Determining the Contributions of Relationship Marketing at Jomo Kenyatta Foundation in Kenya

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D53/Cty/Pt/22163/2012

A research project submitted to the School of Business in partial fulfillment of the requirement for award of degree of Master of Business Administration (Marketing Management option) Kenyatta University

May 2014
Declaration by Candidate and Supervisor

This research project is my original work and has not been presented for a degree in any other University, or for any other award.

Signature…………………………………………Date………………………………………
Wang’ombe Wamoro Monica
D53/Cty/Pt/22163/2012

I confirm that the work in this research project was done by the candidate under my supervision.

Signature…………………………………………Date………………………………………
Chrispen Maende
Business, School of Business Administration, Kenyatta University

For and on behalf of Kenyatta University

Signature…………………………………………Date………………………………………
Dr. Stephen Muathe
Chairman of Business Department, School of business Administration
Dedication

My special dedication goes to my dear husband, Mungai J.M, our two beautiful daughters Liz Wanjiku and Maria Faustina, my mother Maria Wangari, my late dad David Wang’ombe, my sisters Julia and Ruth, Brothers: Peter and Simon.
Acknowledgement

I am greatly indebted to Chrispen Maende, my research project supervisor for the guidance he gave me. Chrispen Maende was instrumental in giving direction in the performance of this research project and advice throughout its writing. I am particularly grateful for the support of my family, colleagues and friends throughout the pursuit of my master Degree. Their constant encouragement and understanding through this process kept me working towards my objectives. I would also like to acknowledge the assistance I received from Lucy Kavinda as my corrections assistant after research proposal defence.

Finally, my return to school in pursuit of a Master Degree and a Marketing career would be impossible without the sacrifice, love and support of my dear husband Mungai J.M. He is my best friend, my strongest supporter, my comforter and my strength. Thank you all for pushing me to pursue my dreams.
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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>JKF</td>
<td>Jomo Kenyatta Foundation</td>
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<tr>
<td>RM</td>
<td>Relationship Marketing</td>
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<td>RMO</td>
<td>Relationship Marketing Orientation</td>
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<td>KU</td>
<td>Kenyatta University</td>
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<td>CRM</td>
<td>Customer Relationship Marketing</td>
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<td>TM</td>
<td>Transactional Marketing</td>
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<td>KPA</td>
<td>Kenya Publishers Association</td>
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<tr>
<td>KSES</td>
<td>Kenya School Equipment Scheme</td>
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<td>GOK</td>
<td>Government of Kenya</td>
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### Definition of Operational Terms

<table>
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<th>Term</th>
<th>Definition</th>
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<tr>
<td><strong>Contribution</strong></td>
<td>To be one of the causes of something, an action or service that helps to cause or increase something, to increase, improve or add to something.</td>
</tr>
<tr>
<td><strong>Relationship marketing</strong></td>
<td>Relationship marketing is establishing, developing and maintaining successful relational long term exchanges between organizations and customers.</td>
</tr>
<tr>
<td><strong>Trust</strong></td>
<td>Trust is a belief that, a party’s word or promise is reliable and that the said party will honour the commitments of the exchange relationship.</td>
</tr>
<tr>
<td><strong>Publishing:</strong></td>
<td>Publishing is the profession or business of preparing and printing books, magazines, CD-ROMs etc and selling or making them available to the public.</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>Communication is defined as the consumer’s perception of the extent to which a retailer interacts with its regular customers in a warm and personal way such interaction is reflected in the feelings of familiarity and friendship, personal knowledge and the use of client’s family name and/or first name on the spot.</td>
</tr>
<tr>
<td><strong>Customer satisfaction</strong></td>
<td>Customer satisfaction is a measure of the degree to which a customer’s experience with a product or organization meets or exceeds his or her expectations.</td>
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Abstract

The study determined the contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya. The independent variables were customer retention and loyalty, customer satisfaction and customer service, trust and commitment. The dependent variable was relationship marketing. The study adopted a descriptive design because it allows researchers to gather information, summarize, present and interpret for the purpose of clarification. The target population of the study comprised of all the 120 staff in the Jomo Kenya Foundation who were 6 senior level management, 24 Middle level management and 90 general staff members. The study used stratified random sampling to select 36 (30% of 120 employees) from the target population which comprised of senior level management, middle level management and general staff. These made up the strata. The researcher then employed purposive sampling to select respondents who had experience or knowledge about the relationship marketing. The respondents interviewed were those known to be conversant, experienced and well informed on the subject. The main tool of data collection for this study was questionnaires. The questionnaires were administered using a drop and pick later method. The rational of the study utilized likert scales. To establish the validity of the research instrument, the researcher assessed the content validity of a measure by use of professional and experts in relationship marketing. There were two types of data that the study utilized. These were primary data and secondary data. Data collected was edited and coded using descriptive analysis methods in order to get meaningful results from the questionnaires. Logical analysis was done using tables, figures and percentages. The key findings showed that none of the objectives gained over 39% thus relationship marketing is not part of JKF’s day to day activities. The researcher suggested that a future study on relationship between relationship marketing and performance at JKF could be carried.
CHAPTER ONE

Introduction

1.1 Background of the problem

The concept of relationship marketing (RM) is widely understood, both academically and professionally. Main goals of relationship marketing are enhancing good relationship between customer and organization and convert indifferent customers into loyal ones (Berry and Parasuraman, 1991). Relationship denotes connection and interaction between actors, activities, and resources, (Hakansson and Snehota, 1995; Haugland, 1999). Relationships between buyer and seller firms are both emotional and rational involving factors such as price, quality, reliability, and consistency. (Bhagat, 2009) It is widely accepted that the real purpose of a business is to create, enhance customer retention and sustain mutually beneficial relationships, especially with selected profitable customers. The cement that binds successful relationships is the two-way flow of value that is, the customer derives real value from the relationship which converts into value for the organization in the form of enhanced profitability (Christopher et al, 2013).

Researchers at management consultants Brain & Co have found that retained customers are more profitable than new customers for the following reasons; the cost of acquiring new customers can be substantial. A high retention rate implies that fewer customers need be to acquired more cheaply; established customers tend to buy more. Regular customers frequent consistent orders and therefore, usually cost less to serve; satisfied customers are often willing to pay premium prices for a supplier they know and trust; retaining customers make market entry or share gain difficult for competitors; satisfied customers often refer new customers to the supplier at virtually no cost. Developing and maintaining a customer- oriented culture is a critical determinant of long term success in relationship marketing. It is an organization’s culture that has the greatest impact on employees, their behavior and attitudes (Christopher et al, 2013). Customers base purchasing decisions on the value they perceive they will derive from that purchase (Christopher et al, 2013).
1.1.0 Relationship Marketing

Relationship marketing is about establishing, developing and maintaining successful relational exchanges - constitutes a major shift in marketing theory and practice. Successful relationship marketing requires relationship commitment and trust (Morgan and Hunt, 1994). The RM is part of the developing network which recognizes that global competition occurs increasingly between networks of firms (Thorelli, 1986). Jobber and Fahy (2006) mentioned that the relationship marketing is the process of creating, developing and enhancing relationship with customers and other stakeholders.

Relationship Marketing refers to the development, growth, maintenance of long term cost effective exchange relationship with individual customers, suppliers, employees and other partners for mutual benefit (Boone and Kurtz, 2007). When a company integrates customer service and quality with marketing the result is a RM orientation.

Relationship marketing also stresses on internal marketing, or using a marketing orientation within the organization itself. It is claimed that many of the relationship marketing attributes like collaboration, loyalty and trust determine what "internal customers" say and do. Every employee, team, or department in the company is simultaneously a supplier and a customer of services and products. An employee obtains a service at a point in the value chain and then provides a service to another employee further along the value chain. If internal marketing is effective, every employee will both provide and receive exceptional service from and to other employees. It also helps employees understand the significance of their roles and how their roles relate to others'. If implemented well, it can also encourage every employee to see the process in terms of the customer's perception of value added, and the organization's strategic mission. Further it is claimed that an effective internal marketing program is a prerequisite for effective external marketing efforts. (George, W. 1990)

Morgan and Hunt (1994) identify relationship benefits as a key antecedent for the kind of relationship commitment that characterizes consumers who engage in relational exchange. Consumers desire relationship partners that they can trust. They do so because a trusted partner reduces the risks associated with relational exchange because trust is
associated with partner’s reliability, integrity and competence. They also propose that consumers are motivated to engage in relational exchanges with partners with whom they share values. Relationship marketing theory maintains that consumers enter into relational exchanges with firms when they believe that benefits derived from such relational exchanges exceed the costs. The result is that by cooperating, firms are able to compete more efficiently and/or effectively (Morgan and Hunt, 1994). The indicators of success in an organization include; improvements in competitive advantages in the market place (Barclay and Smith, 1997, Day, 2000, Hunt, 1997), Superior financial performance (Boles et al, 2000), Increased levels of customer satisfaction (Abdul-Mulmin, 2002, Schellhase et al, 2000), and decreases in uncertainty (Achrol et al, 1988, Morgan and Hunt, 1994).

