

**INFLUENCE OF RELATIONSHIP MARKETING PRACTICES ON CUSTOMER
RETENTION AMONG SUPERMARKETS IN KISUMU CITY**

BY

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT FOR THE
REQUIREMENTS FOR THE DEGREE OF MASTERS IN BUSINESS
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DECLARATION

I hereby declare that this report is my original work and has not been presented for examination by anyone in any institution of learning. No part of this work should be produced without my knowledge and authority or that of Maseno University.

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May the almighty God reward and bless you abundantly.

DEDICATION

I wish to dedicate this work with lots of love to my entire family and friends

Thank you all for trusting my ability.

ABSTRACT

Relationship marketing has been used by many firms to attain competitive advantage, more so customer retention. Research has shown that it is five times more expensive to acquire a new customer than to retain the existing ones. A survey by RETRAK has rated customer retention as the third challenge facing supermarkets in Kenya at 23.53% ,below 63% minimum retention rate recommended for retail sector by Harvard business review. 32.25% of supermarkets in Kisumu city have indicated plans to open new branches suggesting that the challenge could increase due to increased competition. It is therefore important that supermarkets come up with strategies that can promote customer retention. Studies done in this area have concentrated in other components of relationship marketing like customer satisfaction and customer service and none has looked at a combination of customer trust,commitment,communication, loyalty and their effects on customer retention among supermarkets in Kisumu city. Consiquently the effects of relationship marketing practices on customer retention is unknown. Kisumu city is strategically located in East African region and considered the best city to invest in especially in the retail sector. The recent establishment of Lake Region Economic Block (LREB) and revival of the Kisumu port has intensified business activities in the retail sector in Kisumu city. The main objective was to determine the effects of relationship marketing practices on customer retention among supermarkets in Kisumu city, Other objectives were to determine the effects of customer trust on customer retention , to examine the effects of customer commitment on customer retention, to establish the effects of customer loyalty on customer retention and to examine the effects of customer communication on customer retention.It was guided by three theories namely commitment trust theory, social exchange theory and relationship marketing theory.The study used correlational research design and targeted all the customers from targeted supermarkets. A sample size of 245 respondents was arrived at using stratified sampling, systemic sampling methods and Cochran's formular for unknown population .Data was colleted using questionnaire. Reliability test yielded a Cronbach's Alpha coefficient of between 0.772 and 0.820. while validity was achieved by literature survey and expert judgment.Data was analyzed using descriptive statistics and inferential statistics. Findings revealed that relationship marketing practices considered explained 54% ($R^2 = 0.54$) variation in customer retention. Further findings were that all the elements of relationship marketing had a significant positive influence on customer retention. customer trust ($B = 0.275, p = 0.000$), customer commitment ($B = 0.098, p = 0.032$),customer loyalty ($B = 0.189, p = 0.000$) and customer communication ($B = 0.082, p = 0.021$). The study concluded that all the elements of relationship marketing are significant determinants of customer retention. Recommendations was that supermarkets enhance relationship marketing practices to increase customer retention. Results may be useful to supermarket managements and employees for increasing customer retention and profitability

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ABBREVIATIONS AND ACRONYMS

RMIs- Relationship management instruments

CRPs_ Customer relationship perceptions

GDP--- Gross Domestic Product

VIP- Very important persons

B2B- Business to Business

B2C- Business to Customer

RETRAK- Retail Trade Association of Kenya

CT – Customer trust

CC- Customer commitment

CL- Customer loyalty

CCM- Customer Communication

OPERATION DEFINATION OF TERMS

Relationship marketing: Marketing activities aimed at creating and maintaining better relationship with customers leading to customer retention

Customer trust- A complete reliance by customers on the information provided by the seller when making purchase decision.

Customer commitment- A desire by customers that a relationship continue, be strengthened, restored and maintained between the customers and sellers.

Customer loyalty- A deep commitment by the customers to re- purchase products and services of a particular organization over the others despite marketing efforts made by those firm.

Customer communication- The process of passing information about the product and services from an organization to its customers

Customer retention –Zero defection rate for profitable customers to potential competitors.

Customer churn- the rate at which customers defecting from one brand to competing brands.

Customer referrals- ability of customers to share positive experience about an organization with other customers making them to seek the services of the organization.

Rate of stock turn over- The number of times a business sells and replace inventory during a particular period of time.

Supermarket - is a large retail store offering a variety of products under one roof.

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CHAPTER ONE

INTRODUCTION

This chapter contains background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study, significance of the study and the conceptual framework.

1.1 Background of the study

Marketing as a discipline has been evolving overtime from the traditional marketing philosophies which include production, product, selling, marketing and socio cultural marketing philosophies. Many firms have also adopted the current marketing concepts which include: social media marketing, holistic marketing and electronic marketing. Due to increasing challenges in the business environment; the main one being profitability which is as a result of customers switching to other competitive brands (Beetless & Harries, 2010). Also the Corona Virus Pandemic which has reduced tremendously the number of customers accessing services in the retail shops because of the restricted movement of people and social distance guidelines (Shumsky & Debo, 2020). Firms have embrace the concepts of relationship marketing and customer retention as a means of achieving their objectives. In the recent past organizations have used relationship marketing as a strategy to help deal with the ever changing marketing environment.

Relationship marketing has been defined as a type of marketing that focusses on the development maintenance of a long lasting relationship between the customer and the organizations including the supplies and other players in the market. (Gilaninia & Almani, 2011). It is a marketing strategy that aims at development and enhancement of a mutual partnership with the customers during the entire customer life cycle as opposed to attracting new customers (Zineldin &

Philipson , 2007). In this marketing strategy, major emphasis is made on the mutual interaction between the buyer and the seller (Beetless & Harries, 2010). To overcome service intangibility, it is appropriate that firms employ the use of relationship marketing as a strategy especially on credence services, this marketing strategy is involving.

As a strategy, relationship marketing is all about creation, maintenance and enhancement of a closer relationship with the buyers. While considering relationship marketing as a strategy, organizations should consider every customer as an individual or unit. Any marketing activity of the firm should predominantly be focused on the existing customers, (Gilaninia & Almani, 2011).

Implementation of the strategy should be based on dialogue and interaction with the customers. Profitability is to be achieved by concentrating on customer retention rather than acquiring new customers.

Kotler's five-level model for relationship marketing indicates that companies that do not have any reaction after selling to particular customers are operating on the elementary level while firms who encourage their customers to ask questions and raise concerns about the services they are given are operating at the passive and responsive level. On the other hand firms who periodically contact their customers with various information are operating on the active and effective level. Finally there are organizations that constantly contact their customers with information's and are operating at the participatory level of relationship marketing. (Rezaei & Elahi Rad, 2007)

Ndubisi Model relationship marketing has been considered to have three main components or indicators which are also called (underpinnings). These indicators are customer trust, customer commitments and customer communication. There is a strong

believe that these three factors are having influence on the customer loyalty and retention of any firm in the banking sector, (Ranjbaryan & Barari , 2009).

1.1.1 Customer trust and customer retention

Customer trust has been considered as a matter of perception of the customers on the quality of the services that are offered by the various firms. In many circumstances it has been measured by the perceived value and perceived quality of services which the providers are offering. Customer experience has also been considered as a key indicator of customer trust in the various organizations. Customer trust has been measured various constructs such as competence in business, benevolence eg employees soft skills, integrity and predictability,

A study conducted by (Soimo, Wagoki, & Okello, 2015) entitled influence of relationship marketing on customer retention in commercial banks in Nakuru town Kenya determined that customer trust is a key component of relationship marketing and has direct positive influence on customer retention in the banks.

Another study by Sarwar, Abbasi, & Pervaiz (2012) on the effects of customer trust on customer loyalty and retention, a moderating value of cause related marketing, conducted in Pakistan, the study was guided with the hypothesis that customer trust positively associate with customer retention and a correlational research design adopted.

The results showed that customer trust and customer retention does not have any noticeable relationship between them when considered as key variables.

Another study by Seiedeh & Saeid (2012) also conducted their study on effects of Customer Satisfaction, Customer Trust and Switching Barriers on Customer Retention in Malaysia Hypermarkets “and the findindings indicated that there is a significant

relationship between customer trust and customer retention in the hypermarkets in Malaysia.

The above studies by Sarwar, Abbasi, & Pervaiz, (2012), Seiedeh & Saeid (2012) and Soimo, Wagoki & Okello(2015), were conducted to examine the relationship between customer trust as a component of relationship marketing and customer retention. (Seiedeh & Saeid , 2012) And (Soimo, Wagoki, & Okello, 2015) agreed in their findings that customer trust has a positive influence on customer retention; by improving customer trust, businesses increase their customer retention rates. On the other hand (Sarwar, Abbasi, & Pervaiz, 2012) findings indicate that there is no association between customer trust and customer retention. However these studies differ in various aspects which include research design, study area and method of data collection. While (Seiedeh & Saeid , 2012) conducted their research in the hypermarkets in Malaysia, and used a descriptive research design, (Soimo, Wagoki, & Okello, 2015) conducted their study in the commercial banks in Nakuru town Kenya and used a cross sectional research design, their findings still agreed that customer trust has a positive influence on customer retention. The above studies did not use a correlational research design to conduct their research, similarly most of them were case based studies which cannot be generalized to a wider population, consequently the effects of customer trust on customer retention in the retail markets remains unclear using a correlational research design. This study was therefore conducted to explore the existence of any relationship between customer trust and customer retention in supermarkets within Kisumu city or not.

1.1.2 Customer commitment and customer retention

Customer commitment has been considered as a very important factor that shows the existence of a relationship between customers and the service providers. It is arrived at when customers are made to believe that there is no other service provider that can give similar quality services as the one that they are getting in the current firm. Customers also get committed when they develop a patronage relationship with the employees or other components of the organizations. It is also worth noting that customers get committed when they realize that organization values are similar to their personal values. Customer commitment has been measured using various constructs such as normative commitment, economic commitment, forced commitment and habitual commitment.

A study conducted by Magasi (2016) on Customer Relationship Marketing and its Influence on Customer Retention: A case study of commercial banking industry in Tanzania. The researcher used a cross sectional research design and the findings revealed that customer commitment as a determinant of relationship marketing have an influence on the retention of the said customers with the existence of some element of trust.

Another study by Verhoef (2003) on understanding the effects of relationship marketing on customer retention and customer share development found out that customer commitment has an influence o (Aila & Ombok , 2015)n customer retention.

Gournaris (2015) also conducted a study on trust and commitment influences on customer retention: insights from B2B Services. The study targeted businesses in various

industries and the findings indicated that customer commitment has an influence on customer retention in a B2B relationship.

The above studies by Magasi (2016), Verhoef (2003), Gournaris (2015) both examined the relationship between customer commitment (as a component of relationship marketing) and customer retention. Their findings both agreed that by focusing on customer commitment as a strategy, businesses have achieved higher rates of customer retention. Although the findings of these studies agreed that customer commitment have a positive influence on customer retention, they focused on different combination of relationship marketing components, different industries and customers. (Gournaris, 2015) Focused on customer trust and customer commitment with their influence on customer retention. He also looked at companies in different industries and majored on a B2B arrangement. (Magasi, 2016) Focused on customer commitment, customer trust and customer satisfaction as components of relationship marketing. The study was conducted in a banking industry in Tanzania and majored on a B2C arrangement. On the other hand (Verhoef, 2003) focused on customer commitment, customer satisfaction and payment equity as major components of relationship marketing and majored on a B2C arrangement.

None of the studies considered customer commitment as combination with customer trust, customer communication and customer loyalty in relation to customer retention. Consequently the extent of effects of customer commitment on customer retention when it is combined with other elements like customer trust, customer communication and customer loyalty in the retail sector is not known. This research was conducted to

examine the extent of effects of customer commitment on customer retention among the supermarkets operating in Kisumu city.

1.1.3 Customer communication and Customer retention

Many organizations have successfully built long term relationships with their customers by practicing effective communication as a strategy. This has led them to appreciate the role played by communication to develop and maintain relationships between the organizations and their stakeholders including customers. Effective communication with customers has been identified to have a number of significance in terms of achieving their objectives. These benefits include better customer relationships, effective utilization of resources, more effective decision making and successful problem solving. (Poovalingam & Veerasamy, 2007). These are believed to have influence on customer retention. customer communication has been measured in various constructs including E-mails, websites, phone technology, text messaging, webchat, social media, video messaging and hand written notes.

