

**RELATIONSHIP MARKETING AND SUSTAINABLE COMPETITIVE  
ADVANTAGE IN LARGE PRE-HOSPITAL SERVICE COMPANIES IN KENYA**

**BY**

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## **DECLARATION**

This research project is my original work and has not been presented for examination to any other university.

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## **DEDICATION**

This project paper is dedicated to my father Mr. Samuel Maina, my mother Mrs. Alice Maina and my siblings Paul, Salome, Elizabeth and Allan for their inspiration, encouragement and prayers towards the successful completion of this course. I pay glowing tribute and gratitude to the Almighty God who has given me the strength and wisdom to undertake this course.

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## **ABSTRACT**

Relationship marketing includes key principles ranging from obtaining data on customers to analyzing the gathered data and personalizing the relationship between an organization and its customers through enhanced marketing strategies. For a firm to sustain its competitiveness for a period of time, it should ensure that its strategies are not easily duplicable to its competitors. Relationship marketing can therefore be used as an agent of achieving sustainable competitive advantage. This study sought to establish the effect of relationship marketing and sustainable competitive advantage in large pre-hospital service companies in Kenya. The variables of the study included use of technology, customer acquisition, brand strategy and customer trust. To achieve its objective, the study used questionnaires. The 30 targeted respondents included employees from the sales and marketing departments of the 7 largest pre hospital services companies in Kenya that include EPLUS Limited, AAR Health services, AMREF Flying doctors, Nairobi hospital, Medics 24, St. John's Ambulance and Swift Medics companies. Censoring method was used to obtain 14 respondents. The study absorbed a descriptive research design. The study collected both quantitative and qualitative data and analyzed it through SPSS and content analysis respectively. The findings were presented using frequency tables. The study found out that relationship marketing strategies that are well stipulated greatly influence in success achieving and sustaining competitive advantage within pre hospital industry. The findings revealed that use of technology facilitates the organizations in achieving competitive advantage through enhancing organizational processes and understanding customer behaviour. This is however limited by the high costs involved in technological integration. The companies are also keen on acquiring customers and more resources are used to acquire new ones than maintain the existing relationships. The study also established that the companies use brand and customer trust strategies to gain competitiveness. The customer trust strategies used by the organizations include enhancing deliverables, upgrade customer interaction systems and process and stabilizing the products and services. The study therefore concluded that customer acquisition, brand strategy, use of technology and customer trust affect sustainable competitive advantage and recommends that they should be keenly considered when developing relationship marketing strategies.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

<b>ALS</b>	Advanced Life Support
<b>BLS</b>	Basic Life Support
<b>CRM</b>	Customer Relationship Management
<b>EMS</b>	Emergency Medical Services
<b>LTD</b>	Limited
<b>WHO</b>	World Health Organisation

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

According to Johnson & Scholes (2005), a business environment is organised in a series of layers comprising of the macro-environment, industry, competition and the organisation itself. Pearce and Robinson (1997) add that business environment is categorized mainly into two, namely: external business environment and internal business environments. Internal environment comprises a companies' resources and competitive ability that determine the organization's capabilities in meeting its objectives. Chepkiyeng & Choge (2014) argue that a number of strategic marketing variables may be manipulated to respond to a competitive situation. Other marketing variables that compromise the firm's response to a changing competitive situation include the advantages and establishment of relationship marketing. An organization may also achieve efficiency and quality in its services and products through well-established strategies in production and its ability to be competitive (Momme, 2002).

Business organisations generally exist to make profit by offering services and/or products that add value to their customers. Wanjau, (2013), states that all company revenue is achieved from a category of customers who are either new or repeat. Retaining of customer substantially proves to be more cost-efficient as compared to seeking for new customers. Several theories have been developed that explain the human relations in connection with relationship marketing including the social exchange theory that describes human relationships (Homans, 1958), relational exchange theory which explains adaptation of relationships to changing conditions (Moorman, Zaltman, and Deshpande, 1992) and the commitment-trust theory that revolves around commitment and trust (Aksel, Einar and Rune, 1998).

According to Hanefield et al. (2004), pre-hospital care is very important as it determines whether the patient will be received alive at the emergency department, has become more important and refers to pre-hospital care as the medical services given by an emergency

services expert; first responder, to a patient before and as they are transferred to the hospital. World Health Organization' 2005 publication asserts that among the high causes of death worldwide is injury. Injuries therefore result to a heavy economic burden especially for developing economies. It is possible to minimize the consequences of serious injury, including long-term morbidity or mortality, by promptly providing effective pre-hospital care.

### **1.1.1 Relationship Marketing**

Experts differentiate relationship marketing from transactional marketing through the aspect of customer retention. According to Pruden (1995), transactional marketing improves organizational benefits from the best ranked customers while enhanced customer loyalty is the core purpose of relationship marketing. Berry et al (1983) defined relationship marketing as they ways through which an organization employees to attract new customers, maintain the existing ones, and enhance the existing customer relationships. Cook (2011) states that the economic reasons form the main drivers for organizations with an intention of building relationships with customers hence guaranteeing the organization a life line in the market. Relationship marketing includes key principles ranging from obtaining data on customers to analyzing the gathered data and personalizing the relationship between an organization and its customers through enhanced marketing strategies. However, Lluís & Cabre (2005) argue that the keys to success in implementing a strategy in relationship marketing first include defining the company's mission, vision and culture then designing a relationship strategy and lastly allocating the necessary resources e.g. staff and IT. They further cite seven keys to a successful relationship marketing plan that include; Making sure that the basic transactional model is working well, Gradual implementation of new strategy, Making sure that the relationship is customer oriented and genuinely two way, Overcoming customer's reluctance in maintaining a relationship, Cultivating virtuous circles and Securing top management support.

Relationship marketing has been proved to enhance of the loyalty in an organization' customers (Evans & Laskin, 2008). According to Gefen (2009), Customer loyalty has tremendous benefits to a service providing or manufacturing organization hence stirring

up the urge in these organizations of securing a huge base of loyal customers. Currently, the main technological drivers involved in the management of the customer relationships include the Customer Relationship Management (CRM) systems. These systems offer opportunity to the businesses to collect and analyze data on buying behavior of customers, organizational improvement thus enhancing organizational future success through well-established organizational-customer relationships (Stein & Caldwell, 1998). According to Body & Limayem, (2004), technological developments play an important role in improving the connection between loyalty of customer and relationship marketing. Ansoff (1978) proposed four marketing strategies in his growth matrix; Market penetration strategy, Market Development Strategy, Product Development Strategy and Diversification Strategy.

### **1.1.2 Sustainable Competitive Advantage**

Andrews (1980), stated that the business advantage that an organization has compared to its competitors is referred to as competitive advantage. He added that this advantage allows the company obtain more sales or net incomes and also retains more of its existing customers. A firm should be able to sustain its competitiveness for a period of time and also ensure that its strategies are not easily duplicable to its competitors. Barney (1991) argued that a non-imitable, unique and in-substitutable resources facilitate an organization towards attaining and sustaining competitive advantage. Wanjau, (2013), argued that it substantially saves on an organization' cost to retain its existing customers compared to obtaining new ones. Thompson and Strickland (1998) point out that managers can be facilitated by the scanning of business environmental which may enable them point out the possible industry impacting developments hence further develop competitive strategies in line with the competition in the industry. Several strategic marketing variables may be developed to respond to a competitive situation. These strategies according to Chepkuyeng & Choge (2014), include; adjusting of target market, diversification, developing new products, distribution changes and making price cuts. They also suggest other marketing variables that compromise the firm's response to a changing competitive situation as being the advantages and establishment of relationship marketing.

A business therefore is termed to have gained a competitive advantage if it registers higher profits compared to the profits averagely recorded by other businesses within its industry. There are many types of competitive advantages that a firm can attain including distribution network, cost structure, product offerings and customer support. These are attained through; Product differentiation, Marketing Communication, Cost Management and Organizational Capability (Liqin Ren, Guangya Xie, Koos Krabbendam, 2009).

### **1.1.3 Pre-Hospital Services**

Many different maladies are treated under the pre-hospital care. According to Hanefield et al. (2004), pre-hospital care is the medical service given by an emergency services expert; first responder, to a patient before and as they are transferred to the hospital. They further argue that this care given to patients being transferred to hospitals is very vital since it determines their survival. Medical experts have categorically given specific pre-hospital medical states that make-up the responsibilities of the EMS experts. According to Spaite et al (1999) summarize the conditions for both children and adults as; both major and minor trauma cases, immense trauma, distress and arrest in the respiratory system, obstruction of the airway, cardiac arrest chest pain and seizure.

According to Eburn (2012), most developing economies especially in Africa suffer from a lack of well-equipped ambulances and qualified staff to man the ambulances. In describing pre-hospital services providers, different terms are used. Within the private sector these include (but are not limited to) first aider, first responder, advanced responder, Emergency Medical Technician (EMT), EMT – Basic, EMT-Intermediate, EMT-Paramedic, Paramedic, Intensive Care Paramedic, Advanced Life Support Officer and Medic. After moving into a devolved system of governance, according to (Ndavi et al., 2009), the centralized system of government in the country gave rise to inefficient hence extremely weak and unequally distributed health related services. When the devolved system of governance came in place, the health system was expected to improve in its efficiency, accessibility and equity through a stimulation in medical innovations thus enhancing delivery of medical services that are transparent and accountable. In their assessment of the health infrastructure after devolution, Catherine et

al (2014) identified that the number of ambulances per hospital ranged from 0.06 to 3.63, where one ambulance unit was allocated to more than 200,000 people. This was far beyond the recommended WHO standards. According to these standards, an ambulance should cater for a population of between 70,000 to 100,000. The country has seen the emergence of ambulance services providing companies seeking to bridge this gap. The services offered by the providers range from inter hospital patient transfer, ambulance rescue services to ambulance standby services. This has further increased competition in the industry. Most of the services are however deemed to be reserved for the rich due to their high costs. These costs are however linked to the high operating and fixed expenses in connection with vehicle purchase and maintenance costs, medical equipment related costs and ambulance staff costs.

