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INFLUENCE OF CUSTOMER SATISFACTION ON THE PERFORMANCE OF DAIRY FIRMS IN KIAMBU COUNTY

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ABSTRACT

This study explored the influence of customer satisfaction on the performance of dairy firms in Kiambu County, Kenya. The researcher used a descriptive research design, a quantitative research method, and conduct correlation and regression analysis. The population of the study was all managers from dairy firms in Kiambu County. Since the population of study was heterogeneous, a stratified random sampling technique was applied to obtain the participants from each category. Both drop, pick and online questionnaire were administered for data collection. The regression findings established a strong and positive correlation between customer satisfaction and dairy firms' performance. A strong and positive correlation between innovation and learning perspectives and performance was established. Findings indicated that implementation of the strategic objectives of each of the customer satisfaction contributed to general performance of the dairy firms in Kiambu County. Investing in the implementation of customer perspective strategies was fundamental in fostering the performance of the dairy firms. Dairy firms in Kiambu need to enhance customer satisfaction by understanding their needs and expectation. Future researchers should improve the study through a representative sample by focusing on more industries.

Key Words: *Customer Perspective, Firm Performance, Kiambu, Kenya*

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INTRODUCTION

Globally, the dairy business makes a substantial contribution to each nation's economic development. Nowadays, most businesses in Vietnam assess their financial performance solely based on economic factors (Mwebia, 2020). Employing these standards will prevent businesses from evaluating their internal strengths, which can assist them in identifying operational issues with their company or its prospects for future growth. However, performance indicators do not accurately reflect business plans because they don't show departmental links toward shared objectives. Even with the growing focus on BSC, numerous recent publications published in management accounting journals have emphasized the need for additional research on the application and significance of BSC. Furthermore, management accounting research has extensively used a contingency theory framework; nevertheless, until now, this line of inquiry has examined chiefly the effects of a small number of contingent factors connected to BSC. The impact of many dependent variables on the design and application of BSC is thus the subject of multiple scholars' suggestions for further study. These recommendations offered additional perspectives for researching BSC.

The importance of the consumer/customer in farm business decision-making must be balanced in Australia and New Zealand Similarly, the growth and importance of supplier relationships are frequently overlooked. Initiatives to enhance the supplier-customer relationship for the benefit of all parties include contractual agreements, strategic alliances, and on-farm quality assurance systems (Maheshwari et al., 2020). Most farm business strategies handled the internal business aspect sufficiently. Regarding this part of their farm business, the case farmers felt most at ease. Another area for improvement in these farmers' plans was that they did not include longer-term output planning.

East Africa has significantly less regional dairy trade than the world. Although it makes up less than 1% of the milk produced in the area, its recent sharp rise is encouraging. The average annual quantity of intra-regional dairy commerce for the 2010–13 period exceeded ten times that for the 2002–05 period (Tibbs & Langat, 2016). This incredible rise was made possible by the East African Community's (EAC) trade institutions and policy framework, such as the EAC Single Customs Territory, being strengthened and by the exceptional efforts made to harmonize regional standards for dairy products. Public and commercial entities provided significant funding to build and restore national cow stocks, infrastructure for collecting milk, and processing facilities in Rwanda and Uganda, in addition to advancements in policy and regulation.

The majority of Kenya's milk production is produced by small-scale farmers, who account for about 80% of the country's milk output, according to the Kenya Dairy Board, which estimated the country's milk production at 4 billion liters in 2009 (Maheshwari, 2020). Local grazing in the fields, nutritional supplements and feeds, and stall-fed cut-and-carry systems are some of the techniques used by small-scale farmers. Breeds of hybrids receive care. Production methods are influenced by the local climate, productivity of the land, and presence of illnesses. Dairy farming was made possible locally by complex policies, hierarchical systems built by succeeding governments, the presence of dairy breeds, a climate conducive to dairy production, and the custom of raising cattle.

Customers play an imperative role in determining the success of a company (Shah et al., 2018), explaining why companies formulate strategic plans aimed at promoting customer satisfaction, brand loyalty, and customer retention (Shah et al., 2018; Chidozie & Anayochukwu, 2019). Customer perspective is considered by Kaplan and Norton (2014) as a fundamental measure of a firm's performance.

To measure performance, key indicators such as customer satisfaction, increased sales, customer retention, and an increase in customer base are considered (Serha & Serha, 2019; Khan et al., 2019;

Chidozie & Anayochukwu, 2019). As the company invests resources to improve customer satisfaction, it must measure the value of such efforts by also focusing on the financial gains. Companies are currently moving from the industrial to the information era. Manufacturing and service businesses in the information age must acquire new competencies to remain competitive. Businesses have therefore turned to intangible assets like customer relationships, expertise, high-quality processes, problem-solving skills, and innovation to carry out their new strategies. While financial metrics hold great importance, they are limited to past performance and do not reveal the company's future direction or potential for value addition.

