



RELATIONSHIP MARKETING STRATEGIES ON CUSTOMER RETENTION IN THE POSTAL CORPORATION OF KENYA, NAIROBI REGION

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ABSTRACT

This study investigated the effect of relationship marketing strategies on customer retention in Postal Corporation of Kenya, Nairobi region. The following theories guided the study; commitment-trust theory, transactional cost theory, customer engagement marketing theory and customer service theory. Descriptive research design was used in the study. The study targeted three hundred managers from sales and marketing department, customer care department and operations department. The study used one tenth of the target population for pilot study that is thirty respondents. Content validity of the instrument of study was tested through expert opinion. Cronbach's alpha reliability experiment was used to evaluate the consistency of the questionnaires, which met a reliability threshold of $\alpha \geq 0.70$. The study sample size was thirty percent of the total population that is ninety managers. The sampling technique used to identify respondents was simple random. Structured questionnaires were adopted to gather data, questionnaires were dropped and picked later. Data was examined using descriptive analysis and inferential statistics. Interpretation and presentation of information was through the use of tables accompanied by summaries of explanation. The study revealed that preferential treatment, customer rewards, relationship commitment and customer orientation had positively influenced customer retention in postal corporation of Kenya, Nairobi region. The study concluded that the corporation needs to embrace preferential treatment to esteem customers and develop more strategies of customer rewards to improve the level of customer retention. On relationship commitment and customer orientation, it concluded that the corporation needs to develop ways to enhance the commitment towards the delivery of the services while providing room for customers to be heard and served as a way of improving the relationship leading to improved customer retention. The study recommended that the top management should adopt relationship marketing strategies that aims at improving customer retention while promoting trainings to enhance implementation of the strategies. Survey needs to be done for informed reward strategy to customers and policies makers should bring policies that ensures customers are treated well.

Key Words: customer orientation, preference treatment, Customer Retention, Postal Corporation of Kenya

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INTRODUCTION

Globally, customer retention (CR) is counted as a key strategy of relationship marketing (RM) for business entities, however, most businesses are struggling to achieve customer retention. In Malaysia according to Hanaysha (2017), the retail market has become very competitive and to achieve customer retention, business entities have to consider carefully the marketing mix they use. The authors found that distribution intensity, price, and store location highly influence customer retention while advertising insignificantly affects customer retention. Tourism sector in United Arab Emirates (UAE) is faced with lots of challenges due to rapid and unstained growth in the industry. According to Alketbi, Alshurideh and Al Kurdi (2020), competition in tourism sector is tight therefore service quality determines customer revisits in hotels that provides excellent services at reasonable prices and offer various services.

In the African continent, organisations are faced with myriad of challenges in doing business making it difficult to achieve customer retention. In Ghana, according to Oblitei and Kwame (2020), there has been a number of mergers, acquisitions and closures in the financial sector because of sector competitiveness. Furthermore, the market product developments are easy to duplicate hence provision of identical product and services. This has resulted to the need to adopt innovative strategies and measures such as relationship marketing strategies (RMS) to charm new customers and to hold existing customer.

In developing economies like Kenya, organisations are trying to bring on board new customer as well as keeping them to achieve long term sustainability due to challenges they face of poor management and increase government regulations (Nyongesa, Kibera & Kiraka, 2020). According to Agumba, Kirui and Gudda (2017), Kenya mobile network providers are struggling to keep their customers due to tight competition they are experiencing in the market. Kenyan large retail supermarkets face stiff business competition due to the entrance of international retailers in the market hence the need to adapt

relationship marketing strategies that creates maximum customer value (Cherono, 2017). Successful companies are one's in perception of relational marketing and they can change consumers into clients, from prospect to a partner, and they create value for consumers in the future (Trenggana & Cahyani, 2019). The study therefore, investigated the effect of RM strategies on CR in PCK, Nairobi region.

Though RM is evolving as a fresh concept, RMS have been there since the preindustrial age (Hollensen & Opresnik, 2019). It's more of reinvention of a method that has been tested to be the foundation of many successful business entities (Payne & Frow, 2017). According to Aldaihani and Ali (2018), relationship marketing is a philosophy adopted by businesses to improve customer related activities, for example; attracting customers, customer communication, customer devotion and customer sustainability. According to Sağlam and Soukiana (2021), RM strategies enhances customer attraction, improves customer relationships, thus, increasing customer loyalty and retention. This is also asserted by Shaalan, Tourkey, Barnes, Jayawardhena and Elshaer (2020). The purpose is to grow the total customer life-cycle and increase their stay with the firm. According to Oblitei and Kwame (2020), RM strategies aims at attracting and maintaining relationships with every party involved in a transaction to achieve all objectives at a profit. The authors measured the effects of RM strategies using various factors. Preferential treatment and Rewards (Aldaihani & Ali, 2018); Communication and Reciprocity (Shaalan *et al.*,2020); Commitment and conflict handling (Sağlam & Soukiana 2021); Trust and Competence (Oblitei & Kwame 2020).