The importance of pre-hospital care is improving as health systems aim at preventing hospital admissions of non-critical conditions. This further reduces strain to the hospital resources that are mostly under equipped and over strained especially in developing economies. According to a publication in 2005 by World Health Organization (WHO), among the high causes of death worldwide is injury. Quality Pre-hospital services therefore facilitate governments in reducing the financial expenditures on treatments incurred in hospitals by reducing demand on scarce medical resources especially in developing countries. Pre-hospital care that is effective therefore increases the possibility of reducing the resultant effects of injury that entail continuous morbidity and mortality.

Some of the registered ambulance service providers include EPLUS Limited, AAR Health services, AMREF Flying doctors, Nairobi hospital, Medics 24, St. John's Ambulance among others. Most of these companies however only offer road ambulance services and own less than 5 ambulance vehicles with an exception of EPLUS that owns the largest fleet of ambulances with over 130 units within the country ([www.eplus.co.ke](http://www.eplus.co.ke)). EPLUS, AAR Healthcare and St. John's Ambulance offer all the three level of pre-hospital services. EPLUS is owned and operates regionally while AAR Healthcare and St. John's ambulance have international presence.



## **1.2 Research Problem**

Companies are seeking to improve on their customers' relationships, creating more value for these customers as well as developing a relationship with these customers that is solution and partnership oriented other than only including the taking of customers' orders and selling to them (Szmig, 2003). In the current business environment, effective relationship marketing is counted as an important business strategy in every industry. Best relationship marketing strategies entail programmes relating to customer acquisition, retention and loyalty. As mass marketing continues to become too narrow due to the high competitive business environment, targeting consumer groups positively resulting to a change in the attitude of the clients or purchase of the organization's products or services. As a result, the criteria for client segmentation should not just be classic based but also include their lifestyle, individual values and ideas and interests. This implies that these classification should also be behavioral. Chepkinyang & Choge (2014) suggest that for an organization to gain benefit from its relationship with its customers, it should deploy the use of various communication channels, understanding the orientation of its clients through learning their needs and expectations hence developing quality interactions.

Counties in Kenya obligated to provide medical services including both hospital and pre-hospital to its residents (Constitution of Kenya, 2010 & Barker et al, 2014), some counties purchased ambulances while very few opted to outsource the services for their residents; these services are provided at no cost. Additionally, more than 21 registered ambulance service providing companies are in Kenya ([www.businesslist.co.ke](http://www.businesslist.co.ke)) with major players being Eplus, AAR Healthcare, St. Johns Ambulance, Clinix, AMREF Flying Doctors, Avenue Rescue Services and Nairobi Hospital. This has resulted to an increased-supply of these services in Kenya hence resulting to a very competitive industry since the commercial companies have to not only compete among themselves but also against the free services offered by the county governments. It is therefore vital for these companies to create a relationship with their clients.

Several studies indicate how vital relationship marketing is to any organization. Hefferman, et al. (2008) explored the banking sector' relationship development between

customers and the banking sector staff, the study measured dependability, knowledge and expectations as its main variables while Catherine (2011) evaluated brand visibility, customer recognition, technology and promotion in her study to find out the effect of customer relationship management on customer retention in commercial banks. Hudson, Annette and Janee (2007) and Catalina (2013) carried out studies on using relationship marketing as a vital market tool in gaining success and the best practices in the banking industry for relationship marketing respectively. Besides, Rootman and sharp (2011) studied the South African Banks' with reference to relationship marketing and retaining of customers whereas the effect that relation marketing has on the satisfaction of customers with a case study of Melli bank was a study conducted by Kamran, Hamidreza and Mahdi (2014). The two latter studies concluded that relationship marketing determines customer satisfaction and retention.

This study therefore answered the following research question; what is the effect use of technology, customer acquisition, customer trust and use of brand strategy on achieving sustainable competitive advantaged in large pre-hospital service companies in Kenya.

### **1.3 Research Objective**

The objective of the study was to establish the effect of relationship marketing and sustainable competitive advantage in large pre-hospital service companies in Kenya.

### **1.4 Value of the Study**

The findings of the study seek to contribute towards the advancement of social and relational exchange theories and commitment-trust theory within the industry. They relate to relationship between organizations and their customers. The results of the study aid further research on other aspects of relationship marketing implementation and competitive advantage through offering reference to other researchers.

The pre-hospital industry is a vital sector that cannot be ignored. It is coupled with health, social and economic benefits including reducing death rates as a result of medical related incidences, improvement of health standards among citizens, providing sustainable livelihood for thousands and source of revenue to the country. The study therefore sought

to provide policyholders with relevant information that will facilitate the development of regulations, guidelines and policies in the running and managing of the pre-hospital industry.

With the industry registering a rapid growth hence growing in competition among service providers, the findings of this study are useful to the marketing professionals and various level decision makers. It facilitates them in understanding and implementing strategies on relationship marketing and their contribution towards a sustainable advantage.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter covers several discussions on relationship marketing in achieving sustainable competitive advantage in the large pre-hospital services companies in Kenya. The research will review literature related to the current study that include: use of technology as means of communication, customer acquisition, brand strategy and customer trust levels. It also discussed theoretical review, empirical review and knowledge gaps and conceptual framework.

#### **2.2 Theoretical Review**

The foundational theories that anchored the concepts of the study are the social exchange theory that describes human relationships, relational exchange theory on adaptation of relationships to changing conditions and the commitment-trust theory that revolves around commitment and trust.

##### **2.2.1 Social Exchange Theory**

Homans (1958) states that humans develop their relationships on an analysis of the cost and the benefits attached or after comparing the existing alternatives. Homans further asserts that a relationship seen as having the cost attached to it being more than the derivable benefits may end up with the person opting out of the relationship. The theory additionally claims that individuals who expense a lot to the party they are in relation with tend to expect much too, and having gotten much from others puts pressure on these persons to give much to those from whom they receive. Existence of mutual exchanges that define obligations for each involved party develop social exchange relationships among the relating entities. The theory of Social exchange implies that people have the heart to remain in relationships because they expect to be rewarded from such relationships. Individuals generally and voluntarily sacrifice their benefits and contribute them to others while having a mind for greater gains in the future. Thibaut and Kelly (1959) suggest that sustenance of relationships between parties mainly depends on the analysis of the existing relationship, existence of other alternative relationships and what the parties carry in their past in relations to such relationships. The commitment of a

party to an existing relationship is determined by continuous analysis of economic and social results between the interactions with relating parties and other existing and attainable alternatives.

This theory is relevant to this study since the relationship between the pre-hospital service companies and their customers that greatly determines their satisfaction hence a platform of assessing the need for the relationship can be termed as being social exchanges (Barnes, 2007). Individuals, organizations and firms evaluate their reward to cost ratio when they are to determine whether or not to maintain a relationship. Interpersonal aspects, personal aspects linked to an individual's personality and situational factors including environmental psychological factors such as a relationship formed to accomplish some task, are used to define rewards and costs. In relation services, there is a range of considerable factors ranging from financial, psychological to relational that might act as a disincentive for outcomes between a sequences of interactions with available alternatives determines the degree of an individual's commitment to the current relationship and the current partners.

### **2.2.2 Commitment-Trust Theory**

Morgan and Hunt (1994), in "The Commitment-Trust Theory of Relationship Marketing states that "presence of relationship commitment and trust is central to successful relationship marketing, not power." On the basis of research grounded in social exchange theory, marriage, and organizational behavior, they argue that relationship commitment, "an enduring desire to maintain a valued relationship" (Moorman, Zaltman, and Deshpande 1992), and trust, the "confidence in an exchange partner's reliability and integrity" (Morgan and Hunt 1994), represent the key elements that explain a relationship's impact on performance.

Thus, relationship partners who are committed expend extra effort and work to maintain and strengthen relational bonds, which positively influences cooperation, financial performance, and other positive outcomes (Kumar, Hibbard, and Stern 1994; Morgan and Hunt 1994). With its effect on commitment, trust records an indirect influence as well as a direct influence on the results of a relationship (Hibbard et al. 2001). In the last years,

the theory on commitment trust has by default been a platform for assessing studies on relationship (Palmatier et al. 2006). Hefferman, et al. (2008) explored the banking sector's relationship development between customers and the banking sector staff, the study measured dependability, knowledge and expectations as its main variables and associated financial performance of relationship manager and their levels of emotional intelligence and trust. They concluded that there were significant correlations between both trust and emotional intelligence, when compared to the financial performance of a relationship manager.

### **2.2.3 Relational Exchange Theory**

According to Aksel, Einar and Rune (1998), the core of the theory is that informal coordination based on norms- of-behavior and trust is an alternative to market transactions as well as hierarchical and quasi-hierarchical arrangements, and that such informal coordination offers benefits otherwise not available. Aksel, Einar and Rune (1998) add that compared to market transactions, relational exchange theory is characterized by trust, long-term orientation, overlapping roles and high information exchange. The relational exchange theory also builds on relational contracting theory that relates to relational norms and argues that commitment and trust singly or together with relational norms, enable relationship partners to respond more effectively to changing conditions and project their actions and responses into the future by preventing self-interest-seeking behaviors, which in turn improves exchange performance (Kaufmann and Dant 1992). Relational norms positively influence cooperative behaviors and financial performance (Cannon, Achrol & Gundlach 2000) and suppress conflict (Jap and Ganesan 2000).