Various studies in the banking, food industry, and manufacturing sector demonstrate a relationship between customer satisfaction and performance. In the banking sector, excellent customer services, ease of use of mobile banking technologies, convenience, and effective communication have been linked to improved customer satisfaction and company's performance (Chidozie & Anayochukwu, 2019). Similar results were also obtained in the food industry where quality foods, good customer service, high standards of hygiene, and timely services were linked to customer satisfaction and a firm's performance in terms of increased sales (Shah et al., 2018; Serhan and Serha, 2019). Furthermore, the performance of the small and medium enterprises is largely attributed to customer satisfaction aspect (Zakari & Ibrahim, 2021; Tibbs & Langat, 2016). Thus, the important role of customer perspective measure in determining the performance of a company is indisputable. However, according to Kaplan and Norton (2014), customer perspective measure cannot by itself determine the performance of an organization. Other studies (Gupta et al., 2020; Okorie, 2021), for instance, indicate that other measures of performance include improve internal business processes and embracing innovation.

Kiambu County's dairy industry being one of the most competitive and dynamic business environment, customer perspective is essential in determining the success trajectory of dairy firms. According to Shah et al. (2018) and Serha and Serha (2019), the customers plays a fundamental role in influencing the fortunes of a company. As a result, strategic planning efforts are paramount for the dairy companies. Therefore, the firms should focus on developing strong customer retention strategies, promoting brand loyalty, and elevating customer satisfaction. Consequently, Kaplan and Norton (2014) assumption, that the perspective of the customers is a crucial measure of a firm's performance, echoes well within the dairy industry in Kiambu County. As a way of gauging performance effectively, dairy firms in Kiambu must employ key indicators, including the customer base expansion, customer retention, increased sales, and customer satisfaction (Chidozie & Anayochukwu, 2019; Serha & Serha, 2019; Khan et al., 2019). These metrics are crucial barometers as they offer insights into the firm's strategies effectiveness in attaining customer demands and expectations. Similarly, as resources are invested to improve customer satisfaction, the financial gains measurement is imperative.

Therefore, there is a clear relationship between financial performances and customers' satisfaction, and the dairy firms in Kiambu County recognize the essence of striking a delicate balance between attaining tangible financial returns and delivering exceptional customer experience.

In relation to other industries, the banking sector has demonstrated the connection between effective communication with enhanced customer satisfaction, user-friendly mobile banking technologies, excellent customer service, and overall company performance (Chidozie & Anayochukwu, 2019). Likewise, the food industry demonstrates these findings. For instance, where there is quality foods, timely services, excellent customer service, heightened customer satisfaction, and adherence to high hygiene standards, consequently there will be increased sales. Besides, customer satisfaction significance is not restricted to large organizations. Kiambu

County's dairy sector, made of small and medium enterprises (SMEs), attributes their performance to fulfilling their customer expectations. As a result, this demonstrates the universal customer perspective influence across the entire spectrum of dairy firms, regardless of their size. However, as Kaplan and Norton (2014) argue, although the customer perspective is indispensable, it cannot singularly determine organizational performance. Okorie (2021) and Gupta et al. (2020) demonstrates the significance of enhancing internal business processes and embracing innovation as the primary elements of a comprehensive performance measurement framework, thus showing the multifaceted nature of performance metrics.

Dairy farming is fundamental to the Kenya's economy. Kenya has over 700,000 small-scale farmers who produce about 80% of the national input (Makoni et al., 2014). Dairy farming is fundamental to the economy contributing about 12% to agricultural gross domestic product (Kenya Dairy Board (KDB), 2016). The dairy sector faces performance challenges, that include lack of compliance with safety standards and adulteration (Kiambi et al., 2020), explaining why government of Kenya unsuccessfully attempted to implement policies aiming to encourage only the consumption of processed milk (Alonso et al., 2018). Such challenges can affect quality of the products and cause fears among consumers, leading to reduced consumption, hence, negative financial performance of the dairy firms (Ndambi et al., 2019; and Kiambi et al., 2018). According to Kiambi et al. (2018), milk-related illnesses have been reported in the dairy sector in Kenya. There is also a general lack of efficiency, adoption of technology, and customer management systems that are fundamental for improved performance (Kiambi et al., 2020). However, studies on how balance scorecard can be used to contribute and measure dairy firm's performance in Kenya are lacking.

Statement of the Problem

Ideally, the implementation of the balance scorecard helps to identify and improve external processes and enhance general performance (Kiambi et al. 2019). Dairy firms, for instance, can create employment opportunities for small scale dairy farmers and contribute significantly to the Kenya's revenue by enhancing their performance through balance scorecard. However, the dairy sector faced performance challenges that could culminate into poor performance (Kiambi et al., 2020). Currently, there is limited information on the application of balanced scorecard in the dairy sector in Kenya (Ndambi et al., 2019; and Kiambi et al., 2018). The main research gaps established are methodology applied (Ndambi et al., 2019), the assumptions, and the limited number of studies on the application of the balance score card as a measure of performance in the dairy sector in Kenya (Kiambi et al., 2018). A significant number of the studies only focused on a single performance measure, which is contrary to Kaplan and Norton (2014) finding that a holistic performance measurement system was required to provide a comprehensive view of an organization's performance. Many studies used small sample sizes, which could have affected the credibility of the findings because of the lack of representative sample. Additionally, many studies focused on other industries as opposed to the dairy sector. Thus, the present study addressed the influence of customer satisfaction on the performance of dairy firms in Kiambu County.