A study conducted by Muketha, Thiane & Thurania (2016) on Influence of relationship marketing on customer retention in the branches of commercial banks in Meru town, Kenya, where customer communication was considered as one of the indicators of relationship marketing showed that customer communication is a very important factor that influences customer retention. . The study concluded that customer retention within the banking sector was determined by the effective communication between the customers and employees.

Another study conducted by Poovalingam & Veerasamy (2007) on the impact of communication on the customer relationship marketing among cellular service providers

in South Africa. The findings agreed with the findings of first study that customer communication has an influence on customer retention.

Both (Muketha , Thiane , & Thurania , 2016), (Hadush, 2014) and (Poovalingam & Veerasamy, 2007) seems to agree that customer communication (as a component of relationship marketing) has an influence on customer retention. However their studies differ in some aspects; whereas (Muketha , Thiane , & Thurania , 2016) had a similar findings, their study was conducted in the banking sector in Meru town Kenya and used stratified systemic and simple random sampling to arrive at the sample size for the study, while (Poovalingam & Veerasamy, 2007) carried out their study in the communication industry in South Africa and used simple random sampling technique to arrive at the sample size. (Hadush, 2014) On the other hand carried out his study in the insurance industry in Ethiopia and used convenience sampling technique to arrive at the sample size. None of the studies was conducted in the retail sector using a systemic sampling technique. Consequently the effects of customer communication on customer retention in the retail sector remain unknown, more so using a systemic sampling technique. The current study therefore sought to determine the relationship between customer communication and customer retention among supermarkets in Kisumu city using a systemic sampling technique.

1.1.4 Customer loyalty and Customer retention

Customer loyalty has been largely referred to as the extent of devotion that customers show to the product and services of an organization or a brand. It is mainly caused by the level of satisfaction that customers get from a particular brand at this also influences the customers when making choices on the competing products resulting to

customer retention. Customer loyalty can be measured in various indicators such as positive word of mouth, decreased loyalty to competitors, repurchase, reduced search time, buying other products of the brand/ company.

A study by Magtef & Tomaliech (2015) on the Impact of Customer Loyalty Programs on Customer Retention. The researcher used simple random sampling technique to arrive at the sample size and the results revealed that customer loyalty as a component of relationship marketing has a strong positive impact on customer retention in the Jordan banking sector.

According to another study by Yadav & Sharma (2018) on the effects of customer retention in customer loyalty in the public sector banks in India with customer retention as the independent variable and customer loyalty as the dependent variable. The researcher used purposive sampling technique to arrive at the sample size and findings revealed that findings customer retention has a positive influence on customer loyalty.

The above studies by (Magtef & Tomaliech, 2015), (Yadav & Sharma, 2018) and (Kamruzzaman & Abedin, 2015) were done on the relationship between customer loyalty and customer retention and their results agreed that there is a positive relationship between the two variables. However the studies are different in various aspects. While (Kamruzzaman & Abedin, 2015) and (Magtef & Tomaliech, 2015) focused on customer loyalty as the independent variable that influence customer retention (Yadav & Sharma, 2018) focused on customer retention as the independent variable affecting customer loyalty and their findings indicate that either of the variables influence one other. More over the researchers used different data collection instruments, while (Kamruzzaman & Abedin, 2015) and (Magtef & Tomaliech, 2015) used a questionnaire to

collect data (Yadav & Sharma, 2018) used a customer loyalty scale as a means of data collection and their results agreed that the two variables (customer loyalty and customer retention) have an influence on each other. While the two studies agree that there is a relationship between customer loyalty and customer retention, none of them explored the extent of the relationship, more so in the retail sector. Consequently the extent of the relationship between customer loyalty and customer retention remain unexplored more so in the retail sector. This study was conducted among the supermarkets in Kisumu city to explore the extent of the relationship between customer loyalty and customer retention.

1.1.5 Customer Retention

Customer retention is defined as a firm's zero defection rate for profitable consumers to potential competitors (Weinsltein, 1996). It is therefore the activities and actions that companies and organizations take to reduce the number of existing customers who defect to other competing brands and products, (Haaften, 2017). (Reichheld & Markery, 2000) It is therefore very important for organization to have effective customer retention strategies. This is because studies have shown that customer retention leads to high customer present value and by a large extent profitability, (Reichheld & Markery, 2000). Customer retention as a component can be measured through the following facets, number of customers (including domestic), frequency of buying, recency of buying, size of expenditure, share of expenditure, likelihood to recommend (advocacy) and propensity to pay more to a product. It is five times more expensive to acquire one new customer than to retain an existing one. Similarly any organization who positively changes customer retention by 5% will yield between 25% to 95% increase in profitability

(Forrester, 2015). It is therefore very important for firms who are seeking to survive in the competitive business environment to consider their customer retention strategies so as to remain profitable. This has been applicable in all sectors of the economy with the inclusion of all the supermarkets in Kisumu city.

1.1.6 Global view of retail industry.

The current global transformation in the retail industry especially in the supermarkets is accelerating rapidly due to the formation of new business models like online shops that increases the level of competition among the retail stores. Since all customers are well informed, it becomes difficult for firms to compete on the four PS of marketing only but to come up with other strategies like customer retention programs that increases their profitability.

According to (Xhemaili & Ramadani , 2017) the supermarkets in Kosovo (Southern Europe) are adapting relationship marketing strategies (customer trust) in trying to maintain or increase their competitive edge through customer retention. Supermarkets who understand and change to such marketing strategies increase their performance in the future by retaining potential customers who can become ambasandas, repeat purchase and recommend the supermarket to other people.

Another research conducted by (Verma , Dheeraj, & Sheth , 2015) in India on whether relationship marketing matter in online retailing, showed that even in the online retailing a business model that most supermarkets have adopted, there is need for customer trust, commitment ,relationship quality and relationship satisfaction to promote customer retention.

The emergence and tremendous growth of the retail economy has unleashed powerful forces that are reshaping the retail industry at an unprecedented rate. Given the dynamics of the changes retailers are struggling to balance between maintaining operational excellence and implementing necessary changes. It is worth noting that one of the effective ways of enhancing operations in the retail industry is to increase customer retention which will reduce the marketing costs for the supermarkets and this can be achieved by employing relationship marketing.

In Africa the lasting impact of relationship marketing as a marketing strategy has been adopted by many business in the retail sector. Many retail outlets in the region has welcomed the concept of relationship marketing as a means of increasing profitability through customer retention.

According to a study by (Izogo & Ogba , 2014) on the correlates of the determinants of relationship marketing in the retail sector: Nigerian case, it was found that most customers would want to frequently shop in retail store that were more closer to them, at the same time the retail stores still had to maintain a closer relationship with their customers through customer trust, quality service, customer commitment. In the implication of this study the researchers noted that retail stores with the largest pool of consumers is central to enhancing performance.

1.1.7 Retail Sector in Kenya

In Kenya there are retail stores ranging between well-established retail chains to independent store supermarkets. The retail industry contributes up to 8.4% of the total GDP (Cytonn, 2018). In as much as most business in the retail sector in Kenya have embraced the concept of relationship marketing and customer retention in their smaller

capacities, there is no clear study showing the adoption of these two marketing concepts in their marketing strategies.

Studies conducted in other sectors of the economy have shown that there is a relationship between relationship marketing and customer retention for example a study conducted by (Muketha , Thiane , & Thurania , 2016) on the influence of relationship marketing in customer retention in the banking sector showed that communication as a determinant of relationship marketing has a greater impact of customer retention. The current research will therefore try to establish if the same relationship may exist between the two variable in the retail sector.

In Kisumu many customers have developed the culture of making their purchases in the supermarkets because of the several advantages that they get (Nkirote, 2014). This has seen the upcoming of several large and small scaled supermarkets in various parts of the Kisumu central business district and other satellite centers like Kondele, Nyamasaria and Mamboleo. Studies have shown that various supermarkets in Kisumu have used various strategies to achieve competitive advantage against their close competitors in the business environment. For instance a study by (Gacheri, 2010) on the strategic responses by tuskys supermarket to the competitive environment showed that the giant retail store in Kisumu has adopted several responses to gain competitive advantage on its close rivals. Some of these responses include trade discounts and offers, low price, diversified product and services and a strategic location of its shops. However all these strategies can only succeed if there is an effective customer relationship marketing programs and if the supermarket is keen on retaining its existing customers?

1.2 Statement of the Problem.

Globally customer retention has been viewed as a major challenge in the retail sector with survey by Harvard Business Review in 2020, showing that businesses in the retail sector could lose up to 1.6 trillion dollars from losing customers to other competitors. In Kenya, a survey conducted by RETRAK has rated customer retention as the third challenge affecting supermarkets at 23.53% after government regulation and low economic growth respectively. This is below 63% recommended customer retention rate for retail industry by Harvard Business Review 2020. The survey indicated that 32.25% of the supermarkets in Kisumu city are working towards opening new branches suggesting that the challenge of customer retention could increase due to increased competition.

Relationship marketing has been used by many firms to achieve customer retention with research showing that by focusing on components of relationship marketing such as customer trust, customer commitment, customer loyalty and customer communication, businesses have achieved higher rates of customer retention. Most of the empirical studies on relationship marketing focused on other elements of relationship marketing like customer satisfaction thereby ignoring key elements such as customer trust, commitment, communication and loyalty more so as a combination and how they affect customer retention. More over most of the past studies are case based that cannot be generalized to a wider population. At the same time all the empirical have used different research designs and none of them have used a correlational research design while conducting their studies. Consequently, the effect of relationship marketing on customer retention along key dimensions like customer trust, customer commitment

customer communication and customer loyalty has remained unexplored more so using a correlational research design. Therefore the purpose of this study was determine the effects of relationship marketing on customer retention in a retail industry more so among the supermarkets in Kisumu city.

1.3 Research Objectives

1.3.1 General Objective

The main objective of the research was to study the influence of relationship marketing on customer retention in the supermarkets in Kisumu city.

1.3.2 Specific Objectives

- I. To determine the influence of customer trust on customer retention among supermarkets within Kisumu city.
- II. To find out the influence of customer commitment on customer retention in the supermarkets in Kisumu city.
- III. To establish the influence of customer loyalty on customer retention among supermarkets in Kisumu city.
- IV. To examine the influence of customer communication on customer retention among supermarkets in Kisumu city.

1.4 Research Hypothesis

The study will be guided by the following research hypothesis

- I. There is no significant relationship between customer trust and customer retention among supermarkets in Kisumu city.
- II. There is no significant relationship between customer commitment and customer retention among the supermarkets in Kisumu city.

- III. There is no significant relationship between customer loyalty and customer retention among supermarkets in Kisumu city.
- IV. There is no significant relationship between customer communication and customer retention among supermarkets in Kisumu city.

1.5 Significance of the Study

This study will be of great significance to the entire retail industry specifically the supermarkets in Kisumu city as managers and employees of the various supermarkets will be able to gain knowledge on the influence of relationship marketing on customer retention. Since it is difficult to gain new customers than to retain existing ones, supermarkets will be able to reduce their marketing budgets to acquire new customers by concentrating on serving and retaining the existing ones.

1.6 Scope of the Study.

This study was meant to investigate the influence of relationship marketing on customer retention in all the seven supermarkets in Kisumu city. The study was done between January 2020 to April 2021. The target population in the study was 5100 walk in customers of targeted supermarkets in Kisumu city. The researcher considered four major determinants of the independent variable relationship marketing that have influence on customer retention. These include customer trust, customer commitment, customer loyalty and customer communication, the scope of this study could be beyond these four factors.