This theory suggest that that govern commercial exchange behaviour in discrete transactions are different from those in relational exchange. Commercial exchange partners who are in a conflict, it is expected that the type of norm that govern their relationship will determine the character of their conflict behaviour. Compared to hierarchical and quasi-hierarchical arrangements, relational exchange is argued to be more flexible and innovative (Moss, 1989). Additionally, Dabholkar, Johnston and Cathey (1994) propose that long term relationships allow companies to develop a

competitive advantage in terms of profit, market share and customer satisfaction. Long term relations may be important marketing practice within industrial markets due to the complexity of exchange that result in difficulty in making assessment. A setup where the existence of relational exchange is addressed from a perspective of focusing on the degree of considerate evaluation, other than the connected consequences to such arrangements is more preferred.

## **2.3 Relationship Marketing**

With marketing stressing less on transaction and more on being process, this indicates a more concentration of the organizations to customer retention by avoiding customer defections. Changes in customer demands further push businesses to work towards fulfilling these demands. This is achieved through establishing relationships with customers, and sharing important information between the business and the organization. Retaining customers requires the establishment of relationships that are characterized by commitment, openness and truth (Nwakanma & Singleton, 2007). The long-term effect of any relationship marketing strategy is profitability.

### **2.3.1 Use of Technology**

Technological developments usually affects any established organization and the marketing of its products and services. Relationship with newly acquired customers and with those already existing can be enhanced through communication is (Singh and Sirdeshmukh, 2000). Leong & Qing (2010) support the notion that communication that is effective and efficient is important towards any relationship. They also explain that the marketing communication entails strategy in mass marketing and it is a key process in the relationship marketing. Integration technologies allow businesses to enhance their relationship with customers through allowing for a larger perception of their behaviour (Thompson, 2006). Building relationships with customers requires data on the customer. Thus, organizations need to integrate IT to improve the capabilities of understanding customer behavior, develop predictive models, build effective communications with customers and respond to those customers in real time and with accurate information (Chen & Popovich, 2003). Other studies indicate that services delivered and easy

technology to customers has positively influence their satisfaction and loyalty (Ganguli, 2012).

The essence of the information technology and particularly, the Internet is the chance to grow relationships contrary to how it was in the offline world. Organizations with enhanced technological management strategies enhance customer-organization relationships (Fitzsimmons & Fitzsimmons 2008). There has been an increase in utilizing information technology in the establishment of relationships. Electronic CRM is mostly used to refer to technological advancements that result to efficient and organized relationships with customers (Gay et al. 2007).

### **2.3.2 Customer Acquisition**

Most researchers argue that there are two basic customer engagement orientations or processes: customer acquisition and customer retention (Lewis 2005; Reinartz et al. 2004). Todd, Erick and Robert (2010) define customer acquisition as a firm's focus on gaining information about potential customers, measuring their potential value, and allocating resources to acquire those with greater long-term value; for example, a financial services firm structuring multiple types of lending programs to cater to the needs of many different customer sets, including those not currently being served in order to acquire new customers. They also refer to customer retention orientation as a focus on obtaining information about, differentiating among, and allocating resources to manage relationships with existing customers on the basis of their long-term value. The orientation that a firm takes toward deepening current customer relationships, or developing new customer relationships, has the potential to significantly impact overall firm performance (Kumar et al. 2006). Few empirical studies, however, investigate how the trade-offs made between devoting resources to the pursuit of new customers, versus pursuing deeper relationships with current customers, affect overall innovation performance. This is surprising, given that innovation appears critical to maintaining long-term competitive advantage in a progressively service-based economy (Lusch et al. 2007). While such a focus upon customer retention through building deeper relationships may enhance the short-term performance of a firm, it is quite possible that there are unintended consequences associated with a heightened concentration upon current



customers, such as a firm's decreased willingness to invest in innovation (Chandy and Tellis 1998). Given this, the focus of this research is to investigate how customer acquisition affects competitive advantage.

### **2.3.3 Brand strategy**

Brand strategy does not just include one idea or process. Customers and brands exist because of each other, this is according to Kotler (2003). Nebel and Robert (2009), assert that brand relationship management is a new methodology in brand management that stretches the old revenue management to being customer centered revenue management and also traverses through product and the business lifecycles in relation to customers. For a brand to be successful in the current market structure, the strategies and processes involved should be critically developed with customer relationship in mind too. They must become the customer's brand of preference – or risk dying a slow and painful death. Aspects that uniquely identify an organization's products and/or services including the organization's name, design or symbol is known as the organizational brand (Kotler, 2003).

The willingness of a customer to pay for a brand is dependent on the value obtained in accordance to their demand from the brand. Most organizations have their brands as their main assets since brands have economic and strategic benefits (Wanjau, 2011). Brand strategies embody awareness and visibility, product availability, awareness and loyalty. The extent to which a brand is known by its customers and perfectly linked to a particular product is termed as brand awareness. It embodies the capability of a customer to identify and remember the brand at different environments and associate the brand name, the brand logo and brand jingles to a specific service or product (Kotler & Keller, 2006). Brand awareness is of critical importance since customers will not consider your brand if they are not aware of it (Kotler & Keller, 2006). According to Wanjau (2011), brand loyalty may be used to minimize cost as they facilitate an organization in introducing new products and services to the brand loyal customers at a minimum cost. With loyal customers to an organization's brand, the organization is able to beat competition.

For a brand to be visible, several strategies can be deployed including fast and efficient service provision, provision of quality products, continuous organizational improvement, extensive channels for distribution, acceptable organizational practice, engaging in corporate social responsibility etc. Organizations generally utilize brands to capture clients unknowingly and hence attain business value from these customers. Customers serve as a profit-medium for brands to cash their brand value (Watkins, 1999). With an achieved brand visibility customers are able to identify the products and possibly get attracted to it hence may result to loyalty. Brand loyal customers remain committed to the brand, are willing to pay higher price for that brand, and will promote their brand (Lindstrom, 2005). Global marketing has transformed many aspects that have in turn impacted marketing. Such transformations include ease in obtaining and sharing of information among customers and advanced shopping platforms such as online shopping. Marketing experts have therefore been exposed to marketing challenging that have made it hard for organization's to establish a brand name for themselves as they seek to attain loyalty from their customer (Nebel and Robert, 2009).

### **2.3.4 Customer Trust**

Trust in Relationship Marketing is very important and is closely married to commitment. Organizations must grow in trust as they develop and this can be achieved through good deliverables. Trust requires that one's words should be reliable. Trust is treated by many as a vital aspect since not a lot of the features defining a relationship between a business and its customers can be legally formalized. Hence most relationships rely on trust between the two parties involved and is enhanced with the past experiences, level of satisfaction received by a party and empathy. In any unpredictable business environment, trust becomes a vital aspect on which such relationships exist. Also it is vital factor for creating strong customer relations and obtaining market share and it must be achieved before customer satisfaction (Yu and Tung, 2013).

A high level of trust is likely to enhance a more positive attitude, which in turn is likely to increase the level of customer orientation/empathy. Conversely, low trust can have the opposite effect: how can you begin to empathize with someone you do not trust? (Conway & Swift, 2000). Trust also acts as the vital link among organizations (Hong-

Youl Ha et al., 2010) therefore enhancing business transactions. Trust can also be enhanced through providing products or services at a fixed quality standard and through being empathetic. (Barry, 2004). The main trigger of trust in any relationship is satisfaction of a customer without which trust withers away (Simon & Michel, 2003). It also emphasizes on the criticality of developing and sustaining a relationship between an organization and its customers (Iglesias et al., 2011).

## **2.4 Relationship Marketing and Sustainable Competitive Advantage**

According to traditional marketing, marketing was viewed from a transactional point. However, Kurt (1998) suggests that the proper perception of marketing should involve the establishment of a relational link between an organization and its customers. Well-established relationships are developed on a platform of both parties reaping benefits and earning respect. This implies that organizations that desire to register success in a quite competitive market must embrace and undertake the aspect of relationship marketing. Kotler (2000) argued that when an organization satisfies its customers, then the organization is better placed to attain its business objective. Most industries have embraced enhanced quality for their products and services; this therefore makes quality not a major avenue for an organization to gain competitive advantage. On the other hand, traditional marketing has faced intense competition from the modern ways of marketing; hence slowly withering, giving room to these modern methodologies which put emphasis on establishing and sustaining a beneficial relationship with an organization's customers (Hudson, Annette & Janee, 2007). The traditional perception of marketing is withering away because of its narrow perceptions that do not serve the best interest of customers and since attraction is more expensive than retaining of customers, traditional marketing has also failed to serve the organization's interest (Hudson, Annette & Janee, 2007).

Relationship marketing entails several aspects revolving around the customer; it is now perceived as an important tool that organizations deploy to achieve and sustain competitiveness in their various markets. According to Hudson, Annette and Janee (2007), firms that work towards developing business relationships reap benefits such as diversified products, improved business profits, customer loyalty to the brand and

competitive advantage. Relationship marketing therefore provides an effective means of both achieving and sustaining competitive advantage through the customer being allowed by the organization to float their feelings and the organization responding accordingly (Patoka, 2001). Catalina (2013) also asserts that the sources for long time competitive advantage depend mostly on how the clients are satisfied, the brand loyalty achieved from the customers, organizational trust and respect and so little on the costs. She adds that embracing relationship marketing strategies entails a continuous process of providing competitive advantage which includes understanding of customers' needs, products and providing relevant services to each client category and establishing relationships that allow for communication.