1.1.1 Publishing Industry

According to Makotsi, et al, (1997), publishing is the key means of communicating, culture and there must be close links between cultural and educational development on the one hand and means of communicating on the other. Most multinational publishing companies set up local branches and or appointed agents to fill the market gap. Oxford and longman were the first to open branches in the early 1960s. They were soon followed by Macmillan, Evans and later Heinemann. Books published for the European market, was shipped into Africa but bearing a tag African edition. Soon after independence in the 1960’s the newly established African governments, in their spirit of nationalism established parastatals publishing firms. In East Africa the East African literature Bureau wound up in 1976. Kenya then established the Kenya literature Bureau to supplement the publishing activities of the Jomo Kenyatta Foundation which had been set up in 1965 to publish mainly for primary education. It was about this time that the new governments in their determination to consolidate themselves designated the running of the entire educational system to their ministries of education. Kenya School Equipment Scheme (KSES) was established in 1970 to buy and distribute books to all schools in Kenya. Monopoly by state publishers began at this time. Although book business in Kenya seems to have picked up over the years the existing bookshops cannot be said to sufficiently and effectively serving the book needs of Kenyans. Most bookshops are concentrated in the
urban areas thus leaving the rural areas poorly served. One crucial but debatable factor plaguing the book business in Kenya is lack of strong and coordinated lobby group. The Kenya Publishers Association (KPA) has not been able to liaise with the government on matters regarding the development of the book industry and particularly the development of a book policy that would primarily ensure an integrated and interdisciplinary approach to creation, distribution and promotion of books and reading.

1.1.2 The Jomo Kenyatta Foundation (JKF)

According to strategic plan (2012 -2017), The Jomo Kenyatta Foundation (JKF) was established by the Government of Kenya in 1966 as a company limited by guarantee and having no share capital for the sole object of “advancing education and relief of poverty and distress of the public in East Africa”, and was registered under the companies Act, chapter 486 of the laws of Kenya. JKF’s focus is on publishing of school and institutional books and learning materials. For the first two decades of its existence, JKF enjoyed a privileged market position for the supply of educational and other instructional materials under the Government of Kenya (GOK) school supplies program known as Kenya School Equipment Scheme (KSES). However, with the advent of economic liberalization, more players including multinational publishers entered the national publishing industry, leading to cutthroat competition. This has reduced the Company’s dominant position in market share and profitability especially over the last decade. JKF published and printed all its work and titles until December 2006 when printing was outsourced as part of the Company’s business reorganization.

The other mandate for JKF is to use profit generated to fund scholarships for disadvantaged students in the country in exchange for its tax exemption status. To fulfill this obligation, a Scholarship Fund for bright and needy secondary school students was set up in 1968. The Fund remains functional and relevant to date and will continue as a core business of the Company. The changes in operating market conditions coupled with the various legal, policy and institutional reforms affecting the public sector in general and the education sector in particular have necessitated a re-evaluation of the Company’s policies and operational structures with the aim of adequately addressing the changes in the business environment. Following the above discussed issues the researcher found it
necessary to carry out a study on determining the contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya.

1.2 Statement of the Problem

Researchers at management consultants Brain & Co have found that retained customers are more profitable than new customers because; the cost of acquiring new customers can be substantial. A high retention rate implies that fewer customers need to be acquired more cheaply; established customers tend to buy more. Regular customers frequent consistent orders and therefore, usually cost less to serve; satisfied customers are often willing to pay premium prices for a supplier they know and trust; retaining customers make market entry or share gain difficult for competitors; satisfied customers often refer new customers to the supplier at virtually no cost. Customers base purchasing decisions on the value they perceive they will derive from that purchase (Christopher et al, 2013). RM is about establishing, developing and maintaining successful relational exchanges. Successful RM requires relationship commitment and trust (Morgan and Hunt, 1994). When a company integrates customer service and quality with marketing the result is a RM orientation. Relationship marketing also stresses on internal marketing, or using a marketing orientation within the organization itself.

Relationship marketing attributes like collaboration, loyalty and trust determine what "internal customers" say and do. Every employee, team, or department in the company is simultaneously a supplier and a customer of services and products. An employee obtains a service at a point in the value chain and then provides a service to another employee further along the value chain. If internal marketing is effective, every employee will both provide and receive exceptional service from and to other employees. It also helps employees understand the significance of their roles and how their roles relate to others'. If implemented well, it can also encourage every employee to see the process in terms of the customer's perception of value added, and the organization's strategic mission.

According to JKF’s strategic plan (2012 -2017), for the first two decades of its existence, JKF enjoyed a privileged market position for the supply of educational and other instructional materials under the Government of Kenya (GOK) school supplies program
known as Kenya School Equipment Scheme (KSES). However, with the advent of economic liberalization, more players including multinational publishers entered the national publishing industry, leading to cutthroat competition. The researcher felt that it’s necessary for JKF to embrace relationship marketing in order to enjoy the benefits that come with it as discussed above and to be able to withstand the competition. The JKF has a sales and marketing department that deals with all the sales and marketing activities. Therefore, there was need to carry out a study to determine the contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya when RM is embraced and practised by the entire company.

1.3 Objectives of the study

1.3.1 General Objective

The general objective of this study was to determine the contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya.

1.3.2 Specific Objectives

The study dealt with the following specific objectives as outlined below;

1. To find out how relationship marketing contribute to customer loyalty and customer retention at Jomo Kenyatta Foundation.
2. To determine the extent to which relationship marketing contributes to customer satisfaction and customer service at Jomo Kenyatta Foundation.
3. To establish the relationship between trust / commitment and relationship marketing at Jomo Kenyatta Foundation.

1.3.3 Research Questions

1. How does relationship marketing contribute to customer loyalty and customer retention at Jomo Kenyatta Foundation?
2. To what extent does relationship marketing contribute to customer satisfaction and customer service at Jomo Kenyatta Foundation?
3. What is the relationship between trust / commitment and relationship marketing at Jomo Kenyatta Foundation?

1.4 Significance of the study

It will help employees understand the significance of their roles and how their roles relate to others. If implemented well, it can also encourage every employee to see the process in terms of the customer's perception of value added, and the organization's strategic mission. The study will assist the company in policy formulation on issues of relationship marketing through recommendations. It will also provide a framework for JKF to inspect its operations and identify possible areas for improvement in order to gain from the benefits of relationship marketing. The study will contribute valuable knowledge to the field of marketing in general and in particular relationship marketing. It will form as a useful material for reference to other researchers and other readers in general.

1.5 Scope and Limitations of the study

1.5.1 Scope of the study

This study on the contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya was conducted between January 2014 and June 2014. The study was conducted in Jomo Kenyatta Foundation’s head office situated at industrial area and its book distribution Centre at Kijabe street Nairobi. The target population consisted of all the 120 employees of Jomo Kenyatta Foundation in Enterprise Road Office and Kijabe Street Office. The researcher felt that the relationship marketing was not a responsibility of the marketing department only but for the whole organization, therefore both the management and subordinates provided an insight on the relationship marketing. According to Kalinger (1983), Foundation of Behavioral Research 30% of the selected population is recommended. Therefore, the sample consisted of 36 employees which was 30% of 120 (target population).
1.5.2 Limitations of the study

The anticipated limitation to the study was in the response rate of the respondents since the target population consisted of full time employees whose time is usually occupied. The researcher curbed this limitation by self-administering the questionnaires through drop and pick method. Lack of enough funds was also anticipated to be a limitation since a lot of travelling and telephone expenses were expected to be incurred. The researcher booked appointments with sampled respondents via telephone or emails and to avoid disappointments. Since a lot of data collection and analysis both primary and secondary was needed lack of a computer or laptop was a limiting factor. To curb this, the researcher bought a laptop and visited resource Centre and library to gather the necessary information.

1.6 Assumptions of the study

The Jomo Kenyatta Foundation had been in existence since 1966 and had been performing well economically and had been using its marketing department to do its sales and marketing. It might not embrace the concept of relationship marketing fully since RM insists on marketing activities as being a responsibility of all the staff in the company. The Jomo Kenyatta foundation being a parastatal might not be willing to provide all the information that the researcher might require to carry out the research appropriately.
CHAPTER TWO

Literature Review

2.1 Introduction

This chapter discusses the literature related to the contributions of the relationship marketing at Jomo Kenyatta Foundation in Kenya. It focuses on the objectives of the study as discussed in chapter one. These objectives were considered as the pillars of the study. The review was conceptualized under the objectives of the study and focused mainly on customer loyalty and retention, customer satisfaction and customer service, and trust and commitment.

2.2 Theoretical Review

2.2.1 The commitment-trust theory of relationship marketing

Relationship marketing is about establishing, developing and maintaining successful relational exchanges - constitutes a major shift in marketing theory and practice. After conceptualizing relationship marketing the authors theorize that successful relationship marketing requires relationship commitment and trust. The RM is part of the developing network which recognizes that global competition occurs increasingly between networks of firms (Thorelli, 1986). To be an effective competitor in the global economy requires someone to be a trusted cooperator in some network. As McKinsey and co strategists put it Bleeke and Ernst 1993 for most global business, the days of flat-out many multinational companies are learning that they must collaborate to compete. Morgan and Hunt (1994) identify relationship benefits as a key antecedent for the kind of relationship commitment that characterizes consumers who engage in relational exchange. Consumers desire relationship partners that they can trust. They do so because a trusted partner reduces the risks associated with relational exchange because trust is associated with partner’s reliability, integrity and competence. They also propose that consumers are motivated to engage in relational exchanges with partners with whom they share values. Relationship marketing theory maintains that consumers enter into relational exchanges with firms when they believe that benefits derived from such relational exchanges exceed the costs.
The result is that by cooperating firms are able to compete more efficiently and/or effectively (Morgan and Hunt, 1994). The indicators of success in an organization include; improvements in competitive advantages in the market place (Barclay and Smith, 1997, Day, 2000, Hunt, 1997), Superior financial performance (Boles et al, 2000), Increased levels of customer satisfaction (Abdul-Mulmin, 2002, Schellhase et al, 2000), and decreases in uncertainty (Achrol et al, 1988, Morgan and Hunt, 1994).

