference is defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. The permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer. Preference is independent of income and prices. Ability to purchase goods does not determine consumer's like or dislike. Consumer's objective is to allocate income between goods X and Y so that they can have the greatest utility.

This section illustrates local and foreign studies done in respect to consumer choice preference. Previous studies on outlet selection focused on other sectors rather than the petroleum industry (Shah, 2007, Bell, 1998, Sven et al 2007). There have, however, been quite a number of studies on the petroleum industry even though they did not focus on the determinants of outlet selection (Mungai, 2007; Mumo, 2006; Mungai, 2006). Only one study by Marami (2006) focused on the factors that determine brand loyalty in the petroleum industry. This is quite connected to the topic of this study but outlet selection is determined by a number of factors other than brand loyalty.

2.2 Consumer Behaviour

Consumer behaviour is defined as the behaviour that consumers display in searching for purchasing , using , evaluatingand disposing of products and services that the consumers expect will satify their needs . Consumer behaviour focuses on how individuals make decision to spend their available resources (time, money, effort) on consumption related item. Personal consumer buys goods and services for his or her own use.Marketing theory suggests that understanding consumer behaviour is the first step inidentifying those stimuli that affect the decision-making process. Solomon et al (2010),defines consumer behaviour as the study of the processes involved when individuals or groups select, purchase, use or dispose of products services ideas or experiences to satisfy needs and desires. It is therefore concerned with how individuals make their decisions to spend their available resources like time, money and effort on consumption related items. It includes of what they want to buy , why they want to buy it, when they buy it, where they buy it and how often they buy. Consumer behavior provides a conceptual framework for carrying out consumer segmentation (Schiffman and Kanuk, 2009). By analyzing consumers' characteristics and decision processes, marketers develop strategies to influence the choices consumers make and thus gaining a competitive advantage in the market place.

2.3 The Concept of Consumer Choice

Consumer choice is very important in marketing of a given product and must be taken into account for any business to succeed. According to Aaker (1991), consumers are indifferent to a brand and they in fact, buy with respect to the features, price and convenience with little concern to the brand name. There is likely little equity. If on the other hand they continue to purchase the brand even in the face of the competitor with superior features, prices and convenience, then substantial value exists in the brands and perhaps in its symbol or slogans.

Fredrick (1990) states that making the product available at all times so that the customer has a choice is one of the very important marketing strategies a manufacturer can use and can help achieve unique competitive advantage. To provide satisfaction effectively to the consumers, marketers must understand how all their marketing activities are perceived because perceptions greatly influence consumer choice of a product or service.

2.4 Consumer Decision Making Process

When a person has a choice between fueling in petrol station A or B, or making a purchase or not making a purchase, that person is in a position to make a decision. Thus if there is almost always a choice, then there is always almost an opportunity for consumers to make decisions (Schiffman and Kanuk, 2009). Consumer decision making is a process that follows certain steps as discussed below. Consumers may skip or minimize one or more steps in the decision making process depending on thelevel of involvement, the personal, social and economic significance of the decision.

The starting point of a purchase decision is customer need or problem recognition. It occurs whenever we see a significant difference between our current state of affairs and some desired or ideal state (Solomon et al 2010). We realize that to get from here to there we need to solve a problem which may be large or small simple or complex. Once a problem has been recognized. consumers need adequate information to resolve it. Consumers thus proceed to the second stage which is information search. It is the process by which the consumers survey the environment for appropriate data to make reasonable decision. The search can either be internal or external. (Blackwell, 2006).

The third stage of the consumer decision process is evaluating alternative options identified during the search process. In this stage, consumers seek to answer questions such as "what are my options?" and '"which is best?" Different consumers employ different evaluative criteria based on individual and environmental influences to compare different products and brands. It is at this stage that preference is formed and thereafter decision is reached at but it may be influenced by the attitude of others and unanticipated situational factors. The post decision stage follows where a consumer will experience some level of satisfaction or dissatisfaction. The choice of a petroleum station does not exhibit a different consumer decision making process. The customer identifies the need which could be to either get entertained, informed or even inspired. Information is sought internally or externally and altematives of different petroleum stations are then evaluated based on their attributes and the specific need of the customer. Preferences are formed and petroleum station is chosen for customership. Post decision behaviour follows which is influenced by a customer's satisfaction or dissatisfaction.

