RELATIONSHIP MARKETING AND CUSTOMER RETENTION IN CONTAINER FREIGHT STATIONS INDUSTRY IN KENYA: A CASE OF MOMBASA COUNTY

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REG. NO: D53/OL/MSA/37714/2016

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS, ECONOMICS AND TOURISM IN PARTIAL FULFILMENT FOR THE REQUIREMENT FOR THE AWARD OF DEGREE IN MASTER OF BUSINESS ADMINISTRATION (MARKETING) OF KENYATTA UNIVERSITY

OCTOBER 2022

DECLARATION

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

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This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This project is dedicated to my daughter Wanja Wachira.

AKNOWLEDGEMENT

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ABBREVIATIONS AND ACRONYMS

CFS   Container Freight Station

CRM   Customer Relationship Marketing

ICD   Inland Container Depot

SPSS   Statistical Package for Social Sciences

PR   Public Relations

RM   Relationship marketing

JKIA   Jomo Kenyatta International Airport

OPERATIONAL DEFINITION OF TERMS

Commitment: Refers to the intention of a customer to maintain a long-term relationship with a supplier. Commitment is an important component of successful market relationships because it gives rise to co-operative behaviors.

Conflict Handling Refers to techniques and ideas designed to reduce the negative effects of conflict and enhance the positive outcomes between the company and customers.

Customer Retention: Refers to the ability of a company or product to retain its customers over some specified period. High customer retention means customers of the product or business tend to return to, continue to buy or in some other way not defect to another product or business, or to non-use entirely.

Relationship marketing: Relationship marketing is a strategy to form long term relationships with existing customers and prospects. It emphasizes on customer retention, satisfaction, and lifetime customer value. Relationship marketing focuses on overall experience with the brand rather than sales alone. A brand experience helps attract new customers and retain them for a long time, earning repeat sales and building long term customer engagement.

Satisfaction: It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is an important step to gain customer loyalty. The customer satisfaction metrics are then used to estimate consumer behavior

Trust: Refers to a reciprocal behavior to the service or product the customer receives. Trust comes when you understand your customer's needs, respect them, and offer relevant service. Gaining customer's trust is important not only to make them loyal and come back, but also so they insist their friends do business with you too.

ABSTRACT

In today's business landscape with intense competition, customer retention is one of the success factors for a firm's sustainability. Therefore, to survive and remain competitive in the marketplace, the firms cannot rely only on attracting new customers, but they need to retain existing ones. The fundamental prerequisite for achieving customers' satisfaction and retaining them is to fully meet or exceed their needs, wants, desires, expectations, and willingness to purchase products. This study endeavored to determine the relationship marketing and customer retention in container freight stations in Kenya: a case of Mombasa County. Specifically, the study sought to establish the influence of commitment on customer retention in Container Freight Stations industry in Mombasa County, to determine the influence of trust on customer retention in Container Freight Stations industry in Mombasa County, to establish the extent to which satisfaction can influence customer retention in Container Freight Stations industry in Mombasa County and to establish the effect of conflict handling on customer retention in Container Freight Stations industry in Mombasa County. This study was anchored on the Relationship Marketing Theory, Commitment-Trust Theory, and Social Exchange Theory. The study adopted a descriptive survey design. All the 24 Container Freight Stations within Mombasa County were targeted. This study used 10% of the target population for pilot-testing, and the respondents involved in pilot-testing did not participate in the final study. The actual number of questionnaires used for pilot testing was therefore 36. Stratified random sampling was used to select a sample of 120 managers and 240 customers for the study. A Semi-structured questionnaire was used to collect primary data from the respondents. The primary data collected was analyzed using SPSS, and the analysis included both descriptive and inferential statistics. The specific descriptive statistics included mean, standard deviation, frequency, and percentage, while the specific inferential statistics were correlation and regression analysis. A multiple regression model was used to show the relationship between the independent variables and customer satisfaction. The findings revealed that commitment and customer retention were positively and significantly related (β =.271, p=0.000<.05), trust and customer retention were positively and significantly correlated (β =.098, p=0.044<.05), customer satisfaction and customer retention were positively and significantly related (β =.114, p=0.043<.05) and finally, the results showed that conflict handling was positively and significantly related with customer retention (β =.530, p=0.000<.05). The study concludes that relationship marketing adopted by Container Freight Stations in Mombasa County influences customer retention in those Container Freight Stations. Hence, the study recommends that the management of Container Freight Station in Mombasa County should always strive to create a commitment, trust, customer satisfaction, and conflict handling mechanism between them and their customers. This will bring attachment between the Container Freight Station and the customer, which will lead to the development of stable, long-term relationships. The management should recognize the role of assessing and building a relationship with their customers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In today's business landscape with intense competition, customer retention is one of the success factors for a firm's sustainability (Ascarza, Neslin, Netzer, Anderson, Fader, Gupta & Provost, 2018). The marketplace is full of challenges in the CFS environment, which leads to constant changes in customer behavior, attitude, and lifestyle. Therefore, to survive and remain competitive in the marketplace, the firms cannot rely only on attracting new customers, but they need to retain existing ones. Relationship marketing is defined as the process of establishing and maintaining mutually beneficial long-term relationships among organizations and their customers, employees, and stakeholders (Afifi & Amini, 2019).

This shift to building relationships is offered as a solution to organizations promoting sustainable relationships in this era of ever-increasing competition. A customer or marketing orientation in the shipping industry is based on the concept that places the shipper (customer) first with all steps taken affecting the customer relationship (Shin, Thai, Grewal & Kim, 2017). The marketing models or concepts are not generally applied through the shipping lines' programs and strategies (Brooks, Lings, & Botschen, 2015).

Trust leads to a high level of affective commitment. Social exchange theory explains this causal relationship through the principle of generalized reciprocity (McDonald, 1981). Trust leads the involved parties to focus more on the ''positive'' motivation because of a sense of affiliation and identification with each other, and this may be a stimulus to focus less on calculative reasons for attachment to a supplier firm. A study on the impact of relationship marketing orientation on customer loyalty in the banking sector in Jordan revealed that customers trust in their banks is

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one of the crucial aspects of relationship marketing (Alrubaiee & Al-Nazer, 2010).Commitment has been referred to as an implicit or explicit pledge of relational continuity between exchange partners in the customer-and-seller relationship literature. In the relationship marketing literature, commitment has been defined by Morgan and Hunt (1994) as the perceived likelihood that a focal firm will terminate the relationship with another firm in the reasonably near future.

In Malaysia, Donmaz, Sayil, and AKyol (2013) found out that relationship marketing had a significant effect and predicted a good proportion of the variance in customer loyalty. Moreover, they are significantly related to one another. A study conducted in Nigeria posited that it is more important to consider the existing customers before acquiring new ones (Adeleke & Aminu, 2012). As such, requisite measures ought to be put in place to ensure that the current customers are retained. Olotu, Maclaton, and Opara (2010) empirically studied the relationship between marketing orientation and Nigerian bank performance. The authors revealed that the banks mentioned above practiced relationship marketing. The study underscores the role of relationship marketing orientation in the enhancement of customer retention.

Locally, the Cooperative Bank of Kenya employed more front office customer relations strategies to enhance customer relations (Chemutai, 2016). Kuria (2010) surveyed the relationship marketing practices among commercial banks in Kenya. . The study established that commercial banks had adopted products oriented to customer relationship marketing (CRM) practices. However, it was revealed that commercial banks in Kenya did not have adequately enhanced CRM activities.

1.1.1 Relationship Marketing

The concept of relationship marketing was presented initially in 1983 by Berry in the context of service organizations. It is defined as a business strategy to attract, maintain, and improve customer relations with technology development (Berry, 1983), and companies are paying to create

beneficial relationships to optimize customer perceptions value. Some others defined relationship marketing as a process to identify, build, maintain, strengthen, and, if necessary, terminate their mutually beneficial relationships with their customers and other stakeholders so that the objectives of all the parties involved are met (Hendriyani & Auliana, 2018).

Kotler, Armstrong, Saunders, and Wong (1999) defined relationship marketing as an effort to create, maintain, and enhance strong relationships with target customers and stakeholders. They believe that marketing is increasingly moving away from individual transactions to build a strong relationship with customers and other marketing networks. There is undoubtedly a growing interest in the subject of relationship marketing (Atul & Mona, 2015). The intense rivalry characterizing today's business environment has resulted in the building of stronger firm-customer relationships. According to Kotler and Armstrong (2016), all the various perspectives of relationship marketing underpin the rationale for CFS to embrace it as a means of maintaining two-way relationships with customers and other stakeholders. (Garrido-Moreno, Lockett & Garcia-Morales, 2015). Outlined the paradigm shift that has been occasioned by relationship marketing by exemplifying the case of a cross-cultural study in Hong Kong, China. In addition, Bhat and Darzi (2016) illustrated six components of relationship marketing orientation. These include trust, bonding, communication, shared value, empathy, and reciprocity. The implications of trust to profitability, market share, growth, and customer retention necessitate service providers to employ it in their push to gain a strategic competitive advantage (Hamali, Suryana, Effendi & Azis, 2016).

Globally, the subject of relationship marketing has extensively been studied. Several aspects in tandem with the foregoing that have hitherto been highlighted include quality, brand, culture, commitment, service, satisfaction, trust, loyalty, value, strategy, customer relationship management, and marketing theory, amongst others (Yudi, 2017). It is argued that the theme of

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relationship marketing has most widely been studied empirically in the USA and the UK. Continent-wise, Europe leads the pack of scholars in relationship marketing at 34 percent between 2012 and 2016. It is followed by Asia (29 percent), America (25 percent), and Africa and Oceania tie at 6 percent.

In Malaysia, Donmaz, Sayil, and AKyol (2013) found out that relationship marketing had a significant effect and predicted a good proportion of the variance in customer loyalty. Moreover, they are significantly related to one another. Trust can be achieved by giving and keeping promises to customers, showing concern for the security of transactions, providing quality services, showing respect for customers through front-line staff, fulfilling obligations, and acting to build customers' confidence in the bank and its services. Banks should recognize the potency of service commitment in keeping loyal customers and act accordingly.

An empirical investigation was conducted on the effect of relationship marketing on customer loyalty in Nigeria (Aminus, 2012). According to the scholar business firms have shifted from short-term and transactions focus to long-term and relational focus regardless of the sector. It is further argued that relationship marketing accrues many benefits, which include the development of customer loyalty. The study established a positive and significant correlation between all the four measures of relationship marketing (service quality, trust, complaint handling, and customer satisfaction) and customer loyalty. In line with the study findings, it was inferred that relationship marketing adopted by commercial banks pays off because it enhances customer loyalty.

1.1.2 Customer Retention

Customer retention is the activity that a selling organization undertakes to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime. Customer retention statistics are typically

expressed as a percentage of long-term clients, and they are essential to a business since satisfied retained customers tend to spend more, cost less, and make valuable references to new potential customers (Bateson and Hoffman, 2016). Customer retention refers to the activities and actions companies and organizations take to reduce the number of customer defections (Ascarza, Neslin, Netzer, Anderson, Fader, Gupta & Provost, 2018).

Customer retention program aim to help companies retain as many customers as possible, often through customer loyalty and brand loyalty initiatives. In today's business landscape with intense competition, customer retention is one of the success factors for the firm's sustainability. The marketplace is full of challenges in macro and microenvironment, leading to constant changes in customer behavior, attitude, and lifestyle. Therefore, to survive and remain competitive in the marketplace, the firms cannot rely only on attracting new customers but also on retaining existing ones. This is supported by, Al-Hersh, Aburoub, and Saaty, 2014 and Farquhar (2005), who emphasized that retaining customers will increase the company's profitability and decrease acquisition costs.

Customer retention can be defined as converting new customers to regular customers by providing excellent customer service that enhances long-term customer satisfaction (Kotler & Armstrong, 2013). Meanwhile, Jeng & Bailey (2012) further defined customer retention as a process in which customer involvement in formal and/or non-formal relationship with the firm on a long-term basis and re-patronizing the firm's product or services. The previous study had suggested several antecedents of customer retention. Bojei et al. (2011), who studied customer retention in retail settings indicated that customer service, loyalty or rewards program, store community, personalization, and customization influenced customer retention in the retail store. Another study in the mobile telecommunication context showed that customers retain specific mobile

telecommunication providers because of satisfaction with the services provided, the quality of the relationship and the switching costs (Tamuliene & Gabryte, 2014).

In a business-to-business setting, the antecedents such as perceived value, reputation, trust, and switching cost positively influence on customer retention in the healthcare service context. This proved that focusing on customer satisfaction in services would lead to customer retention not only in the business-to-customer relationship but also in the business-to-business relationship. In addition, there are also past researches, which suggested RM elements as antecedents of customer retention. These RM elements are communication, knowledgeability, empowerment, personalization, ethical behavior, fees and technology (Rootman, Tait, & Sharp, 2011), and customer trust (Soimo & Wagoki, 2015). The entire RM element in both kinds of research was proven to influence customer retention in the banking industry. This study used Commitment, trust, satisfaction and conflict handling as indicators of customer retention that are used to measure customer retention.

1.1.3 Container Freight Station in Kenya

According to the KPA bulletin of statistics (2010), the cargo traffic handled at the port significantly increased by about 50% for the last five years. This high rate of cargo traffic discharged at the port of Mombasa did not correspond with the slow pace of space expansion within the port hence the need to license and bring on board more private sector participation in cargo handling outside the port area. This led to Container Freight stations, popularly referred to as CFS`s outside the port area. These private facilities started in the late 90's to decongest the port and bring efficiency. The range of services offered complements that of the ports authority in handling and storing of both containerized cargo and motor vehicles outside the port premises. CFS's popularity has been boosted by the shipping trends worldwide and a realization by both government and private sectors

of the tremendous economic benefits of such yards or terminals. Omondi (2012). Kombo & Tromp *et al.,* (2006) points out that besides space creation, other benefits realized from CFSs include reduction in levels of demurrage and pilferage within the port and faster customs 11 clearance as facility is available near the centers of production and consumption. Concentration points for long distance cargoes and its unitization, service as a transit facility, issuance of through bill of lading by shipping lines thereby resuming full liability of shipments. CFSs therefore are striving to provide seamless and cost effective solutions for whatever import needs customers may require thus making them one of the strongest links in the transportation chain.

