THE INFLUENCE OF RELATIONSHIP MARKETING ON SALES PERFORMANCE IN THE TELECOMMUNICATION INDUSTRY IN KENYA

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DECLARATION

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

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

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DEDICATION

This work is dedicated to my family members, my colleagues and friends who offered me moral and financial support throughout the process of conducting this study. God bless you abundantly.

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LIST OF ABBREVIATIONS

CAK	Communications Authority of Kenya
GSM	Global System for Mobile Communications
IMP	Industrial Marketing and Purchasing Group
ITU	International Telecommunications Union

ABSTRACT

The general objective of the study is to establish the influence of relationship marketing on sales performance in the telecommunication industry in Kenya. The specifically the study sought to determine the influence of interactive communication on sales performance in the telecommunication industry and to examine the influence of customer experience on sales performance in the telecommunication industry. The study used descriptive research design in form of cross sectional survey. The population of interest of this study was the telecommunication firms in Kenya. The study sampled a total of 80 respondents through stratified and random sampling from the three categories of telecommunication firms. The sample was equal to 20% of the entire population. The study used both secondary data from the firm's published financial reports and websites and primary data collected using questionnaire. Descriptive analysis was employed; this included the use of weighted means, standard deviation, relative frequencies and percentages. The data was coded to enable the responses to be grouped into various categories. Descriptive statistics was used to summarize the data. This included percentages and frequencies, tables and other graphical presentations as appropriate to present the data collected for ease of understanding and analysis. Regression analysis used to establish the relationship between the study variables. The study found that interactive communication influences the relationship marketing on sales performance in the telecommunication industry in Kenya. The study revealed that established that customer experience influences the relationship marketing on sales performance in the telecommunication industry in Kenya. The study established that sales performance influences the relationship marketing on in the telecommunication industry in Kenya. The management recommended the establishment of an interactive communication between the customer and the company itself which will in turn help in being effective in achieving final purchase. The management also recommended the building of the customer and company relationship which will help the company to identify what customers want and provide that value in a product. The management also recommended that the company use integrated marketing communication approach, which will in turn help to alleviate miscommunication and confusion. Telecom companies in Kenya should ensure that customers' satisfaction is met at any given time to maintain their customer base. The study recommended that the management the establishment of an interactive communication between the customer and the company itself which will in turn help in being effective in achieving final purchase. There is need for the to help in building customer and company relationship which will help the company to identify what customers want and provide that value in a product. The study recommended that the company use integrated marketing communication approach, which will in turn help to alleviate miscommunication and confusion. Telecom companies in Kenya should ensure that customers' satisfaction is met at any given time to maintain their customer base. The management should encourage retention of customers and increase profitability of the organization, Telecommunication companies should ensure that they respond to customer need swiftly

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Relationship Marketing (RM) is a new paradigm that propounds ways to maximize organizational profitability in the emerging liberalized markets (Duncombe & Heeks, 2005). The term relationship marketing emphasizes trust, commitment and social norms. The key structural issue in relationship marketing stems from its raison: exchanging resources to provide mutual benefits and thus achieve mutual goals. This differentiates it from the conventional view of marketing offered by the American Marketing Association (1985) which involves the integrated analysis, planning and control of the marketing mix variables like product, price, promotion, and distribution to create exchange and satisfy both individual and organisational objectives.

Achieving greater sales performance is of great importance to sales and finance managers. In today's business environment, organizations must rely on accurate data to make key sales performance decisions, and avoid the risk of being overtaken by the competition. One leading industry analyst estimates that companies may experience as much as 10 percent in lost revenue from misaligned territories, quotas and sales plans. Sales performance is used to determine the ability of a sales person to close the deal with the company and meet set performance goals as outlined by the company. Sales performance can also indicate the rate of customer loyalty to the business or a specific employee. Loyal customers can automatically enhance the sales performance of a business. Customer loyalty refers to customers who regularly purchase products from the business and refer other customers to the store.

Relationship marketing is about mutuality in the sense that it is an approach that is perceived as benefiting both to the buyer and the seller (Berry, 1995). Information technology is deployed to improve communication between the supplier and the buyer. Information technology can also be used to reduce the number and frequency of service errors and breakdowns. Extra value is included so that the core service offering is improved and increased personalization can result (Berry, 1995). Marketers do and will continue to think in terms of providing benefits to customers and this means that companies will remain customer-focused. Marketers will be market-driven, and will seek to deliver better value and higher levels of customer satisfaction than previously (Achrol & Kotler, 1999).

The relationship marketing perspective is based on the notion that on top of the value of products and/or services that are exchanged, the existence of a relationship between two parties creates additional value for the customer and also for the supplier or service provider (Grönroos, 2000b). An on-going relationship may offer the customer security, a feeling of control, a sense of trust, minimized purchasing risks, and in the final analysis reduced costs of being a customer.

Arndt (1979) observed a tendency of doing business in the form of long-term relationships, which he labeled “domesticated markets”. Arndt (1979) concluded that both business markets and consumer markets benefit from attention to conditions that foster relational bonds leading to reliable repeat business. Levitt (1983a) used a marriage analogy in noting that the sale merely consummates the courtship how good the marriage is depending on how well the relationship is managed by the seller. A shift of focus in marketing decision making from the transaction toward a process where a relationship is built and maintained has important effects on central marketing areas, such as organization planning, organizational development and the measurement of success in the marketplace (Brodie, Duncombe & Heeks, 1997).

1.1.1 Concept of Relationship Marketing

Relationship marketing has its origins in four main bodies of ideas active in the marketing profession. The first one is business-to-business marketing and specially the work of the Industrial Marketing and Purchasing Group (IMP), stressed the importance of relationships in the interaction between buying and selling companies (Ford, 1990; Ford *et al.,* 2002). The second one is services marketing, with its emphasis on the intangibility of the offer and the importance it pays to service encounters at the moment when the actual brand performance is confronted with the expectations of its customers (Grönroos, 1990a; Grönroos, 2000).

The third one is total quality management, starting with the evaluation of non-quality costs and going on to the systematic identification of the main causes of customer dissatisfaction (Parasuraman, Zeithaml and Berry, 1985; Crosby, Evans and Cowles, 1990; Reichheld and Sasser, 1990). Finally, the fourth one is the old tradition of direct marketing with its insistence on the need for a personal relationship with each individual customer based on the understanding of his real value to the company (Wunderman, 1996).

In spite of the increasing acceptance of its basic concepts and of the growing interest that they have awakened in both business and academic circles, some skepticism has been voiced concerning the real effectiveness of relationship marketing (Fournier, Dobscha and Mick, 1998). The most serious criticisms being those that question the specific ways in which these strategies can (or cannot) influence the buying behavior of the consumers involved in this type of initiatives (Dowling, 2002). Relationship marketing can achieve many goals, but it comes at a price. If a firm wants its customers to buy more from it and to actively prefer its business over others, it has to convince them that it cares about them (De Kare-Silver, 2000). Relationship marketing presumes that there is or there should be a relationship between company and its customers that extends beyond the simple commercial transaction. That relationship starts with the merchant communicating clearly to the customer. Relationship marketing can take many forms, but it is the backbone of the many of the most successful companies (Wunderman, 1996).