## **2.5 Summary of Empirical Studies and Knowledge Gap**

The concept of relationship marketing has been expounded empirical studies done on the subject area and in literatures. In most of the studies, it was evident that relationship marketing has become a common undertaking among organizations worldwide and this is as a result of increased market competition in all industries. Organizations generally undertake relationship marketing with a view of gaining competitive advantage against their peers.

### **Table 2.1: Summary of Empirical Studies and Knowledge Gap**

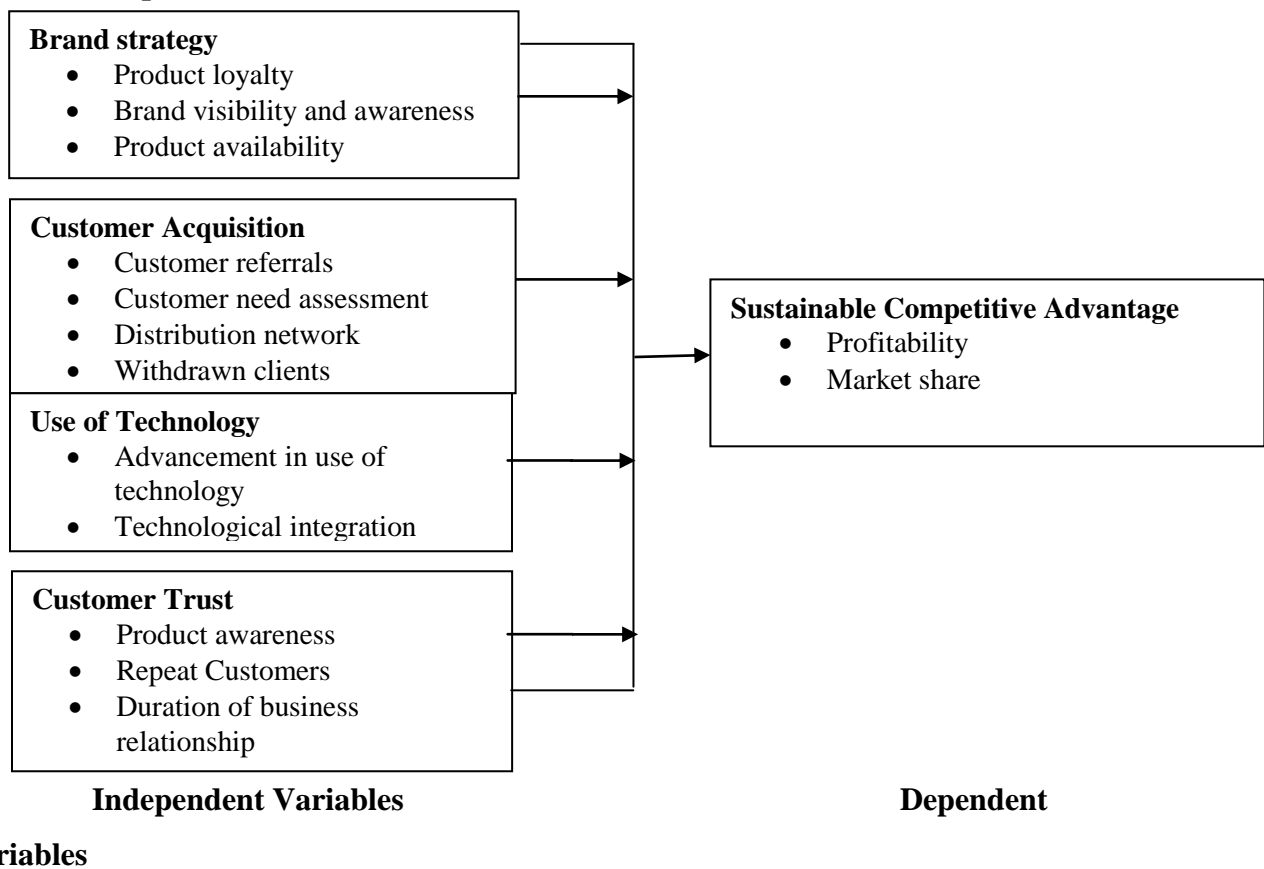
<b>Study</b>	<b>Study Focus</b>	<b>Methodology</b>	<b>Main Finding</b>	<b>Knowledge Gap</b>	<b>Current Study</b>
Hefferman, et al., (2008)	Development of trust in the banking sector for relationships between staff and customers.	Internet survey	The conclusion of the study was that three aspects make up trust, namely: knowledge, dependability and expectations.	The study failed to address aspect that determine customer trust such as product awareness and duration of relationship	Relationship marketing and sustainable competitive advantage in large pre-hospital service companies in Kenya.
Aggarwal, V.K and Arora, S., (2013)	Global brands' impact of relationship marketing on customer loyalty	Descriptive design	The study concluded that there is a significant impact of relationship marketing strategy of global brands on their customer loyalty as each satisfied customers refer others	The study however didn't explain whether a good global brand strategy impacts the competitiveness of the organization	
Ndubisi's (2007)	Relationship marketing strategy on customer loyalty in the Malaysian Banking Industry: trust, commitment, communication and conflict handling	Multiple regression analysis	The study revealed that the four variables significantly affect and predict a great amount of the variance in customer loyalty	This study however left out other aspects that determine customer loyalty such as product visibility and availability	
Niladri, B.S and James, D. H., (2006)	Acquisition versus Retention: Competitive Customer Relationship Management	Descriptive research	The study found out that a monopolist gains greater returns through embracing customer acquisition rather than retention	The study however did not address how the two aspects; acquisition and retention affect competitive advantage	

**Source: Researcher (2016)**

## 2.6 Conceptual Framework

The conceptual framework shows the interconnectedness between the objectives of the study that relate to relationship marketing and their influence on sustainable competitive advantage and the conceptualized theories. Brand strategy is considered to precede customer acquisition and trust that further result to an improved market share hence profitability. Technology on the other hand aids the maintenance of a better relationship between an organization and its customers. Generally, customer acquisition and trust, brand strategy and use of technological application affect an organization's ability to attaining competitive advantage.

**Fig 2.1 Conceptual framework**



Source: Researcher (2016)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter gives a blueprint from the process of data collection to measurement and analysis. It specifically covers the following; research design, target population, sampling design, data collection instruments, data collection procedures and finally data analysis.

#### **3.2 Research Design**

A descriptive design was used by the researcher to carry out the study. The design analyzed brand strategy, customer acquisition, use of technology, customer trust and their relationship towards sustainable competitive advantage. The design also described the objectives and the population through the data collected and tabulation of frequencies on research variables such as gender, education, length of service and other organizational information and their interaction.

#### **3.3 Target Population**

The target population of the current study comprised seven pre-hospital services company in Kenya which were the largest in the country at the time of the research. Due to resource constraints; time and money, the research targeted 30 full time employees who are at the middle management level within the seven organizations and from the sales and marketing departments. These portions of staff are deemed to be well conversant with the organizations' relationship marketing strategies, competitive advantages gained and general customers' needs.

#### **3.4 Sampling**

To examine relationship marketing and sustainable competitive advantage in large pre-hospital service companies in Kenya, the study used the censoring technique to obtain its sample. Because of lack of data, 7 ambulance services provision companies were chosen from the total of 21 companies and 2 respondents from each of the 7 companies obtained; assuming that the other companies have more or less the same nature and characteristics so that the obtained results can be generalized for the entire sample of the ambulance

services providing companies. A total sample of 14 respondents was utilized by the study. Table 3.1 gives the list of companies included in the sample.

**Table 3.1: Census List**

<b>Company</b>	<b>Sales and Marketing staff</b>	<b>Respondents</b>
1. Eplus Limited	5	2
2. St. John' Ambulance Services	4	2
3. AAR Limited	6	2
4. AMREF Flying Doctors	5	2
5. Nairobi Hospital	6	2
6. Medics 24	2	2
7. Swift Paramedic	2	2
<b>TOTAL</b>	<b>30</b>	<b>14</b>

**Source: Researcher (2016).**

### **3.5 Data Collection**

Both primary and secondary data were collected using quantitative and qualitative approaches. The research deployed semi-structured questionnaires in the collection of primary data from respondents at the middle level management. The questionnaires contained both open-ended and closed-ended questions. The questionnaires were designed to be completed by two respondents from each of the listed companies with minimal or no assistance from the researcher. The respondents were left with the questionnaires to fill for collection after two to five days. To supplement the data, secondary data was obtained from published documents in relation to the population of interest.



### **3.6 Data Analysis**

Qualitative data was analyzed using content analysis method. The qualitative data beefed up the results obtained from the quantitative data. The questionnaires were checked for completion in filling then the responses were coded for analysis. The characteristic set up of the target population and study areas were measured using descriptive statistics. Various descriptive statistics measures were determined including proportions and measures of central tendency such as mean, standard deviation (SD), mode, median and ranges. Further, inferential statistics was applied to analyse the data including Pearson's correlation that was used to test the strength of association between categorical variables.

## CHAPTER FOUR

### DATA ANALYSIS, RESULTS AND DISCUSSION

#### 4.1 Introduction

The objective of the study was to determine the effect of relationship marketing and sustainable competitive advantage in large pre-hospital service companies in Kenya. This chapter presents the analysis, findings and discussion of the same. Percentages, frequency distributions, mean, standard deviations and Pearson's correlation were used to summarize the findings. A total of 14 questionnaires were distributed to the respondents and 12 were submitted. This indicated an approximate response rate of 86%.

#### 4.2 Organizational and Respondents Information

The study sought both demographic and organizational information from the respondents. The demographic information considered in this study included gender of the respondents, age of respondent, level of education, length of continuous service with the organization, rank of the respondent in the organization and the department. Organizational information collected included number of staff, organizational competitiveness and customer relations.