1.7 Conceptual Frame Work

A conceptual framework is described as a research instrument purposed to help a researcher in developing awareness and understanding of a particular situation under

scrutiny and after which communicating it to the users of the information. It is defined as a concise description of a particular situation phenomenon under study followed by a graphical or visual depiction of the major variables of the study (Mugenda , O M; Mugenda , A G, 2008). The figure (1.1) below explains the relationship between relationship marketing as an independent variable and customer retention a dependent variable. Indicators of relationship marketing include: Customer trust, Customer commitment, Customer loyalty and Customer communication. On the other hand the indicators of customer retention (Dependent variable) include: Customer repeat purchases, Customer referrals, Customer churn and Stock turnover. It is believed that relationship marketing activities geared towards achieving any of the indicators of relationship marketing can influence customer retention in an organization to some extent

Independent variable

Dependent variable

Relationship marketing Practices
Customer Retention

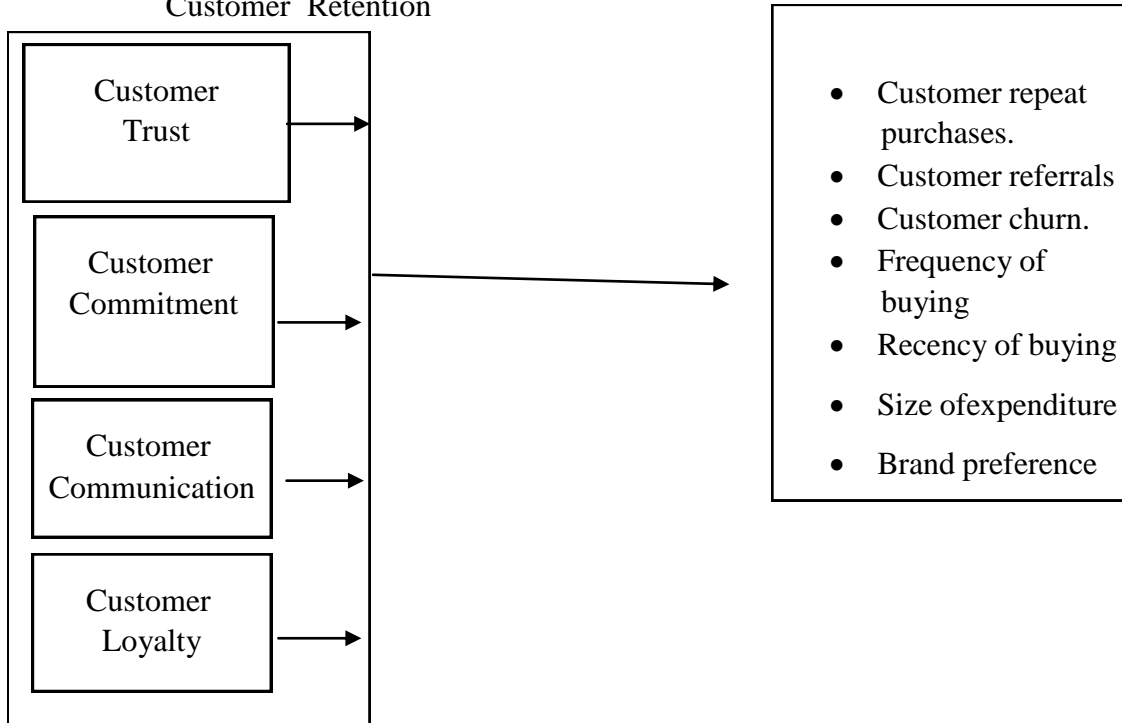


Figure 1.1 Conceptual framework: Relationship between Relationship Marketing practices and Customer Retention.

Source: Researcher 2021

CHAPTER TWO

LITERATURE REVIEW

This chapter comprised of two major parts namely theoretical review and empirical review.

2.1 Theoretical Review.

This study was based on three major theories namely social exchange theory, commitment trust theory and relationship marketing theory.

2.1.1 Social Exchange Theory

This theory was first developed by American sociologist George Homans in 1958. Upon publishing his journal with a titled “Social Behavior as exchange”, he came up with a framework based on individual behavior and basic economics. The theory is anchored on basic assumption that a relationship between two people is developed on the basis of cost benefit analysis. While considering relationships with customers organizations need to seriously assess the economic benefits that are drawn from such relationships just like it is of no doubt that customers make purchase and repeat purchase decisions based on the benefits that they draw from the services. (Bhasin, 2018)

According to social exchange theory the costs in a relationship are factors that one can consider the negatives while the benefits are traits that one can consider the positives of the relationship. This theory help explain relationship marketing and customer retention in the context of gains by parties in comparison with the costs incurred. If the rewards exceeds costs then both parties will be willing to continue with the business relationship and if the costs exceeds the rewards the relationship will cease to exist and both parties will look for better alternatives (Fill, 2006). It therefore implies

that organizations must first calculate their perceived customer value and establish the intended benefits both to the customer and the organization before embarking on any customer retention programs

While the relationship between the supermarkets and the customers is said to be based on cost benefits analysis according to the theory, there are some other aspects like customer trust, customer commitment and loyalty that also results to customer retention. This research therefore sought to determine how these aspects of relationship marketing influence customer retention in supermarkets operating within Kisumu city.

2.1.2 Commitment –Trust Theory

The advancement of this theory was done by Morgan and Hunt (1994). The theory argues that relationship marketing entails the establishment, development and maintenance of mutual relationships with customers based on their trust. A major paradigm shift has been realized from marketing theory and practice by conceptualizing the ten forms of relationship marketing which include: Reliability, tangibility, responsiveness, communication, access, courtesy, credibility, competence, security and understanding of customers. According to the theory, commitment and trust are key requirements for establishment of any successful relationship between a buyer and a seller. By modelling relationship commitment and trust as key mediating variables in relationship marketing, testing and comparing the model with others which do not consider relationship commitment and trust as key variables. It was justified that successful relationships with customers are established when relationship commitment and trust are considered.

A clear focus on customer commitment and trust enables marketers to work towards preserving and investing in cooperation with them. The theory encourages marketers to make choices and forgo the attractive short term benefits by focusing on the long term benefits as a result of cultivating and maintaining good relationship with the existing customers. Alternatively, marketers should be concerned that their customers will not act opportunistically to benefit from the short term offers meant to entice them into a relationship with the organization (Morgan & Hunt, 1994). For the existence of a close understanding between the marketer and the customer that leads to efficient, productive and effective relationship, both customer commitment and customer trust should be present as strategies. These two (commitment and trust) leads to cooperative behaviors that are important for the success of relationship marketing (Morgan & Hunt, 1994). However this theory has failed to address service quality as a part of relationship marketing, at the same time it has not considered other components of relationship marketing such as customer loyalty and customer communication which are also important in development of relationships and by a large extent customer retention. This research study therefore attempted to explain how commitment, trust and other elements like communication and loyalty as crucial variables in relationship marketing influence the retention of customers in the various supermarkets in Kisumu city.

2.1.3 Relationship Marketing Theory.

This theory states that for the existence of a successful relationship marketing in an organization, there need to be a successful relations exchanges between the firm and its customers. This theory is based on three major components of customer relationship marketing which include customer trust customer commitment and customer

communication. (Arnett & Badrinayanam , 2005). According to relationship marketing theory, customer loyalty is enhanced through successful relationship marketing which leads to customer retention through stronger relational bonds between the customer and the service provider. (Soimo, Wagoki, & Okello, 2015). This theory will be of beneficial to this study since it tends to explain the components of relationship marketing and focusses on relationship marketing elements including customer trust, commitment and communication which are important variables in the study. The theory also suggests that successful efforts of relationship marketing enhances customer retention which the current study sought to establish.

2.1.4 Relationship Marketing Concept

Relationship marketing has been viewed as a more advanced marketing concept as opposed to transactional marketing. In this marketing concept, firms and marketers concentrate mostly on creating relationship with the customers as opposed to merely conducting the transaction (Jemma & Tournois, 2014). It is more geared towards creating a long lasting relationship with the customer leading to customer retention (Hadush, 2014). Relationship marketing is defined as a type of marketing that focusses on the development and maintenance of a long lasting relationship between the customer and the organizations including the suppliers and other players in the market. And this aims at achieving higher rates of customer retention as a competitive advantage. . (Gilaninia & Almani, 2011).

There are a number of elements of relationship marketing that many firms have focused on to achieve their marketing goals, these include: customer trust, customer commitment, customer communication, customer satisfaction, customer service, customer

knowledge and customer loyalty (Jemma & Tournois, 2014). For the purpose of this study the researcher considered customer trust, customer commitment, customer communication and customer loyalty as the key elements of relationship marketing that influence customer retention.

Customer trust has been defined a perceived reliability of the goods and services offered by an organization, based on earlier experience from the engagement with the organization (Constabile & Raimondo, 2002). When a customer is willing to behave in a particular manner due to his/her belief that the organization will meet their expectations, then such a customer is said to have trust. (Utami, 2017) Customer trust as an element of relationship marketing can be built when organizations practice honesty, reliability, accountability and transparency in their dealings with the customer. (Paliszkievicz & Klepacki, 2013).

Customer commitment has been defined as the persistent need by customers to maintain or continue in a valued relationship with an organization. Or a brand (Ndubasi , 2007). A customer who expresses the desire to act or behave in a particular manner that will promote his relationship with an organization is said to be committed (Gilaninia & Almani, 2011). Customer commitment can be measured by the desire for a customer to continue buying a particular product from an organization for a longer period of time.

On the hand, any customer communication is a glue which makes the relationship between a marketer and a customer exist and even maintained. It is evident when customers are having a perfect knowledge of an organization, when customer are aware of any offers that are available in the organization and also when customers can easily access information about a particular organization and give their feedback.

Customer loyalty is a deep commitment by a customer to purchase a particular product again in the future despite marketing efforts by competitors to change his buying decision. It is measured in the ability of the customers to do repeat purchase, refer other customers to use the product, customers unwillingness to switch to other brands.

2.1.5 Concept of Customer Retention

Customer retention is viewed as a concept geared towards engaging the existing customers to continue transaction with a particular organization, or consuming a particular product for the longest time ever as opposed to customer acquisition which aims at recruiting new customer (Hadush, 2014). The main interest of organizations is coming up with the best relationship marketing strategies which can lead to creating a long lasting relationship with the existing customers. Studies have shown that an organization is able to increase its profit by 60% while retaining its customers as opposed to 5% increase on recruiting new customers. (Fill, Chris, 2005). At the same time acquiring new customers has been proved to be more costly as opposed to retaining the existing customers, based on this, organizations have developed various strategies that can enable them develop a fruitful relationship with their customers leading to customer retention. Customer retention can be measured in various aspects in an organization which include: customer referrals, customer repeat purchase, and customer churn and customer lifetime value.

2.2 EMPIRICAL REVIEW

2.2.1 Customer Trust and Customer Retention

Customer trust refers to the ability of an individual customer to completely rely on the information provided by the seller to make purchase decision, it is based on the reputation of the supplying firm's personality, systems, and processes. (Hersh, Aburoub, & Saaty, 2014). Customer trust can also be defined as a willingness to depend on an exchange partner in whom he/ she has confidence (Moorman, 1993). Organizations can gain customer trust when they provide and fulfill their core values and promises to customers

According to a study by (Sarwar, Abbasi, & Pervaiz, 2012) on the effects of customer trust on customer loyalty and retention a moderating value of cause related marketing, conducted in Pakistan, the study was guided with the hypothesis that customer trust positively associate with customer retention and a correlational research design adopted for the study. A research questionnaire was used as data collection instrument, and was based on the questionnaire used in another research by (Zhang & Feng, 2009). The researcher justified the use of a similar questionnaire since the topics were similar.

The research findings indicated that customer trust have a strong correlation with customer loyalty, however there is no association between customer trust and customer retention in Pakistan cellular industry. The researcher concluded that customer retention is also a very important factor for marketing concerns and that it is always very expensive to obtain a new customer than to retain the existing once. The research recommends that there is need for marketers in the service industry to enhance their

customer retention by focusing on the customer behaviors, preferences attitude religious norms and perception.

According to another study by Seiedeh & Saeid (2012) entitled 'The study of Customer Satisfaction, Customer Trust and Switching Barriers on Customer Retention in Malaysia Hypermarkets', the main objective of the study was to examine the direct relationship between customer satisfaction, customer trust and switching barriers on customer retention. A descriptive research design was adopted with the aid of a questionnaire as the means of data collection. The study was conducted in hypermarkets within Kuala Lumpur the capital city of Malaysia. The data was analyzed by SPSS 17 and the results confirmed the existence of a direct relationship between customer trusts, customer satisfaction, and switching barrier with customer retention, (Seiedeh & Saeid , 2012).