As the process becomes important for the customer, the outcome becomes better for the organization, for example in the form of goods and equipment, the nature of the product concept changes; the product as the outcome of a production process is basically a transaction-oriented construct. In a relationship marketing perspective, physical goods and equipment (products) become a part of the process together with other elements such as a host of services. In the best case, these services enhance the value of the products as with just-in-time deliveries, prompt service, maintenance, customer oriented and timely service recovery. In the worst case, for example with delays in deliveries, unsuccessful maintenance and unclear documentation about the use of equipment that has been bought; they damage or altogether destroy their value (Grönroos, 1999).

1.1.2 Sales Performance

Blinder (1993) proposes a hypothesis in which sales/revenue maximizes dominance. Blinder (1993) states that firms could seek to maximize revenue/sales, market growth, market share or their employees' welfare instead of profit. A sales/revenue maximizing strategy enables firms to produce more output than firms adopting a profit-maximizing strategy. Blinder (1993) concludes that as long as it possesses a secure source of capital, a revenue maximizer is at a distinct advantage when competing with a profit maximizer. He also states that the sales/revenue maximizer seems likely to drive its profit-maximizing rivals out of business if either average cost is declining or learning is a function of cumulative output. Blinder’s argument is however based on the dichotomous strategic choice that each firm can only choose to be either a pure revenue maximizer or a pure profit-maximizer.

According to Brown and Blackmon (2005) there is a need for a strategic and administrative orientation that shelters firms from storms created by environmental forces or variables and it is only when this is set in place that market and sales performance is ensured. Amber *et al.* (2004) suggest that a revenue-maximizing strategy places a higher value on sales while a profit maximizing strategy puts a greater emphasis on profits. Ketchen, Snow and Street (2004) comment that firms may adjust the price to maximize their objective functions. But the adjustment can be made only gradually over time, since the weighted strategy is basically determined by corporate culture and institutional factors that change slowly.

Brunk (2003) predicts that when competing with its rivals, the revenue-maximizer will attain a natural competitive advantage over its rival firms. Zollo and Winter (2002) further suggest that the strategic importance of gaining market share stems from the fact that cost reduction may be attained by increasing cumulative output if the learning curve is a function of such output. Thus, it is quite natural that such excess competition drives firms to expand their market-share even at a lower profit-cost margin in both domestic and foreign markets. As revenue/sales-maximizing firms place more emphasis on revenue, they achieve a higher sales performance and more stability in terms of a strategy that can put the environmental variables under consistent movement and scrutiny.

1.1.3 Telecommunication Industry in Kenya

Telecommunication is an important economic sector in Kenyan economy. It also has a growing impact on individuals and businesses in terms of efficiency and customer service and on every country's competitiveness as a profitable economy. In this highly competitive market, telecom service companies are certainly and seriously forced to deliver new services to their customers, due to the Paradigm Shift from 4Ps Marketing Mix toward Relationship Marketing, industrial marketing, services marketing and customer relationship economics demand a move toward relationship-oriented strategy in marketing (Grönroos, 2004).

Telecommunication industry is experiencing a radical change, generating new opportunities and challenges for infrastructure and service providers. With the increase in production of mobile devices and services as international market in recent years, according to the triple play of telecom, entertainment and IT convergence the global telecommunication market is growing and changing. (ITU publications, 2012).

Telecom Industry body, the GSM Association, have announced that by 2020 mobile networks will cover 90% of the world’s population. Governments have earned over 6 billion dollars from the telecoms industry (ITU Publications, 2002) The total number of mobile connections is now equivalent to almost a third of the estimate world population of 6.5 billion (ITU Publications, 2012).

There are three major players in the Telecommunications industry in Kenya. These are: Safaricom Limited, Airtel Kenya and Telkom Kenya. Telkom Kenya operates under the Orange Brand. The dynamism in the industry has not only led to Kenya being taunted as the Silicon Valley of East Africa, but is also playing a key role in the country's growth and transformation in line with the Kenyan Government's Vision 2030.

Kenya's Telecommunication market has grown tremendously over the last few years. Competition has significantly increased, with the increase in the number of mobile operators in the market. There being several players on the market and with Communications Authority of Kenya being a body mandated to level play and control the market, this has resulted in the prices dropping by over 70% in the past four years (CAK, 2015).

Technological innovation in the industry such as mobile money transfers and mobile internet access has led to increase in the number of subscribers. There has been accelerated demand for mobile telephone, owing to availability of cheap handsets. The network mobile operators are Safaricom, Airtel Kenya and Telkom Orange. They are competing on products and services with most of them offering similar products. Markets that were formerly distinct, discrete and vertical have coalesced across their old boundaries with a massive investment of capital much of it originating from private sector participants. This study seeks to establish the influence of relationship marketing on sales performance in the telecommunication industry in Kenya.

1.2 Research Problem

Managing relationships between a company and their customers, distributors, employees, and customer referral sources are vital to sustained growth and stability of the company. Customer relationships is the driving force for company competitiveness hence loyal relationships with these valued individuals makes the company more competitiveness over its rivals (Peck *et al*., 1999). As markets become increasingly competitive, price competition intensifies and reduced loyalty appears to be the norm. In many industries, marketing budgets are being restructured to devote more resources to defensive marketing (Kotler, 1992). With the growth of marketing databases and the Internet, reaching customers individually became a viable strategy for a wide range of firms including companies in the consumer products industry (Gummesson, 1999).

The telecommunications industry in Kenya, just like the rest of the world, is going through profound changes (CAK, 2014). In the recent past, technological advancement and regulatory restructuring have transformed the industry. In Kenya the telecommunication industry has been characterized by declining voice revenues, intensified competition, decline in customer loyalty, decline in sale growth, decline in market share for some providers, increased regulations, technological advancements and changing consumer needs (CAK, 2015).

The link between relationship marketing and sale performance has attracted immense interest in marketing research over the past few years. Empirical studies conducted include Matagne and Gérard (2014) did a study on the role of relationship marketing for customer satisfaction in the banking sector in Sweden. The study revealed that there was positive relationship between relationship marketing and customer satisfaction in the banking sector in Sweden. This study failed to establish how relationship marketing influences sales growth. Desbordes (2013) conducted a study on the effect of customer relationship marketing on performance in the banking industry in Ghana. The study established that relationship marketing significantly affects the performance of the bank in Ghana.

Lan (2015) conducted a study on the impact of relationship marketing on customer loyalty in the airline industry in Finland. The study revealed that relationship marketing impacted positively on customer loyalty in the airline industry in Finland. Loyalty in this case This study did not deal with the impact of relationship marketing on sales growth.

Kuria (1999) looked at the state of relationship marketing strategy in the Kenyan banking sector. The study established that though awareness of the relationship marketing strategy was high, its implementation was rather low and unilateral. Karimi (2014) did a study on the impact of relationship marketing practices on customer retention in the insurance industry in Kenya. The study revealed that insurance companies have adopted customer satisfaction practices to a large extent. Murage (2012) did a study on the extent of usage of relationship marketing strategies in the paint industry to enhance brand loyalty of industrial customers. The study concluded that majority of the paint industry executives were not aware of the relationship-marketing concept. Waiganjo (2012) conducted a study on the influence of relationship marketing on the performance of large supermarkets in Nairobi.

The empirical studies reviewed in this section were conducted in other sectors of the economy other than the telecommunication industry, these sectors have different operating environment compared to telecommunication industry. Telecommunication industry in Kenya is operating in turbulent competitive environment coupled with changing consumer needs; there is need for a study to be done on the telecommunication industry to establish how relationship marketing influences sale performance. This study sought to fill the existing research gap by answering the following research question, to what extent does relationship marketing influence sales performance in the telecommunication industry in Kenya?