Customer retention is a model used by businesses to decrease the frequency of customer shifting and perhaps maintain them for a longer period or forever (Rao & Abegaz, 2017). This is also consented by (Nyongesa, Kibera & Kiraka, 2020; Anne & Nyongesa, 2018). Retention goal is to maintain a robust customer database and stop defections to competitors for substitutes brand or service

(Komalasari & Budiman, 2018). It is five to twenty times economical to retain the current clients than it is to obtain fresh ones depending on business environment of business (Sabbeh, 2018). In this study, relationship marketing was measured against customer retention with the indicators as; customer repeat patronage, customer satisfaction and switching.

The developing market and commercial movement directed by the Universal Postal Union (UPU) brought the separation of postal services from telecommunications services in Kenya in the year 1999 July (Irungu , Kiragu & Ndirangu , 2020) .The Kenya Posts and Telecommunications Corporation was divided into Postal Corporation of Kenya (PCK), Telkom Kenya , and Communications Commission of Kenya which is now known as Communication Authority of Kenya (CAK) . According to PCK strategic plan (2019-2022), the government of Kenya is the sole shareholder of PCK and it is expected to operate as a profitable government organisation under PCK Act 1998.

Kenya Information and Communications Act 1998 states that PCK shall in accordance with the provisions of section fifty: Provide and operate; Postal financial services, Postal services, National payments system, Electronic retail transfers and perform any functions or duties the Cabinet Secretary may allocate it occasionally. PCK has the following range of products and services it offers to the market; Express Mail Services (EMS), Letter post, stamp collection, Parcels, Postal Financial Services, Agency Services and technology-based money transfer services. The main core business of PCK is Postal and Courier services which enjoyed monopoly in the past. Presently, PCK is faced with stiff competition on its core business from local and international organisations that are emerging in the market every day. The CAK sectorial report (2020) showed that postal and courier market industry recorded a decrease in relation to the postal and courier products transacted from the year 2019 to 2020. This has led to PCK embracing relationship marketing strategies with objective of acquiring

fresh clients and ensuring they are retained in the business.

Statement of the Problem

Researchers have endlessly demonstrated increase attention in understanding relationship marketing concept and customer retention concept in business organizations. While specific reason for interest varies, it is more understandable that business organizations are dynamic making the subject of research to always have new insight to investigate. Scholars have concentrated on relationship marketing in hotel sector (Amoako, Neequaye , Kutu-Adu, Caesar and Ofori, 2019; Saad & Kamel, 2021; Hardjono & San , 2017), banking and microfinance institutions (Aldaihani & Ali , 2018; Oblitei & Kwame, 2020; Anne & Nyongesa, 2018; insurance sector (Xing & Devasia, 2019), education (Shrestha, 2020) , telecommunication industry (Agumba , Kirui & Gudda , 2017; Soliman & J. Kamel, 2021), leaving much to be researched in Postal and Courier sector in Kenya.

According to CAK sectorial report (2020-2021), PCK is currently facing several challenges leading to underperformance. According to the report, the state-owned parastatal has been facing very stiff competition and is currently facing underperformance and operates under losses. According to Mutegei (2016), some of the factors adversely affecting performance of state corporations in Kenya are; Poor management, extreme procedures and regulations, maladministration, regular political meddling, and bloated staff establishment. PCK is ranked number one hundred and eighty-five out of two hundred and twenty-seven in performance of state corporations according to ministry of public service and gender service evaluation report on performance for the financial year 2019/2020.

According to Irungu , Kiragu and Ndirangu (2020), the core business of PCK is Postal and Courier services and it's currently confronting stiff competition from emerging markets internationally and locally daily. The hyper competition on the principal business of Postal and Courier services has brought insight into new operational strategies to

mitigate the challenges from increased activities of local rivals on top of the danger of new strong competition in the market. According to UPU Postal Development report (2020), postal operators has got one way to stamp their significance and relevancy in the market for longer period. This is to attract, maintain and retain customers that buy their products online locally and internationally and delivery promises made in delivery. Postal operators are increasing its dependence on logistics and parcels to gain the benefits of e-business which is a highly competitive unit with reliability and reach as prerequisite for success (Boffa, De Borba & Piotrowski, 2020). Customer experience is a common reality that today business-to-consumer firms deal with to not only satisfy their customers but also retain them. This study investigated the effect of RMS on customer retention in PCK, Nairobi region.

Objectives of the Study

The general objective of the study was to investigate the effect of RMS on CR in PCK, Nairobi region. The specific objectives were;

- To establish the effect of customer preferential treatment on CR in PCK, Nairobi Region.
- To investigate the effect of customer reward on CR in PCK, Nairobi region.
- To determine the effect of relationship commitment on CR in PCK, Nairobi Region.
- To examine the effect of customer orientation on CR in PCK, Nairobi region.

The questions bellow directed the research:

- How does preferential treatment of customers affect customer retention in Postal Corporation of Kenya, Nairobi Region?
- How does reward to customers affect customer retention in Postal Corporation of Kenya, Nairobi Region?
- How does relationship commitment of the firm affect customer retention in Postal Corporation of Kenya, Nairobi Region?
- How does customer orientation affect customer retention in PCK, Nairobi Region?

LITERATURE REVIEW

Theoretical Literature Review

Commitment-Trust Theory

Robert M. Morgan and Shelby D. Hunt (1994), propounded the theory of commitment-trust in RM indicating two fundamental factors; trust and commitment. Trust and commitment support mutual business transactions amongst business associates and inspire them to sustain long-term relationships (Juliana, Pramezwar, Patricia, Josephine, Lewinsky, & Putra 2021). According to this theory, trust and commitment are key concept precursor to communication, relationship gains, common principles, relationship termination costs, and opportunistic behaviour and outcomes such as propensity to leave, cooperation, acquiescence, functional conflict and decision-making ambiguity. In ensuring customer retention, relationship marketers commit in fulfilling their promises to the customer so that the customer develops trust in the services they offer hence long-time customer sustainability.

