

**THE INFLUENCE OF RELATIONSHIP MARKETING BY
TELECOMMUNICATION VENDORS ON KENYAN
TELECOMMUNICATION SERVICE PROVIDERS' CUSTOMER
LOYALTY: A CASE STUDY OF SAFARICOM**

By

JEAN WANJIKU KAHORA

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DECLARATION

This Research Project is my original work and has not been submitted for award of a degree at the University of Nairobi or any other University.

Signed Date

Kahora Jean Wanjiku

D61/61432/2010

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

Signed Date

Prof. Francis Kibera

Lecturer

Department of Business Administration

School of Business

University of Nairobi

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DEDICATION

This study is dedicated to my dear, Mr. Munyaka Thuku for your support and understanding during the entire period I undertook my MBA Program.

ABBREVIATIONS AND ACRONYMS

| | | |
|------------|---|-----------------------------------|
| CC | - | Customer commitment |
| CL | - | Customer loyalty |
| CS | - | Customer satisfaction |
| CT | - | Customer trust |
| CCK | - | Communication Commission of Kenya |
| P | - | Personalization |
| PM | - | Project Manager |
| PP | - | Price perception |
| RM | - | Relationship Marketing |
| RQ | - | Relationship Quality |
| SMS | - | Short message service |
| SQ | - | Service quality |
| VO | - | Value offers |

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ABSTRACT

Increasingly, marketing is moving from a focus on individual transactions and towards a focus on building value-laden relationships and partnerships with the customer. The goal is to deliver long-term value and relationship with existing customers and the measure of success is customer loyalty. There are many different relationship marketing tactics implemented for retaining customers. However, some of those tactics do not affect customer loyalty effectively and switching behaviors frequently occur among most of targeted customers. Therefore, this study is aimed to investigate the influence of relationship marketing tactics on relationship quality, which in turn influences customer loyalty, by focusing on Kenyan Telecommunication vendor sector.

A conceptual framework is developed as a guideline to test the relationships between relationship marketing tactics (service quality, price perception, personalization and value offers), relationship quality constructs (customer satisfaction, customer trust and customer commitment) and finally on customer loyalty. A quantitative method with deductive approach is chosen in this research. In order to collect primary data, a questionnaire is designed and randomly sent out by email to Safaricom employees who represent the Telecom service provider's view on the Telecom vendors' relationship marketing strategy. SPSS for windows software is used to process the primary data. The findings show that Service Quality, Price Perception, Personalization and Value Offers have significant influence on customer loyalty indirectly via the customer satisfaction, customer trust and customer commitment albeit at different levels of correlation. Service quality as a relationship marketing tactic is found to have the greatest influence on customer loyalty followed by price perception, value offers and finally personalization of products and services by Telecom vendors.

Keywords: Relationship marketing, Relationship marketing tactics, Relationship quality, Customer satisfaction, Customer trust, Customer commitment, Customer loyalty.

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