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Original Research Article

Brand Association and Non-Financial Performance of Medium-Sized Restaurants in Kisumu City, Kenya

Dr. Jairo K. Mise (PhD)[1*], Rangili Elijah Alogo[2]
[1]Department of Business Administration, School of Business and Economics, Maseno University, Kenya
[2]MBA Scholar, Department of Business Administration, School of Business and Economics, Maseno University, Kenya
***Corresponding author:** Dr. Jairo K. Mise (PhD)
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Abstract: Brand associations create meaning in consumers' minds by generating favourable attitudes, emotions, and perceptions towards a brand, thereby influencing purchase decisions and organisational outcomes. Despite extensive studies on brand equity and organisational performance, limited empirical evidence exists regarding the effect of brand association on the non-financial performance of restaurants, particularly within emerging economies. This study sought to examine the effect of brand association on the non-financial performance of medium-sized restaurants in Kisumu City, Kenya. The study was anchored on Aaker's Brand Equity Theory and adopted a correlational research design within the quantitative research paradigm. A saturated sampling technique was employed to select 52 owners and managers from a target population of 60 registered medium-sized restaurants in Kisumu City. Data were analysed using descriptive and inferential statistics, particularly simple linear regression analysis. The findings revealed that brand association had a statistically significant and positive effect on the non-financial performance of medium-sized restaurants ($\beta = 0.643$, $p < .001$). The regression model explained 56.7% of the variation in non-financial performance (Adjusted $R^2 = .567$), and the overall model was statistically significant ($F(1,50) = 67.659$, $p < .001$). The study concludes that brand association is a significant predictor of non-financial performance among medium-sized restaurants. The study recommends that restaurant managers should deliberately cultivate strong and positive brand associations that foster emotional attachment, favourable perceptions, and enduring relationships with customers, thereby enhancing customer satisfaction, retention, and overall organisational performance.
Keywords: Brand Association, Non-Financial Performance, Restaurant Performance, Brand Equity, Kenya.

INTRODUCTION

In increasingly competitive markets, brands have emerged as strategic assets that influence customer perceptions and organisational performance. Among the dimensions of brand equity, brand association plays a fundamental role in shaping how consumers perceive, evaluate, and relate to a brand. Brand association refers to anything linked to a brand in consumers' memory and encompasses all thoughts, feelings, perceptions, experiences, beliefs, and attitudes connected with a particular brand (Aaker, 1991; Kotler & Keller, 2016). Through repeated interactions and communication exposures, consumers develop associations that enable them to distinguish one brand from another and make informed purchasing decisions.

According to Aaker (1991), favourable brand associations provide consumers with reasons to purchase a brand by creating positive attitudes and emotional connections. Similarly, Keller (1993) argues that brand associations represent informational nodes stored in consumers' memory and constitute a major component of customer-based brand equity. These associations may be product-related or non-product-related and may include attributes, benefits, and attitudes that shape consumers' evaluations of brands and their purchase behaviours.

In service industries such as restaurants, where products are largely intangible and customers cannot evaluate service quality prior to consumption, brand associations become particularly important. Consumers often rely on symbolic meanings, prior experiences, and perceptions associated with brands as indicators of expected quality and service experiences. Consequently, developing strong and favourable brand associations may enhance customer satisfaction, increase loyalty, improve customer retention, and ultimately contribute to organisational performance.

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Statement of the Problem

The restaurant industry in emerging economies contributes significantly to economic development and employment creation. However, restaurant enterprises continue to experience numerous challenges, including limited market access, inadequate customer acquisition and retention, intense competition, and insufficient marketing competencies among managers. In Kenya, customer satisfaction among restaurant establishments stands at approximately 29.6%, customer acquisition at 17.9%, customer retention at 14.3%, and sales growth at 12.6%, all of which are below the global restaurant industry average of approximately 38%.

Existing empirical studies have predominantly focused on the relationship between brand association and financial performance while paying limited attention to non-financial performance indicators such as customer satisfaction, customer acquisition, customer retention, sales growth, and marketing effectiveness. Moreover, studies examining brand association have largely concentrated on sectors such as banking, manufacturing, retail, health clubs, and public libraries, with limited evidence from the restaurant industry and virtually none from medium-sized restaurants in Kisumu City, Kenya.