Another study conducted by Soimo, Wagoki, & Okello (2015) entitled 'influence of relationship marketing on customer retention in commercial banks in Nakuru town Kenya. The main objective of this study was to 'establish the effect of customers' trust in their bank on customer r (Seiedeh & Saeid , 2012)retention in commercial banks in Nakuru town'. A cross sectional research design was used in the study with the help of structured questionnaire as the means of data collection. Data was analyzed using a descriptive data analysis followed by a correlational data analysis. Findings indicated that customer trust is a key component in relationship marketing and by improving customer trust banks can enhance customer retention. (Soimo, Wagoki, & Okello, 2015)

Studies by Sarwar, Abbasi, & Pervaiz (2012), Seiedeh & Saeid (2012) and Soimo, Wagoki, & Okello, (2015) were conducted to examine the relationship between customer trust as a component of relationship marketing and customer retention. (Seiedeh & Saeid , 2012) And (Soimo, Wagoki, & Okello, 2015) agreed in their findings that customer trust has a positive influence on customer retention; by improving customer trust businesses increase their customer retention rates. On the other hand (Sarwar, Abbasi, & Pervaiz, 2012) findings indicate that there is no association between customer trust and customer retention. However these studies differ in various aspects which include research design, study area and method of data collection. While (Seiedeh & Saeid , 2012) conducted their research in the hypermarkets in Malaysia, and used a descriptive research design, (Soimo, Wagoki, & Okello, 2015) conducted their study in the commercial banks in Nakuru town Kenya and used a cross sectional research design their findings still agreed that customer trust has a positive influence on customer retention.

The above studies did not use a correlational research design to conduct their research, similarly most of them were case based studies which cannot be generalized to a wider population. The studies also did not seek to establish the significance of relationship between the customer trust and customer retention, consequently the effects of customer trust on customer retention in the retail markets remains unclear using a correlational research design. This study therefore sought to determine the existence of any relationship between customer trust and customer retention or not

2.2.2 Customer Commitment and Customer Retention

Customer commitment has been defined as the desire to strengthen and maintain a valued relationship between two individuals (Fill, Chris, 2005). Other scholars have defined customer commitment as persistent need to continue with a valued relationship (Ndubasi , 2007). Customer commitment originates from persons psychological mind leading to the formation of positive attitude concerning a business that leads to the establishment of a relationship and then retention. Customer commitment has been measured using various constructs such as normative commitment, economic commitment, forced commitment and herbitual commitment.

According to a study by Magasi (2016) on Customer Relationship Marketing and its Influence on Customer Retention: A case study of commercial banking industry in Tanzania. The main aim of the study was to investigate the extent to which relationship marketing influences customer retention in their commercial banks in Tanzania with customer commitment as one of the indictors of relationship marketing. A cross sectional survey was used to collect data with the help of a questionnaire. Data was analyzed using Chi- square and multiple regression models. Results of the study indicated that satisfied customers will not always enter into long term relationship with the Bank, however further findings were that committed customer with some level of trust can enter into a long term relationship with the bank. Another study by Verhoef (2003) on understanding the effect of customer relationship management on customer retention and customer share development. The aim of the study was to understand the effect of customer relationship perceptions (CRPs) and relationship marketing instruments (RMIs) on customer retention and customer share

development is different. A panel research design was used in the study and a telephone survey was to collect data from samples which were arrived at using simple random sampling technique. Data analysis was done using Probit model and regression models. The findings indicated that affective customer commitment as a relationship marketing instrument is an antecedent to customer retention and therefore determines how the customers will make their purchase decisions (Verhoef, 2003)

According to a study by Gournaris (2015) on trust and commitment influences on customer retention: insights from B2B Services. The main objective of the study was to examine the influence of customer trust and commitment on customer retention in a B2B arrangement. The researcher used questionnaires to collect data which was emailed to 280 companies from different industries in Greece. Data analysis was done using descriptive statistics and correlational statistics. The finding indicated that customer commitment have a positive influence on customer retention in a B2B relationship. (Gournaris, 2015)

The above studies by Magasi (2016), Verhoef (2003), Gournaris (2015) both examined the relationship between customer commitment (as a component of relationship marketing) and customer retention. Their findings both agreed that by focusing on customer commitment as a strategy, businesses have achieved higher rates of customer retention. Although the findings of these studies agreed that customer commitment have a positive influence on customer retention, they focused on different combination of relationship marketing components, different industries and customers. (Gournaris, 2015) Focused on customer trust and customer commitment with their influence on customer retention. He also looked at companies in different industries and majored on a B2B

arrangement. (Magasi, 2016) Focused on customer commitment, customer trust and customer satisfaction as components of relationship marketing. The study was conducted in a banking industry in Tanzania and majored on a B2C arrangement. On the other hand (Verhoef , 2003) focused on customer commitment, customer satisfaction and payment equity as major components of relationship marketing and majored on a B2C arrangement.

None of the studies considered customer commitment as combination with customer trust, customer communication and customer loyalty in relation to customer retention. Consequently the extent of effects of customer commitment on customer retention when it is combined with other elements like customer trust, customer communication and customer loyalty in the retail sector is not known. The current study sought to examine the extent of effects of customer commitment on customer retention among the supermarkets operating in Kisumu city.

2.2.3 Customer Communication and Customer Retention.

Communication is defined as the process by which a person or organization conveys a message to another through a medium. Organizations always conveys information about the products and services they offer to their customers. This to a great extent is believed to influence the rate at the customers are retained to the organizations. Customer communication has ben measured in various constructs including E-mails, websites,phone technology,text messaging,webchart,social media,video messaging and hand written notes.

According to a study by Muketha , Thiane & Thurania (2016) on the Influence of relationship marketing on customer retention in the branches of commercial banks in

Meru town, Kenya, where customer communication was considered as one of the indicators of the independent variable (relationship marketing.) which influences the dependent variable (customer retention). The objective of this study was to determine the influence of customer communication on customer retention in the branches of commercial banks operating in Meru town, Kenya. A descriptive research design was used while data collection was aided by a closed ended questionnaire. The researchers used both stratified systemic and simple random sampling methods to arrive at the sample that was used for the study. Data was analyzed using descriptive statistics methods which included T- test and logistics regression methods. The findings indicated that customer communications was an important factor as a component of the relationship marketing that influenced customer retention. The study concluded that customer retention within the banking sector was determine by the effective communication between the customers and employee in the banking sector. (Muketha , Thiane , & Thurania , 2016)

Another study by Poovalingam & Veerasamy (2007) on the impact of communication on the customer relationship marketing among cellular service providers in South Africa .The study was to analyses the communication process and communication mix that cellular service providers utilize to engage with customers, the extent to which communication impact relationship marketing resulting to customer retention. A quantitative cross sectional study was employed with the survey method, simple random sampling was used to arrive at the sample size and a structured interview was used to collect data. Data analysis was done using

The research findings indicated that cellular service providers who use communication as a relationship marketing tool had over 70% of their customers indicating that they would refer other people to the services of those firms, confirming that communication has an influence on the customers satisfaction and retention (Poovalingam & Veerasamy, 2007)

A study by Hadush (2014) on the role of customer relationship marketing on customer retention: A case of Ethiopian Insurance Corporation in Maklle branch. The research conceptualize that effective customer communication is a component of effective relationship marketing that leads to customer retention. The main objective of the study was to assess the role of customer relationship marketing on customer retention, by focusing on customer communication, trust, commitment, empathy and responsiveness as the major components of relationship marketing. The study adopted a cross sectional survey research design with the help of questionnaire and personal interview as data collection instruments. The researcher used convenient sampling technique to sample a total of 188 respondents out of 4406 as target population. Data was processed and analyzed using quantitative statistics and descriptive statistics techniques. The findings indicated that effective and timely communication leads to customer retention in the insurance industry.

The above studies by Muketha , Thiane & Thurania (2016), Hadush(2014) and Poovalingam & Veerasamy (2007) seems to agree that customer communication (as a component of relationship marketing) has an influence on customer retention. However their studies differed in some aspects; whereas (Muketha , Thiane , & Thurania , 2016) had a similar findings their study was conducted in the banking sector in Meru town

Kenya and used stratified systemic and simple random sampling to arrive at the sample size for the study, while (Poovalingam & Veerasamy, 2007) carried out their study in the communication industry in South Africa and used simple random sampling technique to arrive at the sample size. (Hadush, 2014) On the other hand carried out his study in the insurance industry in Ethiopia and used convenience sampling technique to arrive at the sample size.

None of the studies was conducted in the retail sector using a systemic sampling technique. Consequently the effects of customer communication on customer retention in the retail sector remain unknown, more so using a systemic sampling technique. The current study therefore sought to determine the relationship between customer communication and customer retention among supermarkets in Kisumu city using a systemic sampling technique.

2.2.4 Customer Loyalty and Customer Retention.

Customer loyalty is defined as a deep commitment to re- purchase a product or service in the future regardless of different influences or marketing efforts that may cause changes in the customer buying decision (Xhemaili & Ramadani , 2017) . On the same note (Shoemaker & Lewis, 1999) argues that loyalty occurs when the customer feels that the firm and its products and services can best meet his/her relevant needs that competitors are virtually excluded from the consideration set. According to (Novo, 2002), loyalty to a customer is the tendency to choose one business or a product over another. Customer loyalty is a biased behavioral response, expressed over time by customers with respect to one supplier out of a set of suppliers, which is a function of decision making and evaluating process in brand or store commitment. Customer loyalty

can be measured in various indicators such as positive word of mouth, decreased loyalty to competitors, repurchase, reduced search time, buying other products of the brand/ company. Customer loyalty can be measured in various indicators such as positive word of mouth, decreased loyalty to competitors, repurchase, reduced search time, buying other products of the brand/ company.

According to a study conducted by Magtef & Tomaliech (2015) on the Impact of Customer Loyalty Programs on Customer Retention” in Jordan. The objective of this study was to discover the effect of loyalty programs on customer retention among the Jordan’s customers. A survey was conducted with the help of a questionnaire as the primary data collection tool. Data was collected randomly among the Jordan customers who had different social economic and education background. The research findings showed that there was a significant relationship between all the customer loyalty programs investigated and customer retention. The customer loyalty programs included: Point system, tier system reward charging an upfront fee on VIP benefits and non-monetary programs. The results indicated that customer loyalty programs has a strong positive impact on customer retention in the various banks in Jordan.

According to another study by Yadav & Sharma (2018) on the effects of customer retention on customer loyalty in the public sector banks in India with customer retention as the independent variable and customer loyalty as the dependent variable. The study aimed at analyzing the correlation between customer retention and customer loyalty in public sector banks. The researcher used purposive sampling method to arrive at the 383 customers from each bank that was selected for the study. A customer loyalty scale was used as the means of data collection and data analysis conducted

using correlation coefficient and multiple regression statistics. Results from the study indicated that all the customer retention strategies under study which included perceived service quality, customer satisfaction, customer trust, customer commitment and banks image have significant positive correlation with customer loyalty.

A study by Kamruzzaman & Abedin (2015) on the effects of relationship marketing on customer retention for competitive advantage. The main aim of the study was to investigate the impact of relationship marketing tactics on customer trust and loyalty which increase customer loyalty and competitive advantage. The researchers focused on customer loyalty, customer trust, communication and services quality as the major components of relationship marketing that impact customer retention and competitive advantage. The study used descriptive research design and a questionnaire to collect primary data. Data analysis was done by the help of descriptive statistics and correlational techniques. The findings indicated that there is a positive relationship between customer loyalty and customer retention.

