

**CUSTOMER RELATIONSHIP MANAGEMENT AS A
MARKETING STRATEGY IN IMPERIAL HEALTH SCIENCES**

KENYA

BY

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DECLARATION

This is to certify that this research project is my own original work and is in no way a reproduction of any other work that has been previously presented for award of a degree in any university.

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

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ABSTRACT

In most marketing academics, scholars and practitioners describe customer relationship management as the new marketing paradigm. Nevertheless, in spite of the wide scale adoption of CRM practices by organization globally, need calls for rigorous studies to determine the efficacy of CRM as a strategic marketing strategy. This study sought to establish the usefulness of CRM practices as a marketing strategy in Imperial Health Sciences (IHS) Kenya. The study utilized a case study research design in order to undertake a comprehensive and thorough examination of how IHS can utilize CRM to and services in the market. The researcher interviewed 6 key managers comprising both IHS key clients and customers. These included pharmaceutical companies and key distributors in the pharmaceutical industry. The results showed that IHS has implemented various CRM practices that address specific customer needs and ensure its competitiveness. The implemented CRM strategies are meant to make the company more customer centric and friendly so as to meet customer needs. Customer satisfaction through the current CRM strategies at IHS was positive. However, IHS needs to significantly invest in personalization and customization of its customer needs as well as embrace new CRM technologies in the market. This will not only give IHS a competitive edge in the industry but also increase its' clients loyalty which is key for referrals as marketing strategy to new and potential clients. The study findings have significant theoretical and managerial implications.

LIST OF ABBREVIATIONS AND ACRONYMS

IHS	Imperial Health Sciences
CRM	Customer Relationship Management
RMS	Royal Media Services

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations should concentrate more on customers than their products if they are to remain competitive in the current turbulent market. In this regard, firms ought to change their strategies towards the customer. One of the most ideal ways to fit in a client-facing approach all through the company is by Client Relationship Management (CRM) (Ashwini & Sharad, 2011). Customer Relationship Management (CRM) is all about the practices, methods, and technological advancements, which firms utilize to oversee and break down client information and interactions throughout his/her lifecycle, aimed at promoting business relationships with customers, driving sales growth and helping in client retention (Alexander, Satish, & Kumar, 2009). Customer relationship management (CRM) is the use of technology as well as systems to know detailed information concerning clients' requirements and practices, with a keen consideration that the end goal is to create more firm relationships with them.

This study was guided by two theories, which include relationship marketing theory and two factor theories. The relationship marketing theory argues that relationship marketing refers to the creation as well as development of profitable, long-lasting and interactive relationship with existing and potential customers, suppliers and various interest groups (Mylonakis, 2009). Two factor theory implies that once a product of any kind is sold, customer relationship management is always present; it is always there and it is never optional (Elwood, 2013).

The Kenyan pharmaceutical industry is growing extensively due to the growing demand to avail quality pharmaceutical products to end users. This has resulted to stiff competition from local and international investors. The pharmaceutical companies are investing in market research to enable them keep up with the new demands (Furman, 2010). IHS is a multinational pharmaceutical healthcare distribution company that has foot prints in Africa to meet the gap in this competitive environment. In this regard, for IHS to remain competitive and continue penetrating and providing solutions to the people of Africa it can adopt customer relationship management as a marketing strategy.

1.1.1 Concept of Customer Relationship Management

CRM is a relatively young concept whose interest started growing around the 1990s (Xu et al., 2002). The concept came to light at the peak of the internet boom and although still a vague notion, it was embraced across multiple channels as a management solution. CRM has no universally accepted definition despite being recognized as a critical business approach. Client Relationship Management (CRM) is characterized as an organizational approach to comprehend and influence consumer conduct through significant correspondence keeping in mind the end goal to enhance client retention, consumer profitability, and consumer loyalty. Also, CRM can be illustrated as technologies, procedures as well as e-commerce capacities utilized by organizations to oversee client relationships according to Stone and Woodcock (2001). Precisely, the management approach includes distinguishing, attracting, creating, and maintaining fruitful client connections in due course with a specific end goal to build retention of valuable clients (Massey, Montoya-Weiss, & Holcom, 2001).

Strategic utilization of data, procedures, technology and individuals to deal with the client's bond with the organization (Marketing, Sales, Services and Support) over the entire consumer lifecycle is Client Relationship Management (Kincaid, 2003). A further definition of CRM is the execution of particular technology remedy project, an incorporated series of client-focused technology, as well as an all-encompassing vital approach to deal with overseeing client relationships to build shareholder value (Payne & Frow, 2004). Likewise, CRM is denoted as a continuous procedure, which includes the advancement as well as utilization of market knowledge with the end goal of creating and managing a profit-maximizing rapport of client relationships as cited in Zablah, Bellenger, and Johnstone (2004). All the above stated definitions underscore the significance of completely taking a gander at CRM as an arrangement of strategies for overseeing relationships with clients.

Those best placed to set the strategic/vital course or vision for CRM projects are leaders/pioneers as they screen the organization's external environment. Leaders are also play a significant role in the approval and monitoring of spending, setting, as well as checking the performance, plus the motivation and empowerment of major personnel. Another recommendation has been that organization ought to embrace a comprehensive approach that puts CRM, client orientated business forms and the joining of CRM frameworks at the heart of the company (Girishankar, 2000). Girishankar (2000) also conceptualizes CRM as a front office contact management framework only. Others scholars hold that CRM is about operational, investigative and community-oriented elements (Trepper, 2000).

1.1.2 Marketing Strategy

Marketing is one of the critical business activities as it directly affects cash flow, profitability, and prosperity of a company. Each year, companies spend billions of dollars in marketing activities such as advertising, product activations, and competitions among others (Sponaugle, 2013). Despite the vast knowledge about marketing, there are still many trial and error approaches; hence, there is a need to be acquainted with the various marketing strategies that exist.