1.3 Research Objectives

The general objective of the study is to establish the influence of relationship marketing on sales performance in the telecommunication industry in Kenya. The study will be guided by the following specific objectives

i. To determine the influence of interactive communication on sales performance in the telecommunication industry.
ii. To examine the influence of customer experience on sales performance in the telecommunication industry.

1.4 Value of The Study

The findings of the study will assist policy makers in the telecommunication industry in designing policy aimed at enhancing the sales performance of the telecommunication firms through the application of relationship marketing. The study will assist marketing practioners in understanding how relationship marketing influences sales performance of companies.

The findings of the study will be of great importance to management of telecommunication companies in Kenya as they will get enlightened on the influence of relationship marketing on sales performance in the telecommunication industry. This will assist them in designing relationship marketing approach strategies aimed at enhancing their sales growth. The findings of this study will assist the management of telecommunication companies to improve their sales revenue through relationship marketing strategies.

The findings of the study will be of great importance to future scholars and academicians as they will form the basis for future studies by identifying areas for further research and providing literature review to future studies on the influence of relationship marketing on sales growth. The study will add to the body of knowledge on the influence of relationship marketing on sales growth.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the existing literature on the effect of relationship marketing on sales growth. It reviews the theoretical foundations of the study, relationship between relationship marketing and sales performance, empirical review and summary of the literature.

2.2 Theoretical Foundation

A Theory according to Krishnaswamy, (2009) is a set of asserted universal propositions communicated in a set of universal sentences which are derived by observation and empirical evidence capable of agreement and corroboration. This section reviews two theories that explain the relationship between relationship marketing and sales growth. These theories are social exchange theory and relationship marketing theory.

2.2.1 Social Exchange Theory

The theory attempts to explain the nature of the relationships between service quality, perceived value, satisfaction and loyalty. The theoretical model adopted for this study was derived from the social exchange theory (Homans, 1958), which posits that all human relationships are formed by the use of cost-benefit analysis and comparisons of alternatives. Homans suggested that when an individual perceives the cost of a relationship outweighs the perceived benefits, the person may likely choose to leave the relationship. The theory further states that people who give much to others, try to get much from them, and people that get much from others are under pressure to give more in return. The social exchange relationships between two parties develop through a series of mutual exchanges that yield a pattern of reciprocal obligations to each party. Social exchange theory indicates that individuals are willing to maintain relationships because of the expectation that to do so is rewarding. Individuals voluntarily sacrifice their self- benefits and contribute these benefits to other individuals with the expectation for more future gains.

The theory is appropriate for this study because service encounters can be viewed as social exchanges with the interaction between service provider and customer being a crucial component of satisfaction and providing a strong reason for continuing a relationship (Barnes, 2007). Social exchange theory attempts to account for the development, growth and even dissolution of social as well as business relationships. In other words, people (or business firms) evaluate their reward - cost ratio when deciding whether or not to maintain a relationship. Rewards and costs have been defined in terms of interpersonal, personal and situational factors. In a services context, considering the level of interpersonal contact needed to produce services, there is a range of psychological, relational and financial considerations that might act as a disincentive for a hypothetic change of service providers.

The social exchange theory is used in this study to explain the nature of the relationships between relationship marketing and sale growth. Social exchange theory indicates that individuals are willing to maintain relationships because of the expectation that to do so is rewarding. Individuals voluntarily sacrifice their self- benefits and contribute these benefits to other individuals with the expectation for more future gains. The theory is appropriate for this study because service encounters can be viewed as social exchanges with the interaction between service provider and customer being a crucial component of satisfaction and providing a strong reason for continuing a relationship. Thus this study uses the social change theory to establish the influence of relationship marketing on sales performance in the telecommunication industry in Kenya. The social exchange theory has limitations in that social relationships can be influenced by other factors such as blood relations, physical attraction and prejudice, which may influence the intensity of the relationships. This in most cases will affect the level of service delivery and satisfaction derived from the interaction.

2.2.2 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. There are three types of relationship marketing namely database marketing, interaction marketing and network marketing. Database marketing as internal marketing is the use of information technology to increase customer loyalty, profits and customer satisfaction. However, this study seeks to view only one aspect of relationship marketing that is customer relationship marketing.

Relationships exist when customers have interactions with the organizations. There are two things that relationship marketing paradigm considers when looking at customer retailer financial relationship (Alexander, 1998). Firstly, relationship marketing must be valuable and viable both to customers and organizations. Secondly, relationship between customers and organization will increase the importance of retailers to maintain and enhance the overall relationships that currently exist with the customers. Customers likely interact with the organization that satisfy their need (Melonakos, 2009). According to Lahtinen and Isoviita (1994) the profitability of a customer will be greatest during the later years of the customer relationship due to the following three reasons: incremental purchases, increase in price, and decreasing costs.

Relationship marketing 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. Relationships exist when customers have interactions with the organizations. Customers interact with organizations that satisfy their needs.

2.3 Relationship Marketing and Sales Performance

Relationship marketing is an important strategy and is one of the important aspects of marketing in these two decades. The first researchers who defined relationship marketing as all marketing activities directed toward establishing, developing, and maintaining successful relationships Morgan and Hunt (1994). These Relationships can exist between the organization and its customers, and also between the organization and other organizations and stakeholders. Relationships between customers and business firms have been consistently encouraged as successful business practices worldwide. The connection with marketing has seldom been established formally in the development of marketing theory (Yau, 2000).

The need for relationship will increase when the number of customers in an organization is getting low, there is commitment and trust from both partners and also real opportunity for Win-Win situations. The idea of relationship and also relationship building being extended to other areas such as distribution, service and consumers these are as the result of strong interest in relations between industrial companies. So companies must also build relations to middlemen, service suppliers and end consumers (Jørgensen, 2001).

Relationships in the industrial marketing literature have been described as the exchange between all mutually committed parties. In the service marketing the subject has not been clearly debated. The simplest form of a relationship is when the customer has purchased from the same service provider at least twice. In its simplest form, however, a relationship is characterized by positive commitment by both the service provider and the customer. Liljander and Strandvik (1995) proposed that a relationship term should be defined from the customer's point of view as this corresponds to a market oriented perspective. The customer can be committed both negatively and positively toward the service provider, or s/he can be indifferent. A negatively committed customer will try to end up the relationship as soon as possible, but is usually unable to do so in the short period of time because of different bonds that serve as exit barriers (Liljander and Strandvik, 1995).

According to this marketing fact that customer retention is five times more important than attracting new customer, companies are adopting relationship marketing principles and designing strategies to develop close and long-lasting relationships with the most profitable customers. Long term orientation which emphasizes commitment to customers is extremely important (Sheth and Parvatiyar, 1995).

2.4 Interactive Marketing and Sales Performance

Interactive marketing refers to buyers- seller communications in which the consumer controls the amount and type of information received from a marketer. Interactive techniques have been used for more than a decade; point-of-sales brochures and coupon dispensers are a simple form of interactive advertising. Today, however, the term also includes two-way electronic communication using a variety of media such as the internet, CD-ROMS, and virtual reality kiosks (Boone and Kurtz, 2007). Interactive marketing frees communication between marketers and their customers from the limits of the traditional, linear, one-way message to passive customers using broadcast or print ads. Now customers come to companies for information, creating opportunities for one-to-one marketing. For example, each customer who visits a Web site has a different experience, based on the pathway of links he or she chooses to follow. These electronic conversations establish innovative relationships between users and the technology, providing customized information based on user's interests and levels of understanding. People gain access to chosen programs and services via their personal computers and telephones, and they can purchase products not only from stores but also via television or the internet (Miller *et al.* 2002).