The above studies by Magtef & Tomaliech (2015), Yadav & Sharma (2018), Kamruzzaman & Abedin (2015) were done on the relationship between customer loyalty and customer retention and their results agreed that there is a significant positive relationship between the two variables. However the studies are different in various aspects. While (Kamruzzaman & Abedin, 2015) and (Magtef & Tomaliech, 2015) focused on customer loyalty as the independent variable that influence customer retention (Yadav & Sharma, 2018) focused on customer retention as the independent variable affecting customer loyalty and their findings indicate that either of the variables influence one other. More over the researchers used different data collection

instruments, while (Kamruzzaman & Abedin, 2015) and (Magtef & Tomaliech, 2015) used a questionnaire to collect data (Yadav & Sharma, 2018) used a customer loyalty scale as a means of data collection and their results agreed that the two variables (customer loyalty and customer retention) have an influence on each other. While the two studies agree that there is a relationship between customer loyalty and customer retention, none of them explored the extent of the relationship, more so in the retail sector. Consequently the extent of the relationship between customer loyalty and customer retention remain un explored more so in the retail sector. The current study was conducted among the supermarkets in Kisumu city to explore the extent of the relationship between customer loyalty and customer retention.

2.2.5 Summary of Literature Review

This section has focused on the theoretical review and empirical review. The theoretical review is discussed under three major theories that contributed to the current research. These theories include social exchange theory, Trust – commitment theory and Relationship marketing theory. Social exchange theory has viewed the relationship between organizations and customers in terms of the gains and costs, that is individuals will only make and maintain relationships based of the gains they get from such relationships and the cost they incur to maintain the relationships. On the other hand Trust Commitment theory asserts that successful relationship marketing requires relationship commitment and trust qualifying the two as key components of relationship marketing usable in this study. Equally Relationship marketing theory suggests that successful relationship marketing efforts enhance customer loyalty and by a large extent

customer retention through stronger relational bonds between the customer and the service provider.

Empirical review has been discussed based on the various components of relationship marketing and their influence on customer retention. These included customer trust and customer retention, customer commitment and customer retention, customer communication and customer retention and finally customer loyalty and customer retention. The empirical studies reviewed agreed in their findings that the components of independent variable (relationship marketing) has influence on the dependent variable (customer retention). However the studies have a number of differences including sectors under forces, geographical regions and research methodologies adopted yet their findings were similar. The current research was carried out in the retail sector (supermarkets in Kisumu city) to determine if relationship marketing has influence on customer retention among the supermarkets or not.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter describes the methods and procedures that the researcher used to carry out the study. It includes major issues like research design, research population, study area, sample size, sampling procedures, data collection instruments, data types, validity and reliability tests, methods of data analysis and presentation and ethical considerations in the study.

3.1 Research Design

A research design functions as the research blue print for measurement and analysis of data. The researcher used a correlational research design as a scientific method which involves observing variables with a view of determining the existence of any relationship between them and to what extent. (Mugenda, O M; Mugenda, A G, 2008).

When using correlational research design, the researcher is allowed to explore the existence of any relationship between variable in a particular phenomenon as it is and give exact and accurate information that is useful in problem solving. (Ngechu, 2004).

In this research design the features of a target population is illustrated by focussing on the what, where and how of a particular phenomenon. (Cooper & Schindler, 2003).

Information's exploring the relationship between these variable are gathered, organized, tabulated and interpreted to bring out findings that are useful in offering solution (Bryman, 2008). The design advocates for gathering data from a sizable population and this makes it suitable for this research.

This study adopted a post positivist worldview philosophy which reflect the need to identify and assess the causes that influences outcomes in the relationship between two

variables. The knowledge that is developed from such a philosophical view is based on careful observation and measurement of the objective reality that exist. Post positivist also view that numerical measures of observations and studying the behavior of individuals becomes paramount. (Creswell, 2008)

3.2 Study Area

This study was conducted in Kisumu city. Kisumu city is the headquarter of Kisumu county and the third largest city in Kenya after Nairobi and Mombasa. It connects Kenya with its neighbors Uganda and Tanzania through the Kisumu port and is therefore a beehive of various business activities. Kisumu city lies between latitude - 0.10221 and a longitude 34.7617111in the southern hemisphere.

3.3 Target Population

A population has been defined as all the cases about which a researcher is seeking knowledge or the cases to which a researcher's conclusion are meant to apply. (Bryman, Bell, & Teevan, 2012). A population consists of a group objects or people that share common characteristics from which units of analysis are chosen for the purpose of the study, (Orodho, 2005). The population of interest in this study were all the walk in customers in the targeted supermarkets. Since the population is infinite , the researcher purposed to use 20% representation of the total population .The targeted supermarkets included Appmart, Naivas, Quick matt, Khetias, Chandarana , Shivling and Kibuye Matt. The researcher targeted these supermarkets because they were easily accessible within the town Centre. The unit of analysis in this study was customers.

3.4 Sample Frame

The sampling frame is comprehensive list of all the sampling units from which a sample can be selected. In this study, a combination of stratified sampling and systemic sampling technique were applied. The researcher grouped all the respondents into seven stratas according to the supermarkets and then counted the customers as they walk in to shop in the respective supermarkets and picked every 20th customer to be interviewed. This was done until the total number of customers was achieved. The study got information from respondents (customers) selected from the targeted supermarkets in Kisumu city which include Appmart, Naivas, Khetais, Quickmatt, Chandanrana, Shilvling, Kibuye matt. The researcher used a 20% population representation and 5% error term to calculate the sample size using the Cochran's formular for unknown population as shown bellow.

$$n = p(1-p) \left(\frac{Z}{E} \right)^2$$

Where;

n = sample size

p= percentage of the population to be covered (20%)

e= error margin

Z= Normal distribution

Therefore the sample size will be calculated as follows

$$\begin{aligned} n &= 0.2(1-0.2) (1.96 /0.05)^2 \\ &= 0.16* 1536 \\ &=245 \end{aligned}$$

Table 2 Number of respondents from each supermarket target

SUPERMARKET	Number of branches	SAMPLE SIZE	%REPRESENTATION
Appmart	2	37	15
Naivas	3	57	23
Khetias	2	37	15
Quick matt	3	57	23
Shivling	1	19	8
Kibuye matt	1	19	8
Chandarana	1	19	8
Total	13	245	100

Source :Researcher (2021)

3.5 Data Collection Methods.

3.5.1 Sources of Data

This study relied on both primary data and secondary data. Primary data was collected from the respondents using a semi structured questionnaire while secondary data was obtained by reviewing the existing relevant literatures. Primary data is data that the reasecher collect from the original source and is considered more reliable and up to date.

3.5.2 Data Collection Procedures

The researcher sought authority from the University administration before carrying out the study on influence of relationship marketing practices on customer retention among the supermarkets in Kisumu city. The researcher with the assistance of customer care desk administered questionnaires to each and every 20th customers as they walk into shop at the various strators (supermarkets). The questionnaires was administered during working hours 9.00am to 8.00pm to even capture customers who were coming to shop after work. The questionnaires were administered in the cafeteria of the various

supermarkets after the customers have done shopping to ensure that the participants were not window shoppers. The customers were required to complete the questionnaires on the spot.

3.5.3 Data Collection Instrument

The study used questionnaire as the main data collection instrument. A combination of closed ended questionnaire and open ended questionnaire was used.

The researcher used closed-ended questions because they are easier to analyze since questions will be accompanied by alternative answers. The closed-ended items were measured by five point liker scale ranging from 1= strongly disagree to 5 = strongly agree and others a five point likert scale ranging from 1 = very poor to 5 = very good. The scale was useful in measuring the strength of respondents on customer commitment, loyalty, communication and trust.

However ,since the researcher wanted to capture the express opinion, feelings, complete knowledge and understanding of the respondents on the study, there was the used of open ended questions like tell us about your relationship with your retail outlet? These helped the researcher understand deeply the respondents.

3.5.4 Reliability of the Research Instrument

Reliability is the extents to which a research instrument yields findings that are consistent each time it is administered to same subjects. (Mugenda & Mugenda, 2003).

The reliability of the study instrument was tested using Cronbach's Alpha coefficient considering the minimum recommended value of alpha 0.7 as sufficient. All variables were subjected to cronbachs analysis to confirm their internal consistency.

Table 3.3 Results of Reliability Test

Scale	Chronbach's Alpha	No. of items
Customer trust	0.820	6
Customer commitment	0.772	4
Customer loyalty	0.791	4
Customer communication	0.803	4

Source :Survey Data (2021)

A pilot study was carried out to determine the reliability of the questionnaires. The researcher sampled 18 respondents. Analysis was done using Chronbach's Alpha that tested the internal consistency of the study questionnaires. All the chronbach's Alpha was found to be greater than 0.7 for all the items, hence the study items were considered very reliable to carry out the study.

3.5.5 Validity of the Research Instrument.

Validity of a research instrument is the degree to which an instrument measures what it purports to measure. (Borg & Gall, 1989). It is the accuracy and meaningfulness of inferences which are based on the research results (Mugenda & Mugenda, 2003). It is the extent to which the results of the study can be accurately interpreted and generalized to the general population (Cohen , 2010). Content validity was achieved through literature survey and expert judgment in research methodology. Content validity can be ensured by literature searches to ensure that the items are based on the study concept (Aila & Ombok , 2015), also the researcher sought the advice of the supervisors and other practitioners who are expert in the field.

3.6 Data Analysis and Presentation

The raw data collected was screened for consistency of responses and cleaned before entry into a computer file. The data was analyzed using both inferential statistical method (correlation analysis and multiple regression analysis) and descriptive statistics, the results presented using tables charts and graphs.

Inferential statistics (multiple regression analysis) was used to determine the existence of any relationship between the elements of relationship marketing and customer retention, to what extent using the following formula.

$$Y = \alpha + \beta_1 (CT) + \beta_2 (CC) + \beta_3 (CCM) + \beta_4 (CL)$$

Where

Y = Customer Retention (Dependent Variable)

CT= Customer Trust (independent variable)

CC= Customer Commitment (independent variable)

CCM= Customer communication (independent variable)

CL= Customer Loyalty , α = Constant. $\beta_1 \dots \beta_4$ = Coefficients

3.8 Ethical Considerations

The researcher strictly adhered to the ethical requirements in research. The researcher considered voluntary and informed consent where information was obtained from who would freely volunteer and give their consent to participate in the study. The researcher also considered anonymity, confidentiality and privacy where all the participants identity were concealed, information provided was confidentially used for purposes of the

research only. Very private information was treated with care so that the participants are not exposed.

3.9 Data Editing and Coding

The researcher used survey management functions which include completeness checking and quality control by the use of data audit trails. The researcher also used heads down mode of data entry where the data was reviewed after entry. Data review was manual, conducted before data entry, any errors and missing information was identified and corrected at this point. Outliers were ignored to avoid compromising the research outcomes

CHAPTER FOUR

RESULTS AND DISCUSSION

This study seeks to unearth the influence of relationship marketing on customer retention in the supermarkets in Kisumu city by investigating the influence of customer trust; the influence of customer commitment; the influence of customer loyalty and the influence of customer communication on customer retention among supermarkets in Kisumu city.

4.1 Results on the Response Rate and Demography

This study purposed to interview 245 respondents through the use of a questionnaire. However, there were 180 questionnaires that were duly filled and returned for analysis. This represented 73.4% response rate which was considered sufficient to warrant analysis (Fincham,2008)

From the general characteristics of the respondents, there were 88 (48.9%) male respondents while the female respondents were 92 (51.1%). The results indicated that most men interviewed were within the age bracket of 21-30 years and 31-40 years. Similarly, most women interviewed were within the same age bracket of 21-30 years and 31-40 years.

Table 4.2 Link between gender and Age of supermarket shoppers in Kisumu

		Age					Total
		below years	20 21-30 years	31-40 years	41-50 years	over years	50
Gender	Male	4	39	32	11	2	88
	Female	4	44	33	11	0	92
Total		8	83	65	22	2	180

Source :Survey Data (2021)

With respect to gender and their linkage to the levels of education, results indicated that majority of the respondents were certificate and diploma holders. There were 45 certificate holders (26 men and 19 women) whereas the diploma holders were 69 (34 men and 35 women). However, those with degrees were equally high with 21 males possessing degrees against 23 females.