According to Shanker and Carpenter (2012), a marketing strategy is a set of integrated pattern of decisions regarding the adoption of marketing activities in relation to the resources and target audience. There are many marketing strategies that a company can pursue to create awareness about its business model and products. Examples of such strategies include scarcity, stealth marketing, cause-related, alliance, relationship, and be seen, be heard (Sponaugle, 2013).

The choice of the strategy depends on the company, but according to how the market has evolved, many firms have centered their marketing on customers. In an article by Shuey (2015), Benjamin Franklin is quoted to have said that “well done is better than well said.” Often, clients respond well to what one does for them instead of what the person promises to do. It is the same reason why excellent customer relationship management ought to be part and parcel of a firm’s marketing strategy. This implies that there should be a harmonious relationship between marketing and customer relationship management. Companies depend on their marketing tactics to attract new clientele and raise their revenue; hence, they should use the same alongside CRM to reinforce with their current clients in a bid to retain them, the marketing cost used up in

obtaining them initially, and the extra revenue as well. The firm can get 60% to 70% business for its existing clients as opposed to just a 5% to 20% opportunity of selling to prospective clients. Shuey (2015) states that despite the kind of a business, one should keep in mind that he or she is not only selling the product/service, but rather selling CRM.

There are other marketing strategies such as cause marketing, transactional marketing, and guerilla marketing, which assist marketers and entrepreneurs to increase sales and inject the much-needed cash flows into their operations (Sponaule, 2013). The chosen marketing strategy involves the implementation of different sales activities aimed at achieving a particular goal. The decision to employ a particular strategy is often advised by resources, goals, and time limitations. Nonetheless, each is capable of delivering increased profitability and other organizational outcomes. Consequently, it is evident that the decision to adopt the right marketing approach would lead to heightened profitability and better organizational outcomes.

1.1.3 Pharmaceutical Warehousing and Distribution in Kenya

Pharmaceutical warehousing and distribution in Kenya is a significant element in pharmaceutical supply chain management. It plays an important role of ensuring that medical products are stored in pharma compliant warehouses and transported to the patient in the required conditions in a cost efficient and timely manner, through the supply chain. In Kenya, companies such as Imperial Health Sciences, Philips Healthcare and Surgipharm Ltd are among the leading pharmaceutical warehousing and distribution service providers (Gibson, 2004). They have fully pharma compliant

warehouses certified by the Kenya Pharmacy and Poisons Board, and also ensure efficient order management and prompt order deliveries to customers.

Marketing of pharmaceutical products differs from other kinds. Here, the consumer is different from the targeted client, the doctor. Drugs can be termed emergency products just as gasoline. In this regard, clients do not purchase them whenever they wish; rather, they buy because they are compelled to. Drugs are regarded basic needs. According to Gibson (2004), marketing drugs is complicated since not many consumers know the features of the medicines they purchase. Among COMESA nations, Kenya has been referred as the biggest manufacturer of pharmaceutical products. It supplies around 50 percent of the COMESA's market. There are 50 known manufactures, out of which 30 are Kenyan based. The Kenyan health market is approximated to be valued at many millions every year. For instance, in 2008, the prescription drugs sold amounted to KSH 17.7 Billion. This was a 29.9% rise from the past year (Gronroos, 2000). The country manufactures drugs for global and local markets.

Kenya comes second after South Africa in the production of generic antiretroviral medications, thereby raising the growth of local production. The Kenyan pharmaceutical market has expanded thanks to the growth of the home economy (Gronroos, 2000). The GDP rates of growth were estimated to reach 5.4 percent in 2010. The spending on drugs is likely to increase given the growth in population plus the increasing communicable and non-communicable illnesses.

1.1.4 Imperial Health Sciences

Imperial Health Sciences (IHS) is a prominent force in healthcare supply chain management in Africa. The company's vision is to ensure sustainable and secure supply of quality medicine to the African people. Its brand statement is "Africa's leading partner in healthcare supply chain" (Gama, 2015, p.4). The company's first marketing objective is to incessantly meet the requirements of its core contracted and non-contracted clients regarding warehousing, distribution and transportation. Secondly, to dynamically target as well as market its services to new customers' that will increase their customers base and boost its profitability over the long term (Gama, 2015).

The company operates in six sub-Saharan Africa countries- South Africa, Nigeria, Kenya, Swaziland, Malawi and Ghana. Its headquarters are in South-Africa. It delivers quality medicine and other consumer health products through its agents to 27 other countries including Tanzania, Mozambique, Botswana, Namibia, Zambia, Cote d'Ivoire, Rwanda, Ethiopia, and Uganda (Gama, 2015).

The company services the entire range of healthcare market including hospitals', medical practitioners, pharmacies, doctors, clinics, health stores and wholesalers. In Kenya, IHS entirely owns and operates warehousing operations. It is strategically located in Mlolongo town, Mavoko County and has a pallet storage location of 5,361 ambient pharmaceutical products, 466 cold chain pallet locations and 3,978 consumer product locations.

1.2 Research Problem

There are various organizations that have embraced the CRM concept and have put it into use for their day to day operations. Despite the increased use of the concept, CRM projects have had a higher failure rate due to improper implementation. The most crucial step forward is the conceptualization of CRM as a strategy rather than a solution (Bowersox et al., 2000). According to Edmonds (2011), the challenge in implementing CRM arises from the resistance, poor leadership, inadequate resources and facilities to support the process. For IHS to realize its marketing objectives and overall goals as highlighted in the quality manual, it should consider adopting customer relationship management practices and align them to the organization. The IHS objectives include its endeavors to incessantly meet the requirements of their core contracted and non-contracted clients with regards to warehousing, distribution, and transportation of pharmaceutical products in a bid to attract new customers and market its services, which will lead to an increased customer base and profitability (Gama, 2015).