The study by Varey and Ballantyne (2005) makes the distinction between three types of interactions (informational, communicational and dialogical) and argue that dialogical communication between marketers and stakeholders is necessary for an organization to be an innovative social and economic contributor'. The authors explain that dialogical interaction refers to an extended conversation among two or more people' - in essence the basis for a relationship that involves both parties learning together.

Yet in today's high tech world where managers are removed from any contact with their customers, the way such dialogues can occur are much different from the approaches used in traditional markets where the seller of a product interacts directly with the customer. Therefore, it is argued, managers need to make an effort to develop dialogical inquiry which can inform them and allow them to reflect on their past behaviors and consequences. This believes will lead to a greater understanding of each participant's point of view and lead to the establishment of further and deeper relationships. Relationship marketing depends on the development of close ties between the buyer, whether an individual or company and seller. This tie considers as the core elements of the buyer-seller relationship; the three promises that form the basis of relationship marketing and the four dimensions of relationship marketing model Boone & Kurtz

(2007), Gronroos (1994). Relationships are based on promises from organizations that go beyond obvious assurance that potential customer expect.

Asset of promises- outside the organization, within the organization and between buyers and sellers' interaction- determine whether a marketing encounter will be positive or negative buyer-seller relationship. Most firms make promises to potential customers through external marketing, directs toward customers, suppliers, and other parties outside the organization. The promises communicate what a customer can expect from the firm's goods and service. The promises must be both realistic and consistent with one another. A firm that makes unrealistic promises can disappoint customers who may not buy the good or service again (Zeithmal et al. 2006; Boone and Kurtz, 2007). A company can follow through on its promises to potential customers through external marketing only if it enables these promises through internal marketing. Internal marketing includes recruiting talented employees and providing them with tools, training, and motivation they need to do their job effectively (Boone and Kurtz, 2007).

2.5 Relationship Marketing Value Process and Sales Performance

Customer relationship marketing goal is to provide increased value to the customer and results in a lifetime value for the service provider. The reason is due the fact that, higher customer's value will raise customer satisfaction; thereby customer loyalty will be instilling; which, in turn, creates higher profit due to increased volume resulting from positive word-of-mouth and repeat purchases (Liu *et al.*, 2000). Customer value creation is at the heart of relationships between services recipients and service providers (Batiz-Lazo, 2001). In order to build up a lasting and successful customer relationship the provider needs to have a deep understanding of the customer's business activities in which the customer creates value for himself (Helander and Hirvonen, 2001).

The basic idea in the value creation approach is that by knowing the customer’s value creation process the provider can better identify the problems that the customer has faced in his business activities (Helander and Hirvonen, 2001). In fact, the provider can even notice above mentioned problems and concerns that the customer himself cannot see (Storbacka, Blomqvist, Dahl and Haeger, 1999, Helander and Hirvonen, 2001) by providing a solution to these problems the provider can offer a more valuable relationship to the customer than other competitive providers can (Helander and Hirvonen, 2001).

Value creation and value sharing can be regarded as the reason for collaborative relationships to live. The purpose of the interaction between suppliers and customers is to create and to share value. Previous researchers studied relationships from the customer’s point of view and analyze how relationship marketing helps to create value to customers. The process of developing customer-firm relationships starts when the firm invests in activities directed towards attracting customers and positioning on the market. However, a greater effort is needed in order to make these customers loyal. Attraction and loyalty programs are necessary in the process of creating customers-firm relationships that are valuable both to customers and the firm (Izquierdo *et al.*, 2005).

One recent research stream in marketing is related to customer perception of value created in on-going relationships (Ravald and Grönroos, 1996). The importance of adding relationship aspect in studies of customer value has also been demonstrated by Collins (1999) and Wilson and Jantrania (1994). In the interaction processes a value base is transferred to and also partly created together with customers, and in the final analysis, the ultimate perceived value for them is emerging in the customer processes. Thus, if the supplier or service provider manages to successfully align its resources (physical product elements, service elements, information and other resources of various kinds) and competencies with its customers‟ internal processes, in these processes this value base is turned into customer perceived value. This creation of value should be supported by marketing communication before and during the interaction process of the relationship. Therefore, a value process is needed to demonstrate how the customer indeed perceives the creation of value over time. When all three processes are in place and well understood we have a good part of a theory of relationship marketing.

2.6 Summary of the Literature Review

From the literature review relationship marketing includes all activities directed towards the establishment, development and maintenance of exchange relationships, the activities of a relational strategy should comprise objectives for example attraction which is creating relationships, loyalty which involves developing relationships, and interaction which enhances maintaining relationships. There is an art to absorb customer by using different techniques in order to manipulate companies' policies ahead of them. Value created by relationship marketing with customers is reflected in market performance. In the empirical research of this study the focus is on services because the interpersonal nature of services makes them particularly well suited for relationship building. Certainly, a relationship with a service provider is particularly valuable to the customer because it engenders the trust that is necessary to ensure quality service and preserve the relationship and because many services require the interaction between customers and service providers. This study sought the existing research gap by conducting a study to establish the influence of relationship marketing on sales performance in the telecommunication industry in Kenya.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the research design, methods of data collection, the population, data collection instruments and procedures, and the data analysis. The methodology section details precisely how the researcher went about achieving research objectives.

3.2 Research Design

According to Kothari (2004), research design is the arrangement of the conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In a nutshell, it is the blue print for the collection, measurement and analysis of data. The study used descriptive research design in form of cross sectional survey.

According to Kothari (2006), cross section survey used to obtain information concerning current status of the phenomena to describe what exists with respect to variables in a situation. This is a cross section survey study aiming at establishing the influence of relationship marketing on sales performance in the telecommunication industry in Kenya. According to Donald and Pamela (1998), a cross section survey is concerned with finding out the what, where and how of a phenomenon. The study considers this design appropriate since it contributes towards minimizing bias hence maximize reliability of the data.

3.3 Population of the Study

The population of interest of this study was the telecommunication firms in Kenya. The respondents of the study were the employees working in telecommunication companies at their head office in Nairobi. The study focused on all the licensed telecommunication firms in Kenya, with a specific focus on network providing companies, application service providers and content service providers. To ensure objectivity, the study was inclined to study telecommunication companies that have been in operation for over five years.

3.4 Sampling and Sample Size

The study sampled a total of 80 respondents through stratified and random sampling from the three categories of telecommunication firms. The sample was equal to 20% of the entire population. According to Mugenda and Mugenda (2003) a good sample population should be between 10% to 30% of the entire population.

Table 3.1: Sampling Frame

Category	Target	Sample (%)	Sample
Network Service Providers	149	20%	29
Application Providers	120	20%	24
Content Service Providers	131	20%	27
Total	445	**20%**	80

Source: Author (2016)

3.5 Data Collection

The study used both secondary data from the firm's published financial reports and websites and primary data collected using questionnaire. The questionnaire included both structured and unstructured questions and was administered through drop and pick method to respondents who were the top, middle and low level sales and marketing managers, chief executive officers or any other relevant staff in that capacity within the various Telecommunication firms in Kenya.