Building on the theory, Sharma and Patterson (1999) build a model with communication, effectiveness, technical quality and functional quality as the elements of relationship commitment affecting trust in the relationship which eventually affects commitment in a relationship. Sharma and Patterson described Trust as the conviction that the supplier is reliable enough to fulfil its promises to consumer for long term of the consumer (Sharma & Patterson, 1999). Drawing from the theoretical insight from commitment -trust theory, an organization can employ commitment as a tool to earn customer trust to stay with their brand of products for longer period or for ever.

Transactional Cost Theory

Coase (1937) was the first to coined the theory of transaction cost in the article "The nature of the Firm", attempting to show the reasons for the existence of the firms (Ketokivi & Mahoney, 2020). According to Coase, transaction cost is the costs acquired while transacting in the marketplace, that includes negotiating, adapting, contracting and

monitoring (Chen,2017). The theory was furthered by Rindfleisch and Heide in 1997 in which they urged that conducting transactions is a costly endeavour. This perspective is explicit in Cannon, Cannon, Koksal, and Johnson (2014), customer transaction costs and marketing simulations strategy. The cornerstone of every marketing activity is transactions, therefore, it is a critical factor in the art of marketing (Rindfleisch, 2020).

This theory is based on two central assumptions regarding human behaviour; these being, “opportunism” and “bounded rationality (Williamson & Ghani , 2012).First, that the transactional partners are controlled by bounded rationality, that is, though they transact rationally they are limited with information to make decisive decisions(Cannon *et al.*, 2014). Secondly, Cannon *et al.*, further agrees that in every opportunity presented, transactional participants seek their own interest at the cost of their exchange partners. Relationship marketers engages in a principal-agent relationship, acting as purchasing agents for their customers (principals).

Customer Engagement Marketing Theory

The concept of customer engagement theory was introduced by Harmeling, Moffett, Arnold and Carlson in 2016. According to the authors, engagement marketing is a business careful move to motivate, empower, and measure customer’s willingness to participate in the marketing events of the business outside their objective of economic gain. Engagement marketing comprises of three factors, that is, motivating, empowering, and measuring customer participation to activities of the business. Engagement marketing initiatives can be Task-based, that is, actions by the business beyond commercial transaction to guide voluntary participation by customers to marketing functions such as, direct a customer, write a review and give assistance to other customers. The activities can also be Experiential engagement initiatives which are an enterprise actions outside the main commercial transaction where joined cooperative experiences

support voluntary, autonomous customer participations to marketing activities.

According to Vivek, Beatty and Morgan (2012), engagement initiative by a business is developing and extending marketing relationships with customers those on board and potential. Business spend millions of shillings on potential or future customers aiming to extend the value of their product or brand in the market. Customer rewards activities are focused in achieving engagement with all interested parties enhancing psychological and emotional attachment to the product or brand. Repeat interactions with current customers prompt them to repurchase while potential customers get opportunity to try the brand for the first time. Task-based and experiential engagement initiatives lead to commitment, goodwill and loyalty. Through commitment development, relationships amongst customers and their preferred brands of products are developed resulting in customer long time usage. Customer engagement theory is relevant as it helps in establishing the contribution of reward system in enhancing customer retention.

Customer Service Theory

Adam Smith in his book “Wealth of Nations” in 1776 was the first one to coin the theory of customer service (Smith, 2020). According to him, competition theory considers customer service as key. Customer Service is the capability of human resource expertise to engage customers internally and externally to give superior services to customers in a manner to fulfil the enterprise promises and satisfies customers’ needs which eventually results in repeat patronage and voluntary publicity through positive word of mouth. (Jeske, Chimusoro, Karodia, 2015). The environment of the marketplace forces profit seeking organisations to handle their customers with sincerity and esteem in order to earn their loyalty first for continual business transactions. The capability to entice and maintain customers is critical to any profit making business (Larsson & Broström, 2020). Kamin (2006), argues that organisations that will stay in the marketplace for long are one’s that are turning their eyes on

customer service as a priority in their total offerings to their current and future customers.

Customer service theory is based on assumptions of customer getting Satisfied and customer becoming loyal with time. The framework of customer service is an element of service quality that influence CS, and in turn affects loyalty (Salim, Setiawam, Rofiaty & Rohmam, 2018). Customer service is practical and is solely about customer retention through loyalty and CS. Providing excellent customer service to customers by firm's results into customer satisfaction, satisfaction leads into repeat purchases which develop into loyalty hence retention. Customer loyalty is the intent of a customer to repurchase same brand (retention) and purchase other brand (expansion) from a supplier and additionally commending the business or the brand to other (Russo and Confente, 2017). Retailer's success is normally pegged on customer loyalty (Larsson & Broström, 2020).