By analyzing the literature on relationship advertising and different disciplines that add to the CRM, Parvatiyar and Sheth (2001) investigated the foundations of CRM. They talked about its recent unmistakable quality being encouraged by joining various different ideal models of marketing and by corporate activities. Client Relationship Management (CRM) can possibly rise as the overwhelming point of view of advertising and it ought not to be taken as just IT solution. Later Lemon, Barnett, and Winer in 2002 concluded that CRM obligatory in order to maintain and attract new customers. Bogomba (2015) investigated the strategies that the media industry adopt to manage customer relationship management, particularly in Royal Media Services (RMS). The results indicated that RMS uses various strategies in management of quality customer

relationship management. Quality is important in the management of customer relationships. RMS manages customer relationship quality through improving customer driven services through customer feedback, hiring innovative managers and using technology driven services. RMS accrues benefits such as improved customer loyalty, increased customer satisfaction, increased volume of sales, improved corporate image, minimum change resistance from employees and enhanced team spirit among employees.

Thujo et al. (2012) found that the most common practices implemented by commercial banks in Kenya entail focusing on customer contact touch-points, customer information access and customer relationship. The banks moderately implement customer relationship management practices such as customer information analysis, competitor focus and maintaining customer databases. The study results also showed that banks usually derive their reputation mainly from being competitive and ensuring competitive customer value. Customer relationship management has been heralded by some marketing practitioners and academics as the new marketing paradigm (Coltman, 2007).

It is evident from the above studies that efficient customer relationship management can indeed be used as a marketing strategy in different industries. However, there are limited studies specifically focusing the use of CRM as a marketing strategy in the pharmaceutical warehousing and distribution industry. It is on this basis that this study will seek to establish how Imperial Health Sciences can use its customer relationship management as a marketing strategy for its services.

1.3 Research Objective

The objective of this study was to establish how customer relationship management can be used as a marketing strategy in Imperial Health Sciences.

1.4 Value of the Study

The study will greatly benefit the academicians and practitioners as there are limited studies carried out in the field of customer relationship management as a marketing strategy in pharmaceutical warehousing and distribution. This study will thus play an important role in reducing the gap existing in literature. It would also form a basis upon which scholars would base further research on the same. The outcomes would provide the researchers the essential resources that are necessary in future related studies. The study will benefit the customers and supply chain partners of the company in terms of better service delivery from IHS.

The study will greatly benefit the management of Imperial Health Science, as it will give insight on improving its customer relationship management with the ultimate goal of marketing its products and services. The study has identified the factors that determine quality of relationship management and its effect on the customer satisfaction in the pharmaceutical supply chain. The information would translate to increased profits, customer loyalty and competitiveness if the management employs the recommendations of this research project. Consequently, the research findings will be very useful to other the pharmaceutical firms to determine quality customer relationship management and thus improve performance along the supply chain. The policy makers and government agencies would benefit from the knowledge regarding how IHS uses customer relationship management as a marketing strategy to remain competitive. They

would thus be in a position to create policies that are meant to boost productivity and safeguard the consumers' interests and their own depending on quality checks.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter offers an overview of previous studies on marketing strategy and customer relationship management. It presents previous studies related to customer relationship management as a marketing strategy in different sectors in Kenya. It also outlines the theoretical basis of the study.

2.1 Theoretical Foundation

This study is based on the relationship marketing theory (Alexander, 1998) and two factor theory (Elwood, 2013) outlined below.

2.1.1 Relationship Marketing Theory

Relationship marketing theory was proposed by Alexander (1998). The theory argues that relationship marketing is the creation and development of profitable, long-term and interactive relationship with existing and potential customers, suppliers and various interest groups. The three types of relationship advertising to be specific are interaction marketing, database marketing, and network marketing (Mylonakis, 2009). When used for internal marketing, database marketing is the utilization of information technology to increase consumer satisfaction, profits, and loyalty.

However, this study seeks to view only one aspect of relationship marketing; customer relationship marketing. Relationships exist when customers have interactions with the organizations. When taking a gander at bank client retailer financial relationship, relationshipmarketing paradigm considers two things. Firstly, relationship marketing has to be viable and valuable for both organizations and consumers. Secondly, there

has to be an increase in the significance of retailers to enhance and maintain the general connections that currently exist with customers because of the relationship between banks and consumer. Clients are likely communicate with the banks, which fulfill their needs (Mylonakis, 2009).The profitability of a customer will be most prominent amid the later years of the client relationship because of the accompanying three reasons: incremental buys, the increment in price, and diminishing expenses.

2.1.2 Two Factor Theory

According to the two factor theory, customer relationship management occurs, good or bad, whether or not one is aware of it (Elwood, 2013). The implication of this theory is that once product of any kind is sold, customer relationship management is always present; it is always there and it is never optional. Neither supervisors, managers, executives nor any other people or group of persons can avoid customer relationship management. In addition, it continues to have continuing impact on sales, profitability, repeat business, morale, and customer loyalty (Elwood, 2013). Sometimes customer relationship management is a delightful experience that leaves the customers feeling good whereas in other instances, it may leave an unexpectedly negative experience that spoils the customers' day. According to the two factor theory, customer relationship management is the golden opportunity for out running, out maneuvering, out serving, and outperforming the competition (Elwood, 2013).

According to the two factor theory, each and every business offers a minimum of two products (Elwood, 2013). First, the main product or an array of products that ranges from concrete and intangible things to abstract and intangible things. These key products are deliverable and they go directly to the customers. Secondly, the customer

relationship management product which is almost entirely abstract and intangible. In addition, the theory states that a customer relationship management event takes place every time customers exchange money for key products. In addition, it happens again every time after that when there is customer-provider contact to deal with any issue regarding the main products or regarding the customer service product whether or not more money was exchanged.

2.2 Empirical Studies of Customer Relationship Management as a Marketing Strategy

Customer relationship management has been heralded by some marketing practitioners and academics as the new marketing paradigm (Coltman, 2007). It is also referred as relationship marketing or customer service. Marketers are increasingly placing increased strategic emphasis on the need to build relationship with customers. Current literature on marketing practice and theory acknowledges the increasing need to design customer-centric processes and approaches by companies in order to benefit from the lifetime value of consumers (Ramani & Kumar, 2008; Jain, Jain, & Upinder, 2007; Coltman, 2007).