##### 4.2.1 Gender of respondents

**Table 4.1: Gender of the respondents**

Variable	Frequency	Percentage %
<b>Gender of respondent</b>		
Male	7	58.3
Female	5	41.7
	12	100.0

**Source: Field data (2016)**

Table 4.1 summarizes findings on the gender of the respondents. From the responses, 7 respondents representing 58.3% of the respondents were male while 5 representing 41.7% were female.

## 4.2.2 Age of Respondents

**Table 4.2: Age of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18 - 35	5	41.7	41.7	41.7
36 - 50	4	33.3	33.3	75.0
50+	3	25.0	25.0	100.0

**Source: Field data (2016)**

Table 4.2 summarizes the age distribution of respondents. The findings shows that 5 out of the 12 respondents are in the age bracket of 18-35, representing 41.7%; 4 respondents representing 33.3% are in the age of 36-50, while 3 of the respondents representing 25.0% are above 50 years in age. This implies that over 58% of the respondents are over 35 years of age.

## 4.2.3 Level of Education

**Table 4.3: Education level**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Primary	0	0.0	0.0	0.0
Secondary	1	8.3	8.3	8.3
Tertiary	11	91.7	91.7	100.0
Total	12	100.0	100.0	

**Source: Field data (2016)**

Table 4.3 indicates the level of education for the respondents. The results, shows that out of the 12 respondents, none had Kenya Certificate of Primary Education (K.C.P.E) as their highest attained while 1(8.3%) have only attained Kenya Certificate for Secondary Education (K.C.S.E). 11(91.7%) have a tertiary certificate which indicates that the respondents had a college certificate, diploma or degree. The findings imply that the organizations mostly employed educated staff in their sales and marketing divisions who are able to implement their relationship marketing strategies.

#### 4.2.4 Employee Details

**Table 4.4: Length and rank of service**

Variable	Frequency	Percentage %
<b>Rank of Service</b>		
Top Management	7	58.3
Middle Management	3	25.0
Low Management	2	16.7
<b>Length of Service</b>		
Less than 2yrs	2	16.7
2 – 5 yrs	6	50.0
6 – 10 yrs	3	25.0
Above 10 yrs	1	8.3

**Source: Field data (2016)**

Table 4.4 indicates that, 7(58.3%) of the respondents were from the top management in their organizations, 3(25.0%) of the respondents served in the middle management levels in their organizations whereas only 16.7% of the respondents representing were from the low level management staff. This depicts that most (10, 83.3%) of the respondents are in the decision making bracket hence very conversant with their organizations' relationship marketing strategies and the resultant effect on sustaining competitive advantage.

Table 4.4 also show that 2(16.7%) of the respondents indicated that they had worked in their respective companies for not more than a year, 6(50.0%) of the respondents indicated that they had worked in their organizations for a period between 1 and 5 years while, 3(25%) of the respondents indicated that they have worked in their organizations for a period between 6 to 10 years while only 1(8.3%) of the respondents had worked for the organization for more than 10 years. The results depict that majority of the respondents 10(83.3%) have worked in their respective organizations for more than 2 years, an indication that they understand the relationship marketing and sustainable competitive advantage strategies employed by their organizations and the resultant successes registered.

## 4.2.5 Organizational information

Table 4.5: Organizational Information

Variable	Frequency	Percentage %
<b>Staff employed by the organisation</b>		
Below 50 staff	2	16.7%
51 – 100 Staff	2	16.7%
101 – 300 Staff	4	33.3%
Above 300 Staff	4	33.3%
<b>Regional Offices</b>		
yes	10	83.3%
No	2	16.7%
<b>Adequacy of staffing in Customer Services Department</b>		
Very Adequate	1	8.3%
Adequate	5	41.7%
Not Adequate	4	33.3%
Very Inadequate	2	16.7%
<b>Has the organisation defined its mission and goals?</b>		
yes	9	75.0%
No	3	25.0%
<b>Existence of well stipulated marketing plan</b>		
yes	7	58.3%
No	5	41.7%
<b>Competitiveness of the Organisation</b>		
Very Competitive		
Competitive	3	25.0%
Not Competitive	4	33.3%
Uncompetitive	4	33.3%
	1	8.3%
<b>Regularity in collecting feedback from clients pertaining customer services</b>		
Very Often		
Often	1	8.3%
Not Often	2	16.7%
Very Rarely	7	58.3%
	2	16.7%

Source: Field data (2016)

Table 4.5 shows that 16.7% of the respondents confirmed that their organizations have an employee base of less than 50 employees while a similar percentage of respondents confirmed that their organizations have employed total employees ranging from 51 to 100. On the other hand, 8(66.7%) of the respondents depicted that their organizations have more than 100 employees. This implies that one-third of the organizations are mid-sized organizations, having employed more than 300 employees. Similarly, less than one-third of the organizations lack regional offices. This depicts that most of the organizations have a nationwide presence hence form a good basis for analysis. Table 4.4 also shows that 8.3% (1) of the respondents say that their organizations do not have adequate staffing in their customer services department whereas up to half (50.0%) of the respondents assert that their organizations are either not adequately or very inadequately staffed in the customers services departments.

Table 4.5 summarizes the findings on whether the organization has clearly defined its mission and goals to its customers. From the findings, two-thirds (75.0%) of the respondents say that their organizations have clearly defined their missions and goals to their customers and only 3(25.0%) of the respondents confirmed otherwise. Similarly, the findings of the study also reveals that 58.38% of the organizations have a well stipulated marketing plan whereas the remaining 41.7% of the organization do not have well stipulated marketing plan.

Table 4.5 also summarized the finding on the competitiveness of the organization, the finding revealed that 25.0% of the large pre-hospital service providing companies indicated that they are very competitive, 33.3% said that they were competitive, a similar percentage also indicated that they were not competitive while only 8.3% rated themselves as being uncompetitive. Regarding how regular the companies collect feedback from their clients, only 1 (8.3%) of the respondents indicated that their organization does it very often, 2(16.7%) of the respondents confirmed that their organization collects the customer feedback often while 7(58.3%) of the respondents indicates that their organization does collect the feedback but not often and 73.7% (2) of the organizations rarely collect customer feedback on their services. The results depict

that most of the organizations (75%) are not conversant with their customers' feelings pertaining their services.

### 4.3 Use of Technology

The study sought to determine whether the organizations implement the use of CRM technology and how technology generally relates to sustainable competitive advantage within the organizations.

#### 4.3.1 Use of CRM

The respondents were to indicate whether their companies use CRM in managing its customer relationships with its customers. The results are presented in Figure 4.2.

**Table 4.6: Use of CRM**

Variable	Frequency	Percentage %
<b>Use of CRM</b>		
Yes	8	66.7
No	4	33.3
	12	100.0
<b>If yes, how greatly?</b>		
Greatly Affected	6	75
Mildly Affected	1	12.5
Not Affected	1	12.5

**Source: Field data (2016)**

Table 4.6 summarizes the results on use of CRM. The results depicted that 66.7% of the large pre-hospital services companies use CRM to manage its customer relations while 33.3% had not implemented the use of CRM technology. Similarly, out of the companies that use CRM technology, 75% confirmed that the technology has greatly affected their customer relations, 12.5% said that their customer relations strategies have been mildly affected through use of CRM technology and an equal percentage cited that the CRM technology has had no effect on its customer relations strategies. The results indicate that majority of the companies utilize the technology in maintaining their customer relations.

### 4.3.2 Technology and Sustainable Competitive Advantage

**Table 4.7: Response on use of technology**

Aspects on use of technology	N	Min	Max	Mean	Std. Dev
Leverage on technology to gain competitive advantage	12	2	5	3.81	.685
Technology is treated as one of the main riders in the organization' processes hence its success	12	2	5	3.64	.682
The organization has successfully and intentionally integrated most of its processes technologically	12	3	5	3.02	.703
Use of technology to understand customer behaviour	12	3	5	3.85	.630
High costs limit complete integration of processes within the organization.	12	2	5	4.01	.884
Valid N (listwise)	12				

**Source: Field data (2016)**

Table 4.7 presents the results in relation to use of technology in achieving sustainable competitive advantage, the respondents were also asked about their opinion on several aspects. They were to indicate how satisfied they are with each one of them, as indicated on this scale; [1 = Strongly Agree; 2 = Agree; 3 = Not sure; 4 = Dissagree; 5 = Strongly Dissagree].

From the findings, the mean of 3.81 and standard deviation of 0.685 indicates that the organizations leverage on technology to gain competitive advantage. The mean of 3.64 with standard deviation of 0.682 reveal that technology is treated as one of the main riders in organizational processes. The mean of 3.02 and standard deviation of 0.703 indicate that the organization has not successfully and intentionally integrated most of its processes technologically. The mean of 3.85 and standard deviation of 0.630 indicate that



the organizations use technology to understand customer behaviour. The mean of 4.01 and standard deviation of 0.884 imply that high costs limit complete integration of processes within the organization. The findings imply that use of technology facilitate the organizations in achieving competitive advantage through enhancing organizational processes and understanding customer behaviour.

#### 4.4 Customer Acquisition

**Table 4.8: Customer acquisition**

Statements	Mean	Std Dev
The organization’s acquisition strategy is preceded by gaining of information from the potential customers.	2.11	0.678
Customer potential strongly determines their acquisition by the organization	3.00	0.775
The organization employs enough resources towards acquiring customers	2.33	0.886
The organization’s customer acquisition strategy has significantly impacted its performance	3.36	0.693
The organization devotes its resources to the pursuit of new customers other than deepening the current relationships	2.41	0.776
Enhancing customer retention within the organization facilitates customer acquisition	3.56	0.991
Use of technology has been a platform for customer acquisition	1.98	0.554

**Source: Field data (2016)**

Table 4.8 summarizes the responses on the impact of customer acquisition on their organization in a five point scale that ranged from ‘Strongly agree (1)’ to ‘Strongly Disagree’ (5). A standard deviation of >1.0 implies a significant difference on the responses obtained from the respondents pertaining the impact of the variable.