Container Freight Stations (CFS) are seaport facilities that have been touted as important interventions to mitigate congestion at Port (Adieri, 2012). It is therefore, germane that CFS must be efficient in the performance of their functions. A Container Freight Station is a common-user facility other than a seaport or an airport offering a total package of activities for handling and storage of containers with the inbound and outbound flows by any applicable mode of transport being controlled by customs (UNECE, 2014). According to Ha, Choi, Kim, Kim, and Lee (2015), a container terminal exists as an important and fundamental part of the overall pattern of trade and transport. Essentially, four functions occur at the freight terminal: transfer of cargo, mostly unitized, between two modes; the assembly of freight in preparation for its transfer; the storage of freight awaiting pick-up; and delivery and the logistical control of flows. In addition to all functions mentioned above, services such as maintenance of containers, customs clearance, and other value-added services should take place at a dry port terminal in accordance with customers' needs (Roso *et al,* 2008). In Kenya, the first set of CFS was established in 1995 outside the port to handle motor vehicles to decongest the Port of Mombasa (Riitho, 2018). Container Freight

Stations are appointed as custodians of the imported goods by the Commissioner of Customs, under Section 45 of the Customs Act, 1962.

With the increasing demand for space due to an increase in the cargo landing at the port, there is a need to increase the capacity of the port through the use of existing private sector capacity Njagi, 2018). Gujar, Ng, and Yang (2018) posit that container terminals have to adapt if they are going to succeed, and it is clear that the most successful modern container terminals are the ones that are innovative, forward-looking, and above all in time, with new developments and demands of their customers. Container terminals that play significant roles in transferring economic wealth to national and international economies today handle 90 percent of the world's trade in terms of volume (Song & Yeo, 2014). In this regard, the Kenyan Maritime Industry has equally become very competitive and actively serves the greater Eastern Africa region, including countries like South Sudan, Rwanda, Burundi, Democratic Republic of Congo, Tanzania, and Uganda. To a large extent, congestion problems have led to uncoordinated operational systems and low port output and performance. These all make the establishment of ICDs and CFSs imperative.

1.2 Problem Statement

In today's business landscape with intense competition, customer retention is one of the success factors for a firm's sustainability (Gupta & Provost, 2018). The marketplace is full of challenges in the CFS environment, which leads to constant changes in customer behavior, attitude, and lifestyle. Therefore, to survive and remain competitive in the marketplace, the firms cannot rely only on attracting new customers, but they need to retain existing ones. Initially, CFS's operated in a relatively stable environment characterized by expanding demand, few players, and a stable price. The competition was at a minimum; hence CFS operators were not forced to foster

relationships with customers. To a large extent, this situation was caused by the Kenya Ports Authority (KPA) lack of capacity to handle cargo in the port of Mombasa. CFS's were established to provide extra capacity on behalf of Mombasa port. Today the industry is faced with increased competition from upcoming new CFS's and expanded KPA container terminals, including ICD Embakasi`.

The idea of building a long-term relationship with consumers to earn a favor from them was not known even to the earliest merchant, and it has taken time to develop since traditional marketing was aimed at acquiring customers, not retaining them (Scheneider,1980). Historically, the key factors influencing the selection of a CFS were rates and prices charged. At the onset of CFS operations in Kenya, KPA randomly nominates all import cargo to CFS. During this period, customers were less regarded as critical to the success of the CFS. The CFS applied a KPA tariff which was considered punitive and inflexible. With new entrants in the industry, competition forced CFS's to embrace customer service to safeguard their market share. This is the period during which relationship marketing was first practiced in the industry.

There conceptual and contextual gaps from previous studies. Tabrani, Amin, and Nizam (2018) conducted a study on trust and customer loyalty in Islamic banking relationships. The study focused on one indicator of customer retention and did not include other indicators such as commitment, satisfaction, and conflict handling. Kibeh (2013) conducted a study to establish the relationship between trust and customer loyalty in the mobile telecommunication industry in Nairobi, Kenya. In Nigeria, Ibojo (2015) conducted a study to establish the Impact of Customer Satisfaction on Customer Retention. The study also was focused on one indicator of customer retention and left out other indicators such as satisfaction, conflict handling and commitment .Gerpott, Rams Schindler (2014) examined Customer retention, loyalty, and satisfaction in the

German mobile cellular telecommunications market. The study focused on the mobile cellular telecommunications market.

In a service industry, the quality of customer service holds a primal significance in the context of sustained business growth. Pelsmacker *et al* (2005), one of the trends in marketing today is the increasing importance of building customer loyalty instead of attracting and seducing new customers. In the wake of the changing dynamics in the logistical services sector, CFS's in Kenya have the uphill task of retaining main customers, acquiring new customers, building their confidence, and maintaining a robust financial performance. Corporate customers who have traditionally been reluctant to switch service providers are now demanding better services and are willing to switch if offered better services elsewhere (Farquhar, 2004; Lam & Burton, 2006). Container Freight stations have been heralded as the next big economic promoter for this country besides the port in the trade and maritime industry. Despite the many deliberate efforts that have been made by the Kenyan government to assist in marketing to help promote customer retention at the freight station at the Mombasa there yet to be noticed any significant improvement on use of the freight station.

In a growth industry which is characterized by cutthroat competition and alternatives in Kenya, the growth of the CFS industry has largely been influenced by the global economic boom leading to an increase in international trade, and consequently, this has increased competition for established container terminals, which have naturally experienced reduced customer loyalty (Lobo & Jain, 2012). Container Freight Stations are faced with the challenge of developing tailor-made solutions for their clients and thoroughly understanding their market segments. Hayes (2017) notes the importance of understanding how customers define the quality of services and products. Customer satisfaction is recognized as being of great importance to all commercial

organizations because it influences repeat purchase behavior and word-of-mouth recommendations (Berkman & Gilson, 2016).

1.3 Objectives of the Study

The study was guided by both the general and specific objectives

1.3.1 General Objective

The general objective of this study was to establish the influence of relationship marketing on customer retention in container freight station in Kenya: a case of Mombasa County.

1.3.2 Specific Objectives

The study was guided by the following specific objectives;

i. To establish the effect of commitment on customer retention in CFS industry in Mombasa County

ii. To determine the effect of trust on customer retention in CFS industry in Mombasa County

iii. To establish the effect of satisfaction on customer retention in CFS industry in Mombasa County.

iv. To establish the effect of conflict handling on customer retention in CFS industry in Mombasa County.

1.4 Research Questions

The study will be seeking to answer the following research questions;

i. What influence does commitment have on customer retention in CFS industry in Mombasa County?

ii. What is the influence of trust on customer retention in CFS industry in Mombasa County?

iii. What is the influence of satisfaction on customer retention in CFS industry in Mombasa

County?

iv.   What is the influence of conflict handling on customer retention in CFS industry in Mombasa County?

1.5 Significance of the Study

This study focused on relationship marketing and its effects on customer retention in the CFS industry in Kenya. The findings of this study will be of significance to several stakeholders; First, the findings of the study will be of great importance to CFS operators in Kenya, primarily based in Mombasa town, since it will highlight the importance of relationship marketing. The study will, in the process, paint a direction that these service providers should take in to practice relationship marketing. The study's outcome will add to the body of knowledge to readers and researchers seeking knowledge or pursuing the effect of relationship marketing on customer retention in the CFS industry. The study will, in essence, lay a basis for further studies of the adoption of relationship marketing in container freight stations.

1.6 Scope of the Study

This study aimed at establishing the influence of relationship marketing on customer retention in container freight stations industry in Kenya. The study targeted all CFS operating in Mombasa County in 2019. The targeted respondents comprised of players in the CFS industry and their customers within Mombasa County. CFS at Mombasa county customer retention was carried for a period of six years (2013-2018). The time scope was undertaking the study between May and July 2020

1.7 Limitation of the Study

Not all respondents were willing to give out authentic information instead; they gave out information that is general. To prevent this problem, respondents were informed that the research was only to be used for scholarly reason and they were guaranteed that their identity will remain anonymous. An introductory letter was collected from the university, which was given to the respondents to assure them that the research will be confidential.

1.8 Organization of the Study

This study is organized as follows: Chapter one deals with the background of the study, problem statement, general and specific objectives of the study, research questions, significance of the study, the scope of the study area, and the study's limitations . Chapter two presents a review of the literature with a focus on the theoretical review and empirical literature review, and it describes prior studies across the globe, summary, and research gaps. Finally, chapter two presents the conceptual framework of the study. Chapter three introduces the research methodology, which in turn includes research design, target population and sampling techniques, source of data and data collection instrument, analytical tools and methods and model specification and variables description, validity testing of the instruments, data analysis and representation, operationalization and measurement of study variables and ethical considerations. Chapter four introduces the study findings and discussions of the study. Chapter five presents conclusions and recommendations arising from the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter reviews the theories relevant to the relationship between marketing and customer retention. The chapter also reviews literature on the effect relationship marketing and customer retention, conceptual framework and summery of knowledge gap.

2.2 Theoretical Review

This section provides the theoretical foundations of relationship marketing and customer retention. This study was guided by the following theories; Relationship Marketing Theory, Commitment-Trust Theory and Social Exchange Theory.

2.2.1 Relationship Marketing Theory

Relationship marketing theory was first proposed by Berry (1983). Relationship marketing theory states that successful relationship marketing is occasioned by certain aspects of cooperative relationships that characterize successful relational exchanges (Arnett & Badrinayanan, 2005). Relationship marketing refers to an arrangement where both the buyer and seller are interested in providing a more satisfying exchange (Gummesson, 2017). Berry (1983) argued in a conference on service marketing that relationship marketing is a marketing activity for enterprises to obtain, maintain and promote effective relationships with customers. At the same time, after a long term follow-up study on the marketing process of the service industry, it is concluded that the ultimate goal of enterprise marketing should not only develop new customers but also pay attention to the maintenance of existing customers, and improve the long term interests of both parties through good cooperative relations. Relationship marketing strategy prescribes that it is more effective to

invest in long-term customer interactions than to rely on a series of potentially unrelated, one-time exchanges at the most superficial level. The success of relationship marketing is pegged on many key factors. These are trust, commitment, and communication (Sivadas & Dwyer, 2010). The theory suggests that successful relationship marketing efforts enhance customer loyalty and a firm's performance through stronger relational bonds (Sirdeshmukh, Singh, & Sabol, 2012). Besides commitment, trust and communication, other vital components of relationship marketing, namely satisfaction, bonding, shared values, empathy, dependence, and reciprocity, have been identified (Sin et al., 2005; Eisingerich & Bell, 2016). The aforementioned different relational mediators have been linked to many antecedents and outcomes (Palmatier et al., 2016). Zhang, Watson, Palmatier, and Dant (2016) affirmed that relationship marketing has continued to evolve with the growth of the internet and mobile platforms as technology opens more collaborative and social communication channels. This includes tools for managing relationships with customers that go beyond demographic and customer service data. Relationship marketing extends to include inbound marketing efforts (a combination of search optimization and strategic content), PR, social media, and application development.

It has been suggested that these components are just indicators of the global mediator relationship quality, which is essentially an overall assessment of the strength of a relationship and is conceptualized as a multidimensional construct that captures the many diverse facets of an exchange relationship (De Wulf et al., 2011). However, the relationship marketing theory fails to expound on how service quality is crucial in relationship marketing. Relationship marketing theory was adopted in this study to explain the link between the various components of relationship marketing and how they can help in enhancing customer retention in the Container Freight Station Industry.

2.2.2 Commitment-Trust Theory

The commitment-trust theory was advanced by Morgan and Hunt (2014). According to the theory, relationship marketing involves establishing, developing, and maintaining successful relational exchanges. The foregoing constitutes a major paradigm shift from marketing theory and practice. The authors conceptualized relationship marketing and its ten forms: reliability, tangibility, responsiveness, communication, access, courtesy, credibility, competence, security, and understanding of customers. The scholars theorized that successful relationship marketing requires relationship commitment and trust. They modeled relationship marketing and trust as crucial mediating variables. They tested this model and compared it with rivals that do not allow relationship commitment and trust to function as mediating variables.

Commitment-trust theory is founded on the political economy paradigm (Thorelli, 2006). It is stated that power is the central concept in network analysis since its mere existence can condition others. In tandem, it is argued that since about a third of strategic alliances are outright failures (Sherman, 2012), what ought to be central to understanding relationship marketing is whatever d i s t i n g u i s h e s productive, effective, relational exchanges from those that are unproductive and ineffective. It is argued that though there are no doubt many contextual factors that contribute to the success or failure of specific relationship marketing efforts, the presence of relationship commitment and trust is theorized to be central to successful relationship marketing, not power and its ability to "condition others." Commitment and trust are noted to be key because they encourage marketers to work at preserving relationship investments by cooperating with exchange partners, resist attractive short-term alternatives in favor of the expected long-term 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. Therefore, when both

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commitment and trust, not just one or the other, are present, they produce outcomes that promote efficiency, productivity, and effectiveness. In other words, commitment and trust lead directly to cooperative behaviors c o n d u c i v e to relationship marketing success (Morgan & Hunt, 2014). Commitment-trust theory fails to address service quality as a component of relationship marketing. It has also fallen short of relating the various components of relationship marketing to customer retention. In other words, it has not explained how relationship marketing influences customer retention.