2.2.2 The economics of relationship marketing

The relationship marketing is a means to an end and it is based on two economic arguments. One; it is more expensive to win a new customer than it is to retain an existing customer. Two; the longer the association between company and customer, the more profitable the relationship is for the firm. Theodore Levit once said that the job of marketing is to create and keep customers. Historically the focus has been on creating customers less attention has been paid to their retention. RM reverses the emphasis. A relationship oriented view of the customer considers the revenues and contributions earned from the long term relationship with a customer.

2.2.3 Relationship marketing

Berry (1983) first proposed the concept of relationship marketing in the service context, and defined it as; attracting, maintaining and enhancing customer relationships”. Berry emphasizes the beginning of marketing relationships, focusing on the importance of RM’s “customer keeping” orientation (Christopher et al, 1991). Gronroos (1991) defined the term of relationship marketing as establishing relationships with customers and other parties at a profit, by mutual exchange and fulfillment of promises. Gummesson (1994) stated that RM emphasizes a long term interactive relationship between the provider and the customer, as well as long-term profitability. Relationship marketing is to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfillment of promises (Gronroos, in Harker, 1999). Relationship marketing depends on the development of close ties between
the buyer, whether an individual or company and seller (Boone and Kurtz, 2007; Gronroos, 1994).

Relationship marketing is a strategic orientation adopted by both the buying and the selling parties which represent commitment to long-term mutually beneficial collaboration (Morgan and Hunt, 1994). According to Rust (1999), maturing markets, lower population growth and increased global competition have forced marketers to examine the cost of winning new customers versus retaining their old ones. To maintain and develop the customer relations, companies have to establish membership programs that act as an avenue of interaction exchange of ideas. Over the last few decades studies in marketing show that the nature of interrelations with customers is changing with the emphasis moving from a transaction to a relationship focus. Transactional marketing is the belief that competition and self-interest are the drivers of value creation through competition, buyers can be offered a choice and this choice of suppliers motivates marketers to create a higher value offering for their self-interest. This saying of competition is now challenged by the proponents of RM who believe that mutual cooperation as opposed to competition and conflict lead to higher value creation.

In fact, some social psychologists have gone so far as to suggest that competition is inherently destructive and mutual cooperation inherently more productive (Shoham et al, 2005; Morgan et al, 1994). Traditional relationship marketing studies focus on relationships such as supplier-customer (Dwyer et al, 1987 Sheth and Sharma, 1997). According to Nigel (2002) in his book: “Market – led strategic change” the difference between conventional or traditional marketing and relationship marketing is the move from emphasis on the transaction (single sale) of a product or service to focus on the continuing relationship with the customer. A number of authors have proposed that customers vary in their relationships with a firm on a continuum from transactional to highly relational bonds (Dwyer et al, 1987). Therefore, organizations may need to pursue both transactional and relational marketing simultaneously because not all customers want the same working relationship. This means that customers need to be segmented according to their needs and profitability.
2.2.4 Relationship blog

Relationship marketing is based on the idea that people prefer to do business with those who they know and like. It is easier to buy from a friend than from someone you have never heard of before. It is a matter of building trust. It said that people need to hear an offer at least seven times before they buy. That concept certainly works against the single step marketing method (Shah, 2007). That is where a business blog can be really helpful. As they read about the company, daily business activities, the company’s problem solving ideas, the advice offered and various products, they begin to think of themselves as a part of the company. According to Sergio Zyman, former chief marketing officer of Coca Cola, if the company builds enough of reservoir of goodwill for its brand when the company have problems, its customers are going to be a lot more forgiving and they are more likely to stick to the company when its products come under attack by another brand.

2.2.5 Relationship marketing in Jomo Kenyatta Foundation

Relationship marketing at JKF was either not well known or understood hence the reason why it’s not practised accordingly. According to JKF's 2012-2017 strategic plan marketing department was seen to be lacking the aggressiveness and drive to gain back the lost market share. Further, the marketing staffs were deemed to lack adequate incentives to motivate them to go the extra mile to perform for results. The JKF aims at putting in place mechanisms for organization culture change from the public sector approach to more market-driven approach in its activities. It has no centralized complaints handling mechanism. The JKF lacks corporate communication policy; staff retention has been a challenge especially for job groups 5 and above. Relationship Marketing ensures that all the above discussed issues are well addressed and marketing becomes a responsibility of everyone in the company. Therefore, the researcher was motivated to carry out the study to be able to enlighten the company and the interested parties on the contributions of relationship marketing at Jomo Kenyatta Foundation.
2.3 Empirical Review

Jobber and Fahy (2006) mentioned that the relationship marketing is the process of creating, developing and enhancing relationship with customers and other stakeholders. RM refers to the development, growth, maintenance of long term cost effective exchange relationship with individual customers, suppliers, employees and other partners for mutual benefit (Boone and Kurtz, 2007). When a company integrates customer service and quality with marketing the result is a RM orientation. RM creates a new level of integration between buyers and sellers. Rather than focusing exclusively on attracting new customers, marketers have discovered that it pays to retain current customers. Relationship marketing has seen a number of developments since the early work of Christopher et al, (2002), most notably the development of terms and process that have been used to demonstrate the adoption of the new paradigm. It is the automation of processes that has driven practitioners with Customer Relationship Management programs that enable data collection, analysis and communication of tailored messages to the most promising prospects as the focus of activity.

Reichheld and Sasser (1990) argue that companies should attempt to improve their customer – retention performance. They have observed a cross industry trend, sales and profits per account rise the longer a relationship lasts. As customers become more satisfied with the service they receive, the more they buy. As purchases rise operating costs decline, because companies climb the experience curve and become more efficient. Profits therefore improve. Duck (1991) states that building a relationship involves four key elements; Awareness of the opportunities for friendship, the ability to encourage and entice likeable persons into a relationship, skills and knowledge about the ways in which relationships are helped to develop and grow, skills that help to maintain and repair relationships. Waddock (1989) presents a process comprising recognition of the needs, use of partnership initiation of the partnership establishment and maturity. Scanzoni (1979) on the other hand sees three stages of involvement; exploration, expansion and commitment.
Christopher et al, (2002) presents a different five stage model which they term as a ladder of customer loyalty. At the bottom rung of the ladder customers are viewed as prospects, at the top rung of the ladder they become true partners having climbed intermediate rungs labeled in turn as purchaser client, supporter and advocate. The role of relationship marketing here is to advance relationships up the ladder. All RM activities are ultimately evaluated in the basis of company’s overall profitability as a key. Several authors have therefore suggested methods of measuring the profitability of relationships (Reichheld abd Sasser, 1990; Gronroos, 1992; Bucklew and Edvinsson, 1993; Petrison, Blattberg and Wang, 1993; Pitt and Page, 1994; Payne and Rickard, 1994; Storbacka, 1994; Storbacka, Strandvik and Gronroos, 1994; Wang and Splegel, 1994; Hughes and Wang, 1995; Kaene and Wang, 1995). Any attempt to compute the lifespan value of a customer requires the following data: cost of winning the customer; periodic cost of retaining the customer; gross margin earned from the firm, second, third, fourth……..nth sale to the customer; probabilities that th customer will buy a second, third, fourth-ii….. nth time; required rate of return for the company ( in order to compute net present value); and numbers of purchases made by the customer from the company. These data can be used to compute the lifetime value of individual customers, segments of customers or of the average customer. They can serve as benchmarking data and are useful to monitor the impact of customer-retention strategies.

2.3.1 Customer Loyalty and Customer Retention

According to Diller (1994) customer loyalty is the central objective in relationship marketing. Loyal customers may bring more certainty into the business. Certainty signifies more stability within the customer relationship. This stability may be expressed for example in habitual purchase decisions apparent customer immunity to competitors’ activities and also a higher tolerance of mistakes made by the supplier. Loyal customers are more prepared to complain, to answer questionnaires and perhaps even to work together with the supplier in building up customer satisfaction programs (Hansen & Schoenheit, 1997; Stauss & Seidel, 1998). There is more trust in a supplier-customer relationship involving loyal customers agreements between the two will tend to be more reliable. Customer bonding can lead to the growth of the company. If activities are
centered on retaining existing customers then growth can be achieved by exhausting the potential of these existing customers and inducing existing customers to recommend the supplier to others. The recommendations and positive word-of-mouth are the best kinds of advertising and also the cheapest (Arndt, 1967; Cornelsen & Schober, 1997).

Reducing customer defection rates is critical for retention rates to improve. As defection rates fall the average customer-relationship lifespan increases. According to Reichheld and Sasser (1990) as the credit card company cuts its defection rate from 20% to 10%, the average lifespan of its relationship with a customer doubles from 5 years to 10 years and the value of the customer more than doubles jumping from $134 to $300. When customers defect, they not only take margins from current transactions with them but all future margins also. Additionally, if customers defect angry or dissatisfied, they are likely to utter negative word of mouth about the company, thereby reducing the prospect pool for the firm. Retention is an outcome of the behavior of individual customers, customer loyalty relates to what customers think and do (or try to do). Most customer loyalty experts would agree that loyalty is best defined as a state of mind, a set of attitudes, beliefs desires etc.