Table 4.8 findings depict that the organizations’ customer acquisition strategies are preceded by gaining of information from the potential customers (mean 2.11), Customer

potential doesn't necessarily determine their acquisition by the organization (mean 3.00) and it is not certain that the organizations' customer acquisition strategies significantly impact their performance (mean 3.36). The results also show that the organizations employ enough resources towards acquiring customers (mean 2.33) and more resources are devoted by the organization in pursuit of new customers other than enhancing existing relationships (mean 2.41). Technology is also used to facilitate acquisition of customers (mean 1.98) while customer retention does not result to their acquisition (mean 3.56).

## 4.5 Brand Strategy

The study sought to find the use of brand strategy in achieving sustainable competitive advantage and the various features that determine the organizations.

### 4.5.1 Brand strategy and sustainable competitive advantage

**Table 4.9: Brand strategy and sustainable competitive advantage**

Aspects	N	Min	Max	Mean	Std. Dev
Continuous brand awareness campaign	12	3	5	3.88	.703
Brand strategy on economic value	12	3	5	3.72	.623
Customer demand on brand strategy	12	1	4	3.78	.601
Unique brand	12	3	5	3.84	.842
Organisational brand image	12	3	5	3.56	.992
Customer loyalty as a measure of brand strategy	12	3	5	3.64	.889
Valid N (listwise)	12				

**Source: Field data (2016)**

Table 4.9 summarized the responses on use of brand strategy in achieving sustainable competitive advantage.

From table 4.9, mean of 3.88 and standard deviation of 0.703 reveals that the organizations carry out continuous brand awareness campaigns. The mean of 3.72 and standard deviation of 0.623 depict that brand strategy moderately improve the organizations economic values. Similarly, the mean of 3.78 and standard deviation of

0.601 reveal that customer demand averagely affects the organizations' brand strategies. The 3.84 and 3.56 and standard deviations of .842 and .992 respectively reveal that the organizations have moderately unique brands and positive brand images while the mean of 3.64 and standard deviation of .889 depict that customer loyalty is a measure of success of the brand strategies employed by the organization.

#### 4.5.2 Brand features

**Table 4.10: Brand features**

<b>Brand Feature</b>	<b>Yes</b>	<b>No</b>
Brand Name	83.3%	16.7%
Brand logo	66.7%	33.3%
Brand Slogan	33.3%	66.7%
Brand Symbol	50.0%	50.0%
Brand Jingle	8.3%	91.7%

**Source: Field data (2016)**

Table 4.10 represents the findings on the brand features that identify their organizations most. The findings in the table reveal that the large pre-hospital services companies' brands are mostly identified by their brand name (83.3%) and brand logo (66.7%). The findings also indicated that only one-third (33.3%) of the companies are identified through brand slogans whereas only 8.3% of the brands are identified through brand jingles. However, there was an equally divided opinion on the organizations being identified uniquely through brand symbols.

#### 4.6 Customer Trust

The study sought to determine the various aspects of customer trust and how this aspect relates to sustainable competitive advantage.

#### 4.6.1 Aspects of Customer Trust

**Table 4.11: Observed aspects of customer trust**

Aspect	N	Min	Max	Mean	Std. Dev.
Enhancement of deliverables	12	2	5	3.81	.842
Organizational system and process upgrade	12	2	5	3.69	.832
Customer feedback	12	2	5	3.01	.912
Stabilization of quality of products and services offered	12	2	5	3.83	.814
Valid N (listwise)	12				

**Source: Field data (2016)**

Table 4.11 summarizes the respondents opinions using scale; [1= Very often, 2 = Often, 3 = Rarely, 4 = Very Rarely, 5 = Not at all] on the various aspects relating to customer trust are observed in their organizations. From the table, the mean of 3.81 and standard deviation of 0.842 reveal that the companies enhance their deliverables so as to develop customer trust, the mean of 3.69 with standard deviation of 0.832 reveals that on average, the companies upgrade their organizational systems and process while seeking to gain customer trust while the mean of 3.83 and standard deviation of 0.814 reveal that the companies seek to gain customer trust through stabilizing of products and services offered and the mean of 3.01 and a standard deviation of .912 reveal that the companies rarely collect customer feedback.

## 4.6.2 Customer Trust and Sustainable Competitive Advantage

**Table 4.12: Response on Customer Trust and Sustainable Competitive Advantage**

Aspects	N	Min	Max	Mean	Std. Dev
Investing in customer trust	12	1	5	3.54	.942
Customer satisfaction and their trust	12	1	5	3.51	.942
Enhanced customer trust has increased customer base	12	3	5	3.82	.683
Valid N (listwise)	12				

**Source: Field data (2016)**

Table 4.12 summarizes findings on the companies' use of customer trust in achieving sustainable competitive advantage. The responses were given in the following scale; [1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree]. From the table the mean of 3.54 with standard deviation of 0.942 indicates that the companies invest in enhancing customer trust so as to gain competitive advantage. The companies' satisfied customers have moderately resulted to improved customer trust as evidenced by mean of 3.51 and standard deviation of 0.942. The companies' enhanced customer trust has to a large extent increased their customer base as indicated by a mean of 3.82 and standard deviation of 0.683.

## 4.7 Competitive Advantage

**Table 4.13: Analysis of competitors**

Variable	Frequency	Percentage %
<b>Analyse competitors</b>		
yes	7	58.3
No	5	41.7
<b>If yes, how often</b>		
Very Often	1	14.3
Often	2	28.6
Not Often	3	42.8
Rarely	1	14.3

**Source: Field data (2016)**

Table 4.13 presents the summary of findings on whether and how often the company carries out an analysis on its competitors in the industry. More than one-half (58.3%) of the companies carry out an analysis of their competitors. The research also revealed that out of the companies that carry out an analysis, only 14.3% carry out the analysis very often and a similar percentage does it rarely. On the other hand, 28.6% of the companies carry out an analysis of their competitors often whereas the greatest proportion of these companies not often do the analysis.

**Table 4.14: Aspects of Sustainable competitive advantage**

Aspects	N	Min	Max	Mean	Std. Dev
Relationship marketing is key in maintaining sustainable competitive advantage	12	3	5	4.08	.703
Every employee should be involved in building the organization' sustainable competitive advantage	12	3	5	3.92	.623
Sustainable competitive advantage directly impacts the organization's overall performance	12	1	5	4.18	.685
Sustainable competitive advantage cannot be attained without an active management team	12	3	5	3.72	.701
Valid N (listwise)	12				

**Source: Field data (2016)**

Table 4.14 summarized the respondents' opinion on various aspects relating to competitive advantage. Their opinions were indicated using the scale; [1= strongly agree, 2= Agree, 3= Not sure, 4= Disagree, 5= strongly disagree]. From the findings, it was evident that there is a strong link between relationship marketing and sustainable competitive advantage. This is evidenced by a mean of 4.08 and standard deviation of 0.703. The mean of 3.92 with standard deviation of 0.623 depict that employees should be involved in building their organizations' sustainable competitive advantage strategies. The mean of 4.18 and standard deviation of .685 depict that the respondents strongly agree that sustainable competitive advantage directly impacts the organizations' overall performance while a mean of 3.72 with standard deviation of 0.701 reveal that respondents agree that sustainable competitive advantage cannot be attained without an active management team.

## 4.8 Correlational Analysis

**Table 4.15: Correlation Analysis**

		Use of Technology	Customer Acquisition	Brand Strategy	Customer Trust	Sustainable Competitive Advantage
Use of Technology	Pearson Correlation	1	.038	.128	.094	.048
	Sig. (1-tailed)		.397	.188	.284	.372
	N	12	12	12	12	12
Customer Acquisition	Pearson Correlation	.038	1	.232	.225	.082
	Sig. (1-tailed)	.397		.053	.084	.285
	N	12	12	12	12	12
Brand Strategy	Pearson Correlation	.128	.232	1	.225	.041
	Sig. (1-tailed)	.188	.053		.084	.387
	N	12	12	12	12	12
Customer Trust	Pearson Correlation	.094	.225	.225	1	.116
	Sig. (1-tailed)	.284	.084	.084		.240
	N	12	12	12	12	12
Competitive Advantage	Pearson Correlation	.048	.082	.041	.116	1
	Sig. (1-tailed)	.372	.285	.387	.240	
	N	12	12	12	12	12

**Source: Field data (2016)**

Table 4.15 presents the findings of the correlation analysis conducted to establish the effects of customer trust, brand strategy, use of technology and customer acquisition on achieving sustainable competitive advantage. From the findings, the Pearson Correlation = .048 indicates a weak positive correlation which implies that use of technology positively affects sustainable competitive advantage. The significance value of 0.372 (>



0.05) however indicates that the relationship is not statistically significant. On the other hand, The Pearson Correlation = .082 indicates a strong positive correlation which implies that customer acquisition positively affects sustainable competitive advantage. The significance value of 0.285 ( $> 0.05$ ) however indicates that the relationship is not statistically significant.

The study also tested the relationship between brand strategy and sustainable competitive advantage. From the results, Pearson Correlation = .041 indicates a weak positive correlation which implies that brand strategy positively affect sustainable competitive advantage. Lastly, the study tested for the relationship between customer trust and sustainable competitive advantage. Similarly, the Pearson Correlation value of 0.116 indicates a positive relationship that implies that customer trust positively affects sustainable competitive advantage. The relationships between brand strategy and customer trust to sustainable competitive advantage are statistically insignificant as depicted by the significance values of 0.387( $>0.05$ ) and 0.24( $>0.05$ ) respectively.