2.2.3 Social Exchange Theory

The theory was proposed by Homans (1950). The theory states that the relationships we choose to create and maintain are the ones that maximize our rewards and minimize our costs. According to Homan (1950), social exchange theory is like a tree with many branches growing from the core concepts rather than being modified and improved upon. Some components involve the application of the concepts to a specific context, such as interpersonal relationships; other branches focus on a given principle into which new concepts are added. The following discussion provides some examples of how this tree has grown. A significant amount of scholarship has focused on social exchange as it relates to power. Power can be based on one person's ability to meet another person's needs and, therefore, control and manage that other person through the disbursement of rewards. Emerson (1962) appreciated that power was a relational phenomenon that resides in a person's dependency. He also recognized that not every interaction was about power; rather, power existed as a potential. Power can also involve negative actions by either withholding some reward until an action is taken or by punishment (the infliction of costs) (Settoon, Bennett & Liden, 1996). Since a significant amount of work on social exchange theory occurs within sociology, it is understandable that interest in power focused on its effect on the development of social networks

and social structure. In this sense, the power defines relationships who are the bosses and who are the subordinates. Social structure partially defines the power relationships. Your boss has the power to fire you simply because of the position your boss holds. That position gives the boss control over rewards or punishments, but it is based on the position rather than the person. In addition, the social structure represents an unequal distribution of the rewards your boss is paid more than you; you're paid more than the new guy. The social structure also comprises a network of social exchange relationships in which individuals exchange rewards and costs, deal with inequity, and often work toward distributive justice. Sociologists, Cook and Whitmeyer (1992) note that social structure is a product of social exchanges, but it is also a constraint to those exchanges. Your access to members of an organization, and therefore your opportunities for social exchange, are constrained by the organizational structure and hierarchy. This branch of the three is sometimes referred to as exchange network theory. This theory is relevant to this study since it helps the researcher understand how social exchange can enhance customer retention in a CFS.

2.3 Empirical Literature Review

This section entails analyzing different past works by authors on relationship marketing and customer retention.

2.3.1 Commitment and Customer Retention.

In Malaysia, Roghanian and Gheysari (2013) examined the relationship between Commitment and customer loyalty in business-to-business. The purpose of the study was to explain the relationship between commitment and customer loyalty by investigating relevant theories and past studies. The investigation's findings indicated that most of the reviewed literature discovered that there was positive a relationship between commitment and customer loyalty. However, some authors indicated that commitment had no effect on customer loyalty. According to the study, effective

commitment includes a desire to develop and strengthen a relationship with another person or group because of familiarity, friendship, and personal confidence built through interpersonal interaction over time. Effective commitment originates from identification, common values, attachment, involvement, and similarity.

The study discovered that Customers with solid effective commitment will stay in the relationship because they want to, based on their positive effect toward the supplier. On the other hand, calculative commitment reflects "economic man" and relates to a "rational, economic calculation. The study concluded that customers staying with a firm as a result of loyalty are valuable, especially in the light of increasing academic and business attention being given to long-term marketing relationships rather than a transaction. It was hence recommended that the supplier should first create a commitment, which is the buyer's attachment to the supplier and that it leads to the development of stable, long-term relationships and that suppliers should recognize the role of assessing and building relationship this factor with its partners, as it has an impact, direct, on intentions to stay in the relationship. The study used commitment as the only study variable and since the study was conducted in Malaysia, conceptual and contextual gaps were identified which the current study addressed by incorporating more variables, and conducting the study in Kenya. Bhuian, Al-Balushi, and Butt (2018) assessed the antecedents and consequences of customer loyalty in Qatar. The study reviewed related pieces of literature on determinants of customer retention. From the results obtained, a Commitment was found to be directly and positively related to customer loyalty. The study findings based on reviewed literature also indicated that commitment had a strong influence on customer loyalty which then results in customer retention. The study found that Commitment has a stronger strength, robustness, and stability than the general attitude towards the brand. Affective commitment produces a more vital link to loyalty

(Fullerton, 2013). Customer commitment is described as a logical antecedent to loyalty. The study further found that Commitment strengthens the relationship between inertia and customer loyalty; only commitment provides resistance to attractiveness from alternative offerings and generates action loyalty. The study concluded that Commitment plays the role of stabilizing the behaviors irrelevant to the circumstances and that Consumer commitment is the psychological connection to a service to continue the relationship with his existing supplier. The study recommended that practicing managers can fine-tune their decisions to enhance customer loyalty and marketing performance. Those managers should focus on augmenting customer commitment and use it as a shield against competitor's attractive and alluring offers. .

2.3.2 Trust and Customer Retention

In Portugal, Bricci, Fragata, and Antunes (2016) conducted a study to demonstrate the main effects of trust, commitment, and customer satisfaction on loyalty with a sample of customers from the distribution sector in Portugal. The study employed an exploratory and confirmatory research design with a quantitative approach. The study used a sample of 100 customers for the study, from which data was collected using questionnaires with a Likert scale with 7 points. The findings revealed that trust had a positive and direct effect on commitment; also, the trust had a positive and direct effect on satisfaction, the commitment had a positive and direct effect on loyalty, and satisfaction had a positive and direct effect on loyalty. The study indicated further that companies can cultivate intimacy with customers to increase customer confidence and loyalty and enjoy every meeting needed to provide quality services and customer satisfaction, thereby building trust and increasing customer loyalty, enhancing a solid relationship. The study concluded that the variables chosen to analyze the determinants of satisfaction and customer loyalty were reliable and consistent. Based on the results, the study gave recommendations that the companies from the

distribution sector need to consolidate their relations of trust and commitment, comply with deadlines, value teamwork, show experience, financial strength, and post-sales service.

Tabrani, Amin, and Nizam (2018) conducted a study on trust and customer loyalty in Islamic banking relationships. The study aimed to investigate the role of trust in enhancing customer loyalty and test the mediation role of commitment and customer intimacy in the relationship between trust and customer loyalty. The study adopted a descriptive research design with a target population of 500 respondents. The target respondents were the employees and management of Islamic Bank, and the response rate was 40%. The study findings revealed that trust had a significant relationship with customer loyalty.

The study also discovered that Commitment and customer intimacy had a significant relationship with customer loyalty and that the two had a mediating effect on the relationship between trust and customer loyalty. The study concluded that there is a positive and significant relationship between trust and customer loyalty. Based on the study findings, it was recommended to the bank managements that they should strive to improve trust between them and their customers to improve loyalty among the customers. This study used trust as the only independent variable; hence, I t created a conceptual gap that the current study addressed by incorporating more other variables.

Kibeh (2013) conducted a study to establish the relationship between trust and customer loyalty in the mobile telecommunication industry in Nairobi, Kenya. The study adopted a survey research design. The findings of the study revealed a positive relationship between trust and customer loyalty which leads to retention in the telecommunication industry in Nairobi, Kenya. The study indicated that customers' trust in their telecommunication industry is one of the crucial aspects of relationship marketing. The study related customer retention to a general sense of satisfaction that the relationship has fulfilled their demands or increased profits. Customer retention is also

enhanced by perceived customer trust. It was concluded that Relationship marketing has been averred to be successful in building trust and commitment with external stakeholders such as customers in to create loyal customer relationships. The study recommended that firms operating in an intensely price-based competitive environment should purpose to build trust among their customers. Failure to accomplish the foregoing would likely result in the firms suffering from shocks in their market.

2.3.3 Customer Satisfaction and Customer Retention

In Nigeria, Ibojo (2015) conducted a study to establish the Impact of Customer Satisfaction on Customer Retention. The study's main objective was to determine the relationship between customer satisfaction and customer retention and examine the impact of customer satisfaction on customer retention. A survey research design was adopted by the study. Primary and secondary data sources were used where primary data includes a structured questionnaire used to elicit information from the target respondents who were customers of the reputable bank in Oyo. In contrast, the secondary data encompass the use of related materials, journals, and periodicals. The study findings indicated a strong positive correlation between customer satisfaction and customer retention in the banking industry in Nigeria. The findings showed that the R2 value was 0.717, which meant that customer satisfaction independently accounted for 71.7% of the variation in customer retention. The f-statistics of 41.173 revealed that the model was statistically significant at 0.05 significant levels. The study indicated further that Customer satisfaction is an integral part of business objectives of any organization irrespective of the nature of the organization and however, more pronounced in business-oriented organizations can be achieved through understanding the needs of the target market and the provision of needs satisfying packages in meeting and satisfying these needs at a greater extent, thus, building and maintaining a long-lasting

and favorable relationship with the target market. The study concluded that the effective satisfaction of customers will give room for customer retention. More so, there is a significant relationship between customer satisfaction and customer retention.

Gerpott, Rams Schindler (2014) examined Customer retention, loyalty, and satisfaction in the German mobile cellular telecommunications market. The study adopted a descriptive survey design. The findings of the study indicated that there was a positive relationship between customer satisfaction and customer loyalty. It was indicated that the continuity of the business relations between the customer and organization depends on the relationship between the two parties. For an organization to continue staying in business, there is the need to create a link with the customers through satisfying customers' needs. The vital issue in relationship marketing research was the effects of relationships and quality on customer retention (Lin and Wu, 2011). Retention and attraction of new customers are used as drivers for an increase in market share and revenues. In customer retention, the firm needs to know who to satisfy and effectively satisfy their customers. Post-sales services are the important drivers for customer retention (Saeed et al., 2005). Product/service providers need to emphasize   the quality of product and service. As stated (Lin and Wu, 2011), there is a statistically significant relationship between quality commitment, trust and satisfaction, customer retention, and future use of the product, as retention is influenced by future product use.

Rahim, Ignatius, and Adeoti (2012), in a study entitled 'Is customer satisfaction an indicator of customer loyalty?' found that consumer satisfaction is a critical focus for effective marketing programs. The study found that consumer satisfaction remains a worthy pursuit among the consumer marketing community. This agrees with the conclusion made by Yi (1991) that consumer satisfaction is a collective outcome of perception, evaluation, and psychological

reactions to the consumption experience with a product or service. Consumer satisfaction is regarded as how consumers can get more benefits than their cost. The study revealed that customer satisfaction is the core philosophy of any organization's marketing strategy and plays a key role in an organization's success. He opines that customer satisfaction is vital for brand loyalty as it is an important reason to attach someone with a particular brand. Customer satisfaction has traditionally been regarded as a fundamental determinant of long-term customer behavior. The study concluded that that customer satisfaction has independently contributed immensely to the retain of respective customers. Therefore, it was recommended that since of customer satisfaction is a critical factor, it should be given constant attention to achieve stated organizational objectives.

2.3.4 Conflict Handling and Customer Retention

Mahmoud, Hinson, and Adika (2018) examined the Effect of Trust, Commitment, and Conflict Handling on Customer Retention. The study used a cross-sectional survey using a structured questionnaire to gather data from customers of mobile telecommunication operators. The study findings revealed that conflict handling had a significant indirect effect on customer retention via customer satisfaction. The study pointed out that the ability of the product or service provider to handle conflict will also directly influence customer loyalty. The results were a corroboration of the findings of Ndubisi and Chan (2015) that found a significant relationship between conflict handling and customer loyalty, indirectly through trust and perceived relationship quality. The ability of the product or service provider to handle conflict well will also directly influence customer loyalty. The study concluded that handling conflict has a strong influence on customer loyalty and retention. The study, therefore, recommended that conflicts should be resolved amicably before they escalate into problems.

Kulet (2018) conducted a study on the effect of conflict handling on customer loyalty in Kenyan commercial banks, Nakuru County. The study examined the effect of Conflict Handling on customer loyalty in commercial banks. The target population consisted of 414,000 retail customers of commercial banks in Nakuru Municipality, Nakuru County of Kenya. Data was collected from 381 respondents drawn from a cross-section of customers of commercial banks in Nakuru. The findings of correlation analysis showed that conflict handling positively and significantly influenced customer retention. The study pointed out that increased application of conflict handling by banks leads to increased customer loyalty, resulting in retention. The study concluded that Conflict handling has been achieved in commercial banks within Nakuru Municipality. According to the study findings, conflict handling had been moderately achieved. The study further concluded that conflict handling and communication were found to influence customer loyalty in commercial banks more significantly. It was recommended that banks develop an elaborate complaint/conflict handling mechanism that will enhance effective complaint resolution. The mechanism should also be in such a way that it can prevent any anticipated conflict with the customers. All employees, especially customer-facing ones, must be well trained in conflict management.

2.4 Summary of the Research gaps

Roghanian and Gheysari (2013) examined the relationship between commitment and customer loyalty in business-to-business in Malaysia by reviewing existing pieces of literature and found a positive relationship between commitment and customer loyalty. The study focused on commitment as the only primary variable. Since it was done in Malaysia by reviewing the literature, it creates conceptual, contextual, and methodological gaps, which the researcher seeks to bridge by using four variables and focusing the study on CFS in Kenya.

Bhuian, Al-Balushi, and Butt (2018) conducted a study to assess the antecedents and consequences of customer loyalty in Qatar. The study reviewed related literature on determinants of customer retention and found that commitment had a strong influence on customer loyalty, resulting in customer retention. The study creates conceptual, contextual, and methodological gaps.

Bricci, Fragata, and Antunes (2016) conducted a study that aimed to demonstrate the main effects of trust, commitment and customer satisfaction on loyalty with a sample of customers from the distribution sector in Portugal. The study employed an exploratory and confirmatory research design with a quantitative approach and found that trust positively and directly affected commitment. Also, trust had a positive and direct effect on satisfaction, the commitment had a positive and direct effect on loyalty, and satisfaction had a positive and direct effect on loyalty. The study presents conceptual, contextual, and methodological gaps.

2.5 Conceptual Framework

The variables in the conceptual framework are discussed in this section. This is to explain how they are related to each other. The conceptual framework linked the independent variables to the dependent variable. According to Njeru (2015), a conceptual framework is a group of concepts that are well organized to provide a focus, a tool, and rationale for the interpretation and integration of information and is usually achieved in pictorial illustrations. Other authors suggest that the conceptual framework sums up behaviors and offers explanations and forecasts for a majority of the empirical observations (Mugenda, 2008).