Empirical Literature Review

Amoakoh and Naong (2017) explored RM as a determiner to hair salon's competitiveness and expansion in South Africa. The study relationship marketing key variables were service quality, customer satisfaction and CR. It was anchored on relational exchange theory that is customer and supplier long-term engagement. The study findings showed that service quality support service delivery for hair salons competitiveness, CS is the precursor of loyalty and retention and lastly CR is a pointer of customer satisfaction. It showed that RM relates positively to hair salon's competitive advantage and successful survival in the industry. However, empathy, care and giving individualized service to customers was the important factor for continued profitability of the salon business. The study was limited to South Africa context and organization factors are different. It also heavily relied on one theory.

Khalil, Ullah and Khalil (2018) examined loyalty schemes effects on customer retention of hypermarkets in Parkistan. Descriptive research design was utilized to examine the objective of

loyalty programs such as level reward framework and non-fiscal projects on client retention. The study targeted a population of 120 customers in hypermarket in Parkistan. A total of 104 questionnaires were returned giving 86.7% as the response rate. The study adopted qualitative data analysis. The findings disclosed that loyalty programs significantly influenced customer retention and strong impact was observed for all types of loyalty schemes. Based on the study results, it recommended the following to retailers of hypermarkets in Parkistan; offer all loyalty schemes, invest in research to develop innovative techniques for loyalty schemes, provide loyalty scheme with flexible collection stations to customers, concentrate on client retention, and build a loyalty program with features that attract the youth, create a transparent feedback system. The study was limited to customer of Hypermarkets in Pakistan hence difficult to generalize the findings since the contextual and organization factors are different.

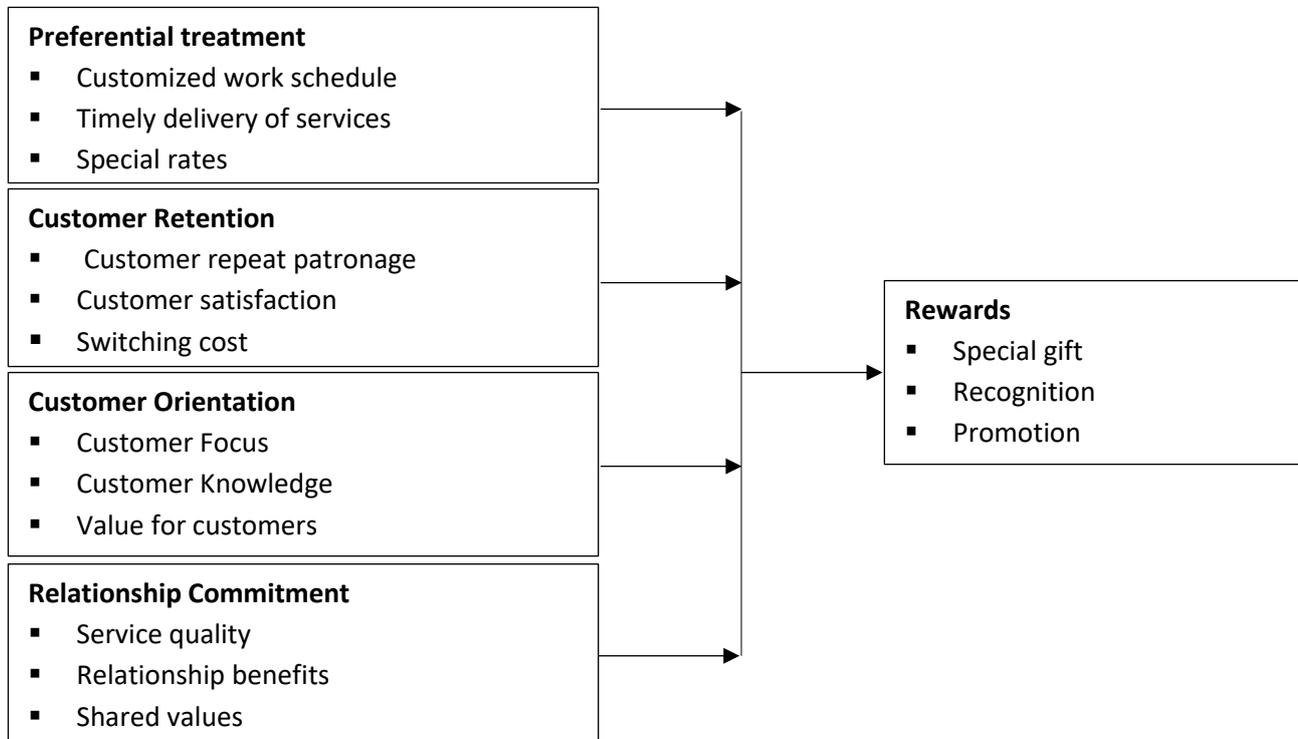
Sigit Parawansa (2018) investigated commitment and CS effects on service quality and CR in rural banks in Makassar, Indonesia. The study was anchored on buyer behaviour theory combined with adaptation level theory. Three hundred people were sampled and responded to the questionnaires. The research was descriptive in its design. Inferential statistical analysis was employed to analyse data. The study showed commitment and CS had an impact on customer's retention. The study was limited to rural banks in Makassar, Indonesia hence difficult to generalize the findings since the contextual and organization factors are different. It is worth noting that the study didn't show the rate of response from the sampled questionnaires.