Thuo et al. (2012) found that the most common practices implemented by commercial banks in Kenya entail focusing on customer contact touch-points, customer information access and customer relationship. The banks moderately implement customer relationship management practices such as customer information analysis, competitor focus and maintaining customer databases. The study results also showed that banks usually derive their reputation mainly from being competitive and ensuring competitive customer value.

Owino (2013) investigated the impact of quality customer relationship management and company image on satisfaction among Kenyan university students. The author found a statistically significant connection between quality customer relationship management and customer satisfaction. There was also a statistically significant association between company image and service quality. In addition, the findings further revealed that there is a statistically significant connection between company image and customer satisfaction. Company image partially mediates the link between customer satisfaction and service quality. Mboga (2013) argued that companies need to implement measures for continuously improving their service delivery in order to remain competitive. Mboga recommended that KPLC implements measures for improving the quality of CRM. They propose that KPLC provide friendly, efficient and quick service, handle customers' complaints courteously and efficiently, build a good relationship with customers. They confirmed that a significant relationship between the customer service quality and marketing strategies exists.

Murambi and Bwisa (2014) studied the connection between customer satisfaction and service quality in the Kenyan transport sector. They found that clear information, punctuality, travel time, good employee behavior and guaranteed board security are some of the factors that lead shuttle transport to attract and satisfy customers. Customer attraction for the shuttle transport arises from the frequency of departure since most of the travelers are time-conscious. The authors proposed that service providers undertake constant need assessment to offer the important aspects that meet customer needs. In doing so, they are able to ensure customers have an overall superior impression of an organization and its services.

Customer perception of a company is influenced by numerous factors including quality of service, pricing, employee performance and facilities among other factors (Shaw & Haynes, 2004). The service quality perceived by customers is not usually necessarily the same as the quality of service that businesses actually deliver. Quality of service delivered is not akin to customer satisfaction; however, customers derive satisfaction from the perceived service quality. Customer needs, market communications, word of mouth, and customer learning influence expectations (Gronroos, 2000). Customers compare apparent service quality and expected service quality. Perceived service quality largely impacts customer loyalty and retention (Gray & Boshoff, 2004). Irvin and Dickson (2004) noted that profitability increases once service quality increases. Organizations' can achieve significant growth through perceived service quality. Service quality is an imperative dynamic in enabling companies to realize disparity advantage over their competitors and hence it greatly contributes to productivity and profitability. The mutual exchange as well as promise fulfillment between service providers and customers is a key construct in ensuring customer satisfaction and loyalty during service delivery services.

By analyzing the literature on relationship advertising and different disciplines that add to the Client Relationship Management (CRM), Parvatiyar and Sheth (2001) investigated the foundations of CRM. Parvatiyar and Sheth talked about CRM's recent unmistakable quality being encouraged by joining various other marketing paradigms and by corporate activities. Client Relationship Management (CRM) can possibly rise as the overwhelming point of view of advertising and it ought not to be taken as just IT solution.

Lemon, Barnett, and Winer in 2002 later made the conclusion that CRM is critical for gaining and maintaining clients. It is imperative to take into consideration the anticipated customer regret and forward-looking model for retaining clients that fuse both the expected customers' regret decisions and expected future use to build on. The conclusion by Malhotra and Mukherjee in 2003 was that the three constituents of service quality (affective, continuance and normative) in banks are similarly vital to keep up relationships with the clients. Further, the research reveals that affective as well as continuance commitment prompt service quality in the bank offices, whereas just affective commitment possesses a critical association with service quality in call centers. According to Panda (2003), CRM originated in the major marketing model, which is to fulfill clients with the most ideal option in the market through a relational exchange process. Such a process is only possible by integrating four essential parts; individuals, processes, technology and data. It was likewise advanced that CRM is additionally enhancing client lifetime value.

According to Berndt, Herbst, and Roux (2005), relationship management and customer service, in particular, are critical in the attainment of a sustainable competitive advantage in the marketplace. The focus of the paper was to address the implementation of a one-to-one program within a developing economy. Around the same time, in 2005, Lind-green discussed CRM through the adoption of a case study and directed a study that one European bank recently composed and executed. In doing as such, the article adds observational proof to what constitutes great CRM practice. Also, the study uncovered the numerous challenges that faced the bank in relation to how clients can be reached and how to change their behavior towards the distribution networks. In this

setting, the author does not aim for a completely formalized conclusion. In the year 2005, Payne and Frow developed a CRM conceptual framework designed at helping to expand the comprehension of CRM and its role in improving consumer value and as an extension shareholder value. Payne and Frow identified five major cross-functional CRM processes; a value creation process, a strategy advancement procedure, a multi-channel integration process, a process for managing information, and finally a process for assessing performance. The research by Payne and Frow gave a better understanding of the advancement and execution or implementation of CRM systems/strategies.

2.3 Summary of Empirical Studies and Knowledge gaps

Arising from the foregoing review of studies, mixed findings on the effects of customer relations management as a marketing strategy on competitive advantage have been ascertained. Research study by Thuo et al., (2012) found that the most common practices implemented by commercial banks in Kenya entail focusing on customer contact touch-points, customer information access and customer relationship. The banks moderately implement customer relationship management practices such as customer information analysis, competitor focus and maintaining customer databases.

Coltman, (2007) on the other hand studied customer relationship management as a marketing strategy and found that CRM does have an effect on competitive advantage, but the effect is not a direct result of CRM alone, other factors such as technology have to be accounted for. Bogomba (2015) investigated the strategies that the media industry adopt to manage customer relationship management, particularly in Royal Media Services (RMS). The results indicated that RMS uses various strategies in management of quality customer relationship management.

These studies have not tested the causal linkages of all the customer relations management indicators such as market orientation, information technology and relations marketing. Little has been shown on the influence of customer relations management as a marketing strategy on competitive advantage within the pharmaceutical distribution industry. The literature review has indicated little evidence of empirical research on competitive advantage is gained through customer relations management as a marketing strategy in Kenya and by extension Africa. This study will address the identified gaps by investigating the effect of the customer relations management as a marketing strategy on gaining competitive advantage in Imperial Health Sciences in Kenya.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter covers the procedure that was followed in carrying out this study. It identifies and describes the research process that was followed in collection, processing and analyzing data. The chapter is structured into research design, data collection and data analysis.