4.3 Link Between Gender and the Education Level among the Respondents

		Education Level						Total
		O' level	A' Level	Certificat e	Diploma	Degree	Post graduate	
Gender	Male	0	4	26	34	21	3	88
	Female	2	7	19	35	23	6	92
Total		2	11	45	69	44	9	180

Source :Survey Data (2021)

Pertaining to how often the respondents shops, results indicated that most men either shops once a month (30 males) or on a need basis (31 males) while most females shop either after 2 weeks (33 females) or on a need basis. In overall, the results indicated that most of the respondents either shop once a month (53) or on a need basis (59)

4.4 The Respondents Shopping Behavior

		How often do you do your shopping?					Total
		Once month	a After weeks	two After week	one On a basis	need	
Gender	Male	30	15	12	31		88
	Female	23	33	8	28		92
Total		53	48	20	59		180

Source :Survey Data (2021)

Customer Retention was the dependent variable that all the constructs forming relationship marketing was anchored. This study sought to investigate the level of customer retention among supermarkets in Kisumu and the following were the responses on this variable.

Table 4.5 Frequencies on Customer Retention

Statements	1	2	3	4	5	Mean	SDEV
I always prefer shopping in this supermarket.	4	4	6	55	111	4.47	0.848
I am more likely to recommend others to shop in this supermarket.	2	2	6	68	102	4.48	0.720
I am more likely to do my subsequent shopping's in this supermarket.	1	2	8	81	88	4.41	0.683
I am more likely to increase my buying frequency in the supermarket.	8	1	23	84	64	4.08	0.951
I have always given my feedback to the supermarket about goods and services offered	13	8	20	79	60	3.92	1.128
I am likely to increase my shopping budget to get more goods from this supermarket.	8	12	20	77	63	3.97	1.065
I prefer Brands that are sold in this supermarket to others.	10	11	13	81	65	4.00	1.088
I am willing to pay more/a premium price while shopping in this supermarket.	12	28	20	40	80	3.82	1.325

Source :Survey Data (2021)

From the above Table 4.5, results on the mean column indicated that the individual sub latent variable means gravitated towards 4. This means that the supermarkets had a chance of retaining their customers. Similarly, the standard deviation column also possessed values greater than 0.5 which were a better indicator on the responses.

4.3 Descriptive Statistics

The descriptive statistics of the responses were grouped into 5 variables namely customer's trust, customer commitment, customer communication, customer loyalty and

customer Retention, the results were given in terms of the mean, standard deviation, skewness and Kurtosis.

Standard deviation measures the dispersion of a set of data from its mean. Skewness defines the extent to which a distribution differs from a normal distribution. Standard error measures the accuracy with which a sample represents a population while Kurtosis measures the thickness or the thinness of the distribution's tail. The kurtosis of a normal distribution is always 3. If it is more than 3, then the distribution has a thick tail but if it is less than 3, the distribution has a thin tail. A summary of these descriptive results were given below;

Table 4.6 Descriptive Statistics for Relationship Markrting

	Mean Statistic	Std. Deviation Statistic	Skewness Statistic	Kurtosis Statistic
Customer Trust	3.73	1.06	-1.24	1.029
Customer Commitment	3.98	0.887	-0.549	-0.44
Customer Communication	3.44	1.104	-0.636	-0.456
Customer Loyalty	4.18	1.015	-1.726	2.953
Customer Retention	4.25	0.7	-0.488	-0.478

Source :Survey Data (2021)

From Table 4.6 above, the results indicated that the mean for customer trust was 3.73 which generally implied that the majority of the respondents agreed to the influence of customers' trust. Its deviation from the mean was 1.06 and it was negatively skewed (-1.24) with a thin tail (kurtosis = 1.029).

The results indicated that the mean for customer commitment was 3.98 which generally implied that the majority of the respondents were committed to the supermarkets that

they were visiting. Its deviation from the mean was 0.887 and it was also negatively skewed with a very thin tail (kurtosis = -0.44).

The results for Customer communication indicated that it had a mean of 3.44 which generally implied that the majority of the respondents were undecided with regards to supermarkets methods of communication. Its deviation from the mean was 1.104. It was negatively skewed with a thin tail (kurtosis = -0.456).

The results for customer loyalty indicated that it had a mean of 4.18 which implied that the majority of the respondents were loyal to their respective supermarkets. Its deviation from the mean was 1.015. It was also negatively skewed with a thick tail (kurtosis = 2.953).

The results for customer retention indicated that it had a mean of 4.25 which implied that the majority of the supermarkets had an opportunity to retain their customers. Its deviation from the mean was 0.7. It was also negatively skewed with a thin tail (kurtosis = -0.478).

4.4 Correlation Matrix

Correlation analysis assesses whether there exists a linear association between the variables. Correlation often oscillates between -1 and + 1. If the correlation between the variables approaches +1, it means that there is a strong positive association and the variables moves strongly in a straight line. If the correlation is approaching -1, the degree of negative association between the variables is also strong but negative. If the correlation is approaching zero, it means that there is no strong (weak) association between the variables. A statistically significant correlation is indicated by a probability

value of less than 0.05. This means that the probability of obtaining such a correlation coefficient by chance is less than five times out of 100, so the result indicates the presence of a relationship.

The study used Pearson correlation coefficient to show how well the variables move together in a straight-line fashion and the results were as shown below:-

Table 4.7 Correlation Matrix for Relationship Marketing and Customer Retention

		Customer Retention	Customer Trust	Customer Commitment	Customer Communication	Customer Loyalty
Customer Retention	Pearson Correlation	1				
	Sig. (2-tailed)					
Customer Trust	Pearson Correlation	.662**	1			
	Sig. (2-tailed)	.000				
Customer Commitment	Pearson Correlation	.411**	.375**	1		
	Sig. (2-tailed)	.000	.000			
Customer Communication	Pearson Correlation	.385**	.358**	.156*	1	
	Sig. (2-tailed)	.000	.000	.037		
Customer Loyalty	Pearson Correlation	.598**	.558**	.407**	.319**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

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

Correlation is significant at the 0.05 level (2-tailed).

Source :survey data (2021)

From Table 4.7 above, the results indicated that customer retention was positive and significantly correlated to Customer Trust ($r = 0.662, p = 0.000$); customer commitment was also significant and positively correlated to customer retention

(($r = 0.411$; $p = 0.000$). Similarly, customer communication was also significant and positively correlated to customer retention ($r = 0.385$; $p = 0.000$) and so, was customer loyalty ($r = 0.598$; $p = 0.000$); This indicated that there was a possibility of the variables to have a significant positive relationship.

4.5 Regression Analysis

This is a statistical tool used in the investigation of relationships between variables. It generates an equation to describe the statistical relationship between one or more predictor variables and the response variable. The p-value for each term tests the null hypothesis that the coefficient is equal to zero (no effect). A low p-value (< 0.05) indicates that changes in the predictor's value are related to changes in the response variable. Conversely, a larger (insignificant) p-value suggests that changes in the predictor are not associated with changes in the response. The regression results were tabled below:-

Table 4.8 Estimated Model Summary of Relationship Marketing

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	SigF Change	
.735 ^a	.540	.530	.480	.540	51.365	4	175	.000	1.630

Source :Survey Data (2021)

From Table 4.8 the R-squared is 0.540 meaning that the construct forming relationship marketing explained 54.0% of the variation in customer retention. The F-change, which is a measure of the goodness of fit, was at 51.365 and had a significant probability of 0.000. This meant that the samples adopted are good enough to make inferences on the

entire population. The Durbin – Watson statistics (1.630) also oscillated around 2. This meant that there was no problem of autocorrelation among the variables.

To see the individual contribution of each construct on relationship marketing, the coefficients were generated and the results captured in Table 4.6 below.

Table 4.9 Estimated Regression Coefficient for Variables in Relationship Marketing

Model

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.764	.200		8.834	.000		
Customer Trust	.275	.043	.417	6.444	.000	.628	1.594
Customer Commitment	.098	.045	.124	2.160	.032	.803	1.246
Customer Communication	.082	.035	.129	2.320	.021	.851	1.175
Customer Loyalty	.189	.045	.273	4.225	.000	.628	1.592

a. Dependent Variable: Customer Retention
source: Survey data (2021)

From Table 4.9, there is a significant positive constant of 1.764. This implies that in the absence of the four predictors, customer retention would still be realized. However, a unit increase in customer trust results into a significant increase in customer retention by 0.275 ($\alpha_1 = 0.275, p = 0.000$); a unit increase in customer commitment results also into a significant increase in customer retention by 0.098 ($\alpha_2 = 0.098, p = 0.032$); unit increase in customer communication significantly increases customer by

0.082 ($\alpha_3 = 0.08; p = 0.021$). Similarly, unit increase in customer loyalty results also into a significant increase in customer retention by 0.189 ($\alpha_2 = 0.189, p = 0.000$).

The collinearity statistics also revealed that there was no multicollinearity among the variables. The Variance Inflation Factors (VIF) ranged between 1.175 to 1.594 which were all below the threshold of 10.

The regression model was in the form of $Y = \alpha + \beta_1 (CT) + \beta_2 (CC) + \beta_3 (CL) + \beta_4 (CCM)$

Where CT=Customer trust, CC= Customer commitment, CL=Customer loyalty, CCM=Customer communication, α = Constant, β = Coefficients. By adding the regression coefficients as shown in the table 4.6 above, the model was translated to

$Y = -1.764 + 0.275 CT + 0.098CC + 0.082CL + 0.189CCM$ equation 4.1

$R^2 = 0.54$ (54%)

The test of homogeneity was also performed using the Levene’s test under one-way-ANOVA in comparing means. This was under the null hypothesis that the variances among the variables were not constant. The results were summarized below.

Table 4.10 The ANOVA results on estimated relationship marketing model

	Levene Statistic	df1	df2	Sig.
Customer Trust	3.640	2	176	.028
Customer Commitment	.248	2	176	.781
Customer Communication	11.185	2	176	.000
Customer Loyalty	86.456	2	176	.000

Source :Survey Data (2021)

From Table 4.7 all the probabilities were significant except that of customer commitment. This implied the acceptance of the alternative hypothesis that the variables had a constant variance except the one for customer commitment.

4.5.1 Influence of Customer Trust on Customer Retention

This study sought to determine the influence of customer trust on customer retention among supermarkets within Kisumu city. From the findings, the frequencies were as follows;

Table 4.11 Frequencies on Customer Trust

Statement	1	2	3	4	5	Mean	Sdev
Supermarket's staffs demonstrate a high level of competence related to abilities, commitments, knowledge, and hard skills towards their customers.	15	18	24	72	51	3.70	1.219
The employees of supermarket demonstrate positive soft skills when dealing with customers	14	18	20	57	71	3.85	1.262
The staffs of this supermarket demonstrate commitment to excellence and innovation which makes a real difference for prospective customers.	14	18	35	68	45	3.62	1.187
The staff can trust customers in return, make them feel their opinion matters, and show gratitude for doing business with you.	23	7	25	74	51	3.68	1.279
This supermarket is very honest with its customers concerning the goods and services they offer and keep their promises.	21	10	32	59	58	3.68	1.297
Brand reputation and customer expectations toward a brand are based on information they gathered and learned.	11	16	21	77	55	3.83	1.143
That this supermarket builds an optimistic outlook and inspires more positive impressions for their customers.	14	11	17	60	78	3.98	1.217

Source :Survey Data (2021)

Given that the results adopted a likert scale, where 1 = Strongly Disagree; 2 = disagree; 3= undecided; 4= Agree while 5 = strongly agree, a mean of all these was calculated and the mean column in the table above indicated that all means gravitated towards 4. This implied that the respondents agreed to the existence of the latent variables that were contained within the customer trust. This means that the customers trusted the various supermarkets that they were visiting. The standard deviation column also possessed values greater than 0.5 which were a better indicator on the responses.

In relation to the level of correlation as depicted in the correlation matrix in Table 4.7 results indicated that customer trust had a strong, positive and significant correlation to Customer retention ($r = 0.662, p = 0.000$). From the regression Table 4.9, It was determined that customer trust has a significant positive influence on customer retention at ($B = 0.275, P = 0.000$).

This determination therefore rejects the null hypothesis H1 which stated that there is no significant relationship between customer trust and customer retention among supermarkets in Kisumu city. This means that a unit change in customer trust practices results to 0.275 (27.5%) - unit change in customer retention, denoting a significant change. The implication therefore is that customer trust practices is a significant determinant of customer retention among the supermarkets in Kisumu city.