Independent Variables   **Dependent Variable**

```
┌─────────────────────────────────────┐
│ Commitment                          │
│                                     │
│   •  Feeling about Product/Service  │
│                                     │
│   •  Customer Experience            │
│                                     │
│   •  Customer Attitude              │
└─────────────────────────────────────┘

┌─────────────────────────────────────┐
│ Trust                               │
│                                     │
│   •  Brand attribute                │
│                                     │
│   •  Customer Confidentiality       │          ┌──────────────────────────────┐
│                                     │          │ Customer Retention           │
│   •  Transparency                   │          │                              │
└─────────────────────────────────────┘          │   •  Number of customers     │
                                                  │      retained.               │
┌─────────────────────────────────────┐          │   •  Customer Loyalty        │
│ Satisfaction                        │          │   •  Repeat Purchase         │
│                                     │          │   •  None switching behavior │
│   •  Customer Expectations          │          └──────────────────────────────┘
│                                     │
│   •  Customer needs                 │
│                                     │
│   •  Customer Service               │
└─────────────────────────────────────┘

┌─────────────────────────────────────┐
│ Conflict Handling                   │
│                                     │
│   •  Conflict Avoidance             │
│                                     │
│   •  Conflict Resolution            │
│                                     │
│   •  Proper Communication           │
└─────────────────────────────────────┘
```
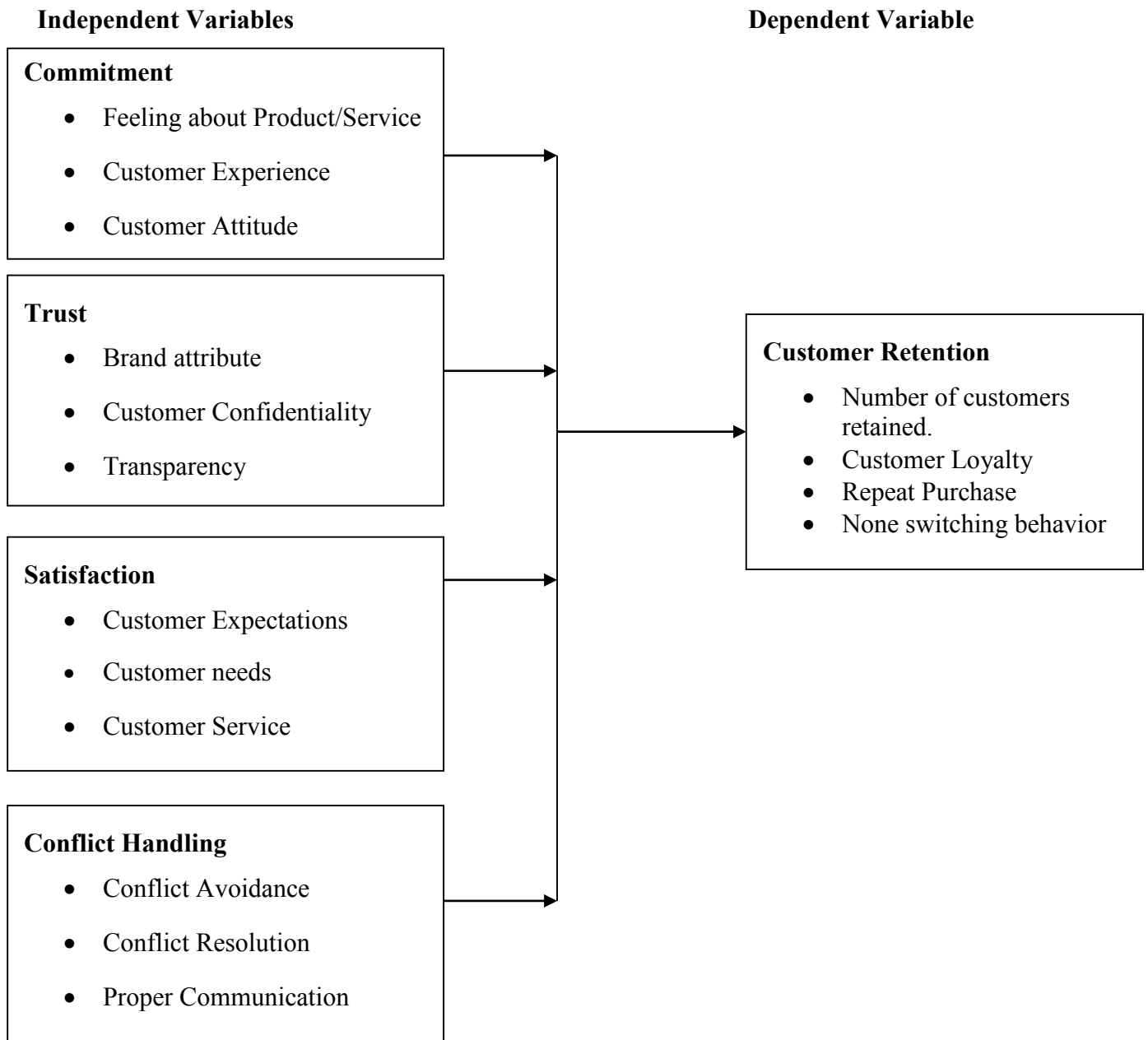
Figure 2.1: Conceptual Framework

Source: *Author (2019)*

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology that was used. It includes; research design, target population, sample and sampling procedure, data collection and data analysis techniques.

3.2 Research Design

Research design is a 'blueprint' that enables the researcher to develop solutions to problems and guides in collecting, analyzing, and interpreting the data and observations (Bryman & Bell, 2011). The study adopted a descriptive survey design. The reason descriptive design was deemed best for this study was that it enabled the researcher to describe the sample population's characteristics and/or behavior. An important characteristic of descriptive research is that while descriptive research can employ several variables, only one variable is required to conduct a descriptive study. Descriptive survey design is designed to collect primary or secondary data from a sample to analyze the statistically and generalize the results to a population (Cooper & Schindler 2006).

3.3 Target Population

According to Saunders (2007), a population can be defined as an entire set of relevant units of analysis or data. Cooper and Schindler (2008) describe a population as the total collection of elements whereby references must be made. Currently, there are 24 Container Freight Stations in Mombasa County (KRA, 2018). The study targeted the management and customers of all the 24 CFS within Mombasa County. The management and customers were targeted in order to assist in the provision of information on marketing and customer retention to enable the research to be conducted. Specifically, the study focused on the managers because they were the ones involved

directly in the day-to-day operations of the freight stations since no container could be ferried in or out of the freight station without the manager's knowledge. In addition, the study involved customers since they were the ones being served by those CFSs.

Table 3.1: Target Population

Categories Respondents	Population	%
Management	400	33.3
Customers	800	66.7
Total	1200	100.00

Source: *Author (2019)*

3.4 Sample size and Sampling procedure

Stratified random and purposive sampling was used to pick the sample sizes for the study. The advantage of this method is that there is an increase in a sample's statistical efficiency and enabled different research methods and procedures to be used in different strata (Cooper &Schindler, 2008). After that, a simple random sampling was used to get a population sample from each stratum. The simple random sampling technique presents each individual in the population with an equal chance or probability to be selected (Cooper & Schindler, 2008). Mugenda and Mugenda (2003) consider a sample size of 30% as sufficient enough; this study, therefore, made use of 30% of the population size. The sample size comprised of 5 managers from each of the 24 Container Freight Stations in Mombasa County.

The study also purposively sampled 10 customers from each of the 24 CFSs in Mombasa County. This gives a sample size of 120 managers and 240 Customers and thus a total of 360 respondents. The study focused on the managers because they were the ones involved directly in the day-to-day operations of the freight stations since no container could be ferried in or out of the freight station

without the manager's knowledge. In addition, the study involved customers since they were the ones being served by those CFSs.

The table 3.2 shows the sample sizes of each category that was used in the study.

Table 3.2: Sample Size

Categories of MSEs	Population	Sample Size
Management	120*1200/360	120
Customers	240*1200/360	240
Total	1200	**360**

Source: *Author (2019)*

3.5 Data Collection Methods

A semi-structured questionnaire was used to collect primary data from the Container Freight Station industry player in Mombasa County. Kothari (2007) terms the questionnaire as the most appropriate instrument due to its ability to collect a large amount of information in a reasonably quick time. It guarantees the confidentiality of the source of information through anonymity while ensuring standardization (Kerlinger, 1973). It is for the above reasons that the questionnaire was chosen as an appropriate instrument for this study. The questionnaire contained a mix of questions, allowing for both open-ended and specific responses to a broad range of questions. The questionnaire was divided into two sections where section one dealt with the demographic information while section two addressed the study variables. However, section two was subdivided into three subsections in line with the variables in the study objectives.

3.6 Validity of Instrument

Krejcie and Morgan (1970) suggested that piloting is conducted to ensure clarity and proper interpretation of the questionnaire. The pilot study allows for pre-testing of the research

instrument. A Pilot study empowers the researcher to be acquainted with research and its organizational strategy and recognize things requiring adjustment. The outcome remedies irregularities emerging from the instruments, which guarantee that they measure what is expected. Mugenda and Mugenda (2008) urge that 20-10% of the target population is adequate for pilot testing, depending on the sample size. This study used 10% of the target population for pilot-testing, and the respondents involved in pilot-testing did not participate in the final study. The actual number of questionnaires used for pilot testing was therefore 36.

According to Mugenda and Mugenda (2008), validity is the degree to which the sample of test items represents the content the test is designed to measure. Saunders et al., (2007) indicate that content validity measures the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept as intended.

Consequently, approval of the research instrument was imperative to this study as it guaranteed that the study would gather applicable data to answer the examination questions (Saunders et al., 2007). To set up the validity of the research instrument, the study looked for the sentiments of specialists in the field of study, particularly the researcher's supervisor and lecturers. This encouraged the fundamental amendment and adjustment of the examination instruments, subsequently improving validity.

3.6.1 Reliability of Instrument

Reliability refers to the consistency of measurement and is frequently assessed using the test-retest reliability method. Including many similar items on a measure, testing a diverse sample of individuals and uniform testing procedures increases reliability (Saunders et al., 2007). Reliability gives the internal consistency of the data collected. This ensures that the data has a certain internal consistent pattern. The reliability of the research instrument was improved through a pilot study

done on a pilot group of 36 respondents who did not feature in data analysis. The pilot study took into consideration the pre-testing of the research instrument. This reliability estimate was measured utilizing Cronbach's Alpha coefficient (α). Orodho (2005) suggests that instruments utilized as a part of the research should have a reliability of about 0.70 and above.

3.7 Data analysis and Presentation

After the fieldwork, all questionnaires were adequately checked for reliability and verification. The data from the questionnaire were coded and keyed into the statistical package of social sciences (SPSS) for ease of analysis. Descriptive statistics and inferential statistics were used to analyze quantitative data. These include mean, mode, and standard deviations, correlation, and regression analysis. The data was presented in the form of figures, tables, and percentages for easy understanding. Linear regression model and correlation analysis was used to show the relationship and association between the independent variables to the dependent variable as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;

Y = Customer Retention

X_1 = Commitment

X_2 = Trust

X_3 = Satisfaction

X_4 = Conflict Handling

In the model, β_0 = the constant term while the coefficient $\beta_i = 1\ldots.4$ will be used to measure the sensitivity of the dependent variable (Y) to unit change in the predictor variables X_1, X_2, X_3 and X_4. The error (ϵ) term capture the unexplained variations in the model.

3.8 Operationalization and Measurement of Variables.

Table 3.3: Operationalization of the Study Variables

Variable	Type of Variable	Indicators	Measurement Scale
1.Commitment	Independent Variable	-Feeling about Product/Service -Customer Experience -Customer Attitude	Ordinal
2.Trust	Independent Variable	- Brand attribute -Customer Confidentiality -Transparency	Ordinal
3. Satisfaction	Independent Variable	- Customer Expectations -Customer needs -Customer Service	Ordinal
4. Conflict Handling	Independent Variable	- Conflict Avoidance -Conflict Resolution -Proper Communication	Ordinal
5.Customer Retention	Dependent Variable	- Number of customers retained. -Customer Loyalty -Repeat Purchase -None switching behavior	Ordinal

Source: *Author (2019)*

3.9 Ethical Consideration

The study took into account the ethical research guideline that provided a framework for conducting researches. The research was conducted within the confines of the necessary regulations prohibiting plagiarism and adherence to copyright obligations. Informed consent was obtained from each respondent who participated in the study. The list of their names for sampling purposes was not sought to ensure confidentiality, anonymity, honesty, openness, and fair treatment. . Thus, respondents were allowed to choose anonymity due to the sensitive nature of the subject matter.

CHAPTER FOUR

FINDINGS AND DISCUSSION

4.1 Introduction

The research study established the impact of relationship advertising on consumer retention in container freights station in Kenya. Information was assessed using descriptive and inferential statistics and presented utilizing Graphs, tables and charts. The results were analyzed in view of the conceptual structure. The sections are arranged according to the purposes of the research.

4.2 Response Rate

A total of one hundred and twenty (120) and two hundred and forty (240) questionnaires were distributed to the sampled managers and customers respectively.

Table 4.1: Response Rate

	Managers		Customers	
Response	**F**	**%**	**f**	**%**
Returned	86	71.67	162	67.5
Unreturned	34	28.33	78	32.5
Total	**120**	**100**	**240**	**100**

From the results in Table 4.1, out of the 120 questions provided to the managers, eighty-six (86) were adequately filled up and collected, representing a 71.67 rate. Additionally, out of the 240 surveys carried out to the clients, 162 questionnaires were returned. In earlier studies, Awino (2007) cited earlier scholars and specified that the typical response price for empirical research studies was 65% of the example.

 Similarly, this was in line with Orodho (2009), who observed that a feedback price of over 50% contributes towards the event of adequate information that could be generalized to stand for

respondent's viewpoints concerning the research study trouble in the target population. A response rate of 60% or even more of the intended instance population is considered sufficient for a research study. Cooper and Schindler (2003) likewise say that a feedback price going beyond 30 percent of the overall sample dimension offers enough data that can be used to generalize the attributes of a research study difficulty as exposed by the perspectives of a couple of participants in the target population The results can consequently be generalized in addition to take into consideration representative of the populace.

4.3 Reliability Test and Factor Analysis

Reliability is generally defined as the level to which procedures are without mistake and for that reason produce constant results (Thanasegaran, 2009).