Other authors have suggested strategies to improve customer retention rates (Hart Heskett and Sasser, 1990; Reichheld and Sasser, 1990, Fornell, 1992; Pitt and Page, 1994; Reichheld, 1993; Rust and Zahonk, 1993; Rust Zahonk and Keiningham, 1994. There is widespread agreement that the root cause of customers’ defection must be addressed and that recovery programmes should be in place to prevent the defection of at risk customers. Customers have been shown to defect for a number of reasons (DeSouza, 1992 – see table 2.1) since not all these causes can be eliminated; there will clearly be some defections whatever actions companies take. Furthermore, companies realize that not all, customers are worth retaining. Not all relationships are equally profitable. Neither is it always possible to know whether a currently unprofitable account would generate a future profit stream given investment in that customer’s satisfaction.
Table 2.1 Reasons for customer defection

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>Defections to a lower – priced alternative</td>
</tr>
<tr>
<td>Product</td>
<td>Defections to a superior product</td>
</tr>
<tr>
<td>Service</td>
<td>Defection owing to poor service</td>
</tr>
<tr>
<td>Market</td>
<td>Customers who leave the market but not to a competitor</td>
</tr>
<tr>
<td>Technological</td>
<td>Defections to a product from outside the industry</td>
</tr>
<tr>
<td>Organizational</td>
<td>Defections owing to internal political consideration</td>
</tr>
</tbody>
</table>

Source (Milgrom and Roberts, 1992)

It is evident that customers generally seek quality, value and convenience in their transactions with suppliers. Whether entering into a discrete transactions or ongoing relationship with a supplier, customers will experience what economists call transaction costs (Milgrom and Roberts, 1992) for example, there may be search costs, negotiation costs and legal costs. These costs may be higher when a customer is selecting a supplier with whom to have a long term relationship. However, once incurred, these costs do not recur in a relationship.

2.3.2 Customer satisfaction and customer service

Customer satisfaction and loyalty are built through the creation of superior value for the customer and that value is created throughout the organization and beyond. In situations where the product or service may be complex or difficult to evaluate customers will seek the advice of trusted third parties to reduce the perceived risk associated with the purchase. Given that satisfied customers will happily endorse the products or services of the suppliers if prompted, relationships with existing customers are an unrecognized or underutilized facility for many organizations (Helen Peck, et al, 1999). In 1987 Judd observed that substantive attempts to conceptualize the employee of an organization as an element of the organization’s marketing strategy were noticeably absent from the academic marketing literature. Schle Singer and Heskett build on earlier research emanating initially from organizational behavior. Specialists clearly linked the constructs...
of employee satisfaction and retention to customer satisfaction and retention in service businesses.

Customer service is often defined as the ability of an organization to consistently give customers what they want and need. Providing information to help people decide which products or services best meets their needs; offering options such as delivery, installation or service plans, and answering questions about product use after a sale are all examples of customer service. Organizations with a customer focus understand the importance of providing excellent customer service to attract and maintain customers. Customer service is not simply a job or a department; it is a way of thinking within an organization. Treat all customers with respect and courtesy, even when they are at fault or do not have a legitimate complaint. Never say “I don’t know” without also saying “but I will find out” find someone in the organization who knows the answer and get back to the customer. Avoid saying “we don’t”, we can’t or you’ll have to…… instead tell customers what you can do for them. Do not say “that’s our policy” instead, be flexible and creative when attempting to solve customer problems. Do not say “it will be ready tomorrow” unless you are sure that will happen. Do not make promises you are not sure you can keep (Odgers, 2008). If the customer service does not meet customer expectations it is unlikely that a customer will be retained and the reputation of a company may be damaged by adverse word of mouth publicity.

The exchange of information is one of the keys to loyalty and provides a critical bridge between state of mind and behavior. Loyal customers are more likely to give information to you (because they trust you and expect you to use it with discretion and to their benefit). They also expect you to be able to access that information during transactions with them. Loyal customers also expect to receive more information from and about you, so “privileged” communication is an essential element of loyalty programs. RM is about healthy relationships characterized by concern, trust, commitment and relationship marketers are concerned for the welfare of their customers. They want to meet or exceed customer expectations, producing satisfaction. The key is to understand intimately the expectations of customers (Parasuraman, Zeithaml and Berry, 1994).

2.3.2.1 External customers
Gummesson (1999) argued that the domain of RM should extend its boundaries to all marketing activities such as internal customers, external customers, networks, partnerships. The most recognized customers of any business or organization are its external customers who are the people or organization that buy or use the products and services provided by your organizations. A major goal of business is to make a profit. A focus on effective customer service is vital to achieving this goal. External customers not satisfied with the service they receive are likely to make their business elsewhere and to share their frustration and experiences with others. However, customers who are pleased with the service they have received are more likely to buy again and they may also recommend the organization to others. If customer’s problem is handled quickly and effectively, the customer will continue to work with the organization. Excellent external customer service can lead to customer satisfaction, customer loyalty and customer retention.

2.3.2.2 Internal customers

Morgan and Hunt (1994) studied internal marketing and proposed the following: Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges. Internal customers are departments or employees within an organization who use the products or services provided by others within the organization. Employees in the technical support department for example, serve the needs of the other company employees. These employees are the internal customers of the workers in the technical support department. Without the services this department provides, others in the company would not be able to do their work and services to external customers would suffer. Everyone within an organization has a role to play in developing an environment that is focused on the customer. Internal marketing is a second prerequisite for successful RM (Gummesson, 1998; Gronroos, 1990). The goal of internal marketing is to convert employees to the new vision of RM, to promote the development of the new culture top persuade them that is sensible to buy into the new vision and to motivate them to develop and implement RM strategies. Employees who have no direct contact with external customers can make important contributions that help the organization provide quality customer service.
The internal market’s expectations and needs must be satisfied otherwise, the success of the organization’s operations on its ultimate external markets will be jeopardized (Gronroos, 1990). If the organization is unable to meet its employee’s needs, it is likely that they will defect to other jobs before being able to build long lasting relationships with customers. The relationships among managers, employees, associates and peers are all important when developing an internal customer focus. By developing positive relationships with internal customers you are showing that you value their importance to the organization. Excellent internal customer service can lead to employee retention as well as a high level of external customer service.

### 2.3.3 Trust and commitment

Trust means the confidence of customers in supplier’s products and offers. For strong relationship this confidence need to be strengthen, Trust in relationships reduces the perceived risks that in turn create the strong relationship (Kingshott & Rexha, 2003). Trust in relationship marketing cannot be avoided. It actually reduces the perception of risk which further leads to strong relationship. Trust and relationship commitment are strongly related to each other. Supplier and buyer both try to reduce risk. Both have some mutual benefits to maintain relationship, the willingness of both parties for sacrifices and burden is the main factor for strong relationships (Zhao & Smith, 2006). Trust is the most important factors to influence the relationship (Wetzels, Ruyter & Birgelen, 1998). Morgan and Hunt (1994) argue that commitment and trust are key because they encourage marketers to work at preserving relationship investment by cooperating with exchange partners, resist attractive short term alternatives in favour of the expected benefits of staying with existing partners and view potentially high risk actions as being prudent because of the belief that their partners will not act opportunistically.

Morgan and Hunt (ibid) describe commitment as an enduring desire to maintain a relationship and trust as the confidence that a partner has in the other’s reliability and integrity. Confidence is associated with the partner’s consistency, competence, honesty, fairness, willingness to make sacrifices, responsibility, helpfulness and benevolence. Trust is important for strong and long term relationship in exchanges but trust is based on continuity in interaction and fulfillment of promises (Papadopoulou, Kanellis &
Martakos, 2001). Trust is the final hope for strong relationship as proved by Anderson &
weitz,(1992) trust is considered as the last option to maintain the long term relationship.
For strong trusted relationship between firms and distributers they need to adopt the
cooperative goals strategy. The trust between customer and sales person have strong role
in committed relationship than trust of customer and firm (Ganesan & Hess, 1997).
Relationship is like a building and trust have positive role in creation, maintenance of this
building as argued by Toops (2009). Trust is an element that fosters cooperative relations
between actors, the interacting actors, especially when complex mutual performances
inhibit activities formation through contracts.

Thus, trust becomes the relationship’s stabilizing factor increasing the certainty level of
future situation and at the same time widening the set of alternatives available to the
parties. Trust is a fundamental resource of innovative activities. Not only does it allow
transferring knowledge among participants in a new product development, but it also
facilitates the new product diffusion on the market reducing the decisional process.
Uncertainty of the first adopters to this effect the firm can exploit its own trust resources
for example its brand equity or leverage the trust placed by external subjects. The latter
can contribute to the innovation diffusion in several ways for example final customers
and especially the lead users) contribute with their behaviors, interpersonal
communication and credibility by activating the social network through which innovation
is diffused (Rogers, 1983; Robertson et al, 1996). Thus, they become the warrantors of
the innovation, reducing new buyers’ uncertainty about purchasing it.