Purpose of the Study

The purpose of the study was to determine the influence of customer satisfaction on the performance of dairy firms in Kiambu County. The study was guided by the following hypothesis;

- H_1: There is no significant relationship between customer perspective and performance of dairy firms in Kiambu County.

LITERATURE REVIEW

Theoretical Framework

Balanced Scorecard theory

The Balanced Scorecard (BSC) is a strategic management framework that helps organizations align their activities with their strategic objectives across four perspectives which include Financial Perspective, Customer Perspective, Internal Process, and Learning and Growth. The balanced scorecard theory is sufficient since it explained each of the four variables under investigation. The Financial Perspective approach continues to give priority to the traditional financial data that it provides in terms of financial position and financial results. Indicators of a financial perspective can, for example, be a growth of sales, profits, ROI, cash flow, or cost cutting. The stakeholders get insights into the financial perspective that helps them understand how efficient the organization is at accomplishing its financial goals and aims. The customer perspective determines the organization's efficiency based on the opinion of the customers at the point when they look at it. The metrics that are assessed within the aspect include customer satisfaction, loyalty, retention, and increased share of the market. Additionally, Identifying and attending to customer needs while maintaining a high level of service are mandatory for long-term operations. This point of view sheds light on whether the company is in alignment with what the customers expect and desire.

The Internal Process Perspective is directed at internalization and operations as the fundamental sources of competitive advantage and ultimately, long-run profits. Aspects such as performance metrics, which include process efficiency, quality, innovation, and cycle time are considered internally. Through the process of optimization, businesses can save money and time, as well as raise the quality of their services and products. Besides, the enhancement of internal processes will improve the business's bottom line and customer satisfaction.

Learning and Growth Perspective evaluates an organization cover and its capacity to innovate, develop its workforce, and adapt to the changes in demand, competition, and technologies. Learning and growth Indicators can be such as staff grooming and learning, employee satisfaction, relevance, and innovation, as well as staff behavior. On the other hand, learning and growth support the presentation of organizational capabilities improvements, invention of new processes, and staying competitive in a shaft of most innovative companies.

All in all, the Balanced Scorecard gives a comprehensive view of an organization's performance by focusing not only on the financial results but also the other non-financial objectives. The objectives play a major role in the success of an organization, which include customer satisfaction, development of processes, and tautness. Performance Evaluation systems aptly measure critical areas such as financial performance, operational competency, and organizational growth. This encourages managers to strategically align their performance, efficiently allocate resources, and lead to successful long-term performance.

Empirical Literature Review

Customer Perspective and Performance

Several studies indicate a correlation between the implementation of customer perspective strategic objectives and customer satisfaction and performance (Zakari & Ibrahim, 2021; Serhan &Serhan, 2019) conducted quantitative research using a sample size of 330 from 2779 supermarkets in Ahwaz in Iran. The goal was to determine the influence of customer satisfaction on performance. The results indicated a positive correlation between customer satisfaction and performance of the supermarkets. To foster customer satisfaction, many supermarkets focused on improving quality, price, delivery time, and excellent customer services. The resultant performance measures included return customers, increased sales, and profitability. In another similar study, Zakari and Ibrahim (2021), determined that customer satisfaction was linked to robust financial performance. The study was quantitative and used a sample of 100 small and medium enterprises in Nigeria. The business performance was measured mainly from financial perspective, with the focus being on the return on investment.

In Pakistan, Khan et al. (2016), using a sample of 120 customers obtained from leading restaurants (KFC, Pizza Hut, Chief, Arbain Chick), determined that by focusing on customer satisfaction, the hotels fostered customer retention, loyalty, and increased sales. This study corroborated the findings of another study by Serhan and Serhan (2019), which applied a quantitative study and using a sample of 676 students in Lebanon. The findings indicated that customer satisfaction encouraged consumption of food from cafeteria, leading to its financial performance. In Kenya, Karisa and Wainaina (2020) determined that customer perspectives such as responsiveness to patient's needs, offering specialized services, and focusing on quality improvement resulted to the institution's performance through improved patient satisfaction, reduced mortality, timeliness of services, and cost reduction. Thus, from the studies, a focus on customer perspectives strategic objectives plays a fundamental role in improving the performance of a firm. However, these studies assume that paying attention to solely on customer satisfaction is sufficient determinant of organization performance. However, some studies (Maheshwari, 2020), indicate that internal business processes and innovation are other integral part of the performance measurement systems that ought to be considered.

