

**RELATIONSHIP MARKETING AND CUSTOMER LOYALTY IN
SELECTED TIER ONE DEPOSIT TAKING SACCOS IN KENYA**

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DECLARATION

I hereby declare that this Research Project is my own original work and has not been presented by any other person(s) for award of a degree in the University of Nairobi or any other University.

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This Research Project has been submitted for examination purpose with my approval as the University supervisor.

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DEDICATION

I dedicate this work to my daughter Bernie-Joy.

ACKNOWLEDGEMENT

I acknowledge the blessing upon my life by my Heavenly Father through Our Lord Jesus Christ who has made this program as well as my academic journey possible.

I also recognize the support and encouragement from my loving wife Priscah, my son Ridan, my daughters Herani-Rita and Bernie-Joy for their patience in bearing with my long absence from home during my MBA program. I am forever grateful.

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ABSTRACT

The objective of the study was to establish the influence of relationship marketing on customer loyalty in selected tier one deposit taking SACCOs in Kenya. The study adopted a descriptive cross sectional survey with a sample of 128 tier one DT-SACCO members. The population of the study comprised of six tier one DT-SACCO members who are also shareholders of their SACCOs and make monthly contributions. Descriptive statistics and multiple regression analysis were used to assess the influence of relationship marketing constructs on customer loyalty. The findings were that only two constructs; communication and commitment had a statistically significant influence on loyalty. The results from the findings imply that customer loyalty can be initiated and sustained through efficient, effective and responsive communication. The results also imply that calculative, normative and affective commitments are all influencers of customer loyalty. Organizational marketing plans should be designed to incorporate effective communication to customers and encourage commitment from customers towards their services, products and brands. In conclusion, there exists a strong positive correlation between relationship marketing and customer loyalty in deposit taking SACCO's in Kenya.

ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
BOSA	Back Office Services Activity
DT- SACCOs	Deposit Taking SACCOs
FOSA	Front Office Services Activity
MFIs	Micro Finance Institutions
SACCO	Savings and Credit Cooperative Society
SASRA	SACCO Society Regulatory Authority
SPSS	Statistical Package for Social Sciences

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Customer loyalty has been considered an integral component of successful and profitable businesses (Ganiyu et al., 2012; Uncles et al., 2003; and Yeh, 2015). This is because profitability is the main focus of any business in realizing sustainable growth (Kumar & Shah, 2004). According to Išoraitė (2016), loyalty is evident by a customer's willingness and desire to be a frequent consumer of product and services over an extended length of time. Loyal customers not only patronize products but also recommend them to family and friends (Išoraitė, 2016). Churchill et al. (2001), opines that a loyal customer in a financial institution is likely to be a low risk borrower.

Loyal customers have a rich history of repeated borrowing which can be used by financial institutions for accurate appraisal and prudent lending decisions (Churchill et al., 2001). An institution, whose loyal customers form the bulk of the portfolio compared to new clients, is more likely to mitigate loan defaults and pass the benefits to customers (Churchill et al., 2001). SACCO's being financial institutions; also accrue similar benefits with a pool of loyal members. In marketing literature, customer loyalty is extensively associated with relationships between organizations and customers (Iacobucci & Hibbard, 1999).

The study was anchored on the relationship marketing theory (Berry, 2002; Grönroos, 1994) and the commitment – trust theory (Morgan & Hunt, 1994). In relationship marketing theory the existence of a business and its profitability is due to a long – term

relationship with its customers (Grönroos, 1994). The customer is viewed as a co – creator and consumer of value, there is mutual respect and a win – win strategy in the relationship (Gummesson, 1997). Morgan & Hunt (1994), in the commitment – trust theory, advance that cooperation within the exchange partners through commitment and trust result in mutual benefits for the participants in the relationship. The goal of commitment and trust is to move the customer away from short and discrete transactions to a long term position where he views the firm as the preferred supplier over time (Morgan & Hunt, 1994).

According to Cooperatives Europe (2018), over 100 Million people are employed by cooperatives and 3 billion people benefit directly from them across the world (Cooperative Europe website, 2018). In Kenya, Deposit Taking (DT) - SACCOs' have employed 8,194 people with an additional 3.6 million people benefiting directly as members (SASRA, 2016). Cooperatives cut across all segments of the Kenyan economy and is a direct or indirect source of income for an estimated 63% of the population (Ministry of Industrialization, 2018). In addition, SACCO's provide an important framework for mobilization of both capital and human resources (Iruguthu, 2014). Financial cooperatives such as SACCOs offer alternative solutions to the unbanked as well as supplementing financial needs of those in the banking system (Cooperatives Europe website, 2018). The role cooperatives play in the Kenyan economy is important and their sustainability and growth has drawn significant research agenda. The study sought to ascertain the influence of relationship marketing on customer loyalty in selected tier one deposit taking SACCOs in Kenya.

1.1.1 Relationship Marketing

In an increasingly global market, many scholars agree that a concentrated focus on the customer is one of the main strategies to developing competitive advantage (Ballard, 2008; Leeflang & Wittink, 2000). The concept of managing the customer as opposed to the product requires an appreciation of each customer's value in every engagement with the business in the long term; which can only be possible in a relationship set up (Palmer & Bejou, 1994). As a result, scholars suggest that relationship marketing is a paradigm shift from traditional marketing of conflict and competition to mutual cooperation and interdependence (Adejoke & Adekemi, 2012). In relationship marketing strategy, the customer comes first, and is acknowledged as the most important aspect of the business. Thereafter, the customer is recognized as a member of a social group or community, and finally as an unknown member of a segment or a fraction or a percentage in a wide-ranging autonomous mass (Gummesson, 1997).

Relationship marketing strategy has been deployed in a range of dyad exchanges which include; buyer and seller, cooperative marketing networks, strategic partnerships and business alliances (Adejoke & Adekemi, 2012). Effective relationship marketing has been established to result in positive outcomes in organizational performance (Ismail, 2009); positive influence on purchase intentions and buying behavior of consumers (De Cannière et al., 2010). Relationship marketing more often results in strong social ties because emphasis is in cooperation and social bonding which leads to economic, social and technical solutions, resource sharing and common goals (Ismail, 2009). The result of these interactions is reduced transactions costs and increased efficiencies (Adejoke & Adekemi, 2012).

1.1.2 The Concept of Customer Loyalty

Customer loyalty is regarded as a fundamental component of an organization's competitiveness and profitability (Leverin & Liljander, 2006; Reichheld et al., 2000). There has not been a universal agreed definition for loyalty; however three popular conceptualizations have been put forward (Uncles et al. 2003). The first concept is that loyalty is a mind-set that results into a relationship with the brand. A strong attitudinal commitment to a brand, product or service must exist for loyalty to take place (Uncles et al., 2003). According to Oliver (1999), loyal customers are those who do not switch from a strongly held commitment to consistently utilize a service or purchase a product in spite of environmental influences and marketing efforts from other brands or product or services.

The second concept focuses on the entire market rather than the individual and specifically on the individual's behavior. It argues empirically through research that loyalty is created through a pattern of past purchases (Uncles et al., 2003). Proponents of this concept like Mellens et al. (1996); Dick & Basu (1994), argue that it is a biased preference for a service, product or brand explicitly over a length of time and is expressed by the behavior of a decision making unit, for instance a person, household or an organization consistently and over a long period of time, purchases one brand of a product over other products which can offer same levels of utility.

The third concept is focused on contingency. It argues that the relationship between attitude and behavior towards a product can be influenced by conditional variables for instance the customer's current state of mind, purchase situation faced, circumstances and/or season (Uncles et al., 2003). These circumstances may include the urgency for

acquiring the product, time, budget, variety, risk tolerance etc. The purchase situation includes sales promotion for the product, product availability, season, occasion for product use etc. In this concept future brand purchases are determined by the satisfaction a consumer gets from using a product combined with other contingency variables under weak commitment.

1.1.3 Tier One SACCOs in Kenya

A Savings and Credit Cooperative Society (SACCO) is an independent grouping of individual who come together with an aim of meeting their socio-economic needs through a jointly-owned and a democratically controlled enterprise (SASRA, 2017). A SACCO promotes capital formation by collecting deposits from individuals and groups, making it accessible for people through credit facilities for personal development and investment. In Kenya, as from 1908 when the first cooperative society was formed, membership and eligibility to join a cooperative was founded along unique common bond linkages. The uniqueness was further entrenched in the Kenyan society with the enactment of Cooperatives Society Act Cap 490.

SACCO Societies Regulatory Authority (SASRA) has peer-grouped Deposit Taking (DT)-SACCOs based on their total assets, this grouping is significant because it assesses the concentration of risks within DT- SACCOs based on the unique challenges, opportunities and risks associated with assets and helps the Authority to determine individual weaknesses and strengths. In the peer-grouping a total of 21 DT-SACCOs have been categorized as Tier 1 DT-SACCOs and each one of them have assets valued at Kshs. 5 Billion and above. Tier one deposit taking- SACCO's account for 59.84% of the total asset base. Tier 2 comprise of 59 mid-sized DT- SACCOs with

assets valued between KShs. 1Billion to KShs. 5Billion and control 32.38% of the total DT – SACCOs asset base (SASRA 2017). Tier 3 comprise of 94 small-sized DT-SACCOs representing 54.02% of registered DT-SACCOs and controlling only 7.78% of the total DT-SACCOs asset base (SASRA 2017).