2.5 Levels of Consumer Decision Making

The decision involved in the develepment of preference for and choice of an object willvary depending on the complexity of the needs and the alternative means of satisfying them. When the decision process is especially detailed and rigorous, extended problem solving then occurs. For instance when the consumer is faced with the problem of whether to buy a new car or to send the old car for repair - regardless of the particular situation - the conflict may be considerable. Consumers are open to information from various sources and are motivated to undertake the effort required in making "the right choice". The process of analysis and reflection however does not cease after purchase and use (Blackwell, 2009).

On the other hand limited problem solving occurs when the decision is more straightforward and simple. In this case the consumer is not nearly as motivated to search for information or to evaluate each alternative rigorously. Instead the consumer uses simple decision rules to choose among alternatives (Solomon et al 2010). In most situations consumers have neither the time, the resources, nor the motivation to engage in extensive problem solving. For example, the decision to fuel either at Total petroleum or Shell petroleum is a limited conflict situation. This is because the customer is not under any obligation to fuel from any particular station. He is on his own and, therefore, decides whether to fuel from station 'A' or station "B" depending on his perceived instrumentality. This implies that any station that offers low prices and added services, other things being equal, is more likely to have more customers. The above mentioned problem solving modes involve some degree of information search and deliberation. On the other hand decision making choices are made with little or no conscious effort. (Solomon, 2010). At this level consumers have experience with the product category and a well established set of criteria with which to evaluate brands they are considering. In some situation they may search for a small amount of additional information; in others they simply review what they already know (Schiffman and Kanuk 2009).

2.6 Factors that Influence the Decision Making Process

Human choice behavior is a complex and dynamic process. A consumer buying behavioris influenced by many factors. These may include cultural, social, personal and psychological ones (Kotler ,2003). Cultural factors include culture, subculture, and social class. Culture is the most determinant factor of a person's wants and behavior. Preferences, values, perceptions and behavior are acquired through a person's family and other key institutions. Each culture consists of smaller subcultures that provide more specific identification and socialization for their members. Subcultures include nationalities, religions racial groups and geographic regions. Social classes are divisions within the society that are composed of individuals sharing similar values, interests and behavior. Social economic status differences may lead to differing forms of consumer behavior.

In addition to cultural factors a consumer's behavior is influenced by such social factors as reference groups, family and social roles and statuses. A person's reference group consists of all groups that have a direct or indirect influence on the person's attitudes orbehavior (Kotler, 2003). As consumers our behavior is often affected by those with whom we closely associate. This is referred to as personal influence. Consumers often respond to perceived pressure to conform to the norms and the expectations provided by others - seeking and taking their counsel on buying choices, observing what others are doing, as information about consumption choices and comparing their decisions to those of others (Blackwell 2006). Another important social factor is the family. Its members constitute the most influential primary reference group. It is the primary decision making unit with a complex and varying partem of roles and functions (Kotler 2003). The third social factors are an individual's position in each group can be defined in terms of roles and statuses. People choose products that communicate roles and stafuses in society.

A buyer's decisions are also influenced by personal characteristics. They include the buyer's age and stage in life cycle. Tastes and preference, Consumption is shaped by family life cycle. Different lifecycles have different financial situations and different product and services interests. Occupation and economic circumstances is another category of personal factors that influences a person's consumption (Kotler, 2003). Product choice is greatly affected by economic circumstances: spendable income (level, stability and time partem) savings and assets debts, borrowing power and attitude towards borrowing and saving. Lifestyle is also another personal characteristic that influences a buyer's decision. People from the same subculture. social class and occupation may lead quite different lifestyle. A lifestyle is a person's pattern of living in the world as expressed in activities interests and opinions. Lifestyles portray the"whole person" interacting with his or her environment.

In addition to the above mentioned factors, (Kotler, 2003) suggested personality and self-concept also influences decision making. Each person has a distinct personality that influences his decision making. Strong correlation exists between certain personality types and products and or brand choices. Self concept, others self concept or ideal concept also influences decision making.