By using unstructured questions, a respondent’s response may give an insight to his feelings, background, hidden motivation, interests and decisions and give as much information as possible without holding back. At the same time, with the use of structured questions, if the researcher is after information that he finds easier for administration purposes, he would use this method since the questionnaire and interviews are followed by alternative answers. To support the data received from questionnaire and information from interview the study shall obtain secondary data from respective firms’ annual financial reports as well as non-financial information from respective firm’s websites.

3.6 Validity and Reliability Test

Validity refers to the accuracy and meaningfulness of inferences based on the research results (Copper & Schindler, 2006). This can be enhanced by absence of errors in the data collected. The research an instrument was piloted in with 5 respondents who will not form part of the selected respondent for the study. The pilot study aimed at establishing construct validity of the instruments (Kombo & Tromp, 2008). The piloted questionnaire was revised and ambiguous items modified.

To test the reliability of the instruments, the researcher used the split-half technique. The instrument were split into two sub sets (the sets which have odd numbers and even numbers). All even numbered items and odd numbered responses in the pilot study was computed separately. By using this method, the researcher aimed at determining the co-efficient of internal consistency and the reliability co-efficient whose value varies between 0.00 (indicating no reliability) and +1.00 (indicating perfect reliability). A coefficient of 0.50 was considered adequate but a coefficient of 0.80 is good according to Gay (2003).

3.7 Data Analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. Descriptive analysis was employed; this included the use of weighted means, standard deviation, relative frequencies and percentages. The data was coded to enable the responses to be grouped into various categories. Descriptive statistics was used to summarize the data. This included percentages and frequencies, tables and other graphical presentations as appropriate to present the data collected for ease of understanding and analysis. Regression analysis used used to establish the relationship between the study variables.

The regression equation is:

$Y= \beta_0+ \beta_1X_1+\beta_2X_2 + \varepsilon$

Where Y is the dependent variable (Sales Performance), β_0 is the regression constant, β_1, β_2, β_3 and β_4 are the coefficients of independent variables, X_1 is interactive communication and X_2 is customer experience.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, results highlighted and discussions of the findings obtained from the field. Focused on addressing the objective of the study which was to establish the influence of relationship marketing on sales performance in the telecommunication industry in

Kenya. Descriptive and inferential statistics have been used to discuss the findings of the study. The study targeted a sample size of 118 respondents from which 109 filled in and returned the questionnaires making a response rate of 92.4%. This response rate was satisfactory to make conclusions for the study. The response rate was representative. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. Based on the assertion, the response rate was considered to be excellent.

4.2 Demographic Information

4.2.1 Gender of the Respondent

The study sought to determine the gender category of the respondents from these three telecommunications firms, and therefore requested the respondents to indicate their gender category. From the research findings, the study established that majority of the respondents as shown by 56% were males whereas 44% of the respondents were females this is an indication that both genders were fairly involved in this research and thus the findings of this study did not suffer from gender biasness.

4.2.2 Length of Time in the Company

The study sought to determine the length of time in they had worked in the companies. Therefore, the study requested the respondent to indicate the length of time they have worked for the telecommunication firms

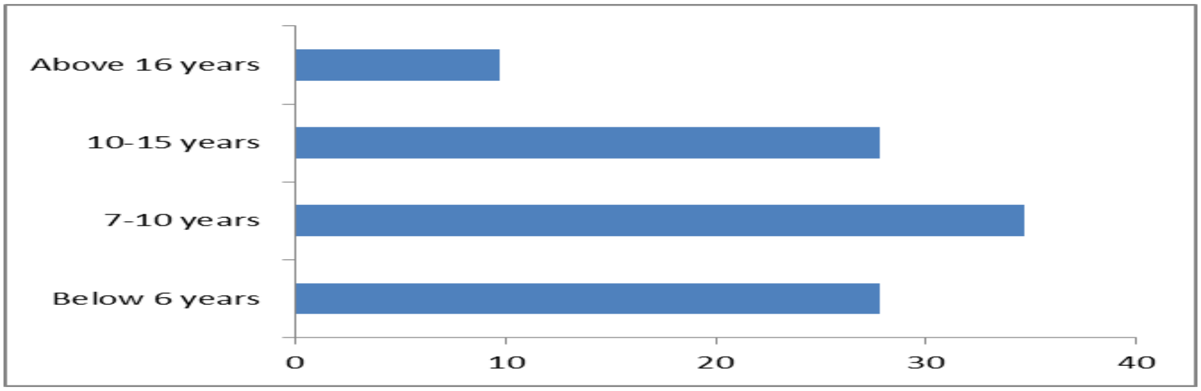

Figure 4.1: Length of Time in Companies

The study sought to determine the length of time in they had worked in the companies. Therefore, the study requested the respondent to indicate the length of time they have worked for the telecommunication firms. From the findings, majority of the respondents as shown by 34.7% had worked for the company for a period of 7-10 years with, 27.8 % of the of the respondents indicated working for 10-15 years, 27.8% of the respondents indicated working for below 6 years 2-5 years, and 9.7% of the respondents indicated working above 16 years. This is an indication that respondents were well distributed in terms of the period they had worked for the company, with the majority of the respondents working for 7 -10 years.

4.2.3 Number of Employees

The study sought to find the number of employees in the organizations

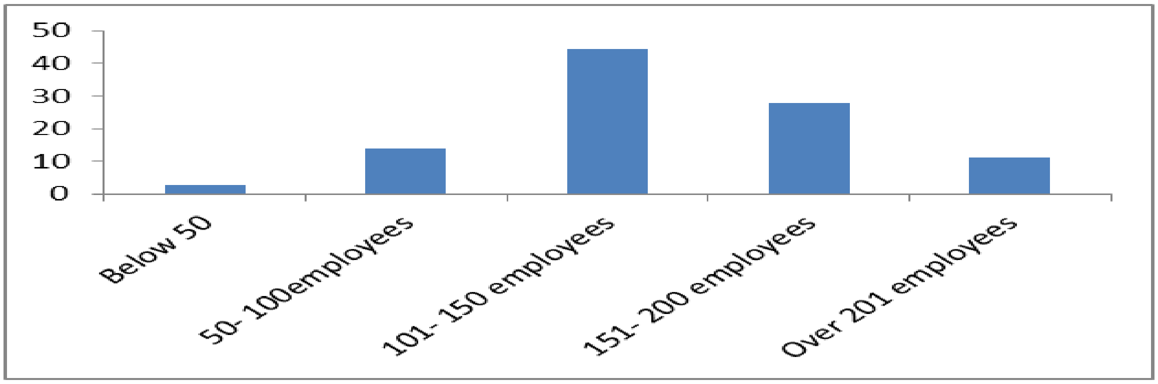

Figure 4.2: Number of Employees from Each Company

The study found that 49 percent indicated 101 to 150 employees, 31 percent indicated 151 to 200 employees, 10 percent indicated 50 to 100 employees, 7 percent indicated over 200 employees. And lastly 3 percent indicated below 50 employees.

4.2.4 Number of offices/sites

The study requested the respondents to indicate the number of offices or sites of their various companies.