#### **4.9 Discussion**

The findings revealed that most of the large pre hospital service industries in Kenya have a larger part of their employees' base being of the age of between 18 to 35 years. This may be attributed to the fact that most of these organizations have not been in existence for long in the country. An issue that may be explained by the need of high expertise in the industry, the industry employees individuals with at least a secondary certificate with most of the employees having a tertiary academic qualification; certificate, diploma or degree. This was as a result of need for technical expertise in executing allocated duties

The study also revealed that the industry has more than half of its employees in the sales and marketing division who have served in the same company for not more than 5 years. This finding is attributed to the fact that the industry has been on the growth hence creating more employment opportunities. However, a slightly high staff turnover in the industry may also be used to partially explain the right number of staff with low length of service periods. The study further indicated that more than 60% of the large pre hospital companies have less than 300employees in total and up to 50% of them are inadequately

staffed in their customer service departments. This may be as a result of the industry being at its baby steps in the country. From the responses, nearly 60% of these companies are deemed competitive.

The study revealed that most of the large pre hospital service companies use CRM technology in managing its customer relations activities. The findings further indicate that the use of this technology has had a huge impact on customer relations activities. It was evident that the large pre hospital service providing companies leverage on technology to gain sustainable competitive advantage and therefore treat technology as one of the main riders in organizational processes. The use of technology has further facilitated the understanding of customer behaviour; this is also evidenced in the study conducted by Chen and Popovich (2003) on understanding customer relationship management (CRM). In this study, the concluded that there is need for organizations to integrate IT so as to improve their capacity in understanding customer behavior, developing predictive models, enhancing communications with customers and timely responding to those customers.

However, it was also revealed that the organizations have not successfully and intentionally integrated most of their processes technologically as aspect that was attributed to the fact that high costs are attached to technological integration hence limiting processes within the organization. The findings imply that use of technology facilitate the organizations in achieving competitive advantage through enhancing organizational processes and understanding customer behaviour. These findings resound the conclusion made by Thompson (2006) in his study on crafting and implementing strategy where he argued that technology gives room to companies to enhance their customer relationship plans.

It was evident from the findings that the large pre-hospital service companies are keen on acquiring customers. This further results to attaining of sustainable competitive advantage by the various organizations which is further depicted by significant improvement in the organizations' performance as it is also evidenced by Kumar et al. (2006). The findings evidenced that customer potential strongly determines their

acquisition by the organization. This implies that strategies entailing the acquisition of customers by the organizations is preceded by gaining of information from the potential customers. Gaining of relevant customer information enhances customer satisfaction through accurate identification of their needs. These findings are resounded in the study on the effects of customer acquisition and retention orientations on a firm's radical and incremental innovation performance conducted by Todd, Erick and Robert (2010) where they affirm an organization's need to focus on obtaining information on its potential customers, determining their business worth and issuing the necessary resources needed in obtaining those with a higher long-term business value. The results also depict that the organizations employ enough resources towards acquiring customers. The devoted resources are however committed more to the pursuit of new customers other than deepening the current relationships. It was also clear that technology was a platform used by the organizations to acquire customers and enhanced customer retention within the organizations has facilitated customer acquisition.

The study established that the large pre hospital service companies in the country employ the use of brand strategies to achieve sustainable competitive advantage. It is however evident that brand strategy moderately improves the organizations' economic values. Wanjau (2011) in her study on commercial banks where she investigated the effect of management of customer relationship on retaining of customers, also concluded that brands add both economic and strategic values to a company hence function as company's valuable assets. To enhance their brands, the study reveals that the organizations carry out continuous brand awareness campaigns. Most of the organizations however have moderately unique brands and positive brand images. The uniqueness in brand and positive brand image further facilitate the acquisition of clients and enhancement of customer trust. The findings also show that the organizations use customer loyalty to measure the success of their employed brand strategies. High loyalty further results to promotion of the brand by the customers loyal to it hence reducing marketing expenditure. The study established that the large pre-hospital service companies' brands are mostly identified by their brand names, brand logos and brand slogans. The findings also indicated that very few brands of these companies are

identified through brand jingles and up to half are being identified uniquely through brand symbols. The results are also depicted in the study conducted by Aggarwal, V.K and Arora, S., (2013) on global brands' impact of relationship marketing on customer loyalty. They concluded that relationship marketing strategy greatly impacts customer loyalty especially in global brands as satisfied customers tend to refer others.

The findings of the study establish that the large pre hospital service companies consider trust as an important aspect in maintaining its relationship with its customers. This is attributed to the fact that an organization's relationship with its customers cannot legally be formalized sometimes and that trust results to a positive attitude among the customers. The findings reveal that the companies employ several strategies geared towards developing customer trust. These strategies include enhancing their deliverables, upgrading their organizational systems and processes and stabilizing the products and services they offer. From the findings, the companies invest in enhancing customer trust so as to gain sustainable competitive advantage. It was also evidenced that the companies' that satisfied customers moderately resulted to improved customer trust. Additionally, the companies' enhanced customer trust have greatly improved their customer numbers.

The research also revealed that more than half of the pre hospital service companies carry out an analysis on their competitors. However, very few of these companies carry the analysis very often. From the findings, it was evident that there is a strong link between relationship marketing and sustainable competitive advantage and that sustainable competitive advantage directly impacts the organizations' overall performance. The study depicts that employees should be involved in building their organizations' sustainable competitive advantage strategies and the advantage cannot be attained without an active management team. The study also reveals that sustainable competitive advantage positively correlates with customer trust, brand strategy, use of technology and customer acquisition.

From the findings, the significance value of 0.372 ( $> 0.05$ ) in the relationship between use of technology and sustainable competitive advantage and the significance value of 0.285 ( $>0.05$ ) explaining the relationship between customer acquisition and sustainable

competitive advantage indicate that the relationships are not statistically significant. Also, the significance value of 0.387 ( $> 0.05$ ) depicting the relationship between brand strategy and sustainable competitive advantage implies that the relationship is not statistically significant. Similarly, the significance value of 0.24( $>0.05$ ) indicates that the relationship between customer trust and sustainable competitive advantage is not statistically significant.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

The summary of the findings from the preceding chapter, recommendation and conclusion of the study based on the objective of the study are presented in this chapter. The objective of the study was to establish the effect of relationship marketing and sustainable competitive advantage in large pre-hospital service companies in Kenya. The chapter also presents implication of the study on policy, theory and practice and suggestion for further study.

#### 5.2 Summary of Findings

It was evident that the large pre hospital service providing companies leverage on technology to gain sustainable competitive advantage and therefore treat technology as one of the main riders in organizational processes. Most of the organizations also manage their customer relations activities using CRM technology. However, these organizations have not successfully integrated most of their processes technologically due to the high costs attached to the process. It was evident from the findings that the large pre-hospital service companies are keen on acquiring customers. That further results to attaining of sustainable competitive advantage which is depicted by improvement in their performance. The findings also revealed that customer acquisition is strongly determined by their potential thus customer acquisition strategies first entails the gaining of information from the potential customers. This information enhance customer satisfaction through accurate customer need identification. In acquiring new customers, it was clear that most of the organizations employ enough resources. However, more commitment is directed towards the pursuit of new customers other than enhancing the current relationships.

The study established that the large pre hospital service companies in the country employ the use of brand strategies to achieve sustainable competitive advantage. It is however evident that brand strategy moderately improves the organizations' economic values. So

as to enhance their brands, the study revealed that most of the organizations conduct continuous brand awareness campaigns. These organizations however have moderately unique brands and positive brand images that are seen to facilitate the acquisition of clients and enhancement of customer trust. The success of the brand strategies are measured using customer loyalty as an indicator. The study also established that these companies' brands are mostly identified by their brand names, brand logos and brand slogans with very few brands being associated identified through brand jingles. The study also indicated that the large pre hospital service companies consider trust as an important aspect in maintaining its relationship with its customers. Strategies toward customer trust include enhanced deliverables, upgraded organizational systems and processes and stabilized services and products.

The research also revealed that more than half of the pre hospital service companies carry out an analysis on their competitors. However, very few of these companies do these analysis very often. The study also revealed a strong link between relationship marketing and sustainable competitive advantage. Each of the tested objective; customer trust, brand strategy, use of technology and customer acquisition, positively correlates with sustainable competitive advantage with each aspect having a statistically insignificant relationship with sustainable competitive advantage. On the other hand, sustainable competitive advantage directly impacts the organizations' overall performance.

### **5.3 Conclusion**

The study concluded that well stipulated relationship marketing strategies that incorporate all staff, are significant contributory factors to the pre hospital service industry in achieving and sustaining competitive advantage. Customer loyalty can also be used measure the level of success registered by the various strategies on relationship marketing deployed by the organization. Use of technology, customer acquisition, brand strategy and customer trust have positive effect on a company's ability to achieve and sustain competitive advantage. Technology can be used to collect information of potential clients before informed customer acquisition strategies can be deployed.

Additionally, good organizational brand strategies also result to enhanced customer trust and customer loyalty. Whereas achieved competitive advantage has a significant impact

on an organization's economic value. However, for the advantage to be sustained, the organization should ensure that its strategies are customer based and not easily duplicated by its competitors. Organizations should also carry out continuous analysis of their competitors in order to remain abreast of competition.