Similarly distributors can participate in trust creation, triggering a process of trust
extension from the retailer brand to the product brand, creating a trusted product-outlet
binomial. Trust-based relationship building becomes the main goal of any firm that
innovates especially in contexts more and more complex and undergoing significant
evolutionary dynamics (Blomqvist, 2000-2002) Trust is the cornerstone of relationship
commitment without it commitment flounders. Geyskens and Steenkamp (1995)
conclude that there is a consensus emerging that trust encompasses two essential
elements; trust in the partner’s honesty and trust in the partner’s benevolence. Honesty
refers to belief that the partner stands by his word, fulfills promised role obligations and
is sincere. Clearly, making, enabling and keeping promises are crucial parts of RM process, but developing relationships require more than promises. Benevolence reflects the belief that one partner is interested in the other’s welfare and will not take unexpected actions to the detriment of the partner. Trust brings about a feeling of security reduces uncertainty and creates a supportive climate.

There are no buyers and sellers or providers and customers in relational exchanges but partners, exchanging resources (Morris et al, 1998). Customers become partners and the firm must make long term commitment to maintaining relationships with quality service and innovation (Webster, 1992). All relationships depend on the development of emotional links between the parties through bonding, empathy, reciprocity, trust and tangibility (Chris and Graham, 2007). Two parties must bond together in order to develop a long-strong relationship. Stronger bonds increase each commitment to the relationship (Jobber and Fahy, 2006), Empathy is the ability to see situations from the perspective of the other party. It is another key emotional link in the development of relationships (Chris and Graham, 2007). Tangibility is the physical facilities, equipment and appearance of personnel (Lovelock and Wirtz, 2006). Every long-term relationship includes some give-and-take between the parties, one makes allowance and grants favors to the other in exchange for the same treatment when its owned need arises (Chris and Graham, 2007). Trust is ultimately the glue that holds a relationship together over the long haul.

Trust reflects the extent of one party’s confidence in another party’s integrity. When parties follow through on commitments they enhance trust and strengthen relationships, stronger trust leads to more cooperation between parties in a relationship (Chris and Graham, 2007). Respect is the strong predictor of the trust in creating and maintaining strong relationship, without respect maintaining the trusting relationship is a difficult task (Lyons, 2005). Trust is an output of the service quality as proved by Cho & Hu (2009) that Service quality forces the trusts which further raise the willingness of customers to build strong relationship. The assessment process like risk and benefits analysis for trust building is important for long term trust building relationship (Hecker, Israel & Couturier, 1999). Successful RM requires a sophisticated customer data-base which provides information in actionable format for the development and monitoring of RM strategy and
tactics. The company uses these data to communicate highly focused offers to customers, monitor the impact of any RM initiatives, track retention rates longitudinally, conduct root-cause investigations of defections, segment the market and establish retention objectives.

Companies routinely communicate more frequently and make special offers to their more valued customers. To be successful relationship marketers companies must develop a supportive organizational culture, market the RM idea internally, intimately understand customer’s expectations, create and maintain a detailed customer database and organize and reward employees in such a way that the objective of RM, customer retention is achieved. In marketing, trust has emerged and has been studied mostly with reference to channels relations. Trust between the parties is indeed the fundamental antecedent and essential precondition to activating a working channel partnership. Among direct consequences of trust most attention is given to the increase in cooperation level, and the reduction in conflict level. Both consequences have a positive impact on the parties. Satisfaction level towards the relation mediated in turn by dependency structure within the relationship and the relative influence exercised or felt by the partner. To look reliable, honest, competent, customer oriented and friendly is critical to building a trust relationship (Weitz et al, 2001). Firm’s reliability and reputation often assume a central role among the factors determining the image of a brand or store (Golden and Zimmer, 1998). Trust is an image’s critical component, especially when it is difficult to find identification criteria and consequently, the consumers cannot precisely define their attitude toward each alternative. Lacking sufficient information to decide on a given transaction one ends up relying on trust in brand or sign, thus reducing the risk of deciding (Vicari, 1991).

2.4 The Gap

Although book business in Kenya seems to have picked up over the years the existing bookshops cannot be said to sufficiently and effectively serve the book needs of Kenyans. Most bookshops are concentrated in the urban areas thus leaving the rural areas poorly served. The RM marketing if employed can reach to rural area via courier services and use of technology. The Kenya Publishers Association (KPA) has not been able to liaise
with the government on matters regarding the development of the book industry and particularly the development of a book policy that would primarily ensure on integrated and interdisciplinary approach to creation, distribution and promotion of books and reading. Following the above discussed issues the researcher carried out a study to determine the contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya. If embraced all the actors involved will be reached and will all be able to gain from relationship marketing benefits.
2.5 Conceptual Framework

Figure 2.1: Conceptual model

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Moderating Variables</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Loyalty and Retention</td>
<td>Customer Satisfaction</td>
<td>Trust and commitment</td>
</tr>
<tr>
<td>• Word of mouth advertising</td>
<td>• Communication</td>
<td>• Feeling of security</td>
</tr>
<tr>
<td>• Customer referrals</td>
<td>• Low cost of doing business</td>
<td>• Reduced uncertainty</td>
</tr>
<tr>
<td></td>
<td>• partnership</td>
<td>• Cooperation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Creation of supportive climate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Policy</td>
<td>Relationship Marketing</td>
<td></td>
</tr>
<tr>
<td>• Legal policies</td>
<td>• Superior financial performance</td>
<td></td>
</tr>
<tr>
<td>• Rules and Regulations</td>
<td>• Increased customer satisfaction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Improved competitive advantage</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Research, 2014)
CHAPTER THREE
Research Methodology

3.1 Introduction

Methodology is the detailed procedure used to answer the research questions (Oso et al, 2009). This chapter describes the procedures that were followed in conducting the study. The steps to be involved in conducting the study were described in detail. In this chapter the researcher discusses research design, target population, samples, sampling methods, data collection instrument and measurement scales (Mugenda & Mugenda, 1999).

3.2 Research Design

The study adopted a descriptive design aimed at determining the contributions of Relationship Marketing at Jomo Kenyatta Foundation in Kenya. Descriptive studies allow researchers to gather information, summarize, present and interpret for the purpose of clarification (Orodho, 2002). The data measurement was on scale for categorical measurements. This design was chosen because it provides insights into and comprehension of an issue or situation (Chandran, 2004). The design was useful in describing the characteristics of the firm and determining the frequency of key attributes of the study. The design was chosen because the researcher gathered data in the study location without manipulating any variables.

3.3 Target Population

The target population of the study comprised of all the 120 staff in the Jomo Kenya Foundation who were 6 senior level management, 24 Middle level management and 90 general staff members. This is according to Human resource from the JKF 2014.
3.4 Sampling Design

3.4.1 Sampling Procedures and Sample Size

Sampling means selecting a given number of subjects from a defined population as representative of that population. Any statements made about the sample should also be true of the population (Orodho, 2002). It is however agreed that the larger the sample the smaller the sampling error. The study used stratified random sampling to select 36 (30% of 120 employees) from the target population which comprised of senior level management, middle level management and general staff. These made up the strata. The distribution of the respondents is shown in the table below. This method involved dividing the population into two or more relevant and significant strata based on one or a number of attributes. The employees of the Jomo Kenyatta Foundation were divided based on their levels in the organization.

The researcher then employed purposive sampling to select respondents who have experience or knowledge about the relationship marketing. The respondents interviewed were those known to be conversant, experienced and well informed on the subject, (Kumar et al, 1993). The study took 30% of the population; the sample size is considered appropriate (Mugenda & Mugenda, 2003). The study covered a sample of thirty six (36) employees from the Jomo Kenyatta Foundation located in Nairobi; Kijabe Distribution Centre along Kijabe Street and Industrial Area along Enterprise road.

Table 3.1: Sample Size

<table>
<thead>
<tr>
<th>Category of staff</th>
<th>Population</th>
<th>Ratio (%)</th>
<th>Sample (Approximately)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Level Management</td>
<td>6</td>
<td>30%</td>
<td>2</td>
</tr>
<tr>
<td>Middle Level management</td>
<td>24</td>
<td>30%</td>
<td>7</td>
</tr>
<tr>
<td>General Staff</td>
<td>90</td>
<td>30%</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td></td>
<td>36</td>
</tr>
</tbody>
</table>

Source: (Researcher, 2014)
3.5 Research Instrument

The main tools of data collection for this study were questionnaires. The questionnaire was used for data collection because it offers considerable advantages in the administration: it presents an even stimulus potentially to large numbers of people simultaneously and provides the study with an easy accumulation of data. Gay (1992) maintains that questionnaires give respondents freedom to express their views or opinion and also to make suggestions. It was also anonymous. Anonymity helped to produce more candid answers than would be possible in an interview. Data was collected using questionnaires. The research instrument was self administered. There were both structured (close-ended) and unstructured questions (open-ended). The rational of the study utilized likert Scales. This method was effective as it was economical (time and money).

3.5.1 Validity

According to Somekh, and Cathy (2005) validity is the degree by which the sample of test items represents the content the test is designed to measure. The researcher assessed the content validity of a measure by use of professional or experts in relationship marketing. The instrument was given to two groups of experts, one was requested to assess what concept the instrument was trying to measure and the other was requested to determine the set of items accurately represented the concept under study. This helped to improve the content validity of the data that was collected. It facilitated the necessary corrections and modifications of the research instrument thereby enhancing validity.