People's choices are also infiuenced by four major psychological factors – motivation,perception, learning, beliefs and attitudes. Kanuk (2009) defines motivation as the driving force within individuals that impels them to action. This driving force is produced by state of tension which exists as a result of unfulfilled need. Every individual has needs. Some are innate and others are acquired. The satisfiers of these needs will make a major difference as to which brands or services a consumer chooses or prefers. A motivated person is ready to act. How the motivated person actually acts is influenced by his or her perception of the situation. People have different perceptions of the same object and which also influences the choices and preferences that they make for products and services. The third psychological factor is learning. When people act they learn. Learning involves changes in an individual behavior arising from experience. Most human behavior including choice and preferences of products and services is learned. Through doing and learning, people acquire beliefs and attitudes. These are the fourth psychological factors that influence buying behavior. These beliefs make up product and brand images and people act on their images. Just as important as beliefs are attitudes. Attitudes lead people to behave in a fairly consistent way toward similar objects. Depending on the attitudes towards each of the brand, the consumer forms preferences.

This may then lead to a brand, vendor, quantity, timing and payment method decisions (Kotler. 2005).Consumer decision making is also influenced by situational influences such as social and physical surroundings. Temporal effect such as time of the day and the amount of time available and antecedent states which includes consumer's mood when a decision is being made. Marketing communication programs such as advertising, promotion, public relations publicity and direct marketing are used by marketers to reinforce choice and preference decisions of a consumer.

2.7 Attributes Affecting Retail Outlet Selection

Selecting a retail outlet involves the same process as selecting a brand that is, the consumer recognizes a problem that requires outlet selection, engages in internal and possibly external search, evaluates the relevant alternatives, and applies a decision rule to make a selection.

Retail outlet selection involves comparison of the alternative outlets on consumer evaluative criteria, Outlet image, Retailer brands, Retail advertising, Outlet location and size. Studies show that price is frequently not the primary reason for selecting a particular outlet.

2.8 Chapter Summary

Just like consumers of other products and services, the customer is influenced by the above discussed factors in making choices and preference for fuel stations. Some specific factors that influence customers' decision making include: customers' needs, Price, Promotions .Petroleum Station loyalty is a factor that influences fuel station's choice. Goodhardt et al., (1987) defines channel loyalty as the extent to which customers tend to visit stations from one company rather than distributing their visits equally among different companies. Investigations of overall fuelling patterns have found that customers tend to be loyal to specific company and stations (e.g., Webster & Washklag, 1983; Zubayr, 1999), have come up with mixed results on the importance of content to customers' choices. It has generally been assumed that customers' loyalty to any single company decreases with the availability of less stations.

Despite the large number of stations, customers tend to limit their choices to a rather small number of stations ((Neuendorf, Jefferes, & Atkin, 1999). If company succeed in appealing to the tastes of specific groups, this implies that a customer fuelling a car on a given company is more likely to visit other stations of the same company.When making product choices, consumers are influenced by the preferences of other consumers, such as family members, friends, neighbors, and colleagues. Assael et al (2006) notes that wives' fuel station choice behavior depends more strongly on their husbands' fuel station choice behavior than husbands' fuel station choice behavior depends on their wives' fuel station choice behavior. There exist significant differences in parameter estimates of dependence across categories of fuel stations. Differences in levels of spousal interdependence across households are partially explained by the age and the education level of the spouses.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods that were used in collection of data pertinent in answering the research questions. It is divided into theoretical framework, research design, and target population, description of research instruments, description of the sample and sampling procedures, description of the data collection procedures and description of data analysis procedures.

3.2 Research Design

The study is modeled on a descriptive design. The study is concerned with the determinants of consumer preference in choice of petroleum service outlets in Nairobi. According to Cooper and Emory (1995), a descriptive study is used to learn the, what, who, where and how of a phenomenon which is the focus of the proposed study.

3.3 Population

The population of interest in this study consisted of the individual fuel consumer of petroleum products in Nairobi.

3.4 Sample Design

Sample sizes of 100 customers were selected for the study. The sample is justified by the homogeneity of the customers hence the researcher believes that the sample size is representative of the population given the homogeneity of the target population. In order to investigate the determinants of customers' preference in choice of petroleum service outlets, stratification sampling was used. Within this method, Nairobi will be divided into eight stratums i.e. Central, Dagoretti, Embakasi, Kasarani, Kibera, Makadara, Pumwani and Westlands. These are the main administrative divisions of

Nairobi. Bases will be sex, age and the period the customer has been buying from the outlet. Equal numbers of male and female respondents, and different age groups, will be interviewed.