Shrestha assessed RM effects on CR in higher education in Kathmandu City, Nepal. The research design was exploratory and descriptive in nature. The population was students, faculty, and parents of various institutions who were picked conveniently. The findings indicated that trust, commitment and social bond significantly influenced customer orientation while customer orientation and CS

positively influenced CR. To improve CS and retention, the study recommended that regulators and scholars concentrate on customer orientation and RM indicators. The study was limited to

Kathmandu city hence difficult to generalize the findings since the contextual and organization factors are different. The study was also biased by using non-probalistic sampling technique.

Conceptual Framework



Independent Variables

Dependent Variable

Figure 1. Conceptual Framework

METHODOLOGY

The study used descriptive research design because of its quantitative nature. The study targeted three hundred managers from sales and marketing department, Customer care department and operations department of Postal Corporation of Kenya, Nairobi region. The sample representative who contributed in the research were selected using simple random technique. The sample size was centred on the Roscoe’s rule of the thumb principle Sekaran (2003:295). The study therefore sampled ninety manages. Questionnaires were used to gather data. The study used structured questionnaire to allow for collection and analysis of quantitative data. Questionnaires was dropped and picked later. In this study, Cronbach’s alpha (α) tested internal reliability. Data was gathered and analysed descriptively by

inferential statistics. Analysis of data was through statistical package for social sciences software (SPSS).

FINDINGS AND DISCUSSION

Descriptive Analysis

The segment gives descriptive information on the study variables; preferential treatment, customer orientation, customer reward, customer commitment and customer retention. Data was obtained using a 5-point Likert scale where 5 signified strongly agree, 4 signified agree, 3 signified moderately agree, and 2 disagree and 1 signified strongly disagree, the respondents were expected to give their response on each statement made against each variable. The characteristics of each variable were summarized by use of measures of central

tendency which included the standard deviation and the mean. The results of the descriptive statistics were shown as follows

Preferential Treatment and Customer Retention

The study sought to understand the effect of preferential treatment on CR in PCK, Nairobi Region. The participants were invited to show the degree they support the statements explaining the

dimensions of preferential treatment being practiced by the corporation so as to enhance customer retention. The respondents were requested to stipulate in a Linkert scale of 1-5 which 5 represent strongly agree, 4 represented agree, 3 represented moderately agree, 2 disagree while 1 represented strongly disagree. The results are shown as below

Table 1. Preferential Treatment and Customer Retention Statistics

Preferential Treatment Statistics					
Statements	N	Min	Max	Mean	SD
The corporation has customer segmentation strategies with regards to products and services	72	1.00	5.00	4.000	1.151
Our market segmentation strategies are effective and has really helped us gain ground on customer retention.	72	1.00	5.00	3.986	0.942
The corporation has target pricing for various market segments' and value adding activities to enhance repeat patronage.	72	1.00	5.00	2.819	1.293
Our clients are happy and satisfied with special treatment they get and have remained loyal to us.	72	1.00	5.00	4.153	1.030
The corporation practices designed marketing communication strategies for various market satisfaction.	72	1.00	5.00	4.222	0.876
The corporation is flexible with regards to adjusting to customer needs and choices e.g. door step delivery.	72	1.00	5.00	3.778	1.010
Overall Aggregate Score				3.826	1.050

The summarized statistics in Table 1. indicate that PCK has customer segmentation strategies in regards to products and services (Mean = 4.000, SD = 1.151). This means that if the management of the corporation takes seriously the segmentation strategies, the customer retention level will increase. The segmentation strategies that the corporation use has helped them gain ground on customer retention (Mean = 3.986, SD = 0.942). In addition, the report indicate that the corporation has target pricing for various market segments' and value adding activities to enhance repeat patronage (Mean = 2.819, SD = 1.293). This indicated that the respondent to a small extent disagreed with the practice of the dimension within the corporation. The results indicate the respondent did not agree that the corporation is committed towards the target pricing within the market segment to the extent that repeat purchase is achieved. Therefore, the management of the corporation needs to put more emphasis in this dimension.

The summarized statistics further indicate (Mean = 4.153, SD = 1.030) to show that customers are happy and satisfied with special treatment they get and have remained loyal to the organization. The corporation practices designed marketing communication strategies for various market satisfaction had a (Mean = 4.153, SD = 1.030) while the corporation ability to be flexible with regards to adjusting to customer needs and choices e.g. door step delivery (Mean = 3.778, SD = 1.010).

Customer Reward and Customer Retention

The study investigated the effect of customer reward on CR in PCK, Nairobi Region. The participants were invited to show the degree they concur with the statements explaining the dimensions of customer reward being practiced by the corporation so as to enhance CR. The respondents were asked to mark on a Linkert scale of 1-5 which 5 represent strongly agree, 4 represented agree, 3 represented moderately agree, 2 disagree while 1 represented strongly disagree. The results are shown below.