Table 4.2: Reliability Analysis

Variable	Number of items	Cronbach's alpha	Comments
Commitment	7	0.910	Reliable
Trust	6	0.853	Reliable
Customer Satisfaction	6	0.794	Reliable
Conflict Handling	5	0.869	Reliable
Customer Retention	5	0.736	Reliable

All the variables were found to be reliable since they all recorded Cronbach's alpha values greater than 0.7and hence were all accepted and adopted for further analysis.

4.4 Demographic Characteristics

The main aspects of the background information analyzed include gender, respondent's age, academic level, and experience, age of the establishment and the duration of doing business. The demographics were essential for the discussion regarding the sample size composition.

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4.4.1 Gender of the Respondent

The study findings regarding respondents' gender distribution.

Table 4.3: Gender of Respondent

Gender	Managers		Customers	
	f	%	f	%
Male	66	76.7	119	73.5
Female	20	23.3	43	26.5
Total	**86**	**100**	**162**	**100**

Based on the findings, most of the managers of CFS studied were males, 66(76.7%), while the others 20(23.3%) were females. This implies that most of the CFS within Mombasa County are managed by male managers indicating that males are more trusted with managing these CFS within Mombasa County than their female counterparts. The customers of these CFS within Mombasa County were also asked to indicate their gender, and most of them 119(73.5%) were males, with only 43(26.5%) being females implying that more men than women are in the business in Mombasa County.

4.4.2 Age of the Respondent

The researcher asked the respondents to indicate their ages. This was necessary to help establish the link between the respondent's age and engagement in the business of cargo handling. The responses on respondents' age are presented in Figure 4.1.
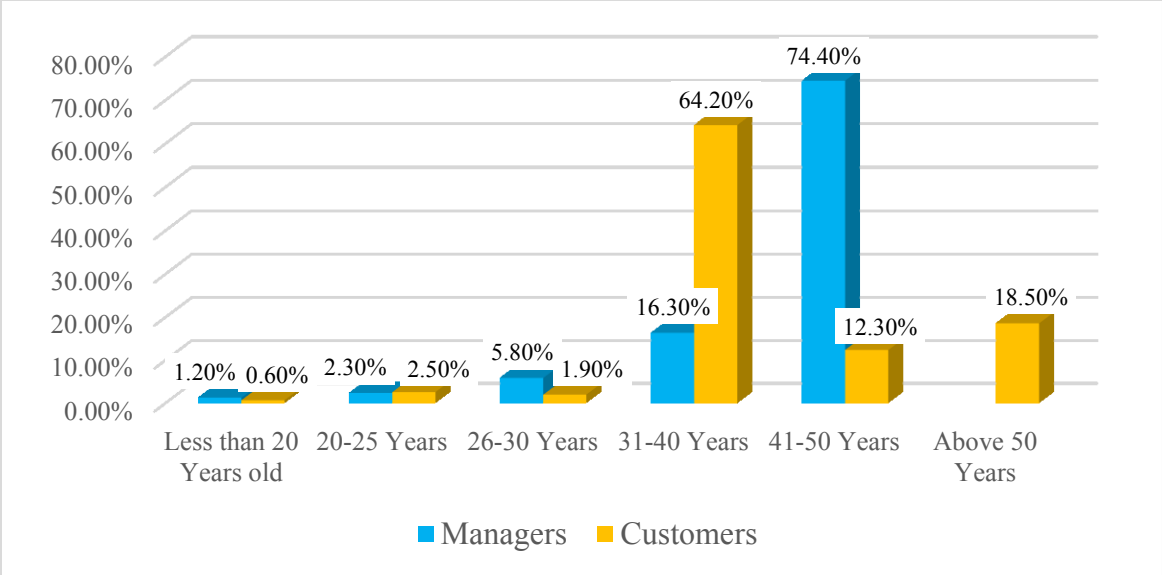
Figure 4.1: Age of Respondent

Most of the managers (74.40%) were 41-50 years, 16.30% were 31-40 years, and 5.8% between 26-30 years, 2.3% indicated that they were between 20-25 years while only 1.20% of the managers were younger than 20 years. This implies that most of the managers of CFS in Mombasa County are senior people who have enough experience in the management of CFS. On the other hand, the findings show that the majority of the customers (64.20%) who took part in the study were aged between 31-40 years, 18.50% were aged more than 50 years, while 12.30% indicated that they were 41-50 years. The results further reveal that 2.50% of the customers were between the ages of 20 and 25 years, 1.90% were 26-30 years, while only 0.6% were younger than 20 years.

4.4.3 Academic Qualification of the Respondent

Academic qualification was necessary to assess the levels of understandings of the managers and customers in the area of cargo handling business. The responses on respondents' age are presented in Figure 4.2.
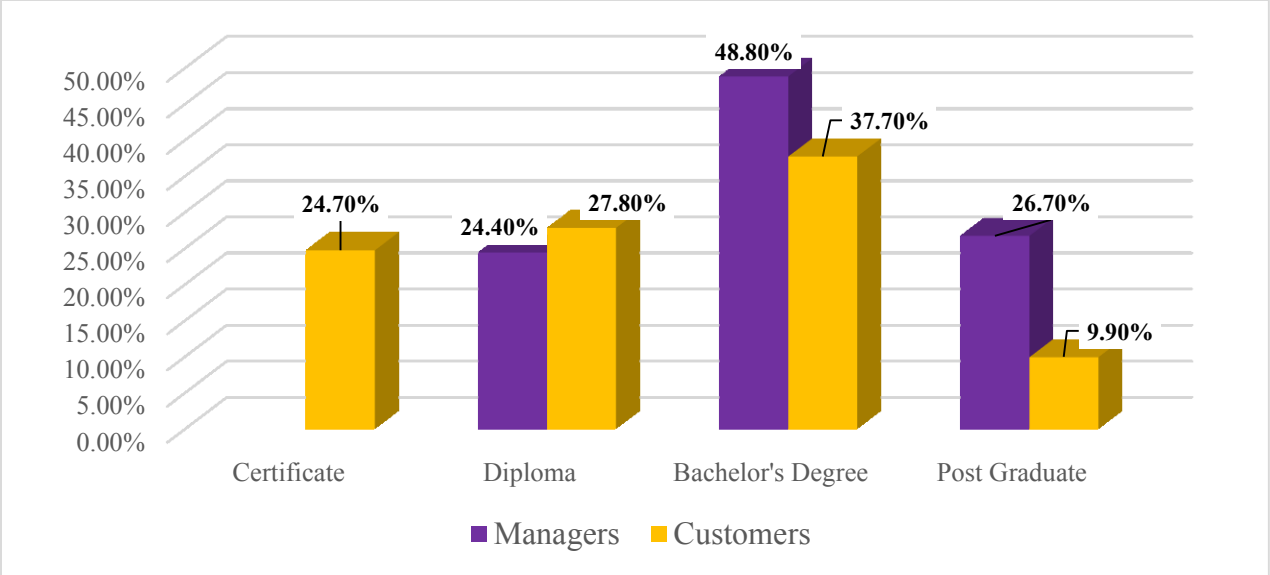
Figure 4.2: Respondent's Academic Qualification

The study established that most managers (48.80%) were bachelor's degree holders, 26.70% were postgraduates and 24.40% were diploma holders. This implies that most of the managers of CFS in Mombasa are highly educated people, which means that they possess the necessary management skills required in the management of CFS. The results also show that most customers (37.70%) were bachelor's degree holders, 27.80% were diploma holders, and 24.70% indicated that their highest academic qualifications were certificates, while 9.90% had higher qualifications than bachelor's degrees.

4.4.4 Duration of Service

Figure 4.3 represents the duration service.
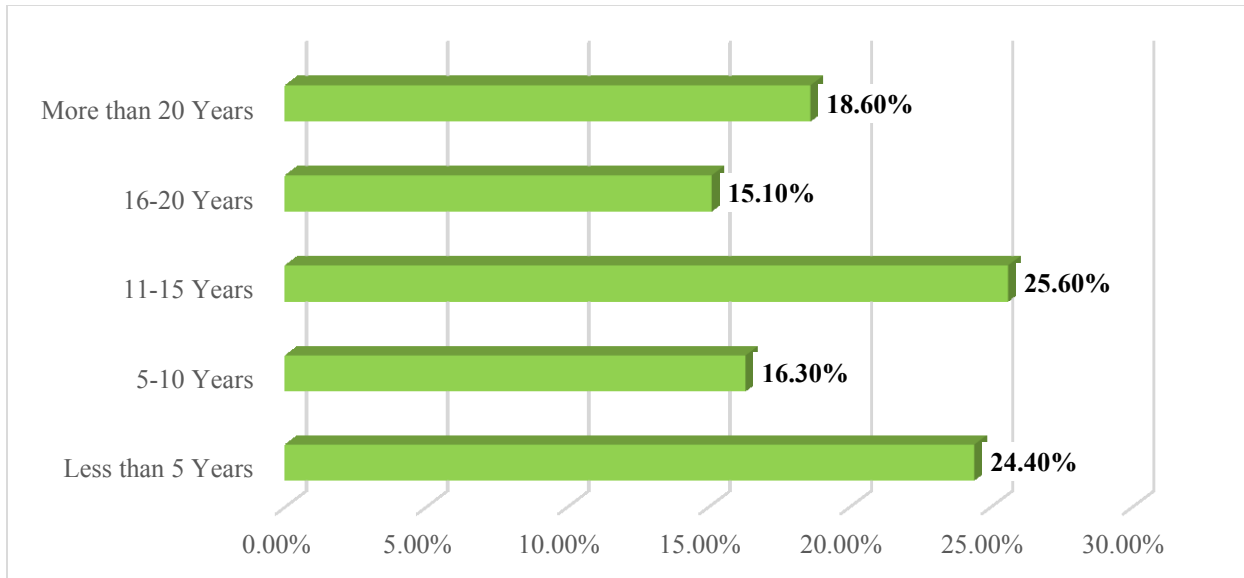
Figure 4.3: Duration of Service

The results in Table 4.3 show that most of the managers (25.60%) had actually collaborated with their respective CFSs for a period of between 11-15 years, 24.40% suggested less than 5 years, 18.60% of the participants had dealt with their particular CFSs for greater than two decades, while 16.30% suggested 5-10 years.

4.5 Descriptive Statistics

Descriptive analysis is utilized to develop the basis of every quantitative analysis of data and includes the mean, portions as well as standard deviation (Conradie & Paduri 2014). This section consists of descriptive analysis on relationship advertising and marketing and client retention

4.5.2 Descriptive Statistics on Commitment

The first independent variable for this study was commitment. The results of this study are as presented in Table 4.4.

Table 4.4: Managers' Response on Commitment

Statement	SD	D	N	A	SA	Mean	Std. Dev.
Our station is committed in ensuring our customers all well taken care of and this has enhanced loyalty among the customers	8.10%	4.70%	8.10%	65.10%	14.00%	3.721	1.036
Our customers have had good experience with our services	9.30%	4.70%	15.10%	30.20%	40.70%	3.884	1.259
I/we strive to improve on service quality to meet the standards of our customers.	8.10%	1.20%	8.10%	40.70%	41.90%	4.070	1.135
Our customers are always satisfied with our services and products	8.10%	3.50%	11.60%	32.60%	44.20%	4.012	1.203
In our CFS customer is a priority and we are driven by quality and timeliness.	5.80%	3.50%	14.00%	47.70%	29.10%	3.907	1.047
In our Station we are committed to working hand in hand with our clients in improving our services.	7.00%	2.30%	18.60%	24.40%	47.70%	4.035	1.183
We comply with all the licensing requirements by the county and KRA.	7.00%	3.50%	3.50%	29.10%	57.00%	4.256	1.150
Average						**3.983**	**1.145**

Table 4.4 shows a Likert scale analysis that was used to establish the influence of commitment on customer retention in CFS in Mombasa County. Respondents' opinion was sought on whether their stations were committed to ensuring customers were well taken care of and whether it enhanced loyalty among the customers and the results indicate that 14.0% Strongly Agreed, 65.10% Agreed,

8.10% were Not Sure, 4.7% Disagreed and 8.10% Strongly Disagreed. From the results, we can deduce that the highest number of managers in CFSs in Mombasa County agreed with the statement. The responses had a mean and standard deviation of 3.721 and 1.036, indicating that managers were generally agreed with the statement, and their responses did not deviate from the mean response.

Regarding whether the customers had had a good experience in their establishments, most of the managers (70.90%) indicated that they had had good experiences with their services. Additionally, 82.60% of the managers were confident that their CFSs were striving to improve service quality to meet the standards of their customers. Further, the results show that 76.80% of the managers agreed that their customers were always satisfied with their services and products, 76.80% agreed that in their CFSs, customers were the number one priority, and they were driven by quality and timeliness. Additionally, most (71.20%) of the managers agreed that in their Stations, they were committed to working hand in hand with their clients in improving services, while 86.10% of the managers agreed with the statement that in their stations they were in compliance with all the licensing requirements by the county and KRA. It suffices to conclude that most of the CFSs in Mombasa County managers agreed with the statement on commitment implying the CFSs in Mombasa are committed to serving their customers.

Table 4.5: Customers' Response on Commitment

Statement	SD	D	N	A	SA	Mean	Std. Dev
There is high level trust between me and the CFS in Mombasa County because they treat my information with high level of confidentiality	4.30%	1.20%	12.30%	40.10%	42.00%	4.142	0.984
They offer services in timely manner	3.70%	0.60%	6.80%	19.10%	69.80%	4.506	0.934
The CFS in Mombasa county are not involved in corruption cases hence improved trust and confidence.	4.30%	0.60%	8.00%	35.20%	51.90%	4.296	0.965
I get value for my money	4.30%	1.20%	9.30%	41.40%	43.80%	4.191	0.969
I am never at any given time overcharged	4.30%	0.60%	16.70%	27.20%	51.20%	4.204	1.028
Average						**4.278**	**0.980**

The results in Table 4.5 show that most of the customers (82.10%) agreed that there was high level of trust between them and their respective CFSs because they felt they were being treated well and their personal information was being handled with a high level of confidentiality. The study also found that most of the customers (88.90%) agreed that they were committed to their respective CFSs because of they promptly offered services they offer services promptly. The study findings also show that most (87.10%) of the customers were optimistic that the CFSs they were doing business with were not involved in corruption issues hence improved commitment and confidence among the customers. The results also show that most (78.40%) of the customers were in agreement with the statement that they were committed to particular CFSs because they were never

at any given time being overcharged by the stations. Finally, most (85.20%) of the customers were confident that by doing business with their respective CFSs, they could get value for their money.