The table below indicates the number of *branded company* owned and *independent owned* service stations in Kenya. The branded company owned stations are 60% while independent service stations account for 40%. The percentage is a reflection of number of outlets but not necessary the total volume sold through either category as volume per station varies from outlet to outlet. Excluded from the statistics are stations that have not been operational since January 2007.

Province	Independent	Branded Company	Total
Nairobi	74	217	291

*** Source SGS 2010*

3.5 Data Collection

The study used primary data. Which was collected through a structured questionnaire (see Appendix 1) to obtain information regarding the specific topic .Primary data is first time data which is original and collected for a certain study or purpose (Kothari, 2004). It plays an important role in an evaluation by providing information useful to understanding the processes behind observed results and assessing changes in people's perceptions (Churchill & Lacobucci, 2005). The questionnaire was divided into three parts. The first part of the questionnaire contained questions on the demographic profile of the respondents. The second part of the questionnaire contained questions on the determinants of consumer preferences on the choice of service outlet. The third part will contain questions on which of the identified determinants are more important.

The data collected will be qualitative and quantitative in nature. The researcher with a help of two research assistants were briefed on the survey subject, administered questionnaires to the fuel station customers' in the eight strata's. The customers were selected in a simple random method. The questionnaires were administered while the consumers were being served by the station attendant.

3.6 Data Analysis

Data was analyzed using descriptive statistics using computer software SPSS version 18 and Microsoft excel 2003. Data in part A was analyzed using frequencies and percentages to summarize the demographic profiles of the respondents. Data in part B and C was also analyzed using mean scores, standard deviation, frequencies, and percentages. The mean is useful in showing the arithmetic average value characterizing a set of numbers. Standard deviation shows how much variation or "dispersion" there is from the mean or expected value

CHAPTER FOUR: DATA ANALYSIS

4.0 Introduction

Qualitative data was collected by use of a questionnaire. The number of respondents who participated in this survey totaled to 100. Descriptive analysis was carried out by using the Statistical Package for Social Scientists (SPSS version 18) software. This was essential in establishing the demographic profile of the sample.

Table 1: Response rate

Response	Frequency	Percentage
Complete response	95	95
Incomplete response	5	5
Total	100	100

Each of the respondents attempted to respond to the issued questionnaire. However, five respondents did not fully complete the questionnaire. In factor analysis only complete questionnaires were analyzed.

4.1 Respondents Profile

Table 2 provides the sample composition, provided by the frequency distribution of the sub-groups, as well as the relative percentages of each. Gender composition was represented by 95 (95%) males and 5 females (5%). Distribution by age showed that, those over 40 years of age comprised the highest percentage (50%). On the other hand, distribution by education levels among the respondents showed that the highest percentage of the survey respondents had secondary education (55%). Majority of the respondents were self-employed (70%).

Table 2: Characteristics of the survey respondents

Respondents	*Frequency*	*%*
Age		
21-30	30	30
31-40	20	20
Over 40	50	50
Gender		
Male	95	95
Female	5	5
Education Level		
Primary	20	20
Secondary	55	55
University/college	25	25
Employment		
Permanent employment	10	10
Casual employee	20	20
Self employed	70	70
Do you own a car		
Yes	80	80
No	20	20
Hours driven in day		
2-3	5	5
More than 3	95	95

Majority of the respondents (80%) reported to own a car while 20% did not. Most of the Respondents (95%) reported to have been driving for more than 3 hours in a day while none of them drove for less than 2 hours in a day.

4.2 Preference of Consumer Choice

Shell fuel stations were the most preferred with 45% of the respondents, as shown in table 3, kenolkobil was the second in preference.

Table 3: Most favorite fuel station in Nairobi

Fuel station	Frequency	Percentage
Shell	27	45
Total	12	20
KenolKobil	21	35

Most of the respondents (35%) said that their current petroleum outlet has been their favourite for the last 6-9 years while a few (15%) for the last 3-5 years.