The level of service quality in the hospitality sector determines the level of customer satisfaction. Abuelhassan, A.E., & AlGassim's (2021) research explores the distinctive collaborative influence of procedural justice (PJ) and distributive justice (MC) on the visionary customer service performance (PCSP) and general self-efficacy (GSE) within the realm of the hospitality industry. Also, the study seeks to quantify the concurrent impact of these variables on PCSP while maintaining control over GSE. This study used a three-wave data collection method involving 380 former manager-subordinate pairs from 18 five-star hotels. Structural equation modeling was used to establish construct validity and test hypotheses. Results indicate that general self-efficacy (GSE) mediates the relationships between distributive justice (DJ) and perceived peer support (PCSP) and between procedural justice (PJ) and PCSP. In addition, the effect of DJ and PJ on GSE and PCSP was positive. This study addresses the nexus of organizational justice, general efficacity, and visionary client service performance in the hospitality sector. Moreover, the research holds practical counteraccusations for hospitality operations, emphasizing the significance of organizational justice in fostering hand self-efficacity and visionary service actions. The study identifies a vital research gap related to the impact of organizational justice (OJ), particularly distributive justice (MC) and procedural justice (PJ), on visionary customer service (PCSP) in hospitality care. Previous studies have investigated the effects of colored plant climates on visual performance, but the specific impact of exposure on PCSP has remained unexplored. This gap is highlighted as the study notes a lack of attention to the corresponding impact of organizational justice, providing an opportunity to investigate this aspect further and promote a comprehensive understanding of the factors influencing PCSP in the hospitality industry.

According to Hariandja & Vincent (2022), customers play a crucial in influencing the performance of the, business operations. In this study, data was gathered using a quantitative methodology and descriptive research design. Respondents are given online questionnaires via Google Forms and those who have stayed at international hotels with four to five stars in Indonesia make up the selected population. Hariandja & Vincent's research immensely contributes to understanding the dynamics of customer relationships in the hotel

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industry, specifically in Indonesia. However, further research could delve into the nuances of cultural influences and explore the effectiveness of specific strategies for enhancing customer experience and loyalty in diverse international hotel settings. The authors define customer satisfaction as the level of fulfilment and the perception of meeting or exceeding consumer expectations. When consumers are satisfied, businesses experience higher sales and vice versa. This concept helps explain customers' influence on an organization's overall operations. Further, the article stresses the role of satisfaction in customer loyalty and the success of the hospitality industry.

With a sample size of 240 respondents, the selected population consists of travelers who have stayed in Indonesian 4–5-star international hotels. The outcomes of the outer and inner models are then examined by processing the acquired data with Smart PLS v. 3.3. 3. The findings demonstrate that, as seen from the customer's point of view, customer satisfaction affects customer loyalty. Customer loyalty also has an impact on brand value, which includes brand performance and power. Thus, customer loyalty is a powerful indicator of brand value in the hospitality and tourism sector. The research gap for this study is that it focuses on 4-5-star international hotels in Indonesia, limiting the generalizability of findings to other contexts. The limitation of examining a specific segment within a single country needs to be revised to ensure the connection of the results to different hospitality settings encyclopedically. To enhance the study's applicability and contribute astronomically to the field, future exploration should explore a diverse range of hospices across various regions, considering implicit cultures, profitable, and functional differences that could significantly impact client experience, satisfaction, and fidelity dynamics in the hospitality assiduity.

According to Agag et al. (2023), the influence of customer feedback metrics on firm or organizational performance has been ignored in most operations within businesses. The researchers of this study used the American Customer Satisfaction Index to gather information on financial performance, marketing initiatives, and customer feedback metrics from 2005 to 2020. The study used a multiple regression panel analysis to investigate the influence of customer feedback metrics like Top-2-Box and NPS value on various organizations' performances, such as gross margin and sales growth. The study's research findings indicated that Top-2-box is the best customer feedback metrics predictor for evaluating companies in the online book, healthcare, and shopping sectors. Conversely, consumer satisfaction emerged as a positive electronic and telephone viewing predictor. CES has found CFM to be the most effective for comparing companies in the restaurant industry. NPS is an excellent tool for evaluating different companies on the reliability of their vacation spots. These results increase the board's request to guide the allocation of resources for the best investment in CFM to improve all building activities. The research gap for this study lies in the need for accurate identification of the most effective client feedback metric for driving firm performance, as studies have yielded inconsistent results. Also, the operation of CFMs is limited to specific surroundings and diligence, creating a critical gap in marketing literature, and hindering a comprehensive understanding of which CFMs contribute most significantly to firm performance across different settings.

Firm's Performance

A qualitative study by Santos et al. (2016) determined that a firm's performance was measured by factors that included customer satisfaction, employee satisfaction, profitability, business expansion, and overall growth. The study was conducted in Brazil through the analysis of interview information obtained from 116 senior managers. From the study, each of the measures of firm performance is vital, thus, cannot be used interchangeably (Santos et al., 2016). Using the stakeholder theory's perspectives, the researchers also established that firm's performance metrics are determined by the expectations and demands of the stakeholders. The main limitations of this study are the lack of a representative sample and low generalization since it applied a qualitative approach.