4.5.3 Descriptive Statistics on Trust

The second independent variable for this study was trust. The descriptive statistics results of this variable are as presented in Tables 4.6 and 4.7.

Table 4.6: Managers' Response on Trust

Statement	SD	D	N	A	SA	Mean	Std. Dev
I/We treat the information about our customers with high level of confidentiality and this has helped build trust between us and our clients.	7.00%	2.30%	9.30%	40.70%	40.70%	4.058	1.110
We always deliver to our customers as agreed in a timely manner.	5.80%	1.20%	8.10%	18.60%	66.30%	4.384	1.086
In our CFS we exercise high level of integrity and we have never been involved in any form of corruption.	7.00%	1.20%	7.00%	43.00%	41.90%	4.116	1.078
We do not overcharge our customers	7.00%	2.30%	10.50%	39.50%	40.70%	4.047	1.116
we attend to our customers in a transparent manner	7.00%	1.20%	17.40%	30.20%	44.20%	4.035	1.142
Our clientele base has grown consistently since the establishment of the CFS because we have built a strong trust among our customers.	7.00%	2.30%	9.30%	32.60%	48.80%	4.140	1.139
Average						**4.130**	**1.112**

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Most of the managers (81.40%) of CFSs in Mombasa county agreed that they were treating the information about their customers with a high level of confidentiality and that had helped build trust between the CFS and their customers (M= 4.058; SD=1.110) Most (84.90%) of the managers indicated that they were consistently delivering to their customers as agreed on time and in so doing they were able to build trust between them and their clients. Additionally, most (84.90%) of the managers were confident that in their CFSs, they were exercising a high level of integrity and that they had never been involved in any form of corruption.

The results further show that most of the managers (80.20%) agreed that they were not overcharging their customers, which helped enhance the trust between their CFS and their customers. Most managers agreed that they were always striving to attend to their customers transparently as one way of building trust. The majority of the managers were optimistic that their clientele base had grown consistently since the establishment of the CFS as a result of having built a strong trust among their customers.

Table 4.7: Customers' Response on Trust

Statement	SD	D	N	A	SA	Mean	Std. Dev
There is high level trust between me and the CFS in Mombasa County because they treat my information with high level of confidentiality	4.30%	1.20%	12.30%	40.10%	42.00%	4.142	0.984
They offer services in timely manner	3.70%	0.60%	6.80%	19.10%	69.80%	4.506	0.934
The CFS in Mombasa county are not involved in corruption cases hence improved trust and confidence.	4.30%	0.60%	8.00%	35.20%	51.90%	4.296	0.965
I get value for my money	4.30%	1.20%	9.30%	41.40%	43.80%	4.191	0.969

I am never at any given time overcharged	4.30%	0.60%	16.70%	27.20%	51.20%	4.204	1.028
Our clientele base has grown consistently since the establishment of the CFS because there is good relationship between us the customers and the CFS	4.30%	1.20%	9.30%	27.80%	57.40%	4.327	1.002
Average						**4.278**	**0.980**

The descriptive statistics results in Table 4.7 show that most (82.10%) of the customers were in agreement with the statement that there was a high level of trust between them and the respective CFSs they were doing businesses with because how those CFSs were treating information about them with a high level of confidentiality. The results also showed most (88.90%) of the customers agreed with the statement that they were receiving services in expeditiously. Most of the customers (87.10%) indicated that the CFSs they were doing business with were not involved in corruption hence improved trust and confidence between them as clients and the management of those CFSs. Most of the customers (85.20%) indicated that they were getting value for their money. Most customers agreed they had never at any given time overcharged by the CFSs they were doing business with.

4.5.4 Descriptive Statistics on Customer Satisfaction

The 3rd independent variable for this research study was customer contentment. The research study sought to establish the level to which consumer fulfillment can affect client retention in CFS in Mombasa Region. The detailed data outcomes of this variable are as presented in Tables 4.8 as well as 4.9.

Table 4.8: Managers' Response on Customer Satisfaction

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
Our company strive to satisfy the needs of our customers	2.30%	3.50%	18.60%	31.40%	44.20%	4.116	0.987
We always meet our customers' expectations	2.30%	1.20%	23.30%	27.90%	45.30%	4.128	0.968
We deliver goods our customers on time and in an accurate manner	1.20%	2.30%	12.80%	31.40%	52.30%	4.314	0.871
We engage our customers with other industry partners and professional associations to benchmark for best practices and latest technological innovation in tourism.	2.30%	2.30%	20.90%	27.90%	46.50%	4.140	0.984
we attend to our customers in a transparent manner	2.30%	1.20%	18.60%	20.90%	57.00%	4.291	0.969
Our clientele base has grown consistently since the establishment of the CFS because we ensure satisfaction among our clients.	1.20%	8.10%	9.30%	18.60%	62.80%	4.337	1.025
Average						**4.221**	**0.967**

Based on the results, most (75.60%) of the managers agreed that their companies were striving to satisfy the needs of their customers. 73.20% of the customers agreed that they were always meeting their customers' expectations, 83.70% indicated that they were delivering goods on time. Accurately, 74.40% of the managers were confident that they were engaging their customers with other industry partners and professional associations to benchmark for best practices and the latest

technological innovation in tourism to improve customer satisfaction. The results further show that most of the managers (80.40%) agreed that their clientele base had grown consistently since the establishment of the CFS due to customer satisfaction. This implies that most of the managers of CFSs in Mombasa are watching customer satisfaction closely and doing all they can to build on satisfaction to improve the retention rate.

Table 4.9: Customers' Response on Customer Satisfaction

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
Am always satisfied with the services of the CFS I do business with	1.20%	1.90%	11.10%	32.10%	53.70%	4.352	0.845
My expectations are always met in a timely manner	1.20%	0.60%	17.30%	25.30%	55.60%	4.333	0.870
I am pleased with the efficiency with which my containers are handled by my CFS	0.60%	1.20%	8.00%	34.60%	55.60%	4.432	0.747
As customers we are always engaged with other industry partners and professional associations to benchmark for best practices and latest technological innovation in cargo handling.	1.20%	1.20%	17.30%	27.20%	53.10%	4.296	0.884
My CFS works in a transparent manner with the customers	1.20%	0.60%	17.90%	17.90%	62.30%	4.395	0.887
I would gladly refer my friends to my current CFS because am satisfied with their services	0.60%	6.80%	6.80%	21.60%	64.20%	4.420	0.931
Average						**4.371**	**0.861**

On the other hand, Customers agreed that they were always satisfied with the services of the CFS they were engaged in business with, and indicated by 85.80% of the customers. Regarding the meeting of expectations, most of the customers (80.90%) indicated that their expectations were always met rapidly by the CFSs' management. t. The results further show that most of the customers (90.20%) agreed that they were pleased with the efficiency with which their containers were handled. Additionally, 80.30% of the customers were confident that they were ceaselessly engaged with other industry partners and professional associations to benchmark for best practices and the latest technological innovation in cargo handling. Similarly, most (80.20%) of the customers agreed that the specific CFS they were doing business with were working with the customers enhancing customer satisfaction. Finally, most (85.80%) of the respondents agreed that they would gladly refer their friends to the CFSs they were doing business with because they felt satisfied with their services.

4.5.5 Descriptive Statistics on Conflict Handling

The fourth independent variable for this study was conflict handling. The study sought to explore the effect of conflict handling on customer retention in CFS in Mombasa County. The descriptive statistics results of this variable are as presented in Tables 4.10 and 4.11.

Table 4.10: Managers' Response on Conflict Handling

Statement	SD	D	N	A	SA	Mean	Std. Dev
In our station we have conflict resolution measures in place in case any conflict arises	0.00%	0.00%	4.70%	45.30%	50.00%	4.453	0.587
In our station we try as much as we possibly can to avoid running into conflict with our customers	0.00%	1.20%	10.50%	26.70%	61.60%	4.488	0.732

In case of any conflict, we communicate with our customers and settle the matter amicably	0.00%	2.30%	9.30%	41.90%	46.50%	4.326	0.743
We have never experienced any form of conflict between our station and our customers.	0.00%	0.00%	3.50%	30.20%	66.30%	4.628	0.554
We have set conflict preparedness department where all aggravated customers are attended to and their cases addressed before conflict escalates.	0.00%	1.20%	4.70%	25.60%	68.60%	4.616	0.636
Average						**4.502**	**0.650**

The results on conflict handling presented in Table 4.10 show that most of the managers (95.30%) of CFS agreed that in their stations they had conflict resolution measures in place in case any conflict arises between them and their clients. 88.30% of the managers agreed that they were trying as much as possible to avoid running into conflict with their customers, 88.40% of the managers agreed that in case of any conflict, they communicate with their customers and settle the matter amicably, 96.50% of the managers indicated that they had never experienced any form of conflict between their establishments and our customers. The results further show that most (94.20%) of the managers were confident that they had set a conflict preparedness department where all aggravated customers were attended to, and their cases were addressed before the conflict escalated. .

Table 4.11: Customers' Response on Conflict Handling

Statement	SD	D	N	A	SA	Mean	Std. Dev
In our station we have conflict resolution measures in place in case any conflict arises	2.50%	1.20%	3.10%	42.00%	51.20%	4.383	0.820
In our station we try as much as we possibly can to avoid running into conflict with the station officials	1.90%	1.90%	16.00%	25.90%	54.30%	4.290	0.930
In case of any conflict, we communicate with our CFS officials and settle the matter amicably	1.90%	1.90%	9.90%	29.60%	56.80%	4.377	0.878
We have never experienced any form of conflict between us and the station.	0.60%	1.20%	7.40%	35.20%	55.60%	4.438	0.739
My CFS has set up a conflict preparedness department where all aggravated customers are attended to and their cases addressed before conflict escalates.	2.50%	1.20%	3.10%	22.80%	70.40%	4.574	0.825
Average						**4.412**	**0.838**

The results presented in Table 4.11 show that most (93.20%) of the customers agreed with the statement that the CFSs they were doing business with had in place conflict resolution measures in place in case any conflict arises, 80.20% agreed that the management of the CFSs they were doing business was committed to ensuring they avoid running into conflict with the customers. Additionally, the results show that most (86.40%) of the customers agreed that in case of any conflict, they communicate with the CFS officials and settle the matter amicably. Similarly, 90.80% of the customers agreed that they had never experienced any form of conflict between

them as customers and the CFSs they were doing business with. Finally, 93.20% of the customers agreed with the statement that the CFSs they were doing business with had set up a conflict preparedness department where all aggravated customers were attended to and their cases addressed before conflict escalated.

4.5.6 Descriptive Statistics on Dependent Variable

The dependent variable for this study was customer retention. The study sought to explore the nature of customer retention in CFS in Mombasa County. The descriptive statistics results of this variable are as presented in Tables 4.12.

Table 4.12: Customer Retention

Statement	SD	D	N	A	SA	Mean	Std. Dev
We have recorded consistent increase in number of retained customers in our Station over the last 2 years.	3.50%	1.20%	4.70%	26.70%	64.00%	4.465	0.916
Our Customers are Satisfied with our services	2.30%	2.30%	5.80%	38.40%	51.20%	4.337	0.876
Our station receives many referrals from our existing customers	3.50%	7.00%	14.00%	23.30%	52.30%	4.140	1.118
Our clients prefer our services because they are guaranteed value for their money	1.20%	2.30%	9.30%	26.70%	60.50%	4.430	0.848
We offer our customers varieties of services which make them want to come again.	0.00%	8.10%	2.30%	27.90%	61.60%	4.430	0.888
Average						**4.360**	**0.929**

Regarding retention of customers, most of the managers (90.70%) indicated that their CFSs had recorded a consistent increase in the number of retained customers over the previous 2 years. 89.60% agreed that their customers were increasingly becoming satisfied with their services. The results also show that most of the managers (75.60%) agreed that their stations   received many referrals from existing customers. 87.20% indicated that their clients preferred their services because they guaranteed them value for their money. Eventually, most (89.50%) of the managers agreed that they were offering their customers a variety of services which made them want to come again.

4.6 Correlation Analysis

Correlation analysis is a term used to denote the association or relationship between two (or more) quantitative variables. This analysis is fundamentally based on the assumption of a straight-line linear relationship between the quantitative variables, and it measures the "strength "or the "extent" of an association between the variables and its direction. The end result of correlation analysis is a Correlation coefficient whose values range from -1 to +1. A correlation coefficient of +1 indicates that the two variables are ideally related in a positive (linear) manner. A correlation coefficient of -1 indicates that two variables are perfectly related in a negative (linear) manner. In contrast, a correlation coefficient of zero indicates that there is no linear relationship between the two variables being studied (Gogtay & Thatte, 2017).

Correlation analysis was conducted to ascertain the association between the study variables of relationship marketing (commitment, trust, customer satisfaction, conflict handling) and customer retention. A combined Pearson correlation for the variables was generated using SPSS. The Correlation Coefficient was computed and used to test whether there existed interdependency

between independent variables and whether the independent variables were associated with the dependent variable, customer retention. The correlation results are presented in Table 4.11.