3.2 Research Design

This being a case study aimed at establishing how customer relationship management was used as a marketing strategy in IHS. Case study design was appropriate because the researcher was able to carry out comprehensive and thorough examination of the strategy implementation challenges this particular organization was experiencing. Case study method was a technique in depth rather than breadth. It was chosen as it emphasizes complete investigation of limited number of conditions and events and their interrelationship. It was in effect an exhaustive exploration of the specific variables under study. The object of the case study methodology was to locate the aspects that justify the behavior nature of the specified unit as an incorporated entirety (Kothari, 2004).

According to Githui (2006) case study was “a comprehensive study of a social unit which could be a person, a group, a social institution, a district or community.” Case study method was a fairly exhaustive study by which an institution or group was examined in its connection to any other in the cluster (Mugenda & Mugenda, 2003). Other researchers who have used case study method in the past are (Muthuiya, 2005), on strategy execution and its challenges in nongovernmental organizations in Kenyan

case study of AMREF, challenges of strategy implementation at Kenya Industrial Estates (Nguma, 2006), (Githui, 2006) challenges of strategy implementation in the scripture union of Kenya.

3.3 Data Collection

Primary data and secondary data were utilized to collect the relevant data for the study. For Primary data an interview guide was used which was divided in to two parts, section A to cater for personal information and section B to address customer relationship management in IHS. Part B consisted of open ended questions. Structured interviews allow more express comparing of responses, question inconsistency has been done away with and thus answer inconsistency was supposed to be valid. Furthermore, in the structured interview, neutrality of the interviewer's would be upheld (Cooper & Schindler, 2006).

The researcher interviewed 6 key managers selected from HIS' key clients and customers. These included pharmaceutical companies namely, GlaxoSmithKline, Adcock Ingram, Astellas, and Key distributors in the industry including, Eldohosp, Laborex, and Rangechem. The choice of key managers was informed by their contribution to volume of sales and their interaction with different pharmaceutical suppliers for their goods.

3.4 Data Analysis

Data analysis has numerous approaches and facets and includes varied methods under varied names, in diverse social, science and business domains (Kothari, 2004). The first step in this stage is to edit collected data to detect, correct omissions and errors where

possible, this will guarantee consistency, uniformity, completeness and accuracy while at the same ensuring maximum data quality standards is achieved. Content analysis was employed in this study to analyze data collected from the interview guide. . It is “a research technique for the objective, Systematic, and quantitative description of the manifest content of a communication”. Content analysis safeguards against discriminatory insight of the content, allows thorough application of validity and reliability criterion, and it is agreeable to computerization (Cooper & Schindler, 2006). This allowed analytical understanding of meaning from respondents’ information and other documented materials on strategy implementation.

This technique allows interpretation of data collected was obtained and related to objective of the study. Qualitative data collected required analytical understanding rendering the content analysis the most suitable. It has been used previously by (Koskei, 2003), (Ateng, 2007 and (Omollo, 2007).

CHAPTER FOUR: DATA ANALYSIS, DISCUSSION AND INTERPRETATION

4.1 Introduction

The purpose for this study was to establish how customer relationship management can be used as a marketing strategy in Imperial Health Sciences in Kenya. Data analysis results are presented and key research findings for each specific objective as stated in each section discussed. The respondents include persons who are participating in the operations of IHS in Kenya.

A successful interview was held with 6 key respondents from the key senior managers of the six companies that closely interact with IHS in Kenya. Various questions were posed to the respondent in relation to the study objectives. The researcher was able to interview the intended people whose response helped to achieve the study objectives.

4.2 Response Rate

This is the percentage of the questionnaires that were administered and successfully returned to the researcher and which were deemed well completed for the sake of analysis. In this study, 6 questionnaires were issued to the key managers, out of which, 6 were returned giving a return rate of 100%. A response 50% rate is considered sufficient for reporting and analysis, however, a 60% response rate is good whereas a response rate over 70% is very good (Mugenda & Mugenda, 2003).

In this respect, the study's instrument return rate was excellent. This was attributed to the fact that the researcher was well versed with the operations of the corporation and the top management's keen interest in research. The researcher closely followed up and collected back the questionnaires within short span of time. The researcher stressed to the research participants the need to complete the questionnaire as required, and helping some in filling the questionnaire in cases of either various forms of incapacities' or commitment

4.3 Demographic attributes of research participants

This section features the respondent's demographic features that were deemed important to the study. Such demographic aspects included education level, the period of service and the duration of service at the current designation. The demographic aspects of respondents were deemed relevant to the study due to the fact that disparities on such aspects would portray dissimilar outlooks towards customer relationship management.

4.3.1 Respondents level of education

The researcher anticipated that the education level would considerably impact individual employee's dedication to job performance, having been conditioned by strong expert codes and ethics of conducts governing all professional engagements. In view of that, the respondents were required to fill the questionnaire indicating their education level and Table 4.1 displays their responses.

Table 4.1: Level of Education of respondents

Years of service	Frequency	Percentage
Degree	3	50
MBA/MSc	2	33
PhD	1	17
Total	6	100

Source: Primary data. 2016

Reflected in table 4.1 is that, the average level of education of respondents involved in the research are bachelor's degree holders. As expected, the highest cohort of education level of respondents are degree holders (50%), followed by masters holders (33%) and the lowest percentage in this respect are those holding PhD degrees (17%).

4.3.2 Characteristics of Respondents by Duration of Service

The researcher presumed that the duration of time served in employment would influence level of knowledge on the subject of customer relations management strategy. In this respect, employees with few years of service tend to exhibit little understanding of CRM as opposed to those with many years of experience. In view of this, the respondents were asked to fill the questionnaire indicating their years of service and their responses were as indicated in table 4.2 below.