1.2 Research Problem

Declining loyalty negatively affects profitability; a business should establish a favorable connection with its customers for it to be profitable (Gulati, 2009). Organizations with a huge number of loyal customers have greater revenue, larger market share and high returns on investment (Ganiyu et al., 2012; Yeh, 2015). Different scholars (De Cannière et al., 2010; Ndubisi, 2007) have focused on relationship marketing as an enabler of customer loyalty. According to Grönroos (1994), an organization should strive at attracting, creating, maintaining, developing customer relationships at a cost. Grönroos (1997), argue that mutual exchanges and fulfillments of promises result in profitability for the parties involved. The study sought to establish influences on loyalty from a relationship marketing perspective.

Ndubisi, (2007) opine that four constructs of relationship marketing (conflict handling, communication, trust and commitment) which are significantly related to one another can affect and predict customer loyalty. The study was to establish the underpinning relationship constructs that contribute to customer loyalty. However, the study was limited to bank customers in Malaysia and only four relationship constructs were considered. This study sought to incorporate two additional constructs; interdependence and power and to find out their effect, in addition to conflict handling, communication,

trust and commitment on the cooperative model in which members also double up as shareholders (Owino, 2017).

There exists a strong positive relationship between loyalty and service quality in a study of service quality and customer loyalty in deposit taking SACCO's in Kenya (Owino, 2017). The study considered the five dimensions of service quality as suggested by Parasuraman, et al. (1991); tangibility, responsiveness, reliability, assurance and empathy. However, the study was limited to 40 deposit taking SACCO's in Nairobi County and did not consider SACCO's based in other 46 counties. In addition, it paid attention to only two respondents from each of the 40 SACCOs being studied. The study also established that 81.6% of customer service quality is attributable to loyalty meaning a residual of 18.4% was as a result of other factors not considered in the study.

Ackermann & Ravesteyn (2006), in their study focused on relationship banking-customer loyalty effects in South Africa with the study results showing consistency with previous relationship-marketing studies (Ismail, 2009). The study was focused on comparing business customers without a personal banker against high value business customers having a personal banker. The findings of the study showed that customers were very willing to continue patronizing products from the bank whether they had a personal banker or not, however, it did not identify the type of commitment that customer had with the bank. Three forms of commitment exist; affective, normative and calculative. This study sought to identify the types of commitment customers have with their financial institutions.

De Cannière et al., 2010 in a study on apparels customers in Belgium, found a positive impact of perceived relationship strength and quality on purchase intention. The study also established that purchase intentions and relationship strength significantly affected buying behavior. Customers with a stronger relationship with apparel retailers and having a stronger intention to purchase had more buying behavior. Customers with weaker relationships with retailers but experiencing better relationship quality had stronger purchase intentions. However, the study did not factor other underpinning marketing construct like power, conflict resolution, interdependence and communication. In addition, the study was conducted in apparels industry in Belgium. This study sought to carry out an empirical determination of influence of relationship marketing on customer loyalty on financial institutions in Kenya.

Nyagengo (2012), studied factors affecting membership retention in SACCOs: a case of Wana-Anga SACCO. The goals were to ascertain the extent at which the SACCO Act impacts the rate of retention, find the impact of products offered by the SACCO on the rate of retention, ascertain the impact of the SACCO' organizational structure on the level of membership retention and finally to find the marketing strategies adopted by the SACCO. The findings indicated that members are loyal to the SACCO but only 28% of them were loyal due to loan products being offered. This creates a research opportunity to find out what influences loyalty in the remaining 72% of loyal members. This study sought to provide additional knowledge on what contributes to customer loyalty in the SACCO business from a relationship marketing perspective.

In a study by Adejoke & Adekemi (2012), it was established that relational benefits are critical in the performance of Nigerian Banks. The study established that relationship quality which comprise of customer commitment, satisfaction and trust positively affected bank performance. Other variables in the study; internal marketing and direct marketing were established to be insignificant in determining bank performance in Nigeria. However, the study did not examine how these variables affect customer loyalty but focused on their effect on banks performance. Further, it does not give a comprehensive study of the actual influences supporting relational benefit and quality as determinants of performance. In addition, respondents of the study were top management and marketing managers of the bank as opposed to bank customers.

SACCOs play a critical role in individual and societal economic development through affording members the ability to access quasi- banking services and credit facilities with minimal requirements. A competitive advantage within the SACCO model has been its ability to maintain a membership base that also doubles as shareholder (Owino, 2017). However, SACCOs are facing stiff competition in the financial industry as a result of increased number of players in the market – banks, MFIs, insurance and investment companies – which has resulted in membership churn and declining loyalty.

Even though a number of studies have examined several aspects of relationship marketing, customer loyalty, CRM, Service using SERVQUAL in financial institutions, they have not comprehensively examined the actual influences supporting customer loyalty in relation to relationship marketing. Although most studies have been conducted on business marketing relationships, little has been done on customer marketing relationship. This study which was focused on SACCO members who are

already in a business to customer relationship sought to establish the influence of relationship marketing on customer loyalty in selected tier one deposit taking SACCOs in Kenya.

1.3 Research Objective

The objective of the study was to establish the influence of relationship marketing on customer loyalty in selected tier one deposit taking SACCOs in Kenya.

1.4 Value of the Study

The study is significant to the relationship marketing theory and commitment – trust theory. The research highlights the influence of relationship marketing constructs; commitment, trust, power, interdependence, conflict resolution and communication on customer loyalty. In addition, the study provides relevant knowledge on relationship marketing and customer loyalty with emphasis on business to customer relationships in financial services firms.

The study is important to marketing practitioners, managers and CEOs of financial services firms who are able to identify relationship marketing constructs which significantly contribute to customer loyalty. Managers and marketing professionals are able to design and execute relationship marketing strategy that increase loyalty informed by the findings of this study. They will also use this knowledge to manage emerging challenges in relationship marketing and customer loyalty.

Policy makers like SASRA, Parliament, Senate, Ministry of Industry, Trade and Cooperatives will be able to have the necessary knowledge to understand, interrogate and formulate banking, cooperative and industry rules, regulations, and laws that

support positive relationship marketing strategies. This will allow institutions create, maintain and benefit from customer loyalty.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is a review of literature that is pertinent to this study. It is concerned with the theoretical foundation of the study, relationship marketing constructs, empirical literature, and summary of literature and knowledge gaps.

2.2 Theoretical Foundation of the Study

Relationship marketing and customer loyalty are topics that have drawn significant research, attention and debate within the marketing discipline. In the literature reviewed for this study two theories were found to be very important in relationship marketing-customer loyalty association. The theories; relationship marketing theory and commitment – trust theories are discussed below.

2.2.1 Relationship Marketing Theory

Möller & Halinen, (2000) argues that distinct theory is still lacking in relationship marketing but network based and market based theory still dominates. They contend that a discussion of relationship marketing theory without the above distinction is misleading. They have pointed out that consumer – vendor relationships exist on a continuum with varying degrees of complexities. The less complex relationships are on one side of the continuum and are characterized by a market like or a customer focused exchange while the more complex relationships on the other hand are experienced on a network framework. Iacobucci & Hibbard (1999) have pointed out that there is sufficient research on network based relations with limited research on business to customer relations.

In the market based approach relationship is directed towards the customer and therefore requires a long- term approach in attracting, establishing and maintaining relations (Grönroos, 1994). The customer is viewed as a co – creator and consumer of value, there is mutual respect and a win – win strategy in the relationship (Gummesson, 1997). The result of this approach is; an increase in the duration of time a customer has with the organization, value addition through increased focus on customized production, fulfilling daily interactions between organizations and their customers (Gummesson, 1997). Such relationships make it more profitable to spend on long term customer engagements that yield customer loyalty than to rely on one time exchanges (Koiranen, 1995).

2.2.2 Commitment – Trust Theory

The theory was put forward by Morgan & Hunt in 1994. The theory is premised on the fact that the foundation for successful relationship marketing involves commitment and trust because they generate ‘cooperation’ which leads to higher levels of loyalty. Moorman et al., (1992) generally define commitment as “an enduring desire to maintain a valued relationship.” Trust is an assured reliance on and/or confidence in the character, ability, strength, or truth of someone or something. The theory brings together a desire of maintaining a valued relationship and confidence in the parties involved to keep their promises in the dyad.

Morgan and Hunt opine that these two constructs; commitment and trust are critical because they motivate marketers to develop strategies aimed at maintaining relationship benefits. Cooperating with exchange partners is at the heart of relationship marketing strategy and requires both trust and commitment. Cooperation and expected exchange benefits enable marketers to reject alluring short term alternatives in favor of the

anticipated long term gains that shall accrue from their present partners. In addition, because of commitment and trust, marketers might take plausible high risk actions in the belief that their customers will never act selfishly and put them in jeopardy. In the presence of both commitment and trust in a relationship, outcomes are more efficient, productive, and effective.

2.3 Relationship Marketing Constructs

Iacobacci & Hibbard (1999), opine that trust, commitment, communication, power, conflict resolution and interdependence are the foundation of long term business marketing relationships.

2.3.1 Customer Commitment

Commitment is usually studied in different perspectives which results in different definitions; social exchange, business relationships, organisations, strategic networks, and marriage. Morgan & Hunt (1994), define commitment as “valued relationship spring from enduring desire.” they consider commitment as a psychological state and a key concept in business relationships. The continuous and sincere desire can be linked to brand or product related customer’s experience. The experience is usually ranked highly and rated as more favourable in the customers mind as compared to previous or alternative offerings by competitors in the market.