Corina et al. (2016) conducted a quantitative study seeking to establish the determinants of firms' performance. To achieve that, researchers obtained data from the manufacturing companies listed on the Chamber of Commerce and Industry in Romania. From a list of 7437 firms only 92 met the inclusion criteria and considered for the study. From the findings, firm's performance is measured by both the financial and nonfinancial metrics. Factors that determine firm's performance included profitability and growth in sales, employee job satisfaction, customer retention, improved innovation, and improved corporate leadership. Thus, this study indicated that financial measures alone cannot provide an accurate picture about firm's performance. The main limitation of the study, however, is that it focused on other industries and none on dairy firms.

Kourtzidis and Tzeremes (2020) investigated the determinants of firm's performance using a qualitative study and a sample of 72 firms obtained from a global database. Using a content analysis method, researchers established that compensation of the CEOs, the age, and the return on investments were the main determinants of firm's performance. Younger CEOs with higher salaries and other benefits tended to foster better performance within an organization. The rationale is that such leaders tended to be more innovative, motivated, and willing to take more calculated risks. Strong leadership was cited as a fundamental factor of determining organizational performance. Generally, empirical studies demonstrate that performance is best measured using both the financial and nonfinancial factors.

Fareso (2023) established the determinants of financial performance to be linked to external and internal factors like real GDP, interest rate, and money supply, and internal factors like interest income, management effectiveness, and bank size. Using panel data and a fixed-effect model, the study investigated Ethiopia's state and private commercial banks between 2000-2020. Results show that in contrast to bank size, interest income and management effectiveness positively and significantly impact both returns on assets (ROA) and return on equity (ROE). Macroeconomic factors and genuine GDP positively and greatly influence ROA and ROE. Conversely, the money supply and interest rate had negligible effects on ROA but significant effects on ROE and ROE, respectively. The focus on financial structure and leverage underscores the intricate relationship between monetary variables and specific financial metrics. The study highlighted the combined impact of macroeconomic and bank-specific factors on financial performance, suggesting that managers and policymakers should prioritize both for effective performance management.

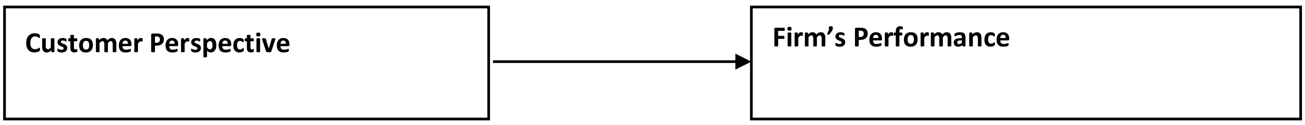
Alshehhi et al. (2018) investigated the connection between corporate sustainability and a company's financial performance. The study addressed the gap in research regarding the connection between the two aspects. The content analysis method was used to conduct the analysis based on previous literature, focusing on published journals. One hundred thirty-two papers were selected for additional review, with a sizable majority (78%) of the reviewed documents reporting a positive relationship between corporate sustainability and financial performance. Nonetheless, "sustainability" is gradually being replaced by a more focused term that refers to Corporate Social Responsibility (CSR): a change that overlooks sustainability's environmental and economic aspects to emphasize the social component. One prominent gap in the literature was the lack of research conducted in developing nations, calling into question the findings' generalizability and stressing the need for more inclusive research considering a range of economic contexts.

Okafor et al. (2021) quantitatively evaluated the long-term growth of US technology companies in terms of spending on socially responsible causes. The research assessed panel data from the topmost 100 tech corporations on the S&P 500 between 2017 and 2019 using content analysis and fixed effects/pooled regression models. The study investigated the connection between corporate social responsibility (CSR) proxies and financial performance. The results indicate a positive relationship between higher revenue and profitability and CSR spending by tech companies. Contrary to earlier findings, there was no conclusive evidence linking CSR to Tobin's Q, indicating that although CSR positively impacted financial metrics, its influence on market valuation varied depending on the context.

Gofwan (2022) delved into how Accounting Information Systems (AIS) affected financial performance. The study used an exploratory research design, relying heavily on secondary data and looked at a variety of empirical sources to find the connection between the two elements, concluding that the creation and application of computerized systems, which improve internal controls, financial report quality, and the tracking of financial transactions, had the most significant influence on accounting due to information technology. To maintain productivity standards and ensure effective performance, the study called on organizations to prioritize the continued use of AIS, especially given the rapid development of technology. The study acknowledged the existence of gaps, including a lack of focus on a specific industrial context, different methods and potential biases. The study required a deeper approach to fully understand the relationship between AIS and financial performance.