Table 2. Customer Reward and Customer Retention Statistics

Customer Reward Statistics					
Statements	N	Min	Max	Mean	SD
The corporation has in place value-adding strategies like rewards programs and incentives that reward loyalty.	72	1.00	5.00	4.181	1.105
The corporation has strategies which targets regular customers like quantity discounts' to reducing customer's perceived sacrifices.	72	1.00	5.00	3.917	1.071
The corporation has strategies that stimulate customer repurchasing activities like incentives on repeat buys.	72	1.00	5.00	4.083	0.975
The corporation give special gift to their contracted customers who stay on till the contract expiry period	72	1.00	5.00	3.708	1.204
The corporation recognizes loyalty among contracted customer and give tangible rewards like T-shirts and Diaries	72	1.00	5.00	3.972	1.150
The corporation engage in promotional activities e.g. giving discounts to customers to encourage repeat purchases.	72	1.00	5.00	4.153	1.002
Overall Aggregate Score				4.002	1.085

The summarized statistics above indicate that participants concur to a large extent that the corporation has in place value-adding strategies like rewards programs and incentives that reward loyalty (Mean = 4.181, SD = 1.105). This means that the corporation ability to attract and retain customers is enhanced. The respondents moderately agreed that the corporation has strategies which targets regular customers like quantity discounts' to reducing customer's perceived sacrifices (Mean = 3.917, SD = 1.071), the corporation has strategies that stimulate customer repurchasing activities like incentives on repeat buys had a (Mean = 4.083, SD = 0.975). This means that strategies that stimulate the market for the regular customers are in place hence the ongoing repeat purchases. The responds agreed to a moderate extent that the corporation give special gift to their contracted customers who stay on till the contract expiry period (Mean = 3.708, SD = 1.204) while the corporation recognizes loyalty among contracted customer and give tangible rewards like T-shirts and Diaries had a (Mean = 3.972, SD = 1.150).

Finally, the statistics portray that the respondents agreed that the corporation engage in promotional activities like, giving discounts to customers to encourage repeat purchases with a (Mean = 4.153, SD = 1.002). Generally, the respondents concur to a large degree that customer reward is being practiced by the corporation with a (Mean = 4.002, SD = 1.085).

Relationship Commitment and Customer Retention

The study sought to determine the effect of relationship commitment on CR in PCK, Nairobi Region. The participants were requested to show the extent they concur with the statements explaining the dimensions of relationship commitment being practiced by the corporation so as to enhance CR. The participants were invited to show on a Linkert scale of 1-5 which 5 represent strongly agree, 4 represented agree, 3 represented moderately agree, 2 disagree while 1 represented strongly disagree. The results are as below.

Table 3. Relationship Commitment and Customer Retention Statistics

Relationship Commitment Statistics	N	Min	Max	Mean	SD
Statements					
The customer would continue to do business with us even if the corporation prizes are increase.	72	1.00	5.00	4.000	0.993
The corporation has got dedicated work force that go extra mile to ensure customers' needs are met satisfactorily.	72	1.00	5.00	4.111	0.958
The corporation always get positive feedback from customers who invite friends and family to do business with us.	72	1.00	5.00	4.403	0.816
Customer have a strong relationship with the corporation and would not mind renewing their contract agreement.	72	1.00	5.00	4.361	0.810
The corporation is committed to offering quality services meet and exceed customers expectation	72	1.00	5.00	4.403	0.867
Customers always pay the corporation promptly for quality services offered.	72	1.00	5.00	4.292	0.926
Overall Aggregate Score				4.262	0.895

The summarized statistics above indicate that participants concur to a moderate extent with the effect of customer commitment on CR with an aggregate of (Mean = 4.262, SD = 0.895). This shows that the respondents agreed that the customer would continue to do business with them even if the corporation prizes are increased with a (Mean = 4.000, SD = 0.993), the corporation has got dedicated work force that go extra mile to ensure customers' needs are met satisfactorily (Mean = 4.111, SD = 0.958). This has seen the corporation retain some of its major customers such as government and key NGOs and individual customers. The corporation always get positive feedback from customers who invite friends and family to trade with them had a (Mean= 4.403, SD = 0.816). This means that the participants concurred to a great extent that positive feedback has played a key role in customer retention.

Customer have a strong relationship with the corporation and would not mind renewing their contract agreement had a (Mean = 4.361, SD = 0.810) while the corporation is committed to offering

quality services meet and exceed customer's expectation had a (Mean = 4.403, SD = 0.867). Finally, the participants concur to a great extent that customers always pay the corporation promptly for quality services offered with a (Mean = 4.292, SD = 0.926). This has been made possible due to the qualified employees being engaged in service delivery. In addition, it was notable that the employees had life-long experience hence the wealth of knowledge acquired on the job.

Customer Orientation and Customer Retention

The study pursued to establish the effect of customer orientation on CR in PCK, Nairobi Region. The participants were invited to show the extent they concur with the statements explaining the dimensions of customer orientation being practiced by the corporation so as to enhance CR. The respondents were asked to indicate in a Linkert scale of 1-5 which 5 represent strongly agree, 4 represented agree, 3 represented moderately agree, 2 disagree while 1 represented strongly disagree. The results are illustrated below.