Calculative commitment is one of the three types of commitment in marketing literature which explains commitment. This type of commitment is determined by the cost and benefit of terminating a relationship. It has both a positive and a negative dimension which are tied to past, present and future investments and returns (Roxenhall &

Andresen, 2012). In a negative dimension, a committed person who stands to lose both economically and socially from terminating a relationship will be forced to continue the relationship for lack of a better alternative. In a positive dimension, a person may not terminate relationship in anticipation of future benefits in terms of knowledge, effort, money, time among others (Sharma et al., 2006).

Normative commitment is the second of the three types of commitment. It is based on an individual's desire to maintain social obligations, follow customs and social norms, regulations and adhere to formal and informal rules. An individual with a strong inclination to this type of commitment feels that he is duty or morally bound to continue the relationship (Roxenhall & Andresen, 2012). It is easy to end calculative commitment since its continuity is determine by the costs and benefits accruing to an individual as opposed to a normative commitment which if founded on social pressure (Sharma et al., 2006).

Affective commitment is the third of the three types of commitment. This type of commitment is based on trust, benevolence and common values. Trust has been found to have a significant influence on development of affective commitment (Roxenhall & Andresen, 2012). Trust based relationships motivate commitment among partners in relationship (Morgan & Hunt, 1994). Affective commitment is possible when the persons in the relationship have feelings for each other and are willing to identifies themselves with and feel psychologically duty - bound to each other in the relationship (Roxenhall & Andresen, 2012).

2.3.2 Trust

Morgan & Hunt, (1994) defines trust as willingness by a person or party to rely on another person or party whom they believe and have confidence in. Customers need businesses or organizations they can fully trust to qualify as "suppliers for life "- which is the decisive test for customer loyalty (Moorman et al., 1992). If, due to unavoidable circumstances they lose that supplier, they would be deeply grieved and sad (Morgan & Hunt, 1994). As such, trust is critical when services are intangible, difficult to evaluate, complex and technical (Ndubisi, 2007).

2.3.3 Power

This can take two dimension: behavioural power that relates to the ability to influence the action of others and resource power relates to possession of resources that can enable achievement of expected and intended outcomes (Susen, 2014). Behavioural power involves both hard and soft power. Hard power refers to the use of reinforcements, particularly rewards and punishment to achieve outcomes while soft power elates to achievement of goals because all share in the objectives. In business marketing relationship, power is a significant factor in commitment and trust based mutual relationship (Flynn et al., 2008).

2.3.4 Interdependence

According to Kumar et al., (1995), a firm's inability to replace a business partner has been considered as an indicator for its dependence on the partner. Interdependence is the ability of parties to profit from each power. Further, human beings have instrumental, social – emotional, spiritual and biological needs which are diverse in nature and which are inherently interpersonal and can be satisfied in the framework of dyads or groups.

They further opine that individuals maybe interdependent not only in affecting one another's immediate outcome but also in their pursuit of medium goals as well as long term goals.

2.3.5 Communication

According to Spinoso et Al., (2012) states that communication is not only about advertising, alternative media, deploying CRM tools, call centre technology, handling customers questions and complaints, or organizational alignment of company functions, but it is all about establishing relationship with the customer. They opine that companies need to communicate and engage effectively with customers. Integrated marketing communication achieves this goal since it is influenced by the relationship perspective of marketing theory.

2.3.6 Conflict Resolution

Conflict refers to manifest behavior where one unit or party pursues his interest at the expense of others (Schmidt & Kochan 1972). According to Wirtz et al. (2003), the principle of dual entitlement holds that fairness in pricing should include both the interest of consumer and firms, with both benefit to some reasonable degree; a conflict arise when customers feel unfairly treated when a rise in price - in which a firm's goal in the relationship is to increase profitability- is not as a result of an increase in cost or increase in product value. This principle hold true in every engagement an organization has with customers while delivering its product and service. They argue that conflict with customers can be resolved by having clear communication on products and services pricing, benefits and attributes as well organization policy and procedures.

2.4 Empirical Review and Knowledge Gaps

De Cannière et al., 2010 in a study on apparels customers in Belgium, found a positive impact of perceived relationship strength and quality on purchase intention. The study also established that purchase intentions and relationship strength significantly affected buying behavior. Customers with a stronger relationship with apparel retailers and having a stronger intention to purchase had more buying behavior. Customers with weaker relationships with retailers but experiencing better relationship quality had stronger purchase intentions. The study recommends that successful marketing strategies must include relationship strength as opposed to capturing customer purchase intentions only and since customers vary they should be approached in different ways.

Ndubisi (2007) opines that customer loyalty can be established, strengthened and sustained in organizations by marketing strategies focused on handling conflict efficiently, responsive and proactive communication with customers, demonstrating commitment to service, and building trust. His arguments are supported by a study on the four constructs of relationship marketing; conflict handling, trust, communication and commitment in relation to customer loyalty in Malaysian banks. The study established that the customer loyalty is affected by the variables thereof. Further, the four relationship marketing constructs are significantly related to each other.

In a study by Adejoke & Adekemi (2012), it was established that relational benefits are critical in the performance of Nigerian Banks. They argue that relational benefits are customers' perceived economic benefits and perceived relationship improvements of being involved in a relationship. The parties must benefit for the relationship to be maintained in the long run. In addition, the study established that relationship quality

which comprise of customer commitment, satisfaction and trust positively affected bank performance. Other variables in the study; internal marketing and direct marketing were established to be insignificant in determining bank performance in Nigeria.

Ackermann & Ravesteyn (2006), in their study conducted on South African retail banking and whose aim was to examine the consequence of relationship marketing on the loyalty of business account holders in one of the major retail banks; were in agreement with previous studies on relationship marketing that relationship banking positively enhances customer loyalty. The focus of the study was to compare business customers without a personal banker against high value business customers having a personal banker. It also established that the bank's relationship marketing offering was designed to increase customer satisfaction, which was to strengthen relationship with customer, increase retention and loyalty. The data collection tool was designed to capture how clearly account holders understood the bank's core principles, how they ranked the bank's effort in practising these principles, how the bank was consistent with following loyalty rules and finally what the bank must do to make them more loyal. The Loyalty Acid Test Survey by Reichheld was the research instrument used. Thirty two percent responses were received out of the total distributed by the researchers.

Respondents in both groups felt that the bank placed more emphasis on profitability rather than people and relationships. The group with personal bankers felt that the bank really cared about them, that their loyalty had grown over the years and that the bank deserved their loyalty. This was proof that the banks relationship offering was positively impacting loyalty. Both groups felt that they needed one contact person or point, specialized financial advice and frequent interactions because they prefer a face to face

interaction when purchasing specialised and complex services. The group with personal bankers appreciated the level of regular communication as opposed to the group without personal bankers who had a negative perception of communication from the bank. The two groups felt that the bank neither value nor rewards them. Both groups showed a high probability of remaining with the bank and continue patronizing products and services. The result also showed that business customers with personal bankers are more likely to refer other businesses to the bank and also experienced high levels of satisfaction. The results also brought out the importance of trust and integrity where the group with personal bankers felt the integrity and trust of their bank to be much higher compared to the group without personal bankers.

Nyagengo (2012), in a case study of Wana-Anga SACCO whose intention was to determine factors which influence membership retention in SACCOs with specific objectives; marketing strategies used by the SACCO, level at which the SACCO Act influences retention rate, impact of products offered by the SACCO on the of retention rate and the impact of the SACCOs organizational structure on the level of membership retention. Established that majority of members in the SACCO were from the civil service and out of convenience were making their contributions and loan repayments through the check off system. In addition, female members were contributing almost as much as male members in shares.

Further findings were; a high number of respondents were very confident that the SACCO act is able to regulate the SACCO for posterity and had informed their decision to continue with membership, word of mouth was the most effective marketing strategy used by the SACCO, young people were the frequent users of ICT for marketing

communication, a good percentage of members felt that services offered by the SACCO were good, availability of loans was rated highly as a motivator to retention with males being the highest patrons while females patronizing fixed deposits, most members attend AGMs but only moderately involve themselves in the decision making process. It concluded that most members in Wana–Anga SACCO are loyal.

Owino (2017) in a cross-sectional study design established that service quality significantly determines and loyalty in deposit taking SACCO's in Kenya. The study considered the five dimensions of service quality as proposed by Parasuraman et al. (1991); tangibility, responsiveness, reliability, assurance and empathy. The study established that demographics; gender, income, education and occupation which are elements of social stratification had effect on customer loyalty. Married professional females aged between 36 – 45 years and having a certificate or diplomas had major effect on customer loyalty, this group had taken loans more than three times and were SACCO members between 5 – 10 years. Further, the study found out that loyalty level was high because members had a high perception of assurance dimension of service quality; knowledgeable and courteous staff, ability of the SACCO to inspire confidence and trust on members.

Owino (2017) established that tangibility dimension of the SERVQUAL which is concern with the appearance of the physical facility and employees were the highest. Empathy, reliability and responsiveness were also found to be high meaning that there was a general high perception of service quality in DT SACCOs. The study also found out that DT SACCOs have unfavourable operating hours and members have a low perception of service in relation to operating hours. The researcher recommends that DT

SACCOs should invest massively on physical facilities and employees. They should also invest on building commitment and trust because members feel uncertain to evaluate outcomes. Responsiveness can be improved by continuously reviewing service delivery process and encouraging positive employees' response towards resolving customers' complaints and queries. The researcher concludes that the level of service quality given by DT SACCOs is satisfactory.