A research study by Ahinful et al. (2023) sought to determine the factors influencing financial performance (FP). The study narrowed down to the Ghanaian SMEs in ascertaining the impact of different elements that defined FP. Multiple regression analysis was used to examine survey data from 238 SMEs. The study investigated how FP is affected by industry and firm-specific factors. Ultimately, a positive correlation was noted between firm age, size, FP, and a significant industry effect for the service sector. Additionally, there was a meaningful relationship between company ownership type and FP. According to the results, the impact of industry and firm-specific traits varies between FP sub-components and the manufacturing and service sectors. The study provided insights into FP variations in the context of a developing country context and is consistent with the resource-based view and the structure-conduct-performance frameworks. Policy and managerial ramifications were examined. Nonetheless, the study successfully addressed the gaps in the sector, like the requirement for more exploration of specific industry undertones and the consideration of external economic factors influencing FP.

Conceptual Framework



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

Source: Author, 2023

METHODOLOGY

Quantitative research method and a descriptive research design were the most appropriate for the study. The method and design helped to establish and describe the relationship between independent and dependent variables. The population of the study was all managers from dairy firms in Kiambu County. The rationale of this choice of respondents was the fact that managers have valuable information on financial performance of their firms, including the contributing factors. Both male and female managers from these dairy firms participated in the study. To obtain the sample size of 84, researcher applied the Slovin's Formula. A questionnaire was used for this study. It was developed based on the research objectives.

Both drop, pick and online questionnaire were administered. Leveraging on Microsoft forms was seen as an advantage since its faster and user friendly. The rationale for the choice of questionnaire is because of the selected research design. Questionnaires are cost effective, enhance uniformity, and are easier to administer (Creswell & Creswell, 2022). However, one limitation of questionnaires was the predetermined responses. Thus, respondents with a different opinion were denied the opportunity to express it, especially because this study used a Likert Scale questionnaire. Also, the questionnaire was researcher developed. The research questions determined the items in the questionnaire. The validity and reliability of the questionnaire was enhanced by a pretest of the research instrument. This helped to determine whether the research instrument measures exactly what is what designed to measure.

RESULTS AND DISCUSSION

Response Rate

The researcher distributed 84 questionnaires to the intended respondents and 75 were returned fully completed with the intended questions answered. Table 1 displays the study's response rate.

Table 1: Response Rate

Questionnaires	Frequency	Percentage
Response	75	89.3
Non-response	9	10.7
Total	**84**	**100**

Source: Research Data (2024)

From Table 1, Of the 84 questionnaires that were distributed, 75 of them were accurately completed and returned, accounting for 89.3 percent of the total. 9 questionnaires were not returned constituting 10.7% of the total questionnaires. Mugenda & Mugenda (2008) state that a 50% response rate is sufficient for reporting and analysis, a 60% rate is remarkable, and a 70% rate or more is exceptional. The study's results showed that the response rate was high.

Descriptive Analysis

This section provided the descriptive statistics for the independent variable of firms' performance and the dependent variable. The variables analyses were presented hereafter. The 5-likert scale was used in the rating as 1- strongly disagree, 2- disagree, 3- neutral, 4- agree and 5- strongly agree.

Customer Perspective

The study sought to determine the effect of Customer Perspective on employee performance at dairy firms. The results are reported in table 2.

Table 2: Descriptive Statistics Results for Customer Perspective

Statement	Mean	Std. D
The quality of products provided by the company has noticeably improved over time.	4.292	.941
The consistency in quality increased, leading to more satisfying experience for customers	3.861	1.387
The company has demonstrated a commitment to meeting delivery deadlines consistently.	3.819	1.325
They have experienced a noticeable improvement in the punctuality of their product/service deliveries.	3.569	1.382
They have noticed and appreciate the high standards of hygiene maintained in the delivery of products	3.750	1.172
The company's commitment to hygiene and cleanliness is evident in all interactions and transactions.	3.792	1.510
Overall Mean	**3.847**	

Source: Research Data (2024)

From the Table 2, on whether the quality of products provided by their company has noticeably improved over time at (M= 4.292, SD= .941). The consistency in quality has increased, leading to a more satisfying experience for customers as shown by (M= 3.861, SD= 1.387). The company has demonstrated a commitment to meeting delivery deadlines consistently as shown by a (M= 3.819, SD= 1.325). The company's commitment to hygiene and cleanliness is evident in all interactions and transactions at (M= 3.792, SD= 1,510). They have experienced a noticeable improvement in the punctuality of their product/service deliveries as shown by (M=3.750, SD= 1.172). They have experienced a noticeable improvement in the punctuality of their product/service deliveries at (M= 3.569, SD= 1.382). The overall mean of the innovative culture was 3.847 which was above the mean score of 3.

This implied that customer perspective has a significant effect on employ performance at the dairy firms in Kiambu. The consistency in quality has increased, leading to a more satisfying experience for customers. They have experienced a noticeable improvement in the punctuality of their product/service deliveries. The company's commitment to hygiene and cleanliness is evident in all interactions and transactions. This is corroborated by a study done by Wainaina (2020) from the studies, a focus on customer perspectives strategic objectives play a fundamental role in improving the performance of a firm.

Firm`s Performance

The study sought to determine the effect of Firm`s Performance at dairy firms. The results are as presented in Table 3.