3.5.2 Reliability

Reliability is the extent to which an experiment, test, or any measuring procedure yields the same result on repeated trials. Reliability is increased by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures. The researcher selected a pilot group of 10 individuals from the target
population to test the reliability of the research instruments. The pilot data was not included in the actual study. To test the reliability of the instrument the researcher used the Test-Retest technique which involved administering the same instrument twice to the same group of subjects, but after some time. Results were compared and correlated with the initial test to give a measure of reliability.

3.5.3 Data Collection Procedure

According to the researcher, there are two types of data that the study utilized. These were primary and secondary data. For primary data, the researcher was able to collect first hand information from the respondents. The researcher used questionnaires to collect the primary data from various categories of personnel, (Gay 1992). The primary data was useful to the research because it was reliable and accurate. The research tools were administered using a drop and pick later method. The secondary data was also very important in the study. The researcher collected the secondary data from the library books, annual reports, journals and publications from research institutions.

3.6 Ethical Considerations

The following ethical considerations were taken into account during the study; the researcher ensured the approval of the research proposal by the school of business, Kenyatta University was done to give validity to the document and to show that the study was according to approved research standards and practices. Informed consent from the participants in the study was ensured so as to gain their trust and confidence in the objectives of the study which was purely academic in nature. Observation and maintenance of confidentiality was vital, especially for participants who wished to remain anonymous for either official or personal reasons, for fear of punishments or otherwise.

3.7 Data Analysis and presentation

Data analysis was done after data collection and was a process used to make sense of the data. The type of data analysis tool that would be used is dependent on the type of data, if the data is qualitative or quantitative (Walsh and Wigens, 2003). Data collected was
edited and coded using descriptive analysis methods in order to get meaningful results from the questionnaires. Logical analysis was done using various scientific methods. The quantitative data in this research was analyzed by descriptive statistics using statistical package for social sciences spss as it is more users friendly and most appropriate for analysis of management related responses (Newton and Jeonghun, 2010). The qualitative data took a conceptual content analysis process which was more ideal as the information gathered from the open ended question was large and could be time consuming if not well planned (Wilson, 2010). The data was then presented using tables and figures.
CHAPTER FOUR
Research Findings

4.1 Introduction

This study determined the contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya. The data collected was analyzed using figures, tables and percentages on the basis of the research questions and specific objectives. This chapter presents the results of the analyses. A brief description in words of what is shown in the table or figure were provided.

4.2 Data Analysis

The self administered questionnaires were printed and given out to 36 sampled JKF employees through the drop – and – pick later method where they were hand delivered. The filled questionnaires were picked later and sorted out for the analysis.

4.2.1 Analysis of Response rate

The JKF selected sample was cooperative and all the selected 36 respondents answered the questionnaires fully and within the stipulated time. Therefore the response rate was 100%. The researcher used all the 36 questionnaires for the data analysis.

4.2.2 Gender of the respondents

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>21</td>
<td>58</td>
</tr>
<tr>
<td>Female</td>
<td>15</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

The table above shows the proportionate distribution of gender as used in the research that is male and female in the population under the study at Jomo Kenyatta
Foundation in Kenya. The findings indicate that majority of the respondents were males by 58% and the minority were females by 42%.

4.2.3 Marital Status

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Married</td>
<td>33</td>
<td>92</td>
</tr>
<tr>
<td>Divorced</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

The respondents comprised of 8% single people, 92% married and none divorced. The highest number of respondents was married which was 33 out of 36 respondents.

4.2.4 The level of education of the respondents

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Degree</td>
<td>24</td>
<td>66</td>
</tr>
<tr>
<td>Diploma/ Certificate</td>
<td>11</td>
<td>31</td>
</tr>
<tr>
<td>Secondary Certificate</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Other (specify)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research Data, 2014

The respondents were of different levels of education ranging from secondary certificate to University degrees. The highest number of respondents was those holding university degrees with 66%, followed by diploma holders with 31% and lastly secondary certificate holders with 3%. This showed that many respondents were highly educated hence answered the questions with a lot of understanding.

4.3 Customer Loyalty and Retention
<table>
<thead>
<tr>
<th>To what extent do you agree with the following statements</th>
<th>Strongly agree = 5</th>
<th>Agree = 4</th>
<th>Uncertain = 3</th>
<th>Disagree = 2</th>
<th>Strongly disagree = 1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your company is the most highly rated in customer loyalty and retention.</td>
<td>1</td>
<td>7</td>
<td>12</td>
<td>14</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td>Your brand is the most recognized and thus has a high commanding power in the market.</td>
<td>2</td>
<td>17</td>
<td>10</td>
<td>7</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>Your products are unique, of high quality and highly preferred as compared to competitor’s.</td>
<td>7</td>
<td>18</td>
<td>7</td>
<td>3</td>
<td>1</td>
<td>36</td>
</tr>
<tr>
<td>You receive new customers who have been recommended to you by your loyal customers.</td>
<td>3</td>
<td>9</td>
<td>14</td>
<td>9</td>
<td>1</td>
<td>36</td>
</tr>
<tr>
<td>Your company experiences low levels of customer switching.</td>
<td>7</td>
<td>9</td>
<td>6</td>
<td>11</td>
<td>3</td>
<td>36</td>
</tr>
<tr>
<td>Loyal customers are recognized, awarded and valued in your organization.</td>
<td>4</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>36</td>
</tr>
<tr>
<td>Marketing is a business for all staff in the organization and not left to the marketing department only.</td>
<td>9</td>
<td>3</td>
<td>3</td>
<td>8</td>
<td>13</td>
<td>36</td>
</tr>
</tbody>
</table>
The above table represent the characteristics of a company that enjoys the benefits of customer loyalty. The characteristics were presented as statements to the respondents to be able to gather the data from the respondents in a questionnaire as shown in the table above. All the characteristics carry the same level of importance as far as customers’ loyalty is concerned. Therefore, the researcher treated each statement equally hence the combination of responses as shown in the below table for the sake of conclusions. The main objective was to find out how relationship marketing contributes to customer loyalty and customer retention at Jomo Kenyatta Foundation. The data collected was summarised in figures as shown in the same table as it was collected from the field. In order to get the meaning out of the data collected, the researcher created another table to summarise the variables ranging from strongly agree, agree, uncertain, disagree, and strongly disagree as shown below.

### 4.3.1 Customer Loyalty and Retention summary

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree = 5</td>
<td>33</td>
<td>13</td>
</tr>
<tr>
<td>Agree = 4</td>
<td>71</td>
<td>28</td>
</tr>
<tr>
<td>Uncertain = 3</td>
<td>59</td>
<td>23</td>
</tr>
<tr>
<td>Disagree = 2</td>
<td>60</td>
<td>24</td>
</tr>
<tr>
<td>Strongly disagree = 1</td>
<td>29</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>252</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

According to the table above all the statements were sorted out grouping them in order at which they were answered. All those that gave a similar response in each statement were put together as seen the table above. The results were summarised with the highest percentage of 28% agreeing to the statements which is below 50%. Those who responded with strongly agree, uncertain, disagree, strongly disagree had
13%, 23%, 24%, and 12% respectively. With these kind of response the Jomo Kenyatta Foundation experiences customer loyalty at a very small extent and therefore the contributions of the relationship marketing at JKF is not well embraced. The relationship marketing at Jomo Kenyatta Foundation is at its introductory stage if its there and if well understood and practised can really help JKF gain competitive advantage and all the benefits that come with it.

4.4 Customer Satisfaction

<table>
<thead>
<tr>
<th>To what extent does your company do the following</th>
<th>No Extent = 5</th>
<th>Little Extent = 4</th>
<th>Average Extent = 3</th>
<th>Great Extent = 2</th>
<th>Very Great Extent = 1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducts customer satisfaction survey and implements the knowledge got immediately to enhance relationship.</td>
<td>4</td>
<td>13</td>
<td>15</td>
<td>2</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td>Ensures that both internal and external customer are satisfied by meeting their needs and wants effectively.</td>
<td>4</td>
<td>9</td>
<td>18</td>
<td>4</td>
<td>1</td>
<td>36</td>
</tr>
<tr>
<td>Encourages a direct and free contact between managers, subordinates and the external customers thus open communication is</td>
<td>4</td>
<td>15</td>
<td>9</td>
<td>5</td>
<td>3</td>
<td>36</td>
</tr>
</tbody>
</table>
valued.

<table>
<thead>
<tr>
<th>Ensures that internal customers’ opinions are respected especially as far as decisions on how to satisfy external customers are concerned.</th>
<th>6</th>
<th>13</th>
<th>12</th>
<th>4</th>
<th>1</th>
<th>36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has clear channels of recognizing and rewarding any positive contributions done by either internal or external customers.</td>
<td>7</td>
<td>14</td>
<td>10</td>
<td>4</td>
<td>1</td>
<td>36</td>
</tr>
<tr>
<td>Ensures that there exist a mutual respect and cooperation throughout the organization.</td>
<td>3</td>
<td>13</td>
<td>9</td>
<td>11</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>Creates, maintains a detailed customer database, organizes and rewards employees in such a way that the objective of Relationship Marketing is achieved.</td>
<td>7</td>
<td>9</td>
<td>12</td>
<td>6</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
<td><strong>86</strong></td>
<td><strong>85</strong></td>
<td><strong>36</strong></td>
<td><strong>10</strong></td>
<td><strong>252</strong></td>
</tr>
</tbody>
</table>

Source: Research, 2014
The above table represents the characteristics of a company that enjoys the benefits of customer satisfaction. The characteristics were presented as statements to the respondents to be able to gather the data from the respondents in a questionnaire as shown in the table above. All the characteristics carry the same level of importance as far as customers’ satisfaction is concerned. Therefore, the researcher treated each statement equally hence the combination of responses as shown in the below table for the sake of conclusions. The main objective of these statements was to determine the extent to which relationship marketing contributes to customer satisfaction and customer loyalty at Jomo Kenyatta Foundation. To respond to the statements the respondent used the following words; no extent, little extent, average extent, great extent and very great extent to measure the level of customer satisfaction at Jomo Kenyatta Foundation. The responses were then analysed using the table below in order to be able to measure the customer satisfaction.