Although previous studies generally suggest that brand association positively influences organisational performance, the contextual differences in sectors and geographical settings limit the generalisability of these findings to the Kenyan restaurant industry. Consequently, it remains unclear whether brand association significantly influences the non-financial performance of medium-sized restaurants in Kisumu City, Kenya. Therefore, this study sought to examine the effect of brand association on the non-financial performance of medium-sized restaurants in Kisumu City, Kenya.

Research Objective

To examine the effect of brand association on the non-financial performance of medium-sized restaurants in Kisumu City, Kenya.

LITERATURE REVIEW

Brand association refers to anything that consumers connect with a brand in their memory, including thoughts, feelings, perceptions, experiences, beliefs, and attitudes related to that brand (Aaker, 1991; Kotler & Keller, 2016). According to Aaker (1991), brand associations become stronger when they are developed through repeated interactions and communication exposures and reinforced by networks of related experiences. Strong, favourable, and unique brand associations enhance consumers' understanding of a brand, differentiate it from competing brands, and provide compelling reasons for purchase.

Keller (1993) conceptualises brand associations as the meanings and perceptions stored in consumers' memory regarding a brand and classifies them into attributes, benefits, and attitudes. Chen (2001) further distinguishes between product-related associations and organisational associations. These associations contribute to customer-based brand equity by enhancing brand recall, building confidence, and strengthening customer loyalty.

Empirical evidence generally indicates that favourable brand associations improve organisational performance. Kilei (2016) found that brand association significantly and positively influenced the financial performance of banking institutions in Kenya. Similarly, Adeoye *et al*., (2021) reported a significant positive relationship between brand association and organisational performance among Nigerian flour milling firms. Studies by Phong (2020), Susanti *et al*., (2019), Neupane (2015), Seo and Kim (2022), and Alexandris *et al*., (2008) also demonstrated that brand association significantly enhances customer satisfaction, loyalty, and other performance outcomes.

Despite these findings, empirical evidence remains inconclusive. Chien-Hsui Chen (2001) reported an insignificant relationship between brand association and non-financial performance in Taiwan's catering industry. Furthermore, many previous studies were conducted in sectors such as banking, manufacturing, retail, health clubs, public libraries, and online businesses and largely focused on financial performance measures. Methodological limitations, including cross-sectional designs, relatively small sample sizes, and convenience sampling techniques, further limit the generalisability of existing findings.

Consequently, there exists a contextual, empirical, and methodological gap regarding the effect of brand association on the non-financial performance of medium-sized restaurant enterprises in Kenya. The present study addresses this gap by examining the effect of brand association on the non-financial performance of medium-sized restaurants in Kisumu City, Kenya.

RESEARCH METHODOLOGY

The study adopted a correlational research design within the quantitative research paradigm. Correlational research design enables researchers to establish the existence and magnitude of relationships among study variables and provides quantitative evidence regarding the significance of such relationships (Mugenda & Mugenda, 1999). The target population comprised 60 registered medium-sized restaurants operating within Kisumu City. The study employed a saturated sampling technique whereby 52 restaurants participated in the main study, while eight restaurants were utilised for pilot testing. One respondent, either the owner, manager, or supervisor, was selected from each participating restaurant.

Regression Model

The effect of brand association on non-financial performance was estimated using the following simple linear regression model:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where:

Y = Non-financial performance of medium-sized restaurants

$\mathbf{X_1}$ = Brand association

$\boldsymbol{\beta_0}$ = Constant term

$\boldsymbol{\beta_1}$ = Regression coefficient

ε = Error term

RESULTS AND DISCUSSION

The study sought to determine the effect of brand association on the non-financial performance of medium-sized restaurants in Kisumu City, Kenya. Regression analysis was conducted to establish the predictive effect of brand association on non-financial performance.