Table 2.1 is a summary of knowledge gaps from different studies.

Table 2.1: Summary of Knowledge Gaps

Author	Focus of Study	Findings	Knowledge Gaps	Focus of the Current Study
Ackermann & Ravesteyn (2006)	Relationship marketing: the effect of relationship banking on customer loyalty in the retail business banking industry in South Africa	Relationship marketing in retail banking, enhances customer loyalty	The study focused on finding out the experience of business customers who had a personal banker as opposed to those who did not have. It did not examine the inherent motivators of loyalty.	This study focused on how trust, commitment, interdependence, communication, power and conflict resolution which are relationship constructs influence customer loyalty
Ndubisi (2007)	Relationship marketing and customer loyalty	Four constructs of relationship marketing (trust, commitment, communication and conflict handling)	Additional constructs like interdependence, and power balance and influence in relationships were not studied. Also focused on bank customers in Malaysia	This study sought to incorporate two additional constructs; interdependence and power and to find out their effect, in addition to trust, commitment, communication and conflict resolution on the cooperative model
De Cannière et al. (2010)	Perceived relationship strength and quality on purchase intentions and	A positive impact of perceived relationship strength and quality on purchase intention and buying	Underpinning marketing construct like power, conflict resolution, interdependence and communication..	Effect of the underpinning relationship constructs on customer loyalty.

	buying behavior on apparels customers in Belgium	behaviour		
Nyagengo (2012)	Factors influencing membership retention in SACCOs: A case of Wana – Anga SACCO	The study found out that there is customer loyalty in Wana Anga SACCO	The study focused on the management as opposed to the customer. It established the influence of the SACCO act on retention, organization structure, products and marketing strategies used by the SACCOs.	This study was focused on the customer and collects data from the customer and examines loyalty from the customer’s perspective.
Adejoke & Adekemi (2012),	Focus was on relational benefits, relational quality, internal marketing, and direct marketing	Relationship quality which comprise of customer commitment, satisfaction and trust positively affected bank performance	Need to examine underpinning marketing construct like power, conflict resolution, interdependence and communication.	This study was focused on underpinning marketing construct like power, conflict resolution, interdependence and communication.
Owino (2017)	Service quality and customer loyalty in deposit taking SACCOs in Kenya	The study found out that the five SERVQUAL variables of empathy, tangibility, assurance, responsiveness and reliability significantly influence loyalty in that order.	Service is one of the relationship marketing construct with extensive stud. This was a comprehensive study of on aspect of relationship marketing. Other constructs need to be studied extensively.	Empathy is an emotional aspect associated with relationships. It has the greatest influence on customer loyalty in the SERVQUAL model. This study was focused on the influence of relationship marketing on customer loyalty.

Source: Author 2018

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is concerned with the various steps the researcher undertook to execute the research and meet the objectives of the study. These are presented under research design, population and location of the study, sample and sampling techniques, data collection, and data analysis.

3.2 Research Design

The study adopted a descriptive cross sectional survey. A descriptive cross sectional survey captures a population or a sample in a single point in time, with variables involved in determining association (Babbie, 2010). In which the inherent attributes of the elements being studied cannot be manipulated. Bryman and Bell (2003) asserts that a descriptive study is the frequency of occurrence or variables relationship. This design was to assist in accurately establish the influence relationship marketing on customer loyalty in selected tier one DT- SACCOs in Kenya.

3.3 Population of the Study

The population of the study comprised of member from ten deposit taking SACCOs in Kenya which have a minimum of two branches. The population of the study comprised 10 tier one deposit taking SACCOs which has a total of 835,869 members as categorized by SASRA in their 2017 annual supervisory report. As at December 2017 there were 21 deposit taking tier one SACCOs in Kenya. The list of the 21 deposit taking SACCOs is

provided in appendix I. The list of the 10 selected tier one deposit taking SACCOs is provided in appendix II.

3.4 Sample Design

According to Newbold et al. (2013), the aim of a researcher is to establish findings that relate to the entire population. This goal can only be achieved through unbiased selection of sample elements. This study used probability sampling to make sure every element has an equal chance to be part of the selected sample and specifically used stratified random sampling. The sample size was determined according to Van Voorhis & Morgan (2007) sample size calculation for regression model. They suggest that a sample size for regression model based on predictor factors should take the formula $n = 80 + 8k$, where k is the number of predictors, with the current study having six predictors bringing the total sample size to 128.

3.5 Data Collection

The study used primary data which was collected using a structured questionnaire. According to Bryman (2016), primary data is collected from respondents while secondary data refers to already published or existing data. Primary data is preferred because it is more reliable and current. A questionnaire is an efficient way of obtaining data in comparison to other research instruments. A semi-structured questionnaire is desired because it allows the collection of both qualitative and quantitative data. Newbold et al. (2013) opines that structured questions involves choices from which respondents will select the appropriate answers. The questionnaire for this study had two sections. The first section collected demographic information while the second section collected information on the independent variables of the study; trust, customer commitment,

power, interdependence, communication, conflict resolution and loyalty. The questionnaire that was used is provided in appendix III.

3.6 Data Analysis

The data collected was sorted, coded and entered in Statistical Package for Social Sciences (SPSS) program for analysis. Descriptive statistics was performed to help in getting insights on the features of data with measures of central tendency and frequency tables used. The study used Pearson moment of correlation which measures the strength and direction of linear relationships between two variables to establish the influence of relationship marketing on customer loyalty in DT SACCOs in Kenya. Regression analysis was used to deduce the relationship between trust, customer commitment, power, interdependence, communication, conflict resolution with customer loyalty. These relationships were expressed mathematically as: $Y = f(X)$ where the function followed a linear form and adequately approximates the desired functional relationship by a linear equation given as below;

$$Y_i = \alpha + \beta_n X_n + \varepsilon_i$$

$$Y_i = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon_i$$

Where Y = The dependent variable (Customer Loyalty)

α = Y – intercept

$\beta_n = \beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ are coefficients

ε_i = error term

X_n = Independent Variables

In Which, X_1 = Trust, X_2 = Customer commitment, X_3 = Power, X_4 = Interdependence,

X_5 = communication, and X_6 = conflict resolution.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

In this chapter of data analysis, results and discussions have been presented in line with the objectives of the study. The study focused on relationship marketing and customer loyalty in selected tier one DT-SACCOs in Kenya.

4.2 Response Rate

The unit of observation were members of six deposit taking SACCOs with at least two branches in Kenya. In each of the DT- SACCOs questionnaires were administered in the two branches and data collected by the researcher and research assistant personally at the FOSA/banking lobby.

Table 4.1: Response Rate

Questionnaires administered	Sample size	Questionnaires filled & returned	Percentage
Members	128	128	100%

Source: Primary data 2018

A hundred and twenty eight (128) questionnaires were filled and returned which indicated a response rate of 100%. This response rate was good and representative and corresponds to Kothari (2008) stipulation that a response rate of 70% and above is adequate and excellent for analysis and reporting.

4.3 Demographic Characteristics

The study sought to establish the demographic characteristics of members of the selected deposit taking SACCOs in Kenya. Demographic characteristics of the respondents included: gender, age, source of income, marital status and level of education, Name of the DT- SACCO, duration of membership and loan information.

Table 4.2: Gender

	Frequency	Percentage (%)
Male	80	62.5
Female	48	37.5
Total	128	100

Source: Primary Data 2018

The results in table 4.2 show that the majority of customers in the study were (62.5%) male whereas 37.5% were female.

Table 4.3: Age

	Frequency	Percentage (%)
Below 20 Years	2	1.6
21-30 Years	34	26.6
31-40 Years	44	34.4
41-50 Years	37	28.9
Above 50 Years	11	8.5
Total	128	100

Most of the customers, 34.4% were aged between 31 and 40 years; 1.6% were aged below 20 years. 26.6% of the customers were aged between 21-30 years while 28.9% were aged between 41 – 50 years. Only 8.5% of the customers were aged above 50 years.

This finding reveals that the majority members in DT-SACCOs tend to join the SACCO when they are newly employed and exiting when they approach retirement. The findings imply that loyalty is highest when in members are in employment than when one is outside employment.

Table 4.4: Main Source of income

	Frequency	Percentage (%)
Employment	112	87.5
Self-Employment	9	7.0
Business	5	3.9
Student	1	0.8
Unemployed	1	0.8
Total	128	100

Source: Primary Data 2018

In the analysis 87.5% of SACCO members are employed with a stable source of income whereas a minority represented by 0.8% was students and a similar number are unemployed. 3.9% were business persons while 7% percent were in self-employment. The above indicate that DT SACCOs are attracting mostly employed persons and have not diversified to attract self-employed and business people. It also indicates that since SACCOs are financial institutions whose loaning are tied to monthly remittances, they tend to focus on employed members who will ensure constant remittance for onward lending. The findings also imply that employment influences individuals' loyalty to tier one DT SACCOs.

Table 4.5: Marital Status

	Frequency	Percentage (%)
Single	14	10.9
Married	109	85.2
Divorced	1	0.8
Separated	1	0.8
Widowed	3	2.3
Total	128	100

A majority of the customers (85.2%) are married while 10.9% are single. 0.8% are divorced and a similar number are separated. Also, 2.3% of the customers are widowed.