### 4.4.1 Customer Satisfaction summary

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Extent = 5</td>
<td>35</td>
<td>14</td>
</tr>
<tr>
<td>Little Extent= 4</td>
<td>86</td>
<td>34</td>
</tr>
<tr>
<td>Average Extent = 3</td>
<td>85</td>
<td>34</td>
</tr>
<tr>
<td>Great Extent = 2</td>
<td>36</td>
<td>14</td>
</tr>
<tr>
<td>Very Great Extent = 1</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>252</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research, 2014

The responses were summarised as shown in the table above with little extent and average extent with 34% each, no extent, great extent and very great extent with 14%, 14% and 4% respectively. The highest responses were little extent and average extent with 34% which is a sign that customer satisfaction is not practised or not given a priority in JKF thus contribution of relationship marketing at JKF is practised and enjoyed to a little or average extent. The percentages depict that relationship marketing is practised to a little or average extent without their knowledge thus customer satisfaction is not given much attention.
### 4.5 Trust and Commitment

<table>
<thead>
<tr>
<th>To what extent does your company</th>
<th>No Extent = 5</th>
<th>Little Extent = 4</th>
<th>Average Extent = 3</th>
<th>Great Extent = 2</th>
<th>Very Great Extent = 1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensures firm’s reliability and reputation on the image of a brand.</td>
<td>3</td>
<td>11</td>
<td>14</td>
<td>6</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td>Company’s sales team make and honour the promises they make to internal and external customers.</td>
<td>3</td>
<td>11</td>
<td>15</td>
<td>5</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td>Ensure that customer problems are solved promptly and that they are compensated immediately if need be.</td>
<td>1</td>
<td>12</td>
<td>18</td>
<td>2</td>
<td>3</td>
<td>36</td>
</tr>
<tr>
<td>Communicate and make special offers to its more valued customers.</td>
<td>0</td>
<td>10</td>
<td>10</td>
<td>11</td>
<td>5</td>
<td>36</td>
</tr>
<tr>
<td>Develop a supportive organizational culture and market the Relationship Marketing idea internally.</td>
<td>6</td>
<td>12</td>
<td>14</td>
<td>2</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong></td>
<td><strong>56</strong></td>
<td><strong>71</strong></td>
<td><strong>26</strong></td>
<td><strong>14</strong></td>
<td><strong>180</strong></td>
</tr>
</tbody>
</table>

Source: Research, 2014

The above table represent the characteristics of a company that enjoys the benefits of trust and commitment that come as a result of employing relationship marketing in their day to day activities. The characteristics were presented as statements to the respondents.
to be able to gather the data from the respondents in a questionnaire as shown in the table above. All the characteristics carry the same level of importance as far as trust and commitment is concerned. Therefore, the researcher treated each statement equally hence the combination of responses as shown in the table below for the sake of conclusions.

The main objective of this section in the questionnaire was to establish the relationship between trust / commitment and the relationship marketing at Jomo Kenyatta Foundation.

The table above shows the responses to the statements meant to measure the level of trust and commitment to both the internal and external customers at Jomo Kenyatta Foundation. The respondents responded to the statement as shown in the table. Then the responses were summarised in the table below to be able to draw the correct information from the data collected.

### 4.5.1 Trust and Commitment summary

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Extent = 5</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Little Extent = 4</td>
<td>56</td>
<td>31</td>
</tr>
<tr>
<td>Average Extent = 3</td>
<td>71</td>
<td>39</td>
</tr>
<tr>
<td>Great Extent = 2</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Very Great Extent =1</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>180</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research, 2014

The above table shows the summarised responses from the statements under trust and commitment in the questionnaire section meant to measure the trust and commitment at JKF. The highest response was average extent with 39% followed by little extent, great extent, very great extent and no extent with 31%, 15%, 8%, and 7% respectively. The responses showed that the trust and commitment at JKF to internal and external customers is a bit low with 39% which is below 50% which could be the average. The contribution of relationship marketing at Jomo Kenyatta Foundation is not really experienced to a reasonable extent.

### 4.6 Challenges experienced by JKF staff as they practice relationship marketing
a) Difficult to implement in mass market (FMCG)

b) Not all customers want to be party to a relationship and not all relationships may be mutually beneficial.

c) Not easy to implement all the technological capabilities needed for relationship program.

d) Issues of database management and customer privacy makes it difficult for relationship program

e) Rapid globalization and continuing social and economic shifts are causing marketplace changes

f) Its very expensive to practise

g) All of the above.

### 4.6.1 Challenges experienced by JKF staff as they practice relationship marketing

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Difficult to implement in mass market (FMCG)</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>b)</td>
<td>Not all customers want to be party to a relationship and not all relationships may be mutually beneficial.</td>
<td>16</td>
<td>22</td>
</tr>
<tr>
<td>c)</td>
<td>Not easy to implement all the technological capabilities needed for relationship program.</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>d)</td>
<td>Issues of database management and customer privacy makes it difficult for relationship program</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>e)</td>
<td>Rapid globalization and continuing social and economic shifts are causing marketplace changes</td>
<td>12</td>
<td>17</td>
</tr>
</tbody>
</table>
For those who believe that JKF practices some relationship marketing they experience some challenges as shown in the table above with the calculated percentages. The greatest challenge was "not all customers want to be party to a relationship and not all relationships may be mutually beneficial" with 22% followed by Not easy to implement all the technological capabilities needed for relationship program with 21%. Rapid globalization and continuing social and economic shifts are causing marketplace changes with 17%. Difficult to implement in mass market (FMCG) with 15%. Issues of database management and customer privacy makes it difficult for relationship program 14%. Its very expensive to practise and All of the above with 4% each. None of the responses is equal to or above 50% meaning relationship marketing is not used as a marketing strategy at Jomo Kenyatta Foundation.

Source: Research, 2014
CHAPTER FIVE

Summary, Conclusions and Recommendations

5.1 Introduction

This chapter addresses the major findings of the research project in relation to the research questions and the research objectives provided in chapter one concerning the contributions of relationship marketing at Jomo Kenyatta Foundation. This section covers the summary, conclusions and recommendations for further research. This section covers the summary of interpretations from the findings of the study from the respondents at JKF.

5.2 Summary

The study was to determine the contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya. During the literature review the researcher had identified three variables namely: customer loyalty and customer retention, customer satisfaction and customer service, trust and commitment as the contributions of relationship marketing. Firstly the researcher tried to find out how relationship marketing contributes to customer loyalty and customer retention at Jomo Kenyatta Foundation. Jobber and Fahy (2006) mentioned that the relationship marketing is a process of creating, developing and enhancing relationship with customers and other stakeholders. According to Diller (1994) customer loyalty is the central objective in relationship marketing and therefore any company can be said to practise relationship marketing if customer loyalty is embraced. The respondents who agreed to the statements meant to measure customer loyalty comprised of 28% which is below 50%. Therefore, Jomo Kenyatta Foundation does use relationship marketing at a very low extent.

Secondly, the researcher attempted to determine the extent to which relationship marketing contributes to customer satisfaction and customer service at Jomo Kenyatta Foundation. The researcher posed different characteristics of a company that practises customer satisfaction in form of statement and the responses were summarised and calculated in percentages to enable the researcher make conclusions. The study
determined that Jomo Kenyatta Foundation practised customer satisfaction at a little and average extent which was 34% which was the highest percentage. The 34% is even below the 50% which would be considered as average. Thus, the contribution of relationship marketing at Jomo Kenyatta Foundation in Kenya is felt at a little extent. Looking at the distribution of the responses it goes without saying that relationship marketing concept is either not known or its not understood ell at JFK thus, not even the attention it really deserves.

Thirdly, the researcher tried to establish the relationship between trust/commitment and relationship marketing at Jomo Kenyatta Foundation. Trust is important for strong and long term relationship in exchanges but trust is based on continuity in interaction and fulfilment of promises (Papadopoulos, Kanellis & Martakos, 2001). At JFK, trust received an average extent with 39%. Again this percentage is below 50% thus relationship marketing cannot be said to occupy an important part of its day to day activities. With little practice of relationship marketing at JFK, the challenge that seemed to be encountered was that not all customers want to be party to a relationship and not all relationships may be mutually beneficial. This challenge attained 22% from the respondents still below 50%.