Table 1: Model Summary for the Effect of Brand Association on Non-Financial Performance

Model	R	R Square (R^2)	Adjusted R^2	Std. Error of Estimate	Durbin-Watson
1	.758	.575	.567	.46729	2.049

Predictors: (Constant), Brand Association

Dependent Variable: Non-Financial Performance

Source: Survey Data (2024)

The model summary results in Table 1 indicate a strong positive relationship between brand association and non-financial performance ($R = .758$). The coefficient of determination ($R^2 = .575$) indicates that approximately 57.5% of the variation in non-financial performance is explained by brand association. The adjusted coefficient of determination (Adjusted $R^2 = .567$) shows that after adjusting for sample size, brand association accounts for 56.7% of the variation in non-financial performance. The small difference between R^2 and Adjusted R^2 (.008) suggests that the model possesses satisfactory predictive capability and generalises well.

Table 2: ANOVA Results for the Effect of Brand Association on Non-Financial Performance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	14.774	1	14.774	67.659	.000
Residual	10.918	50	.218		
Total	25.692	51			

Dependent Variable: Non-Financial Performance

Predictors: (Constant), Brand Association

Source: Survey Data (2024)

The ANOVA results presented in Table 2 reveal that the regression model is statistically significant ($F(1,50) = 67.659$, $p < .001$). This finding indicates that brand association significantly predicts the non-financial performance of medium-sized restaurants in Kisumu City, Kenya.

Table 3: Regression Coefficients for the Effect of Brand Association on Non-Financial Performance

Variable	B	Std. Error	β	t	Sig.	Lower Bound	Upper Bound
Constant	1.339	.321	–	4.174	.000	.695	1.983
Brand Association	.643	.078	.758	8.226	.000	.486	.801

Dependent Variable: Non-Financial Performance

Source: Survey Data (2024)

Table 3 demonstrates that brand association has a positive and statistically significant effect on non-financial performance ($\beta = .758$, $B = .643$, $t = 8.226$, $p < .001$). The results indicate that a one-unit increase in brand association results in an increase of 0.643 units in non-financial performance. This finding implies that stronger brand associations improve customer satisfaction, customer acquisition, customer retention, sales growth, and the effectiveness of marketing programmes among medium-sized restaurants.

The estimated regression equation is therefore expressed as:

$$\text{Non-Financial Performance} = 1.339 + 0.643(\text{Brand Association})$$

Table 4: Summary of Hypothesis Testing

Hypothesis	β	t-value	p-value	Decision

H0: Brand association has no significant effect on non-financial performance of medium-sized restaurants in Kisumu City, Kenya.	.643	8.226	< .001	Rejected

The findings led to the rejection of the null hypothesis and acceptance of the alternative hypothesis that brand association significantly influences the non-financial performance of medium-sized restaurants in Kisumu City, Kenya.

The findings corroborate those of Kilei (2016), Adeoye *et al*., (2021), Neupane (2015), Susanti *et al*., (2019), Phong (2020), Seo and Kim (2022), and Alexandris *et al.,* (2008), all of whom reported that favourable brand associations positively influence organisational outcomes. However, the findings differ from those of Chien-Hsui Chen (2001), who reported an insignificant relationship between brand association and non-financial performance in the catering industry. The differences may be attributable to contextual and sectoral variations.

The present study contributes to branding literature by empirically demonstrating that brand association is a significant determinant of non-financial performance among medium-sized restaurant enterprises in Kenya.

CONCLUSIONS

The study concludes that brand association significantly and positively influences the non-financial performance of medium-sized restaurants in Kisumu City, Kenya. Strong brand associations create favourable perceptions, foster emotional attachment, facilitate brand differentiation, and improve customers' evaluations of restaurant offerings. Consequently, brand association constitutes a critical determinant of customer satisfaction, customer retention, and overall organisational performance among medium-sized restaurants.

RECOMMENDATIONS

The study recommends that owners and managers of medium-sized restaurants should invest in developing strong and favourable brand associations by creating compelling brand messages, delivering memorable customer experiences, and aligning brand identities with customers' values and expectations. Such initiatives are likely to strengthen customer relationships, promote loyalty and retention, and improve non-financial performance outcomes.

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