Table 4.13: Correlation Matrix

		Customer Retention	Commitment	Trust	Satisfaction	Conflict Handling
Customer Retention	Pearson Correlation	1.000				
	Sig. (2-tailed)					
Commitment	Pearson Correlation	.733**	1.000			
	Sig. (2-tailed)	0.000				
Trust	Pearson Correlation	.607**	.560**	1.000		
	Sig. (2-tailed)	0.000	0.000			
Satisfaction	Pearson Correlation	.650**	.649**	.590**	1.000	
	Sig. (2-tailed)	0.000	0.000	0.000		
Conflict Handling	Pearson Correlation	.808**	.636**	.547**	.576**	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
** Correlation is significant at the 0.01 level (2-tailed).						

The correlation results in table 4.11 shows that commitment and customer retention were positively and significantly associated (r=0.733, p=0.000<.05), trust was found to be positively and significantly associated with performance (r=0.607, p=0.000<.05). The results also indicate that there was positive and significant association between customer satisfaction and customer

retention (r=0.650, p=0.000<.05). Finally, the results show that there was a positive and significant association between conflict handling and customer retention in CFS in Mombasa County (r=0.808, p=0.000<.05). The correlation result implies that an improvement in commitment, trust, customer satisfaction, conflict handling leads to an improvement in retention of customers in CFSs in Mombasa County. The correlation analysis results are consistent with the findings of Ndubisi and Nataraajan (2018) who indicated that, more and more firms are capitalising on strong firm-customer relationship to gain invaluable information on how best to serve customers and keep them from defecting to competing brands. Hence, customer relationship building creates mutual rewards which benefit both the firm and the customer. By building relationship with customers, an organisation can also gain quality sources of marketing intelligence for better planning of marketing strategy.

4.7. Regression Analysis

Regression analysis was conducted to establish the statistically significant relationship between the independent variables (commitment, trust, customer satisfaction, conflict handling) and customer retention. Wan (2013) observed that regression analysis helps in generating an equation that describes the statistical relationship between one or more predictor variables and the response variable. Multiple regression analysis was also conducted to ascertain the overall effect of the study variables on customer retention in CFSs in Mombasa County.

In interpretation and understanding the result of regression analysis, R squared was used to check how well the model fitted the data. The coefficient of determination, R^2 was used in this study as a valuable tool because it gives the proportion of the variance of one variable that is predictable from the other variable. It is a measure that allows determining how certain variables can be in making predictions from a certain model.

Regression model for the Joint Effects of commitment, trust, customer satisfaction, conflict handling on customer retention was done because the study had four independent variables. Table 4.12 shows the overall model fitness for commitment, trust, customer satisfaction, conflict handling on customer retention.

Table 4.14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867a	0.752	0.746	0.33184

a. Predictors: (Constant), Conflict Handling, Trust, Satisfaction, Commitment

From the outcomes in Table 4.14, it is clear that commitment, trust, customer satisfaction, conflict handling were satisfactory variables in explaining the retention of customers at CFSs in Mombasa County. This fact is supported by the coefficient of determination, also known as the R square of 0.752. This implies that the independent variables, commitment, trust, customer satisfaction, and conflict handling, explain 75.2% of the variations in the dependent variable, which is customer retention. In statistics, significance testing the p-value indicates the level of the relation of the independent variable to the dependent variable. If the significance number found were less than the critical value, also known as the probability value (p), which is statistically set at 0.05, the conclusion would be that the model is significant in explaining the relationship; otherwise, the model would be regarded as non-significant. Table 4.15 shows the ANOVA results for the Overall Model.

Table 4.15: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	52.452	4	13.113	119.081	.000[b]
1	Residual	17.289	157	0.11		
	Total	69.74	161			

a. Dependent Variable: Customer Retention
b Predictors: (Constant), Conflict Handling, Trust, Satisfaction, Commitment

The outcomes of the analysis of variance in Table 4.15 show that the general model was statistically significant in explaining the relationship between relationship marketing (commitment, trust, customer satisfaction, conflict handling) and customer retention. Further, the outcomes suggest that commitment, trust, customer satisfaction, conflict handling are good indicators of customer retention in CFSs in Mombasa County. This was supported by an F statistic of 119.081 and the reported p-value (0.000), which was less than the conventional probability of 0.05 significance level. The regression of coefficients results is presented in Table 4.16.

Table 4.16: Regression of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	-0.03	0.204		-0.146	0.884
	Commitment	0.271	0.058	0.274	4.685	0.000
1	Trust	0.098	0.048	0.107	2.026	0.044
	Satisfaction	0.114	0.056	0.116	2.039	0.043
	Conflict Handling	0.530	0.057	0.508	9.244	0.000

a. Dependent Variable: Customer Retention

Regression of coefficients results in Table 4.16 shows that commitment and customer retention was positively and significantly related (β =.271, p=0.000<.05), the results also indicate that trust and customer retention were positively and significantly related (β =.098, p=0.044<.05). Similarly, results show that customer satisfaction and retention were positively and significantly related (β =.114, p=0.043<.05). Finally, the results show that conflict handling was positively and significantly associated to customer retention (β =.530, p=0.000<.05). This implies that improving commitment, trust, customer satisfaction and conflict handling improves customer retention in CFSs in Mombasa County by 0.271, 0.098, 0.114, and 0.530 units respectively.

The regression analysis results are consistent with the conclusion made by Donmaz, Sayil, and AKyol (2013) that relationship marketing had a significant effect and predicted a good proportion of the variance in customer loyalty. Moreover, they are significantly related to one another. Trust can be achieved by giving and keeping promises to customers, showing concern for the security of transactions, providing quality services, showing respect for customers through front-line staff, fulfilling obligations, and acting to build customers' confidence in the bank and its services. Banks should recognize the potency of service commitment in keeping loyal customers and act accordingly.

4.8 Discussion of Findings

The study sought to establish the influence of relationship marketing on customer retention in the container freight station industry in Kenya. This subsection presents the discussion of results, and the findings of the study were discussed per objective.

4.8.1 Commitment and Customer Retention

The first independent variable for this study was commitment. The study sought to establish the influence of commitment on customer retention in the CFS industry in Mombasa County.

Descriptive statistics results revealed that most of the managers of CFSs in Mombasa County and their customers agreed with statements regarding commitment. Most of the managers agreed with the views on commitment as indicated by (M=3.983; Std Dev=1.145). Similarly, most customers agreed with the statements on commitment as indicated by (M=4.278; Std Dev=0.980). The study conducted correlation analysis to assess the significance of the association between commitment and customer retention in CFS in Mombasa County, and the findings revealed that commitment and customer retention were positively and significantly associated (r=0.733, p=0.000<.05).

The study further conducted a regression analysis to establish the nature of the relationship between commitment and customer retention. The regression analysis results revealed that loyalty and customer retention were positively and significantly related (β =.271, p=0.000<.05) implying that customer commitment to the customers leads to an improvement in customer retention among CFS in Mombasa county by 0.271 units. The findings agree with the Roghanian and Gheysari's (2013) conclusions, which found practical relationship between commitment and customer loyalty. According to the study, effective commitment includes a desire to develop and strengthen a relationship with another person or group because of familiarity, friendship, and personal confidence built through interpersonal interaction over time. Effective commitment originates from identification, common values, attachment, involvement, and similarity.

4.8.2 Trust and Customer Retention

The second independent variable for this study was trust. The study sought to determine the influence of trust on customer retention in the CFS industry in Mombasa County. The descriptive statistics results indicated that most managers agreed with statements regarding the impact of trust and retention of customers in CFS in Mombasa County and denoted by (M=4.130; Std

Dev=1.112). The customers shared the same sentiments, among which the majority agreed with the statements on trust (M=4.278; Std Dev=0.980).

Correlation analysis was also conducted to establish the nature and strength of the association between trust as an independent variable and customer retention. The findings revealed a strong positive and significant association between trust and customer retention (r=0.607, p=0.000<.05). Finally, regression analysis was conducted to assess the relationship between trust and customer retention, and the results indicated that there was a positive and significant relationship between trust and customer retention (β =.098, p=0.044<.05) implying that, an improvement in trust between the customers and the management of CFS results into an improvement in customer retention by 0.098 units. The results concur with Tabrani, Amin, and Nizam (2018), which found that trust had a significant relationship with customer loyalty.

4.8.3 Customer Satisfaction and Customer Retention

The third independent variable for this study was customer satisfaction. The study sought to establish how customer satisfaction can influence customer retention in the CFS industry in Mombasa County. The study found that most of the managers agreed with statements on customer satisfaction (M=4.221; Std Dev=0.967). Similarly, most customers agreed with the statements on customer satisfaction (M=4.371; Std Dev=0.861). Correlation analysis was conducted to determine the association between customer satisfaction and customer retention, and the findings revealed a strong positive and significant association between customer satisfaction and customer retention (r=0.650, p=0.000<.05).

Additionally, regression analysis results revealed a positive and significant relationship between customer satisfaction and retention (β =.114, p=0.043<.05). This implies that an improvement in customer satisfaction leads to an improvement in customer retention by .114 units. These results

are consistent with the findings of a study by Ibojo (2015), which examined the impact of customer satisfaction on customer retention in Nigeria and found a strong positive correlation between customer satisfaction and customer retention in the banking industry in Nigeria. The findings showed that the R^2 value was 0.717, which meant that customer satisfaction independently accounted for 71.7% of the variation in customer retention. The study concluded that the effective satisfaction of customers will give room for customer retention. More so, there is a significant relationship between customer satisfaction and customer retention.

4.8.4 Conflict Handling and Customer Retention

The fourth independent variable for this study was conflict handling. The study sought to explore the effect of conflict handling on customer retention in the CFS industry in Mombasa County. The findings revealed that most of the managers agreed with statements on conflict handling (M=4.502; Std Dev=0.650). Most of the customers also indicated that they agreed with most of the statements on conflict handling (M=4.412; Std Dev=0.838). Additionally, correlation analysis results revealed a strong positive and significant association between conflict handling and customer retention in CFS in Mombasa County (r=0.808, p=0.000<.05).

Regression analysis was conducted to determine the relationship between conflict handling and customer retention. The findings revealed that conflict handling was positively and significantly related to customer retention (β =.530, p=0.000<.05). This implies that an improvement in conflict handling strategies results in an improvement in customer retention. The findings are consistent with Mahmoud, Hinson, and Adika (2018), which indicated that the ability of the product or service provider to handle conflict will also directly influence customer loyalty. The results were a corroboration of the findings of Ndubisi and Chan (2015) that found a significant relationship

between conflict handling and customer loyalty, indirectly through trust and perceived relationship

quality.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The summary of the study finding was done per objective.

5.2 Summary of Major Findings

5.2.1 Commitment and Customer Retention

The first independent variable for this study was commitment. Detailed data results disclosed that most of the supervisors of CFSs in the Mombasa Region and their customers agreed with declarations about dedication. A lot of the managers agreed with the statements on commitment. Correspondingly, the majority of the customers agreed with the views on commitment. The research study conducted correlation analysis to analyze the importance of the association between dedication and client retention in CFS in the Mombasa region, and the findings exposed that dedication, and customer retention were positively and substantially connected. The research better carried out regression evaluation to develop the nature of the partnership in between dedication and customer retention. The regression analysis results revealed that commitment and consumer retention were positively and substantially relevant, indicating that an enhancement in dedication to the consumers brings about a renovation in customer retention among CFS in Mombasa Area.

5.2.2 Trust and Customer Retention

The second independent variable for this research study was the trust fund. The results showed that many of the supervisors agreed with statements regarding the influence of trust fund and retention of customers in CFS in Mombasa County. The customers shared the exact same views,

among which the majority agreed with the declarations on the count. . Correlation evaluation was likewise performed to establish the nature and strength of the organization between depending on as independent variable and client retention.

The findings revealed a strong positive and significant organization in between depend on and client retention (r= 0.607, p= 0.000<.05). Ultimately, regression evaluation was carried out to evaluate the connection between depending on as well as consumer retention, as well as the outcomes suggested that there was a positive and considerable relationship between the trust fund and customer retention meaning that, an improvement in count on between the clients and the monitoring of CFS results right into a renovation in customer retention. The outcomes accept the findings of Tabrani, Amin, and Nizam (2018), which found that trust had a considerable partnership with client commitment.

5.2.3 Customer Satisfaction and Customer Retention

The 3rd independent variable for this research was customer fulfillment. The research study sought to establish how customer fulfillment can influence consumer retention in CFS in Mombasa Area. The research study discovered that most managers agreed with statements on complete customer satisfaction. Likewise, the majority of the customers agreed with the declarations on client contentment. Connection analysis was carried out to figure out the organization between client contentment and customer retention, and the findings disclosed a solid positive and substantial association between customer satisfaction and consumer retention Furthermore, regression analysis results revealed a favorable and significant connection between customer contentment and customer retention. This suggests that an enhancement in consumer fulfillment leads to an enhancement in client retention by 114 devices. The findings revealed that the R2 value was 0.717, which suggested that customer satisfaction individually made up 71.7%

of the variation in customer retention. The research study wrapped up that the trusted complete satisfaction of clients will certainly supply room for consumer retention. Far more so, there is a significant collaboration in between consumer gratification as well as customer retention.

5.2.4 Conflict Handling and Customer Retention

The fourth independent variable for this study was conflict handling. The study sought to explore the effect of conflict handling on customer retention in CFS in Mombasa County. The findings revealed that most of the managers were in agreement with statements on conflict handling. Most of the customers also indicated that they agreed with most of the statements on conflict handling. Correlation analysis results revealed a strong positive and significant association between conflict handling and customer retention in CFS in Mombasa County.

Regression analysis was conducted to figure out the partnership between conflict handling and consumer retention. The findings disclosed that dispute handling was positively and significantly relevant to consumer retention. This indicates that an enhancement in conflict handling methods leads to renovation in customer retention. The findings follow the findings of Mahmoud, Hinson and Adika (2018), which indicated that the capability of the product or service company to deal with disputes will likewise straight affect consumer loyalty. The results were a corroboration of the findings of Ndubisi and Chan (2015) that found a significant connection between dispute handling and customer commitment, indirectly with trust fund and perceived connection high quality.