5.3 Conclusion

This section covers the summary of interpretations from the findings of the study from JFK as represented by the selected sample respondents. This study determined the contributions of the relationship marketing at JFK. The study specifically sought to find out how relationship marketing contribute to customer loyalty at JFK, to determine the extent to which relationship marketing contributes to customer satisfaction at JFK and to establish the relationship between trust and relationship marketing at JFK. The study established that none of the objectives attained more than 39%. In view of these findings, the study concludes that the relationship marketing is not known or not well understood at JFK. This could be why there is no consistence in responding the questionnaire from the respondents. This means that each respondent responded according to his or her own understanding. All the three objectives under the study received less than 50%. The customer loyalty, customer satisfaction and trust gained 28%, 34% and 39% respectively.
The JKF practices relationship marketing at very low extent if any relationship marketing is used to deal with its customers.

5.4 Recommendations

This section deals with the recommendations after the results from the findings from the study. The study has shown that none of the objectives has gained more than 39% hence no or very little relationship marketing is experienced. It is against this background that the recommendations below are made. Despite its limitations, this study should be of great importance to the Jomo Kenyatta Foundation. Once the JKF learns and embraces the benefits discussed in this section, it should be able to practice relationship marketing. Basing generalizations on the findings of this study, the researcher recommends the integration of relationship marketing at JKF in order to counteract the cutthroat competition that came with the advent of economic liberalization that saw more players entering the national publishing industry. The research also recommends that the marketing in general be a responsibility of each employee at JKF since each employee is an internal customer to each other and a good working relationship is essential hence relationship marketing is inevitable. Morgan and Hunt (1994) identify relationship benefits as a key antecedent for the kind of relationship commitments that characterizes consumers who engage in relational exchange. Consumers desire relationship partners that they can trust. Relationship marketing theory maintains that consumers enter into relational exchanges with firms they believe that benefits derived from such relational exchanges exceed the costs.

When a company integrates customer service and quality with marketing the result is a relationship marketing orientation. Sales and profits per account rise the longer a relationship lasts. As customers become more satisfied with the service they receive, the more they buy. As purchases rise operating costs decline, because companies climb the experience curve and become more efficient, this according to Reichheld and Sasser (1990). Customer bonding can lead to the growth of the company if activities are centred on retaining existing customers then growth can be achieved by exhausting the potential of these existing customer and inducing existing customers to recommend the JKF to
others. Trust is a stabilizing factor that increases the level of future situation and at the same time widening the set of alternatives available to the parties.

5.4.1 Suggestions for Further Research

This study covered broadly on determination of contributions of relationship marketing at Jomo Kenyatta Foundation in Kenya, future studies could address determination of contributions of relationship marketing in publishing industry in Kenya.

A study could be carried out to establish the relationship between relationship marketing and performance at JKF Kenya.

A study could be carried out to find out the individual contribution of relationship marketing like trust, customer satisfaction or customer loyalty at JKF of publishing industry in Kenya.
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Appendices

Appendix I: Introduction Letter

Dear Respondent,

Re: Academic research

I’m a post graduate student in the school of business administration at Kenyatta University, City Campus, pursuing a Master of Business Administration Degree (Marketing Management Option). As a requirement for the award of the Degree I am required to undertake a research study on Contributions of Relationship Marketing at Jomo Kenyatta Foundation in Kenya.

You have been selected to provide information on the same and the researcher is hereby seeking your consent to be interviewed. The researcher would also like to assure you that any information given will be treated with utmost confidentiality and will be used for academic purpose only. A copy of the final research report will be made available to you on request. Your assistance and cooperation will highly be appreciated.

Thanks in advance.

Yours faithfully,

Monica W. Wang’ombe
Appendix II: Research Questionnaire

Re: Introduction

Dear Respondent,

This questionnaire is aimed at gathering primary data on the Contributions of Relationship Marketing at Jomo Kenyatta Foundation In Kenya. Relationship marketing is to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfillment of promises. You are kindly requested to fill in the answers on the space provided. The information you provide will be treated with confidentiality and will be used for the purpose of accomplishing academic requirement only. Please do not include your name anywhere in the questionnaire. Note that there are no wrong or right answers.

Please respond to the following items by marking the correct or appropriate option with a ✓ to depict your opinion or providing answers to the questions as appropriate.

<table>
<thead>
<tr>
<th>PART I – GENERAL INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gender</td>
</tr>
<tr>
<td>Male ✓</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>2. Marital status</td>
</tr>
<tr>
<td>Single ✓</td>
</tr>
<tr>
<td>Married ✓</td>
</tr>
<tr>
<td>Divorced</td>
</tr>
<tr>
<td>3. Kindly indicate your</td>
</tr>
<tr>
<td>highest level of education</td>
</tr>
<tr>
<td>University degree ✓</td>
</tr>
<tr>
<td>Diploma/Certificate</td>
</tr>
<tr>
<td>Secondary Certificate</td>
</tr>
<tr>
<td>Other (please specify below)</td>
</tr>
</tbody>
</table>

______________
**PART II - Customer Loyalty and Retention**

<table>
<thead>
<tr>
<th>4.</th>
<th>To what extent do you agree with the following statements</th>
<th>Strongly agree = 5</th>
<th>Agree= 4</th>
<th>Uncertain = 3</th>
<th>Disagree= 2</th>
<th>Strongly disagree = 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Your company is the most highly rated in customer loyalty and retention.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Your brand is the most recognized and thus has a high commanding power in the market.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Your products are unique, of high quality and highly preferred as compared to competitor’s.</td>
<td></td>
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<tr>
<td></td>
<td>You receive new customers who have been recommended to you by your loyal customers.</td>
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<td></td>
<td>Your company experiences low levels of customer switching.</td>
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<td></td>
<td>Loyal customers are recognized, awarded and valued in your organization.</td>
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<tr>
<td></td>
<td>Marketing is a business for all staff in the organization and not left to the marketing department only.</td>
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</tr>
</tbody>
</table>

**PART III - Customer Satisfaction**
<table>
<thead>
<tr>
<th>5.</th>
<th>To what extent does your company do the following</th>
<th>No Extent = 5</th>
<th>Little Extent = 4</th>
<th>Average Extent = 3</th>
<th>Great Extent = 2</th>
<th>Very Great Extent = 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Conducts customers satisfaction survey regularly and implements the knowledge got immediately to enhance relationship.</td>
<td></td>
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<tr>
<td></td>
<td>Ensures that both internal and external customer are satisfied by meeting their needs and wants effectively.</td>
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<td></td>
<td>Encourages a direct and free contact between managers, subordinates and the external customers thus open communication is valued.</td>
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<td></td>
<td>Ensures that internal customers’ opinions are respected especially as far as decisions on how to satisfy external customers are concerned.</td>
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<td></td>
<td>Has clear channels of recognizing and rewarding any positive contributions done by either internal or external customers.</td>
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<tr>
<td></td>
<td>Ensures that there</td>
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</tbody>
</table>
exist a mutual respect and cooperation throughout the organization.

<table>
<thead>
<tr>
<th>PART IV - Trust and Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6. To what extent does your company</strong></td>
</tr>
<tr>
<td>Ensures firm’s reliability and reputation on the image of a brand.</td>
</tr>
<tr>
<td>Company’s sales team make and honour the promises they make to internal and external customers.</td>
</tr>
<tr>
<td>Ensure that customer problems are solved promptly and that they are compensated immediately if need be.</td>
</tr>
<tr>
<td>Communicate and make special offers to its more valued customers.</td>
</tr>
</tbody>
</table>
Develop a supportive organizational culture and market the Relationship Marketing idea internally.

<table>
<thead>
<tr>
<th>7. What challenges do you experience as you practice relationship marketing? (Kindly tick your answer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Difficult to implement in mass market (FMCG)</td>
</tr>
<tr>
<td>b) Not all customers want to be party to a relationship and not all relationships may be mutually beneficial.</td>
</tr>
<tr>
<td>c) Not easy to implement all the technological capabilities needed for relationship program.</td>
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<tr>
<td>d) Issues of database management and customer privacy makes it difficult for relationship program</td>
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<tr>
<td>e) Rapid globalization and continuing social and economic shifts are causing marketplace changes</td>
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<tr>
<td>f) Its very expensive to practise</td>
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<tr>
<td>g) All of the above.</td>
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</tbody>
</table>

-End-

Thank you for taking time to complete the questionnaire
### Appendix III: Research Budget

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Quantity</th>
<th>Cost per item</th>
<th>Total (ksh.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Stationery and Printing: Printing papers, pens, markers</td>
<td>4 Reams + Writing and labeling material, secretarial services.</td>
<td>@ 9,500</td>
<td>9,500</td>
</tr>
<tr>
<td>2 Transportation and data collection logistics</td>
<td>3 data collection personnel</td>
<td>12,000</td>
<td>36,000</td>
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<tr>
<td>4 Analysis of data</td>
<td>1</td>
<td>20,000</td>
<td>20,000</td>
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<tr>
<td>5 Report binding</td>
<td>10 copies</td>
<td>500</td>
<td>5,000</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
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<td><strong>70,500</strong></td>
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</tbody>
</table>
### Appendix IV: Research Plan 2014

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</thead>
<tbody>
<tr>
<td>Preparation of Research Proposal</td>
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<tr>
<td>Presentation and review of research Proposal</td>
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<tr>
<td>Development of Research Instruments</td>
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<td>Pre-testing of research instruments</td>
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<tr>
<td>Preparation of Final Research Instruments</td>
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<tr>
<td>Data Collection</td>
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<tr>
<td>Data Analysis and Interpretation</td>
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<tr>
<td>Report Writing</td>
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<tr>
<td>Presentation of Research Report</td>
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</table>