Table 4. Customer Orientation and Customer Retention Statistics

Customer Orientation Statistics					
Statements	N	Min	Max	Mean	SD
The corporation has innovative products and services to satisfy customer needs and wants.	72	1.00	5.00	2.917	1.172
The corporation staff are all well conversant with the products and services being offered and can articulate well to the customers to have their needs met.	72	1.00	5.00	3.903	0.995
Agility and readiness of staff members to help in a pleasant and effective way is perfect and very satisfying	72	2.00	5.00	4.056	0.785
The corporation has a customer care section that is active and handles all customer complaints and enquiries promptly.	72	1.00	5.00	4.111	1.042
The service quality of the firm is very competitive and customer focused creating satisfaction and loyalty to customers.	72	1.00	5.00	4.111	1.042
The firm has a response system e.g. firm collects customer input and feedback which is then seriously considered for relationship improvement and sustainability.	72	1.00	5.00	4.083	1.097
Overall Aggregate Score				3.863	1.022

The statistics above illustrate that the corporation has innovative products and services to satisfy customer needs and wants with a (Mean = 2.917, SD = 1.172). This means that the participants concur with the statement since they have been able to see the creativity and innovation through the creative stamps and door to door delivery of mails being carried out by the state corporation. The respondents moderately agreed that the corporation staff are all well conversant with the products and services being offered and can articulate well to the customers to have their needs met. This was evident through a (Mean = 3.903, SD = 0.995). The results also indicate that there is evidence which was to a moderate extent that the agility and readiness of staff members to help in a pleasant and effective way is perfect and very satisfying (Mean = 4.056, SD = 0.785).

Both the corporation has a customer care section that is active and handles all customer complaints and enquiries promptly and the service quality of the firm is very competitive and customer focused creating satisfaction and loyalty to customers had a (Mean = 4.111, SD = 1.042). This shows that the respondents concur that the customer service

section in the organization is actively trying to handle customers complained to a large extent leading to improved customer retention rate. Finally, the statistics indicated that the dimension explaining on how the firm has a response system e.g. firm collects customer input and feedback which is then seriously considered for relationship improvement and sustainability had a (Mean = 4.083, SD = 1.097), indicating that to a great extent participants concur that measures the corporation has put in place to handle customer feedback is bearing fruits hence the rise in customer retention level. Finally, the overall (Mean = 3.863, SD = 1.022) indicated that the responded generally agreed that customer orientation has an effect on CR in postal corporation of Kenya, Nairobi Region.

Customer Retention

The study wanted to examine the degree at which CR is felt at the Postal Corporation of Kenya, Nairobi Region. The participants were invited to point out the level they concur with the statements explaining the dimensions of customer retention being practiced by the corporation so as to enhance CR. The participants were invited to specify on a Linkert scale of 1-5 which 5 represent strongly agree, 4

represented agree, 3 represented moderately agree, 2 disagree while 1 represented strongly disagree.

The results are shown below.

Table 5. Customer Retention Statistics

Customer Retention Statistics					
Statements	N	Min	Max	Mean	SD
Customers are always satisfied with the corporation products and services and they keep talking well of us.	72	1.00	5.00	4.181	0.954
The corporation have meet and exceeded customer expectations with their innovative products and services	72	1.00	5.00	4.319	0.885
There is an increase in customer base, who have remained loyal to the corporation products and services.	72	1.00	5.00	4.097	1.037
The organization have experience exponential growth rate over the years.	72	1.00	5.00	4.292	1.013
The number of customers leaving the corporation to the competitions has reduced.	72	1.00	5.00	4.333	0.904
Customers give positive feedback to the corporation through Word of mouth and Social media	72	1.00	5.00	3.889	1.042
Overall Aggregate Score				4.185	0.973

The above statistics show that participants concur to a great extent that Customers are always satisfied with the corporation products and services and they keep talking well of us (Mean = 4.181, SD = 0.954) while the corporation have meet and exceeded customer expectations with their innovative products and services had a (Mean = 4.319, SD = 0.885). This has enabled the corporation to attract and retain majority of its customers. It is because most employees that deals with customers have marketing and customer service experience which are at the core of customer retention. There respondents also to a large extent that there is an increase in customer base, who have remained loyal to the corporation products and services with a (Mean = 4.097, SD = 1.037). The summarized statistics further indicate that there is a drastic reduction of the number of customers leaving the

corporation to the competitions with a (Mean = 4.333, SD = 0.904). Finally, customers give positive feedback to the corporation through word of mouth and social media had a (Mean = 3.889, SD = 1.042). The respondents generally agreed that customer retention is being felt within the corporation with a (Mean = 4.185, SD = 0.973). This has been possible because of the many relationship marketing strategies conducted by the corporation to ensure customer retention. In addition, it was noted that the corporation employs qualified and experienced staff to handle customer relations matters.

Regression Analysis

The analysis was done to demonstrate the relationship between independent and dependent variables. The findings are illustrated as below.

Table 6. Relationship Marketing Strategy and Customer Retention

Model Summary						
Model	R	R Squared	Adjusted R Square	Std. Error of the Estimate		
1	.930 ^a	.865	.857	.31934		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.684	4	10.921	107.091	.000 ^b
	Residual	6.833	67	.102		
	Total	50.516	71			
Regression Coefficients						
Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.369	.241		1.541	.002
	Preferential Treatment	.189	.083	.162	2.280	.026
1	Customer Reward	.024	.482	.732	.218	.031
	Relationship Commitment	.956	.112	.851	8.545	.000
	Customer Orientation	.088	.125	.074	.702	.016

a. Dependent Variable: Customer Retention

b. Predictors: (Constant), Preferential Treatment, Customer Reward, Customer Commitment, Customer Orientation

The model summary in Table 6. shows an adjusted R² of 0.857, indicating that the independent variables that is; preferential treatment, customer reward, relationship commitment and customer orientation jointly explain 86.5% of disparity in customer retention in the Postal Corporation of Kenya, Nairobi Region. The remaining 14.3% of the difference is clarified by alternative aspects that weren't engaged in the research. The correlation coefficient (R) is seen as 0.930, which indicates a strong positive correlation existing between relationship marketing strategies and CR of the Postal Corporation of Kenya, Nairobi Region.