Table 4.2: Years of Service in Company

	Years of Service	Frequency
1 years to 3 years	4	67%
3 years and above	2	33%
	6	100%

Source: Primary data. 2016

One of the interviewees was in the current position for two years and five months. The other participant was in the current position for one year and 7months. 4 senior managers and operations managers were in their current position for more than three years. Only one senior manager was in the current position for 2 years.

4.3.3 Characteristics of Respondents by years of Service in the current designation

The researcher anticipated that the years of service in the current designation would significantly influence individual respondent's view and understanding of how CRM would impact on marketing strategy. Accordingly, the respondents were asked indicate their years of service in the current position and Table 4.3 illustrates their responses.

Table 4.3: Position held in the Companies

	Frequency	Percentage
Directors	1	17%
Senior Managers	1	17%
Operations/Sales Managers	4	66%
	6	100%

Source: Field data. 2016

Implied by the statistics in Table 4.3 is that most of the respondents (66%) hold positions of Operations and Sales managers. 17% of the total respondents hold positions of directors and Senior managers respectively.

4.4 Customer Relationship Management

Customer focus and relationship management are considered essential marketing and business viewpoint for numerous businesses seeking competitiveness. Establishing, retaining and improving customer relationships have always been important facet of business. On the basis of this assertion, the researcher set out to establish the essence of CRM as a marketing strategy in Imperial Health Sciences. In this respect, responses were sought on various parameters on CRM. The findings are discussed below.

4.4.1 Effectiveness of CRM Practices and Strategies at IHS

The adoption of CRM practices has the potential to enhance the ability for IHS to influence and contribute positively to the antecedents and factors affecting trust, commitment and communication quality while helping to initiate, develop and sustain customer relationships. One respondent rated the practices as average, four of them

noted that the practices were above average and one rated the practices as below average. The respondents who noted that the practices were below average gave the implication that CRM implementation in IHS has room for improvement. They noted that the CRM strategies are not 100% customer centric and thus need to be improved. He also stated that IHS needs to cultivate strong relationships with its customers in a meaningful and innovative way.

Most respondents rated the practices as above average and noted that IHS practices were geared to build and drive better relationships with customers. They however, noted that such practices should leverage to enhance customer satisfaction and provide competitive edge in the industry.

4.4 .2 Effectiveness of CRM Technologies in IHS

Effective technology adoption reveals the readiness of users to accept and employ IT technology completely in their setting. Even though not precise to CRM technology implementation, the technology acceptance model is extensively used to look into and measure the reception and approval of computer applications and technology within companies. CRM technology provides the opening to put in client value (and perceived usefulness) through the knowledge management abilities.

Respondents rated the practices of effective CRM technologies as average and some noted that the practices are above average but the utilization of the CRM system was below average. Those respondents who noted that the practices were below average gave the implication that CRM technologies employed in IHS can be utilized more effectively. They also stated that IHS needs to cultivate strong relationships with its

customers to expose and synchronize CRM technology in use with its key customers and clients to provide real time information.

Three respondents rated the practices as above average, and noted that IHS customer relations management technologies are able to provide them with information from its platform. The technology provided an interactive platform to access data, place and track orders as and when required. Feedback on orders and complaints is also provided via the same system. To these respondents CRM system at IHS was effective and in use for their daily operations.

The study revealed that opting for functionality and implementing CRM technology with current systems lead to two of the most complex and costly actions and has contributed to apparent CRM disappointment and user dissatisfaction in IHS. The study further found out that CRM users need to categorise functionality in terms of Customer Service Functions, Marketing Automation, Collaborative Communication, and Sales Force Automation.

4.4.3 Effective CRM areas and ways of improving

The interviewees were asked to note CRM areas that delight them and ways of improving them. Ease of access to information delighted all the interviewees. Two of the interviewees were happy with the customer engagement practices and customer focused programs in place. The improvement suggestions included increased utilization of CRM technologies, increasing dialogue, getting more personal with customers, customer engagement programs, and improving access to information through proper training and exposure to the same. One of the interviewees argued that in dealing with

IHS, their company was delighted by ease of access to information. He further noted that it can be heightened by proactively promoting clients to utilize functionalities and data at their disposal for optimal deployment. The interviewee also noted the need to ensure all employees in the different departments are in sync on technical expertise, communication and understanding of client's micro and macro environments.

One of the respondents noted that IHS CRM strategies are can be improved through the use of available multi marketing channels. The need for IHS to improve the satisfaction and quality of customer relationships was also emphasized as the interviewee termed it as a win/win for both IHS and the customer.

4.4.4 IHS Role in Meeting Customers Objectives

CRM and customer support involves a high degree of information and data management entailing a balance between computer-based and human knowledge. Knowledge management capabilities in IHS was found to be one of two important aspects influencing CRM impact while work indicated an occasion for marketing departments to team up to put up knowledge management systems alongside CRM systems to assist develop sustainable competitive advantage.

The research respondents were asked about how IHS enables their company to meet their objectives. There were various responses that were highlighted by the respondents. They highlighted the role of IHS in meeting their objectives as follows; the IHS efficient communication, on time response to customer's enquiries, complaint resolution, order placement and tracking, dialogue with customers has met their need. In addition, the compelling, unique and adoptable responses to customer complaints,

the tracking of deliveries ensuring that it is on time and in full, coupled with the deliberate reaching out to customers to inform them on new promotions and products, has played a big role in achieving objectives.

4.4.5 CRM Practices that IHS Can Borrow From Other Companies

The interviewees were asked to identify the CRM practices that IHS can borrow from their organizations. The responses included more personalization and customization by endeavoring to understand their customers need and use that insight to execute their daily operations, employing new CRM technologies, integrating customers' strategies in their objectives, defining and mapping customer data, increasing customer contact points, visits and frequent business review and key performance Indicators trending and tracking.

One of the respondents argued that IHS can proactively endeavor to know more regarding its clients and utilize such knowledge to talk, interact and engage them more often and more significantly in innovative and new approaches. Proactive interactions would enable IHS to establish their customers' weak points and needy areas and therefore offer their expertise to their clients' challenges.