Table 4.6: Highest Level of Education

	Frequency	Percentage (%)
O-level	11	8.5
A-level	2	1.6
Certificate level	26	20.3
Diploma level	39	30.5
Undergraduate level	34	26.6
Postgraduate Diploma	1	0.8
Masters and Above	15	11.7
TOTAL	128	100

Source: Primary Data 2018

Majority of the customers (30.5%) had diplomas while 26.6% had undergraduate degrees. 0.8% of the customers had postgraduate diplomas. 8.5% of the customers had O-level while 1.6% had A-level. 20.3% of the customers had certificate level of education while 11.7% had masters level and above. The findings imply that education is a significant contributor to loyalty, the more one is educated, the more knowledgeable they are about a SACCO.

Table 4.7: Selected Tier 1 DT SACCOs

	Frequency	Percentage (%)
Boresha	27	20.1
Gusii Mwalimu	12	9.4
Imarika	20	15.6
Invest	19	14.8
Mwalimu National	30	23.4
Stima	20	15.6
Total	128	100

Source: Primary Data 2018

The result in table 4.7 indicate the SACCOs from which the sample was drawn, 20.9% were from Boresha SACCO, 9.3% from Gusii Mwalimu SACCO, 15.5% from Imarika SACCO, 14.7% from Invest, 24% from Mwalimu National SACCO and 15.5% from Stima SACCO.

4.4 Duration of Membership

The length of time a customer takes to subscribe to an organizations product and/or services also signify the level of loyalty to the organization.

Table 4.8: Duration of Membership

	Frequency	Percentage (%)
Below 5 years	50	39.1
6-10 years	40	31.3
11-15 years	14	10.9
16-20 years	11	8.6
Above 20 years	13	10.1
Total	128	100

Source: Primary Data 2018

The results in table 4.8 show that most of the respondents (60.9%) as illustrated by table 4.8 have been in the SACCOs for more than 6 years. According to Oliver (1999), loyal customers are those who do not switch from a deeply held commitment to consistently patronize a product or service despite environmental influences and marketing efforts from other brands or product or services.

4.5 Loans Taken

The study sought to find the existence of repeat purchases (taking of loans) as a behavior that explains customer loyalty in Tier 1 DT SACCOs.

Table 4.9: Loans taken

	Frequency	Percentage (%)
Not Taken	20	15
Once	16	13
Twice	16	13
Thrice	22	17
Four Times	22	17
Five Times and Above	32	25
Total	128	100

Source: Primary Data (2018)

The customers were asked on the number of times they had taken loans and as table 4.9 indicates, majority of them (59.4%) had taken loans three times or more. 20% have not taken any loan, 13.2% have taken once and 12.4% twice.

4.6 Relationship Marketing Constructs

This section show the results of relationship marketing constructs; trust, customer commitment, power, interdependence, communication and conflict resolution

4.6.1 Trust

The study sought to find the perception of respondents on trust attributes and are as captured in table 4.10.

Table 4.10: Trust attributes

Relationship Marketing Construct Attributes	N	Mean	Std. Deviation
I have confidence in the Sacco's service	128	4.72	0.50
The Sacco gives me a trustworthy impression	128	4.69	0.52
The Sacco fulfills its obligations to members	128	4.60	0.85
The Sacco is consistent in providing quality service	128	4.64	0.68
Overall mean for Trust	128	4.66	0.64

Source: Primary Data 2018

The findings reveal that customers' confidence in the SACCO services had the highest influence on their loyalty with a mean score of 4.72, followed by the SACCO giving them a trustworthy impression at 4.69, then the SACCO being consistent with providing quality service at 4.64 and finally, the SACCO fulfilling its obligation to members at a mean score of 4.60.

4.6.2 Commitment

The study sought to find the perception of respondents on commitment attributes. Three types of commitment were studied; calculative, normative and affective whose findings are as captured in table 4. 11.

Table 4.11: Commitment Attributes

	Relationship Marketing Construct Attributes	N	Mean	Std. Deviation
CALCULATIVE COMMITMENT	It would be difficult to find a Sacco with equal standards to my Sacco	128	4.80	0.41
	I would consider another Sacco that offers more returns	128	4.60	0.71
	The cost of finding another Sacco are very high	128	4.52	0.73
	I rather continue with my Sacco because of future returns	128	4.76	0.50
	Overall mean for Calculative Commitment	128	4.67	0.59
NORMATIVE COMMITMENT	All my friends are in this Sacco	128	4.85	0.49
	I will not get guarantors if I leave the Sacco	128	4.67	0.62
	Most of my Colleagues are in this Sacco	128	4.58	0.64
	Our employer require us to be in this Sacco	128	4.77	0.69
	Overall mean for Normative Commitment	128	4.72	0.61
AFFECTIVE COMMITMENT	I feel a sense of belonging and strongly attached to my Sacco	128	4.69	0.62
	I'm genuinely committed to my relationship with my Sacco	128	4.64	0.73
	I would like to have a long term relationship with my Sacco	128	4.69	0.53
	I'm emotionally attached to the Sacco	128	4.77	0.43
	Overall mean for Affective Commitment	128	4.70	0.58

Source: Primary Data 2018

The results reveal that friends being members of a SACCO has the highest influence on customer loyalty to a SACCO at a mean score of 4.85 followed by members feeling that it would be difficult to finding another SACCO of a similar standard at 4.80. Emotional attachment to the SACCO and requirement by employers to be a member of a specific SACCO tied as the third influence to customer loyalty in tier one DT SACCOs at a mean

score of 4.77. Future returns to members also had an influence to customer loyalty at a mean score of 4.76.

Other influences on customer loyalty were a sense of belonging and a desire for a long term relationship with the SACCO both at a mean score of 4.69. The fear of not getting guarantors at a mean score of 4.67. The high cost of finding another SACCO had the least influence on customer loyalty at a mean score of 4.52, followed by colleagues being members of the SACCO at a mean score of 4.58 and better returns being offered by another SACCO at 4.60.

4.6.3 Power

The study sought to find the perception of respondents on power. The results of power attributes are as captured in table 4.12.

Table 4.12: Power Attributes

Relationship Marketing Construct Attributes	N	Mean	Std. Deviation
I have more influence in decision making than my Sacco does in my relationship with it	128	4.64	0.58
My Sacco has more power than me when deciding about issues in our relationship.	128	4.43	1.08
My Sacco always force me to agree with their decisions which I'm not comfortable with	128	4.44	1.03
I am loyal in my relationship with my Sacco and will maintain membership for a long time because I experience positive influence	128	4.73	0.64
Overall mean for Power	128	4.56	0.83

Source: Primary Data 2018

The findings revealed that positive power influence experienced by members in the SACCO has the greatest influence on customer loyalty at a mean score of 4.73. Members feeling that they had more influence in decision making in their relationship with the SACCO had the second highest influence on customer loyalty at 4.64. The least influence on loyalty at a mean score of 4.43 were members feeling that the SACCO had more power in the relationship. Members who felt that their SACCO always force them to agree with their decisions which they are not comfortable with had a mean score of 4.44.

4.6.4 Interdependence Attribute

The study further sought to find the perception of respondents on interdependence attributes and the findings are as captured in table 4.13.

Table 4.13: Interdependence Attributes

Relationship Marketing Construct Attributes	N	Mean	Std. Deviation
I feel that my Sacco treat me with respect and understanding as a shareholder and a member	128	4.76	0.59
The Sacco usually consult me before making major decisions	128	4.85	0.57
I would rather struggle with my personal financial problems instead of sharing with my Sacco	128	4.68	0.88
I am loyal in my relationship with my Sacco and will maintain membership for a long time because I feel that we need each other	128	4.83	0.44
Overall mean for Interdependence	128	4.78	0.62

Source: Primary Data 2018

The findings showed that the highest influence on customer loyalty was the ability of SACCOs to consult their members before making major decisions at a mean score of 4.85. This was followed by members feeling that they need each other in the relationship at a mean score of 4.83 and are likely to maintain a long term relationship. Further, members felt that the SACCO treat them with respect and understanding as shareholders and members of the SACCO and had a mean score of 4.76. However, members were not strongly comfortable with sharing their financial problems with the SACCO with some of them choosing to struggle with their problems and influenced customer loyalty at 4.68 mean score.

4.6.5 Communication

In addition, the study sought to find the perception of respondents on communication and customer loyalty and the findings are as captured in table 4.14.

Table 4.14: Communication Attributes

Relationship Marketing Construct Attributes	N	Mean	Std. Deviation
My concerns are always listened to and addressed promptly	128	4.84	0.44
Information provided by the Sacco is always accurate	128	4.79	0.59
The Sacco provides timely and trustworthy information	128	4.81	0.65
I am loyal in my relationship with my Sacco because of their efficient and effective communication	128	4.89	0.32.
Overall mean for Communication	128	4.83	0.50

Source: Primary Data 2018

The findings revealed that efficient and effective communication has the highest influence on customer loyalty with a mean score of 4.89. Followed by listening to members and promptly responding to their concern at a mean score of 4.84. Then timely and trustworthy information at a score of 4.81 and finally accurate information at a mean score of 4.79.

4.6.6 Conflict Resolution

The study also sought to find the perception of respondents on conflict resolution and customer loyalty and the findings are as captured in table 4.15 below.