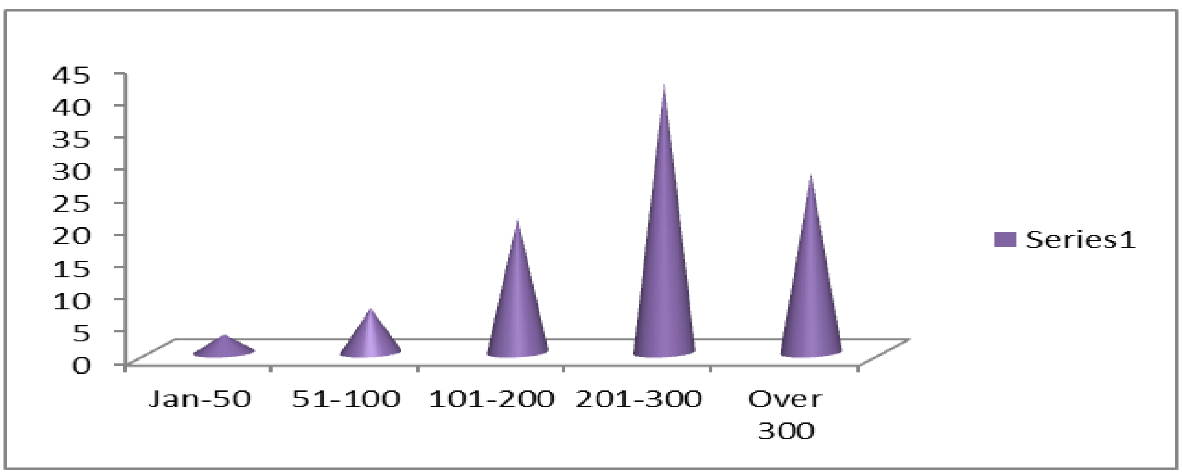

Figure 4.3: Number of Offices or Sites of the Company

From the findings, most of the respondents as shown by 41.7% of the respondent indicated their company to having 201 -300 sites, 27.8% of the respondents indicated their company to having over 300 sites, 20.8% indicated their company to having 101- 200 sites and 6.9% of the respondents indicated their company to having 51-100 sites and2.8 % of the respondents indicated their company to having below 50 sites. This is an indication that most of the respondents were well informed about the various companies' sites which means they were able to respond to the various questions with ease.

4.2.5 Annual Revenues/Sales volumes (in millions)

The study requested the respondent to indicate the annual revenues made from their various companies.

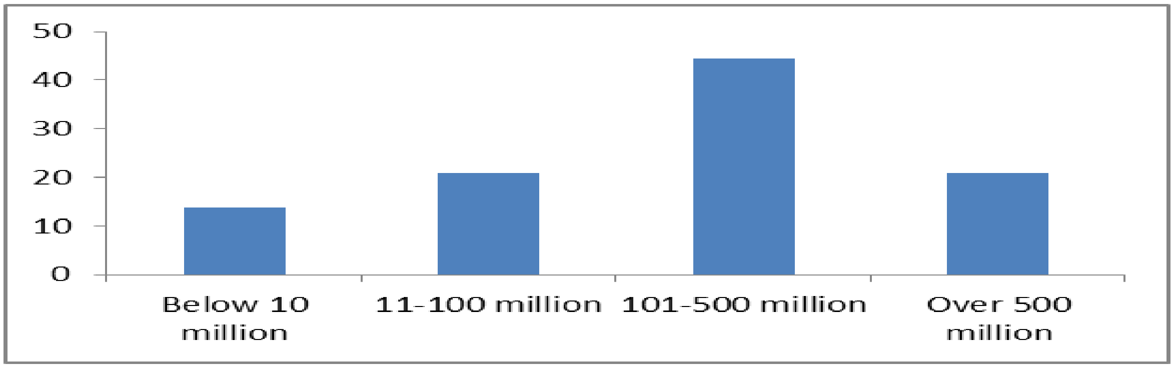

Figure 4.4 : Annual Revenues of the Companies

From the findings, majority of the respondents as shown by 44.4 indicated that the annual revenues made by their companies was 101-500 million, 20.8 % of the of the respondents indicated that the annual revenues made by their companies was over 500 million, 20.8% of the respondents also indicated that the annual revenues made by their companies was 11-100 million and 13.9% of the respondents indicated the annual revenues made by their companies was below 10 million. This is an indication that respondents were well informed about the company hence capable of giving valid information.

4.3 Interactive Communication

Table 4.2: Interactive communication aspect in the telecommunication industry

Statement	Mean	Standard deviation
In our organization marketing communicator figures out an appeal or theme that will enhance sale of our product and service	3.90	0.82
We use direct interaction with customers to enhance sale of our products and service	3.86	0.77
In our organization customer interaction focuses on establishing of strong relationships, which positively affect sale of our products	3.86	0.80
In our organization, personal communication system is very effective as it gives room for quick feedback	3.81	0.80
In our organization marketing communication helps to move the customer along stages of our service and ultimately achieve final purchase	3.76	0.82
In our organization customer interaction maximize the pursuit of sale of our products and service	3.76	0.70
Our organization properly coordinate its marketing communication strategies in order to deliver clear, consistent and competitive messages about our service	3.64	0.78
In our organization, the marketing communicator decide what to say and how to say it	3.61	0.72
Average	**3.78**	**0.78**

On the respondent's level of agreement with the following statements relating to the effects of interactive communication in the telecommunication industry, The study found out that majority of the respondents agreed that the marketing communicator figures out an appeal or theme that will enhance sale of the products and service as shown by a mean of 3.90, there is direct interaction with customers to enhance sale of products and service as shown by a mean of 3.86, customer interaction is focused on establishing a strong relationships, which positively affect sale of the products as shown by a mean of 3.86, personal communication system is very effective as it gives room for quick feedback as shown by a mean of 3.81, marketing communication helps to move the customer along stages of services and ultimately achieve final purchase as shown by a mean of 3.76, customer interaction maximize the pursuit of sale of products and service as shown by a mean of 3.76, there is proper coordination of marketing communication strategies in order to deliver clear, consistent and competitive messages about services as shown by a mean of 3.64, the marketing communicator decides what to say and how to say it as shown by a mean of 3.61.

4.4 Customer Experience

Table 4.3: Customer experience aspect in the telecommunication industry

Statements	**Mean**	**Standard Deviation**
Through interaction processes a value base is transferred to our customer	3.97	0.77
We use integrated marketing communication approach, which helps to alleviate miscommunication and confusion	3.76	0.70
Through relationship marketing our company develops a give and take relationship with the customer	3.68	0.73
Through relationship marketing our company to identify what customers want and provide that value in a product	3.68	0.71
Through interaction processes a value base is transferred to our customer	3.67	0.77
Through value of relationship we seeks to create new value for customers and then shares the value between consumers and our company	3.63	0.73
Average	**3.73**	**0.74**

On the respondent's level of agreement with the following statements relating to the effects of customer experience in the telecommunication industry. The study found out that majority of the respondents agreed that through interaction processes a value base is transferred to the customers as shown by a mean of 3.97, integrated marketing communication approach is used which helps to alleviate miscommunication and confusion as shown by a mean of 3.76, through relationship marketing the companies identifies what customers want and provide that value in a product as shown by a mean of 3.68, Through relationship marketing the company develops a give and take relationship with the customer as shown by a mean of 3.68, Through interaction processes a value base is transferred to the customers as shown by a mean 3.67, Through value of relationship the companies seek to create new value for customers and then shares the value between consumers and the company as shown by a mean of 3.63.