Table 4: Number of years with the favorite fuel station

Years	Frequency	Percent
Less than 3 years	20	20
3-5 years	15	15
6-9 years	35	35
More than 10 years	30	30

The main reasons given for the choice of a fuel station by the respondents included good services-45%, quality of fuel-35%, discounts offered-25% and location of the fuel station at 5%.

Table 5: Reasons for choice of fuel station

Reason	Frequency	percentage
Good services	45	45
Location	5	5
Quality fuel	35	35
Offer discounts	25	25

In an effort to provide a sense of comparisons, analyses have been made across marital status and form of employment. It is observed that some interpretive commentary has also been included in order to clarify or add meaningful context to the reported responses. This approach to reporting the findings is designed to provide the reader the essence of the findings in a handy and comprehensible format.

Preference of consumer choice was assessed using fifteen survey statements. The questions utilized a 5-point scale, with each item measured by two opposing positive and negative scales, and neutral scale. These were labeled as follows: "very small extent, small extent, moderate extent, large extent, and very large extent". Preference, based on mean scores, was defined in terms of the extent to which their expectations have been met. The optimal score of 5.00 points means that the customers are very influenced by the factor in their preference of choice of fuel station.

The preference was above average at 67.4%, where the respondents agreed with the fact that fuel station's quality of services was a top priority at the highest score of 95.4%. Other factors of influence that scored highly included the fuel station overall image and added services at the station e.g. windscreen cleaning, water, air etc., with scores of 90.8% and 83%. On the other hand, the spouse influence, family/friends/colleagues influence and employer influence were viewed as the least sources of influence towards fuel station preference with the lowest scores of 33.8%, 40% and %38.4%, respectively.

Table 6: Preference of consumer choice

Factor considered	Average score	Percentage score
Fuel station overall image	1.69	33.80%
Location of the station	1.92	38.40%
Management of the fuel station	2.00	40%
Fuel station marketing programs e.g. advertisement, promotions, public relations	2.08	41.60%
Reception at the station	3.31	66.20%
Fuel station history/heritage	3.46	69.20%
Quality of the services	3.46	69.20%
Mode of payments	3.69	73.80%
Discounts	3.77	75.40%
Fuel station coverage/branches	3.85	77%
Spouse influence	3.85	77%
Employer influence	4	80%
Family/friends/collegues influence	4.15	83%
Added services at the station eg. windscreen cleaning, water, air etc	4.54	90.80%
Prices of the fuel and other services offered	4.77	95.40%
Mean score	**3.36**	**67.39%**

Across the marital status and employment, preference of consumer choice received low rating from unmarried and casual employees.

Table 7: Preference of consumer choice (By marital status and employment)

	Marital status		Employment			
	Married	Unmarried	Permanent	Casual	Self	Total
Fuel station overall image	4.25	5.00	5.00	4.33	4.56	4.54
Fuel station history/heritage	3.00	4.20	1.00	4.67	3.33	3.46
Quality of the services	4.63	5.00	5.00	4.67	4.78	4.77
Fuel station coverage/branche s	2.88	5.00	5.00	4.00	3.44	3.69
Location of the station	4.00	3.40	1.00	3.67	4.11	3.77
Added services at the station eg. windscreen cleaning, water, air etc	4.38	3.80	5.00	3.67	4.22	4.15
Fuel station marketing programs e.g. advertisement, promotins, public relations	3.75	2.60	5.00	2.33	3.44	3.31
Family/friends/co llegues influence	2.63	1.00	1.00	2.33	2.00	2.00
Spouse influence	2.13	0.00	1.00	2.33	1.56	2.13
Reception at the station	4.13	3.40	5.00	3.00	4.00	3.85
Employer influence	2.50	1.00	1.00	2.33	1.89	1.92
Management of the fuel station	3.88	4.20	5.00	4.33	3.78	4.00
Prices of the fuel and other services offered	3.63	4.20	5.00	4.33	3.56	3.85
Mode of payments	2.25	1.80	1.00	1.33	2.44	2.08
Discounts	3.50	3.40	5.00	2.67	3.56	3.46
Mean	**3.44**	**3.27**	**3.40**	**3.33**	**3.38**	**3.37**

The above determiners of preference of consumer choice were weighed on the bases of their importance by asking the respondents to assess their importance using a five point llikert scale. The scale had two opposing negative and positive options on importance and a neutral option ranging from, not at all important-1, through neither important nor unimportant-3 to most important-5.