Table 4.15: Conflict Resolution Attributes

Relationship Marketing Construct Attributes	N	Mean	Std. Deviation
The Sacco tries to avoid potential conflict.	128	4.73	0.64
My Sacco always investigates an issue of conflict to find a lasting solution	128	4.82	0.61
My Sacco always ensures that at the end of a conflict my needs as well as theirs are met	128	4.72	0.74
I am loyal in my relationship with my Sacco because of its good conflict resolution mechanism	128	4.92	0.27
Overall mean for Conflict Resolution	128	4.80	0.57

Source: Primary Data 2018

The findings showed that good conflict resolution mechanism that SACCOs have has the greatest influence on customer loyalty at a mean score of 4.92. At the second place in influencing customer loyalty is that the SACCO always investigates an issue of conflict to find a lasting solution which gives a mean score of 4.82. Further, the findings revealed

that DT- SACCOs try to avoid potential conflict with their members given by a mean score of 4.73. Finally, at a mean score of 4.72 the SACCOs always ensure that at the end of a conflict, members' needs as well as theirs are met.

4.7 Inferential Statistical Analysis

The data was analyzed using Pearson's Correlation, ANOVA and Multiple Regression Analysis to deduce statistical findings.

4.7.1 Pearson's Correlation Analysis

To ascertain the perceived relationship between the relationship marketing construct and customer loyalty in the selected tier one deposit taking SACCOs in Kenya, the study adopted the Karl Pearson's coefficient of correlation (r) and calculated using SPSS the coefficient of determination, regression analysis and regression coefficient on trust, customer commitment, power, interdependence, communication and conflict resolution.

Trust, customer commitment, power, interdependence, communication and conflict resolution were computed into single variables per factor by obtaining the averages of each factor. Pearson's correlations analysis was then applied at 95% confidence interval and 5% confidence level 2-tailed. Findings that are closer to 1 demonstrates that the correlations are strong (Newbold et al., 2013). Table 4.16 is a correlation matrix between the factors (trust, customer commitment, power, interdependence, communication and conflict resolution) and customer loyalty.

Table 4.16: Pearson’s Correlation Analysis

		TRUST	COMMITMEN	POWER	INTERDEPEN	DENCE	COMMUNICA	TION	CONFLICTRES	OLUTION	CUSTOMER	LOYALTY
TRUST	Pearson Correlation	1	.538**	.255**	.553**		.644**		.524**		.514**	
COMMITMENT	Pearson Correlation		1	.392**	.510**		.517**		.507**		.617**	
POWER	Pearson Correlation			1	.424**		.232**		.317**		.315**	
INTERDEPENDENCE	Pearson Correlation				1		.671**		.596**		.434**	
COMMUNICATION	Pearson Correlation						1		.669**		.572**	
CONFLICT RESOLUTION	Pearson Correlation								1		.520**	
CUSTOMER LOYALTY	Pearson Correlation											1

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

Source: Primary Data 2018

In table 4.16, all the study factors were established to be significantly correlated with customer loyalty at p-value =0.05. This results suggest that commitment, power, interdependence, communication, conflict resolution have a relationship with customer loyalty. The results show that trust have strong relationship with customer loyalty while trust, communication, conflict resolution and interdependence have a moderate relationship while power has a weak relationship.

4.7.2 Regression Analysis

Regression analysis was used to establish the relationship between trust, customer commitment, power, interdependence, communication, conflict resolution with customer loyalty. These relationships was expressed mathematically as: $Y = f(X)$ where the function will follow a linear form and adequately approximate the desired functional relationship by a linear equation given as below;

$$Y_i = \alpha + \beta_n X_n + \varepsilon_i$$

$$Y_i = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon_i$$

Where Y = The dependent variable (Customer Loyalty)

α = Y – intercept

$\beta_n = \beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$ are coefficients

ε_i = error term

X_n = Independent Variables

In Which, X_1 = Trust, X_2 = Customer commitment, X_3 = Power, X_4 = Interdependence,

X_5 = communication, and X_6 = conflict resolution.

The results are presented in table 4.17 to 4.19.

Table 4.17: Model Summary

	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.700a	0.491	0.466	0.67387	0.491
2	.696b	0.485	0.464	0.67474	-0.006
3	.694c	0.481	0.465	0.67441	-0.004
4	.690d	0.477	0.464	0.67473	-0.005
5	.684e	0.468	0.46	0.67752	-0.009
6	.572f	0.328	0.322	0.75885	-0.14

a. Predictors: (Constant), CONFLICTRESOLUTION, POWER, TRUST, COMMITMENT, INTERDEPENDENCE, COMMUNICATION

b. Predictors: (Constant), CONFLICTRESOLUTION, TRUST, COMMITMENT, INTERDEPENDENCE, COMMUNICATION

c. Predictors: (Constant), CONFLICT RESOLUTION, TRUST, COMMITMENT, COMMUNICATION

d. Predictors: (Constant), CONFLICTRESOLUTION, COMMITMENT, COMMUNICATION

e. Predictors: (Constant), COMMITMENT, COMMUNICATION

f. Predictors: (Constant), COMMUNICATION

Source: Primary Data 2018

Stepwise regression was used to test if the study factors predicted customer loyalty. The results of the regression models in table 4.17, indicated that of the six predictors, commitment and communication have a combined contribution to customer loyalty of 46% (adjusted R) with the combined adjusted R change of the six predictors been 46.6%. This shows that only 0.6% of the change in customer loyalty can be attributed to conflict resolution, power, trust and interdependence.

Table 4.18: Analysis of Variance (ANOVA)

MODEL FIT						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.359	6	8.893	19.584	.000a
	Residual	55.401	122	0.454		
	Total	108.76	128			
2	Total	52.76	5	10.552	23.177	.000b
	Total	55.999	123	0.455		
	Total	108.76	128			
3	Total	52.361	4	13.09	28.781	.000c
	Total	56.399	124	0.455		
	Total	108.76	128			
4	Total	51.852	3	17.284	37.965	.000d
	Total	56.908	125	0.455		
	Total	108.76	128			
5	Total	50.922	2	25.461	55.467	.000e
	Total	57.838	126	0.459		
	Total	108.76	128			
6	Total	35.627	1	35.627	61.869	.000f
	Total	73.133	127	0.576		
	Total	108.76	128			

a. Predictors: (Constant), CONFLICTRESOLUTION, POWER, TRUST, COMMITMENT, INTERDEPENDENCE, COMMUNICATION

b. Predictors: (Constant), CONFLICTRESOLUTION, TRUST, COMMITMENT, INTERDEPENDENCE, COMMUNICATION

c. Predictors: (Constant), CONFLICTRESOLUTION, TRUST, COMMITMENT, COMMUNICATION

d. Predictors: (Constant), CONFLICTRESOLUTION, COMMITMENT, COMMUNICATION

e. Predictors: (Constant), COMMITMENT, COMMUNICATION

f. Predictors: (Constant), COMMUNICATION

g. Dependent Variable: CUSTOMER LOYALTY

Source: Primary Data 2018

From the results in table 4.18, the study findings show that the models used in the study to predict customer loyalty was fit. This was supported by a p-value < 0.05 as shown in the table.

Table 4.19: Coefficients

Mode		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.615	0.375		1.639	0.104
	TRUST	0.101	0.086	0.106	1.18	0.24
	COMMITMENT	0.454	0.103	0.375	4.424	0.00
	POWER	0.101	0.088	0.085	1.148	0.253
	INTERDEPENDENCE	-0.143	0.116	-0.12	-1.231	0.221
	COMMUNICATION	0.265	0.099	0.285	2.678	0.008
	CONFLICTRESOLUTION	0.133	0.097	0.128	1.379	0.17
2	(Constant)	0.754	0.356		2.12	0.036
	TRUST	0.101	0.086	0.105	1.169	0.245
	COMMITMENT	0.481	0.1	0.398	4.816	0.00
	INTERDEPENDENCE	-0.104	0.111	-0.087	-0.936	0.351
	COMMUNICATION	0.247	0.098	0.265	2.522	0.013
	CONFLICTRESOLUTION	0.144	0.096	0.138	1.491	0.139
3	(Constant)	0.669	0.344		1.947	0.054
	TRUST	0.09	0.085	0.095	1.058	0.292
	COMMITMENT	0.466	0.099	0.385	4.729	0.00
	COMMUNICATION	0.216	0.092	0.232	2.345	0.021
	CONFLICTRESOLUTION	0.125	0.094	0.12	1.327	0.187
4	(Constant)	0.741	0.337		2.199	0.03
	COMMITMENT	0.496	0.095	0.41	5.243	0.00
	COMMUNICATION	0.255	0.084	0.275	3.032	0.003
	CONFLICTRESOLUTION	0.134	0.094	0.129	1.429	0.155
5	(Constant)	0.886	0.323		2.743	0.007
	COMMITMENT	0.53	0.092	0.438	5.772	0.00
	COMMUNICATION	0.321	0.071	0.346	4.557	0.00
6	(Constant)	2.075	0.279		7.448	0.00
	COMMUNICATION	0.532	0.068	0.572	7.866	0.00

a. Dependent Variable: CUSTOMERLOYALTY

Source: Primary Data 2018

Based on the study results of the study in table 4.19 it was revealed that commitment significantly predicted customer loyalty ($\beta = .454$, $p < 0.05$), as communication ($\beta = 0.265$, $p < 0.05$). Other predictors were as; trust ($\beta = .101$, $p < 0.05$), power ($\beta = .101$, $p < 0.05$), interdependence ($\beta = -.143$, $p < 0.05$) and conflict resolution ($\beta = .133$, $p < 0.05$). Therefore the study regression equation for predicting customer loyalty was:

Equation Model for customer loyalty;

$$\text{Customer Loyalty} = 0.615 + 0.101 \text{ Trust} + 0.454 \text{ Commitment} + 0.101 \text{ Power} - 0.143 \text{ Interdependence} + 0.265 \text{ Communication} + 0.133 \text{ Conflict resolution}$$

As indicated in table 4.19, four factors had no significant effect on customer loyalty. This is because the variables have p-values significantly greater than 0.05 indicating that the variables do not predict customer loyalty. This imply that effective and efficient communication where members feel that they are listened to and their concerns addressed has a contribution in initiating and sustaining customer loyalty. Further, where communication is the only factor considered in relation to customer loyalty the coefficient is 53.2%. This imply that organizations should be in constant communication with their customers.