4.5 Sales Performance

Table 4.4: Sale performance aspect in the telecommunication industry

Statements	Mean	Standard Deviation
Our market share has increased in the last 3 years	3.71	0.71
There has been an increase in on stock turnover rate in the last 3 years	3.69	0.70
There has been an increase in average customer spend in the last 3 years	3.68	0.71
There has been an increase in average customer spend in the last 3 years	3.64	0.76
We have managed to retain our customer in the last 3 years	3.58	0.74
Average	**3.05**	**0.60**

On the respondent's level of agreement with the following statements relating to the effects of sale performance in the telecommunication industry The study found out that majority of the respondent agreed that the market share has increased in the last 3 years as shown by a mean of 3.71, There has been an increase in on stock turnover rate in the last 3 years as shown by a mean of 3.69, There has been an increase in average customer spend in the last 3 years as shown by a mean of 3.68, There has been an increase in average customer spend in the last 3 years as shown by a mean of 3.64. They have managed to retain our customer in the last 3 years as shown by a mean of 3.58. The study was in line with Miller (2002) who states that people gain access to chosen programs and services via their personal computers and telephones, and they can purchase products not only from stores but also via television or the internet.

4.6 Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 20) to code, enter and compute the measurements of the multiple regressions.

4.6.1 Interactive Communication and Sale performance

Table 4.5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588[a]	346	.315	2.12513

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable: From the findings in the above table the value of adjusted R squared was 0.315 an indication that there was variation of 31.5 percent on sale performance due to changes in interactive communication at 95 percent confidence interval . This shows that 31.5 percent changes in sale performance could be accounted to changes in interactive communication. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a strong positive relationship between the study variables as shown by 0.588

Table 4.6: Analysis Of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.820	1	17.820	3.946	.000[b]
	Residual	483.212	107	4.516		
	Total	501.0321	108			

From the ANOVA statics in table above, the processed data which is the population parameters, had a significance level of 0.4% which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The calculated value was greater than the critical value (3.946> 1.984) an indication that interactive communication significantly influence sale performance.

Table 4.7: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.891	.189		10.005	.000
	Interactive Communication	.146	.037	.213	3.946	.000

From the data in the above table the established regression equation was

$Y = 1.891 + 0.046 X_1$

From the regression model obtained above, holding all the other factors constant, sales performance in the telecommunication industry would be 1.891. A unit change in Interactive Communication holding the other factors constant would lead to positive change in sales performance in the telecommunication industry by 0.146. The analysis was undertaken at 5% significance level, the criteria for comparing whether the predictor variables were significant in the model was through comparing the obtained probability value and α=0.05, if the probability value was less than α, then the predictor variable was significant otherwise it wasn't. All the predictor variables were significant in the model as their probability values were less than α=0.05.

4.6.2 Customer experience and sale performance

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.628[a]	.394	.382	5.40361

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable: From the findings in the above table the value of adjusted R squared was 0.382 an indication that there was variation of 38.2 percent on sale performance due to changes in Customer experience at 95 percent confidence interval . This shows that 38.2 percent changes in sales performance could be accounted to changes in Customer experience. R is the correlation coefficient which shows the relationship between the study variables, from the findings shown in the table above there was a positive relationship between the study variables as shown by 0.628.

Table 4.9: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.964	1	0.964	4.842	.000[b]
	Residual	21.293	107	0.199		
	Total	22.257	108			

From the ANOVA statics in table above, the processed data which is the population parameters, had a significance level of 0% which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The calculated value was greater than the critical value (4.842> 1.984) an indication that Customer experience significantly influence sale performance.

Table 4.10: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.973	.492		4.010	.000
	Customer experience	.184	.038	.126	4.842	.000

From the data in the above table the established regression equation was

$Y = 1.973 + 0.184\ X_1$

From the regression model obtained above, holding all the other factors constant, sales performance in the telecommunication industry would be 1.973. A unit change in customer experience holding the other factors constant would lead to positive change in sales performance in the telecommunication industry by 0.184. The analysis was undertaken at 5% significance level, the criteria for comparing whether the predictor variables were significant in the model was through comparing the obtained probability value and $\alpha=0.05$, if the probability value was less than α, then the predictor variable was significant otherwise it wasn't. All the predictor variables were significant in the model as their probability values were less than $\alpha=0.05$.

4.7 Discussion

The first objective of the study was to determine the influence of interactive communication on sales performance in the telecommunication industry. The study established that the marketing communicator figures out an appeal or theme that will enhance sale of products and service, direct interaction is used to customers to enhance sale of products and service, customer interaction focuses on establishing of strong relationships which positively affect sale of products, personal communication system is very effective as it gives room for quick feedback, marketing communication helps to move the customer along stages of service and ultimately in achieving final purchase, customer interaction maximizes the pursuit of sale of products and service, there is proper coordination of marketing communication strategies in order to deliver clear, consistent and competitive messages about services, the marketing communicator decide what to say and how to say it. The findings were in line with Boone & Kurtz (2007), who stated that relationship marketing depends on the development of close ties between the buyer, whether an individual or company and seller and this tie considers as the core elements of the buyer-seller relationship; the three promises that form the basis of relationship marketing and the four dimensions of relationship marketing model.

The second objective of the study was to examine the influence of customer experience on sales performance in the telecommunication industry. The study found that through interaction processes a value base is transferred to the customer, integrated marketing communication approach is used which helps to alleviate miscommunication and confusion, through relationship marketing the companies identify what customers want and provide that value in a product, Through relationship marketing the companies develop a give and take relationship with the customer, Through interaction processes a value base is transferred to the customers, Through value of relationship the companies seek to create new value for customers and then shares the value between consumers and the company.

The study was in line with the first researchers Morgan and Hunt (1994) who defined relationship marketing as all marketing activities directed toward establishing, developing, and maintaining successful relationships. It was also in line with (Yau, 2000) who stated that the connection with marketing has seldom been established formally in the development of marketing theory It was also in line with (Jørgensen, 2001) who states that the idea of relationship and also relationship building being extended to other areas such as distribution, service and consumers these are as the result of strong interest in relations between industrial companies. So companies must also build relations to middlemen, service suppliers and end consumers

On the respondent’s level of agreement with the following statements relating to the effects of sale performance in the telecommunication The study established that that the company’s market share has increased in the last 3 years as, there has been an increase in on stock turnover rate in the last 3 years, there has been an increase in average customer spend in the last 3 years as shown by, there has been an increase in average customer spend in the last 3 years. they have managed to retain our customer in the last 3 years. The findings were in line with Miller. (2002) who states that people gain access to chosen programs and services via their personal computers and telephones, and they can purchase products not only from stores but also via television or the internet. It was also in line with Boone & Kurtz (2007), Gronroos (2004) who states that relationship marketing depends on the development of close ties between the buyer, whether an individual or company and seller. This tie considers as the core elements of the buyer-seller relationship; the three promises that form the basis of relationship marketing and the four dimensions of relationship marketing model Boone & Kurtz (2007), Gronroos (1994). Relationships are based on promises from organizations that go beyond obvious assurance that potential customer expect.

CHAPTER FIVE

SUMMARY OF FINDINGS CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

From the analysis and data collected, the following discussions, conclusion and recommendations were made. The responses were based on the objectives of the study. The study sought to establish the influence of relationship marketing on sales performance in the telecommunication industry in Kenya, specifically, to determine the influence of interactive communication on sales performance in the telecommunication industry and to examine the influence of customer experience on sales performance in the telecommunication industry.