The importance was above average at 72.8%, where the respondents agreed with the fact that fuel station's quality of services was the most important factor with the highest score of 97%. Other factors of influence that scored highly in importance included the fuel station overall image-89.2%, Prices of the fuel and other services offered-93.8% and Management of the fuel station-87.6%. On the other hand, the spouse influence-30.8%, family/friends/colleagues influence-37% and employer influence-30.8% were viewed as the least important sources of influence towards fuel station preference.

Table 8: Importance of factors that influence consumer choice

Factor Considered	Frequency	Percentage
Location of the station	1.54	30.80%
Family/friends/colleagues influence	1.54	30.80%
Fuel station coverage/branches	1.85	37.00%
Reception at the station	3.54	70.80%
Management of the fuel station	3.85	77.00%
Fuel station history/heritage	4.00	80.00%
Fuel station marketing programs e.g. advertisement, promotions, public relations	4.08	81.60%
Added services at the station eg. windscreen cleaning, water, air etc	4.23	84.60%
Prices of the fuel and other services offered	4.38	87.60%
Spouse influence	4.38	87.60%
Quality of the services	4.46	89.20%
Employer influence	4.69	93.80%
Fuel station overall image	4.85	97.00%
Mean Score	**4.32**	**86.00%**

Across the marital status and employment, importance of preference of consumer choice received low rating from married and casual employees.

Table 9: Importance of factors that influence consumer choice (By marital status and employment)

	Marital status		Employment			
	Married	Unmarried	Permanent	Casual	Self	Total
Fuel station overall image	4.38	4.60	5.00	5.00	4.22	4.46
Fuel station history/heritage	4.25	4.60	5.00	5.00	4.11	4.38
Quality of the services	4.75	5.00	5.00	5.00	4.78	4.85
Fuel station coverage/branches	3.88	4.20	1.00	5.00	4.00	4.00
Location of the station	3.63	4.20	5.00	2.33	4.22	3.85
Added services at the station eg. windscreen cleaning, water, air etc	4.25	4.20	5.00	3.67	4.33	4.23
Fuel station marketing programs e.g. advertisement, promotions, public relations	3.38	3.80	1.00	4.33	3.56	3.54
Family/friends/college influence	1.50	2.40	5.00	1.00	1.78	1.85
Spouse influence	2.08	0.00	1.00	1.00	1.78	1.54
Reception at the station	4.25	3.80	5.00	3.67	4.11	4.08
Employer influence	1.63	1.40	1.00	1.00	1.78	1.54
Management of the fuel station	4.38	4.40	5.00	5.00	4.11	4.38
Prices of the fuel and other services offered	4.88	4.40	5.00	5.00	4.56	4.69
Mean	**3.59**	**3.72**	**3.76**	**3.62**	**3.64**	**3.64**

To assess the respondents' loyalty towards fuel stations of their choice six questions were asked using a five point likert scale. The scale had two opposing negative and positive options on how the respondents agreed with the statements with a neutral option ranging from, strongly disagree-1, through neither agree nor disagree-3 to strongly agree-5.

The loyalty was above average at 67.8%, where the respondents agreed with the fact that fuel station which shows attributes of service delivery preferred by the consumers had the highest score of 80%. Loyalty to local fuel stations was also observed to score highly at 63%.

Table 10: Consumer loyalty

Factor Considered	Frequency	Percentage
My moods determines my choice of fuel station	2.46	49.20%
I fuel at a station which shows attributes of service delivery that I like	3.15	63%
I only fuel at one preferred station	3.31	66.20%
I prefer local fuel stations to foreign stations	3.69	73.85%
I fuel at the same station regardless of prices, promotions or locations	3.77	75.40%
I fuel other stations of the same company if I happen to travel out of Nairobi	4.00	80%
Mean score	**3.39**	**67.94%**

Across the marital status and employment, loyalty to consumer fuel station of choice received low rating from unmarried and permanent employees.