5.3 Conclusions

Based on the findings, the research concludes that relationship marketing adopted by CFS in Mombasa affects consumer retention in those CFSs. The study concludes that commitment as an element of relationship marketing positively and substantially affects customer retention in CFS

in Mombasa Area. The research study of clients remaining with a company due to commitment is important, particularly in the light of raising scholastic and service interest being provided to long-lasting marketing connections as opposed to deal. The study likewise ends that trust favorably and considerably affects customer retention in CFS in Mombasa County. CFS in Mombasa Region can cultivate intimacy with their clients to boost customer confidence and loyalty and enjoy every conference need to give quality services and customer satisfaction, thus developing trust and increasing customer commitment, enhancing the structure of a solid connection. The research study also concludes that the variables chosen to evaluate client retention factors depend on were located to be trusted and consistent.

The research study additionally ends that consumer satisfaction positively and dramatically affects customer retention. The study concludes that client satisfaction is an integral part of CFS company goals irrespective of the nature of the organization. Nonetheless, extra noticeable in service-oriented companies can be attained by comprehending the demands of the target market and the stipulation of requirements satisfying bundles in meeting and satisfying these needs at a higher level, therefore, structure and maintaining long-term and positive partnership with the target audience. The research wrapped up that the reliable fulfillment of customers will undoubtedly give area for client retention. Extra so, there is a considerable partnership between customer satisfaction and customer retention.

The study further concludes that conflict handling positively and significantly influences customer retention. The study also concludes that the ability of CFS in Mombasa County to handle conflict well will also directly influence customer loyalty and hence retention. The study concludes further that handling conflict strongly influences customer loyalty and retention; therefore, conflicts should be resolved amicably before they escalate into problems. Finally, the study concludes that

CFS in Mombasa County should develop an elaborate complaint/conflict handling mechanism to enhance effective complaint resolution. The mechanism should also be so that it can prevent any anticipated conflict with the customers.

5.4 Recommendations

Based on the findings and conclusions, the research suggests that the monitoring of CFS in Mombasa County should always aim to develop commitment in between them and their consumers, which will certainly bring attachment between the CFS and the client, which will bring about the growth of steady, lasting relationships which the monitoring must acknowledge the duty of evaluating and developing a relationship with their clients, as it has an influence, direct, on intentions to remain in the connection.

In addition, the research advises that administrations of CFS in the Mombasa Region must aim to boost trust fund between them and their clients to enhance loyalty amongst the consumers. By constructing trust fund between the CFS and clients, they will establish better job ethics, boost the organization's track record, and, most importantly, offer the customers something of worth. . The research also suggests that since customer contentment is an essential aspect, it should be provided constant attention by the CFS management in the Mombasa Area to accomplish specified business purposes. Further, this study recommends that the management of CFS in Mombasa County should develop an elaborate conflict handling mechanism that will enhance effective complaint resolution in their establishments. The mechanism should also be in such a way that it can prevent any anticipated conflict with the customers.

5.5 Areas for Further Studies

The study used commitment, trust, customer satisfaction, and conflict handling as the main variables. Therefore, it is recommended that more research be carried out using different variables

and compare the findings with those of the current study. This study adopted a descriptive survey design; more studies should be conducted using different research designs such as explanatory research design, exploratory research design, survey design, mixed method design, etc., in the same area of research to compare the results with the findings of the current study. Finally, this study was conducted in Mombasa. A similar study should be conducted in other parts of the country where cargo is handled, such as Inland Container Terminal Embakasi Nairobi and airport cargo handling terminals at JKIA.

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APPENDICES

Appendix I: Letter of Introduction

MUGWE JUSTUS WACHIRA
REG. NO: D53/OL/MSA/37714/2016
E-mail: wachira.mugwejustus@gmail.com

Dear Sir/Madam,

RE: **REQUEST TO COLLECT DATA FOR ACADEMIC PROJECT**

My name is Mugwe Justus Wachira, a master's student at Kenyatta University, Kenya. It is a requirement by the university that one conducts a research project before graduation. I am therefore working on a research project titled, '***RELATIONSHIP MARKETING AND CUSTOMER RETENTION IN CONTAINER FREIGHT STATION IN KENYA: A CASE OF MOMBASA COUNTY'.*** I have chosen your firm as part of my sample population. I am writing to request you to allow me to administer the questionnaire in your establishment. The questionnaire is designed to have seven sections that will take about 20 minutes of your time. Please respond to the questions to the best of your knowledge and be as honest as possible. There will be no benefits or victimization of participating in the research as it will be for academic purposes only. Your identity or that of the firm will be treated with the confidentiality that it deserves. Your participation in this study by responding to this questionnaire will be appreciated. All your responses will be treated with the utmost confidentiality and the data collected will only be used for academic purposes.

Thank you.

Yours faithfully,

Mugwe Justus Wachira

Appendix II: Questionnaire for the Managers

This questionnaire is aimed at collecting data on the Influence of Relationship Marketing on Customer Retention in Container Freight Station Industry in Kenya: A case of Mombasa County. The data will be used for academic purpose onl y, and will be treated with strict confidence. You are requested to participate in the study by providing answers to the items in the sections as indicated.

INSTRUCTIONS

Kindly fill your response in the space provided or tick (√) as appropriate. All the information provided here will be considered private and confidential for the purpose of this research ONLY.

SECTION A; DEMOGRAPHIC INFORMATION

Name of CFS……………………………………………………………..

1. Gender; (tick)   Male ☐   Female ☐

2. How old are you?

Less than 20 Years old

 20-25 Years   ☐

26-30 Years   ☐

31-40 Years   ☐

41-50 Years   ☐

 Above 50 Years   ☐

3. Indicate your Highest Level of education

Diploma   ☐

Undergraduate   ☐

Graduate   ☐

4. Please indicate your designation…………………………………………………………

5. For how long have you been working in this CFS?

Less than 5 Years ☐

 5-10 Years ☐

11-15 Years ☐

16-20 Years ☐

 More than 20 Years ☐

6. Number of years since your CFS was established

Below 2 years ☐
2-5 years ☐
6-10 years ☐
Over 10 years ☐

7. What is the number of employees in your Station? ………………………………….

SECTION B: INFLUENCE OF COMMITMENT ON CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding the influence commitment on customer retention in the CFS. Use the scale of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**: Agree; **5**: Strongly Agree.

	Statements	**1**	**2**	**3**	**4**	**5**
1	Our station is committed in ensuring our customers all well taken care of and this has enhanced loyalty among the customers					
2	Our customers have had good experience with our services					
3	I/we strive to improve on service quality to meet the standards of our customers.					
4	Our customers are always satisfied with our services and products					
5	In our CFS customer is a priority and we are driven by quality and timeliness.					
6	In our Station we are committed to working hand in hand with our clients in improving our services.					
7	We comply with all the licensing requirements by the county and KRA.					

SECTION C: INFLUENCE OF TRUST ON CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding the influence trust on customer retention in the CFS. Use the scale of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**: Agree; **5**: Strongly Agree.

	Statements	**1**	**2**	**3**	**4**	**5**
1	I/We treat the information about our customers with high level of confidentiality and this has helped build trust between us and our clients.					
2	We always deliver to our customers as agreed in a timely manner.					
3	In our CFS we exercise high level of integrity and we have never been involved in any form of corruption.					
4	We do not overcharge our customers					
5	we attend to our customers in a transparent manner					
6	Our clientele base has grown consistently since the establishment of the CFS because we have built a strong trust among our customers.					

SECTION D: INFLUENCE OF SATISFACTION ON CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding the influence satisfaction on customer retention in the CFS. Use the scale of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**: Agree; **5**: Strongly Agree

	Statements	1	2	3	4	5
1	Our company strive to satisfy the needs of our customers					
2	We always meet our customers' expectations					
3	We deliver goods our customers on time and in an accurate manner					
4	We engage our customers with other industry partners and professional associations to benchmark for best practices and latest technological innovation in tourism.					
5	we attend to our customers in a transparent manner					
6	Our clientele base has grown consistently since the establishment of the CFS because we have built a strong trust among our customers.					

SECTION E: INFLUENCE OF CONFLICT HANDLING ON CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding the influence conflict handling on customer

retention in the CFS. Use the scale of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**:

Agree; **5**: Strongly Agree

	Statements	**1**	**2**	**3**	**4**	**5**
1	In our station we have conflict resolution measures in place in case any conflict arises					
2	In our station we try as much as we possibly can to avoid running into conflict with our customers					
3	In case of any conflict, we communicate with our customers and settle the matter amicably					
4	We have never experienced any form of conflict between our station and our customers.					
5	We have set conflict preparedness department where all aggravated customers are attended to and their cases addressed before conflict escalates.					

SECTION F: CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding customer retention in the CFS. Use the scale

of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**: Agree; **5**: Strongly Agree

	Statements	**1**	**2**	**3**	**4**	**5**
1	We have recorded consistent increase in number of retained customers in our Station over the last 2 years.					
2	Our Customers are Satisfied with our services					
3	Our station receives many referrals from our existing customers					
4	Our clients prefer our services because they are guaranteed value for their money					
5	We offer our customers varieties of services which make them want to come again.					

Appendix III: Questionnaire for the Customers

This questionnaire is aimed at collecting data on the Influence of Relationship Marketing on Customer Retention in Container Freight Station Industry in Kenya: A case of Mombasa County. The data will be used for academic purpose only, and will be treated with strict confidence. You are requested to participate in the study by providing answers to the items in the sections as indicated.

<u>INSTRUCTIONS</u>

Kindly fill your response in the space provided or tick (√) as appropriate. All the information provided here will be considered private and confidential for the purpose of this research ONLY.

<u>SECTION A; DEMOGRAPHIC INFORMATION</u>

Name of CFS…………………………………………………………………..

6. Gender; (tick)   Male ☐   Female ☐

7. How old are you?

Less than 20 Years old ☐

 20-25 Years   ☐

25-30 Years   ☐

30-40 Years   ☐

40-50 Years   ☐

 Above 50 Years   ☐

8. Indicate your Highest Level of education

Diploma   ☐

Undergraduate   ☐

Graduate   ☐

9. For how long have you been doing business with CFS?

Less than 5 Years ☐

5-10 Years ☐

10-15 Years ☐

16-20 Years ☐

More than 20 Years ☐

SECTION B: INFLUENCE OF COMMITMENT ON CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding the influence commitment on customer retention in the CFS. Use the scale of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**: Agree; **5**: Strongly Agree.

	Statements	**1**	**2**	**3**	**4**	**5**
1	I am loyal to this CFS because of the kind of service I get					
2	My container is normally delivered from the port in a short time.					
3	I am committed to this CFS because I receive high quality service which meets my standards as a customer.					
4	I am normally satisfied with the kind of services and products I get from this CFS					
5	In our CFS customer is a priority and we are driven by quality and timeliness.					
6	In our Station we are committed to working hand in hand with our clients in improving our services.					
7	We comply with all the licensing requirements by the county and KRA.					

SECTION C: INFLUENCE OF TRUST ON CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding the influence trust on customer retention in the CFS. Use the scale of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**: Agree; **5**: Strongly Agree.

	Statements	1	2	3	4	5
1	There is high level trust between me and the CFS in Mombasa County because they treat my information with high level of confidentiality					
2	They offer services in timely manner					
3	The CFS in Mombasa county are not involved in corruption cases hence improved trust and confidence.					
4	I get value for my money					
5	I am never at any given time overcharged					
6	Our clientele base has grown consistently since the establishment of the CFS because there is good relationship between us the customers and the CFS					

SECTION D: INFLUENCE OF SATISFACTION ON CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding the influence satisfaction on customer retention in the CFS. Use the scale of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**: Agree; **5**: Strongly Agree

	Statements	**1**	**2**	**3**	**4**	**5**
1	Am always satisfied with the services of the CFS I do business with					
2	My expectations are always met in a timely manner					
3	I am pleased with the efficiency with which my containers are handled by my CFS					
4	As customers we are always engaged with other industry partners and professional associations to benchmark for best practices and latest technological innovation in tourism.					
5	My CFS works in a transparent manner with the customers					
6	I would gladly refer my friends to my current CFS because am satisfied with their services					

SECTION E: INFLUENCE OF CONFLICT HANDLING ON CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding the influence conflict handling on customer

retention in the CFS. Use the scale of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**:

Agree; **5**: Strongly Agree

	Statements	**1**	**2**	**3**	**4**	**5**
1	In our station we have conflict resolution measures in place in case any conflict arises					
2	In our station we try as much as we possibly can to avoid running into conflict with the station officials					
3	In case of any conflict, we communicate with our CFS officials and settle the matter amicably					
4	We have never experienced any form of conflict between us and the station.					
5	My CFS has set up a conflict preparedness department where all aggravated customers are attended to and their cases addressed before conflict escalates.					

SECTION F: CUSTOMER RETENTION

Please tick (√) one cell for each statement regarding customer retention in the CFS. Use the scale

of 1-5 where **1:** Strongly Disagree; **2**: Disagree; **3**: Neutral; **4**: Agree; **5**: Strongly Agree

	Statements	1	2	3	4	5
1	I have no intentions of leaving my current CFS					
2	I have referred many of my friends and colleagues to my current CFS and they like it					
3	The number of retained customers have increased tremendously in this station in the past five years					
4	I like doing business with my current CFS because the services they offer guarantees me value for my money					
5	My CFS offers me variety of services and it is because of this that I have no plans of stopping doing business with them.					

Appendix IV: Research Permit

Appendix V: Authorization Letter for Data Collection

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 8710901 Ext. 57530

Our Ref: D53/OL/MSA/37714/2016

DATE: 26ᵗʰ October, 2020

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR MUGWE JUSTUS WACHIRA – REG. NO. D53/OL/MSA/37714/2016

I write to introduce Mr. Mugwe Justus Wachira who is a Postgraduate Student of this University. He is registered for MBA degree programme in the Department of Business Administration.

Mr. Mugwe intends to conduct research for a MBA Project Proposal entitled, "Relationship Marketing and Customer Retention in Container Freight Station Industry I Kenya: A Case of Mombasa County".

Any assistance given will be highly appreciated.

Yours faithfully,

PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL

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