5.2 Summary of the Findings

The first objective of the study was to determine the influence of interactive communication on sales performance in the telecommunication industry. The study established that the marketing communicator figures out an appeal or theme that will enhance sale of products and service, direct interaction is used to customers to enhance sale of products and service, customer interaction focuses on establishing of strong relationships which positively affect sale of products, personal communication system is very effective as it gives room for quick feedback, marketing communication helps to move the customer along stages of service and ultimately in achieving final purchase, customer interaction maximizes the pursuit of sale of products and service, there is proper coordination of marketing communication strategies in order to deliver clear, consistent and competitive messages about services, the marketing communicator decide what to say and how to say it.

The second objective of the study was to examine the influence of customer experience on sales performance in the telecommunication industry. The study found that through interaction processes a value base is transferred to the customer, integrated marketing communication approach is used which helps to alleviate miscommunication and confusion, through relationship marketing the companies identify what customers want and provide that value in a product, through relationship marketing the companies develop a give and take relationship with the customer, through interaction processes a value base is transferred to the customers, through value of relationship the companies seek to create new value for customers and then shares the value between consumers and the company. The findings on the sales performance of the companies, the study established that that the company's market share has increased in the last 3 years as, there has been an increase in on stock turnover rate in the last 3 years, there has been an increase in average customer spend in the last 3 years as shown by, there has been an increase in average customer spend in the last 3 years and they have managed to retain our customer in the last 3 years.

5.3 Conclusion

The study concludes that interactive communication influences the relationship marketing on sales performance in the telecommunication industry in Kenya. The study established that the organizations marketing communication helps to move the customer along stages of services and ultimately achieve final purchase, personal communication system is very effective as it gives room for quick feedback, organization customer interaction focuses on establishing of strong relationships, which positively affect the sale of their products.

The study established that customer experience influences the relationship marketing on sales performance in the telecommunication industry in Kenya. Through value of relationship they seek to create new value for customers and then shares the value between consumers and the company, through interaction processes a value base is transferred to the customer, through relationship marketing the company to identify what customers want and provide that value in a product and develops a give and take relationship with the customer. That the company uses integrated marketing communication approach, this helps to alleviate miscommunication and confusion and that through interaction processes a value base is transferred to the customer.

The study concludes that sales performance influences the relationship marketing in the telecommunication industry in Kenya. It established that the company retains their customers for the past three years, that there has been an increase in average customer spend in the last 3 years, that there has been an increase in average customer spend in the last 3 years, there has been an increase in on stock turnover rate in the last 3 years and that the company's market share has increased in the last 3 years.

5.4 Recommendations

The study recommended that the management the establishment of an interactive communication between the customer and the company itself which will in turn help in being effective in achieving final purchase.

There is need for building customer and company relationship which will help the company to identify what customers want and provide that value in a product.

The study recommended that the company use integrated marketing communication approach, which will in turn help to alleviate miscommunication and confusion. Telecom companies in Kenya should ensure that customers' satisfaction is met at any given time to maintain their customer base.

The management should encourage retention of customers and increase profitability of their institutions, Telecommunication companies should ensure that they respond to customer need swiftly

5.5 Limitations

The study was limited to a sample of 80 respondents from telecommunication firms head office in Nairobi. Being a descriptive survey, research findings could not be generalized for other firms in other industries. The data was tedious to collect as the respondents approached were reluctant in giving information fearing that the information sought would be used to intimidate them or print a negative image. Some respondents even turned down the request to fill questionnaires. The study was carried out within limited time and resources. This constrained the scope as well as the depth of the research.

5.6 Areas for Further Study

The study sought to establish the influence of relationship marketing on sales performance in the telecommunication industry in Kenya. From the findings the study recommends that an in-depth study should be done on challenges facing the adoption of relationship marketing in the telecommunication industry in Kenya

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APPENDICES

Appendix I: Questionnaire

Section A: Company Demographic Data

1. Age of company

Below 6 years	[ ]	(Please specify age if below 6 years)
7-10 years	[ ]	
10-15 years	[ ]	
16 years and above	[ ]	

2. Number of employees

Below 50	[ ]
50-100 employees	[ ]
101-150 employees	[ ]
151-200 employees	[ ]
Over 201 employees	[ ]

3. Number of offices/sites

1-50	[ ]
51-100	[ ]
101-200	[ ]
201-300	[ ]
Over 300	[ ]

4. Annual Revenues/Sales volumes (in millions)

Below 10M	[ ]
11-50M	[ ]
51-100M	[ ]
101- 500M	[ ]
Over 500M	[ ]

SECTION B: INTERACTIVE COMMUNICATION

1. To what extent do you agree with the following statement relating to effects of interactive communication in the telecommunication industry? (Key 5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1- Strongly disagree)

	1	**2**	**3**	**4**	**5**
Our organization properly coordinate its marketing communication strategies in order to deliver clear, consistent and competitive messages about our service					
In our organization marketing communication helps to move the customer along stages of our service and ultimately achieve final purchase					
In our organization the marketing communicator decide what to say and how to say it					
In our organization marketing communicator figures out an appeal or theme that will enhance sale of our product and service					
In our organization personal communication system is very effective as it gives room for quick feedback					
We use direct interaction with customers to enhance sale of our products and service					
In our organization customer interaction focuses on establishing of strong relationships, which positively affect sale of our products					
In our organization customer interaction maximize the pursuit of sale of our products and service					

SECTION C: CUSTOMER EXPERIENCE

To what extent do you agree with the following statement relating to effects of customer experience on sales performance in the telecommunication industry? (Key 5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1- Strongly disagree)

	1	**2**	**3**	**4**	**5**
Through interaction processes a value base is transferred to our customer					
In our organization we use relationship marketing to maximize the value of the current customer base					
Through relationship marketing our company to identify what customers want and provide that value in a product					
Through relationship marketing our company develops a give and take relationship with the customer					
Through value of relationship we seeks to create new value for customers and then shares the value between consumers and our company					
We use integrated marketing communication approach, which helps to alleviate miscommunication and confusion					

SECTION D: SALES PERFORMANCE

To what extent do you agree with the following aspect in your institution? (Key 5-Very High, 4-High, 3-Moderate, 2-Low, 1- Very low)

	1	**2**	**3**	**4**	**5**
Our market share has increased in the last 3 years					
There has been an increase in average customer spend in the last 3 years					
There has been increase on stock turnover rate in the last 3 years					

There has been an increase in customer satisfaction in the last 3 years					
We have managed to retain our customer in the last 3 years					

Please indicate your institutions annual sales/ revenues from year 2011 to 2015

YEAR	ANNUAL SALES/REVENUE (IN MILLIONS)
2011	
2012	
2013	
2014	
2015	

Thank You for your Cooperation

statements	Mean	Standard Deviation
We have managed to retain our customer in the last 3 years	3.58	0.74
Our market share has increased in the last 3 years	3.71	0.71
There has been an increase in on stock turnover rate in the last 3 years	3.69	0.70
There has been an increase in average customer spend in the last 3 years	3.68	0.71
There has been an increase in average customer spend in the last 3 years	3.64	0.76
Our market share has increased in the last 3 years	3.71	0.71
There has been an increase in on stock turnover rate in the last 3 years	3.69	0.70
There has been an increase in average customer spend in the last 3 years	3.68	0.71
There has been an increase in average customer spend in the last 3 years	3.64	0.76
We have managed to retain our customer in the last 3 years	3.58	0.74