Table 11: Consumer loyalty (By marital status and employment)

	Marital status		Employment			
	Married	Unmarried	Permanent	Casual	Self	Total
I prefer local fuel stations to foreign stations	4.00	1.80	1.00	2.33	3.67	3.15
I fuel at the same station regardless of prices, promotions or locations	4.00	3.40	5.00	3.67	3.67	3.77
I fuel at a station which shows attributes of service delivery that I like	4.38	3.40	1.00	3.33	4.56	4.00
I only fuel at one preffered station	2.38	2.60	1.00	3.33	2.33	2.46
I fuel other stations of the same company if I happen to travel out of Nairobi	3.88	3.40	1.00	3.33	4.11	3.69
My moods determines my choice of fuel station	3.25	3.40	5.00	2.67	3.33	3.31
Mean	**3.64**	**3**	**2.33**	**3.11**	**3.61**	**3.39**

CHAPTER FIVE: SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter contains details of the discussions for the subject, conclusion from the data analysis and recommendations from the findings of the study. It is divided into discussions, conclusion and recommendations.

5.2 Summary

Loyalty programs have been used in commerce for many years, originating in Germany where price based competition was disallowed by governmental restrictions in certain industries,(http://www.ukpia.com/industry_information/industry-overview.aspx,2012) In the 1950s, S&H Green Stamps rewarded grocery store and gas station customers with stamps redeemable for appliances and other merchandise.

Retail loyalty programs evolved when progressive retailers recognized that without a "customer identification tool," they were unable to recognize individual customers and reward them for desired behavior. This was in obvious contrast to banking and telecommunications industries, among others, that have a customer database as part of their regular service offering. For fuel stations to have and maintain loyal customers there is need to Create Loyalty Program Strategy that will steer them towards realizing their objectives.

5.3 Discussion

The results of this survey provide crucial feedback on customer opinion about their preference of fuel station. In the whole, the customers moderate levels of preference with overall preference working out to 67.4%. Developing a customer loyalty programme is not just about carrying out a survey. Surveys provide the reading that shows where attention is required but in many respects, this is the easy part. Very often, major long lasting improvements need a fundamental transformation in the organization, probably involving training of the staff, possibly involving cultural change.

The results should be financially beneficial with less customer churn, stronger brands and reputation, and happier staff. However, there is a price to pay for these improvements. Costs will be incurred in the survey. Time will be spent working out an action plan. Training may well be required to improve the customer service. The implications of this survey go far beyond the survey itself and will only be successful if fully supported by the echelons of senior management.

The fuel stations need to develop action plan to deliver mutually agreed and achievable goals on improving customer satisfaction leading to loyalty and assign responsibility to people who can make things happen, with dates for achievements and rewards for success. Training may well be required to ensure that employees know how to handle customer service issues and understand which tools to use in various situations. Finally, there should be a constant review of the process as improving customer satisfaction is a race that never ends.

Station that offers low prices and added services, other things being equal, is more likely to have more customers. This was consistent with the survey results since respondents agreed with the fact that fuel station's quality of services was a top priority at the highest score of 95.4%. Other factors of influence that scored highly included the fuel station overall image and added services at the station e.g. windscreen cleaning, water, air etc., with scores of 90.8% and 83%.

Consumers often respond to perceived pressure to conform to the norms and the expectations provided by others, seeking and taking their counsel on buying choices, observing what others are doing, as information about consumption choices and comparing their decisions to those of others (Blackwell 2006). However, results from this study revealed otherwise with the spouse influence scoring 30.8%, family/friends/colleagues influence at 37% and employer influence at 30.8%. Consumers seemed not respond to pressure from others when it comes to choice of fuel station.

5.4 Conclusion

The importance of a customer to an organization while generally accepted by management and staff is sometimes not fully incorporated in the budgets, planning, organizational structure, corporate strategies and other aspects of the organization that would help actualize the concept and thereby emphasize the importance of placing customer needs at the core of corporate objectives.

There is need to:

Develop an overall understanding of who the customer is to the organization, Highlight the importance and methods of determining customer needs, Improve management of customer function such as feedback monitoring and management, customer needs assessment etc, Facilitate quality provision of services to customers and to develop sets of ideas and principles to revitalize the organization in order to create positive/conducive customer relations, Instill positive attitudes and beliefs towards their customers and other stakeholders, and realization of the broad spectrum of the "corporate customer" and his ever growing needs and wants.