The above finding that customer trust has a significant positive influence on customer retention has received great support from both the theoretical review and empirical studies that were reviewed. For example Commitment – Trust theory supported that customer trust is a key requirement for establishment and retention of any successful relationship between an organization and its customers. Similarly Seiedeh & Saeid (

2012) who conducted their study on Customer Satisfaction, Customer Trust and Switching Barriers on Customer Retention in Malaysia Hypermarkets also found out that customer trust has a significant positive influence on customer retention in the hypermarkets in Malaysia. More support for the current findings was given by Soimo, Wagoki, & Okello (2015) who studied the influence of relationship marketing on customer retention in commercial banks in Nakuru town Kenya with customer trust as a key element and found out that customer trust have a significant positive influence on customer retention among the banks in Nakuru Kenya. Also (Gounaris , 2005) studied the influence of customer trust on customer retention .B2B service set up and still found out that customer trust has a positive influence on customer retention

However a number of weaknesses could be sighted in these previous empirical studies. For instance Seiedeh & Saeid (2012) and (Gounaris , 2005) used a descriptive research design whose findings could not be tested statistically leading to certain level of biasness. Wagoki, & Okello (2015) adopted the use of cross sectional research design which is more observational than statistical hence lacking prove. None of the studies above adopted the use of correlational research design, consequently the influence of customer trust on customer retention when a correlational design is used remained un estanblished.

The current study however was a great milestone in terms of hypothesizing, empirically testing and establishing the link between customer trust as a component of relationship marketing and customer retention

4.5.2 Influence of Customer Commitment on Customer Retention

This objective sought to examine the influence of customer communication on customer retention among supermarkets in Kisumu city. Table 4.9 shows the frequencies on this construct.

Table 4.12 Frequencies on Customer Commitment

Statement	1	2	3	4	5	Mean	SDEV
I always have positive feelings towards his supermarket.	5	2	9	63	101	4.41	0.862
I always shop in the super because of the norms and values that I share with the supermarket	14	19	21	72	54	3.74	1.216
I always shop in the supermarket due to the number of loyalty points that I have achieved.	20	19	19	59	63	3.70	1.341
I shop in this supermarket because there I have no alternative elsewhere.	37	23	22	47	51	3.29	1.508
I am willing to engage in repurchase behaviors to reinforce my identity as a consumer.	21	10	21	68	60	3.76	1.293
The economic benefits I accumulate as a consumer such as reward points and preferred access/status make me remain committed to this supermarket.	14	6	32	66	62	3.87	1.160

Source :Survey Data (2021)

From Table 4.12, results on the mean column indicated that the means gravitated towards 4 for all the sub latent variables except on the question regarding “I shop in this supermarket because there I have no alternative elsewhere” which showed a form of indifference. This meant that the respondents were in agreement with the questions asked. This means that the customers were committed to the various supermarkets that they were visiting. The standard deviation column also possessed values greater than 0.5 which were a better indicator on the responses.

On the correlation matrix Table 4.7 there was a weak positive and significant correlation between customer commitment and customer retention ($r = 0.385, p = 0.000$).

With reference to the level of the relationship in the coefficients Table 4.5 It was found out that customer commitment has a significant positive influence on customer retention at ($B = 0.098$, $p = 0.032$). This finding therefore rejects the null hypothesis H2 which stated that there is no significant relationship between customer commitment and customer retention among the supermarkets in Kisumu city. This means that a unit change in customer commitment practices leads to 0.098-unit change in customer retention, this shows a significant change. This therefore implies that customer commitment is a key determinant of customer retention among the supermarkets in Kisumu city.

The above findings that customer commitment has a significant influence on customer retention has been supported by both the theoretical review and empirical review done earlier in this study. For example commitment- Trust theory has stated that for customer commitment is a key factor of consideration for the establishment and maintenance of any significant relationship between an organization and its customers. Similarly Magasi (2016) who did a study on Customer Relationship Marketing and its Influence on Customer Retention: A case study of commercial banking industry in Tanzania found out that committed customers with some level of trust can enter in to a long lasting relationship with the bank. Verhoef (2003) also did a study on understanding the effect of customer relationship management on customer retention and customer share development. The finding in support of the current finding that customer commitment has a significant positive relationship with customer retention. Finally, Gournaris (2015) also conducted his study on trust and commitment influences on customer retention: insights from B2B Services. The study targeted businesses in various

industries and the findings indicated that customer commitment has a significant positive influence on customer retention in a B2B relationship.

In as much as Magasi (2016), Verhoef (2003) and Gournaris (2015) are in support of the finding of the current study that customer commitment has a significant positive influence on customer retention, they had a number of weaknesses in that they focused on different combinations of the elements of relationship marketing and also conducted their studies in different sectors of the economy. For example, Magasi (2016) focused on customer trust, customer commitment and customer satisfaction and conducted his study in a banking industry, Verhoef (2003) focused on customer commitment, customer satisfaction and payment equity in the banking sector. Gournaris (2015) looked at customer commitment and customer trust in various industries and a B2B arrangement. None of these studies focused on the influence of customer commitment on customer retention as a combination with other elements like customer trust, customer communication and customer loyalty more so in the retail industry. Consequently the influence of customer commitment on customer retention when it is combined with customer trust, customer communication and customer loyalty had not been established more so among supermarkets in Kisumu city.

The current study however was a great milestone in terms of hypothesizing, empirically testing and establishing the link between customer commitment as a component of relationship marketing and customer retention that had remained unexplored especially in the context of retail industry, more so among the supermarkets in Kisumu city.

4.6.3 Influence of Customer Loyalty on Customer Retention

This objective sought to establish the influence of customer loyalty on customer retention among supermarkets in Kisumu city. The frequency results were captured in Table 4.10

Table 4.13 Frequencies on Customer Loyalty

Statements	1	2	3	4	5	Mean	SDEV
Customers who are loyal to a supermarket refer other people to shop in that supermarket	11	8	2	78	81	4.17	1.081
Loyal customers are not likely to shop in other supermarkets	20	23	20	46	71	3.69	1.391
Customers who are loyal to a supermarket speak positively about that supermarket.	12	10	11	61	86	4.11	1.165
Customers who are loyal to a supermarket are most likely to do repeat purchases in the supermarket.	11	10	17	69	73	4.02	1.131
Customers who are loyal to a supermarket make quick decisions to shop in that supermarket.	5	8	12	72	83	4.22	.0955
I have no problem shopping in other branches of the same supermarket.	11	7	5	74	83	4.18	1.089

Source :Survey Data (2021)

From the above Table 4.13, results on the mean column indicated that the individual sub latent variable means gravitated towards 4. This means that the respondents were loyal to the various supermarkets that they were visiting. Correlation matrix in Table 4.7 showed that customer loyalty was strong, positive and significantly correlated to customer retention ($r = 0.598$ $p = 0.000$). From the coefficients analysis in Table 4.9, It was established that customer loyalty has a significant positive influence on customer retention among the supermarkets operating in Kisumu city at ($B = 0.189$, $p = 0.000$). The establishment therefore means that the null hypothesis H3; which stated that there is no significant relationship between customer loyalty and customer retention in supermarkets within Kisumu city is hereby rejected. It further means that a unit

change in customer loyalty practices by the supermarkets leads to 0.189- unit change in customer retention, which is significant. The implication is that customer loyalty is a key factor that determines customer retention in supermarkets within Kisumu city

The above finding that customer loyalty has a significant positive influence on customer retention has received tremendous support from both the theoretical review and empirical review of this study. For example Relationship marketing theory has supported that when customer loyalty is enhanced in an organization, it leads to customer retention through stronger relationship bonds between the customer and the organization. Similarly Magtef & Tomaliech (2015) who conducted their study on the Impact of Customer Loyalty Programs on Customer Retention” in Jordan had a similar finding that customer loyalty has a significant positive influence on customer retention. Yadav & Sharma (2018) also did their study on the effects of customer retention on customer loyalty in the public sector banks in India and had a finding that customer loyalty has a significant positive influence on customer retention. Another study by (Ojesina , 2020) on the impact of customer loyalty on customer retention in the Nigerian banking sector had a similar finding that customer loyalty has a significant influence on customer retention.

Although these studies are in agreement with the current findings that customer loyalty has a significant influence on customer retention, they were found to have a number of short falls in terms of industries and economies they focused on. For instance both Magtef & Tomaliech (2015) ,Yadav & Sharma (2018)and (Ojesina , 2020) conducted their studies in the banking sector and in different economies, that is Jordan, India and Nigeria respectively. None of these studies was conducted in Kenyan economy more so

among the supermarkets in Kisumu city. Consequently the influence of customer loyalty on customer retention among supermarkets in Kisumu city remained unestablished.

The current study however was a great milestone in terms of hypothesizing, empirically testing and establishing the influence of customer loyalty as a component of relationship marketing and customer retention that had remained unexplored especially in the context of retail industry, more so among the supermarkets in Kisumu city.

4.6.4. Influence of Customer Communication on Customer Retention

This objective sought to find out the influence of customer commitment on customer retention in the supermarkets in Kisumu city. The 4.2.3 Frequencies on Customer Communication were captured in Table 4.9 as shown bellow

Table 4.14 Frequencies on Customer communication

Statement	1	2	3	4	5	Mean	SDEV
The supermarket uses text messaging as a convenient way to quickly communicate with clients about new offers, orders, delivery schedules, etc.	27	17	22	68	46	3.49	1.364
The Supermarket uses e-mail, to send out newsletters and/or personalized messages in case they introduce a new product or offer.	36	19	43	44	38	3.16	1.407
The supermarket has a well-updated website for sharing information and allowing customers to order products and check on order delivery schedules.	35	21	20	70	34	3.26	1.408
The supermarkets have created active social media account on Facebook and WhatsApp to promote their products and brand to their customers.	33	20	15	53	59	3.46	1.496
The Supermarket includes Webchat applications on their website that can allow customers to easily type in their questions to start a conversation.	31	21	28	54	46	3.35	1.420

Source :Survey Data (2021)

From the above Table 4.13, results on the mean column indicated that the means for “The supermarket uses text messaging as a convenient way to quickly communicate

with clients about new offers, orders, delivery schedules, etc.” and “The supermarkets have created active **social media account on** Facebook and WhatsApp to promote their products and brand to their customers” gravitated towards 4 meaning that the respondents affirmed them whereas on the remaining sub constructs, the respondents were undecided since they gravitated around 3. This, in overall, means that the respondents were indifferent towards supermarkets’ communication to them. The standard deviation column also possessed values greater than 0.5 which were a better indicator on the responses.

From the correlation matrix in Table 4.7 there was a weak positive and significant correlation between customer communication and customer retention ($r = 0.41$; $p = 0.000$).

From table 4.9, It was determined that customer communication has a significant positive influence on customer retention at ($B = 0.082$, $p = 0.021$). This therefore rejects the null hypothesis H4 which stated that there is no significant relationship between customer communication and customer retention among the supermarkets in Kisumu city. The findings means that a unit change in customer communication practices leads to 0.082- unit change in customer retention and the change is significant. The implication is that customer communication is a major determinant of customer retention among the supermarkets in Kisumu

The current finding has been supported by both the theoretical literature and empirical literature of the study. For example relationship marketing theory has stated that for the establishment and retention of any successful relationship between an organization and its customers, there must be an effective and mutual communication. Similarly, a study conducted by Muketha , Thiane & Thurania (2016) on the Influence of relationship

marketing on customer retention in the branches of commercial banks in Meru town, Kenya had its finding that customer communication has a significant positive influence on customer retention. Another study by Poovalingam & Veerasamy (2007) on the impact of communication on the customer relationship marketing among cellular service providers in South Africa also supported that customer communication has significant positive influence on customer retention. Finally a study conducted by Hadush (2014) on the role of customer relationship marketing on customer retention: A case of Ethiopian Insurance Corporation in Maklle branch also had its finding that customer communication has an influence on customer retention

In as much as these studies by Muketha , Thiane & Thuraira (2016), Poovalingam & Veerasamy (2007) and Hadush (2014) are in support with the current finding that customer communication has a significant positive influence on customer retention, they differed in several aspects including sample technique adopted, sectors and countries where they were conducted. For example Muketha , Thiane & Thuraira (2016) conducted their study in commercial banks in Meru Kenya and used both stratified systemic sampling and simple random sampling. Poovalingam & Veerasamy (2007) conducted their study on cellular industry in South Africa and used simple reandom sampling, Hadush (2014) also conducted his study on the insurance industry in Ethiopia and used convinient sampling. None of these studies adopted the use of systemic sampling and was conducted in the retail sector more so among the supermarkets in Kisumu Kenya. Consequently the influence of customer communication on customer retention when a systemic sampling is used has remained unresearched more so among the supermarkets in Kisumu city.