4.4.6 CRM Practices used as a Marketing Strategy

The interviewees were also asked about the CRM practices that their companies use to market themselves. The practices included using new and updated channels as a means of more personalized customer communications, use of social media and smart devices to personal approach, promotions, standardizing decentralized processes that hinder customer relationships, and setting a goal and vision for the CRM program. The

interviewees noted that they are increasingly using social media tools to interact with their clients and other organizations. One of the interviewee argued that social media offers a form of communication that is quite different and important in comparison to the traditional channels.

Companies need to consider the opportunity it offers for engaging customers. Social media tools enable company to gather feedback on products and company policies according to one of the interviewees. Furthermore, through social media sites and e-mails, companies are able to engage customers in product knowledge, planning and design. Another interviewee noted that communicating organization updates through Websites, Twitter and Facebook provides a platform that reaches a wide and platform in comparison to individuals in an easier that also allows the target audience to enquire more information and get feedback in an interactive manner that they are comfortable with and accustomed to.

Regarding the social vision for the CRM program, an interviewee noted that a vision should paint a picture that clearly exemplify where the company the goal of its CRM program. This helps the company to stay focused and to take small steps to steer it towards its goals. Creating a CRM vision defines a vision for CRM and summarizes important challenges and steps in creating it. Another interviews noted that a successful CRM program offers a platform that assists companies in continuously improving and refining the manner in which it acquire and services clients. Furthermore, the program enables a continuous evolution and examination of customer interactions to offer better customer experiences and assist the organization in achieving its customer related objectives.

Clear leadership in CRM implementation and engaging the employees is important according to one of the interviewees. One of the interviewees noted that their company tries to reach as many clients as they can instead of letting the distributors do it as it is widely known that customers' buying experience depends on how the consumers perceive the treatment.

One of the interviewees stated that IHS could upscale on multi-channel marketing which is the capability to intermingle with prospective customers on different platforms. In light of this, a channel may be a products package, promotional event, website, retail location or even word of mouth.

4.4.7 Engagement Forums for Marketing Products and Services in HIS

The researcher also asked the interviewees to note down the forums of engagement that IHS could engage with relevant stakeholders to market its product and services. Some of the responses included Kenya Pharmaceutical Association, Pharmaceutical Society of Kenya, Kenya Association of Pharmaceutical Industries, Kenya Health Care Federation and Kenya Medical Association.

The interviewees also felt engaging customers in co-creating products, facilitating internship or industrial experience in universities, social media sites, newsgroup where people exchange ideas, corporate social responsibilities, online forum users, and company websites are forums that IHS can engage in. One of the interviewees noted that their company promotes capacity building at the formative stages in the Universities and contribute in their curricula and facilitate internship or industrial experience that is part of the courses. Majority of the interviews also noted that IHS could utilize CRM to market itself in the Industry through commercially rewarding their

clients and ensuring they always have value for money as well as offering expertise to their customers in areas of transportation and warehousing of pharmaceuticals.

4.4.8 How can customers assist IHS in her marketing efforts?

The customer's decision to initiate and continue a relationship impacts the improvement of the association, and scholars have shown it moderates the effect of relationship investment and the successive upshots. This study has established that the customer's relationship strategy plays an important part in developing and maintaining relationships. For instance, some clients viewed short-term associations beneficial and would pursue short-range benefits. Also, customers with a positive relationship orientation might be more willing to see relationship performance in a positive way, or otherwise imprint precise prospects on what relationship should involve.

Interviewees felt that clients and customers can assist IHS market itself through referrals, sharing information with IHS on upcoming events and conferences, practicing joint visits to clients and business partners. Engaging in joint ventures with its clients and customers to undertake corporate social responsibility activity launches as well as sponsoring conferences.

4.4.9 Challenges in utilization of CRM as a Marketing Strategy

Some of the challenges noted by interviewees that could impede proper utilization of CRM as a marketing strategy is lack of staff motivation to use CRM, unclear departmental and business goals intended to be achieved via CRM, lack of proper change management, business processes challenges, different system integration challenges, customization and proper implementation and utilization.

Other challenges also include insufficient training that limits optimal utilization of the available CRM technology and practices within the business, limited business cohesion, poor data conversion, maintaining the uniqueness and data consistency as well as upgrading their current systems.

4.5 Discussions

The study outcomes suggest that top management of IHS need to appreciate the role of CRM as a marketing strategy and its link to general performance. Specifically, CRM practices need to be enhanced or otherwise changed so that they become more acceptable. These outcomes are consistent with the postulations of Panda (2013). The key finding is that adoption of CRM directly and positively impacts the strength of customer relationship. Also, empirical studies substantiate that the market orientation of companies work through CRM to positively impact the strength and performance of a relationship.

The results of this study clearly indicate that CRM as a marketing strategy greatly impact on the operations of IHS. The most significant aspect that predict CRM adoption in a company should be market oriented. The market orientation of a company positively determines worker adoption of CRM. This finding offers empirical confirmation for customer relationship management literature where market orientation is conceptualized as a factor playing a key role in accomplishment of CRM strategy realization.

If a firm has great market orientation levels, then consequently it has greater implementation of CRM approach (Ferrell & Pride, 2016). These outcome supports the position that market oriented companies, and their workers, are more apt to distinguish and implement the innate market orientation gains of CRM strategy such as; intelligence dissemination, intelligence generation, and receptiveness in the CRM strategy structure (Olson & Peter, 2010). The inference is that companies with limited market orientation may not realize the full relationship worth from implementing CRM tactic. The finding emphasizes the significance of market orientation as an important aspect in successful execution and taking on of CRM marketing strategies. Also, it demonstrates that CRM marketing strategy adoption by a company can afford worth to customer relationships. In addition, correct implementation of CRM marketing strategy improves customer relationships.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study as guided by the specific objectives, conclusions and recommendations for action and future research direction.