Table 3: Results of Descriptive Statistics for Firm`s Performance

Statement	Mean	Std. D
They maintain a commitment to timely order processing and delivery to meet customer expectations	4.486	.787
Their company consistently delivers high-quality products/services to meet customer expectations.	3.181	1.673
Customer feedback is actively sought and utilized to enhance their products/services.	3.278	1.540
Profitability is a key consideration in decision-making processes and strategic planning.	3.264	1.661
Continuous improvement initiatives are in place to address any identified delays or inefficiencies.	3.597	1.725
The company actively explores opportunities for business expansion and diversification.	3.806	1.488
Overall Mean	**3.602**	

Source: Research Data (2024)

From Table 3, on whether they maintain a commitment to timely order processing and delivery to meet customer expectations it indicated an overall (M= 4.486, SD= 0.787). The company actively explores opportunities for business expansion and diversification indicated a (M= 3.806, SD= 1.488). Continuous improvement initiatives are in place to address any identified delays or inefficiencies registered a (M= 3.597, SD= 1.725). Customer feedback is actively sought and utilized to enhance their products/services agreed (M= 3.278, SD= 1.540). Profitability is a key consideration in decision-making processes and strategic planning agreed with (M= 3.264, SD= 1.661). The company actively explores opportunities for business expansion and diversification agreed with (M= 3.181, SD= 1.673). The firm's performance had an overall mean of (M= 3.602).

In summary, the implications highlight the company's strengths and areas for improvement across various aspects of its operations. Addressing the identified areas of improvement could contribute to enhanced overall performance and competitiveness in the market. Santos et al. (2016) identified business expansion and customer satisfaction as key metrics of firm performance, emphasizing the importance of aligning operations with customer expectations, which resonates with the company's focus on timely delivery and customer feedback. Similarly, Corina et al. (2016) found that profitability and business growth, both financial and non-financial metrics, are vital in measuring firm performance.

Inferential Analysis

Correlation Analysis Results

The study's objectives were to determine whether there was a relationship between customer perspective and the performance of Dairy firms in Kiambu County. The results were shown below.

Customer Perspective on Firm's Performance

The study's objective was to determine whether there was a relationship between customer perspective and firm performance of certified food firms. The results were shown in Table 4.

Table 4: Correlation between Customer Perspective and Firm's Performance

		Customer Perspective	FIRM's Perspective
Customer Perspective	Pearson Correlation	1	.617**
	Sig. (1-tailed)		.000
	N	75	75
Firm's Perspective	Pearson Correlation	.617**	1
	Sig. (1-tailed)	.000	
	N	75	75

Source: Research Data (2024) **. Correlation is significant at the 0.01 level (1-tailed).

The findings presented in Table 4 underscore a highly significant positive correlation between Customer Perspective and Firm Perspective, as evidenced by the robust Pearson correlation coefficients of .617 ($p < .01$) for both variables, based on research data in Table 4. This implied a strong and positive linear relationship between the customer-focused strategies adopted by firms and their overall perspective. The statistical significance at the 0.01 level reinforces the reliability of this correlation. The results suggest that organizations prioritizing customer perspectives in their operations and decision-making are likely to experience enhanced overall performance. These insights are crucial for strategic decision-makers, emphasizing the importance of customer-centric approaches in fostering positive outcomes for firms. The correlation findings in this study offer valuable guidance for businesses seeking to optimize their performance by recognizing and incorporating the customer perspective into their strategic initiatives.

Generally, the correlation coefficient (R=0.866) obtained from regression analysis showed a strong and positive relationship between the balance scorecard perspectives and firm's performance. The implication of the findings is that dairy firms in Kiambu County should promote innovation, improve their business processes, enhance customer satisfaction, and fostering efficiency to increase revenue. These results are similar to previous empirical studies (Zakari & Ibrahim, 2021), who also established a strong link between balance scorecard perspectives and firms' performance in terms of increased revenue, improved quality, enhanced customer satisfaction and loyalty, and a significant reduction in wastage of resources. Specifically, the research found a robust relationship between customer perspectives and dairy firm's performance (.617). This implied that by engaging in strategies that improved customer relations and satisfaction, dairy firms would be able to attract and retain customers. Such strategies include a focus on improved quality of product, high standards of hygiene, timely delivery, and better prices. Similarly, other studies (Zakari and Ibrahim, 2021) showed how excellent customer services, especially timely and reliable delivery of products, quality, and favorable prices culminated into customer satisfaction, loyalty, and retention. Thus, it is imperative that the dairy firms in Kiambu understand and meet the needs of their customers to foster sustainable growth and development through customer retention.

Regression Analysis

The researchers employed a multivariate regression analysis to ascertain BSCP and Dairy Firms' performance. The results are shown in Table 5.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.866[a]	.750	.736	.628

a. Predictors: (Constant), Financial, Internal business, Customer, Innovation

Source: Research Data, (2024)

The findings from Table 5 provide valuable insights into the overall explanatory power of the study variables, particularly the balanced scorecard perspective (BSCP) components of innovation and learning, internal business processes, and customer perspective to firms' performance. The R square value of 0.75 indicates that these variables collectively account for 75.0% of the variance observed in firms' performance. This implies that a substantial portion of the changes in firms' performance can be attributed to the influence of these balanced scorecard perspectives. The 95% confidence interval further supports the conclusion, emphasizing the reliability of the model's explanatory capability.