It also imply that commitment has the highest influence on customer loyalty when all the factors are examined together. I unit increase in commitment will result in 45.4% increase in customer loyalty. It further implies that customers who are committed to the organization are likely to be the most loyal as compared to others. Further, the correlation of communication and commitment at 51.7% imply that one unit increase in one of the factors has a significant increase on the other. This imply that organizations should

incorporate in their organization plans strategies to encourage and sustain commitment from their customers.

4.8 Discussion of findings

This section discusses the result of the study in comparison to existing theory as captured in the literature review. Further, it compares the result of this study with other empirical studies. An integral component of relationship marketing theory has been communication (Grönroos, 2004). Spinoso et al., (2012) opine that communication is not only about advertising, alternative media, deploying CRM tools, call centre technology, handling customers questions and complaints, or organizational configuration of functions but it is all concern with involving the entire organization to create an excellent experience to the customer.

The finding of this study shows that communication is a key relationship marketing construct that influences customer loyalty. The results of the regression indicated of the six predictors, only two, commitment with communication significantly explaining 46% of the variance in customer loyalty as compared to the combined adjusted R of all the constructs which are at 46.6%. The findings revealed that efficient and effective communication has the highest influence on customer loyalty with a mean score of 4.89. Followed by listening to members and promptly responding to their concern at a mean score of 4.84.

Commitment has been explained as calculative, normative and affective in relationship marketing literature. Calculative commitment is based on the cost and benefit of terminating a relationship. Normative is based on an individual's desire to maintain social

obligations, customs and social norms, regulations, follow both formal and informal rules (Roxenhall & Andresen, 2012). Affective commitment is based on trust, benevolence, and common values. Out of the three, trust has been found to have a strong impact on development of affective commitment (Sharma et al., 2006). The findings of this study revealed a correlation of 53.6% between trust and commitment to support this argument.

The study further revealed that the three types of commitment cannot stand alone separately but each of them is inherent in a customer's total commitment to a product or brand. The findings revealed that friends being members of a SACCO has the highest influence on customer loyalty to a SACCO at a mean score of 4.85. Also requirement by employers for their staff to be a member of a specific SACCO was the third highest influence on customer loyalty in tier one DT SACCOs at a mean score of 4.77. Commitment that is as a result of friendship and influence by an employer is normative.

The second most influential commitment attribute is which members are feeling that it would be difficult to finding another SACCO of a similar standard and whose mean score was 4.80. The commitment revealed is a calculative type with a negative dimension. A negative dimension happens when a committed person who stands to lose both economically and socially from terminating a relationship is forced to continue the relationship for lack of a better alternative (Roxenhall & Andresen, 2012). The third highest influencer of customer loyalty which tied with employer requirement as shown above was emotional attachment with a mean score of 4.77. This was the only aspect of affective commitment that ranked high in influencing customer loyalty.

The result when compared with other empirical studies (Ndubisi, 2007) in which four constructs of relationship marketing (trust, commitment, communication and conflict handling) are argued to influence customer loyalty. Only commitment and communication has significant influence on customer loyalty where adjusted R is 46% at 95% confidence interval and 5% confidence level 2 – tailed test. Other aspects as opined by Ndubisi; trust and conflict resolution as well as interdependence and power in this study, have no statistical significance on influencing customer loyalty as analyzed using stepwise regression.

De Cannière et al., (2010), in a study on apparels customers in Belgium, found a positive impact of perceived relationship strength and quality on purchase intention. Perceived relationship quality has been considered as attitudinal loyalty which is a component of three constructs; commitment, trust and satisfaction. The results of this study revealed that out of the two construct (commitment and trust), it is only commitment that had a statistically significant influence on customer loyalty.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter is a discussion on the summary of findings, conclusion, recommendations drawn from the study, and limitations of the study. A suggestion for further research is also include at the tail of the chapter.

5.2 Summary of the Findings

The finding in the study were of six selected tier one deposit taking SACCOs in Kenya which included Boresha, Gusii Mwalimu, Imarika, Invest and Grow, Mwalimu National and Stima SACCO. The objective of the study was to establish the influence of relationship marketing on customer loyalty in selected tier one deposit taking SACCOs in Kenya. The study used a descriptive cross sectional survey which empirically allowed an analysis of data that was randomly collected by means of a questionnaire from members of these SACCOs. A response rate of 100% was possible because the researcher and his assistant administering the questionnaires personally to SACCO members who had gone to the banking hall to transact.

The findings revealed that demographic profiles; age, gender, income, marital status and education have an influence on customer loyalty of DT- SACCOs in Kenya. Significant influence was from males who account for 62.5% of respondents and aged from 30 years and above. The finding imply that more males have a constant sources of income from employment because 87.5% of respondents are employed. It further imply that males as opposed to females appreciate SACCOs as an enabler to meeting their financial goals.

The findings further revealed that employment is the main source of income for SACCO members whose level of education to a greater percentage were certificate or diploma or degree, which implies that members are working professionals with a steady source of income. The level of education was deduced to have equipped members with the ability to identify their financial goals/needs and use the SACCO as a vehicle to realize these goals or meets needs. This explains a high level of customer loyalty among the educated. Marital status also had a significant influence on customer loyalty. A high number of members (85.2%) were married. This implies that married people have understood the benefits of SACCOs as an enabler to meeting their financial needs which may have increased because of children in their households.

The findings on relationship marketing using the average mean score for each construct from the highest to the lowest influencer on customer loyalty was as follows; communication 4.83, conflict resolution 4.80, interdependence 4.78, commitment 4.69, trust 4.66 and power 4.56. Step wise regression analysis on the construct revealed that only two of them; communication and commitment, were statistically significant in influencing customer loyalty contrary to Ndumbisi (2007) who identified four constructs (commitment, trust, communication, and conflict resolution) as statistically significant in influencing customer loyalty. Correlation of the constructs with customer loyalty at 95% confidence level and 5% confidence level 2 tailed test were; commitment 0.617, communication 0.572, conflict resolution 0.52, trust 0.514, interdependence 0.434, power 0.315.

The findings on commitment revealed that normative commitment with a mean score of 4.72 had the highest influence on customer loyalty. It was followed by affective commitment with a score of 4.70 and finally calculative commitment with a mean score of 4.67. The findings showed that loyalty in DT-SACCOs was greatly determined by the influence of friends on each other. The findings implying that individuals rely on and trust friendship advise in making financial decisions. Employers also influence their employees in deciding which SACCO to join and stay in. This can be due to monthly remittances made by employers on behalf of their members which is further supported by the fact that 87.5% of respondents are in employment. Other aspects of commitment that have a strong influence on customer loyalty are; difficulty in finding another SACCO of a similar standard, emotional attachment to the SACCO, future financial returns, feeling a sense of belonging, desire for a long term relationship with the SACCO and the fear of not getting guarantors.

The findings further revealed that there is a stronger correlation between communication and interdependence at 0.671, communication and conflict resolution at 0.669 and communication and trust at 0.644 where $p < 0.05$ 2 tailed test. The weakest correlation was on power and communication at 0.230, power and conflict resolution at 0.317, finally power and commitment at 0.392. Others construct revealed a strong relationship; interdependence and conflict resolution at 0.596, trust and interdependence 0.553, trust and commitment at 0.538, conflict resolution and trust at 0.524. Regression of the statistically significant predictors in the model (communication and commitment) showed an average line of fit with adjusted R at 46.0%

5.3 Conclusion

Relationship marketing constructs that were found to have statistical significance in influencing customer loyalty in this study were communication and commitment. DT-SACCO members are likely to be loyal if they receive effective and efficient communication from their SACCOs. In addition, members would want to be listened to and their concerns addressed promptly. Commitment as a relationship construct is significant in influencing customer loyalty in all its facets. It was evident that normative, affective as well as calculative commitment is all contributors of customer loyalty.

The dependent variable was customer loyalty and the study found out that an overwhelming majority had intentions of continuing with membership in the near future. Also, most customers said that they would recommend their SACCO to their family and friends. A majority also indicated that they always made positive comments about their SACCO. A few customers strongly agreed that their SACCO was their only financial services provider whereas a similar number indicated that they had other financial providers. Most of the customers also indicated that they would patronize additional products offered by their SACCO. Majority of the customers also indicated that they were open to try new products that their SACCO may offer. Also, majority of the customers said that they considered their SACCO as first choice among other SACCOs whereas most members indicated that their SACCO comes to mind first when making financial decisions. Lastly, more than half of the customers said that they would patronize at least three products in their SACCO.