Furthermore, the F statistic for $F(4, 67) = 107.091$ is more than the F critical (table value = 2.17), which portrays the whole model as significantly adequate to determined retention. Analysis of Variance's (ANOVA) was employed to show concurrent evaluations between the means. It investigated if dependent and independent variables had any significant relationship. The results revealed that the data was appropriate for making decision on the population's parameters as the calculated probability of 0.000 is less than the 5% threshold

accepted.

The beta coefficients showed that the four independent variables (Preferential treatment $\beta = 0.162$, $P = 0.026$, customer reward $\beta = 0.732$, $P = 0.031$, relationship commitment $\beta = 0.851$, $P = 0.000$ and customer orientation $\beta = 0.074$, $P = 0.016$) all had a substantial effect on customer retention in of the Postal Corporation of Kenya, Nairobi Region. The outcomes further show that if all the other aspects were held constant, a unit upsurge in preferential treatment, customer reward, relationship commitment and customer orientation will enhance customer retention in postal corporation of Kenya, Nairobi region by 0.162, 0.732, 0.851, 0.074 and 0.369 respectively. The regression equation foreseeing the impact of the various components of the independent variable on the dependent variable, customer retention, was estimated in the equation;

$$Y = 0.369 + 0.162 X_1 + 0.732X_2 + 0.851X_3 + 0.074X_4 + \epsilon$$

Where; Y= Customer Retention

β_0 = Constant (0.369)

Beta Coefficients = (0.162, 0.732, 0.851 & 0.074)

X_1 = Preferential Treatment
 X_2 = Customer Reward
 X_3 = Relationship Commitment
 X_4 = Customer Orientation
 ϵ = Error Term

CONCLUSIONS AND RECOMMENDATIONS

The purpose of the study was to investigate the effect of RMS on customer retention in PCK, Nairobi region. The conclusion of the study is anchored on the findings of each specific objective. The findings reported in chapter four of the study, the interpretations and discussions provided thereof lead to several conclusions. The first goal was to establish the effect of preferential treatment on CR in Postal Corporation of Kenya, Nairobi region. Preferential treatment and CR indicated positive significant relationship as seen in the regression results. This means that if the corporation can embrace preferential treatment to their esteem customers the level of customer retention will be improved.

Secondly, the study resolved to investigate the effect of customer reward on customer retention in Postal Corporation of Kenya, Nairobi region. The outcomes indicate a significant positive relationship between customer reward and CR. It is concluded that the corporation needs to develop more customer reward strategies so as to improve on CR levels. Thirdly, the research sought to determine the effect of relationship commitment on CR in Postal Corporation of Kenya, Nairobi region. The results show a positive significant relationship between relationship commitment and CR. It is concluded that the corporation needs to develop ways to enhancing their relationship with their customers and be commitment towards the delivery of the services as a way of improving the relationship leading to improved CR.

Lastly, the study examined the effect of customer orientation on CR in PCK, Nairobi region. The results indicate a significant positive relationship for customer orientation and CR. It is concluded that the strategies and operations of the corporation must

provide room for customers to be heard and served. When this is done the retention level of the customers will greatly improve.

The study presents several commendations to policy makers in Postal Corporation of Kenya. The post master general should adopt and enhance relationship marketing strategies that aims at improving customer retention levels. This will improve on the number of customers the corporation is able to serve hence improve market share. Once customers come on board, the management and employees of the postal corporation of Kenya should ensure preferential treatment are practiced within the corporation while having an orientation that is customer focused. The top management in the postal corporation of Kenya should promote trainings that institutionalize relationship marketing strategies and institutionalize the same in the organization to enhance its implementation. The general manager in charge of human resources must come up with appropriate trainings and reward systems that motivates staff to embrace relationship marketing. This should start by reviewing the leadership approach used to treat customers by the three departments that were under observation.

In addition, the marketing department manager together with the customer service department manager should work closely to always carry out a base survey that informs the type of reward strategy that should be adopted by the state corporation. With rewards, the customers feel appreciated and wanted within the organization hence will not only act as a retention strategy but as an attraction to new customers. The manager in charge of operations and customer service should be trained so as to enhance their level of engagement with customers for quality customer service experience. This eventually will improve customer commitment between the corporation and its esteem customers. Finally, the cabinet secretary for the ministry of information, communication and digital economy together with CAK should come up with policies and procedures that ensures that customers are treated

well in order to improve relationship marketing.

Suggestions for Further Research

The study focused on employees of postal corporation of Kenya who were drawn from sales and marketing, customer service and operation departments whose contextual factors and organizational factors are different from other organizations. The study therefore recommends a further research from other organizations from other sectors like manufacturing and insurance industry. It is also worth noting to include other

departments in future research since customers are both internal and external in nature.

Secondly, the current study focused on four dimensions of customer relationship, future studies can include other dimensions of customer relationship and test the effect on CR. Finally, the indicators of CR were limited to customer repeat patronage, customer satisfaction and switching cost, future research may include other indicators of customer retention for a holistic result when empirically tested.

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