5.2 Summary of Findings

Based on the information gathered from 6 IHS clients and distributors, it was evident that the company has implemented various strategies for maintaining good customer relationships with clients' and customers. The implemented CRM strategies in place are meant to make the company customer focused, friendly, with ease of use in a bid to meet customer needs and wants. Customer satisfaction as a result of CRM strategies at IHS was found to be positive. However there were some suggestions that highlight room for improvement.

The interviewees identified the different CRM strategies that IHS practices to meet the customers and clients objectives. They include; ease of access to information, customer engagement and customer focused programs that continue to delight them.

Nonetheless, one of the interviewees stated that IHS does not fully explore its CRM strategies and technologies to market itself. They argued that the company needs to interact more, engage and expose its customers and clients to their CRM technologies and strategies to optimal utilization.

The current CRM technologies were regarded as average by one of interview, who proposed that IHS should consider exploring different multi marketing channels to market its service. Such channel would allow the business to advertise itself and interrelate with more customers and clients. All interviewees were pleased about the company's ease of access to information, customer engagement and customer focused programs. They suggested that the company can engage them through more utilization of their current CRM technologies to increase dialogue, pursue personalized customer service by using the customer engagement programs.

5.3 Conclusions

The results showed that greater CRM marketing strategy adoption improves relationship and organizational performance. Logically, the management orientation level in IHS positively impacts CRM strategy implementation. This shows that firms that embrace CRM as part of their company plan more profitably implement and gain more from marketing strategy.

In conclusion, the responses obtained from the interviewees show that CRM ensures continuous patronage of clients' products and services. It is thus important to deduce that CRM has had a positive impact on the performance of IHS. The good will of customers and clients to undertake business with the corporation shows their readiness to recommend the business to others. IHS can use CRM to achieve its marketing strategies of boosting of its customer base and meeting its client's objectives. The findings are in line with study of Obonyo & Kibera (2011) that highlighted organizational factors as having a positive impact on the relationship between market productivity and CRM practices, thereby directly influencing the competitiveness of an organization.

5.4 Implications of the Research Findings

Not only does customer relations management adoption offer a means of market orientation to affect the strength and performance of the relationship, CRM as well foresees the strength itself. This implies that the realms of CRM's application offer significant information as well as processes, which promote relationship building via dependence and communications. Thus, customer relationship orientation does not seem to control the influence that CRM has on the strength and performance of relationships. Despite the fact that the exploratory phase revealed that some clients have anticipations from the implementation of CRM, the results from survey depict that any of this kind of anticipation does not add much value in moderating the customer relationship orientation influence on competitive advantage.

CRM as a marketing strategy has been demonstrated to positively affect competitive advantage of Imperial Health Sciences in Kenya. The study has revealed that relational information processes have a positive influence on the customer relationship management. This research expands the previous knowledge and shows that the applications in CRM knowledge management and significant information aspects are vital to the CRM users. Moreover, the study has also offered empirical support to the study by Jayachandran et al. (2005) whose qualitative findings reveal that communications via customer relationship strength in this study plays a significant purpose in enhancing competitive advantage. The present research reveals that knowledge management is a critical factor in CRM strategy. This outcome supports an advancing consensus, which holds that CRM is a competitive advantage for firms that can manage to tap into the clientele and competitor data, analyses the data, utilize it and publish this knowledge aptly in the organization.

5.5 Limitations of the Study

The study focused on establishing the role customer relations management plays as a marketing strategy in Imperial Health Sciences in Kenya. Evidently, a study of this caliber ought to analyze many firms to get a clear picture of the situation. However, this was unfeasible because of limited time and material resources; for this reason, the study focused on Imperial Health Sciences.

This study was centered on only a snapshot in time to access the relationship between the CRM as a marketing strategy and competitive advantage and offer a number of general principles. CRM is a developing process in which case certain identified variables; for instance, market orientation or customer satisfaction may be anticipated to evolve over time and differ across organizations. Notably, CRM is a dynamic phenomenon; consequently, a longitudinal design would offer extra gains; monitoring the execution of the CRM strategy for some time could test and improve our comprehension of how CRM marketing strategy influences competitive advantage.

5.6 Suggestions for Future Studies

As usual, research triggers other questions and areas of interest. Arising from the research, research approach investigating CRM technology adoption and the link to organizational competitive advantage is highly recommended. It is recommended to measure CRM for the supplier as well as customer sides. This study tried to offer generalizable results through aggregating many responses; nevertheless, CRM strategy adoption as well as relationship market orientation might possess differential influence because of type of industry the researcher is studying.

A small number of interviewees participated in the current study implying that different results may emerge if a bigger group of respondents were involved in a similar undertaking. Research in this field, encompassing the influence of CRM implied as well as explicit promises on relationships, might be a fruitful area of study.

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APPENDICES

Appendix I: Company and interviewees Position

Company	Position of interviewee	Frequency
Glaxo Smithkline	Senior Manager	1
Astellas	Operations Manager	1
Adcock Ingram	Director	1
Laborex	Senior Manager	1
Rangechem	Operations Manager	1
Eldohosp	Senior Manager	1
		6

Appendix II: Interview Guide (Sample from one Interviewee)

Goal of the Interview Process

To establish how IHS can utilize customer relationship management (an approach to managing a company's interaction with current and potential future customers) as a marketing strategy.

SECTION A: Background Information

1. Which company do you work for?
3. What is your designation?
4. What is your highest level of education?
5. How long have you worked for this organization?
6. How long have you worked in your current position?

SECTION B: Customer Relationship Management (CRM) as a marketing Strategy for IHS.

1. Do you consider CRM practices and strategies at IHS effective?
2. Do you consider CRM technologies used to analyze data at IHS effective?
3. Which areas delight you and how can they be heightened?
4. What are the areas of improvement?
5. How can IHS enable you to meet your objectives?

6. Which CRM practices a can IHS borrow from your organization?
7. How has your organization utilized CRM to market itself?
8. Which forums of engagement can IHS participate in to market its products and service?
9. How can IHS utilize CRM to market itself in the Industry?
10. How can the client / customer assist IHS to market itself?
11. What challenges have you encountered in the utilization of CRM as a marketing strategy?

Thank You for Your Time.