5.4 Recommendations of the Study

The analysis of the research findings indicated that Relationship Marketing indeed has a significant influence on customer loyalty. To achieve true loyalty firms should co-currently focus on building both behavioral and attitudinal loyalty (Kumar & Shah, 2004). The researcher thus recommends that SACCOs should come up with strategies that will enhance communication with members and strengthen commitment from members. Enhanced communication and commitment strategies will build both behavioral and attitudinal loyalty. In addition, DT-SACCOs should focus on effective and efficient communication which includes listening and prompt response to members concerns and queries.

The study also indicated that a majority of members are 31 years and above. The researcher recommends that DT-SACCOs should invest more in attracting youths within the 18 – 30 years bracket into the SACCO. The findings also showed that most of the members are in employment. The researcher recommends that DT-SACCOs should also target the self-employed and business people who are untapped market for SACCO financial services. The findings revealed that married people were the highest composition of DT-SACCOs as compared to single, widowed/widower, divorced and separated. The researcher recommends that DT-SACCOs should design products that meet the needs of the whole family and which are likely to increase loyalty.

5.5 Limitations of the Study

The study was conducted on only six tier one DT-SACCOs in Kenya leaving out fifteen tier one DT-SACCOs. It was not possible to study all the 21 DT-SACCOs due to time constraints. Generalization of the findings to the entire DT-SACCO population may not

be likely because of some unique attributes associated with each SACCO that may not have been captured. A study that is conducted on all the tier one DT-SACCOs will be necessary. Further, the study was limited to tier 1 DT-SACCOs only, leaving out tier 2 & 3 DT-SACCOs. There is need to conduct a study that will include all DT-SACCOs in Kenya. The study was also limited to DT-SACCOs leaving out other financial institutions like banks, MFIs and SACCOs without FOSAs.

5.6 Suggestions for Further Research

Further studies should be conducted to reveal the integrated communication marketing strategies deployed by tier one DT-SACCOs in Kenya. The study will help in identifying communication gaps and augmenting the result of this study by revealing how DT-SACCOs can utilize integrated communication in enhancing effective and efficient communication. Further studies to find out how social groups (friends, family and colleagues) influence purchase intentions and decisions of DT-SACCO members will be important in revealing why such groups have the highest influence on DT-SACCOs customer loyalty.

Additional studies should be conducted to find out the link between relationship marketing constructs and customer loyalty in other financial institutions to determine whether these findings are applicable to them as well. Further studies are necessary to find how the two constructs of relationship marketing (commitment and communication) influence purchase decisions of financial products in DT- SACCOs. This knowledge will assist managers in developing precise marketing strategies that will increase behavioral loyalty.

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APPENDICES

APPENDIX I: LIST OF ALL TIER ONE DT SACCOS IN KENYA

RANKING	NAME OF SACCO	NUMBER OF MEMBERS
1.	MWALIMU NATIONAL	70,000
2.	STIMA	103,748
3.	HARAMBEE	92,000
4.	KENYA POLICE SACCO	63,450
5.	AFYA	38,000
6.	METROPOLITAN NATIONAL	75,000
7.	UNITED NATIONS	10,000
8.	UNAITAS	276,708
9.	UKULIMA	27,749
10.	IMARISHA	64,120
11.	INVEST AND GROW	35,000
12.	BANDARI	11,000
13.	KENYA BANKERS	18,688
14.	GUSII MWALIMU	31,000
15.	HAZINA	16,000
16.	IMARIKA	38,000
17.	TOWER	60,000
18.	NEW FORTIS	12,283
19.	MENTOR	15,000
20.	BORESHA	77,214
21.	SAFARICOM	11,000
	TOTAL	981,765

Source: SASRA, The SACCO Supervisory report 2017

APPENDIX II: LIST OF SELECTED TIER ONE DT SACCOS IN KENYA

RANKING	SACCO	NUMBER OF MEMBERS	SAMPLE SIZE
1.	MWALIMU NATIONAL	70,000	33
2.	STIMA	103,748	49
3.	KENYA POLICE SACCO	63,450	30
4.	AFYA	38,000	18
5.	METROPOLITAN NATIONAL	75,000	36
6.	UNAITAS	276,708	132
7.	INVEST AND GROW	35,000	17
8.	GUSII MWALIMU	31,000	15
9.	IMARIKA	38,000	18
10.	BORESHA	77,214	37
	TOTAL	808,120	385

APPENDIX III: QUESTIONNAIRE

Introduction

Please answer all the questions to the best of your knowledge. Your views, opinions, and evaluations are important to this study. Your response will only be used for academic purposes, will be treated confidentially and shall not be revealed to a third party.

SECTION I: DEMOGRAPHIC INFORMATION

1. What is your gender? Male Female

2. What is your age group?

Below 20 years 21 - 30 years 31 – 40 years 41 – 50 years above 50

3. What is your main source of income

Employment Self- employment Business Student
Unemployed

4. What is your marital status?

Single Married Divorced Separated Widowed

5. What is your highest level of education?

 O-level
 A-level
 Certificate level
 Diploma level
 Degree level
 Postgraduate Diploma
 Masters and above.

6. Name of your SACCO?

7. How long have you been a member of the SACCO?
 Below 5 years [] 6 - 10 years [] 11 – 15 years [] 16 – 20 years [] above 20 []
8. How many times have you taken a loan from your SACCO?
 Once [] Twice [] Thrice [] Four times [] Five times and above []
9. Which is your town?

SECTION II: RELATIONSHIP MARKETING CONSTRUCTS

Please show to what extent these statements represent your perception of relationship constructs in your SACCO and tick in the space against each statement the number that most accurately represent how much you agree or disagree with the statements based on your experience according to the following scale.

1 – Strongly Disagree 2 – Disagree 3 – Neutral 4 – Agree 5 – Strongly Agree.

A. TRUST

DESCRIPTION		RESPONSE				
		1	2	3	4	5
1.	I have confidence in the SACCO’s service					
2.	The SACCO gives me a trustworthy impression					
3.	The SACCO fulfills its obligations to members					
4.	the SACCO is consistent in providing quality service					

B. CUSTOMER COMMITMENT

Calculative Commitment		RESPONSE				
		1	2	3	4	5
1.	It would be difficult to find a SACCO with equal standard to my SACCO					
2.	I would consider another SACCO that offers more returns					
3.	The cost of finding another SACCO are very high					
4.	I rather continue with my SACCO because of future returns					
Normative Commitment		RESPONSE				
		1	2	3	4	5
1.	All my friends are in this SACCO					
2.	I will not get guarantors if I leave the SACCO					
3.	Most of my Colleagues are in this SACCO					
4.	Our employer require us to be in this SACCO					
Affective Commitment		RESPONSE				
		1	2	3	4	5
1.	I feel a sense of belonging and strongly attached to my SACCO					
2.	I'm genuinely committed to my relationship with my SACCO					
3.	I would like to have a long term relationship with my SACCO					
4.	I'm emotionally attached to the SACCO					

C. POWER

DESCRIPTION		RESPONSE				
		1	2	3	4	5
1.	I have more influence in decision making than my SACCO does in my relationship with it					
2.	My SACCO has more power than me when deciding about issues in our relationship.					
3.	My SACCO always force me to agree with their decisions which I'm not comfortable with					
4.	I am loyal in my relationship with my SACCO and will maintain membership for a long time because I experience positive influence					

D. INTERDEPENDENCE

DESCRIPTION		RESPONSE				
		1	2	3	4	5
1.	I feel that my SACCO treat me with respect and understanding as a shareholder and a member					
2.	The SACCO usually consult me before making major decisions					
3.	I would rather struggle with my personal financial problems instead of sharing with my SACCO					
4.	I am loyal in my relationship with my SACCO and will maintain membership for a long time because I feel that we need each other					

E. COMMUNICATION

DESCRIPTION		RESPONSE				
		1	2	3	4	5
1.	My concerns are always listened to and addressed promptly					
2.	Information provided by the SACCO is always accurate					
3.	The SACCO provides timely and trustworthy information					
4.	I am loyal in my relationship with my SACCO because of their efficient and effective communication					

F. CONFLICT RESOLUTION

DESCRIPTION		RESPONSE				
		1	2	3	4	5
1.	The SACCO tries to avoid potential conflict.					
2.	My SACCO always investigates an issue of conflict to find a lasting solution					
3.	My SACCO always ensures that at the end of a conflict my needs as well as theirs are met					
4.	I am loyal in my relationship with my SACCO because of its good conflict resolution mechanism					

SECTION III: CUSTOMER LOYALTY

Please show to what extent you concur with the following statements. Tick the number against the statement that most accurately represent your opinion based on the scale below.

1 – Not at all 2 – Neutral 3 – Somehow 4 – Somewhat 5 – Very Much

DESCRIPTION		RESPONSE				
		1	2	3	4	5
1.	I have intentions of continuing with membership in the near future					
2.	I recommend my SACCO to my family and friends					
3.	I make positive comments about my SACCO					
4.	The SACCO is my only financial services provider					
5.	I will patronize additional products offered by the SACCO					
6.	I'm open to try new products that the SACCO may offer.					
7.	I consider the SACCO as first choice among other SACCOs'					
8.	The SACCO comes to mind first when making financial decisions					
9.	I patronize at least three products in the SACCO					

THANK YOU