5.5 Recommendation

Fuel stations should thrive to create a loyal programme strategy. To do so they need facts that will result from conducting an organizational competitive SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. This will involve identifying the objectives of their business and identifying the internal and external factors that are favourable and unfavourable to achieve the objective. This can be done by answering the following questions: What is the competitive activity?;What are the core objectives of the program?; What do we want the marketing database to do?; What will be the key success factors?; How will this program fit with the brand vision?; How will this program fit with the company culture?; Are there any employee issues that must be addressed?; Are there any technology issues that must be addressed?; Why might this project not work?; What is our current sales channel strategy and how will this program affect/enhance it?; What human resource needs will be created by this project?; What financial resources are available to execute this project?; Who will be involved in this project?; Describe the core, highest margin customer?;

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APPENDIX 1: QUESTIONNAIRE

Section A: BIO DATA

This section requires you to provide information concerning your personal details.Please tick the correct answer.

1) Gender of the respondent

   Male ☐ Female ☐

2) Marital status

   Married ☐ Not married ☐

3) What is your age bracket?

   Below 20 ☐ 21-30 ☐ 31-40 ☐ Over 41 ☐

4) What is your level of education?

   (a) Primary ☐ Secondary ☐ University ☐

   (b) Other please specify ☐

5) What do you do to earn a living?

   (a) Permanently employed ☐

   (b) Casual employee ☐

   (c) Self employed ☐

   (d) Not employed ☐

SECTION B: CONSUMER ROYALTY

6) Do you own a car in your household?

Yes ☐ No ☐

7) How man hours in a day do you drive?

0-1 ☐ 1-2 ☐ 2-3 ☐ More than 3 ☐

8) Among the fuel stations in Nairobi which is your most favourite?

____

9) Why is it your favourite?

____

____

____

10) What is the length of time (Years) the station has remained your favourable to you?

Less than 3 ☐ 3 - 5 ☐ 6-9 ☐ more than 10 ☐

SECTION C: PREFERENCE OF CONSUMER CHOICE

Please tick to indicate to what extent you feel each of the statement has influenced your preference of choice of fuel station

	5 Very Large extent	4 Large extent	3 Moderate extent	2 Small extent	1 Very small extent	11 Don't Know
Fuel station overall image						
Fuel station history/ heritage						
Quality of the services						
Fuel station coverage/ branches						
Location of the station						
Added services at the station e.g windscreen cleaning, water, air etc						
Fuel station marketing programs e.g advertisment, promotions, public relations						
Family/ friends/ colleages influence						
Spouse influence						
Reception at the station						
Employer influence						
Management of the fuel station						
Prices of the fuel and other services offered						
Mode of payments						
Discounts						
Any other please specify						

11) Rate the following attributes in the order of importance to you in a scale of 1 to 5, where 5 is the most important and 1 the least important.

	5 Very important	4 Somehow Important	3 Neither Important nor Unimportant	2 Somehow not important	1 Not at all important	11 Don't Know
Fuel station overall image						
Fuel station history/ heritage						
Quality of the services						
Fuel station coverage/ branches						
Location of the station						
Added services at the station e.g windscreen cleaning, water, air etc						
Fuel station marketing programs e.g advertisment, promotions, public relations						
Family/ friends/ colleages influence						
Spouse influence						
Reception at the station						
Employer influence						
Management of the fuel station						
Prices of the fuel and other services offered						

12) Which station do you attribute for your most important category of services identified in the above question?____

____

13) What is the level of agreement with the following statements

	5 Strongly agree	4 Somehow agree	3 Neither agree nor disagree	2 Somehow disagree	1 Strongly disagree	11 Don't Know
I prefer local fuel stations to foreign stations						
I fuel at the same station regardless of prices, promotions or locations						
I fuel at a station which shows attributes of service delivery that I like						
I only fuel at one preffered station						
I fuel other stations of the same company if I happen to travel out of nairobi						
My moods determines my choice of fuel station						

14) Please suggest ways in which fuel stations can improve customer choice.

____

____