The current study however was a great milestone in terms of hypothesizing, empirically testing and establishing the influence of customer communication as a component of relationship marketing on customer retention that had remained unexplored especially in the context of retail industry, more so among the supermarkets in Kisumu city.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter contains summary of findings, conclusions, recommendations, limitations of the study and suggestion for further research.

5.1 Summary of findings

Relationship marketing as a strategy has become one of the best approaches that an organization can use to build relationships with its customers and realize greater customer retention. By practicing effective relationship marketing organizations increase trust, commitment and loyalty in their customers leading to increased customer retention. Customer communication also helps organizations to keep their customers posted on various programs run by the organization leading to customer retention.

The first objective of this study was to determine the influence of customer trust on customer retention among supermarkets in Kisumu city. Most of the customers interviewed agreed that customer trust is a very important factor when they make decisions on customer referral, repeat purchase, and switching to another supermarket. The findings also revealed that customer trust has a positive influence on customer retention. Therefore an increase in customer trust in an organization leads to a significant increase in customer retention. Furthermore customer trust has accounted for a significant percentage change in customer retention.

The second objective of the study was to find out the influence of customer commitment on customer retention among supermarkets in Kisumu city. The study revealed that though there is a weak positive relationship with customer retention, it

significantly influence customer retention. meaning that a unit change in customer commitment leads to a significant unit change in customer retention. The findings further revealed that customer commitment accounted for a significant percentage change in customer retention.

The third objective of the study was to find out the influence of customer loyalty on customer retention among supermarkets in Kisumu city. The study revealed that customer loyalty has a strong positive relationship with customer retention, it significantly influence customer retention. meaning that a unit change in customer commitment leads to a significant unit change in customer retention. The findings further revealed that customer commitment accounted for a significant percentage change in customer retention.

The final objective was to examine the influence of customer communication on customer retention. The findings revealed that customer communication has a significant positive influence on customer retention $R^2 = 0.54$. This further means that customer communication accounted for 54% change in customer retention.

5.2 Conclusion

On the first objective which sought to determine the influence of customer trust on customer retention among supermarkets in Kisumu city, the study concludes that customer trust is a critical determinant of customer retention among the supermarkets in Kisumu city.

On the second objective which sought to find out the influence of customer commitment on customer retention among the supermarkets in Kisumu city. The study concludes that customer commitment has a significant positive influence on customer retention among the supermarkets in Kisumu city.

On the third objective which was to establish the influence of customer loyalty on customer retention among the supermarkets in Kisumu city. The study concludes that the relationship between customer loyalty and customer retention among the supermarkets in Kisumu city is statistically significant and positive.

Finally on the fourth objective which sought to examine the influence of customer communication on customer retention among the supermarkets in Kisumu city. The study concludes that there customer communication is a critical antecedent of customer retention among the supermarkets in Kisumu city.

5.3. Recommendation

Based on the above findings and conclusions, the study made the following recommendations.

The first recommendation is based on the finding and conclusion that customer trust has a significant positive influence on customer retention among supermarkets in Kisumu city. Supermarket managements should therefore train their employees on absolute honesty, benevolence and competence when dealing with their customer especially at the counter and also when giving guidelines on various promotional campaigns by the supermarket.

The second recommendation is based on the finding that customer commitment has a significant positive influence on customer retention. Supermarkets should aim beyond just satisfying their customer but include practices like surprise gifts in order to create customer delight leading to affective commitment, hence customer retention.

The third recommendation based on the finding that customer loyalty has a significant positive influence on customer retention. Beyond the use of loyalty points, Supermarkets should ensure exceptional service to the customers everytime they shop to make the customers have positive experience. This can be achieved by training the employees on the basic customer service skills

Finally the fourth recommendation is based on the finding that customer communication has significant positive relationship with customer retention and that it is an antecedent to customer retention. The supermarkets should invest in latest technology like online marketing, social media marketing and websites to keep their customers informed of the products and services they offer. Supermarkets to strategically put products in a position that customers can easily access while doing shopping.

5.4 Limitations of the Study

Eventhough this study has given out great findings on how various elements of relationship marketing influence customer retention among the supermarkets in Kisumu city it was limited in the sense that Turskeys supermarket which was outlined for data collection in the study closed down before the study was conducted. This was solved by replacing it with Appmart supermarket which has closely similar customer base.

5.5 Recommendations for Further Study.

Based on the foregoing conclusions on the findings of this study, the researcher recommended the following future research directions in the relationship marketing and customer retention. This study focused on the influence of relationship marketing on customer retention among supermarkets in Kisumu city, research should be done on the challenges faced by supermarkets while implementing relationship marketing strategies.

Finally the hypothesis in this research were tested using data which was obtained from customers of the respective supermarket ignoring perspective of the employees and management. Further studies on the same topic should include employees to get a full overview of the influence of relationship marketing on customer retention in the retail sector.

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APPENDICES
RESEARCH QUESTIONNAIRE

APPENDIX 1: QUESTIONNAIRE

Code: _____

Preamble

My name is James Adede, currently a final year MBA student at Maseno University. *This study is being carried out to examine the **INFLUENCE OF RELATIONSHIP MARKETING PRACTICES ON CUSTOMER RETENTION AMONG SUPERMARKETS IN KISUMU CITY** and is strictly for academic purposes only. Neither you nor your business organization shall be identified with the information you provide. All information provided shall be treated with the utmost confidentiality.*

A) Demographic Characteristics

1. Please indicate your gender (please tick appropriately)

Male Female

2. Please choose your age. (Tick appropriately)

Below 20 years 21-30yrs 31-40yrs 41-50yrs Over 50 years

3. What is your level of education? Please tick appropriately.

0 level A level certificate diploma degree
Postgraduate

4. Please choose a supermarket where you shop. (Tick appropriately)

Appmatt Naivas Chandarana Kibuye matt

Quick Matt Khetias shivling

5. For how long have you been shopping in the supermarket? (Tick appropriately)

Less than 1 year 1yr to 5years 5yrs to 10yrs 10 years to 15years

6. How often do you do your shopping? (Tick appropriately)

- Once a month
- After two weeks
- After one week
- On need basis

Section B: Customer Trust

1. The following statements relate to customer trust in supermarkets they regularly shop at. In your fair view, kindly rate the statements below on the given scale with the reference to your supermarket by ticking the correct answer in each section: *(1. Strongly Disagree 2. disagree 3. Neither Agree nor Disagree. 4. Agree 5. Strongly agree)*

A. Customer Trust

Statement	1	2	3	4	5
Supermarket’s staff demonstrate a high level of competence related to abilities, commitments, knowledge, and hard skills towards their customers.					
The employees of supermarket demonstrate positive soft skills when dealing with customers					
The staffs of this supermarket demonstrate commitment to excellence and innovation which makes a real difference for prospective customers.					
The staff can trust customers in return, make them feel their opinion matters, and show gratitude for doing business with you.					
This supermarket is very honest with its customers concerning the goods and services they offer and keep their promises.					
Brand reputation and customer expectations toward a brand are based on information they gathered and learned.					
That this supermarket builds an optimistic outlook and inspires more positive impressions for their customers.					

2. The following statements relate to customer commitment in supermarkets. In your fair view, kindly rate the statements below on the given scale with the reference to your supermarket by ticking the correct answer in each section: *(1. Strongly Disagree 2. Disagree 3. Neither Agree nor Disagree. 4. Agree 5. Strongly agree)*

B. Customer Commitment

Statement	1	2	3	4	5
I always have positive feelings towards his supermarket.					
I always shop in the super because of the norms and values that I share with the supermarket					
I always shop in the supermarket due to the number of loyalty points that I have achieved.					
I shop in this supermarket because there I have no alternative elsewhere.					
I am willing to engage in repurchase behaviors to reinforce my identity as a consumer.					
The economic benefits I accumulate as a consumer such as reward points and preferred access/status make me remain committed to this supermarket.					

3. The following statements relate to customer communication in supermarkets. In your fair view, kindly rate statements below on the given scale with the reference to your supermarket by ticking the correct answer in each section: *(1. Strongly Disagree 2. Disagree 3. Neither Agree nor Disagree. 4. Agree 5. Strongly agree)*

C. Customer communication

Statement	1	2	3	4	5
The supermarket uses text messaging as a convenient way to quickly communicate with clients about new offers, orders, delivery schedules, etc.					
The Supermarket uses e-mail, to send out newsletters and/or personalized messages in case they introduce a new product or					

offer.					
The supermarket has a well-updated website for sharing information and allowing customers to order products and check on order delivery schedules.					
The supermarkets have created active social media account on Facebook and WhatsApp to promote their products and brand to their customers.					
The Supermarket includes Webchat applications on their website that can allow customers to easily type in their questions to start a conversation.					

4. The following statements relate to customer loyalty in supermarkets. In your fair view, kindly rate them on the given scale with the reference to your supermarket by ticking the correct answer in each section: *(1. Strongly Disagree 2. Disagree 3. Neither Agree nor Disagree. 4. Agree 5. Strongly agree)*

D. CUSTOMER LOYALTY

Statements	1	2	3	4	5
Customers who are loyal to a supermarket refer other people to shop in that supermarket					
Loyal customers are not likely to shop in other supermarkets					
Customers who are loyal to a supermarket speak positively about that supermarket.					
Customers who are loyal to a supermarket are most likely to do repeat purchases in the supermarket.					
Customers who are loyal to a supermarket make quick decisions to shop in that supermarket.					
I have no problem shopping in other branches of the same supermarket.					

5. The following statements relate to customer retention in supermarkets. In your fair view, kindly rate them on the given scale with the reference to your supermarket by ticking the correct answer in each section: *(1. Strongly Disagree 2. Disagree 3. Neither Agree nor Disagree. 4. Agree 5. Strongly agree)*

F. Customer Retention

Statements	1	2	3	4	5
I always prefer shopping in this supermarket.					
I am more likely to recommend others to shop in this supermarket.					
I am more likely to do my subsequent shopping's in this supermarket.					
I am more likely to increase my buying frequency in the supermarket.					
I have always given my feedback to the supermarket about goods and services offered					
I am likely to increase my shopping budget to get more goods from this supermarket.					
I prefer Brands that are sold in this supermarket to others.					
I am willing to pay more/a a premium price while shopping in this supermarket.					

THANK YOU FOR PARTICIPATING

Appendix 2: Research plan

Activity	Jan 2020	Feb – march 2020	April – aug 2020	sept-dec 2020	Jan- feb 2021	Mar- April 2021	May 2021	June 2021
Research topic conceptualization								
Literature review								
Development of research problem and objectives								
Proposal writing								
Presentation of proposal								
Development of data collection instrument								
Field data collection								
Data analysis								
Report writing and submission								
Corrections								
Final report submission								

Source: Researcher 2020

Appendix 3: Estimated Research Budget

s/No	Item description	Quantity	Rate ksh	Total ksh.
1	Research assistance 3	10days	500	10000
2	Transport cost		5000	5000
3	Printing, photocopying and binding services		5000	5000
4	Internet		3000	3000
5	Stationaries		2000	2000
6	Miscellaneous		5000	5000
7	TOTAL			30,000

Source: researcher 2020

Appendix 4: List of Supermarkets in Kisumu City and Number of Branches

Supermarket	Number of branches
Appmart	3
Chandarana	1
Khetias	2
Quick matt	3
Kibuye matt	1
Naivas	2
The game	1
Shivling	2

Source: Kisumu county government department of trade.