The correlation coefficient (R=0.866) signifies a strong positive relationship between the researched balanced scorecard perspectives and firms' performance. In practical terms, this suggests that as organizations focus on enhancing innovation, learning, internal processes, and customer perspective, they are likely to experience positive impacts on their overall performance. However, it's essential to acknowledge that approximately 25.0% of the variation in firms' performance is not accounted for by these variables, indicating the presence of other factors or unexplored elements that may influence diary firms' outcomes.

Analysis of Variance (ANOVA)

The goal of the study was to ascertain the analysis of variance (ANOVA) between the BSCP on dairy firms' performance. The results are displayed in Table 6.

Table 6: Analysis of Variance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.923	4	20.731	52.548	.000[b]
	Residual	27.616	70	.395		
	Total	110.539	74			

a. Dependent Variable: Firm's Performance

b. Predictors: (Constant), Financial, Internal Business, Customer, Innovation

Source: Research Data (2024))

The analysis of variance (ANOVA) presented in Table 6 indicates a significant model fit for predicting Firm's Performance based on the predictors Financial, Internal Business, Customer, and Innovation. The regression model accounts for a substantial proportion of the variance in Firm's Performance, as evidenced by the significant F-statistic of 52.548 ($p < .000$). The predictors collectively contribute to explaining the variability in the dependent variable. The model's effectiveness is further supported by the large sum of squares for regression (82.923) compared to the residual sum of squares (27.616). The predictors—Financial, Internal Business, Customer, and Innovation collectively contribute significantly to the model, emphasizing their importance in explaining variations in Firm's Performance. This ANOVA analysis provides valuable insights for decision-makers, highlighting the overall effectiveness of the regression model in capturing and understanding the factors influencing Firm's Performance.

Regression Coefficients

The study's goal was to determine how the dependent variable firms' performance, related to the customer perspective. The results are as follows.

Regression Coefficients of Customer Perspective

The regression coefficients of customer perspective reveal a statistically significant and positive relationship with the firm's performance, emphasizing the impact of addressing and minimizing customer perspective on enhancing the firm's performance.

Table 7: Regression Coefficient of Customer Perspective

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.991	.410		2.416	.018
	Customer Perspective	.683	.102	.617	6.697	.000

Source: Research Data (2024))

From the Table 7's data was used to produce the regression equation that follows:

$Y = 0.991+0.683X_3$

The regression analysis presented in Table 7 indicated a statistically significant model for predicting Firm's Performance (Y) based on the predictor variable Customer Perspective (X_3). The regression equation, $Y = 0.991 + 0.683X_3$, reveals that the constant term is 0.991, and for every one-unit increase in the predictor variable Customer Perspective, the Firm's Performance is expected to increase by 0.683 units. The unstandardized coefficient (B) for Customer Perspective is 0.683, with a standard error of 0.102 and a beta coefficient of 0.617, indicating a strong positive relationship between Customer Perspective and Firm's Performance. The t-statistic of 6.697 is highly significant ($p < .000$), reinforcing the reliability of this relationship. The constant term's t-statistic of 2.416 is also statistically significant ($p = .018$), suggesting that even when Customer Perspective is zero, there is a significant baseline Firm's Performance. This regression equation provides a valuable tool for predicting and understanding the impact of Customer Perspective on Firm's Performance, offering insights for decision-makers in optimizing organizational strategies, particularly in enhancing customer-centric approaches.

CONCLUSION, AND RECOMMENDATIONS

The research established a strong and positive relationship between customer perspective and performance. Customer perspective objective strategies employed included a focus on high standards of hygiene, quality, and timely delivery of services. By adhering to these strategic objectives, the dairy firms achieved great performance, especially in terms of customer satisfaction, loyalty, and retention, which were necessary for financial performance and competitive edge. Thus, investing in the implementation of customer perspective strategies was fundamental in fostering the performance of the dairy firms.

The study recommended that dairy firms in Kiambu need to enhance customer satisfaction by understanding their needs and expectation. This may involve conducting regular customer surveys, implementing feedback mechanisms, and promptly addressing customer concerns or complaints. Customer objectives should be aligned with the overall organizational strategy. This involves integrating customer-focused goals and initiatives into the strategic planning process and regularly reviewing progress towards achieving these objectives.

Recommendations for Further Research

Future researchers need to focus on other industries and use a representative sample to increase generalizability of the findings. The current study only focused on the dairy firm but there is the need to also understand the phenomenon from other industries. Future researchers need to focus on establishing whether there exist confounding variables that affects the relationship between balance scorecard perspectives and firm’s performance. The main limitation of the current study was that it just focused on the dependent and independent variables but there could be a possibility of confounding variables influencing the relationship.

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