#### **5.4 Implication of the Study on Policy, Theory and Practice**

The study acknowledges the use of relationship marketing; customer trust, customer acquisition, brand strategy and use of technology to achieve sustainable competitive advantage within the large pre hospital service companies in the country. The findings of this study will be benefit to the entire pre hospital service industry in enhancing the general organizational performance through utilizing relationship marketing strategies to achieve and sustain competitive advantage. To the decision and policy makers in the industry, the study will enhance the management of relationship marketing processes. The findings will also offer a good reference to other researchers seeking to carry out a study in relation to the addressed topic. Policy wise, the study recommends a constant, deliberate and strategic use of relationship marketing aspects in seeking sustainable competitive advantage within the pre hospital service industry as the company stands to benefit.

#### **5.5 Recommendations**

The study recommends that the pre hospital service companies should carry out continuous and often analysis on their competitor's in order to grasp the competitive edge achieved by these organizations. This further enables the company to fill the gap in the services they offer at an informed platform.

The research also recommends that the large pre hospital service companies should improve on their strategies towards staff retaining so as to curb knowledge and experience drain for this may give advantage to their potential competitors. The companies should also enhance the number of employees serving within their customer relations departments in order to improve the execution and management of customer relationship management.



In relation to use of technology, the study recommends that the organizations should ensure successful and intentional integration of most of their processes technologically so as to enhance service delivery and customer satisfaction that further results to their retention. Additional funds should also be allocated towards the technological implementation processes.

The study revealed that most of the organizations' resources are aimed at attracting new customers other than maintaining the existing relationships. In relation to this, the study recommends that more resources should be allocated towards maintaining the existing relationships since this will reduce the costs involved in customer acquisition such as advertisements hence improve the organizations' profitability.

The study recommends that the large organizations should enhance their brand visibility and awareness through enhancing their brand symbols and use of brand jingles. All employees should also be involved in the organizations' strategies towards achieving and sustaining competitive advantage.

## **5.6 Limitation**

The study focused on large pre-hospital service companies hence did not cover small pre-hospital service firms. The research further limited itself its data source from the organization's head offices in Nairobi and from the sales and marketing departments of each of these companies. Some of the respondents were also not easily reachable as a result of conflicting schedules whereas others were not willing to give their feedbacks to the researcher citing strict organizational regulations on information issuance.

## **5.7 Area Suggested for Further Research**

The study sought to establish the effect of relationship marketing on achieving sustainable competitive advantage with a keen look at the large pre hospital service companies in Kenya. Similar studies can be carried out on other relationship marketing variables such as collaboration with customers, customer retention and customer satisfaction and their effect on achieving sustainable competitive advantage. Other studies can also be done on other industries other than the pre hospital industry or within the industry' small sized companies.

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# APPENDICES

## Appendix I: Letter of Introduction



**UNIVERSITY OF NAIROBI**  
**SCHOOL OF BUSINESS**

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE.....

**TO WHOM IT MAY CONCERN**

The bearer of this letter .....

Registration No.....

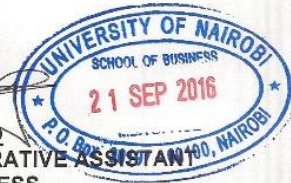
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
**PATRICK NYABUTO**  
**SENIOR ADMINISTRATIVE ASSISTANT**  
**SCHOOL OF BUSINESS**



## Appendix 2: Questionnaire to Employees

Questionnaire Number: \_\_\_\_\_

Interview Date: \_\_\_\_\_

### Instructions

- a) Please do not write your name on the questionnaire.
- b) The information you give will be treated with confidentiality
- c) Kindly provide answers to the questions as honestly and precisely as possible.
- d) Indicate your choice by a tick (√)

**Kindly answer the following;**

### SECTION A: GENERAL RESPONDENT INFORMATION

1. Gender of respondent  
Male  Female
2. Age of respondent  
18 – 35 years  36 – 50 years  50+ years
3. Level of Education  
Primary  Secondary  Tertiary
4. What level do you serve in at your organization?  
Top management  Middle management  Unionisable staff
5. How long have you worked for the organization?  
Less than 2yrs  1 – 5yrs  6 – 10yrs  Above 10yrs

### SECTION B: ORGANISATIONAL INFORMATION

6. How many staff has the organization employed?  
Below 50staff  51 – 100staff  100 – 300staff  Above 300staff
7. Does the organization have regional offices apart from Nairobi?  
Yes  No
8. In your opinion, how adequately staffed is the customer service department?

Very Adequately  Adequately  Not adequately  Very Inadequate

9. Has the organization clearly defined its mission and vision to its customers?

Yes [ ] No [ ]

10. Does the company have a well stipulated relationship marketing plan?

Yes [ ] No [ ]

11. How do you rate the competitiveness of your organisation?

Very competitive [ ] Competitive [ ] Not competitive [ ] very uncompetitive [ ]

12. How regularly does your organisation collect feedback from their clients pertaining their services?

Very often [ ] Often [ ] Not often [ ] Ver rarely [ ]

### SECTION C: USE OF TECHNOLOGY

13. Does your organization use of CRM (Customer Relationship Management) technology in managing its relationship with its customers?

Yes [ ] No [ ]

If yes, how greatly has it affected its customer relationship strategies?

Greatly Affected [ ] Mildly Affected [ ] Not Affected [ ]

14. Below statements relate to use of technology as a relationship marketing tool in achieving sustainable competitive advantage. Please indicate your opinion on the following dimension.

[1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Statements	1	2	3	4	5
a) The organization leverages on technology to gain competitive advantage					
b) Technology is treated as one of the main riders in the organization' processes hence its success					

c) There is a strong relationship between customer partnership with the organization and use of technology					
d) The organization has successfully and intentionally integrated most of its processes technologically in-order to remain competitive					
e) Technology is used by the organization to understand customer behaviour.					
f) High costs involved in technological advancements is the main factor limiting a complete integration of processes within the organization.					

#### SECTION D: CUSTOMER ACQUISITION

15. Below statements relate to customer acquisition and its impact on the organization. Please indicate your opinion in the given scale [1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Statements	1	2	3	4	5
a) The organization's acquisition strategy is preceded by gaining of information from the potential customers.					
b) Customer potential strongly determines their acquisition by the organization					
c) The organization employs enough resources towards acquiring customers					
d) The organization's customer acquisition strategy has significantly impacted its performance					
e) The organization devotes its resources to the pursuit of new customers other than deepening the current relationships					
f) Enhancing customer retention within the organization facilitates customer acquisition					
g) Use of technology has been a platform for customer acquisition					

**SECTION E: BRAND STRATEGY**

16. Below statements relate to brand strategy as an aspect relationship marketing in achieving sustainable competitive advantage. Please indicate your opinion on the following dimension.

[1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Statements	1	2	3	4	5
a) The organization continuously carries out brand awareness campaigns					
b) The organization’s brand strategy has resulted to an improved economic value.					
c) Customers’ changing demands have strongly advised the organization’s brand strategy.					
d) The organization’s brand uniquely identifies it within the market					
e) The organization has a strong positive brand image.					
f) The organization uses the customer loyalty to measure its success in brand strategy					

17. The following are common brand features. Please indicate which feature(s) identifies the organization’s brand most.

- i.Brand name                      Yes [ ]                      No [ ]
- ii.Brand slogan                      Yes [ ]                      No [ ]
- iii.Brand logo                      Yes [ ]                      No [ ]
- iv.Brand symbol                      Yes [ ]                      No [ ]
- v.Brand jingle                      Yes [ ]                      No [ ]

**SECTION F: CUSTOMER TRUST**

18. Below aspects relate to customer trust in connection with relationship marketing. Please indicate how often they are observed in your organization using the provided scale. [1= Very Often, 2= Often, 3= Rarely, 4= Very Rarely, 5= Not at all].

Aspect	1	2	3	4	5
Enhancement of deliverables so as to improve on customer trust					
Organizational system and process upgrade					
Collection of customer feedback					
Stabilization of quality of products and services offered					

19. Below statements relate to customer trust as an aspect relationship marketing in achieving sustainable competitive advantage. Please indicate your opinion on the following dimension.

[1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

Aspect	1	2	3	4	5
The organization invests in developing customer trust so as to gaining competitive advantage					
Customer satisfaction within the organization has increased their trust towards the organization					
Enhanced customer trust has increased customer base					

**SECTION G: SUSTAINABLE COMPETITIVE ADVANTAGE**

20. Does the organization conduct analysis of fellow competitors in the industry?

Yes [ ] No [ ]

If yes, how often?

Very often [ ] Often [ ] Not often [ ] Rarely [ ]

21. The following questions relate to sustainable competitive advantage. Please indicate your opinion on the following dimensions [1=Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Relationship marketing is key in maintaining sustainable competitive advantage					
Every employee should be involved in building the organization's sustainable competitive advantage					
Sustainable competitive advantage directly impacts the organization's overall performance					
Sustainable competitive advantage cannot be attained without an active management team					

**THANK YOU**



### Appendix 3: Work Plan

Items of Work/Activities	Year 2016					
	August	September	September	October	October	October
Proposal writing and submission						
Proposal Defense						
Preparation for and data collection						
Data analysis						
Project writing						
Submission of draft project for review						
Submission of final project						
Corrections and final submission						

### Appendix 4: Budget

<b>S. No.</b>	<b>Items</b>	<b>Specifications</b>	<b>Quantity</b>	<b>@ Ksh</b>	<b>Amount, Ksh</b>
1	Printing paper	A4, high quality	5 reams	500	2,500
2	Printer tonners		2	7,000	14,000
6	Data extraction ,processing and analysis	Lump sum			20,000
4	Transport	Days			4,000
7	Internet articles/journals	Lump sum			10,000
8	Miscellaneous				11,000
	<b>Total</b>				<b>61,500</b>